

Cabinet



Date & time
Tuesday, 29
October 2019 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:
[@SCCdemocracy](https://twitter.com/SCCdemocracy)

vicky.hibbert@surreycc.gov.uk
or
angela.guest@surreycc.gov.uk

Cabinet Members: Mr Mel Few, Mr Matt Furniss, Mr Mike Goodman, Dr Zully Grant-Duff, Mrs Julie Iles, Mr Colin Kemp, Mrs Mary Lewis, Mrs Sinead Mooney, Mr Tim Oliver and Ms Denise Turner-Stewart

Deputy Cabinet Members: Mrs Natalie Bramhall, Miss Alison Griffiths and Mr Mark Nuti

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

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If you have any queries regarding this, please contact the representative of Legal and Democratic Services at the meeting.

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING: (24 SEPTEMBER 2019)

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

3 DECLARATIONS OF INTEREST

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

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

NOTES:

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

4 PROCEDURAL MATTERS

a Members' Questions

The deadline for Member's questions is 12pm four working days before the meeting (23 October 2019).

b Public Questions

The deadline for public questions is seven days before the meeting (22 October 2019).

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

To consider any reports received.

6 LEADER / DEPUTY LEADER / CABINET MEMBER / STRATEGIC INVESTMENT BOARD / AND COMMITTEE-IN COMMON SUBCOMMITTEE DECISIONS TAKEN SINCE THE LAST CABINET MEETING (Pages 1 - 8)

To note there has been one delegated decision taken by the Cabinet Member for All-Age Learning since the last meeting of the Cabinet. Decisions taken by Committee-in-Common Subcommittee also attached for noting.

7 RELOCATION OF CRANLEIGH PRIMARY SCHOOL TO PROVIDE MODERN FACILITIES, AND TO EXPAND THE SCHOOL BY 1 FORM OF ENTRY, 210 PLACES (Pages 9 - 20)

To approve the business case for the rebuilding of Cranleigh C of E Primary School in the grounds of the adjacent Glebelands Secondary School with the disposal of the two existing school sites to provide funding for the scheme. The new building will include sufficient capacity to expand the school by one form of entry from 330 places (1FE infant, 2FE junior) to 540 places (2FE infant, 3FE junior) and 60 place nursery to include Free Educational Entitlement for Two-year olds (FEET) provision and will be delivered in 2021.

NB: There is a Part 2 annex at Item 15.

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

8 DECISION ON THE ROUTE TO MARKET FOR THREE IDENTIFIED EXTRA CARE SITES (Pages 21 - 56)

This paper sets out Surrey County Council's proposed route to market for the first three sites proposed for extra care housing. This will support our strategy to deliver accommodation with care and support by 2030 that will enable people to access the right health and social care at the right time in the right place, with appropriate housing for residents that helps them to remain independent, achieve their potential and ensures nobody is left behind.

.NB: There is a Part 2 annex at Item 16.

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

9 COMMUNITY RECYCLING CENTRES - UPDATE REPORT (Pages 57 - 78)

To implement the recommendations of the Cabinet that were agreed at the meeting on 29 January 2019 taking into account the report of the Waste Task Group that was considered at the Communities, Environment and Highways Select Committee on 19 September 2019.

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

- 10 ORGANISATION STRATEGY 2020-2024 AND THE NEXT PHASE OF TRANSFORMATION** (Pages 79 - 122)
- This report reflects on our progress since we originally agreed the Organisation Strategy on 30 October 2018, assesses the Council's current strategic context to identify emerging challenges and opportunities, and confirms how the Strategy and our transformation plans will adapt and respond to them.
- 11 FUNDING FLOOD RISK MANAGEMENT IN SURREY** (Pages 123 - 138)
- Surrey is a county at high risk of flooding, with more than 30,000 properties at risk from rivers and surface water sources. The Met Office is predicting more frequent severe rainfall in coming years. In the future, the cost of severe floods is expected to rise.
- In April 2017, Cabinet approved Surrey's Local Flood Risk Management Strategy which set out our vision: *"To make Surrey more resilient to flooding on a long-term basis through a co-ordinated approach with residents and partners"*. Cabinet is asked to consider how this can be achieved given the lack of Government funding.
- [The decisions on this item can be called in by the Communities, Environment & Highways Select Committee]*
- 12 DIGITAL BUSINESS & INSIGHTS PROGRAMME OUTLINE BUSINESS CASE** (Pages 139 - 158)
- The purpose of this report and outline business case is to inform a decision based on indicative costs and benefits to progress required procurement activities to upgrade or replace the council's existing SAP ERP (Enterprise Resource Planning) system. This is the technology platform for the management of the council's business critical Finance, HR, Payroll and Procurement processes.
- The outline business case is included in Part 2 of this report at Item 17.
- [The decisions on this item can be called in by the Resources & Performance Select Committee]*
- 13 MONTH 5 FINANCIAL MONITORING REPORT** (Pages 159 - 166)
- This report provides the details of the County Council's 2019/20 financial position as at 31 August 2019 (P5) for revenue and capital budgets and the expected outlook for the remainder of the financial year.
- [The decisions on this item can be called in by the Resources & Performance Select Committee]*
- 14 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

- 15 RELOCATION OF CRANLEIGH PRIMARY SCHOOL TO PROVIDE MODERN FACILITIES, AND TO EXPAND THE SCHOOL BY 1 FORM OF ENTRY, 210 PLACES** (Pages 167 - 172)

This Part 2 annex contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

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

- 16 DECISION ON THE ROUTE TO MARKET FOR THREE IDENTIFIED EXTRA CARE SITES** (Pages 173 - 186)

This Part 2 annex contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

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

- 17 DIGITAL BUSINESS & INSIGHTS PROGRAMME OUTLINE BUSINESS CASE** (Pages 187 - 194)

This Part 2 annex contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

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

- 18 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, 21 October 2019

QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

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

Please note:

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

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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

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

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

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

Thank you for your co-operation

SURREY COUNTY COUNCIL**CABINET****DATE: 29 OCTOBER 2019****REPORT OF: N/A****LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE****SUBJECT: LEADER/DEPUTY LEADER/CABINET MEMBER/ STRATEGIC INVESTMENT BOARD AND COMMITTEE-IN-COMMON 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, Strategic Investment Board and the Committee in Common subcommittee 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 Strategic 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 A** lists the details of decisions taken by Cabinet Members since the last Cabinet meeting and **Annex B** the decisions taken by Committee-in Common Subcommittee.

Contact Officer:

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

Annexes:

Annex A – Decisions taken by Cabinet Members

Annex B – Decisions taken by Committee-in-Common Subcommittee

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

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CABINET MEMBER DECISIONS OCTOBER 2019

CABINET MEMBER FOR ALL-AGE LEARNING

CONSULTATION ON ADMISSION ARRANGEMENTS FOR COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS FOR SEPTEMBER 2021

Details of decision

The Cabinet Member authorised the Service Manager – Admissions and Transport to go out to statutory consultation on the proposed changes to admission arrangements for community and voluntary controlled schools for September 2021.

Reasons for decision

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

(Decision taken by the Cabinet Member for All-Age Learning – 1 October 2019)

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COMMITTEES-IN-COMMON SUB-COMMITTEE DECISIONS 25 SEPTEMBER 2019

(i) 2019/20 BETTER CARE FUND PLAN

Details of decision

The following recommendations were agreed:

1. Agreed that the finalised 2019/20 Better Care Fund Plan is presented to the Surrey Health and Wellbeing Board for final approval on 3 October 2019.
2. Noted that the national planning conditions have been met, including the minimum CCG funding contribution, the minimum funding allocation to NHS Commissioned Out of Hospital Spend, and minimum funding allocation to Adult Social Care services.

Reasons for decision

The 2019/20 Better Care Fund plan for Surrey has been agreed following local discussions with a wide range of stakeholders, including strategic leaders, finance colleagues and commissioners. The areas of spend set out in the plan will support joint working to deliver integrated, holistic services that put Surrey residents at the centre of their health and social care services. A specific requirement of the Better Care Fund planning process is to secure approval of plans from the Council, the relevant CCGs and the Health and Wellbeing Board.

(Decision taken by the Committees-in-Common Sub-Committee – 25 September 2019)

(ii) APPROVE THE ENTERING OF A CO-OPERATION AGREEMENT BETWEEN SURREY COUNTY COUNCIL AND SURREY AND BORDERS PARTNERSHIP TRUST FOR THE DELIVERY OF AN INTEGRATED SUBSTANCE MISUSE TREATMENT SERVICE FOR ADULTS

Details of decision

The following recommendations were agreed:

1. Confirmed agreement for Surrey County Council and Surrey and Borders Partnership (SaBP) NHS Trust to enter into a proposed five-year co-operation agreement. After the initial five-year term, the co-operation agreement will automatically renew on an annual basis unless terminated. The agreement will be in compliance with Regulation 12(7) of the Public Contract Regulations 2015 (PCR 2015).
2. The final version of the proposed agreement is to be brought back to the Committees-in-Common sub-committee in December 2019 before sign-off.

Reasons for decision

As a large two-tier county, Surrey requires a high level of clinical and quality capabilities to safely deliver complex substance misuse treatment to adult residents who reside across multiple locations.

The current lead provider of the integrated substance misuse treatment contract, SaBP, has improved access to treatment and the delivery of evidence-based effective care pathways and recovery outcomes for Surrey residents. The existing provision benefits from extensive integration within existing Surrey health and social care systems, including co-location with a

specialist Adult Social Care team offering considerable synergies to support positive outcomes for Surrey residents. This includes people with needs which reflect severe and multiple disadvantages, which include: neglect, abuse, bereavement and homelessness.

In 2018 an Adult Substance Misuse Programme Board was established to develop an innovative adult integrated treatment model which includes a shared oversight and responsibility for:

- Delivery of treatment
- Performance outcomes
- Budget management, including establishment of open book accounting which has resulted in a more effective deployment of resources both within a reduced budget and managing any unexpected cost pressures

The delivery of the service has taken place against a backdrop of a significant reduction in budget: 24% savings were made from 2015/16 to 2018/19. Despite Surrey having the lowest Public Health allocation at £30 per head in England (2019/20), the Public Health England Spend and Outcome Tool (SPOT) identifies the current Surrey Substance Misuse treatment services as having a 'low spend but with better outcomes'. Provision is high quality, performs better or similarly to comparator local authorities, and is well-established with the population and key stakeholders.

Market engagement undertaken in July 2019 indicated that other providers had limited capability to deliver the clinical treatment elements of the specification and at the scale required in Surrey. They also do not benefit from SaBP's well-established integration in to mental health, health, social care and the criminal justice system. It is also noted that the transfer of provision could not be achieved without the risk of disrupting the stability of the recovery journey for Surrey residents.

(Decision taken by the Committees-in-Common Sub-Committee – 25 September 2019)

- (iii) IMPLEMENTING A STRATEGIC COMMISSIONING APPROACH TO SUPPORTED LIVING FOR ADULTS WITH A MENTAL HEALTH AND/OR SUBSTANCE MISUSE PROBLEM

Details of decision

The following recommendations were agreed:

1. Approved the implementation of the strategic commissioning approach to supported living for adults with a mental health and/or substance misuse problem.
2. Approved the award of Dynamic Purchasing System Agreements for Supported Living to the successful providers for the provision of high quality, value for money services to individuals.
3. The recommendation laid out in the Part 2 report was approved.

Reasons for decision

The strategic commissioning approach sets out Surrey County Council's market management structure and a clear message to the market in relation to future needs and our commitment to working in partnership across social care and health and with providers.

The award of Dynamic Purchasing System Arrangements for Supported Living will ensure people who require mental health and/or substance misuse support and use supported living

services in Surrey will be in provision that is specified to improve their outcomes and enable recovery at an affordable cost.

(Decision taken by Committees-in-Common Sub-Committee – 25 September 2019)

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SURREY COUNTY COUNCIL**CABINET****DATE: 29 OCTOBER 2019**

**REPORT OF: JULIE ILES, CABINET MEMBER FOR ALL-AGE LEARNING
MEL FEW, CABINET MEMBER FOR FINANCE**

**LEAD OFFICERS PHILIP ROCHE, SCHOOLS & MAJOR CAPITAL PROJECTS
MANAGER
LIZ MILLS, DIRECTOR EDUCATION LIFELONG LEARNING &
CULTURE**

**SUBJECT: RELOCATION OF CRANLEIGH PRIMARY SCHOOL TO
PROVIDE MODERN FACILITIES, AND TO EXPAND THE
SCHOOL BY 1FORM OF ENTRY, 210 PLACES**

SUMMARY OF ISSUE:

To approve the business case for the rebuilding of Cranleigh C of E Primary School in the grounds of the adjacent Glebelands Secondary School, with the disposal of the two existing school sites to provide funding for the scheme. The new building will include sufficient capacity to expand the school by one form of entry from 330 places (1FE infant, 2FE junior) to 540 places (2FE infant, 3FE junior) and 60 place nursery to include Free Educational Entitlement for Two-year olds (FEET) and will be delivered in 2021. It is intended that a 3G football pitch will be installed at Glebelands to mitigate any loss of playing fields.

RECOMMENDATIONS:

It is recommended that, subject to the agreement of the detailed financial information for the rebuilding of the school as set out in Part 2 of this agenda, the business case for the rebuilding of the school be approved.

REASON FOR RECOMMENDATIONS:

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Cranleigh area.

DETAILS:

1. Cranleigh C of E Primary School was formed as a voluntary controlled primary school by the merger of Cranleigh Infant School with St Nicholas C of E Junior School in September 2008. The school continues to operate across the two original sites of these schools with the infant site on Church Lane and the junior site on Parsonage Road, 150 metres apart in Cranleigh.
2. The school includes a specialist centre for children with communication and interaction (COIN) difficulties. This includes speech and language communication needs (SLCN) and autism. The centre provides up to 10 places for children aged four to seven years, who will be on the roll of the main school, with a separate published admissions number (PAN). The provision is for

children who will benefit from attending mainstream classes and from regular social interaction with their mainstream peers, but who also require regular access to additional specialist support, in order to achieve their educational outcomes.

3. An independent nursery provider, Acorn Nursery School, operates in the existing grounds of the school. Judged by Ofsted to be an 'outstanding' setting, the nursery has been co-located with the school since 1990.
4. In the reception year, the school admits one form of entry of up to 30 pupils; in year three the school accommodates two forms of entry. This means that the one form of entry joining the school in the reception year typically stays at the school through to year six, with an additional class admitted to the junior phase in year three. This additional year three intake provides junior provision for children from nearby infant schools namely Ewhurst C of E (Aided) Infant School.
5. The existing buildings on both sites are in poor condition and require extensive maintenance and repair. The proposal will address the condition issues and reduce future maintenance cost.
6. A funding bid to the Department for Education's (DfE) Priority Schools Building Programme 2 has been successful. This is to replace the reception year building on the infant site. Subject to approval from the DfE, it is anticipated that this funding will be redirected to the rebuild project. The amount to be awarded is subject to a detailed application which is currently being considered by the DfE. Further details are included in the report circulated in Part 2 of the agenda.
7. Operating on split sites is not ideal for a primary school, with staffing, resources, curriculum and facilities all separated, and in some instances duplicated. In addition, the existing buildings are in poor condition and are in need of significant maintenance and improvement. Therefore, for some time the Local Education Authority has been seeking to identify a way forward to bring the school onto one site with much improved accommodation, together with provision to allow for future increases in primary places in line with future residential development.
8. Therefore it is proposed to relocate and rebuild the school, nursery and COIN Centre onto one site in the grounds of the nearby Glebelands Secondary School, within larger accommodation to allow for future growth. The two existing school sites would then be released for residential development. Glebelands School have been consulted throughout the process for the delivery of this project.
9. The project has previously been considered at Cabinet in May 2015 and March 2017 in order to report on development, and seek approval to proceed to complete tender and when appropriate contract award.
10. Ofsted inspected the school in March 2016, and judged the school to be 'good' overall with three areas judged to be outstanding – effectiveness of leadership and management; personal development, behaviour and welfare; and early years provision. Officers are confident in the school's ability to manage the move to the new school, and the increase in pupil numbers.
11. In mitigation for loss of playing fields and to comply with the Sport England policy it is intended to install a 3G football pitch for school and community use at Glebelands.
12. A planning application for the scheme has been submitted and is expected to be decided upon at the October planning and regulatory committee.

CONSULTATION:

13. The senior leadership team and governors of Cranleigh C of E Primary School have been consulted on the proposals.
14. The senior leadership team and governors of Glebelands School have been consulted on the proposals.
15. In formulating the specific proposals for the proposed school relocation the project team met with the Cranleigh Local Plan team, Waverley Borough Council, the management of Cranleigh Sports & Social Club, Cranleigh Football Club and the Football Association.
16. The project was considered and approved at the September Corporate Property Panel meeting.
17. Additionally, open consultation events have been held as part of the pre-planning application process, to which all interested stakeholders were invited. Stakeholders invited included, staff pupils and governors of the school, headteachers from other local schools, Guildford Diocesan Education team, neighbours, parish, borough and county councillors, as well as members of the public.

RISK MANAGEMENT AND IMPLICATIONS:

18. There are risks associated with the project and a project risk register has been compiled and is regularly updated. The significant risks associated with this project are mitigation measures for the site being in a flood zone, potential archaeology, ecology (protected species), impact on mature trees on the site, ground conditions, contaminated soil, widening the access to the site and the possibility of discharging challenging planning conditions as a result of objections received. A contingency allowance appropriate to the scheme has been included within the project budget to mitigate for potential identified risks.

Financial and Value for Money Implications

19. The project will be subject to robust cost challenge and scrutiny to drive optimum value as it progresses. Further financial details are set out in the report circulated in Part 2 of the report. These details have been circulated separately to ensure commercial sensitivity, in the interest of securing best value.
20. Full details to be included in Part 2.

Section 151 Officer Commentary

21. The Section 151 Officer confirms that the full financial implications of this scheme are being considered and the details are included in Part 2.

Legal Implications – Monitoring Officer

22. Section 13 of the Education Act 1996 places a duty on a Local Authority (with responsibility for education) to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area.

23. This project satisfies Section 13 by the provision of 210 new primary school places and providing improved educational facilities for Cranleigh CofE Primary School and Glebelands School

Equalities and Diversity

24. The relocated school building will comply with Disability Discrimination Act (DDA) regulations.
25. There is no proposal to amend the admissions criteria, which are fully compliant with the School Admissions Code.
26. The school will be expected to contribute towards community cohesion and to provide the normal range of before and after schools clubs provided in a typical Surrey County Council school.

Corporate Parenting/Looked After Children implications

27. This proposal would provide increased provision for primary places in the area, which would be of benefit to the community served by the school. This means it would therefore also be of benefit to any Looked After Children who have the opportunity of attending the school.

Climate change/carbon emissions implications

28. The design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. Any adjustments to the built form of the school will be undertaken in line with the local planning authority's adopted core planning strategy.

WHAT HAPPENS NEXT:

If approved, subject to planning permission

- award the contract to commence construction of the relocated school
- commence the work to develop the planning application for the 3G football pitch, undertake a tender process and award contract via delegated decision
- market the existing sites for development- at the appropriate time in line with the construction programme.

Contact Officer:

Philip Roche, Schools & Major Capital Projects Manager– tel: 020 8541 8910
Mike Singleton, Interim School Commissioning Officer

Consulted:

School Leadership Team, including Governors
Local Headteachers
Dr Andrew Povey, Local Member: Cranleigh
Liz Mills, Director Education Lifelong Learning & Culture
Zak Hussain, Interim Strategic Finance Manager – Business Services
Waverley Borough Council
School Admissions Forum

Annexes:

Annex A - Site Plans and Images
Annex B - Map of Cranleigh showing Site Locations
Part 2 Report - with financial details attached as annex.

Sources/background papers:

- The Education Act 1996
 - The School Standards Framework Act 1998
 - The Education Act 2002
 - The Education and Inspections Act 2006
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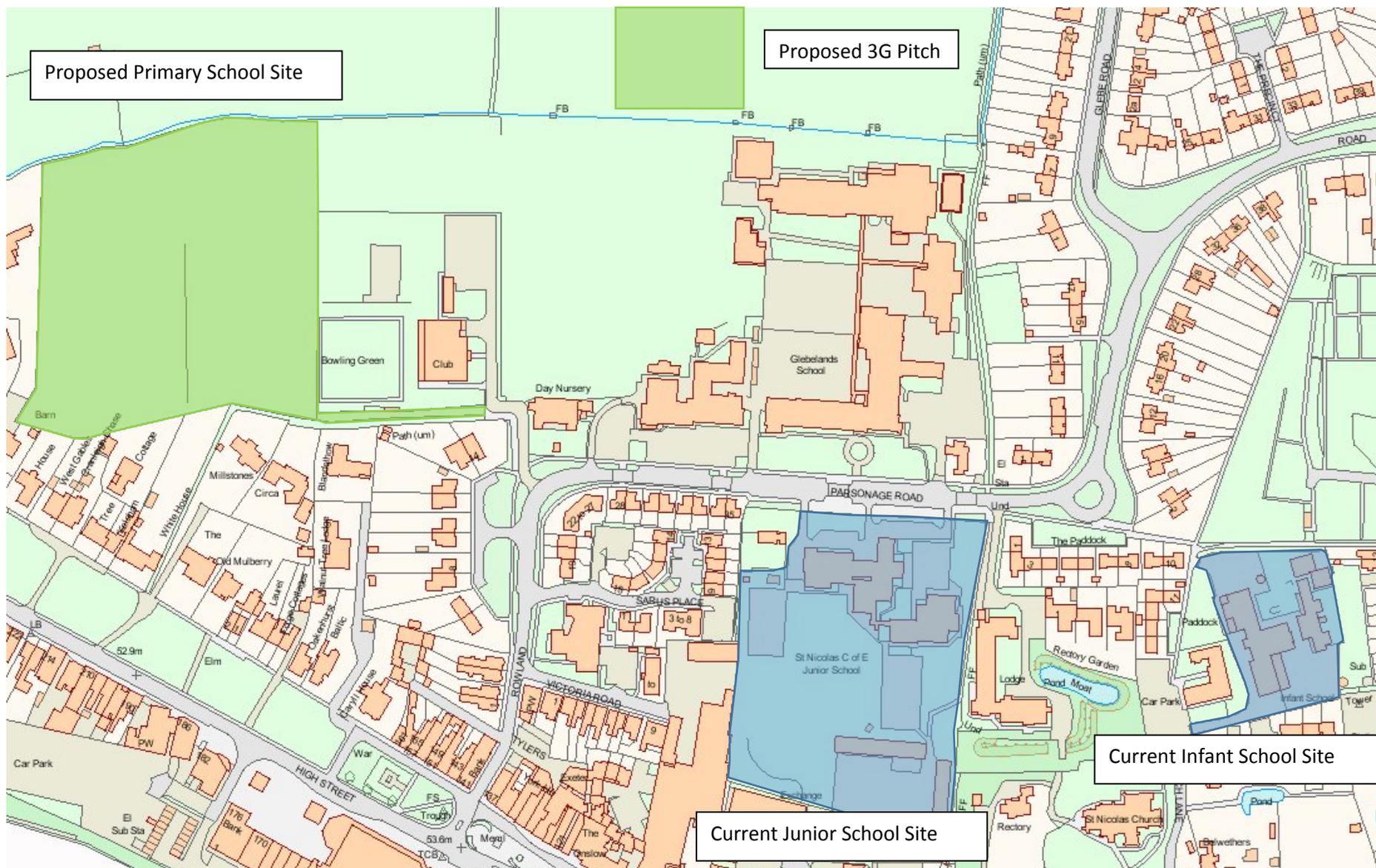
Cranleigh Primary School Annex 2 October 2019











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SURREY COUNTY COUNCIL**CABINET**

DATE: 29 OCTOBER 2019

REPORT OF: MRS SINEAD MOONEY, CABINET MEMBER FOR ADULTS & PUBLIC HEALTH

LEAD OFFICER: SIMON WHITE, INTERIM EXECUTIVE DIRECTOR FOR ADULT SOCIAL CARE

SUBJECT: DECISION ON THE ROUTE TO MARKET FOR THE THREE IDENTIFIED EXTRA CARE SITES

SUMMARY OF ISSUE:

A paper was brought to Cabinet in July 2019 setting out Adult Social Care's (ASC) Accommodation with Care and Support Strategy for Extra Care Housing for Older People and Independent Living Schemes for Adults with a Learning Disability and/or Autism¹.

This paper sets out Surrey County Council's ("the Council") proposed route to market for the first three sites proposed for extra care housing. This will support our strategy to deliver accommodation with care and support by 2030 that will enable people to access the right health and social care at the right time in the right place, with appropriate housing for residents that helps them to remain independent, achieve their potential and ensures nobody is left behind.

RECOMMENDATIONS:

It is recommended that:

1. Further due diligence is conducted with the Council's joint venture partner Places for People ("Joint Venture Partner") with a view to leasing the Brockhurst and Pinehurst sites set out in this paper to Living+, which is the housing with care development and operator arm of Places for People to develop extra care housing on these sites.
2. Decisions on the final terms of any agreement or lease through the Joint Venture Partner for the Brockhurst and Pinehurst sites is delegated to the Director for Land and Property and the Executive Director for Adult Social Care in consultation with the Cabinet Member for Finance and Cabinet Member for Adult Social Care and Health.
3. Approval to procure is granted so that a full tender process to identify a development partner for the former Pond Meadow School site set out in the paper can be conducted.

¹

<https://mycouncil.surreycc.gov.uk/documents/s57815/16.%20Accommodation%20with%20Care%20support%20Cabinet%20report%20July%202019.pdf>

4. Work continues to review the suitability of all of the sites owned by the Council for development of extra care housing as part of the Council's Asset and Place Strategy.

REASON FOR RECOMMENDATIONS:

The development of extra care housing on the three sites set out in this paper would represent a substantial contribution to the Council's strategic objective to expand affordable extra care provision by 2030.

The financial modelling set out in Part 2 of this paper demonstrates that the development of extra care on the sites generates much greater financial benefits over a 40 year period than the opportunity cost of not selling the land, subject to a S123 Best Value report. Any lease that is agreed for a site would be negotiated with conditions that safeguard the Council's position after the affordable extra care units become obsolete.

The rationale that underpins the recommended delivery model for each site is set out in the Part 2 paper.

DETAILS:

Background on the three sites

1. The three sites owned by the Council and proposed to be used for extra care developments are as follows:
 - Former Brockhurst Care Home, Brox Road, Ottershaw, Runnymede
 - Former Pinehurst Resource Centre, Camberley, Surrey Heath
 - Former Pond Meadow School, Guildford, Guildford
2. ASC's Accommodation with Care and Support Strategy presented to Cabinet in July 2019 set out the ambition to develop an additional 725 affordable units of extra care housing in Surrey by 2028. All of these sites have been successfully reviewed against the criteria for extra care developments that was set out in this paper and agreed by Cabinet in July 2019. This criteria is set out in Annex 1 and the red line drawings for each of the sites are in Annex 2.

Key assumptions for Extra Care developments

3. Based on reviews of the sites and feedback from potential developers it is estimated that the three sites proposed for development in this paper could yield between 116-165 affordable units, depending on the mix of tenure agreed for each site. These sites would therefore deliver between 16-23% of the Council's strategic ambition for extra care housing developments.
4. In addition to taking forward development of the sites set out in this paper, we will continue to review the suitability of other sites owned by the Council for extra care and explore further options with the market for delivering our extra care ambition. This could include securing nomination rights for affordable units in private developments on sites outside of the Council's portfolio as part of the planning application process through the local housing authority.
5. To be classified as affordable units, rents and service charges must be set at affordable levels. These are typically 20% below the private market level. Rents and the majority of service charges would be paid for by housing benefit administered by local district and borough councils.

6. We have reviewed the rents and service charges proposed by housing providers in their outline proposals for the sites identified with district and borough housing colleagues. They have confirmed that the levels proposed are very likely to be within what would be funded from housing benefit. Individuals would be expected to pay for certain elements of service charges, such as utilities, themselves as they would do in their own home.
7. The Council will have nomination rights for all affordable units. This will be secured through nomination agreements between the Council, the landlord and the local district and borough council. This will enable the Council to place people in affordable units who have eligible social care needs and to maintain an appropriate mix of needs across the whole site.
8. National evidence and learning from extra care schemes already used by the Council demonstrates the importance of maintaining an appropriate mix of needs to facilitate effective delivery of care and support and avoid extra care schemes becoming residential care homes in another name. Individuals placed by the Council in affordable units that the Council has nomination rights for, will always have eligible social care needs and so will have medium to high needs compared to the general population.
9. Where financial modelling indicates 100% affordable schemes are viable and offer best value, it is our intention to develop schemes on this basis. 100% affordable schemes will therefore be our default approach unless it is clear this is not viable or does not offer best value for residents.
10. The Council does not wish to be the landlord for extra care housing schemes. The collection of rents and service charges and ongoing maintenance of the sites will be contracted out through the procured housing provider.
11. Once a delivery model has been agreed for the construction of the extra care schemes, a separate procurement process will be conducted for the onsite care provider. The intention will be to seek Cabinet approval for the tender for the care provider through agreeing the relevant year's Annual Procurement Forward Plan.

Options for delivery of Extra Care on the three proposed sites

12. **Five options** are considered for the delivery of affordable extra care housing on the three sites owned by the Council and proposed for new developments:

- I. **Lease two sites to Living+ (subject to further due diligence) through the Joint Venture Partner and put the remaining site out to tender**

This is the recommended option. The rationale for this recommended option is set out in the Part 2 paper.

- II. **Do not develop extra care and instead sell the land.**

If the land were to be sold then this would generate capital receipts which could be used to reduce the borrowing costs and associated minimum revenue provision of the Council's capital programme. Although this clearly would not contribute to achieving the strategic ambition to expand affordable extra care provision, it is essential the Council can demonstrate best value use of its land. The financial benefits modelled to be achieved through the development of

affordable extra care housing on council owned land should therefore be greater than the benefits estimated to be achieved if the land were to be sold.

III. [Tender for a development partner to develop all the extra care schemes on council owned land on a design, build, finance and operate \(DBFO\) basis.](#)

The Council issued a Request for Information (RFI) to housing providers in September 2019 asking them to set out outline proposals for how they would intend to proceed with extra care developments across the three sites included in this paper. The financial analysis based on their responses is set out in Part 2 of this paper.

The tender process would require housing providers to submit proposals for how sites would be developed. These proposals would be scored against a set of quality and financial criteria to identify the best proposals for each site. It is estimated that it would take approximately a year to conduct the tender exercise and finalise details of the lease to the successful housing provider.

IV. [Utilise the Joint Venture Partner that the Council has already established that can develop all the extra care sites on Council owned land.](#)

Living+ is a regulated subsidiary of Places for People Group which provides accommodation and support for vulnerable client groups with complex needs, and would deliver the management and operation of the facilities through the Joint Venture Partner.

V. [The Council to lead and fund the development of the extra care facilities themselves.](#)

In this scenario the Council would commission an organisation to build the sites and would fund all of the development costs. The Council would also commission an organisation to manage the sites in terms of collection of rents and service charges and ongoing property maintenance, with the managing company paying the Council an annual fee.

