



We're on Twitter:
[@SCCdemocracy](https://twitter.com/SCCdemocracy)



Agenda and Reports
for the meeting of
THE COUNTY COUNCIL BUDGET MEETING
to be held on
5 FEBRUARY 2019

(i)

County Hall
Kingston upon Thames
Surrey

Monday, 28 January 2019

TO THE MEMBERS OF SURREY COUNTY COUNCIL

SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the Council to be held in the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN, on Tuesday, 5 February 2019, beginning at 10.00 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

JOANNA KILLIAN
Chief Executive

Note 1: *For those Members wishing to participate, Prayers will be said at 9.50am. Rabbi Hammond, Wimbledon Synagogue, has kindly consented to officiate. If any Members wish to take time for reflection, meditation, alternative worship or other such practice prior to the start of the meeting, alternative space can be arranged on request by contacting Democratic Services.*

There will be a very short interval between the conclusion of Prayers and the start of the meeting to enable those Members and Officers who do not wish to take part in Prayers to enter the Council Chamber and join the meeting.

Note 2: *This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.*

Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

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

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language please either call Democratic Services on 020 8541 9122, or write to Democratic Services, Surrey County Council at Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 9698, fax 020 8541 9009, or email joss.butler@surreycc.gov.uk

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Joss Butler on 020 8541 9938

1 APOLOGIES FOR ABSENCE

The Chairman to report apologies for absence.

2 MINUTES

(Pages 7
- 20)

To confirm the minutes of the meeting of the Council held on 11 December 2018.

(Note: the Minutes, including the appendices, will be laid on the table 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 ELECTION OF COUNTY COUNCILLOR

1. The Chief Executive formally to report the election of a new County Councillor for the Warlingham division at the by-election held on 31 January 2019;
2. Review any necessary revisions to the Scheme of Proportionality

5 CHAIRMAN'S ANNOUNCEMENTS

Recent visits and events

Holocaust Memorial Day: Our event took place in the Grand Hall to remember the millions of people murdered during the Holocaust, under Nazi Persecution and in the genocides which followed in Cambodia, Rwanda, Bosnia and Darfur. This year the theme was 'Torn from Home', which encouraged audiences to reflect on how they enforced loss of a safe place to call 'home' and is part of the trauma faced by anyone experiencing persecution and genocide. I would like to take this opportunity to thank all who attended the service, a special thanks to the High Sheriff, Rabbi Tony and especially to the survivors who joined us to share their stories.

Teen Tech Careers event: Along with the High Sheriff I attended the TeenTech Careers event at Surrey Sports Park organised by SATRO. This was an opportunity for experts in a wide variety of areas to discuss employer engagement with schools and preparing young people with the right skills and knowledge for future employment and careers. It was a wonderful and informative morning.

Royal Visit: I look forward to visiting the Sunbury Millennium Embroidery Group on 30 January 2019 for a royal visit from Her Royal Highness Princess Alexandra KG, GCVO.

6 REVENUE AND CAPITAL BUDGET 2019/20 TO 2023/24

(Pages
21 - 244)

This report is for the County Council to approve:

- the revenue and capital budgets for 2019/20, including budget reductions
- the council tax precept level for 2019/20
- Council tax precept due from each Surrey borough and district
- the council's capital receipt flexibilities policy, including the level of investment required to deliver the transformation programme for 2019/20
- further investment in reform and transformation in 2018/19 to be funded from capital receipts
- indicative directorate budget envelopes to 2023/24
- the council's Capital and Investment Strategy, which provides an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.

7 MEMBERS' QUESTION TIME

The Leader of the Council or the appropriate Member of the Cabinet or the Chairman of a Committee to answer any questions on any matter relating to the powers and duties of the County Council, or which affects the county.

(Note: Notice of questions in respect of the above item on the agenda must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on 30 January 2019).

8 STATEMENTS BY MEMBERS

A Member may make a statement at the meeting on a local issue of current or future concern.

9 APPOINTMENT OF INTERIM MONITORING OFFICER

To approve the appointment of an Interim Monitoring Officer.

(Pages
245 -
246)

10 REPORT OF THE CABINET

To receive the report of the meetings of Cabinet held on 18 December 2018 and 29 January 2019. The report of Cabinet held on 18 December 2018 includes details for information / discussion in respect of:

(Pages
247 -
258)

- The Local Government Ombudsman Report

The report of the meeting of Cabinet held on 29 January 2019 will be published in a supplementary agenda and will include additional recommendations.

11 REPORT OF THE MEMBER CONDUCT PANEL

To notify Council of the outcome of a decision made by the Member Conduct Panel following a meeting on 30 November 2018.

(Pages
259 -
262)

12 MINUTES OF CABINET MEETINGS

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to Democratic Services by 12 noon on 4 February 2019.

(Pages
263 -
276)

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

This page is intentionally left blank

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 11