The most obvious advantage of this delivery model is that the Council could retain full ownership of the sites throughout. However, this option would require the Council to borrow very significant sums in order to fund the development and research into such an approach indicates that it would be very difficult to successfully gain Homes England funding.

13. Financial analysis for all five options is set out in the Part 2 paper.

CONSULTATION:

14. The consultation for this report builds on the previous discussions that have occurred during the lifespan of this programme, as outlined in the July 2019 Cabinet report. Further consultation has been undertaken in preparation for this report. There have been meetings with ward councillors and senior officers in planning and housing departments in each of the district and borough councils where these sites are located. These meetings were chaired by the Cabinet Member for Adults and Public

Health with support from the ASC Assistant Director for Commissioning and Transformation.

15. In these meetings we shared the proposed use for the sites with colleagues in the district and borough councils. This provided the district and borough councils with an opportunity to share any feedback or raise any considerations that they may have on planning or development at this early stage.
16. These meetings were positive and members from the local councils gave their support for these sites to be used to increase extra care housing capacity in Surrey. We agreed to work closely in partnership as the plans develop and will endeavour to deliver a solution that is beneficial to residents, the Council and the district and borough councils.
17. In addition to these discussions, we also provided the market with an opportunity to share their business approach to developing these sites should there be a tender process, through our RFI. This information has been used to assess and identify the best route to market for developing these sites. Due to the sensitive and commercial nature of this information, the appraisals of these submissions are included in the Part 2 of this report. However this information allows us to fully assess the best route to market for the council to develop extra care housing on these sites for the greatest benefits.

RISK MANAGEMENT AND IMPLICATIONS:

18. There is a risk that once these sites have been launched the affordable units may not be effectively utilised by the Council. The financial modelling undertaken for these sites assumes 90% occupancy. Any void units below 90% would diminish the savings achieved for ASC for extra care compared to alternative forms of care, which would mean the Council would not be making best use of the land.
19. Voids would also adversely impact on the housing provider, because they will not receive the rent and service charges on these empty units. To mitigate against this risk, ASC will seek to identify individuals that will be suitable for extra care housing starting from a year before construction has been completed. This will provide us with adequate time to work with them, their families, friends and carers to prepare them for occupying the flats once they are available.
20. Once the sites are operational, ASC will continue to operate a nominations panel with district and borough colleagues to ensure any vacancies that occur are utilised as quickly as possible and that an appropriate mix of care needs is maintained across the sites.
21. There is a risk that the properties might not be developed to the required quality, standard and specification for extra care housing. If this were to be the case the development might not achieve the desired outcomes for residents, because of inappropriate design. To mitigate this risk, we will ensure throughout any tender and the construction process that all future developments are constructed to nationally published specifications and principles. This would include drawing on recognised standards such as the Housing our Ageing Population Panel for Innovation (HAPPI) principles.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

22. As set out in the Accommodation with Care & Support Strategy presented to Cabinet in July 2019, the development of extra care housing is expected to deliver financial savings compared to alternative forms of care for two main reasons.
23. Firstly, the design and nature of extra care settings means that in the vast majority of cases people should be able to live there throughout their remaining elderly life and avoid the need to go into residential and nursing care homes when their care needs increase. Some admissions into more expensive residential and nursing homes will therefore be avoided. It is estimated that the development of these three sites will avoid the need to commission between 37-48 residential care beds and 4-5 nursing beds per annum (assuming 90% average occupancy of the affordable units).
24. Secondly, the cost of providing care in people's own homes is typically cheaper in extra care settings compared to normal residences, due to a combination of the avoidance of travel costs for care providers, economies of scale that enable improved rota management by care providers and the average number of hours of care typically being lower for people in extra care settings.
25. Modelling based on the planned usage of the Council's new affordable extra care units indicates that the Council should achieve savings of £4,600 - £5,100 per unit per year, depending on the mix of affordable vs shared or private ownership units in a scheme, compared to traditional alternative forms of care. The development of the three sites proposed in this paper is expected to generate total care savings of between £0.6m - £0.8m per year. As set out in Part 2 of this paper.
26. Beyond the direct savings to the Council it is also important to recognise the wider financial benefits to the health and social care system. Evidence indicates that well managed extra care sites will typically result in fewer people requiring admission to hospital. This reduces pressure on the health care system as well as avoiding the higher levels of social care expenditure typically required following hospital discharge, as well as of course being better for people's wellbeing and independence.

SECTION 151 OFFICER COMMENTARY

27. The Council faces a very serious financial situation whereby there are still substantial savings to be delivered in the current financial year and identified for future years to achieve a sustainable budget.
28. The Section 151 Officer recognises the development of extra care housing will be important in helping to expand accommodation provision in the community to help older people maintain their independence that is more cost effective than traditional alternative forms of care.
29. In light of the Council's very serious financial position it is essential that the financial benefits derived from the development of new extra care schemes clearly outweigh any contribution the Council makes towards a scheme's development, whether through the use of Council owned land or capital investment. Financial modelling for the recommended delivery model for the three sites set out in this paper does clearly meet this test and also limits the Council's exposure to risk as the financial risks of the development and the ongoing delivery of the schemes will sit with the housing provider.

30. If Cabinet approves the recommendation to proceed with development of extra care housing schemes on the three sites, it will be important to ensure the Council works closely and swiftly with the housing provider and the relevant district and borough councils to finalise nomination agreements for the affordable units. As work progresses towards completion it will then be essential that individuals are identified who are suitable to move into the affordable units as close to the sites becoming operational as possible. Once the new schemes are operational, it will be important to track the costs of care provision across the affordable units and compare this to the modelled expenditure for affordable extra care so that this learning can be built into the proposed development of any further extra care schemes.

LEGAL IMPLICATIONS – MONITORING OFFICER

31. The Council as the owner of the land which it is considering selling or developing may dispose of, or develop, any land it owns. Existing rights and interests of the Council in land it owns are not affected by the Regulations. This is because Regulation 10 (1) (a) exempts such transactions from the Public Contracts Regulations 2015.
32. At this stage Cabinet has yet to decide what it wants to do with the land which could be sold as a freehold or on a long lease or developed by the Council. If the land were to be sold as a freehold or on a long lease the Council would need to show that it had obtained best value. This is a legal requirement under Section 123 of the Local Government Act 1972. To show best value has been obtained the Council may need to show that it had taken specialist external advice that sale of the land represented best value. Under Section 123(2) of the Local Government Act 1972 the Secretary of State's consent would be required before the Council could dispose of land as freehold or on a long lease at less than best value.

EQUALITIES AND DIVERSITY

33. An initial Equality Impact Assessment (EIA) is included as Annex 3, examining areas of consideration for any implementation of the Accommodation with Care and Support Strategy. Identified impacts at this stage centre on improved resident experience and outcomes, more people remaining independent within their own homes for longer and further consideration needed of people's natural communities, recognising that communities do not necessarily fit with statutory boundaries.

Safeguarding Responsibilities for Vulnerable Children and Adults Implications

34. Improving the accommodation options available for people with care and support needs could have a positive impact in terms of safeguarding, ensuring that vulnerable adults can live within safe, secure environments with appropriate care and support services designed around them.

Environmental Sustainability Implications

35. The Council will comply with best practice and any locally/nationally approved planning requirements.

Public Health Implications

36. Accommodation with care and support can positively impact on public health outcomes, including reductions in social isolation and/or loneliness; improved nutrition and hydration; increased wellbeing for residents participating in activities, such as exercise classes, and minimising the ill effects of fuel poverty and/or seasonal health risks.

WHAT HAPPENS NEXT:

37. If Cabinet approve the recommendations in this paper we will:
- i. Commence negotiation on the formal agreements for the development and operation for both the Pinehurst and Brockhurst sites with the councils residential Joint Venture Partner Places for People, which includes their operator arm Living+.
 - ii. Ensure provision is made in the Council's capital programme for any capital contribution the Council may be required to make towards the development of the two sites by Living+.
 - iii. Following Cabinet approval to procure for the former Pond Meadow school site, begin preparations to go out to market for a development partner for this site including market and stakeholder engagement and publication of an Official Journal of the European Union compliant tender.
 - iv. Continue to review the suitability of all of the sites owned by the Council for development of extra care housing as part of the Council's Asset and Place Strategy.

Contact Officer:

Simon Montgomery, Project Manager, 02082132745

Annexes:

Annex 1 - Site criteria for extra care housing

Annex 2 - Red line plans

Annex 3 - Equality impact assessment

Sources/background papers:

Adult Social Care Accommodation with Care and Support Strategy for Extra Care Housing for Older People and Independent Living Schemes for adults with a learning disability and/or autism <https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=120&MId=6328&Ver=4>

ANNEX 1 - SITE CRITERIA FOR EXTRA CARE HOUSING

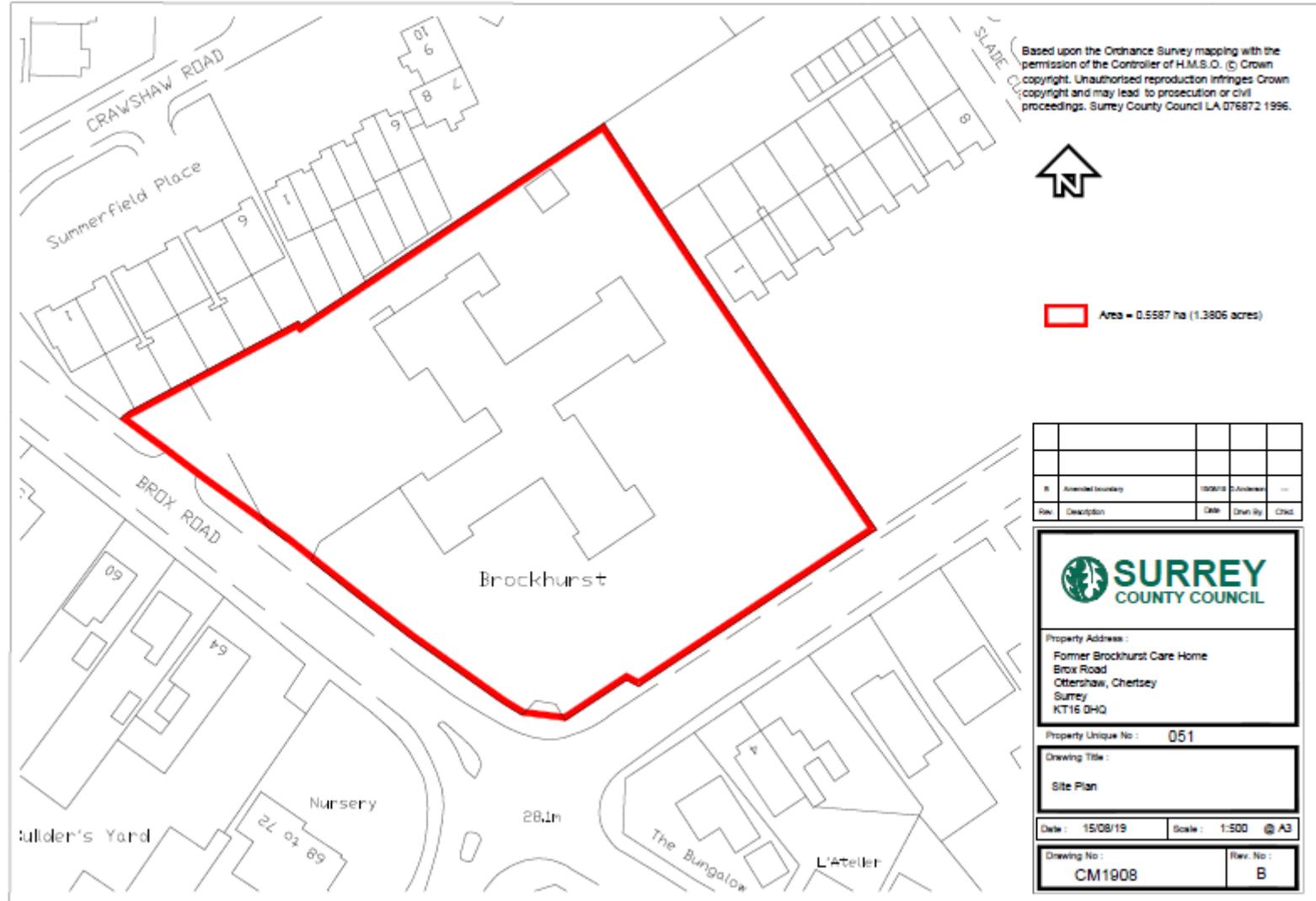
Scheme	Extra Care
Scale	1 acre (minimum 45 units)
Affordable units	Must generate sufficient care savings to outweigh the opportunity cost of the land Rents and service charges must fall within Local Housing Allowance limits
Assets	Cost neutral in respect of the asset. Potential care savings must be greater than the opportunity cost. If we provide financing of any kind (through the joint venture or subsidising individual projects) we must be in the position whereby the total care savings outweigh the level of subsidy or grant value as well as the opportunity cost of the land. Alternatively, the agreement to fund must include a repayment plan.
Site topography	Appropriate access to local amenities and community facilities (e.g. shops, banks, cafes, libraries, leisure centres, public transport)
Sustainability	Local demand for extra care Sufficient workforce in the vicinity to resource the service delivery. Location and performance of existing schemes, benchmarking rental costs Affluence and demographics, which impact proportion of private sale/private market units achievable (therefore how attractive this is to the private market who will use their own feasibility models)
Planning	Cannot be in green belt unless the development is being promoted in the local plan. Appropriate planning designation – in principle we have the ability to develop extra care on that site. In line with planning policy at the local district and boroughs. Neighbours and adjoining uses.

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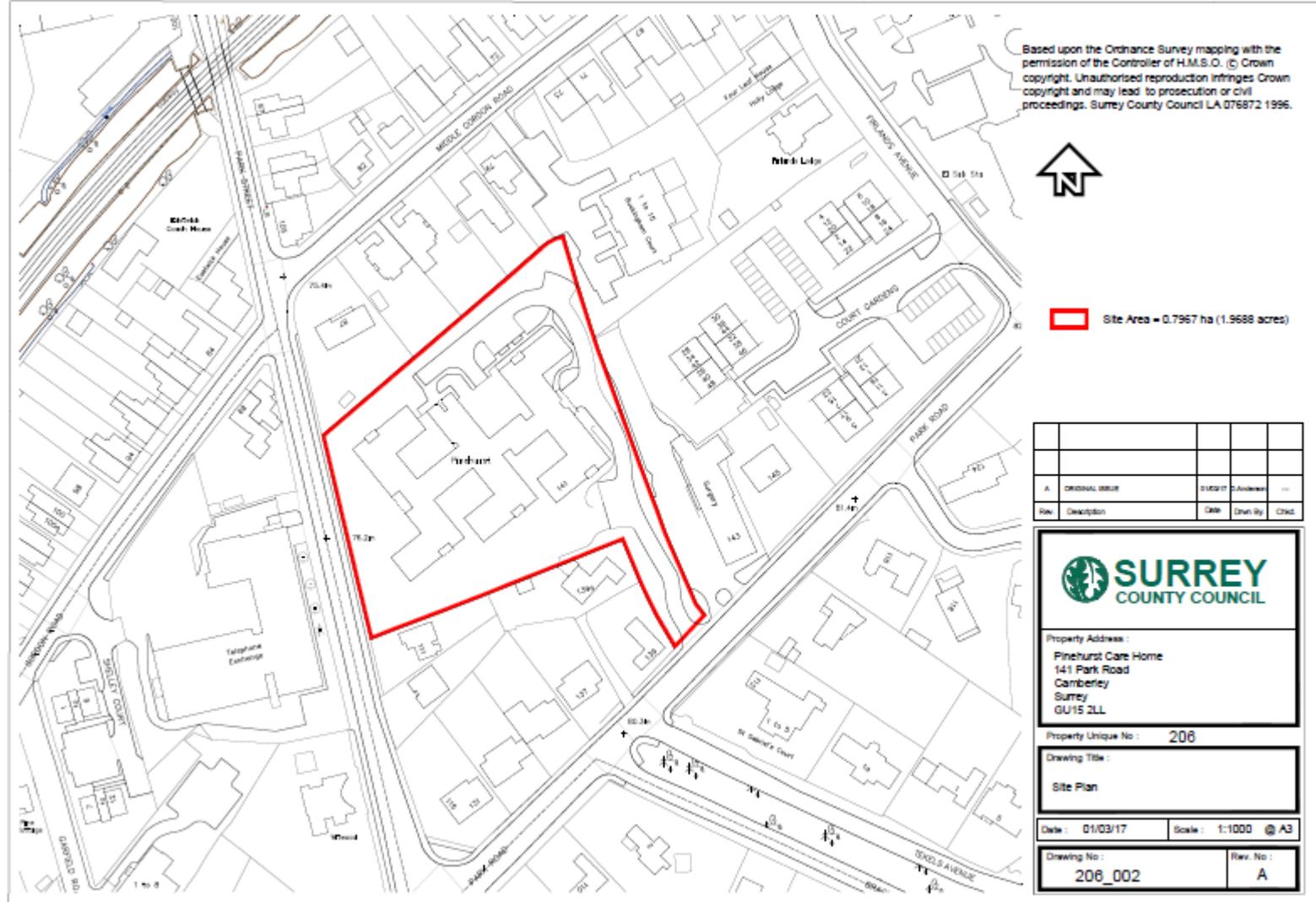
ANNEX 2: RED LINE PLANS

Former Brockhurst Care Home

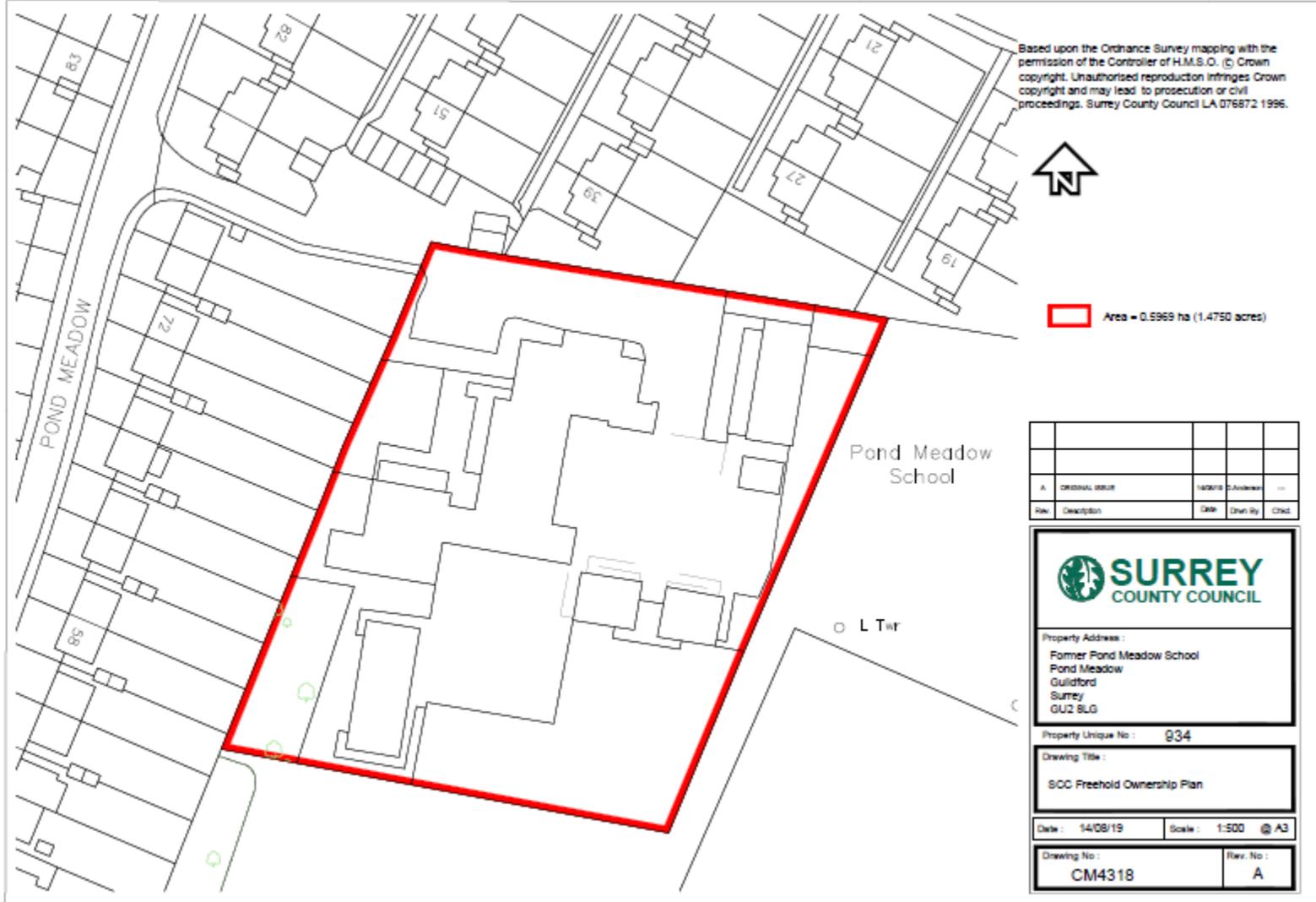
Page 31



Former Pinehurst Resource Centre



Former Pond Meadow School



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Annex 3 Equality Impact Assessment (EIA)

1. Topic of assessment

EIA title	Accommodation with Care and Support Strategy
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EIA author	Simon Montgomery – Programme Manager
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2. Approval

	Name	Date approved
Approved by	Simon White	24.06.2019

3. Quality control

Version number	V0.1	EIA completed	
Date saved	24.06.19	EIA published	

4. EIA team

Name	Job title	Organisation	Team role
Simon Montgomery	Programme Manager	Surrey County Council	Programme Manager
Mike Boyle	Assistant Director ASC Commissioning and Transformation	Surrey County Council	Accountable Executive

5. Explaining the matter being assessed

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

Surrey County Council (SCC) has set out a clear vision for Accommodation with Care and Support that seeks to reshape adult social care's accommodation options for older people, people with learning disabilities and mental health. The vision outlines the need to develop accommodation choices that meet residents' health and wellbeing needs and supports them to live as independently as possible as part of their local community.

The council has a responsibility to meet the needs of people eligible for care, to support both them and their careers, and to fund care for those people with needs who meet financial eligibility criteria.

The Accommodation with Care and Support programme is the vehicle for developing local partnerships and identifying opportunities to create a range of flexible and financially self-sustaining accommodation with care and support that will enable adults to live and age well in Surrey.

Older People

The predicted trend for accommodation needs shows a declining demand for 'traditional' residential care for frail, elderly people with the focus of residential services being predominately on people living with dementia and/or other complex needs. If SCC were to continue to deliver 'traditional' residential care as it has historically, by 2030 the number of residents aged over 65 who will be living in a care home is predicted to increase by 47% as a direct result of people living longer with more complex needs.

There is a growing popularity for extra care type accommodation, which is known to provide better outcomes for older people compared with residential care homes and is a more sustainable option for SCC. Individuals living in an extra care setting have a greater sense of independence and the ability to live much more flexibly and privately, yet with the knowledge that care and support is on their doorstep.

There is a need for new models of accommodation that appropriately meet care needs, encourage independence and are financially sustainable. The programme aims to achieve this through developing increased extra care type provision.

People with Learning Disability

SCC currently funds 1,075 people with a learning disability and/or autism in residential care and spends £84m per year. Benchmarking undertaken shows that SCC is a very significant outlier both in terms of the total amount spent on supporting people with learning disabilities and/or autism and the proportion spent on supporting people in residential care. Our strategic ambition is to reduce the number of people with a learning disability and/or autism in residential care by 40-50% over the next 5 years by expanding the development of new independent living provision.

Nationally there is a drive to move away from high cost 'one size fits all' residential placements, towards independent living facilities that offer increased choice and control. Independent living is personalised and results

	<p>in only paying for the care and support actually needed, with increased potential to access existing community supported offered within the county.</p> <p>Where possible this EIA will outline the potential impacts that the strategy / proposals could have on current users on accommodation based services; those who may choose or require a form of accommodation with care and support as their preferred option in the future; and families, carers and other associated stakeholders. Where potential impacts are identified, this EIA will seek and propose ways of enhancing them (positive impacts) or mitigating those (negative impacts) as far as possible. This EIA is important in ensuring all stakeholders have had their views considered and will inform local commissioning arrangements</p>
<p>What proposals are you assessing?</p>	<p><u>Older People</u></p> <p>The proposals are to provide circa an additional 725 affordable extra care units by 2028. This will be achieved through commissioning units and stimulating the extra care accommodation market.</p> <p>For the residential market, this will be achieved through the setting up of a framework for nursing and residential care beds, jointly with health to establish a financially viable, sustainable solution for residential and nursing care.</p> <p><u>People with Learning Disability</u></p> <p>For people with a learning disability and/or autism, the aim is to work with the market to sustainably deliver accommodation which is integrated into local communities, person centred, flexible and improves and maintains independence.</p> <p>The objectives are to:</p> <ul style="list-style-type: none"> • Transition circa 550 people that are currently in residential care and who are likely to be most suitable to move to alternative independent living. • Reduce the number of people with a learning disability and/or autism in residential care by 40-50% over the next 5 years by expanding the development of new independent living provision. • Aim to support all new cases (circa 90 a year) that transition from services funded by Children’s, Families, Learning and Culture in an independent living setting.
<p>Who is affected by the proposals outlined above?</p>	<p>The people who may be affected by proposals emerging from the Accommodation with Care and Support Strategy are:</p> <ul style="list-style-type: none"> • Current residents of accommodation with care and support • Older people • Families and friends • Carers • Clinical Commissioning Groups • Adult Social Care Locality Teams • Borough and District Housing Departments • Landlords and providers of existing schemes and services • Providers SCC commission

- Care providers
- SCC workforce

6. Sources of information

Engagement carried out

There has been comprehensive and ongoing engagement with existing users of accommodation with care and support, potential future users, carers, stakeholders, Clinical Commissioning Groups, Borough and District Partners - specifically housing and planning departments.

Wide scale engagement with providers of both extra care and residential nursing care has been undertaken with positive feedback at this stage.

SCC staff have also been heavily engaged with regarding this process specifically locality teams, hospital teams, SCDC's and officers from procurement, legal, finance, property services and Adult Social Care.

SCC have worked closely with health partners to thoroughly understand the demand for supported living across the county, collectively engaging with providers and service users.

Data used

- Improving Housing with Care Choices for Older People: An Evaluation of Extra Care Housing' – Netten, Darton, Baumker & Callaghan, 2011
- Various Housing LIN (Learning & Innovation Network) Bulletins
- Chestnut Court & Anvil Court Evaluation Report (2014 & 2015)
- Individual Resident Feedback Forms
- Group Consultation with Extra Care Residents (various schemes – 2012)
- Surrey CC - Extra Care Pathway Comparison Report 2015
- Surrey County Council Corporate Strategy 2015-2020
- The Future Direction of Extra Care Provision in the South East Region – Housing LIN, March 2011
- Accommodation with Care & Support Demographic Profiles covering each of the 6 NHS Clinical Commissioning Groups
- Updated data from Business Intelligence September 2018 to validate the commissioning statements
- Data from PLD commissioning August 2018 regarding demand and supply

Protected characteristic	Potential Positive Impacts	Potential Negative Impacts	Evidence
<p>Age</p>	<ol style="list-style-type: none"> 1. Resident will have increased choice with more accommodation options available to meet their care needs. 2. Flexible care that can adapt to individual needs, enabling them to remain in extra care housing as they age and their care needs change. 3. Accommodation that offers longevity with purpose built buildings that are fit for the future. 4. Evidence suggests residents in extra care type accommodation have better experiences and outcomes than in residential 	<ol style="list-style-type: none"> 1. Individuals and their families may experience uncertainty and anxiety with potential changes to the current service they receive 2. Consideration of resident's natural communities will need to be recognised, especially as these can cross over political/health boundaries. 3. People may feel isolated living independently in extra care housing 4. People may experience some disruption during any redevelopment and building work to expand the provision of 	<ul style="list-style-type: none"> • Chestnet Court and Anvil Court Evaluation Report (2014 & 2015) • Surrey CC - Extra Care Pathway Comparison Report 2015 • Housing LIN: Improving housing with care choices for older people – an evaluation of extra care housing.

	<p>care settings.</p> <ol style="list-style-type: none"> 5. Individual with more complex needs will be able to access more bespoke support locally. 6. Individuals will be able to live with appropriate care and support near their families and friends, continuing as part of their community in Surrey. Thus avoiding the risk of social isolation 7. Individuals will receive high quality care and support, in an integrated way between health and social care. 8. Preventative approach, reducing risk of being admitted to hospital, or needing to stay longer than necessary. 	<p>extra care services</p> <ol style="list-style-type: none"> 5. The shift towards community based provision may mean a decline in residential provision and consequently less choice for those individuals who want and need to be in a residential setting unless there needs are more complex 	
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<p>Disability</p>	<p>9. People with learning disabilities who are currently in residential care, but for whom Supported Living is considered a viable option during their reassessment process, will have the opportunity to live more independently, with support from family, friends and their community network</p>	<p>6. It will be more difficult for people with some particular disabilities to access community networks and appropriate supported living as their disabilities are less well understood and are more challenging to support.</p> <p>7. Individuals and their families may experience uncertainty and anxiety with strategic shift.</p> <p>8. It may be challenging for staff to have difficult conversations with service users and their families who may have a certain level of expectation and anxiety around their transition accommodation arrangements</p>	<ul style="list-style-type: none"> •
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<p>Gender reassignment</p>	<p>10. Accommodation with care and support options strive towards increased independence in which people will be empowered to shape their own lives. This approach will enable people who wish to do so, to access support from their friends, family and community which reflect their culture, race, lifestyle and personal choices.</p>	<p>9. There is limited specialist community provision for gender reassignment.</p>	
<p>Pregnancy and maternity</p>	<p>11. As above</p>	<p>10. Planned or actual changes in service provision for people who use services, who are pregnant or have a young child, may cause anxiety</p>	

Race	12. As above	13. There are relatively small concentrations of people of particular races in Surrey. This makes it more difficult to reach the critical mass needed to provide a range of community support networks.	In the 2011 census, the proportion of the Surrey population who do not describe themselves as white was 8.6%. This proportion is currently concentrated amongst those below the age of 65 ¹ .					
			White	Mixed/ multiple ethnic group	Asian/ Asian British	Black/ African/ Caribbean/ Black British	Other Ethnic Group	
			18-64	620,578	10,472	44,546	9,163	6,529
			18-65 as %	89.77%	1.51%	6.44%	1.33%	0.94%
			65+	189,260	676	3,532	437	561
			65+ as %	97.32%	0.35%	1.82%	0.22%	0.29%
			Open ASC cases as at Jan 2016²					
			Arab	4				
			Asian / Asian British	506				
			Black / Black British	200				
			Chinese	47				
			Mixed	169				
			Other	217				
			Unknown / Not Recorded / Information	800				

¹ POPPI/PANSI 2011

² AIS 01 2016

			<table border="1"> <tbody> <tr> <td>Refused</td> <td></td> </tr> <tr> <td>White British</td> <td>20626</td> </tr> <tr> <td>White Other</td> <td>976</td> </tr> <tr> <td></td> <td>23545</td> </tr> </tbody> </table>	Refused		White British	20626	White Other	976		23545				
Refused															
White British	20626														
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Religion and belief	14. As above		<table border="1"> <tbody> <tr> <td>Open ASC cases as at Jan 2016³</td> <td></td> </tr> <tr> <td>Christian (all types)</td> <td>16,280</td> </tr> <tr> <td>Other</td> <td>1,391</td> </tr> <tr> <td>Declined</td> <td>1,847</td> </tr> <tr> <td>Non-religious</td> <td>4,028</td> </tr> <tr> <td></td> <td>23,545</td> </tr> </tbody> </table> <p>Break down by over 65 population?</p>	Open ASC cases as at Jan 2016³		Christian (all types)	16,280	Other	1,391	Declined	1,847	Non-religious	4,028		23,545
Open ASC cases as at Jan 2016³															
Christian (all types)	16,280														
Other	1,391														
Declined	1,847														
Non-religious	4,028														
	23,545														
Sex	15. As above														
Sexual orientation	16. As above														
Marriage and civil partnerships	17. As above		According to census data from 2011 there are 482,257 people in Surrey who are married or in a civil partnership 1,602 of whom are in same-sex civil partnerships												
Carers (protected by association)	18. Extra care provides a collaborative setting in which family, partners	19. Carers may feel care they're providing is no longer needed	<p>In Surrey, 10% of Surrey residents were providing unpaid care. Of these, 2% provided more than 50 hours unpaid care per week⁴</p> <p>There are 188,433 carers in Surrey who look after family, partners or friends in need of help because they are ill, frail or disabled - the care they provide</p>												

³ AIS 01 2016

⁴ Surrey (Jan 2014) Census 2011

	<p>or friends, who are providing unpaid care, can get the added support needed particularly as an individual's care needs increase. This is without having to remove an individual from established community and networks that already support.</p>		<p>is unpaid</p> <p>In Surrey, in the first two quarters of 2015/16, there were 23,496 carers getting some form of information advice or support from social care through services commissioned from the voluntary sector.</p> <p>This compares to over 29,000 people caring for more than 20 hours a week of whom over 18,000 are caring for more than 50 hours a week⁵</p> <p>Those caring for 50 hours a week or more are twice as likely to be in poor health as those not caring (21% against 11%). This can be due to a range of factors including stress related illness and physical injury</p>
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7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	POTENTIAL POSITIVE IMPACTS	POTENTIAL NEGATIVE IMPACTS	EVIDENCE
Age	<ol style="list-style-type: none"> 1. Opportunity to work in a setting built to best practice 2. New opportunities, roles and responsibilities. Staff will have the opportunity to deliver a range of care and support services giving them more job enrichment (Expansion of extra care services) 3. Staff will develop a wider range of skills and experience 4. A joined up specification between health and social care will have positive benefits on care staff in accessing help and support for residents 5. Staff will have access to training provided by the local health and social care system. 	<ol style="list-style-type: none"> 1. There may be some level of uncertainty for staff during any change process 	<ul style="list-style-type: none"> • Feedback from Providers as part of previous extra care tender process
Disability	As Above	As above	The disability workforce profile in Adult Social Care is 3.34% (3.5% in Senior Management roles) compared to 2.7% in the larger Surrey County Council.
Gender reassignment	As above	As above	-

Pregnancy and maternity	As above	2. Women away on maternity leave may return to work untrained and unprepared for the new way of working	The Black and Minority Ethnic (BME) profile of the Adult Social Care workforce (12.7%) is higher than the Surrey County Council workforce (7.6%) and the Surrey population (approx 8%). However, there is a significant drop from front line staff (13.75%) compared with Senior Management (5.3%).
Race	As above	As above	-
Religion and belief	As above	As above	Approximately 50% of staff in Adult Social Care did not state their religion and belief – similar to Surrey County Council. In Adult Social Care 30.3% of staff said they were Christian, 20% have no religion or belief - all similar to Surrey County Council
Sex	As above	As above	There are a higher proportion of female workers in Adult Social Care (84.1%) than in Surrey County Council (73.5%) and both are higher than the count of females in the Surrey population (51%). 43.6% of the Adult Social Care workforce are women working part-time 85.9% of frontline staff are female, compared to 68.4% at Senior Management level. In the larger Surrey County Council, this is 81.1% and 50.1% respectively.
Sexual orientation	As above	As above	54% of staff in ASC of staff undeclared compared to 53.1% in SCC
Marriage and civil partnerships	As Above	As Above	-
Carers (protected by association)	As Above	As Above	-

8. Amendments to the proposals

Change	Reason for change
Widescale consultation with residents regarding any change to service.	To minimise and mitigate the impact of any change on them.
Establish and validate site criteria with Growth team	To ensure that future provision is done so in an area that needs it and that is suitable to provide good quality care and support.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Potential positive Impact on residents, service users and carers			
1. Resident will have increased choice with more accommodation options available to meet their care needs.	<ul style="list-style-type: none"> Work to ensure residents, service users and carers are fully informed of their accommodation options. Continue developing our own and stimulating the market to provide appropriate accommodation options within the county that accurately reflect need. 		
2. Flexible care that can adapt to individual needs, enabling them to remain in extra care housing as they age and their care needs change.	<ul style="list-style-type: none"> Work to ensure residents, service users and carers are fully informed of their accommodation options. Continue developing our own and stimulate the market to provide appropriate accommodation options within the county that accurately reflect need. 		
3. Accommodation that offers longevity with purpose built buildings that are fit for the future.	<ul style="list-style-type: none"> Continue developing our own and stimulate the market to provide appropriate accommodation options within the county that accurately reflect need 		
4. Evidence suggests residents in extra care type accommodation	<ul style="list-style-type: none"> Work to ensure residents, service users and carers are 		

<p>have better experiences and outcomes than in residential care settings.</p>	<p>fully informed of their accommodation options.</p> <ul style="list-style-type: none"> Continue developing our own and stimulate the market to provide appropriate accommodation options within the county that accurately reflect need. 		
<p>5. Individual with more complex needs will be able to access more bespoke support locally.</p>	<ul style="list-style-type: none"> Work to ensure residents, service users and carers are fully informed of their accommodation options. Continue developing our own and stimulate the market to provide appropriate accommodation options within the county that accurately reflect need. 		
<p>6. Individuals will be able to live with appropriate care and support near their families and friends, continuing as part of their community in Surrey. Thus avoiding the risk of social isolation</p>	<ul style="list-style-type: none"> Work to ensure residents, service users and carers are fully informed of their accommodation options. Continue developing our own and stimulate the market to provide appropriate accommodation options within the county that accurately reflect need. 		
<p>7. Individuals will receive high quality care and support, in an integrated way between health and social care.</p>	<ul style="list-style-type: none"> Continue to work as part of the Local Joint Commissioning Group to establish local integrated community-based health and social care services 		
<p>8. People with learning disabilities who are currently in residential care, but for whom Supported Living is considered a viable option during their reassessment process, will have the opportunity to live more independently, with support from family, friends and their community network</p>	<ul style="list-style-type: none"> Locality teams to re-assess individuals to confirm if supported living would be a viable option 		

<p>9. Accommodation with care and support options strive towards increased independence in which people will be empowered to shape their own lives. This approach will enable people who wish to do so, to access support from their friends, family and community which reflect their culture, race, lifestyle and personal choices.</p>	<ul style="list-style-type: none"> Continue to ensure that when accommodation is developed, commissioned, negotiation and nominated it is focused on the outcomes for the individual and that the inclusion of family, friends and local community support services in a support plan meets the needs of the individual 		
10. Potential Negative Impact on residents, service users and carers			
<p>11. Individuals and their families may experience uncertainty and anxiety with potential changes to the current service they receive</p>	<ul style="list-style-type: none"> Culture change will be embedded into SCC and the consideration of different accommodation options will form part of practice change. Ensure clear communication/marketing is in place in which people fully understand their accommodation options. 		
<p>12. Consideration of resident's natural communities will need to be recognised, especially as these can cross over political/health boundaries.</p>	<ul style="list-style-type: none"> Continuing to take a person centred approach. 		
<p>13. People may feel isolated living independently in extra care housing</p>	<ul style="list-style-type: none"> Explore ways to stimulate community support networks for people living in extra care housing in Surrey 		
<p>14. It will be more difficult for people with some particular disabilities to access community networks and appropriate supported living as their</p>	<ul style="list-style-type: none"> Explore ways to stimulate community support networks for people living in supported living housing in Surrey 		

<p>disabilities are less well understood and are more challenging to support.</p>			
<p>15. Individuals and their families may experience uncertainty and anxiety with strategic shift.</p>	<ul style="list-style-type: none"> • Culture change will be embedded into SCC and the consideration of different accommodation options will form part of practice change. • Ensure clear communication/marketing is in place in which people fully understand their accommodation options. 		
<p>16. There is limited specialist community provision for gender reassignment.</p>	<ul style="list-style-type: none"> • Explore ways to stimulate community support networks for Surrey’s gender reassignment community, which will also provide opportunities for inclusion of a protected communities 		
<p>17. Planned or actual changes in service provision for people who use services, who are pregnant or have a young child, may cause anxiety</p>	<ul style="list-style-type: none"> • Practitioners will continue to take all aspects of an individual’s social care needs into account when support planning and considering accommodation actions 		
<p>18. There are relatively small concentrations of people of particular races in Surrey. This makes it more difficult to reach the critical mass needed to provide a range of community support networks.</p>	<ul style="list-style-type: none"> • Continue review of areas for targeted effort and development, considering protected characteristic groups within that. This will also provide opportunities for inclusion of a protected community. 		
<p>19. Carers may feel care they’re providing is no longer needed</p>	<ul style="list-style-type: none"> • Ensure clear communication/marketing is in place in which people fully understand their accommodation options. Highlighting key links and collaboration with established community network 		

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<p>People may experience some disruption during any redevelopment and building work to expand the provision of extra care services</p>	
<p>The shift towards community based provision may mean a decline in residential provision and consequently less choice for those individuals who want and need to be in a residential</p>	

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<ul style="list-style-type: none"> • Flexible care and support services that are self-sustaining and value for money • Improved experience and outcomes for the individual • Individuals will be able to live with specialist care and support near their families and networks in Surrey.
<p>Changes you have made to the proposal as a result of the EIA</p>	<ul style="list-style-type: none"> • Widescale consultation with residents regarding any change to service. • Establish and validate site criteria with Growth team
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	
<p>Potential negative impacts that cannot be mitigated</p>	<ul style="list-style-type: none"> • None identified at this stage

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SURREY COUNTY COUNCIL

CABINET

DATE: 29 OCTOBER 2019



REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND WASTE

LEAD OFFICER: GILLIAN STEWARD, INTERIM EXECUTIVE DIRECTOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

SUBJECT: COMMUNITY RECYCLING CENTRES AND WASTE STRATEGY UPDATE REPORT

SUMMARY OF ISSUE

At their meeting on 29 January 2019 Cabinet considered a report about the operation of community recycling centre (CRC) service. This report included the option for a permanent closure of four sites from 1 April 2019 and the introduction of charges for construction wood.

Following further consideration, Cabinet resolved to defer closure of the four community recycling centres until 30 September 2019 - operating them as recycling only centres. It was agreed that during this period an assessment would be made of the different options proposed. The assessment was undertaken by a Task Group chaired by Cllr Andrew Povey and the Task Group reported to the Communities, Environment and Highways Select Committee on 19 September 2019.

The Task Group made a series of recommendations. Most notably that CRCs remain open, that charging for recycling of wood is not implemented and that the Council focuses greater efforts on encouraging residents to reduce the amount of waste they place into the system, provides more support to charities and social enterprise that enables greater reuse of materials and work to increase the recycling rates across the county. The Cabinet Member and the Cabinet welcome the report and the proposals it makes.

Surrey County Council has declared a climate emergency. This decision alongside the Government's emerging Resources and Waste Strategy has informed and strengthened the Council's work on the Green Futures Strategy.

This strategy, which will be presented to Cabinet in the New Year, is being developed using the principles of co-design with the residents of Surrey. It will be comprehensive and will include a range of initiatives and actions including an ambitious programme of tree planting, some greening of the verges and highways, increasing the use of Electric Vehicles by the County Council, rethinking the county's transport provision therefore, enabling residents to take fewer journeys by car and looking at options for the County Council to generate the energy it requires from renewable sources.

The strategy will also reflect the recommendations made by the task group. It will include a greater focus on and investment in encouraging residents to reduce, reuse and recycle,

setting out a revised plan for the Surrey Environmental Partnership and options for providing greater opportunities for charities and business to reuse materials from the county's waste stream.

The recommendations in this report, therefore begin this work.

RECOMMENDATIONS:

It is recommended that:

1. The CRCs at Bagshot, Cranleigh, Dorking and Warlingham are kept open on their current operational days and that they revert to accepting wood in addition to the current types of recyclables.
2. The Leatherhead CRC is reopened on a Friday to ensure there is always a facility close to the Dorking site which is able to accept a full range of waste. Officers will also undertake a review of the opening hours of all CRCs to determine the costs and resident benefit of extended opening hours. Any changes will be agreed by the Director for Environment, Transport and Infrastructure in consultation with the Cabinet Member for Environment & Waste.
3. Wood and roofing felt charges will not be introduced at any of our CRCs and alternative savings are sought through the implementation of initiatives to reduce waste volumes further at the CRCs, for example by the use of Automatic Number Plate Recognition Cameras. Further compensating savings should also be sought through initiatives to increase recycling rates at the kerbside and by seeking commercial opportunities which arise from the Government's Resources and Waste Strategy.
4. The existing charging scheme for rubble, soil, plasterboard and tyres is retained because removal of these charges is likely to result in a significant increase in volumes of waste dealt with at the CRCs and an associated cost in the order of £2 million per year.
5. Suez continue to develop the reuse shop offering, expanding the offering as far as possible and developing beneficial links with charities and other organisations such as HM Prison Service. Officers will review the operation during 2020, exploring whether there are alternatives that could deliver better value for money with recommendations for any changes to be agreed by the Executive Director for Environment, Transport and Infrastructure in consultation with the Cabinet Member for Environment and Waste.
6. The Cabinet Member for Waste and Environment lobby the government to remove the requirement to charge VAT at reuse shops.
7. The Council engages with the Surrey Environmental Partnership (SEP) to help develop a renewed county-wide promotional campaign aimed at increasing the quality and quantity of recycling targeting the lowest performers and promoting increased levels of recycling at our CRCs.
8. A strategy paper be prepared and presented to Cabinet in 2020 to take account of the Government's Resource and Waste strategy and the changing economic drivers for the effective management of waste as a resource.

9. An annual charge of £8.50 be introduced for van and trailer permits from 1 January 2020.
10. Officers consider a business case for the introduction of Automatic Number Plate Recognition cameras to provide data on site usage and prevent the unauthorised use of CRCs by traders.
11. The Council, working with Surrey Environmental Partnership, delivers effective communication campaigns to increase the quality and quantity of recycling collected at the kerbside and at the CRCs.

REASON FOR RECOMMENDATIONS:

To implement the recommendations of the Cabinet that were agreed at their meeting on 29 January 2019 taking into account the report of the Waste Task Group that was considered at the Communities, Environment and Highways Select Committee on 19 September 2019.

Background

1. On 29 January 2019 Cabinet considered a report that detailed how a further £1 million of savings could be achieved from the operation of the Community Recycling Centre (CRC) service. The key elements of these savings were from closing four CRCs, introducing charging for wood from construction works and the charging an application fee for van permits.
2. Not all of the recommendations of this Cabinet report were adopted. A summary of the decisions taken are listed below:
 - *Maintain the current prices residents are asked to pay for chargeable materials taken to the CRCs.*
 - *Retain the CRCs located at Farnham and Lyne (Chertsey) based on the current and predicted use of these sites*
 - *Introduce an annual permit application fee for vans, pickups and trailers*
 - *Retain the CRCs at Bagshot, Cranleigh, Dorking and Warlingham until 30 September 2019, but restrict their use to accepting recycling material only. During this period assess whether different models for operating and funding these four sites could achieve the same saving as closing them.*
 - *That the Cabinet Member for Environment and Waste establish a Task Group to work with officers to develop a new waste strategy for Surrey County Council by 30 September 2020 considering the implications of the Government's Resource and Waste Strategy and ensure the waste service is affordable within the current financial strategy.*
3. The Cabinet also resolved to introduce charges for construction wood and roofing felt. However on 28 May 2019 the Leader announced that charges for construction wood and roofing felt would be deferred pending the outcome of the Task Group review of the CRC service and for technical reasons it has been agreed with the Cabinet

Member for Environment and Waste that the introduction of charges for van permits will be deferred until 1 January 2020.

4. The Task Group was asked to provide an initial report back to the Communities, Environment and Highways Select Committee on progress which it did on 19 September 2019. The Task Group has produced some specific recommendations regarding the CRC service as well as setting out a direction of travel for the development of a new waste strategy. The waste strategy work will continue through a dialogue process with the Surrey Environment Partnership (SEP). A summary of the Task Group report is contained in **Annexe 1**, and officer recommendations to address the points raised by the Task Group are set out in paragraphs 29 to 34 below
5. The officer recommendations are made in the context of the financial pressures facing the Council through significant increases to the costs of managing recyclables and increased costs for dealing with residual waste. These cost pressures are being caused by the reduction in price for recyclables and the shortage of energy from waste disposal capacity, particularly in SE England.
6. In March 2018 the average gate fee charged by a materials recovery facility to process recyclables was less than £40 per tonne however by August 2019, this gate fee was nearer to £60 per tonne. Similarly gate fees for energy from waste facilities have increased by around £7 per tonne during the same period. Given that the Council is now dealing with over 90,000 tonnes per year of recyclables and over 200,000 tonnes per year of residual waste these increased prices have caused a cost pressure of over £3.2 million per year.
7. Our success in reducing the tonnage of waste delivered to our community recycling centres (See **Table 1** below) and the fact that waste tonnages from kerbside collections have remained static, despite a growth in housing numbers, means that we have been able to mitigate the cost impact to some extent. If we had not been able to reduce tonnages, the cost impact would have been much greater.

Key developments in waste management since 29th January 2019

8. In February 2019 the Government produced three key consultation documents around: Extended Producer Responsibility (EPR), Deposit Return Schemes (DRS) and Consistency in Collections. Surrey County Council responded to all of these consultations as an individual authority but also as part of the Surrey Environment Partnership (SEP). These three initiatives will be the most significant change to the way we deal with waste in a generation and will pose challenges to both Surrey County Council and the district and borough councils. They will fundamentally change the way waste is managed in Surrey in the medium to long term. DEFRA have provided a summary report of the consultation and more concrete proposals are expected over the coming months with implementation expected from 2023 onwards.
9. The initiatives around EPR and DRS are intended to shift the cost burden of managing household packaging waste from local authorities to producers, stimulate recycling markets and encourage more efficient and effective collection systems. The drive for more consistent collection systems is designed to increase the quality and the quantity of recycling collected in kerbside collections. A description of each of these initiatives is provided in **Annexe 2**
10. It is too early to say with any certainty what the exact effects of the three initiatives above will be on waste management in Surrey. However, it is likely to require investment in new equipment, collection systems and infrastructure. The government

have indicated that further consultations on EPR, DRS and kerbside collection systems will take place in the Spring/Summer of 2020.

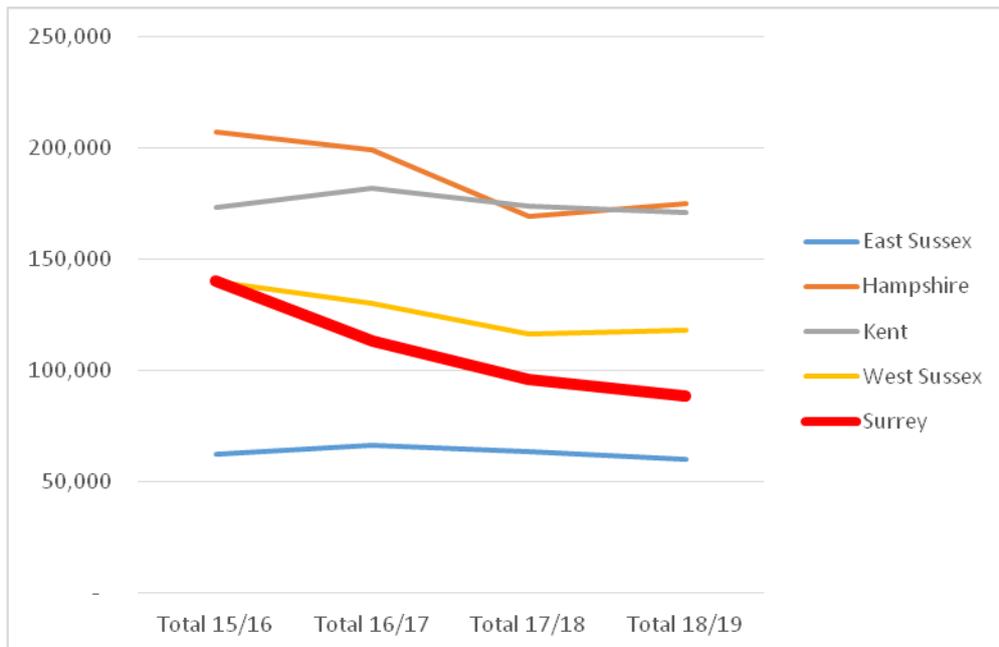
11. A second key development at a national scale has been the ongoing impact of Operation National Sword by the Chinese government and the associated media coverage of plastics being illegally disposed of in the Far East. The impact of this has been that the Far East has ceased to be an outlet for many recyclables particularly lower value commodities such as mixed plastics. While this has particularly affected the recycling collected at the kerbside by the districts and boroughs it does now have a serious financial impact on Surrey County Council as described above.
12. The lack of developed markets for recyclable products in the UK and Europe has led to an oversupply of material and a significant reduction in the prices paid for recyclables. Three or four years ago it wasn't uncommon to receive an income for mixed recyclable material delivered to a materials recovery facility because the value of the materials was greater than the cost of transporting, processing and separating them. Now however the average cost of transporting and processing those same materials is around £60 per tonne as compared with around £40 per tonne in March 2018. At the same time an over-supply in the market has led to re-processors demanding much higher quality standards, which has resulted in a greater proportion of material being rejected. The effect of this is that recycling rates in Surrey are falling. We need to do more to address this through publicity and education campaigns as well as working with the re-processors.

Changes to the use of community recycling centres

13. There has been a significant reduction in the quantity of waste brought to community recycling centres (CRCs) in Surrey and our neighbouring authorities over the past four years. However the reduction in waste at our own recycling centres has been much greater than that of our neighbouring authorities. In Surrey we have been particularly successful at implementing initiatives to reduce waste volumes at our CRCs. These initiatives have been progressively introduced since 2015/16 and details of these are set out in **Annexe 3**. The impact on tonnages collected can be seen in **Table 1** below.

Table 1: waste accepted at CRCs by year (Tonnes)

	Total 15/16	Total 16/17	Total 17/18	Total 18/19	% change
East Sussex	62,597	66,419	63,796	60,475	-3%
Hampshire	207,328	199,201	169,245	175,196	-15%
Kent	173,557	182,316	174,087	171,401	-1%
West Sussex	139,922	130,549	116,543	118,273	-15%
Surrey	140,509	113,649	95,958	88,970	-37%



14. Many other authorities have also introduced initiatives such as charging, changes to opening hours and van restrictions though not with the same success as Surrey. **Table 2** provides a summary of types and timing of these changes. However, it should also be noted that some are going further than Surrey and now banning non-resident waste as a means of reducing waste. Hampshire County Council are proposing to introduce a charge for non-residents using their sites in 2020 whilst West Sussex County Council are proposing a ban on non-residents from December 2019. Historically there have always been cross border movements of waste as some residents live closer to neighbouring county sites than their own county sites.

Table 2: Changes introduced by authority

	Charging	Van permits	Day closures	Opening hours	Reuse shops
East Sussex	Oct '18	No	Oct '18	Oct '18	pre 2015
Hampshire	Oct '16	2008	No	No	No
Kent	June '19	2012	No	No	No
West Sussex	No	Oct '18	Oct '16	Oct '17	No
Surrey	Sept '16	April '16	April '16 and Jan '18	April '16	April '17

15. Surrey County Council must thus prepare to receive additional waste at some of its sites that border Hampshire and West Sussex. In addition applying a reciprocal ban on waste imports from outside Surrey will need to be considered in some form to ensure we minimise the impacts of increased waste volumes. A further decision paper will be brought to the Cabinet Member once officers have discussed and considered the implications with our neighbouring authorities.
16. **Table 3** sets out the total tonnages of municipal wastes collected across Surrey. It shows that there has been only a small increase in the tonnage of material collected at the kerbside by district and borough councils and that when this is set alongside the falling tonnages at CRCs there has been an overall reduction in municipal waste tonnages across Surrey. It is interesting to note that the increase in garden waste collected at the kerbside is mirrored by a corresponding decrease in green waste

collected at the CRCs, most likely as a result of a greater take up in paid for kerbside collected garden waste services. Officers believe that the most likely explanation for the significant decrease in CRC tonnages is more effective control over trade waste as well as residents choosing to use alternative waste disposal services such as skip hire.

Table 3: Tonnages of materials collected at CRCs and in district and borough councils' kerbside collections between 2015/16 and 2018/19

	15-16	16-17	17-18	18-19
CRC Residual	29,050	24,148	22,338	21,435
CRC Green	35,817	32,551	28,175	25,952
CRC Wood	22,127	19,141	16,965	16,766
CRC Hardcore	23,474	12,022	5,038	2,981
CRC Metal	8,228	7,727	7,152	6,897
CRC Other	21,813	18,060	16,291	14,938
	140,509	113,649	95,958	88,970
WCA Domestic	209,322	205,830	205,887	206,421
WCA Food	32,231	35,089	37,355	37,946
WCA Green	58,323	65,383	67,583	68,126
WCA DMR	123,676	121,317	119,351	118,495
Fly tipping	4,442	3,375	3,413	4,163
	427,993	430,994	433,589	435,151
Total	568,503	544,643	529,547	524,122

Savings achieved in the operating costs of Surrey CRCs

17. Since 2015/16 significant savings have been achieved in the operation of the service which have been achieved mainly through a series of initiatives which are set out in **Annexe 3**. Each of these changes has led to a sustained reduction in tonnages of material that have to be dealt with and it is this that has contributed to the bulk of the savings. The contributions that these changes have made to reducing costs are shown in **Table 4** below. The renegotiation of the third party contracts was not part of the original savings programme. However changes in the market around outlets for garden waste and street sweepings provided an opportunity for Suez to negotiate reduced gate fees for these materials. The cumulative effect of the actual savings achieved has exceeded the target by £391k.

Table 4: Comparison of actual to target savings at CRCs

Projects	Cumulative position 2015/16 to 2018/19	
	Target	Achieved
Charging for tyres, plasterboard, rubble and soil	£650,000	£390,000
Increased enforcement including the use of electronic van permit system	£490,000	£1,210,000
Changes to CRC opening hours and days	£280,000	£280,000
Further changes to CRC opening days	£1,000,000	£320,000
Develop network of reuse shops at 4 CRCs	£300,000	£200,000
Sub-total	£2,720,000	£2,400,000
Initiatives to reduce residual waste tonnages including black bag sorting at CRCs	£539,000	£1,010,000
Renegotiation of food waste and sweeper waste disposal contracts	£0	£240,000
Sub-total	£539,000	£1,250,000
TOTAL	£3,259,000	£3,650,000

Update on the recycling-only trial at four CRCs

18. On the 7th May 2019 the CRCs at Bagshot, Cranleigh, Dorking and Warlingham became recycling-only sites. This meant that any containers that weren't for recycling were removed and the sorting of black bag waste by staff for additional recyclables was stopped. The containers removed included those for:
 - Black bag waste
 - Bulky waste
 - Wood
 - Hazardous chemicals
 - Mattresses
19. Officers have been closely monitoring tonnages collected at the four recycling-only CRCs as well as the immediately neighbouring CRCs and the other sites. In addition the tonnages of waste and recycling collected by individual districts and boroughs have been monitored to see if there is any pattern in those authorities that contain the affected CRCs compared to those that don't.
20. **Table 5** provides a comparison of the changes in tonnages accepted at the CRCs in the period May to August between 2018 and 2019 to try and identify the effects of the recycling only site trial.

Table 5: Tonnages accepted at sites between May and August 2018 compared with May and August 2019

		Residual	Wood	Garden	Recycling
Recycling Only CRCs	Bond Road CRC	- 106	- 72	- 37	- 38
	Nanhurst CRC	- 139	- 94	- 18	- 64
	Ranmore Road CRC	- 185	- 117	- 41	- 70
	Swift Lane CRC	- 226	- 142	- 45	- 68
	Sub-total	656	425	141	241
Nearest neighbours	Chaldon Road CRC	- 32	- 49	- 8	- 79
	Earlswood CRC	- 83	- 42	- 9	- 26
	Wilton Road CRC	- 42	- 67	- 166	- 122
	Witley CRC	- 33	- 55	- 18	- 92
	Leatherhead CRC	- 8	- 39	- 170	- 5
	Sub-total	115	154	30	272
Other sites	Sub-total	224	280	678	521
All sites	Total	994	9	849	1,035

21. As expected residual waste tonnages have fallen significantly at the recycling only sites, compared with the same period in 2018, as they no longer accept this material. However there has been an overall reduction in residual waste tonnage at all sites suggesting that residual waste volumes are being influenced by other factors. In contrast the amount of wood waste taken across all sites has remained static even taking into account a significant increase in wood waste in May as residents sought to dispose of it before the then proposed introduction of wood charges in June. It is also noted that there was a reduction in the tonnage of garden waste and recycling brought to the recycling-only sites but this was not picked up at the neighbouring sites.
22. The way we manage our waste also has an impact on greenhouse gas emissions. The greatest reduction in emissions is achieved by not creating waste in the first place. However if waste is unavoidable then following the waste hierarchy of re-using or recycling as much as we can, recovering energy from what is left and disposing of as little as possible to landfill will minimise greenhouse gas emissions. In addition to emissions from the way we deal with the waste, the reduction in volumes of waste also reduces greenhouse gas emissions from transport.
23. In addition there does not seem to be any migration of residual waste away from the CRCs and into the kerbside residual waste bin collections. **Table 6** below shows the

amounts of residual waste collected by each district and borough with those districts or boroughs containing a recycling only CRC highlighted. This shows an overall pattern of falling tonnages for the period. There are some significant differences month to month but this is a function of the difference in the number of working days falling in that month between 2018 and 2019. Thus there does not seem to have been any migration of waste from the CRCs into the kerbside waste collection systems.

Table 6 Tonnages of residual waste collected at the kerbside by authority between May and August 2018 compared with May and August 2019

	May	June	July	August	Total
Elmbridge BC	-89	-145	46	-16	-205
Epsom & Ewell BC	-42	-89	124	-64	-71
Guildford BC	-121	-103	-7	2	-229
Mole Valley DC	4	-107	38	-156	-220
Reigate & Banstead BC	-86	-103	58	-133	-265
Runnymede BC	-53	-54	182	-69	6
Spelthorne BC	-66	-11	158	-69	12
Surrey Heath BC	-26	-44	25	-10	-55
Tandridge DC	90	-19	79	-82	68
Waverley BC	-62	-69	87	-39	-83
Woking BC	-43	-116	66	21	-72
Total	-494	-860	856	-616	-1,114
Recycling only WCAs	7	-238	229	-288	-290

24. The final factor that was monitored during the trial was the number of residents visiting the sites compared to the same period in 2018. The number of visitors per week at each of the recycling only sites fell compared to the same period in 2018. In contrast the nearest neighbour sites observed a fall in May and June but significant increases in July and August. The other sites also observed a significant fall in visitors during May and June compared to 2018 but a small increase in July and August compared to the previous year. This could be a function of the exceptionally long and hot summer we experienced in 2018. In contrast July and August in 2019 were markedly cooler and wetter which may have caused more gardening and consequently more trips to the CRCs. Average visitor numbers are set out in **Table 7** below.

Table 7: Comparison of the average visitors per week between 2018 and 2019

		Change in average visitor no. pw			
		May	June	July	August
Recycling Only CRCs	Bond Road CRC	- 165	- 315	- 207	- 177
	Nanhurst CRC	- 369	- 605	- 295	- 447
	Ranmore Road CRC	- 128	- 525	- 311	- 497
	Swift Lane CRC	- 523	- 705	- 405	- 516
	Sub-total	- 1,185	- 2,151	- 1,217	- 1,637
Nearest neighbours	Chaldon Road CRC	- 240	- 333	134	207
	Earlswood CRC	- 158	- 793	299	477
	Wilton Road CRC	- 465	- 417	1,049	804
	Witley CRC	- 40	- 477	444	301
	Leatherhead CRC	50	- 454	502	386
	Sub-total	- 853	- 2,475	2,427	2,175
Other sites	Sub-total	- 2,140	- 3,363	662	58
All sites	Total	- 4,179	- 7,989	1,873	596

25. It is difficult to establish whether the changes in tonnages and visitor numbers have occurred as a consequence of the recycling-only trial or as a result of the other ongoing initiatives at the CRCs. However the downward trends are good news financially as illustrated in **Table 8** below. There is a sustained saving month on month as a result of the reductions in residual waste. In contrast there are fluctuations month to month for garden waste and other residual wastes such as wood, mattresses and hazardous waste. Finally the amount of recycling has fallen and as there is a net value to recycled materials collected at the CRCs this results in an additional cost as it represents lost income. It is important to note however that a saving of £109k has been achieved to date due to the continued reduction in tonnages. If this trend continues then this would deliver a full year saving of around £200K. In addition to this we have recently achieved some additional staffing savings as a result of the sites being less busy than anticipated.

Table 8: Cost changes as a result of monthly changes in tonnages between 2018 and 2019

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Total
Black bag / bulky	-£18,646	-£40,144	-£31,024	-£25,056	-£43,510	-£158,379
Other residual - wood, haz waste	£15,143	£3,966	£9,454	-£8,694	£9,374	£29,243
Garden waste	£7,535	-£42,588	-£49,071	£40,967	£27,607	-£15,551
Recycling	£1,548	£4,562	£13,075	£155	£16,134	£35,475
Sub total	£5,580	-£74,204	-£57,565	£7,372	£9,605	-£109,212

Update on progress with reuse shops

26. In October 2015, Suez opened their first reuse shop on a trial basis at Leatherhead CRC. Three further shops were added at Witley, Earlswood and Woking in 2017 and a fifth shop was opened at the Shepperton site in March 2019. The shops have been a great success and are well liked by residents. In 2018/19 the four shops that were open at that time diverted over 800 tonnes of waste from disposal and the benefit of this combined with the council's share of shop income produced a benefit for the Council of £205,000. In addition as part of a charity giving initiative over £23,500 was donated to local charities nominated by shop users. One particular area of concern is that VAT is payable on all the items sold in the shop. It is proposed that the Cabinet

Member for Waste and Environment lobby the government to remove this disincentive to reuse. This is despite the Government promoting reuse shops to reduce waste.

27. Suez have undertaken considerable work to improve the look and layout of the shops with the introduction of 'Revive' branding and have also branched into testing and selling electrical goods such as televisions. A particular success for Suez has been their work with HMP Ford to refurbish bicycles brought to the CRCs. This provides training, equipment and employment opportunities for prisoners coming to the end of their sentence as well as a supply of refurbished bicycles for sale at the reuse shops.

Initial findings and recommendations of the Waste Task Group

28. The Task Group report to the Communities, Environment and Highways Select Committee on the 19th September 2019 made a number of recommendations on changes to the CRC service. A summary and analysis of the Waste Task Group findings is set out in **Annexe 1** and recommendations in response to the Task Group report are set out below.

Recommendations to cabinet in response to Task Group recommendations 1 to 5

29. It is recommended that the CRCs at Bagshot, Cranleigh, Dorking and Warlingham are kept open on their current operational days and that they revert to accepting wood in addition to the current types of recyclables. It is also recommended that the Leatherhead CRC is reopened on a Friday to ensure there is always a facility close to the Dorking site which is able to accept a full range of wastes.
30. It is recommended that the existing charging scheme for rubble, soil, plasterboard and tyres is retained because removal of these charges is likely to result in a significant increase in volumes of waste dealt with at the CRCs and an associated cost in the order of £2 million per year. It is also recommended that charges for construction wood waste are not implemented and alternative savings are sought through the implementation of initiatives to reduce waste volumes further at the CRCs, for example by the use of ANPR Cameras. Further compensating savings should also be sought through initiatives to increase recycling rates at the kerbside.
31. It is recommended that Suez continue to develop the reuse shop offering, expanding the offering as far as possible and developing beneficial links with charities and other organisations such as the HM Prison Service. Officers will keep this under review and explore whether alternative options would deliver better value for money at the conclusion of the 2020/21 financial year.
32. In response to the Task Groups specific recommendation on rebranding the CRCs, it is recommended that branding of the CRCs is considered as part the comprehensive communication campaign that is being recommended to promote increased levels of recycling at the kerbside and our community recycling centres.

Recommendations to cabinet in response to Task Group Recommendations 6 to 12

33. It is agreed that much more needs to be done to improve both the quantity and quality of recycling that is collected. This has the dual benefit of reducing costs and improving the environment. It is recommended that in the short term the council engages with the SEP to help develop a renewed county-wide promotional campaign aimed at increasing the quality and quantity of recycling targeting the lowest performers.

34. In the longer term it is recognised that the Council needs to refresh and renew its waste management strategy to take into account the Government's emerging Resource and Waste Strategy and to pave the way for re-procuring its current waste contract which comes to an end in September 2024. A further paper to address these more strategic issues will be brought to Cabinet in Spring/Summer 2020 once more is known about the Government's own waste strategy.

CONSULTATION:

35. The report is an update on proposals that were considered by Cabinet on 29 January 2019 following a consultation exercise which received over 12,000 responses. A summary of the consultation is set out in that Cabinet report.

RISK MANAGEMENT AND IMPLICATIONS:

36. The main concern highlighted in the January 2019 Cabinet report and which came through in the consultation responses was the concern that closure of CRCs and the introduction of charges for certain types of waste will lead to more fly tipping, which will lead to increased clearance costs for private landowners and district and borough councils. In response the then Surrey Waste Partnership developed a fly tipping prevention strategy. The aim of this strategy was to raise awareness amongst members of the public of their responsibility to ensure any waste generated by them is disposed of correctly and also to improve the coordination between and effectiveness of district and borough enforcement teams. The Strategy was refreshed by the Surrey Environment Partnership in 2019.
37. There is a risk that volumes of waste brought to Surrey CRCs could increase as a result of the Hampshire and West Sussex County Councils imposing restrictions on non-residents using their facilities. This would lead to increased costs for Surrey County Council.
38. It should be noted that in the Waste and Resources Strategy published on 18 December 2018, the Government have indicated that they propose to review the regulations which enable local authorities to charge for construction waste generated in the home. This review would be subject to a consultation, but there is no indication of when this review is likely to take place

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

39. The proposal to close four CRCs and the introduction of charges for construction wood set out in the 29 January Cabinet report would have delivered a saving of approximately £1 million per year. Whilst this saving will now not be realised, the continued reduction in waste tonnages handled at the CRCs and the addition of savings that Suez have delivered through the renegotiation of sub-contracts go some way to bridge this gap. There is however a risk that waste volumes could increase due to resident restrictions in neighbouring counties.
40. Finally if the Government decide to prevent local authorities charging for construction waste generated in the home then this would create additional cost for the Council.

However this will require a change in law which the Council should rightly be compensated for as a new duty.

SECTION 151 OFFICER COMMENTARY

41. The original proposal for changes at CRCs considered by Cabinet in January would have resulted in an annual saving of £1m, primarily from the closure of four sites and the introduction of charges for construction wood. The part-year effect of this during 2019/20 is £0.7m, and this is reflected in the Council's budget. As a result of the recommendations in this report most of this saving will not now be achieved, and this has been taken into account in developing the Council's future Medium Term Financial Strategy. Offset against this, waste tonnages have reduced as set out in the paper, and further reductions (or increased recycling) could potentially be achieved through the introduction of Automatic Number Plate Recognition technology at CRCs and improved recycling campaigns.

LEGAL IMPLICATIONS – MONITORING OFFICER

42. Proposed changes to the operation of the Community Recycling Centre Service were the subject of a full public consultation prior to the decision taken by Cabinet on 29 January 2019. To the extent that they represent changes in service provision, the current recommendations were consulted upon and subject to a full equality impact assessment at that time. The decisions that Cabinet are now asked to make represent less of a reduction in overall service than was previously proposed. In coming to a decision on the current recommendations members must satisfy themselves that the proposals will constitute a sufficient service to enable residents to dispose of their waste in compliance with the duty imposed on the Council by Environmental Protection Act 1990.

EQUALITIES AND DIVERSITY

43. The Cabinet report of 29 January included an Equality Impact Assessment (EIA) which identified that the main impacts were around closing the Warlingham site, which is used by pedestrians. Whilst the assessment remains valid, the impact will be reduced because it is being recommended that Warlingham CRC remains open as a recycling-only site.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

44. The environmental sustainability implications were set out in the Cabinet report of 29 January 2019 and remain unchanged. Most greenhouse gas emissions are created during the production of a product which subsequently becomes waste and then further greenhouse gases are created in the transport and disposal of that waste. Processes such as reuse or recycling generally create the least greenhouse gas emissions but most significant reduction in emissions will be achieved through not creating waste in the first place. Therefore a continued reduction in the volumes of waste that we have to deal with has a positive effect on reducing greenhouse gas emissions.

WHAT HAPPENS NEXT:

45. Subject to approval by Cabinet the recommendations of this paper will be implemented.
-

Contact Officer: Alan Bowley Interim Head of Environment

Report contact: Richard Parkinson, Environment Delivery Manager

Contact details: Tel 020 8541 9391

Consulted:

A comprehensive consultation on changes to the CRC service was undertaken in late 2018 and was reported to Cabinet on 29 January 2019

Annexes:

Annex 1 – Summary of the recommendations of the Waste Task Group

Annex 2 – Summary of Defra Consultations

Annex 3 - Changes made at CRCs since 2015/16

Sources/background papers:

Cabinet Report 29 January 2019

Report to Communities, Transport and Environment Select Committee 19 September 2019.

Cabinet Report 24 September 2019 - Petitions

Annex 1 – Summary of the recommendations of the Waste Task Group

Changes at Community Recycling Centres- Task Group recommendations 1 to 5

1. The Task Group recommended that all current CRCs should be kept open and it is clear from the consultations that were undertaken in 2018 and the petitions reported to the Cabinet in September that the CRCs are very popular with residents. However, the permanent closure of the four smallest sites that formed the recycling only trial would provide an annual saving of £650,000 and if they are to stay open then alternative savings will need to be identified. There have been continued savings during 2019/20 across the CRC service which amount to £109,000 to date due to an overall reduction in tonnages dealt with at the sites. The evidence would suggest that reducing tonnages are part of a wider trend across all the CRCs and not just at the recycling-only sites. If the trend of reducing tonnages were to continue then it could be assumed that an annual saving of £200,000 could reasonably be achieved in addition to savings on labour costs.
2. Officers are also considering a business case for the introduction of Automatic Number Plate Recognition (ANPR) Cameras at the community recycling centres which could result in a further reduction of waste volumes through further controls over unauthorised traders using the facilities and improved van permit scheme.
3. It should however be noted that three of the four recycling-only sites are located in relative proximity to the borders of Hampshire and West Sussex and therefore these sites together with other surrey CRCs are likely to be used by Surrey residents who can no longer use sites out of Surrey due to resident restrictions. This is likely to result in an increase in volumes of material handled at these sites and a greater financial pressure. We are monitoring this carefully and will be liaising with Hampshire and West Sussex County Councils.
4. A further point to note is that upcoming DEFRA policies will place an increasing reliance on infrastructure such as CRCs to facilitate the proposed EPR and DRS schemes. This means that in the future, there may well be opportunities to work with producers to generate income from using the sites as hubs to collect packaging.
5. The Task Group suggested that opportunities may exist to sell existing sites and re-provide them nearby with a net saving to the tax payer. Officers will keep this under review but given today's knowledge of the potential sale value of the sites and the cost of re-provision no such opportunities currently exist.
6. The Task Group recommended that charges for small quantities of wood and rubble should be discontinued.
7. Charges for construction wood waste have not ever been implemented however the charging scheme for rubble, tyres and plasterboard has been in operation since September 2016. The scheme has become fully embedded in the CRC service, has been largely accepted by site users and provides a significant ongoing saving to the Council. Whilst the saving directly associated with reducing the volumes of rubble, plasterboard and tyres and recovering the cost for dealing with what is left is around £390K per annum it is important to note that the charging scheme funds the cost of providing the staff at the entrance to the charging scheme CRCs. These staff

undertake other duties such as van permit and trade waste checks which have helped to significantly reduce waste volumes. Officers also believe that charging for rubble has meant that more residents are hiring skips to manage their construction project waste. This in turn is likely to have contributed to the reductions in wood waste brought to the CRCs. If the charging scheme for rubble, plasterboard and tyres were to be reversed and waste volumes returned to where they were prior to the introduction of the charging scheme then the additional cost to the council would be in the order of £2 million per year.

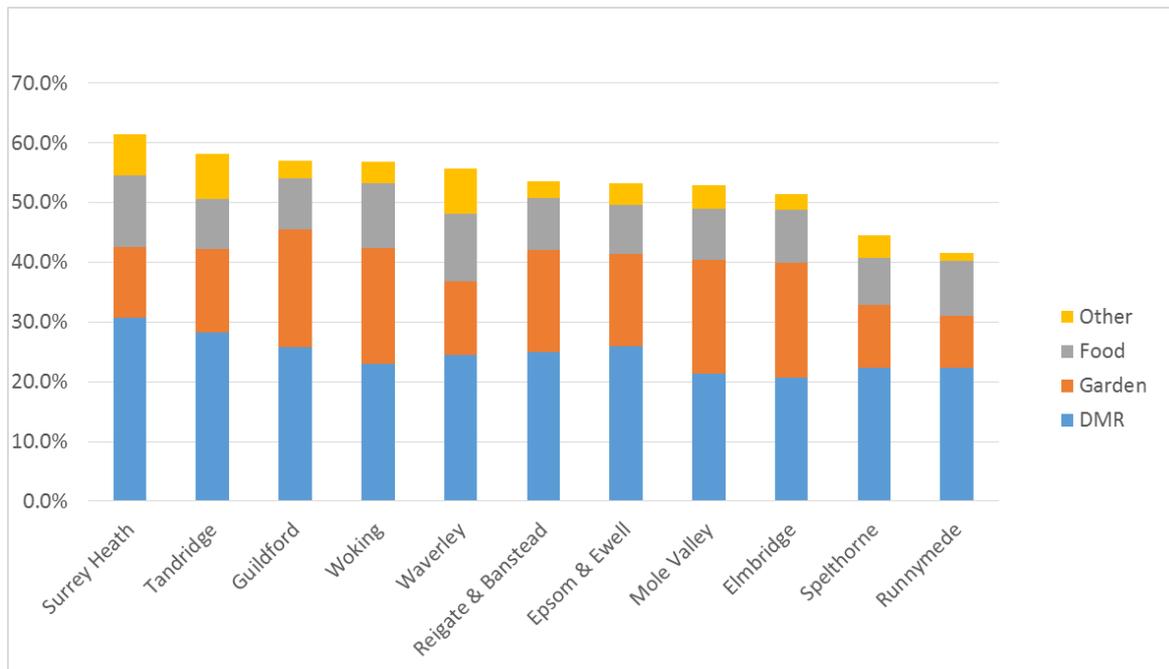
8. Charges for construction wood waste have not yet been implemented but if they were then they would have the potential to save £300k per annum. There are no clear alternative proposals that will secure a saving of this scale within the CRC service. Whilst separated wood does have a lower disposal cost than residual waste the quality of the wood collected at CRCs is too poor to secure any income through supplying wood chip burners. It is however recognised that charging for construction wood waste would be unpopular with users and much more difficult to implement than charges for rubble or soil, given that only wood generated from construction activities would be chargeable. It might also lead to more residents burning wood at home, some of which will be treated and unsuitable for home fires which would cause environmental harm.
9. The Task Group recommended that a review of the reuse shops should be undertaken after one year of operation and consideration given to expanding them or investigating other methods of operation such as through the voluntary sector.
10. The operation of the reuse shops through Suez has been an early success and the recent opening of a fifth shop at the Shepperton CRC will further boost the income that Surrey County Council receives. Surrey County Council should be open to proposals for the running of the reuse shops that may improve the income received.
11. The Task Group recommended that a rebranding of the CRCs should be considered. The success of the CRCs to improve recycling rates is ultimately dependent on what materials residents bring to the sites and how they are presented. Any initiatives that will help and encourage residents to view the sites as places they can recycle waste are welcomed.

Scaling up Waste reduction, Reuse and Community Composting and Raising recycling and its quality - Task Group recommendations 6- 12

12. The Task Group recognises that the public require a clear consistent message on how they can reduce, reuse and recycle waste. The group also recognised the role that reuse organisations, community groups and charities play and the importance of joining these up and promoting them as an overall offering to our residents alongside traditional kerbside collections and community recycling centres.
13. The Task Group also recognised the significant financial saving that could be achieved by extracting more recycling from the residual waste bin. There would also be benefit in the Council investing in its own materials recovery facility.
14. The Task Group has recommended that there is a greater level of engagement with the Surrey Environmental Partnership (SEP) including scrutiny of the annual plan and performance. More needs to be done to address the variation in recycling rates between individual districts and boroughs and the inconsistencies in collection arrangements. In addition consideration needs to be given to the financial arrangements between the district and borough councils and the county council in order to incentivise increased performance.

15. Finally the Task Group considers that there may be opportunities to join up with the commercial sector, including using CRCs for commercial wastes.
16. The issue of quality of recycling as well as quantity is an important one particularly in the context of the Chinese Government's Operation National Sword. Surrey County Council has committed to a process of taking responsibility for the management of recycling collected at the kerbside by the district and borough councils and therefore has a significant interest in improving the quality and value of the recycling collected. By November 2019, Surrey County Council will have taken on the logistical and financial responsibility for managing kerbside collected recyclables from nine of the eleven the district and borough councils.
17. **Table A** below provides a summary of the recycling performance of each authority in 2018 broken down by the materials that contribute to this recycling rate. It should be noted that the amount of garden waste that is collected by a district and borough can have a significant influence on the overall recycling rate particularly who are considered higher or lower performers.

Table A: recycling performance by authority in 2018



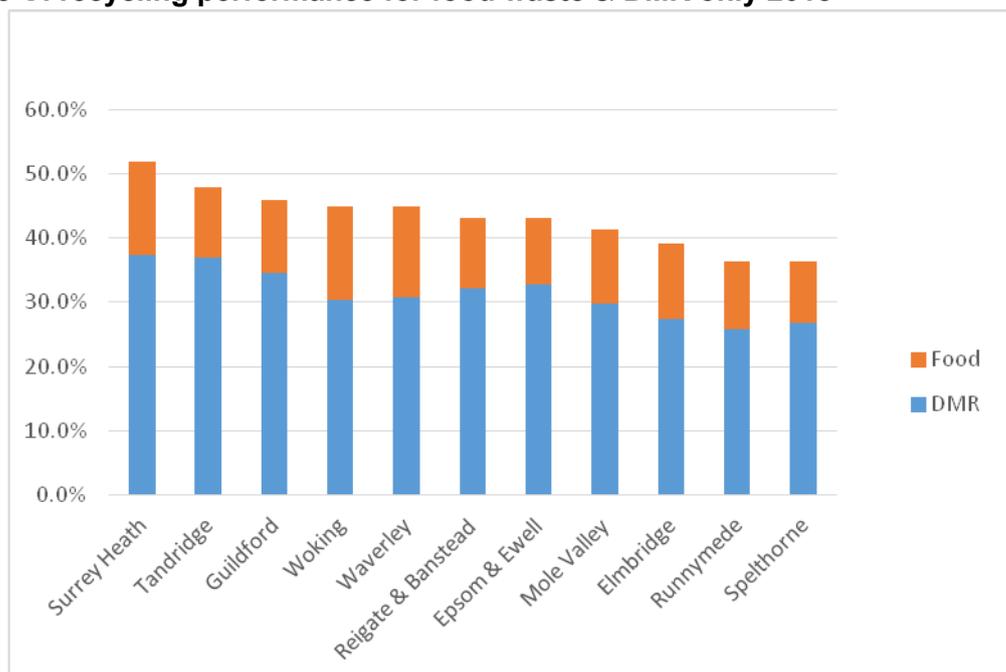
18. **Table B** below shows the composition of the kerbside residual waste bins across Surrey. This provides an insight into what the major materials streams are that enter the residual waste and what we should be targeting through our communications campaigns so that they are reduced or diverted into the recycling systems. This waste analysis shows that there is very little garden waste in the residual waste stream. In contrast there are significant amounts of materials that are paper/card, plastics and food materials. While not all of these materials are recyclable significant proportions of these could be diverted into the existing kerbside Dry Mixed Recyclables (DMR) and food collections.

Table B: composition of residual waste in Surrey 2016/17 (by weight)

	Composition
Paper and Card	12.68%
Plastics	14.03%
Glass	2.65%
Textiles	5.37%
Metals	3.03%
Wood	1.51%
Offensive Waste	12.33%
WEEE	1.71%
Garden	4.16%
Food	27.90%
Hazardous	0.37%
Misc - Comb	7.47%
Misc - Non Comb	6.10%
Misc - Reusable	0.69%
	100.00%

19. **Table C** below provides a slightly different comparison by exploring the balance between collected DMR, food waste and residual only (excluding garden waste and street sweepings). By viewing these three waste streams in isolation we can see that we are recycling less than half of the material collected at the kerbside once garden waste has been discounted. This can be considered disappointing when the waste composition analysis in table 10 shows that over a quarter of the residual waste bin alone could be put into the food waste collection bins. In addition there are significant elements of the residual waste stream that could be put into the DMR stream such as paper, card, plastics, glass and drinks cans. It was mentioned earlier that Operation National Sword is having impacts on the quality of materials required in the DMR stream however, there are still opportunities to recycle more. Therefore it is essential that more work is done to boost communications around food waste and DMR recycling to ensure that we can reduce the amount of residual waste that we have to dispose of.

Table C: recycling performance for food waste & DMR only 2018



20. Diverting waste from the residual waste stream makes financial sense as well as being better for the environment. It is around £60 per tonne more expensive to dispose of a tonne of materials in the residual waste than it is to recycle them as part of the DMR collections. For food waste, the differential is nearer £100 per tonne and for textiles the differential can be over £300 per tonne as clean textiles currently command a value of over £200 per tonne. Therefore significant cost savings could be made by encouraging residents to divert more food, DMR and textiles from the residual waste stream into their recycling collections. At the same time it is important to maintain the quality of materials by giving clear messages on excluding non-recyclable materials and encouraging residents to wash bottles and containers to remove contamination prior to putting them in the recycling bin.

Extended Producer responsibility (EPR)

EPR is intended to pass on the costs of many packaging such as bottles, cans and boxes onto those that manufacture and sell these items. The proposal is that the costs of collecting and managing these materials are paid for by the producers. Thus there is a potential input of money for both the Waste Collection and Disposal Authorities in Surrey. The initiative also aims to encourage packaging to be made from both easily recyclable material and material that has previously been recycled. This should allow a far simpler and more effective recycling message to be provided to residents. The key challenge for Surrey County Council and the boroughs and districts will be dealing with companies that operate on a global scale and have interests other than waste management.

Deposit Return Scheme (DRS)

DRS are an extension of EPR and involves consumers paying a deposit on top of the cost of buying certain items such as 'on the go' drinks. Once the consumer has finished with the item they have to take it to central collection points where they will have their deposit returned. This is intended to further boost the recycling of these types of packaging however there are concerns that this will compete with materials that are already collected in the kerbside services. This would potentially have the impact of reducing the financial support that local authorities would receive through the EPR scheme. Equally the DRS will require sites to locate drop-off points which could provide opportunities for the existing CRCs and local authority 'bottle banks'.

Consistency of Collections

DEFRA feels that greater consistency is needed between local authorities in terms of what they collect and how. They feel a simpler, consistent service will allow national scale education to take place while providing a clearer understanding for discussions with producers under the EPR scheme. As part of the consistent collections they have proposed kerbside food collections for all areas as well as free garden collections for all authorities. Surrey already has separate food collections at the kerbside across the County, however all of the garden collections are on a paid for subscription basis. DEFRA believes that there is a significant amount of garden waste in the residual waste stream that could provide a significant saving if diverted for composting hence the justification for a free collection. However, in Surrey, data on the composition of the residual waste stream shows that it does not contain a significant quantity of garden waste. Thus a free service would be a significant financial burden to local authorities. Both Surrey County Council and the SEP responded strongly against the proposal for free garden collections.

Annex 3: Changes made at CRCs since 2015/16

Date	Details of Change
1 April 2016	Reduced opening hours, so that all sites open 8am to 4pm weekdays and 9am to 4pm at weekends all year round (The CRC at Shepperton has had its hours extended during the summer service as a result of the Eco Park construction)
1 April 2016	Closed Dorking, Caterham, Cranleigh, Farnham and Warlingham CRCs one extra day per week.
1 April 2016	Removed rubble containers from the sites located at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham ahead of the introduction of charging.
1 April 2016	Introduced a new van permit scheme with an annual 12 visit allowance and extended Surrey Resident scheme to additional sites.
1 Sept 2016	Introduction of charges for rubble, soil, plasterboard and tyres with 1 bag free daily allowance for rubble, soil & plasterboard.
April/May 2017	Revive reuse shops opened at Earlswood, Witley and Woking CRCs. (A reuse shop was already in place at Leatherhead CRC on a trial basis, but this was extended to a permanent operation).
4 Dec 2017	Removed free daily allowance for rubble soil and plasterboard and extended Surrey resident scheme to the CRC at Camberley (The Surrey resident scheme was already in operation at Caterham, Epsom, Shepperton and Warlingham CRCs)
8 Jan 2018	Stopped vans, trailers and pickups from using the CRCs at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham.
8 Jan 2018	Retained a strategic network of 4 sites that would remain open 7 days a week (Earlswood, Shepperton, Witley and Woking) and reduced opening hours at most other sites: <ul style="list-style-type: none"> • Caterham, Leatherhead, and Camberley - open 6 days per week • Epsom, Chertsey, Guildford, Farnham – open 5 days per week • Bagshot – open 4 days per week • Warlingham, Dorking, Cranleigh – open 3 days per week
7 May 2019	Introduction of recycling-only trial at Bagshot, Cranleigh, Dorking and Warlingham CRCs

SURREY COUNTY COUNCIL**CABINET**

DATE: 29 OCTOBER 2019

REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE

SUBJECT: ORGANISATION STRATEGY 2020-2025 AND NEXT PHASE OF TRANSFORMATION

SUMMARY:

Surrey County Council has a substantial and significant role in supporting the Community Vision for Surrey in 2030. We want to help create better lives, a better place and a county where no-one is left behind.

Our Organisation Strategy, originally agreed by Cabinet in October 2018, defined how we would contribute to the Vision, but the strategic environment has continued to shift over the last 12 months.

The refreshed Organisation Strategy has been updated to amplify the actions we will take to address new challenges and opportunities that have emerged over the last 12 months, and previews thinking on how our next phase of transformation can support this.

RECOMMENDATION:

Cabinet are asked to approve the Surrey County Council Organisation Strategy 2020-2025, and agree to present it to the County Council meeting on 10 December 2019 for approval.

REASON FOR RECOMMENDATION:

The refreshed Organisation Strategy reaffirms our commitment to the Community Vision for Surrey in 2030. It also sets out a roadmap for our audaciously ambitious agenda and how we will respond to the complex and rapidly changing context we are working in with renewed energy and optimism. Delivering on these ambitions and priorities will in part be through the next phase of our forward-looking and ambitious transformation programme.

DETAILS:**Background**

1. This report reflects on our progress since we originally agreed the Organisation Strategy on 30 October 2018, assesses the Council's current strategic context to

identify emerging challenges and opportunities, and confirms how the Strategy and our transformation plans will adapt and respond to them.

2. When the Organisation Strategy 2019 – 2023 was agreed last year, we had just agreed a new Community Vision for Surrey in 2030 (Vision) with stakeholders - a shared set of outcomes to inspire partners, staff, Members and residents as we work to improve the lives of people who live, work and study in Surrey. The Strategy defined how we would contribute to making it a reality, and would help us target activity to address shortcomings in our performance, finance and culture.
3. We have made significant steps forward in improving service performance and stabilising our finances over the last year. Our clear strategic focus helped us take decisions to transform the organisation at scale and pace to secure better outcomes for residents and develop a council that is fit for the future. An Impact Statement (Annex A) reflects some of our progress and achievements from the past year.

Where we are now

4. A number of issues are emerging in a very complex, uncertain and rapidly changing strategic environment. This is made up of a number of factors, such as uncertainty on the outcomes of the UK's negotiations to leave the EU, delays to urgent policy reforms, such as the Local Government Fair Funding Review, and increasing urgency to tackle climate change. We also still continue to face the twin pressures of rising demand for our services and pressure on resources.
5. We are confident that we can respond to these issues, and we will also capitalise on our strengths and opportunities, such as our high performing £40 billion economy, emerging new and exciting technologies, and our plans to move to a new civic heart to support our workforce to work in a truly agile way.

Organisation Strategy 2020 - 2025

6. This context has informed the refreshed Organisation Strategy (Annex B and summarised version in Annex C). A number of the core elements of the document are unchanged from the version agreed in October 2018. It still confirms how we will contribute to the Vision for Surrey. It now also aligns with the new [Surrey Health and Wellbeing Strategy](#) - the partnership strategy that supports the Vision by tackling key health and wellbeing priorities for the county.
7. We remain focused on creating better lives, a better place and a county where no-one is left behind. In practice, this means our focus should be on two key objectives: improving the quality of residents' lives and reducing the inequality in life expectancy that exists across the county.
8. To deliver on these objectives, and strengthen our unique role as democratic champion for all residents in Surrey, the refreshed strategy for 2020 - 2025 emphasises:
 - **Tackling inequality** - Working with residents in every area of Surrey to identify and address causes of inequality, especially in life expectancy
 - **Supporting independence** – Helping residents help themselves and each other within their community

- **More joined up health and social care** – Integrating health and council services so they're more effective, efficient and seamless for residents
 - **Creating a greener future** – Tackling the causes of climate change and become a carbon neutral county as soon as possible
 - **Embracing Surrey's diversity** – Recognising the benefits of a diverse workforce and population to ensure Surrey is a place full of opportunity for everyone
 - **Partnership** – Working with residents, businesses, partners and communities to collectively meet challenges and grasp opportunities
 - **Supporting the local economy** – Investing in the infrastructure Surrey needs to build a strong and resilient economy
 - **Digital revolution** – Making the most of new technology to innovate and improve services, and the way we work, to help Surrey and residents thrive.
9. These complement other existing priorities, such as continued work on embedding our Family Resilience approach and ensuring people can access health and care services at the right time and place.
10. The strategy puts us in a very strong position to look ahead to the next five years with renewed energy and optimism. It positions us well to deliver our ambitious agenda and sets a course for the next phase of our transformation journey.

Next phase of transformation

11. Over the last year we have made good progress in delivering the far reaching and ambitious transformation programme that was agreed by Council and launched in November 2018.
12. It has stabilised the organisation by addressing immediate financial and performance challenges and has started to fundamentally reform the organisation so we can deliver the best possible outcomes for residents and achieve the Vision.
13. At its heart is the need to develop very different service models and approaches, so that we are working with our residents and partners in new ways, helping to prevent problems earlier and better supporting residents and communities to be independent.
14. Different approaches have now been applied in key service areas and we are seeing the positive impact this can have for residents. For example:
- In Adult Social Care we have introduced a new strength-based practice approach changing the conversation with residents to focus on their strengths, and being clearer about the role of the Council in supporting people. This, along with other changes, is helping to prevent problems earlier and better support residents and communities to be independent. The principle of supporting independence is also central to the work of the newly established specialist team for people with Learning Disabilities and Autism.
 - In Children's Services, the Effective Family Resilience Model is now providing a framework for working differently with partners to support families and children as soon as problems emerge. This includes a new Children's Academy that has been established to attract, train and support the staff, from across multiple agencies, who will put the new approach into practice. We

have also established a Single Point of Access (C-SPA) service to direct children and families to the right help as quickly as possible. These changes are improving services for children with the encouraging progress being made reflected in feedback from Ofsted and the Department for Education appointed commissioner.¹

15. The relevant Select Committees have considered progress on specific projects and will continue to help shape our transformational agenda and scrutinise progress.
16. We must continue to flex and adapt our programme to ensure the Council meets its strategic objectives and effectively responds to the changing operating environment, so we have committed to review and, as necessary, refresh it regularly.
17. The next refresh is reasonably significant given that existing work is nearing completion, there are new priorities and that, as a Council, we are in a different place to this time last year. This refresh will be guided and informed by the progress we have made, our restated ambitions in our Organisation Strategy, and the changing context in which we operate.
18. Although we are refreshing the programme, a range of existing projects and programmes will continue so that we deliver the planned savings for 2020/21. In the next phase, we will set the foundations to add further value, make positive impacts for residents and drive service improvement for the medium to longer term, stretching out beyond 2021. Focusing on this will support the delivery of savings and cost containment for 2021/22 and future years.
19. We will transition from our current programme to the next phase between now and January 2020. We will consider the existing services, programmes and initiatives and where we need to further focus our transformation efforts, investment and capabilities to deliver improved outcomes. In doing this we must continue to shift from a collection of individual organisations and services tackling single issues towards collective system-wide responses designed around people's needs. We are consciously moving towards a place-based approach to better align service activity and public resource around the needs of people and places.
20. We know that complex issues, such as climate change, mobility and care, can only be tackled through joint effort among all public organisations, voluntary, community and faith sector, academia, businesses, and, critically, communities themselves. The projects that we have begun to develop in these areas will also need to be brought into our overall programme. This will include continuing to work ever more closely through Surrey Heartlands with our health system colleagues and delivering on joint transformation objectives.
21. Officers will lead the detailed development of the refreshed programme, which will be reviewed by Cabinet and Council alongside the Medium Term Financial Strategy (MTFS) in January and February 2020. This will include any proposed changes in investment required to deliver transformation.

CONSULTATION:

22. Since we agreed the original Organisation Strategy last year, we have engaged partners and residents in continued discussions about the county's future strategic

¹ Safeguarding of Children In Surrey, Report to Children, Families, Lifelong Learning and Culture Select Committee, 12 September 2019

direction and how we can improve outcomes for residents. Changes to the Organisation Strategy, and emerging thinking for the next phase of transformation, have been shaped based on collective understanding with partners on the challenges and opportunities we need to respond to.

23. Over the summer of 2019, Cabinet and the Corporate Leadership Team have used this knowledge, among other things, to discuss and agree the future strategic direction for the Council. This was supported by officers across the council to develop thinking and shaping of the Council's future strategy and transformation plans.

RISK MANAGEMENT AND IMPLICATIONS:

24. The Organisation Strategy is a wholesale and significant document that defines our contribution to the Vision. There is a risk that the scale of change needed to implement and deliver the plans that support it is too complex, and the pace too fast.
25. To mitigate this, we will continue our approach to integrated planning, so our transformation plans, budget, workforce and digital strategies and service plans align with the Organisation Strategy and with each other.
26. The transformation programme is a major undertaking, which is far reaching and ambitious. We will continue to use the governance and assurance mechanisms in place, co-ordinated through the Transformation Support Unit, to track delivery and manage the risks associated with the programme. As part of the refresh of the programme the assurance arrangements will be further developed and re-stated.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

27. We take an integrated approach to our strategic and financial planning. This enables us to better target our resources, be more efficient, contain the demands which our services are under, and transform the council in order to deliver improved value for money.
28. As part of the development of an outcomes-based accountability framework for the Organisation Strategy, we are selecting performance measures that capture how we are providing value for money. We will also work with all our partners, including district and borough councils, other public bodies, the Voluntary, Community and Faith sector and businesses to create the best value for every pound we spend.

SECTION 151 OFFICER COMMENTARY

29. We are taking an integrated approach to financial and strategic planning. The refresh of the Organisation Strategy and transformation programme have been developed alongside the budget planning and therefore the financial implications of this re-fresh will be included in the draft budget (MTFS), due to be presented to Cabinet in November.
30. Taking an integrated approach to our financial and strategic planning enables us to better target our resources, be more efficient, contain the demands which our services are under, and transform the council in order to deliver improved value for money for our residents.

LEGAL IMPLICATIONS – MONITORING OFFICER

31. This report provides a refresh of the Council’s Organisation Strategy. A key component of delivering this is the transformation programme.
32. This report acknowledges that as the transformation progresses there may be a need for engagement and, in appropriate cases, consultation with residents and other stakeholders, together with ongoing review of the potential equality implications arising.

EQUALITIES AND DIVERSITY

33. There are no direct equality implications arising from the Organisation Strategy. A key strategic principle at the heart of the strategy is to ‘focus on ensuring no-one is left behind’. This commits us to working with some of the most vulnerable people in Surrey, and their communities, to help them break down the barriers they face and access opportunities that improve their quality of life and reduce inequalities in life expectancy.
34. When approving the Organisation Strategy, the Cabinet and Council must comply with the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010 (Equality Act) which requires it to have due regard to:
 - “eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”
35. As the next phase of transformation emerges over the coming months, Equality Impact Assessments may be needed depending on the nature of the changes proposed through the transformation programmes, and their impacts on residents and staff. These will be presented to Cabinet as and when decisions on these programmes are required.

WHAT HAPPENS NEXT:

36. If the recommendation is agreed, the next steps are:
 - The Impact Statement will be published on the council’s website following this meeting
 - The Organisation Strategy will be presented to the meeting of Full Council on 10 December 2019 for approval
 - A draft budget will be presented to Cabinet outlining how the Strategy will be resourced at their meeting on 26 November 2019
 - The refreshed transformation programme will be developed and presented to Cabinet on 28 January 2020 and then to the meeting of Full Council on 4 February 2020, alongside the MTFs, for approval.
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Contact Officers:

Adam Whittaker, Strategic Lead – Policy and Strategy, Insight, Analytics and Intelligence,
020 8541 9441

Daniel Shurlock, Head of Design, Transformation Support Unit, 020 8541 7681

Consulted:

Cabinet Members
Corporate Leadership Team and other staff

Annexes:

Annex A – Surrey County Council Impact Statement 2019
Annex B – Surrey County Council Organisation Strategy 2020 – 2025
Annex C – Surrey County Council: Our focus for the next five years

Sources/background papers:

- [A Community Vision for Surrey in 2030](#), Report to Council 9 October 2018
 - [Delivering the Community Vision for Surrey in 2030: Working with partners and residents](#), Report to Council 21 May 2019
 - [Safeguarding of Children In Surrey](#), Report to Children, Families, Lifelong Learning and Culture Select Committee, 12 September 2019
 - Surrey Health and Wellbeing Strategy, available at https://www.healthysurrey.org.uk/_data/assets/pdf_file/0007/197530/Surrey-Health-and-Wellbeing-Strategy-FINALV2.pdf
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SURREY COUNTY COUNCIL

IMPACT STATEMENT 2019

REFLECTING ON THE PAST YEAR



We are creating a solid foundation on which to build a prosperous and exciting future for Surrey and the county council by ensuring that we as a council are as efficient and effective as we should be and transform our services so they can be in the best place to deliver our 2030 ambitions. Here are some examples of our work and highlights that are beginning to make a positive impact on Surrey - the people and the place.



FOR PEOPLE

We are supporting children and young people in Surrey to be safe and feel safe and confident by improving and strengthening our support for those that are vulnerable, at risk or in care. This was confirmed by a positive Ofsted monitoring report in June.

We also launched a Children's Services Academy in January 2019 so more people who work with children and families will improve their outcomes through consistent practice and closer partnership working.

We are developing more education, skills and employment opportunities closer to home for children and young people with special educational needs and disabilities by agreeing plans to create 883 additional specialist school places over the next four years.

We have supported more people to get the right health and social care at the right time and place by cutting waiting times by almost 11% over the past year for older people being discharged from hospital.

We have also agreed plans to deliver 725 specially adapted homes so more older people can live independently. This will mean that by 2028, we aim to have over 1,150 of these properties available.

We are ensuring this council achieves value for money for residents and is sustainable and fit for the future, having delivered £106m in efficiencies in 2018/19 with no call on our limited reserves.



FOR PLACE

We are creating cleaner, greener communities in Surrey and aim to exceed our current ranking as the 3rd best council in the UK for recycling. We have kept all of our community recycling facilities open to help residents contribute.

We are supporting more residents to feel safe in their communities, having carried out nearly 5,000 Safe and Well Visits to reduce the risk of fire in the homes of Surrey's more vulnerable residents.

We have also saved them around £776,000 by tackling unfair trading practices, scams, rogue traders and serious organised crime across the county.

We continue to work on making journeys easier, more predictable and safer in Surrey having carried out more than 50,000 road repairs over the past year and supporting residents to make over 7.5 million bus journeys in 2018/19.

We are helping businesses in Surrey thrive by securing hundreds of millions of pounds from government and other stakeholders for infrastructure across the county, including £95 million for Woking town centre.

We are supporting more residents have a place to call home by making over 14.6 hectares of land on our estate – equivalent to just over 17 football pitches - available for building new homes.

We are supporting our communities to have the infrastructure they need by connecting 5,270 more properties across the county to faster broadband in 2018/19.



LOOKING FORWARD

We are making swift and effective progress, enabling us to deliver great quality services, support and value for money for Surrey residents now and well into the future. But we know there is more to be done if we are to achieve our ambitions. In the coming weeks and months we will be bringing forward initiatives, setting out plans and agreeing budgets to support them.

We will:

- commit hundreds of millions of pounds to protecting homes from flooding as we start the Surrey Flood alleviation scheme next year
- invest even more in our 3,000 miles of roads and pavements to ensure people can get around smoothly and safely
- help tackle the climate emergency and protect our environment for future generations, becoming a carbon-neutral council as soon as possible
- plant at least one tree for every one of our 1.2 million residents
- boost our local economy by setting up a £50m community grant fund to improve our High Streets
- provide surplus space in Surrey County Council buildings for free use by voluntary organisations
- consider conversion of any surplus council-owned land to public allotments to produce food for foodbanks

In addition to these specific commitments, in order to continue our journey of doing better for Surrey people, we will be giving greater weight in the coming year to:

- Tackling inequality - Working with residents in every area of Surrey to identify and address causes of inequality, especially in life expectancy
- Supporting independence – Helping residents help themselves and each other within their community
- More joined up health and social care – Integrating health and council services so they're more effective, efficient and seamless for residents
- Creating a greener future – Tackling the causes of climate change and become a carbon neutral county as soon as possible
- Embracing Surrey's diversity – Recognising the benefits of a diverse workforce and population to ensure Surrey is a place full of opportunity for everyone
- Partnership – Working with residents, businesses, partners and communities to collectively meet challenges and grasp opportunities
- Supporting the local economy – Investing in the infrastructure Surrey needs to build a strong and resilient economy
- Digital revolution - Making the most of new technology to innovate and improve services, and the way we work, to help Surrey and residents thrive

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ORGANISATION STRATEGY

2020 – 2025

Version 1.3 - October 2019

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FOREWORD

I am delighted to introduce this strategy which sets out our contribution to the Community Vision for Surrey in 2030. The Vision is a collective ambition to make Surrey a uniquely special place for people to live and learn, and where no one is left behind.

Since I became Leader last year, we have made tremendous progress to put solid foundations in place to begin transforming the council.

We are looking to the future with renewed optimism and energy.

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We are now raising the bar. We have set ourselves an ambitious programme of transformational change within this county council that both reflects the challenges and opportunities of the modern age, and supports investment in the future generations of this great county.

Our relationships with partners go from strength to strength, such as the significant progress we have made with our health partners around the greater integration of health and social care services, reflected through the unprecedented collaboration in developing Surrey's Health and Wellbeing Strategy.

However, our work is never finished and we are doing more to achieve our collective aspirations for the county.

Along with other local authorities across the UK, we are in the midst of unprecedented uncertainty on a national level. I now feel we have the foundation and capability to respond and adapt to ensure the county is thriving and fit for the future.

That is why we have adopted a proactive approach that focuses on:

- Working with partners and residents to strengthen and improve what we do and be more resilient to future challenges.
- Improving how we engage with residents, working in a more agile way and embedding the council in the heart of our communities.
- Tackling inequality of life expectancy and improving quality of life for everyone to ensure no one is left behind.

I want Surrey County Council to be recognised as the leading county council in England, fit for the future and raising the bar in terms of the quality of outcomes we can secure with residents. We are in a strong position to create new opportunities and take advantage of those available to us in order to achieve that goal.

- We are being proactive in tackling the climate emergency and will lead by example through a practical and proactive response. Through our work, and by working with partners and residents, we aim to become a carbon-neutral county as soon as possible and create a greener future for the county.
- We will support residents' independence and help them to help themselves and each other within their communities.
- We will make the most of digital technology to change how we work and innovate and improve our services to help Surrey and its residents thrive.
- We will work with residents in every area of Surrey to identify and address causes of inequality, especially in life expectancy.
- We will focus on stronger partnerships with residents, businesses, partners and communities to collectively meet challenges and take opportunities.
- We will speed up plans with partners to join up health and social care by integrating services so residents get more effective, efficient and seamless services.
- We will support the local economy to be strong and resilient, by investing in the infrastructure Surrey needs.
- We will embrace diversity in Surrey to ensure the county is a place full of opportunity for everyone by recognising the benefits of a diverse population and workforce.

I look forward to working with you – residents, partners, Members and staff – to support the Vision and the people of this county to maximise their potential, and achieve a better quality of life for all.

Tim Oliver

Leader of the Council

OUR ORGANISATION STRATEGY IS OUR RESPONSE TO AND CONTRIBUTION TOWARDS THE COMMUNITY VISION FOR SURREY IN 2030

We share in a long term vision for Surrey and we will work alongside residents and partners to realise it. This is our plan for how, over the next five years, we will work towards achieving the outcomes in the Vision and focus on making a real difference to residents' lives.

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OUR PURPOSE AND ROLES

Everyone has a role in delivering the Community Vision for Surrey. Collectively as partners we need to work better together and each of us has an individual responsibility to contribute to achieving the outcomes that Surrey's residents deserve – this includes us at Surrey County Council. This is demonstrated within the Surrey Health & Wellbeing Strategy which represents collaborative working to address the root causes of poor health and wellbeing, address inequality of life expectancy and improve quality of life. We have a democratic mandate to represent and be a champion for all residents, and to deliver the best possible outcomes we can. We will focus on supporting the most vulnerable people in our communities and those who do not have the means or resources to help themselves. This will involve truly understanding residents' needs, involving them as early as possible in service design and decision making, and using our resources in the most effective and efficient way. But as the resources available to us become more and more stretched, the way we deliver will need to take multiple forms.

- Sometimes we will be the organisation delivering a service
- Sometimes we will do this alongside other agencies

- Sometimes we will pay another organisation or business to deliver services
- And sometimes we will make resources and support available for communities to help themselves.

Against each of the outcomes in the Community Vision for Surrey in 2030, we have set out our priority deliverables - centred on the themes of People, Place and Organisation – and we will be held to account for our contribution the Vision. We have also set out our strategic principles and themes that are important to us, which will drive our focus and approach over the next five years.

A COMMUNITY VISION FOR SURREY IN 2030

In the summer of 2018, many people provided their views about what they wanted Surrey to be like as a place to live in 2030. Residents, council staff, businesses, universities and organisations from the public, voluntary, community and faith sectors talked about what they valued and what their hopes were for the future. The result of this engagement was the shared Community Vision for Surrey in 2030 (the Vision).

By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

We want our county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

Our ambitions for people are:

- **Children and young people are safe and feel safe and confident**
- **Everyone benefits from education, skills and employment opportunities that help them succeed in life**
- **Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing**
- **Everyone gets the health and social care support and information they need at the right time and place**
- **Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life**

Our ambitions for our place are:

- **Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities**
- **Journeys across the county are easier, more predictable and safer**
- **Everyone has a place they can call home, with appropriate housing for all**
- **Businesses in Surrey thrive**
- **Well connected communities, with effective infrastructure, that grow sustainably**

STRATEGIC CONTEXT

As a place, Surrey has a range of unique features and qualities that can create different challenges and opportunities. The statistics below set these in context.

<p>Population Surrey has a population 1.19 million and is the twelfth most populous English county By 2030 expected to be 1.26 million</p> <p>Growing ageing population by 2030 over 22% of residents will be aged 65 and over By 2030 47% of residents aged 65 and over will be living in a care home</p> <p>The current population is largely healthy and active Upwards trend in life expectancy for men and women</p>	<p>Education and skills More than 380 schools in Surrey serving around 157,000 children and young people of compulsory school age</p> <p>Good performing schools 94% Surrey schools good or outstanding highest in the South East</p> <p>Highly qualified workforce Over 50% of working age population (16 – 64 year olds) hold a degree-level qualification</p> <p>Over 50% of people leave for study and do not return for employment - significantly higher than the National average</p>
<p>Health and wellbeing Increasing demands on services for vulnerable adults and children + children with additional needs</p> <p>Affluent with pockets of social deprivation that has increased between 2010 and 2015</p> <p>5 most deprived neighbourhoods in Surrey are also within the third most deprived areas in the country</p> <p>Increased food bank usage 2 in 5 emergency food supplies are for children</p>	<p>Housing Increasingly expensive housing</p> <p>Average house price £430,000 increase of 35% over the last 4 years</p> <p>Markedly less affordable housing than other areas in the South East</p> <p>Growing need for affordable housing especially for residents on low incomes</p> <p>Increasing homelessness and fuel poverty</p>
<p>Crime Rising crime Number of crimes recorded second highest rate in the South East</p> <p>Greater than regional average increase in recorded burglary, criminal damage and drug offences and significant increases in robbery and violent crime.</p> <p>Domestic abuse is a growing problem 3,837 [2015/16] New referrals to domestic abuse outreach services</p> <p>Domestic abuse factors in 1/3 of child protection plans [2015 review]</p>	<p>Environment and Infrastructure Surrey's road network is a high priority topic for residents</p> <p>Surrey has one of the busiest road networks in the country, which carry double the national average and have the greatest average delay on the roads out of all counties</p> <p>Greener roads CO2 levels across the whole of Surrey's road network have been falling year-on-year since 2005</p> <p>Tonnage of waste collection risen almost every year and increase in total household waste being recycled</p> <p>Residents have good access to woodland spaces</p>
<p>Economy A strong economy worth £40 billion, which grew by 23% between 2010 and 2017 - in line with economic growth in the South.</p> <p>High and increasing earnings with a high disposable household income £27,865 per head per year</p> <p>An attractive and popular place for businesses Number of business per 10,000 population in Surrey has increased by c.37% between 2010 and 2017.</p> <p>Falling employment rate lower unemployment rate than the South East since 2004.</p>	

OUR FOCUS FOR THE NEXT FIVE YEARS - STRATEGIC PRINCIPLES

Surrey the place and the context within which the council, other public and voluntary, community and faith sector partners and businesses operate has significantly changed over the last decade and will continue to do so. Some of the main challenges include population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints.

Evidence tells us that while many residents and businesses thrive in Surrey, not everyone has the same opportunities to flourish. Surrey is an affluent county and this image often masks the problems that some residents face, such as domestic abuse, homelessness and mental health issues. As we respond to these challenges we will:

- **Focus on ensuring no one is left behind**

We want the people of Surrey to live longer, healthier lives, however we know that some residents experience a poorer quality of life than their neighbours, and this isn't good enough. We believe that people should be supported to look after themselves and those they care for, so we want to work alongside them and their communities to help break down the barriers they face and support them to access opportunities that will improve their quality of life and start well, live well and age well. This means focusing our support on the most vulnerable people in communities and those who do not have the means or resources to help themselves through services that are responsive to Surrey's diverse population. We believe the best measure of the difference we make is through residents' life expectancy and we will work to improve this through early intervention and prevention initiatives, as well as creating the conditions for more opportunities for communities to participate in Surrey. To help achieve this, we will continue to strive for greater health and social care integration with partners. The new Health & Wellbeing Strategy symbolises this shift to greater collaboration between key stakeholders and a collective commitment to improve health and wellbeing to ensure no one is left behind.

- **Take a fresh approach to working in partnership**

The Vision is a shared one – the council has a key role to play but cannot deliver it alone. Partnership provides the key to unlocking the strengths inherent in communities, businesses, public and civic life through sharing skills, insights and experiences to enable us to make changes. Partners across the county face multiple, complex and, in some cases, interrelated challenges, including demographic changes, rising service demand, government policy changes and uncertainty, and reducing resources. Through the engagement work on the Vision, partners identified both where

partnerships were working well and how we needed to change and improve the way we work together. This resulted in a co-designed Partnership Commitment (see **Annex A**) that has been approved and adopted by partners countywide. This re-affirmed a collective commitment to build on existing partnerships and extend and enhance them for the benefit of Surrey residents. As partners, we will work together to deliver the best possible outcomes for people in Surrey. This will involve joining up and innovating in new ways and taking a fresh, place-based approach to leadership.

- **Support people to help themselves and each other**

Individuals and communities lead better, more fulfilling lives the more they help themselves and each other and remain independent for as long as possible. With other public sector organisations, the voluntary, community and faith sector and residents we have been exploring how residents and communities can become more resilient and self-sustaining. This is centred around social action – working with communities to identify practical solutions for improving their own outcomes and those of others - and ‘community participation’ comprised of a genuine drive and appetite for communities to help themselves, particularly the more vulnerable people, and improve their quality of life. We want to change residents’ perception of the council, so they view us as an organisation that supports and works with them to enable community-led ideas, initiatives and projects. With partners, we will continue to explore how to better empower our communities and establish the conditions in Surrey to enable communities to flourish.

- **Involve and engage residents earlier and more often in designing and delivering services, and responding to challenges.**

Residents have told us that they want public sector organisations in Surrey to be better at listening to their needs and concerns through more meaningful engagement with local communities in decision-making processes. We are changing the way we design and shape our services to ensure the right people - including residents - have a more central role in service delivery. For example, to respond to the climate emergency, we established the Surrey Greener Future Design Challenge. The project puts residents and communities at the heart of design and delivery as it aims to develop community-based ideas that will tackle climate change and bring communities together. We will continue to explore new ways to work in partnership and determine what we can do collectively to improve outcomes.

OUR CONTRIBUTION TO THE COMMUNITY VISION FOR SURREY IN 2030: STRATEGIC ACTIVITY

To be able to contribute to making the Community Vision for Surrey in 2030 a success, our role has to fundamentally change. We do not expect a major injection of funding from Government any time soon, so it is clear that we will be unable to continue doing all the things we have done to this point. We need to prioritise those outcomes that matter most to residents and will have the biggest impact on improving people's quality of life. We will focus on carrying out a smaller number of activities, but in a more effective way.

Our contribution also does not mean we will simply deliver services - our democratic mandate and place leadership role for the county puts us in a unique position. We can use this to support communities to help themselves and increase their responsibility for making their own lives better, or to work with Government and local partners to develop solutions together to improve life in the county. Given the limits on our resources, we also need to work smarter and put ourselves on a sustainable footing. We will organise our money, people and other resources in ways which improve outcomes for residents and focus on where it makes sense for us to do so. We will also make our decisions based on the best evidence available, so we are able to maximise the benefits for residents from every single pound of income we get.

CHILDREN AND YOUNG PEOPLE ARE SAFE AND FEEL SAFE AND CONFIDENT

We have a key role in supporting children, young people and families to get the best outcomes in life. In Surrey, we believe that every child should have the opportunity to reach their potential and that children are best supported to grow and achieve within their own families.

By working together with our partners, we will develop flexible services that are responsive to children's and families' needs and provide the right level of help at the right time. This will shift focus away from managing short-term crises, towards effective help and support for children, young people and their families at an earlier stage. The key to success is to make sure the voices of our children, young people and families are heard so they can shape how we work with them to get the best results.

We have taken some important steps to improve our practice and will continue our improvement as we work towards establishing outstanding services.

We will:

- Work in partnership to embed Effective Family Resilience in Surrey, which will strengthen protection and safeguarding, and use the full spectrum of services to intervene as early as possible
- Work with partners to better our Universal Services and Early Help offer to promote and improve the wellbeing and welfare of children and young people
- Focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity which will reduce the demand on high cost, high need interventions
- Provide practical advice that builds resilience for children, young people, families and carers, which will enable them to make positive choices and resolve their own difficulties before accessing services
- Ensure children and their families' needs are met by confident practitioners trained in 'Motivational Interviewing' and who use evidence-based interventions
- Improve the quality of foster care and its availability to ensure looked after children and young people are able to remain in Surrey and receive the support and stability they need
- Embed the early improvements in our caseload management across all our safeguarding services to ensure all practitioners have the capacity to support and meet the needs of children, young people and families
- Work in partnership to focus on children's first 1000 days to ensure they have the best possible start to life, enabling them to develop, thrive and be happy

EVERYONE BENEFITS FROM EDUCATION, SKILLS AND EMPLOYMENT OPPORTUNITIES THAT HELP THEM SUCCEED IN LIFE

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Surrey is fortunate to have a well-educated working age population - over half are qualified to degree level - a range of high performing schools and a good employment rate. These good news stories can mask the experiences of some people in Surrey who have fewer opportunities, and are less likely to be employed, have good levels of skills or qualifications or doing well at school. We are committed to supporting all residents to maximise their education and employment opportunities so no one is left behind.

We will:

- Work with schools and other educational settings to support all children and young people to achieve their full potential
- Support improvement of outcomes for children and young people with special educational needs and disabilities and those who are 'disadvantaged'
- Help prepare people of all ages for employment by working with partners to offer opportunities to return to learning to improve skills through volunteering, work experience or apprenticeship opportunities. This also includes improving access to careers and training information, mentoring opportunities, advice and guidance
- Develop a targeted recruitment approach for apprenticeships for looked after children, care leavers and young people not in education, employment or training to include work experience and pre-apprenticeship style programmes
- Promote and inspire science, technology, engineering and maths (STEM) training and career opportunities to fill future gaps in key sectors of Surrey's economy
- Promote our libraries, heritage, arts services and outdoor learning as places to learn and gain knowledge and skills¹³ for children, young people and adults

EVERYONE LIVES HEALTHY, ACTIVE AND FULFILLING LIVES AND MAKES GOOD CHOICES ABOUT THEIR WELLBEING

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Helping residents to stay healthy and well is key to improving residents' quality of life and tackling inequality of life expectancy. The Surrey Health & Wellbeing Strategy describes our ambition with partners to improve health outcomes in the county through an approach centred around prevention and about creating healthy and proactive people who take ownership of their health. We commission services based on evidence, targeting the greatest health and wellbeing needs to secure better health outcomes for the population. Our services are likely to be well recognised by residents, such as stopping smoking services, programmes to promote physical activity, responsible drinking and our sexual health services.

We will:

- Work with partners to address the wider determinants of health such as housing, the built environment, air quality and healthy workplaces that impact on the physical and emotional wellbeing outcomes of residents
- Provide public health information to enable people to make decisions about their health and emotional wellbeing that are based on what is effective and what is available locally to support them
- Improve the life chances of our residents with a key focus on the most vulnerable by supporting them to make healthier lifestyle choices, reduce loneliness and help them actively contribute to their communities
- Work with residents and partners to develop shared prevention projects that encourage lifelong, healthier lifestyle choices
- Work with partners in the cultural sector and outdoor learning to provide opportunities for people to improve their health and wellbeing through creative and active programmes

EVERYONE GETS THE HEALTH AND SOCIAL CARE SUPPORT AND INFORMATION THEY NEED AT THE RIGHT TIME AND PLACE

Surrey's population is growing rapidly, with more people living longer and consistently high birth rates. We have a responsibility to respond to the growing shared health and care needs that come with these population changes while taking into account increasing complexity in resident needs. We will accelerate the integration of health and social care to deliver services that secure the best possible outcomes. We will also use a strengths-based approach, we focus on what is most important to people, recognise their strengths and networks, help them to stay connected to their communities and feel safe.

We will:

- Build upon the strengths and resources people have in their family, friends and community to help themselves and each other
- Work with partners to accelerate the integration of health and social care so residents are served by an efficient, effective system that improves their outcomes
- Implement new service models in our learning disability, mental health and reablement services to support people to live independently
- Make the best use of technology, work with communities to grow preventative services and look for innovative solutions to secure better outcomes for people
- Work with our health and community partners to support people to live independently, prevent admission to hospital and support people to return home

COMMUNITIES ARE WELCOMING AND SUPPORTIVE, ESPECIALLY OF THOSE MOST IN NEED, AND PEOPLE FEEL ABLE TO CONTRIBUTE TO COMMUNITY LIFE

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We will focus our support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves, to ensure no one is left behind. Residents feel a strong sense of community in their local area, with people from different backgrounds enjoying their communities together. We see our role as supporting communities to help themselves, and together with partners and residents we all share a responsibility to maintain community spirit by fostering an inclusive and secure place for everyone.

We will:

- Work better with public, voluntary, community and faith sector partners to help support local communities and the well-being of residents
- Support communities to be resilient by providing them with information and resources to be responsive to their local needs and issues
- Work with partners and residents to establish conditions in the county that better empower and enable communities to develop inclusive projects and initiatives that respond to local needs and issues, particularly for the most vulnerable
- Work with partners to enable communities and residents to have a more active role in decision making and delivery within the local community
- Ensure that the design and delivery of our libraries and cultural services provide opportunities for community involvement and participation.

RESIDENTS LIVE IN CLEAN, SAFE AND GREEN COMMUNITIES WHERE PEOPLE AND ORGANISATIONS EMBRACE THEIR ENVIRONMENTAL RESPONSIBILITIES

Residents say they value living in Surrey as it is clean, has a number of open, green spaces, including some Areas of Outstanding Natural Beauty, and feels safe. They are clear that they want these aspects of Surrey to be preserved for future generations, pollution to be minimised and for Surrey to continue being a county with a low crime rate. We declared a climate emergency in July 2019, and have started to work towards Surrey becoming a carbon-neutral county, and we will work with people and organisations in Surrey to help them fulfil their responsibilities for being mindful of their impact on their local environment and helping their communities feel safer.

We will:

- Work with partners and residents to minimise the amount of waste sent to landfill, reduce the usage of single use plastics, and increase recycling
- Facilitate the planting of new trees in Surrey to meet the council's pledge of 1.2m new trees by 2030 and improve access to the countryside while conserving and protecting its biodiversity and working towards its financial stability. This includes encouraging residents to use and care for Surrey's green spaces, which will enable them to experience the subsequent benefits around physical activity and improved mental health and emotional wellbeing
- Lead Surrey's response to the 'climate emergency', including improving local air quality, and achieve carbon neutrality as soon as possible. We will also work with residents and partners to reduce carbon emissions from all sources in the county and reducing our own carbon footprint further through rationalisation of our operational and non-operational estates, and supporting agile ways of working across our workforce
- Work with partners to make Surrey a safer place to live, work, travel and do business. We will protect residents from harm both physically and financially through our prevention and protection work by effectively preparing for and responding to emergencies. We will do this by further enhancing road safety, tackling rogue traders, and other deceptive, unsafe, and illegal practices, which will help communities feel safer and more resilient as a result
- Work with partners to tackle serious and organised crime, domestic abuse, modern slavery, human trafficking, radicalisation and terrorism

JOURNEYS ACROSS THE COUNTY ARE EASIER, MORE PREDICTABLE AND SAFER

Surrey has some of the busiest transport infrastructure in the country. We are responsible for 3,300 miles of roads, which are well used with a rising trend of vehicles registered within the county, rising volumes of traffic and higher than average daily traffic flow. While 62% of residents commute by car, Surrey is served by a busy rail network, with main and branch lines connecting London to the South East and South West running through Surrey.

We have a role in maintaining Surrey's transport infrastructure to enable residents to travel as freely and easily as possible. This includes working within partnerships, such as Transport for the South East, to influence and support investments in greener transport infrastructure, such as electric vehicle charging and LED street lighting, as well as building reciprocal relationships with local people to help influence behaviour and help them make considered choices about the way they choose to travel.

We will:

- Encourage our workforce, partners and residents to use low-carbon, environmentally sustainable means of transport, and actively support our residents and business to switch to low and ultra-low emission vehicles, including company vehicle fleets and bus services
- Maintain Surrey's highway network and work with third party utility companies who work on Surrey's roads to minimise disruption to residents
- Engage with key stakeholders to encourage greater use of, and investment in, sustainable transport so that people may travel to / within the county more safely, quickly, easily and efficiently, no matter how they choose to travel
- Collaborate with public transport providers, district and borough councils, highways enforcement, Surrey Police and the voluntary, community and faith sector to help support those who are physically and financially unable to provide their own transport

BUSINESSES IN SURREY THRIVE

We will:

- Help to ensure that Surrey's young people and adults have the qualifications and skills required by local businesses and employers - particularly in growing sectors - to enable them to have successful and stimulating careers now and in the future
- Work in partnership to improve connectivity both within Surrey and between strategically important hubs. We will also improve the place offer of Surrey's towns and maximise the potential of Surrey's economic assets to build on Surrey's established reputation as a place for businesses to invest and prosper
- Continue to work with Local Enterprise Partnerships, districts and boroughs, universities, businesses and other partners to promote economic growth. In particular, drive towards achieving the strategic principles of Surrey's 2050 Place Ambition and making the case for additional investment in the county
- Encourage businesses to use their resources to create social value in the communities where they are based
- Work with Surrey Police and wider partners under the Modern Slavery Act 2015 to boost awareness and identify and defend against workplace exploitation within our organisation, our sub-contractors and partners or supply chains

Surrey has a strong economy with highly skilled residents contributing significantly to the national economy. The county is attractive to business, with a high proportion of active enterprises providing higher than average earnings and disposable household income. Surrey is uniquely positioned between international airports, Heathrow and Gatwick, and hosts some of the world's leading companies. While Surrey's economy is strong it has above national average skills gaps and skills shortages, and without some investment and interventions, growth in Surrey will slow down significantly.

Economic growth in Surrey improves the health and wellbeing of residents and general living standards. We will encourage Surrey's businesses to think about how to deliver social value. This means people using their own resources to make positive changes to the lives of others in their local area. We will encourage them to do things now for the longer term benefit and use their skills and time to deliver social value to communities.

With partners, we will play our part in targeted strategic development, helping to upskill residents and continuing to attract, incentivise and support high growth industries within the county. We also have a responsibility to safeguard people against workplace exploitation through our duties to work with partners to tackle modern slavery.

EVERYONE HAS A PLACE THEY CAN CALL HOME, WITH APPROPRIATE HOUSING FOR ALL

Surrey is a growing county and people value the opportunity to live here. Everyone deserves to have a place to call home and residents are clear that the county needs more affordable and social housing, while maintaining its green spaces and natural assets. Alongside partners we have a role in the provision of housing for vulnerable residents, such as supported accommodation.

By working with partners, our role is to help facilitate the county's housing needs – which means enabling housing growth, developing the infrastructure to support this and maintaining spaces that residents cherish.

We will:

- Work with partners to deliver more housing options for vulnerable residents (such as extra care accommodation) and key sector workers (such as health and care, education and emergency services) to ensure their housing demands and needs are met
- Work collaboratively within and across the council and with partners to identify wider opportunities to benefit Surrey's communities within the context of asset strategy and planning
- Work with partners to support economic growth across Surrey to assist in local place shaping in growing communities

WELL CONNECTED COMMUNITIES WITH EFFECTIVE INFRASTRUCTURE, THAT GROW SUSTAINABLY

Surrey has an array of different communities, some of which are more connected – physically and digitally – and possess more available infrastructure than others. As our economy grows, we have a responsibility to develop Surrey’s communities, ensuring they all experience modern connectivity and accessible infrastructure that supports them. This includes 5G connectivity, schools, transport, retail and health services. This will ensure communities can continue to prosper and have the support to enable them to develop. Where communities are being regenerated, we will work with everybody in the area to create opportunities for people to both contribute and benefit from the changes in a way that makes the growth sustainable. At the same time, we will work to preserve the distinctiveness of individual communities.

We will:

- Work with industry leaders and partners to transition to a ‘green economy’ for Surrey and to ensure communities have the available opportunities to contribute and benefit from the changes that growth brings
- Work towards the roll out of 5G networks across the county to ensure better digital connectivity and facilitate accessible infrastructure across rural areas
- Work better with partners to develop existing infrastructure such as community facilities, schools, retail, transport, health services and other public sector services
- Work with developers, partners and funding bodies to improve and grow Surrey’s transport and digital infrastructure so that it meets the needs of growing communities
- Focus investment on strategic infrastructure in areas where it can unlock development opportunities and/or better and more sustainable connectivity

HOW WE WILL TRANSFORM AS A COUNCIL:

We need to transform our organisation and its culture to successfully deliver our contribution to the Community Vision for Surrey in 2030 within the resources we have available.

We have established an ambitious transformation programme designed to fundamentally reform the function, form and focus of the council so we can add more value, make greater impact and improve services so they deliver the best possible long-term outcomes for residents, balance our budget and better manage demand. This programme set the foundations for change including stronger leadership, governance, project discipline, assurance and change management, and has enabled us to accelerate our approach.

We are continuing to purposefully redesign the council and how things are done so there is the capacity and capability to succeed now and in the future.

Our focus areas are...

Financial management

Our objective is to be a financially sustainable council with a strong culture of financial management, accountability and evidence-based decision-making across the organisation. It sets out the overall framework within which the council manages its financial resources and supports the delivery of the council's priorities and the Vision.

We will spend our money in the most efficient and effective ways, so we can have the greatest impact on improving people's quality of life and ensure we provide the best value for money to our residents.

Over recent years the council has continued to achieve significant savings. During 2018/19 we moved the organisation away from a planned use of reserves to balance the budget, to instead slightly increasing our reserves. We have sustained this and set a budget for 2019/20 without the planned use of reserves.

Looking forward there are significant proposals to change the way that councils are funded. We are also likely to see more of a whole system approach to funding, such as integrated care systems with the NHS. While heading in the right direction, there is still a lot to do to secure the medium-term sustainability of the council's finances.

We will ensure that our managers have greater financial awareness and confidence so that they better understand our economic context and are able to consider the financial impact in decisions. We will support this by establishing a Finance Academy and embedding business partnering to better support and advise managers.

Our culture

Our organisational culture directly affects our performance and ability to deliver the best possible outcomes and value for residents.

As the council's role and impact changes, how we think and behave as an organisation also needs to adapt and develop. We are shifting our culture towards one that is agile, outward-looking, collaborative, open and focused. We want to develop a culture of inclusion, nurturing talent, promoting diversity and creating connected employee communities.

We will develop new patterns of thinking and working that reflect the modern society in which we operate and enable the organisation to effectively adapt, change and perform sustainably, in line with the Vision.

Our people

Our people are crucial to the successful delivery of our residents' priorities.

We will ensure everyone has a thorough understanding of our role and will develop a collective sense of purpose. We are already carrying out ground-breaking work with health and other partners and will continue focusing on working together, building and strengthening relationships between residents, communities and partner organisations and developing a shared sense of responsibility in delivering the outcomes for our residents and communities.

Our People Workforce Strategy sets out how we will develop the capacity and capability of our workforce to enable us to achieve our priorities. We will transform and modernise our ways of working and be more agile to meet our future challenges. We will have a highly productive and motivated workforce which is collaborative, flexible and mobile and able to work effectively anywhere, anytime and with anyone.

We will continue to focus on becoming an organisation with a strong reputation for being a truly great place to work and will develop a compelling employer brand that enables us to attract and retain the best people.

Digital council

Digital innovations are reshaping our society, economy, culture and lifestyle. We must transform how our organisation operates, interacts with customers and delivers services to meet the demands and needs of a digital society.

Being digital is intrinsic to our transformation and inherent to the delivery of our services. It means that we are able to leverage digital technologies, expertise and infrastructure to help us transform our organisation and services to deliver the outcomes for the people and place of Surrey.

To do this we need to cultivate a digital culture within the council and in everything we do. We will develop our digital capabilities and invest in digital technologies that will help drive transformation and whole system change and reshape how local services are designed and delivered to help meet the challenges of the future.

Data and insight

Data is a vital asset with the power to transform the way we see the world, and our ability to change it. It has a crucial role in designing, delivering and transforming our services to improve outcomes, drive efficiencies, and achieve greater collaboration.

We must become more data-driven and further develop our understanding of the people and places in Surrey, where needs are located and how we are collectively responding to those needs.

We will improve the way we use our data and our analytical capabilities to better manage our performance and develop greater intelligence about demand and the needs of the residents, communities and places. With partners, we will use data to help predict future demand for services and design and deliver preventative solutions.

We will better share data and intelligence across our organisation and with partners, embracing digital technology to help achieve greater alignment, increase transparency and shared understanding. This will support more accurate and efficient evidence-led decision-making, more effectively meet needs and allocate resources where they will have the biggest impact.

Customer experience

We will get better at seeing things from a resident's perspective, giving customers a more consistent experience while reducing costs. We will support the most vulnerable people in our communities and will encourage and enable increased independence where it is appropriate to do so.

Currently, customers must transact, interact and get information from us a number of times and in different ways. We will create an improved customer experience by streamlining and simplifying this to a single point of contact where appropriate. This will help us get things right first time more often, as well as help shape demand for our services by proactively providing advice and information at an early stage.

We will also continue to make better use of technology to improve online self-serve options, as well as explore opportunities to deliver services differently. By encouraging and empowering those people that can to access our services online at times and places that suit them, we will free up capacity to support those that need us the most.

We will actively engage with our customers to understand their differing current and future needs and the challenges they face, so we can deliver our services in a way that puts them first and enhances their experience of dealing with us.

Commissioning

We believe commissioning – how resources are used to meet residents' needs – should be about the right people coming together to first understand the issue (what's the need and what are the capabilities of the people or place) and then working together to decide what we can do to collectively to improve outcomes. It is about how we bring together all possible resources within communities, the council and partner organisations around an identified need.

We have now developed our strategic commissioning framework which provides a single approach to how we use resources to meet residents' needs across the council. This framework is supporting joined up working across a number of key public service areas, including transport, social value, climate change, and health and social care integration.

We will continue to develop our strategic commissioning approach as we learn from this work, providing a template for the council and its partners to work together to achieve the ambitions of the Vision and improve outcomes for residents.

Property

We own a broad range of assets, including land and buildings, where we operate the council, deliver services, and that provide us with income. Our use of these assets will change as we transform how we operate and re-design services for the people and place of Surrey. We need to be located in the most appropriate places and have more efficient, multi-use operational properties to best deliver and support services.

We are developing modern, agile ways of working to enable our workforce to be more mobile and work effectively anywhere. This will support us in getting closer to our residents and customers, developing our relationships with them and better understanding their needs.

We will continue to review our assets and property needs and will aim to consolidate and rationalise the assets we own to reduce revenue costs and increase revenue income.

We will collaborate with partners in transforming services and places, working with them to understand local priorities and identify opportunities to join up across organisations, consolidate services, co-locate and create multi-functional properties. This will enable us to better locate services and make them more accessible.

In addition we will work in partnership with district and borough councils to assist in local place shaping, support economic growth and ensure housing demand and needs are met.

Governance

We want to adopt a fresh approach to governance which replaces the current traditional models and processes in favour of processes that support swift and effective decision making.

We will minimise levels of bureaucracy and stop processes that slow down decision making by making sure the right people are involved at the right time and producing better outcomes in decision making. This involves providing officers at all levels with greater autonomy accompanied by more accountability.

As a democratic organisation we will increase transparency by fostering genuine and meaningful involvement from residents and partners in decision making processes.

MEASURING SUCCESS

Success is determined by the collective ability of public sector organisations, the voluntary, community and faith sector, businesses and residents to achieve the outcomes set out in the Community Vision for Surrey. Each individual organisation has a responsibility to contribute towards achieving the outcomes, but success will be a result of our combined efforts. Knowing if we are making the progress we all want to see will rely upon transparent and accountable performance monitoring.

We will publish success measures annually which clearly track our performance and delivery towards the vision outcomes. We will develop an outcomes based performance framework with indicators that will track and monitor our progress. Every individual in the council should be able to link their daily work back to the deliverables set out in this strategy and the Vision for Surrey.

Scrutiny will be an important part of the process to ensure we remain on track. This will be internal through the council's scrutiny processes but also through the inclusion of partners and residents in our performance monitoring process to ensure a comprehensive evaluation of progress.

ANNEX A – PARTNERSHIP COMMITMENT

We are here for the people of Surrey. Together we're unlocking the county's strengths in communities, businesses, public organisations and the voluntary, community and faith sector. Through sharing ideas, skills and resources we will create the future we all want to see, and deliver the Community Vision for Surrey in 2030 together.

We will be...

Ambitious

We're creative and innovative in our thinking and approach, and we adopt a future and forward thinking attitude.

We take pride in what we all do, and inspire each other. Every partner is respected and has an equal right to be heard and involved in decisions affecting them.

We're flexible with each other, residents and communities, to think creatively about tackling issues in new ways.

Empowering

We'll seek to involve everyone in the design of solutions and we actively encourage people and organisations to participate in community activity.

We work together to grow active and participatory communities that feel a genuine sense of ownership and responsibility for the people and environment around them.

We'll engage with residents and communities earlier, giving voice to new and underrepresented ideas.

Open

We put trust at the foundation of every partnership – openness, transparency and honesty are important to us.

We champion openness and sharing quality and consistent data and insights in order to secure better outcomes for residents.

We're open to new ideas and doing things differently, and we'll support each other to work in new ways.

OUR FOCUS FOR THE NEXT 5 YEARS 2020 - 2025

We are changing and improving what the Council does and how it delivers services to reflect the ways in which our residents and communities now live their lives. We are now a year into our transformation to become a leading council. We are ambitious about our future and here we outline where our focus lies in the years ahead.

Tackling inequality

Working with residents in every area of Surrey to identify and address causes of inequality, especially in life expectancy for everyone.



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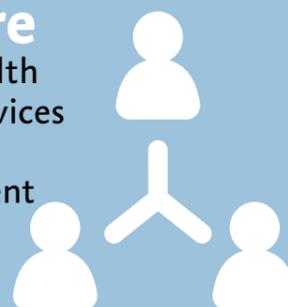
Supporting independence

Helping residents help themselves and each other within their community.



More joined up health and social care

Integrating health and council services so they're more effective, efficient and seamless for residents.



Creating a greener future

Tackling the causes of climate change and become a carbon-neutral county as soon as possible.



Embracing Surrey's diversity

Recognising the benefits of a diverse workforce and population to ensure Surrey is a place full of opportunity.



Partnership

Working with residents, businesses, partners and communities to collectively meet challenges and grasp opportunities.



Supporting the local economy

Investing in the infrastructure Surrey needs to build a strong and resilient economy.

Digital revolution

Making the most of new technology to innovate and improve services, and the way we work, to help Surrey and residents thrive.



OUR VALUES: we care about -



our residents



being excellent



being open



working together



respecting others

THE PRINCIPLES GUIDING OUR WORK:

1 Focus on ensuring no one is left behind

2 Take a fresh approach to working in partnership

3 Support people to help themselves and each other

4 Involve and engage residents earlier and more often in designing and delivering services, and responding to challenges

To read a full list of our achievements from the past year and to read our Organisational Strategy in full, please go to www.surreycc.gov.uk

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SURREY COUNTY COUNCIL

CABINET

DATE:

REPORT OF: TIM OLIVER, LEADER OF SURREY COUNTY COUNCIL

LEAD OFFICER: GILLIAN STEWARD, EXECUTIVE DIRECTOR FOR COMMUNITIES, TRANSPORT AND THE ENVIRONMENT

SUBJECT: FUNDING FLOOD RISK MANAGEMENT IN SURREY



SUMMARY OF ISSUE:

Surrey is a county at high risk of flooding, with more than 30,000 properties at risk from rivers and surface water sources. There have been several major flood incidents in the last ten years, mostly in the floodplain of the lower River Thames and its tributaries. There are also many localised areas prone to surface and groundwater flooding.

The Met Office is predicting more frequent severe rainfall in coming years. If this is the case, it is likely that more areas beyond those already at risk will become susceptible in the future. The floods in 2013/14 caused over £27.1m of direct damage. In the future, the cost of severe floods is expected to rise.

In April 2017, Cabinet approved Surrey's Local Flood Risk Management Strategy which set out our vision:

"To make Surrey more resilient to flooding on a long-term basis through a co-ordinated approach with residents and partners".

Surrey County Council (SCC) and its partners aim to do this by maintaining the existing watercourse and drainage systems, investing in natural and engineered flood alleviation schemes, influencing planning and other critical policy and supporting residents to be more resilient. This will be challenging, as Local Authorities have limited financial resources and competing priorities.

The Government's funding formula for capital flood alleviation schemes often requires that a significant proportion of the costs are funded by "local contributions". Filling these funding gaps is becoming extremely difficult.

SCC has estimated that £33m over 10 years would be required from the county council to help deliver the objectives of the Local Flood Risk Management Strategy together with additional funds from Government and our partners. In addition, SCC must cover the £237m funding gap for the River Thames Scheme (RTS) if it is to proceed.

The RTS presents a unique opportunity to consider a longer term vision for the region. The nature of the scheme, involving the construction of flood channels and associated green infrastructure, lends itself to transforming communities and bringing additional investment and economic growth. This will require ambitious master planning. Without the necessary funding, the RTS's long term benefits will not be achieved.

In October 2017, the Cabinet recommended that the Leader of the Council write to the Chancellor and Secretary of State, requesting that the Government provide the capital required for the RTS. The Government has since made it clear that the funds must be found locally.

The Council cannot ignore the risk of flooding to its residents. Given the lack of funding currently available from Government, for both the nationally significant RTS and other flood risk management activities across the county, Cabinet is asked to consider how this can be achieved.

RECOMMENDATIONS:

Cabinet is recommended to:

1. Approve in principle to the council's investment of £270m to deliver the objectives of Surrey's Flood Risk Management Strategy.
2. Approve the development of new governance arrangements to oversee the delivery of Surrey's Local Flood Risk Management Strategy and separate arrangements for overseeing the delivery of the River Thames Scheme along with a risk sharing agreement, the detail to be brought to Cabinet for further approval in early 2020.
3. Approve the commissioning of a master planning exercise for the River Thames Corridor to maximise the opportunities from the River Thames Scheme.

REASON FOR RECOMMENDATIONS:

SCC's and our partners' current budget for flood alleviation work is very limited. There is not enough money to deliver the objectives of the Local Flood Risk Management Strategy for all of the areas at significant risk of flooding in the county. The floods in 2013/14 highlighted a number of risks across Surrey. If a flood event of a similar magnitude were to take place again in the coming years, the council's inability to carry out work in the relevant areas due to resource and budget constraints means that many locations would continue to suffer the same, or worse, economic and social damage to their communities.

The success of the River Thames Scheme is crucial due to the large number of Surrey residents and businesses affected. By funding the scheme, the Council would unlock further opportunities for the region and contribute to a compelling long term vision for the Thames Corridor through ambitious master planning.

Strong effective governance will be essential in the delivery of this programme, the River Thames Scheme and the wider opportunities. This will need to build on the existing arrangements.

Investing in our Flood Risk Management Strategy, including the River Thames Scheme, would help achieve the Council's Vision for Surrey in 2030, specifically:

- Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities
- Journeys across the county are easier, more predictable and safer

- Well connected communities with effective infrastructure that grow sustainably

DETAILS:

Background – history of flooding in Surrey

1. In 2000, Surrey witnessed the wettest autumn since records began, with the total rainfall between September 2000 and February 2001 recorded at 866mm compared to a long-term average of 432mm. This intense level of rainfall resulted in Surrey's drainage and sewerage systems becoming overwhelmed, with between 500 and 600 homes being flooded. School closures and significant traffic disruption were also caused by this event.
2. Further flood events took place in January 2003 and July 2007. Again caused by heavy rainfall and river flooding; significant damage to a number of communities in Surrey occurred, with the latter event affecting over 200 homes and disrupting the highway network.
3. A nation-wide flood event also took place between December 2013 and January 2014 and Surrey's population was the most affected of any part of the country. The impact of these floods was particularly severe, with approximately 1200 homes internally flooded, many families being forced to move out of their properties for months or more, and a total of £27.1m of damage being directly incurred. The scale of the broader impacts on the economy were much greater, with impacts having been estimated as 0.2 – 0.3% of the annual Gross Value Added for the county.
4. Flooding was primarily caused by the River Thames and its tributaries bursting their banks following an extended period of heavy rainfall. Council officers worked with partners in Boroughs and Districts, Environment Agency (EA), the police and the armed forces in the response and recovery operation.
5. Other recent impacts of flooding in Surrey include:
 - i. Flanchford Bridge, Mole Valley - had to be demolished and rebuilt as a result of the flooding in 2013/14 costing the Council £1.2m from its Highways budget. Furthermore, 270 properties suffered internal flooding in Mole Valley during that flood event.
 - ii. Maybury and West Byfleet, Woking - received around 32mm of rainfall over the course of a few hours in May 2016. The existing drainage systems were unable to cope and 45 properties were internally flooded. Three schools were also closed and major traffic delays caused by flooded roads resulted in gridlock in the Woking area. The same properties were flooded again during a similar event in September the same year.
 - iii. Caterham on the Hill, Tandridge – a flash flood event overwhelmed the drainage infrastructure resulting in over 86 internal property floods and 63 external property floods in June 2016. Many of the internal property floods included sewage. 4 schools were closed, 40 roads were affected by the flooding, with eight closures put in place and traffic gridlock occurring as a consequence.

6. With so many incidents of flooding having taken place in Surrey in the last ten years it is clear that more must be done to manage this risk.

Future risk

7. At present, a large number of communities are at risk of flooding in Surrey as shown in Annex A and current funding levels mean there is a limit as to how many of these can be supported by flood alleviation activities.
8. The Met Office in their UK Climate Projections report state that “Winters in the UK, for the most recent decade (2009-2018), have been on average 5% wetter than 1981-2010 and 12% wetter than 1961-1990. Summers in the UK have also been wetter, by 11% and 13% respectively”. Indications are that there will be future increases in the intensity of heavy summer rainfall events and significant increases in hourly precipitation extremes.
9. EA guidance indicates that flood flows could increase by 15% by the 2050s, though this increase could be as high as 35%. The EA’s nascent national strategy predicts that the current rate of development will increase the number of properties at risk of flooding by 50%. Current funding levels mean that the council is unable to mitigate sufficiently against this risk.

Delivering Surrey’s Local Flood Risk Management Strategy

10. Surrey’s Local Flood Risk Management Strategy sets out 8 broad objectives for reducing flood risk across the county. These objectives have been adopted by SCC and partner “Risk Management Authorities” including the Boroughs and Districts. These are:
 - i. Our understanding of local and strategic flood risk will be improved through clear data management and sharing between risk management authorities to ensure partnership delivery of works in high risk areas.
 - ii. Risk management authorities will reduce flood risk by delivering an effective maintenance regime for their drainage assets and managing their estates across the County in an environmentally sustainable manner.
 - iii. We will agree with partners who the risk management authorities are, jointly define their responsibilities and establish clear lines of communication with them to support the delivery of partnership based flood alleviation projects.
 - iv. Private owners will be made aware of their riparian responsibilities to maintain their drainage assets and watercourses. We will support, promote and enforce these responsibilities.
 - v. The residents and businesses of Surrey will be supported to improve community resilience. Local people will be empowered to reduce the risk of flooding on both an individual and community level.
 - vi. We will reduce the risk of flooding to and from development through local planning policy and processes.
 - vii. We will reduce flood risk from all sources via a programme of capital works, which will be integrated with the activities of other risk management authorities.

- viii. We will investigate significant flooding incidents in order to make recommendations that help reduce flood risk.
11. Investment is essential to avoid the impacts of flooding that would be far in excess of that seen in 2013/14. To address the ongoing flood risk we are proposing that £33m over 10 years supplemented by funding from partners would be required to deliver this strategy.
12. To that end we will develop action plans with our partners over the coming year as to how this will be achieved. The activities would not be limited to contributing to schemes but would comprise of a range of interventions to effectively manage flooding. We are already working with the Environment Agency and Boroughs and Districts to identify locations and opportunities to reduce flood risk. These will then be prioritised with specific targets to be approved by an enhanced governance structure to be developed alongside the plans.
13. Several of the areas of priority identified by our partners would not currently meet the thresholds for attracting government funding. In addition, partners wished to highlight the importance of protecting infrastructure, community amenity and access to schools which would also not necessarily attract government funding.
14. The importance of using flood alleviation work to facilitate regeneration plans in town centres and communities was also raised. These schemes offer a wealth of opportunities to manage flood risk but also to attract further investment and growth. Opportunities to use existing land and assets to reduce flooding have been identified, particularly through the use of Natural Flood Management and Sustainable Drainage Systems.
15. SCC can also do more to improve highway drainage maintenance, though this likewise requires additional funding. Specifically, additional targeting of drainage infrastructure in areas considered a priority due to historic or modelled flood risk improve the capacity of the system to deal with heavy rainfall events.
16. The lack of capability to ensure flood risk management is better delivered through planning, enforcement and education was raised by all partners.
17. In order to achieve this we will use an element of the funding for additional resources within SCC and partner authorities to further develop this strategy and fund its delivery across the county.

The River Thames Scheme

18. The Lower Thames floodplain between Datchet in Berkshire and Teddington in West London is the most populated undefended floodplain in the United Kingdom. Over 15,000 properties are at risk in a flood with a 1% probability of occurring in any given year. Between Datchet and Shepperton the floodplain widens to over 2km in some places and here the settlements of Datchet, Wraysbury, Staines, Egham Hythe, Chertsey, Laleham and Shepperton are all at risk of flooding. Downstream, through the London boroughs of Kingston and Richmond, the floodplain narrows and here riverside and island properties are at risk.
19. In 2014 and 2003, hundreds of riverside properties and those in low lying areas were vulnerable to frequent flooding. A large flood, last seen in 1947, would flood approximately 10,000 properties and cause disruption to transport and infrastructure with regional and national impacts. The Runnymede roundabout, Junction 13 of the M25 would be closed for several days and over 300km of other roads would be flooded in the area.
20. The economy of the Thames Valley is one of the highest performing in the country, producing a significant share of the UK's wealth. The estimated economic impact of a major flood is currently around £1 billion at 2019 prices but damage could be twice as great by 2055 because of the impact of climate change. The River Thames corridor is a busy and environmentally valuable landscape which is rich in heritage. It has many nationally important heritage assets such as Windsor, the Magna Carta at Runnymede and Hampton Court.
21. The River Thames Scheme will comprise the creation of three flood alleviation channels alongside the River Thames and flow capacity improvements to three Thames weirs. The channels will enable a mixed quality landscape and currently inaccessible open spaces to be transformed. Four country parks will be created along with 23km of footpaths and cycleways. We are working with the Heathrow Airport expansion team to link these paths into the green grid to be created around the airport and into the Colne Valley further north. This will link tens of thousands of people to major transport hubs via off road cycling and open up new accessible green space and footpaths for hundreds of thousands of people.
22. The preferred option of the River Thames Scheme has a current cost of £640m. This option will avoid £2.58bn of flood damages over the life of the scheme (at Net Present Value) and has a benefit to cost ratio of 6.29.
23. The current cost includes a contingency of £151m (35%) on the remaining design and construction cost estimate (made up of £86.5M of quantified risk, £39.9m optimism bias, £5.5m risk on the community resilience measures and £19.5m inflation on these base risk costs). The total financial cost includes compound inflation at 2.5% from 2019/20 and provides for cash up front for the first ten years of maintenance.

24. The direct flood risk benefits and the wider benefits of connectivity and accessible green space have already attracted significant contributions from partners. We are now being asked to contribute the remaining £237m to achieve a fully funded scheme. The breakdown of current contributions to the scheme is set out in the following table:

Current external contributions			
Local choices Flood and Coastal Risk Management (FCRM)	Thames Regional Flood and Coastal Committee	£31.96m	Confirmed
Local economic and social benefits	Surrey County Council	£237.00m	For approval
Local economic and social benefits	Royal Borough of Windsor and Maidenhead	£52.66m	In principle commitment*
Local choices	Central Government	£60.00m	Confirmed
Local economic and social benefits	Surrey Local Enterprise Partnership	£2.50m	Confirmed
Utility resilience	Thames Water	£2.50m	Agreed in principle
Local economic and social benefits	Local Authorities: RBWM, Surrey, Spelthorne, Runnymede, Elmbridge	£6.17m	Secured and being spent
Sub total		£392.52m	
National economic FCRM benefits	Flood and Coastal Risk Management Grant in Aid (through the EA/Defra)	£248.00m	In principle commitment**
Total		£640.52m	

*Total amount contingent on legislation being passed to allow RBWM to make contributions to maintenance funding.

**The business case for the RTS has passed its economic assessment within the EA, has been recommended for approval and has a funding allocation in the next 6 – year programme. The total allocation for this programme will be announced in the national Spending Review 19 settlement.

25. If this funding gap is not met then there is a high chance that the scheme will be significantly reduced in scope or withdrawn altogether. The Government and other national bodies do not fully fund such flood alleviation schemes and therefore under the current funding formula, large contributions from other sources are required if the scheme is to be successfully developed and built.

26. Many alternative options for bridging the funding gap of the RTS have been considered. A specially convened funding group, chaired by the previous Leader of the Council David Hodge, has assessed numerous options for generating additional funding for the scheme. This has included:

- i. Maximising the contributions from organisations that stand to benefit from the RTS
- ii. De-scoping or deferring parts of the scheme to reduce cost and potentially alter the partnership funding score

- iii. Working with the Government to generate additional local contributions which are matched or leveraged by additional Government funding.

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

- 27. The Royal Borough of Windsor and Maidenhead (RBWM) have previously resolved to raise £10m in capital funding for the River Thames Scheme plus £500,000 per year for ongoing maintenance costs. However these maintenance costs and any additional capital costs would require legislation to be passed to allow RBWM to raise a separate precept.
- 28. We will continue to pursue alternative funding sources in order to reduce the financial risk on the council. This includes identifying potential options for generating income from the delivery of the scheme itself.

Governance

- 29. To provide suitable oversight for this investment it will be necessary to strengthen the current governance arrangements. A new group would be necessary which would likely be chaired by the portfolio holder with membership from the partner authorities and organisations within the county. It would provide oversight and scrutiny for the existing Surrey Flood Risk Partnership Board and be tasked with making key decisions on the delivery of Surrey's Local Flood Risk Management Strategy, agreeing priority catchments and embedding the flood risk management strategy in their authority's business.
- 30. A separate governance structure would be required for the delivery of the River Thames Scheme and any subsequent development. Options for how the RTS would be governed and delivered are currently being considered, but would need to build on the existing arrangements. The group would be chaired by the Leader of Surrey County Council, with the membership made up from senior representation from the key partner authorities. This would include the Environment Agency, the Royal Borough of Windsor and Maidenhead, Runnymede Borough Council, Spelthorne Borough Council, Elmbridge Borough Council, London Boroughs of Richmond and Kingston, Thames Water, Thames Regional Flood and Coastal Committee, Homes England and the Local Enterprise Partnerships. We would also seek link members with the Thames Estuary and the National Infrastructure Commission.
- 31. Any arrangement would need to reflect that the River Thames Scheme is no longer an Environment Agency led scheme but more one led by the main contributors and partners. Any governance model would also need to ensure that key decisions are made at the appropriate level and in a timely manner. A number of existing models are being considered including examples from HS2 and the delivery of the Commonwealth Games. This would need further discussions between the Environment Agency, SCC and the Royal Borough of Windsor and Maidenhead and would build upon the existing Programme Boards and Sponsoring Group.
- 32. Once proposals have been developed for the governance arrangements we will return to Cabinet for approval in 2020.

Opportunities and Master Planning

33. By reducing flood risk to existing communities as well as undeveloped land, the River Thames Scheme opens up vast potential for a more ambitious long term vision for the wider area.
34. The River Thames Scheme presents an opportunity to improve and enhance the communities in the river corridor further than simply reducing the risk of flooding. The scheme itself will create new habitat and improve existing landscape and has been developed to maximise the opportunities to enhance the areas around the scheme through the creation of new country parks. The creation of these new public open spaces will bring health benefits for communities and opportunities for tourism, recreation and leisure.
35. In order to improve the current network for pedestrians and cyclists, the area around the flood channel will provide new footpaths and cycle paths that have been designed to connect to the existing network. New footbridges connecting footpaths will be built across the flood channel. There are also opportunities to connect the new pathways to existing heritage sites and key landscape features.
36. We propose to commission an ambitious masterplan that will explore the long term opportunities that exist for the land protected by the scheme. This includes opportunities to develop a new eco-community that would incorporate housing and employment space. The aim being to establish the potential options for bringing forward commercial, employment and housing opportunities that build on the developing vision for the Thames corridor.
37. This masterplan will establish a compelling vision for the river corridor that will transform the area in the longer term. The plan will also explore the opportunity to bring in funding for additional infrastructure that would enable the development of environmentally sensitive and sustainable housing. By linking this work to the developing industrial strategy, options for funding aimed at releasing high quality employment space will also be explored.
38. This work will provide options that would reduce the financial risk to Surrey County Council in closing the funding gap for the River Thames Scheme.
39. We will work with partner authorities through the governance arrangements to set out the scope of the master planning and how it will be funded.

Conclusion

40. There is a clear need for additional investment in flood alleviation work in Surrey. If the current level of investment were to remain the same, or even reduce, residents and businesses would remain at risk with potential impacts greater than those seen in 2013/14.
41. SCC is in a strong position to significantly reduce the likelihood of these impacts occurring through investing in the delivery of flood risk management activities across the county.

42. As part of this, SCC can ensure that riverside communities are better protected from flooding by closing the funding gap for the River Thames Scheme. In doing so it can unlock significant opportunities for investment in the region. This would require strong governance arrangements.
43. Subject to the approval of the Medium Term Financial Strategy, the governance arrangements and how financial risk will be managed SCC will invest in a programme of flood alleviation activities across Surrey (£33m over 10 years) and contribute to the River Thames Scheme (£237m). This investment will be financed through borrowing, and is considered affordable within the proposed Medium Term Financial Strategy and is profiled below.

	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	(£'000)
RTS	2,500	2,500	10,000	60,000	60,000	50,000	50,000	2,000	0	0	237,000
Surrey Programme	1,000	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	33,000
Total	3,500	6,055	13,555	63,555	63,555	53,556	53,556	5,556	3,555	3,555	270,000

RISK MANAGEMENT AND IMPLICATIONS:

Financial risks:

Risk that money raised for wider schemes not adequate to cover need.

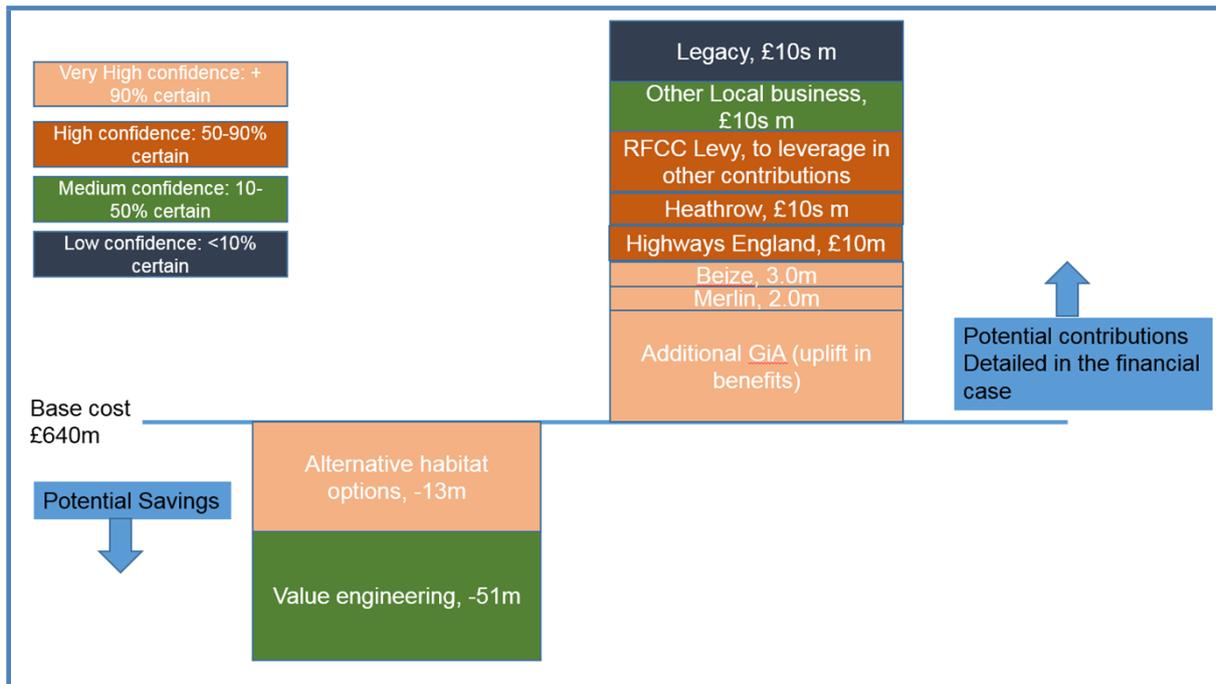
44. The Governance arrangements put in place will need to identify additional contributions from partners to help contribute to further work. It will be expected that partners identify additional funding from areas such as Community Infrastructure Levy (CIL) etc.

Risk that the River Thames Scheme becomes unaffordable as costs rise.

45. The costs for RTS have been reviewed and updated to 2019 baseline prices. The financial case then assumes 2.5% inflation from 2019. We are very mindful of potential cost changes in the four years to Full Business Case and therefore have a contingency plan that will enable the Sponsor Group to *maintain* affordability through this period. This is in addition to the quantified risk allowance and optimism bias which make up 35% of the current scheme costs.
44. We are investigating options that will reduce the scope and base costs up to a value of £64m. Alternative habitat options saving up to £13m are looking promising. The value engineering options are technically viable but they do introduce other risks so need further investigation.
45. Once we have the scheme funding confirmed and can move forward we will seek to secure further contributions. There is now very strong evidence that the benefits of the scheme will increase and this will draw in additional Flood Defence Grant in Aid as part of our financial contingency plan. Discussions are taking place with a number of organisations on direct contributions and many others have been identified. The Oxford Flood Alleviation Scheme, for example, have secured a £10m contribution from Highways England for benefits to the A34 near Oxford. The same methodology is being applied to

RTS to seek contributions for benefits to the M25 Runnymede junction. We will continue to approach organisations such as Highways England, the Local Enterprise Partnership and Heathrow Airport for financial contributions alongside other businesses that benefit.

46. A risk sharing agreement will be agreed between the EA, SCC and other partners well in advance of the Final Business Case. This will set out how any cost over-runs will be managed.



47. The potential savings and contributions are summarised in the Figure below.

Risk that the future financial climate means that SCC are no longer able to afford repayments

48. Work on Master Planning will be designed to reduce the financial burden on Council and to reduce the long term risks.

Non-financial risks:

49. Reputational – should flooding occur without the Council moving to address the funding situation, Surrey County Council would attract criticism from the public.

Financial and Value for Money Implications

50. In the absence of funding contributions from alternative sources, SCC would provide additional funding to allow the project to proceed. This would require an increase in borrowing.

51. Based on current forecasts the revenue impact of borrowing will rise from £0.2m in 2021/22 to £7.3m by 2026/27. This will include the cost of interest and the statutory Minimum Revenue Provision (MRP) set aside for the repayment of borrowing. The cost of borrowing will rise to around £13m per annum over the next 30 years, based on costs being spread over 50 years.
52. This is considered affordable within the context of SCC's wider ambitions as set out in the emerging Medium Term Financial Strategy.
53. The cost of borrowing is at the mercy of wider monetary policy decisions around interest rates. Current assumptions include an interest rate forecast in line with advice taken from treasury advisors, which are in keeping with the wider market forecasts. Any increase in interest rates will increase the cost to the council. However, monitoring of rates and any necessary action, will be undertaken as part of the council's borrowing strategy. SCC will have to monitor its affordability for this scheme and the wider capital ambition in the context of medium term financial planning.
54. Reducing flood risk across the county would mean the cost of responding to flooding incidents and repairing damage would be avoided. It would also promote economic growth and reduce economic loss during flood events.
55. Although a Risk Sharing Agreement will be put in place it is likely that any cost overruns would fall to the contributing authorities including SCC. The Risk Sharing Agreement will be developed through the proposed governance arrangements and would look to reduce the risk on the council.
56. The ongoing maintenance of the scheme beyond the initial 10 years would also need to be agreed through the governance arrangements. Again, we would seek to reduce the SCC's long term liability.

Section 151 Officer Commentary

57. The proposed investment of £270m over 10 years, being a contribution of £237m to allow the River Thames Scheme to proceed and £33m for wider flood risk management measures across the county, is considered affordable. The investment will be financed through borrowing, and will be reflected in the council's Medium Term Financial Strategy.
58. The River Thames Scheme is a large and complex scheme which will span a number of years, and as such there is a risk that costs could change as the scheme develops. Scheme estimates therefore include significant allowances for inflation and risk. The report also sets out how opportunities will be taken to reduce costs and to secure additional contributions.
59. The decision to provide financial support is subject to the approval of the council's Medium Term Financial Strategy, and to a further report to cabinet setting out proposed governance and risk sharing agreements.

Legal Implications – Monitoring Officer

60. Section 9 of the Flood and Water Management Act 2010 requires the County Council as lead Local Flood Authority to develop, maintain, apply and

monitor a strategy for local flood risk management in its area. A Local Flood Risk Management Strategy is in place to comply with this duty. The current Strategy was approved in April 2017. It is required to contain objectives for managing local flood risk and measures proposed to achieve these objectives.

61. Approval is sought for funding to deliver these objectives and for new governance arrangements to secure the delivery of these. This is in line with the County's legal duties.

Equalities and Diversity

62. An Equalities Impact Assessment for Surrey's Local Flood Risk Management Strategy was approved with the Strategy itself in April 2017 and is available to view publicly [online](#).
63. This adequately covers any actions that come out of the Strategy including the delivery of capital schemes such as the River Thames Scheme.

Public Health Implications:

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

WHAT HAPPENS NEXT:

65. If the recommendations are agreed then the required funds will be raised through borrowing according to the agreed profile subject to the approval of the Medium Term Financial Strategy and details of the governance and risk sharing arrangements.
66. Officers will continue to work with the Environment Agency and our partners to develop Surrey's Local Flood Risk Management Strategy action plans for the county.
67. Governance arrangements for overseeing the delivery of Surrey's Local Flood Risk Management Strategy and the River Thames Scheme will be developed and presented to the cabinet for approval in early 2020 alongside the detail for how financial risks will be managed.
68. A masterplan will be commissioned for the River Thames Corridor in partnership with the relevant authorities.

Contact Officer:

Doug Hill, Strategic Network Resilience Manager
Tel: 020 8213 2711 Email: doug.hill@surreycc.gov.uk

Consulted:

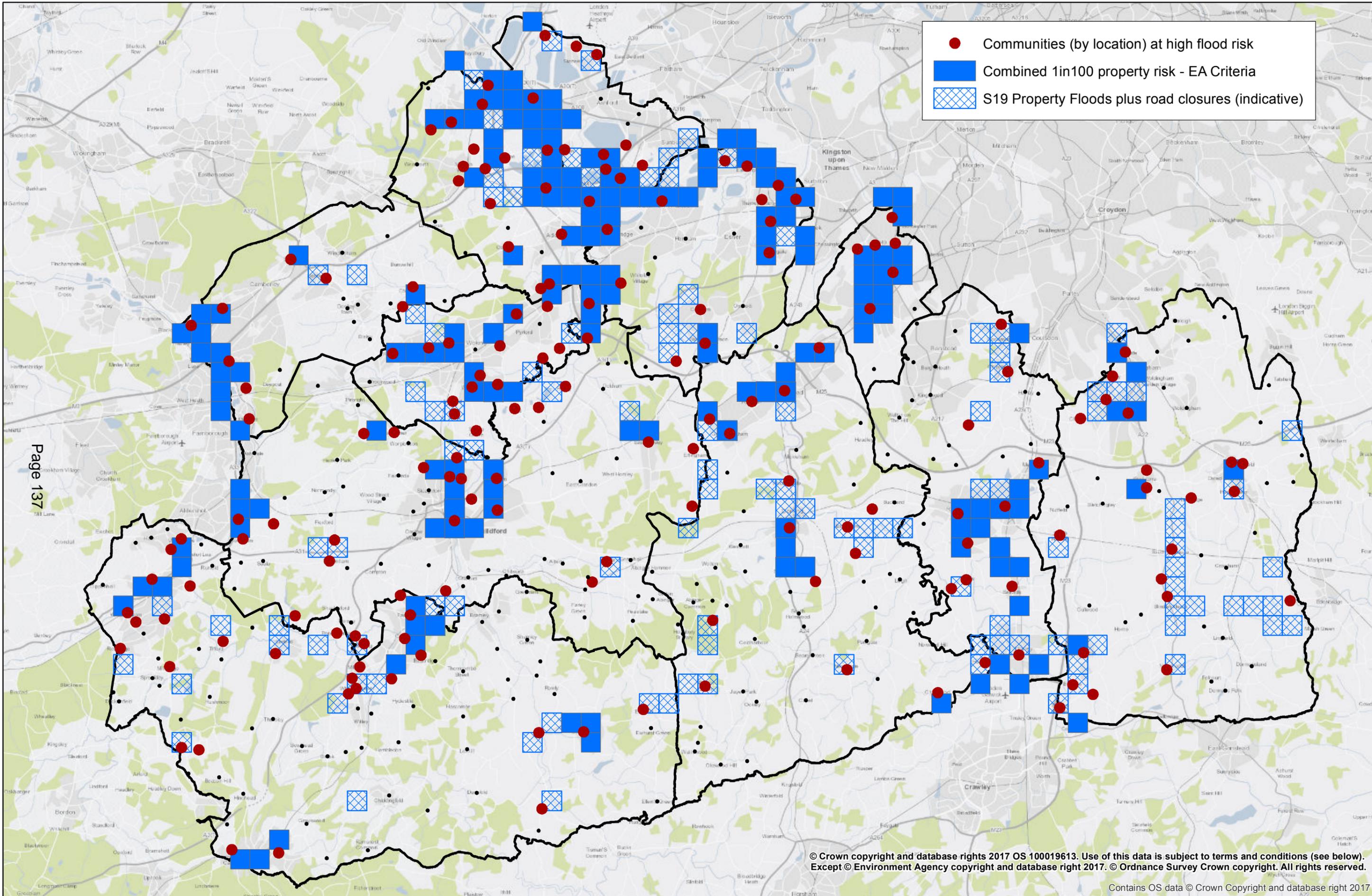
Annexes:

Annexe A – Mapping of communities at risk of flooding in Surrey

Sources/background papers:

Surrey Local Flood Risk Management Strategy – [Link](#)

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- Communities (by location) at high flood risk
- Combined 1in100 property risk - EA Criteria
- S19 Property Floods plus road closures (indicative)

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



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SURREY COUNTY COUNCIL**CABINET****DATE: 29 OCTOBER 2019****REPORT OF: DR ZULLY GRANT-DUFF, CABINET MEMBER FOR CORPORATE SUPPORT****LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR FOR RESOURCES****SUBJECT: DIGITAL BUSINESS & INSIGHTS PROGRAMME OUTLINE BUSINESS CASE****SUMMARY OF ISSUE:**

This report presents the outline business case for progressing procurement activities to upgrade or replace the council's existing corporate (enterprise resource planning or ERP) system, which is used to manage the organisation's business critical Finance, HR, Payroll and Procurement processes.

The aim is to implement a modern solution that will address urgent technical drivers for change, while also enabling the council to achieve its ambitions to transform services, improve management decision making and to have a flexible and mobile workforce.

Indicative costs and benefits are included in Part 2 of this report.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approve the recommendation to progress the procurement stage, based on a vendor neutral approach, to procure a Software-as-a-Service (SaaS) corporate ERP system.
2. Approve funding of £394k for programme resources to prepare for and deliver the procurement stage.
3. Note that a report will be brought back to Cabinet to seek approval to award a contract to the successful supplier following procurement activities and to approve implementation based on a full business case including firm costs.

REASON FOR RECOMMENDATIONS:

The recommendation is to progress a vendor neutral Software-as-a-Service (SaaS) corporate system procurement to enable the council to fully evaluate the solution options available, to best meet its requirements and to drive best value for money through market competition. This approach will also enable the council to compare suppliers' implementation approaches, and in so doing to best inform planning to minimise disruption for the organisation during the implementation phase.

DETAILS:

Introduction

1. The purpose of this report is to inform a decision based on indicative costs and benefits to progress a procurement exercise to upgrade or replace the council's existing corporate system, which manages the organisation's business critical finance, HR, Payroll and Purchasing processes.
2. The current system will no longer be supported by the supplier, SAP Plc, beyond 2025 and the existing server hardware is now beginning to show its age with more performance issues arising. The current system will also not enable the council to achieve its transformational ambitions to drive service transformation, improve management decision making through easily accessible data and insight, and to have a flexible and mobile workforce.
3. This report recommends the implementation of a modern Software-as-a-Service (SaaS) system to provide an enabler, as part of the council's overall framework of processes and tools, to support these transformational ambitions. This change will also provide an important catalyst for the organisation to streamline processes, remove inefficiencies wherever possible and drive slicker working practices.
4. To inform the development of this report, a Strategic Options Appraisal was developed to assess the options available to the council and to determine which options should be progressed to the outline business case stage. The Strategic Options Appraisal involved engagement with senior stakeholders from across Finance, HR, Payroll, Procurement, Business Operations and IT&D and confirmed agreement to progress this programme as a priority and on the need for the improvements that it should deliver.

Strategic drivers

5. In summary, the key strategic drivers to upgrade or replace the existing corporate system at the council include the following aspects.
 - Technical imperative - the current system was implemented in 2004, is out-of-date and will no longer be supported by SAP beyond 2025. The existing hardware was procured in 2011 with a projected lifespan of 5 years and is now suffering performance problems, increasing the risk of system failure with serious consequences for the council. The hardware is also on expensive extended support, with costs increasing every year.
 - The transformation agenda – the drive to deliver efficiencies through improving corporate support processes, removing unnecessary bureaucracy and enabling greater staff self-sufficiency and agile working through digital self-service, releasing time for corporate support functions to focus on higher value, more strategic support as business partners to front-line services.
 - Business Operations external customers (e.g. schools) - are demanding a move from their current mediated access to services to a fully mobile digital solution at a competitive price. For the council to retain existing customers and attract new business, slicker processes with improved digital self-service and user experience are required.

6. The aim of this programme is to deliver more modern, intuitive and efficient Finance, HR & Payroll and Procurement systems and processes to enable the strategic ambitions described above. In summary, the programme aims to deliver the following high-level outcomes.
- Intuitive digital self-service processes that are accessible from anywhere, have a consistent look-and-feel and increase staff self-sufficiency, enabling a more agile workforce and more effective management of demand for corporate support.
 - Increased automation of transactional processes, creating efficiencies and freeing-up resources to direct additional time to more complex and value-adding advice and support.
 - A single trusted source of accurate and timely financial, people and procurement data to inform efficient and effective decision making.
 - Improved evidence-based decision making through the ability to slice, dice and analyse data to meet different business needs.
7. These outcomes closely align with the council's Organisation Strategy for 2019-23, which was developed in response to the Community Vision for Surrey 2030. Specifically, this programme aligns with the following strategic themes:
- the drive to implement robust, resilient and effective financial management;
 - the drive to exploit the benefits of digital technology to drive service transformation;
 - improving management decision making through easily accessible data and insight;
 - and having a flexible and mobile workforce where the majority of staff are able to work anywhere and at any time supported by the right technology.

Scope & benefits

8. This is a business transformation programme and will include the end-to-end review of the council's existing Finance, HR, Payroll and Procurement processes to adopt best practice standards and maximise benefits for the organisation. In summary, the scope includes the following.
- Users - The full scope of users of the existing corporate system, including council users and external customers that use the same system, e.g. schools including academies.
 - Functionality - Replacing the currently implemented functional footprint of SAP licenced corporate processes at the council including their required integration. Additional functionality requirements, such as Contract Management, will be reviewed and confirmed prior to the start of the procurement process.
 - Hardware – The existing server hardware has reached end-of-life and is on expensive extended support, with costs increasing every year. This programme includes implementing a SaaS solution, which will replace this hardware in hosting the new system.
 - Data archiving – There is currently 16 years of data held in the existing system. A GDPR compliant approach for archiving past data will be agreed and implemented as part of the solution.

9. The following systems are out-of-scope for the programme with the exception of their integration with the new SaaS system: E-invoicing, which is currently managed using the Taulia system, Learning Management and Recruitment, which are managed by the recently implemented SAP Success Factors system and Tribepad system respectively.
10. It is recommended that a Software-as-a-Service (SaaS) product is procured, as opposed to an in-house hosted solution, to ensure that the new system is future-proofed and that the organisation is able to benefit from the release of new technologies via ongoing software updates, avoiding the need for another major system upgrade with the associated costs and disruption in a few years' time. SaaS is the focus for innovation and investment for major corporate system providers and is specifically designed to meet the needs of an agile and mobile workforce, enhancing self-service business processes and significantly improving the use of management information.
11. Key benefits identified from implementing a SaaS corporate system include the following:

Type of Benefit	Detail
Financial Benefit	<ul style="list-style-type: none"> • Avoided £2m capital cost of upgrading the existing SAP hardware, which would be required for an in-house hosted solution. • Improved processes through automation and self-service, and changes to ways of working will create efficiencies and potentially reduce back office staff costs. • Improved technologies are likely to reduce the number of business support staff required to support a SaaS-based technology.
Non-Financial Benefit	<ul style="list-style-type: none"> • Ability to procure a fit-for-purpose solution that meets the council's requirements • Implementation of manager and employee self-service will improve processes and reduce inefficient activities for council staff. • Flexibility of SaaS subscription licences enables improved scalability (ability to flex to accommodate changes in requirements) • Planned upgrades will be undertaken in the SaaS Cloud, future proofing the solution with limited disruption to business. • Improved access channels will increase the ability to interact with the ERP system remotely. • SaaS technologies allow for improved integration between the ERP and other databases, enabling easier integration of financial and non-financial data.

Options considered

12. Corporate ERP systems are broadly categorised into two categories, the most comprehensive being classed as Tier One and the less comprehensive being Tier Two. Typically, Tier One solutions are installed by multinational organisations, which deal in multiple currencies and require end-to-end process management, across for example manufacturing supply chains. Tier Two solutions tend to be implemented by less complex organisations where less configuration of processes is required.
13. The Strategic Options Appraisal evaluated four practical strategic options for the council to upgrade or replace its existing corporate system. The Programme Board agreed to progress the following three strategic options to obtain indicative pricing and to progress to the outline business case stage.

- Strategic Option 1: A greenfield upgrade of the existing system - A re-implementation of SAP's next generation solution including a complete re-engineering and simplification of the council's in-scope processes.
 - Strategic Option 2: Alternative Tier One system implementation (e.g. Oracle or Workday) - A complete re-design of the council's corporate system including the implementation of an alternative Tier One system.
 - Strategic Option 3: Alternative Tier Two system implementation (e.g. Unit4 Business World (Agresso)) - A complete re-design of the council's corporate system including the implementation of an alternative Tier Two system.
14. The Programme Board agreed to discount an alternative option to deliver a brownfield upgrade of the existing system as not being suitable to deliver the transformational strategic objectives of the programme. This option would be an evolution of the council's existing system through an incremental upgrade process to SAP's next generation solution rather than delivery of a full re-implementation as in strategic option 1.
15. The following five options for next steps have been evaluated.
- Procurement Option 1: Vendor neutral SaaS corporate system procurement (including SAP greenfield, alternative Tier 1 and 2 options) and procurement of implementation partner services.
 - Procurement Option 2: Direct award to SAP for an upgrade to their next generation SaaS solution and a procurement of implementation partner services.
 - Procurement Option 3: Direct award to SAP for an upgrade to their next generation in-house hosted solution and a procurement of implementation partner services and required hardware.
 - Procurement Option 4: Collaborative vendor neutral SaaS corporate system procurement including this council, East Sussex County Council (ESCC) and Brighton & Hove City Council (B&HCC)
 - Procurement Option 5: Do nothing. A server hardware upgrade would be required in the short-term and the council would need to implement a new system prior to 2025.
16. Options 2 and 3 were discounted because they required identification of a route to market offering direct award whilst remaining compliant under the Public Contract Regulations 2015, which has not been possible. Furthermore, a lack of market competition is unlikely to deliver best value for money and mean the council is unable to fully evaluate its solution options and ensure best fit with its business and technical requirements. As an in-house solution, Option 3 also has a less flexible licencing model without the future-proofing benefits of a SaaS product. It would also require an additional procurement process to purchase upgraded hardware, which would have to be refreshed in five years' time.
17. Option 4 was discounted because the estimated economies of scale delivered through a fully collaborative procurement approach are low and will likely be eroded due to the longer timescales resulting from running a collaborative process to procure a Framework contract, the increased time required to gather requirements from all three organisations and the need to navigate multiple organisations' governance arrangements to secure decisions.

18. The recommendation is to progress Option 1, a vendor neutral SaaS corporate system procurement to enable the council to fully evaluate its solution options and to drive best value for money through market competition.
19. The Option 1 procurement will be led by the council and be informed solely by its own requirements. However, the proposed procurement process will be to run a restricted tender to let a framework contract, which this council will initially call-off from for its contract as soon as the framework is awarded. ESCC and B&HCC will be invited to be named organisations on the framework, and if it meets their requirements will be able to call-off their own contracts under this framework at a later date, avoiding the need to undertake a repeat tendering process.
20. The major activities for the tender process are included in the indicative timetable in the What Happens Next section of this report.

CONSULTATION:

21. Senior officer stakeholders have been consulted during the development of the strategic options appraisal and outline business case, including the Programme Board which comprises Directors from Finance, HR, Payroll and Procurement and IT & Digital and senior representatives from each council directorate. Team managers from in-scope corporate services were also engaged as part of the development of the Strategic Options Appraisal. The Corporate Leadership Team were consulted and approved the outline business case to be progressed for final approval at Cabinet.

RISK MANAGEMENT AND IMPLICATIONS:

22. The following risks have been identified including planned mitigating activities. Programme management will ensure that risks are owned and managed effectively on an ongoing basis by the Programme Board and other senior stakeholders as appropriate to ensure continued focus on their status and their effective mitigation.

Category	Risk Description	Mitigation Activity
Operational / Service Delivery	There is a risk of the existing server hardware failing, increasing the risk of system failure with serious consequences for the council.	Implementation of a SaaS solution removes this risk for the council. Mitigation during implementation period of new system to be managed by IT&D as part of business as usual.
	There is a risk that there will be a drop in the level of service from Business Operations for the council and other customers during the implementation and early life of the new system	Effective business change management and communication with customers to manage expectations throughout delivery of the programme
Financial	There is a risk that a move to a subscription payment model is not financially viable for the council if the required revenue budget is unavailable	Indicative capital and revenue costs to be shared with Finance at the outline business case stage. Finance Business Partner involvement to ensure early inclusion of figures in budget planning.
	There is a risk of Business Operations losing existing customers	Specification to include requirements to meet customer expectations and if

	and being unable to win new business if the existing corporate system is not replaced with a modern solution with strong digital self-service capability	possible, early implementation of payroll solution for customers
Strategic	There is a risk that there is an unclear strategic ambition for the programme, impacting the ability to gain consensus and ensure buy-in for a preferred direction of travel	Strong engagement as part of developing the options appraisal, business case & procurement with senior leadership and the impacted business stakeholders
	There is a risk that the timing & impact of the “Moving Closer to Residents” programme and wider transformation limits the capacity of the organisation to engage with this programme, impacting delivery.	Close working with the Corporate Portfolio & MCTR programme to plan implementation, aligning plans & minimising disruption to the organisation
	There is a risk that there is a capacity issue in the Business Operations team to be able to meet their required time commitment to deliver the programme.	Careful transition planning & management including backfill to free-up staff time to focus on the programme.
	There is a risk that dependencies on integration with Directorate systems are not effectively identified and included within scope, impacting the delivery of end-to-end processes with directorates and benefits realisation	Focus on ensuring all integration requirements are identified and included. Directorate representatives keep abreast of directorate initiatives status to ensure dependencies are effectively managed

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

23. The costs and benefits information in this outline business case are indicative only and are included in Part 2 of this report. The scope of this report is to seek a decision to progress the procurement stage of the programme only, including the following resources at a cost of £394k.

No.	Resource	Type	2019/20 Cost (£000's)	2020/21 Cost (£000's)	Total (£000's)
1	Programme Manager	External	113	64	177
2	Project Manager	Internal *	42	32	73
3	PMO Support	External	35	20	55
4	Business Requirements specification (functional & non-functional requirements)	Consultancy	43	-	43
5	Consultancy support for procurement (process, evaluation model, selection support, contract review)	Consultancy	25	20	45
Total			258	136	394

* Project management resource is currently being provided internally. Costs are included here as a contingency in the event that internal resource becomes unavailable.

SECTION 151 OFFICER COMMENTARY

24. The results of the procurement exercise will enable an evaluation and identification of a preferred bidder. This will enable the business case to be further developed based on robust projected costs for the preferred solution. The revised business case will inform a decision at Cabinet to approve the award of the contracts and commence implementation.
25. Any capital implementation costs required as a result of the contract award, will need to be considered by the Capital Programme Panel before the implementation can commence. Projected capital implementation costs will be reflected in the capital programme 2020-25, which will be presented to Cabinet in January 2020. Actual capital expenditure will be subject to Cabinet's approval of the revised full business case.
26. Ongoing revenue pressures as a result of this project are currently estimated in the Resources Directorate budget planning assumptions and will be updated as more robust projections become available.
27. The costs of the resources required to progress the procurement stage can be funded from within the Corporate Income & Expenditure budget envelope for 2019/20 and have been built into the budget planning assumptions for 2020/21.

LEGAL IMPLICATIONS – MONITORING OFFICER

28. The council is under an obligation in Section 3 of the Local Government Act 1999 to secure best value in all it does, specifically to "...secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." In undertaking this options analysis and

proposing to return to the market to run a competitive exercise, the council is complying with its best value obligations.

29. The Council must observe the requirements of the Public Contracts Regulations 2015 (the PCRs) concerning the procurement of services of this value, including Software as a Service (SaaS). As noted in paragraph 16 of the report, procurement options 2 and 3 would not be compliant with the PCRs. A long-term extension to the existing contract is also unlikely to be compliant. Legal Services will work with Orbis Procurement to ensure all legal duties are complied with throughout the procurement process.
30. In making this decision, Cabinet will need to be cognisant of its fiduciary duties to Surrey residents to ensure it maintains a balanced budget in the exercise of its functions.

EQUALITIES AND DIVERSITY

31. The council will be mindful of its equalities duties under the Equality Act 2010 in carrying out the tender process and letting the contract with due regard to the need to eliminate discrimination in age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
32. Surrey County Council is committed to providing its services in a way that promotes equality of opportunity at every possibility. The requirements specification developed for the procurement and the contract document will stipulate that the supplier will comply with the relevant Equality and Diversity legislation. It is expected that the appointed supplier will be fully committed to equality and diversity in their service provision and will ensure compliance with all anti-discrimination legislation.
33. This programme includes the upgrade or replacement of the existing corporate system at the council. The Equalities Impact Assessment included in Annex A has identified potential impacts from implementing a new system for staff with disabilities. The procurement specification will include specific business requirements to ensure the new system complies with the council's minimum standards for accessibility, as stipulated by the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

WHAT HAPPENS NEXT:

34. The table below shows an illustrative summary timeline for the proposed tender process, with a target launch date of 3rd December following approval to proceed at Programme Board and completion of all required specifications and procurement documentation.
35. Following completion of evaluation and identification of a preferred bidder this business case will be updated with a confirmed scope and costs for approval by Cabinet prior to contract award and commencing implementation.
36. Following Cabinet approval the decision to progress this procurement process will be communicated to the organisation and other interested stakeholders and the market.

Further updates will be communicated to the organisation as the procurement progresses as part of a programme communication plan.

No.	Milestone	Completion Date
1	Outline business case final approval and approval to procure	29 th October 2019 (Cabinet)
2	Procurement preparation complete. Programme Board approval to publish OJEU Contract Notice	2 nd December 2019
3	OJEU Contract Notice published	3 rd December 2019
4	Selection Questionnaire (SQ) issued	3 rd December 2019
5	SQs received from potential bidders	17 th January 2020
6	Evaluation of Selection Questionnaires complete	31 st January 2020
7	Invitation to Tender issued	7 th February 2020
8	Tenders received	6 th March 2020
9	Evaluation, moderation and identification of preferred bidder	8 th May 2020
10	Contract award approved by Cabinet	23 rd June 2020
11	Notification of outcome to bidders	30 th June 2020
12	Contract signed	17 th July 2020
13	Mobilisation starts	20 th July 2020

Contact Officer:

Andrew Richards, Interim Digital Business & Insights Programme Manager, Mob: 07918 168968

Consulted:

1. Corporate Leadership Team.
2. Digital Business & Insights Programme Board:
 - Director of Corporate Finance
 - Director of Procurement
 - Director of HR & Organisation Development
 - Acting Assistant Director of Business Operations
 - Chief Information Officer
 - Assistant Director Quality Relationships (Children, Families & Learning)
 - Head of Resources & Caldicott Guardian (Health, Wellbeing & Adult Social Care)
 - Director of Insights, Analytics & Intelligence (Transformation, Partnerships & Prosperity)
 - Enterprise Applications & Portfolio Manager (Transformation, Partnerships & Prosperity)
3. Team Managers from relevant impacted services including Corporate Finance, HR, Procurement and Business Operations (transactional Finance, HR, Payroll and Purchasing).

Annexes:

- Annex A – Digital Business & Insights Programme Equalities Impact Assessment.

Sources/background papers:

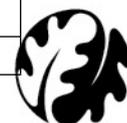
- Digital Business & Insights Outline Business Case
 - Strategic Options Appraisal
-

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EIA Title	Digital Business & Insights Programme – Replacement of the existing SAP system (Finance, HR & Payroll and Purchasing) at SCC			
Did you use the EIA Screening Tool? (Please tick or specify)	Yes (Please attach upon submission)	X	No	

1. Explaining the matter being assessed

What policy, function or service change are you assessing?	<p>This EIA assesses the Digital Business & Insights programme. The programme aims to upgrade or replace the council's existing SAP ERP (Enterprise Resource Planning) system, which is the technology platform for the management of the Council's business critical Finance, HR, Payroll and Procurement processes.</p> <p>The aim of the programme is to deliver more modern, intuitive and efficient Finance, HR & Payroll and Procurement systems and processes. In summary, the following high-level outcomes:</p> <ol style="list-style-type: none"> 1. <u>Intuitive digital self-service processes</u> that are accessible from anywhere and enable a more agile workforce. 2. <u>Increased automation of transactional processes</u>, creating efficiencies and freeing-up resources to direct more time to more complex and value-adding advice and support. 3. <u>A single trusted source of accurate and timely financial, people and procurement data</u> to inform effective decision making through access to intuitive tools. 4. <u>Improved evidence-based decision making</u> through the ability to slice, dice and analyse data to meet different business needs. 			
Why does this EIA need to be completed?	The high-level changes listed above will have implications for some staff with disabilities who currently require specialist software to access Council systems including the existing SAP system. The new system will need to meet the needs of these users and be interoperable with any specialist systems used, for example systems used by the visually impaired.			
Who is affected by the proposals outlined above?	<ul style="list-style-type: none"> • This change will impact <u>all</u> Council staff including managers who currently use the existing SAP core Finance, HR, Payroll and Procurement systems and processes. • This change will also impact commercial customers of Business Operations' payroll services – ie. schools including academies. • The change will have no impact on residents. 			
How does your service proposal support the outcomes in the Community Vision for Surrey 2030?	This programme will implement a new system which will form a key part of the Council's business critical infrastructure, its core finance, HR, payroll and procurement processed. As such, it will provide an enabler for all Council services and will therefore contribute to all ten policy outcomes in the Community Vision for Surrey 2030.			
Are there any specific geographies in Surrey where this will make an impact? (Please tick or specify)	County Wide		Runnymede	
	Elmbridge		Spelthorne	
	Epsom and Ewell		Surrey Heath	
	Guildford		Tandridge	



	Mole Valley		Waverley	
	Reigate and Banstead		Woking	
	Not Applicable	X		
	County Divisions (please specify if appropriate):			
Briefly list what evidence you have gathered on the impact of your proposals?	<p>Data on number of disabled Council users by type of specialist software (e.g. software for the visually impaired). Web Accessibility Initiative website: http://www.w3.org/WAI/people-use-web/</p>			

2. Service Users / Residents

There are 10 protected characteristics to consider in your proposal. These are:

1. Age including younger and older people
2. Disability
3. Gender reassignment
4. Pregnancy and maternity
5. Race including ethnic or national origins, colour or nationality
6. Religion or belief including lack of belief
7. Sex
8. Sexual orientation
9. Marriage/civil partnerships
10. Carers protected by association

This programme will upgrade or replace the existing SAP back-office system that provides the technology platform for the organisation to manage its business critical finance, HR, payroll and procurement processes. It will have no direct impact on residents and also have no positive or negative impact specifically for staff who belong to nine of the ten groups listed above or with disadvantaged socio-economic status. It has been identified that the programme will impact group two, staff with disabilities.

3. Staff

DISABILITY

What information do you have on the affected staff with this characteristic?

There are currently circa 215 staff who use specialist software to enable them to use Council systems, including the existing SAP corporate back-office system. Current specialist software in use and the numbers of users for each include:

Users	Software
4	ABiSee EyePal
1	Dragon Medical Practise
117	Dragon Naturally Speaking
2	Duxbury Braille Translator
5	Dolphin Supernova 16
6	JAWS
79	TextHelp Read & Write
1	VisionAid

Total Users: 215

The Web Accessibility Initiative (WAI) website below provides information about the wide diversity of people with disabilities and highlights some of the web accessibility barriers that people commonly experience because of inaccessible websites and web tools. Examples of disabilities include: Auditory, cognitive/learning, physical, speech and visual.

<http://www.w3.org/WAI/people-use-web/>

Impacts	Positive	X	Negative	Both	
Impacts identified		Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
New web interface for Software-as-a-Service solution including improved employee and manager self-service of finance, HR, payroll and procurement processes.		Informal early market engagement supplier demonstrations of self-service features as part of pre-procurement market engagement	<ul style="list-style-type: none"> Include in non-functional requirements specification within the interface / user experience section to meet the Council's standards for specifying the minimum 	December 2019 (before Contract notice publication)	Andrew Richards (Programme Manager)

		<p>standards for accessibility, as stipulated by the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</p> <ul style="list-style-type: none"> • As part of above, interoperability with existing specialist software for staff with disabilities will be included as part of the requirements specification • Implementation will include an effective change management approach that will include communication and training for staff with disabilities 		
<p>What other changes is the council planning that may affect the same groups of staff? Are there any dependencies decisions makers need to be aware of</p>				
<p>Moving Closer to Residents programme and digital transformation to a fully agile workforce working from any location. Staff with disabilities will require the ability to continue to access systems using any specialist software from any location.</p>				
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>				
<p>N/A – No negative impacts are anticipated for disabled staff groups.</p>				

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
No changes required because (as above) requirements for staff with disabilities are already planned to be included as part of the procurement requirements specification. Change management at the implementation stage will also plan and deliver an effective transition for this staff group to be able to effectively use the new system.	Not applicable

5. Recommendation

Based your assessment, please indicate which course of action you are recommending to decision makers. You should explain your recommendation in the in the blank box below.

Outcome Number	Description	Tick
Outcome One	No major change to the policy/service/function required. This EIA has not identified any potential for discrimination or negative impact, and all opportunities to promote equality have been undertaken	✓
Outcome Two	Adjust the policy/service/function to remove barriers identified by the EIA or better advance equality. Are you satisfied that the proposed adjustments will remove the barriers you identified?	
Outcome Three	Continue the policy/service/function despite potential for negative impact or missed opportunities to advance equality identified. You will need to make sure the EIA clearly sets out the justifications for continuing with it. You need to consider whether there are: <ul style="list-style-type: none"> • Sufficient plans to stop or minimise the negative impact • Mitigating actions for any remaining negative impacts plans to monitor the actual impact. 	
Outcome Four	Stop and rethink the policy when the EIA shows actual or potential unlawful discrimination (For guidance on what is unlawful discrimination, refer to the Equality and Human Rights Commission’s guidance and Codes of Practice on the Equality Act concerning employment, goods and services and equal pay, available here).	
<i>Please use the box on the right to explain the rationale for your recommendation</i>		

6a. Version Control

Version Number	Purpose/Change	Author	Date
0.1	Initial version	Andrew Richards	1 st October 2019

6b. Approval

	Name	Date approved
Approved by*	Leigh Whitehouse – Executive Director of Resources	2 nd October 2019

EIA Author	Andrew Richards – Interim Digital Business & Insights Programme Manager
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6c. EIA Team

Name	Job Title	Organisation	Team Role
Andrew Richards	Interim Programme Manager	IT & Digital	Lead
Tahiana Jefferis	Enterprise Applications & Portfolio Manager	IT & Digital	Provision of user data and applications for staff with disabilities
Chris Spring	Digital Experience Specialist	IT & Digital	Digital accessibility advice

If you would like this information in large print, Braille, on CD or in another language please contact us on:

Tel: 03456 009 009

Textphone (via Text Relay): 18001 03456 009 009

SMS: 07860 053 465

Email: contactcentre@surreycc.gov.uk

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SURREY COUNTY COUNCIL

CABINET

DATE: 29 OCTOBER 2019



**REPORT OF: MR MEL FEW, CABINET MEMBER FOR FINANCE AND
LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF RESOURCES**

LEAD OFFICER: EXECUTIVE DIRECTOR RESOURCES (S151 OFFICER)

SUBJECT: MONTH 5 FINANCIAL MONITORING REPORT

SUMMARY OF ISSUE:

This report provides the details of the County Council's 2019/20 financial position as at 31 August 2019 (P5) for revenue and capital budgets and the expected outlook for the remainder of the financial year. Further details by Service are to be found in **Annex 1**.

The Council set a balanced budget for 2019/20 without relying on the use of one-off resources (reserves). To achieve this a savings programme of totalling £82m was established, while ensuring that the costs of increasing demand for services are contained.

Also contained in this report is a request to approve the transfer of a forced school conversion's revenue surplus to a sponsored academy. (Para 5 – 6).

The key messages of this report are as follows:

Revenue

- The latest forecast for the revenue budget reflects a total overspend of c£12m due to planned savings not being achieved and new pressures. This is partially off-set by additional funding and actions to reduce spend bringing the forecast deficit to £7.8m, a reduction of £1.2m from the previous month. Work is ongoing to identify alternate projects which will reduce this shortfall further. At Month 5, the forecast overspend of c£12m is mainly due to:
 - £6.9m savings gap/unidentified savings (Black savings) of the £82m savings programme;
 - £3.5m from growth in pupil numbers and increased costs for SEN and mainstream schools transport;
 - £1.4m on Social Care element of school placements.

Which has been offset by:

- £2m additional government grants - Section 31 Business Rates grants and New Homes Bonus;
- £1.0m reduced contribution to the Self-Insurance Fund following the triannual actuarial review showing there was sufficient funding and so the contribution can be reduced; and

- £0.9m underspend on capital financing costs (a lower Minimum Revenue Provision being required) due to slippage in the 18/19 capital programme.
- Although the year to date spend to 31 August is nearly £29m below the year to date budget, this reflects timing differences in the spending profiles of Special Educational Needs within the Education, Lifelong Learning & Culture service and the Waste service.

Capital

- The Council set a capital budget for 2019/20 of £129.2m in February 2019. Following the approval of additional schemes and the re-profiling of some capital projects to reflect current expectations of programme delivery, the Capital Budget for 2019/20 has been revised to £121.8m, the details are set out in Table 3.

RECOMMENDATIONS:

The Cabinet is asked to:

1. Approve the transfer of a forced school's conversion (Surrey Hills Primary School) revenue surplus of £38,654 to a sponsored academy. (Paras 5 – 6)
2. Note the Council's forecast revenue and capital budget positions for the year.

REASON FOR RECOMMENDATIONS

- To ensure equal treatment for forced academy conversions, the proposal is to transfer the surplus to Surrey Hills Primary School.
- To note this report is to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

Revenue Budget

1. **Table 1** below shows the revenue budget outturn for the year by Service. **Annex 1** (attached) provides more detail of Service budget outturn.

Table 1 Summary revenue budget forecast variances as at 31 August 2019

Directorate	Cabinet member(s)	Full year budget £m	Full year forecast £m	Current year forecast variance at Month 5 £m	Change in forecast since last month £m
Children, Families, Learning & Culture (CFLC)	M Lewis / J Iles	242.6	250.6	8.0	(0.1)
Public Health	S Mooney	0.0	0.0	0.0	0.0
Health, Wellbeing & Adult Social Care (HWA)	S Mooney	364.0	364.0	0.0	0.0
Community Protection, Transport & Environment (CTE)	D Turner-Stewart/ M Furniss/ M Goodman	162.8	163.1	0.3	0.1
Resources (Res)	M Few/ Z Grant- Duff	74.0	75.3	1.3	(1.0)
Transformation, Partnership & Prosperity (TPP)	T Oliver/ Z Grant-Duff/ C Kemp	12.0	12.9	0.9	(0.2)
Central Income & Expenditure (CIE)	M Few	(855.4)	(858.1)	(2.7)	(0.0)
Deficit/ (Surplus)		0.0	7.8	7.8	(1.2)

Note: All numbers have been rounded - which might cause a casting difference

2. Within Children, Families, Lifelong Learning and Culture, the number of pupils requiring Special Education Needs (SEN) transport is expected to rise in a similar way to previous years leading to an overspend of £4m. The transport review has identified mitigations to reduce some of these costs reducing the overspend to £2.4m. However, there is also an increase in the cost of mainstream and alternative provision transport leading to an overall budget pressure on transport for this year of £3.5m.
3. There have been reductions in the volume of both external residential placements and external fostering, despite this the activity levels are above budget. It is expected that there will be further placement moves from September.
4. Within Health Welfare and Adult Social Care, spending on care packages to directly meet people's individual assessed eligible needs accounts for over 80% of the service's gross expenditure and is the key area of the budget where savings need to be delivered to reduce spending. The trend of care packages has fallen since mid-2018/19, however this reduction has flattened out in recent months with a slight increase in Older People care packages are now being reported. Despite this increase the service is forecasting to deliver within their budget envelope. Should the current level of packages remain above plans this could lead to a £6.5m risk to achieving full savings for the year.
5. Surrey Hills Primary School converted to an academy on 1 December 2018 and the school's revenue surplus at the point of conversion has been determined as £38,654. It is recommended that the school's surplus is transferred to the successor academy.

6. Sometimes the Secretary of State forces a school to convert to a sponsored academy following an inadequate OFSTED judgement. Most schools have an overall revenue surplus or deficit that is held on the balance sheet. If the school chose to convert to an academy then any surplus automatically transfers. However with forced conversions the council technically has a choice as to whether any surplus transfers to the successor academy (although any deficit on a sponsored academy conversion automatically remains with the local authority)
7. The most significant risk to the Council's finances remains Special Educational Needs and Disabilities (SEND) expenditure within the High Needs Block of the Dedicated Schools Grant (DSG). Management action is currently underway to address the pressure, therefore the forecast overspend on the High Needs DSG remains at £29m in 2019/20 (the budgeted contribution to reserve is also £29m). However there remains substantial risk around this forecast and the impact that this could have on 2020/21.

2019/20 Savings Programme

8. The Council included £81.6m of savings in the annual budget approved by Council in February 2019. At this point in the year £53.7m of the plan has been identified as achieved or achievable with £6.9m remaining as non achievable (black savings), which includes off-setting alternative savings. There continue to be risks of achieving the remaining £21m.
9. The status of directorate savings are shown in **Table 2**.

Table 2 – Savings Progress as at 31 August 2019

Directorate	Full Year Target £m	Full Year Forecast £m	Forecast variance £m	Blue Achieved £m	Green £m	Amber £m	Red £m	Black Unidentified Gap £m	Last Month £m
Children, Families, Learning & Culture	21.7	18.1	3.6	4.8	8.4	4.3	0.7	3.6	4.5
Health, Wellbeing & Adult Social Care	20.0	20.0	0.0	12.4	0.0	1.1	6.5	0.0	0.0
Public Health	1.0	1.0	0.0	0.1	0.9	0.0	0.0	0.0	0.0
Community Protection, Transport & Environment	11.9	11.4	0.5	5.3	1.6	3.3	1.2	0.5	0.9
Transformation, Partnership & Prosperity	2.7	2.0	0.7	0.7	0.6	0.6	0.2	0.7	0.7
Resources	11.7	9.6	2.1	5.4	1.3	2.5	0.4	2.1	2.1
Central Income & Expenditure	12.6	12.6	0.0	7.2	5.1	0.3	0.0	0.0	0.0
Total	81.6	74.8	6.8	35.9	17.8	12.1	8.9	6.9	8.2

Capital Budget

10. Capital budgets are by nature multi-year. Services have reviewed in detail their capital budgets for the 2019/20 financial year and provided updates of when the expenditure is likely to be incurred, especially for those projects that have completion dates that may straddle the end of the financial year.
11. At M5 the Capital Budget for 2019/20 is £121.8m, an increase of £0.3m from M4. This is due to additional schools' projects funded from third parties (including parent teacher associations).

12. **Table 3** below provides a summary of the forecast outturn for the 2019/20 Capital budget, including the re-profile requests.

Table 3 Summary capital programme budget forecast as at 31 August 2019

		Year to date Full year budget £m	actual month 5 £m	Full year forecast outturn at month 5 £m	Full year forecast variance at month 5 £m	Change in forecast since last month £m	Future years' budget £m
Adult Social care	S Mooney	1.9	0.3	1.9	0.0	0.0	7.6
Children Services	M Lewis / J Iles	7.4	1.9	7.4	0.0	0.0	6.9
Environment	M Goodman	1.5	0.3	1.5	(0.0)	0.0	3.7
Highways & Transport	M Furniss	54.1	20.9	52.3	(1.9)	(1.9)	123.0
Information Technology & Digital	Z Grant-Duff	6.6	0.6	6.6	0.0	0.0	27.4
Property Services	M Few	24.4	10.7	24.4	0.0	(0.9)	99.8
Schools Basic Need	J Iles	22.9	10.8	22.9	0.0	0.0	61.1
Community Protection	D Turner- Stewart	2.9	0.2	1.9	(1.0)	(1.0)	7.6
Total Capital		121.8	45.7	119.0	(2.8)	(3.7)	337.1

Note: All numbers have been rounded - which might cause a casting difference

13. For month 5, the forecast variance is £2.8m. This is due to slippage of £3.7m, primarily relating to:

- £1.0m in replacing vehicles and equipment (Community Protection);
- £0.9m for the street-lighting LED conversion (Highways & Transport);
- £0.9m at Wray Park Training facility (Property); and
- £0.9m LEP Schemes (grant funded).are expected to underspend (Highways & Transport).

Offset by:

- £1m overspend on the Linden Farm scheme due to unforeseen ground conditions and planning delays (Property).

CONSULTATION:

14. Executive Directors and Cabinet members have confirmed the forecast outturns for their revenue and capital budgets.

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 Medium Term Financial Plan (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 that 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. It is drawn to Members' attention that the Council continues to face ongoing uncertainty about future funding, demand pressures, savings and the transformation programme. Within this context the Council is required to develop and implement plans to ensure that the forecast overspend of £7.8m is contained within resources.

LEGAL IMPLICATIONS – MONITORING OFFICER

19. The Council is under a duty to set a balanced and sustainable budget. 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 whilst continuing to meet its statutory duties.

20. 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 they 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, whilst complying with its statutory and common law duties.

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. In implementing individual management actions, the Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
22. Services will continue to monitor the impact of these actions and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

WHAT HAPPENS NEXT:

23. The relevant adjustments from the recommendations will be made to the Council's accounts.

Contact Officer:

Leigh Whitehouse, Executive Director of Resources
020 8541 7246

Consulted:

Cabinet, executive directors, heads of service.

Annexes:

Annex 1 – Detailed Revenue Budget at 31 August 2019.

Revenue Budget by Service - 31 August 2019

Service	Cabinet Member	Prior year to date actual £m	Year to date Budget £m	Year to date Actual £m	Year to date variance £m	Full Year Gross budget £m	Full year net budget £m	Full Year net forecast £m	Full year net forecast variance £m
Delegated Schools	J Iles	(4.9)	6.4	6.4	0.0	310.8	0.0	0.0	0.0
Education, Lifelong Learning & Culture	J Iles	22.5	41.5	21.9	(19.6)	282.2	96.6	99.9	3.3
Corporate Parenting	M Lewis	38.4	38.4	36.9	(1.4)	104.6	90.8	90.9	0.1
Commissioning	M Lewis / J Iles	2.4	2.5	2.3	(0.3)	65.5	6.0	6.0	(0.0)
Family Resilience	M Lewis	22.7	18.2	20.0	1.8	46.0	43.5	45.3	1.8
Quality Assurance	M Lewis / J Iles	2.6	3.4	3.3	(0.1)	9.4	8.2	7.9	(0.3)
Directorate wide savings		0.0	(1.1)	0.1	1.1	(2.5)	(2.5)	0.6	3.1
Children, Families, Life long Learning, and Culture		83.7	109.3	90.9	(18.4)	815.9	242.6	250.6	8.0
Public Health	S Mooney	0.0	0.0	0.0	(0.0)	35.7	(0.0)	0.0	0.0
Adult Social Care	S Mooney	145.7	152.7	150.7	(1.9)	488.2	364.0	364.0	0.0
Health, Wellbeing & Adult Social Care		145.7	152.7	150.7	(1.9)	488.2	364.0	364.0	0.0
Highways & Transport	M Furniss	23.2	22.8	22.5	(0.3)	73.8	59.0	58.9	(0.1)
Environment	M Goodman	24.9	28.7	22.8	(5.9)	73.1	68.8	69.1	0.3
Community Protection & Emergencies	D Turner-Stewart	13.4	13.6	13.4	(0.1)	36.7	32.6	32.6	0.0
Trading Standards	D Turner-Stewart	0.7	0.7	0.7	(0.0)	3.9	1.7	1.8	0.1
Communities Support Function	D Turner-Stewart	0.2	0.2	0.1	(0.0)	0.4	0.4	0.4	0.0
Leadership Team	M Goodman	0.4	0.1	0.4	0.3	0.5	0.3	0.3	0.0
Community Protection, Transport & Environment		62.8	66.0	59.8	(6.2)	188.4	162.8	163.1	0.3
Human Resources & Organisational Development	Z Grant-Duff	1.0	1.7	1.2	(0.5)	4.1	3.6	3.6	(0.0)
Insight, Analytics & Intelligence	Z Grant-Duff	1.4	1.7	1.5	(0.2)	3.9	3.2	3.0	(0.2)
Coroner	D Turner-Stewart	1.0	0.7	1.0	0.2	2.3	1.8	2.2	0.4
Strategic Leadership	T Oliver	0.3	0.8	0.7	(0.1)	1.5	1.0	1.0	(0.0)
Communications	Z Grant-Duff	0.7	0.6	0.5	(0.1)	1.4	1.4	1.5	0.1
Economic Growth	C Kemp	0.3	0.5	0.2	(0.3)	1.2	0.9	0.8	(0.1)
Transformation programme		0.0	0.0	0.0	0.0	0.3	0.8	0.8	0.0
Cross County		0.0	(0.8)	0.0	0.8	(1.5)	(0.7)	0.0	0.7
Transformation, Partnership & Prosperity		4.6	5.2	5.1	(0.1)	13.3	12.0	12.9	0.9
Joint Operating Budget ORBIS	Z Grant-Duff	14.1	13.3	13.7	0.4	31.9	31.9	33.6	1.7
Property	M Few	6.9	6.9	7.2	0.3	28.1	19.0	19.0	0.0
Information Technology & Digital	Z Grant-Duff	4.2	4.5	3.8	(0.8)	11.5	10.9	10.9	0.0
Finance	M Few	1.1	1.1	1.1	(0.0)	4.1	2.7	1.7	(1.0)
Legal Services	Z Grant-Duff	1.6	1.5	1.7	0.2	4.0	3.6	4.0	0.4
Democratic Services	Z Grant-Duff	1.5	1.4	1.4	(0.0)	3.6	3.4	3.2	(0.2)
Customer Services	Z Grant-Duff	1.2	1.3	1.2	(0.1)	3.3	2.6	3.0	0.3
Business Operations	Z Grant-Duff	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.1)	(0.0)
Savings to find		0.0	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0
Resources		30.5	30.0	30.0	0.0	85.9	74.0	75.3	1.3
Corporate Expenditure	M Few	17.9	20.1	17.2	(2.9)	47.8	37.5	37.1	(0.4)
Total services' revenue expenditure		345.2	383.3	353.9	(29.5)	1,675.3	893.0	903.0	10.0
Corporate funding		(355.2)	(353.7)	(353.0)	0.7	0.0	(893.0)	(895.2)	(2.2)
Total Net revenue expenditure		(10.0)	29.6	0.9	(28.8)	1,675.3	(0.0)	7.8	7.8

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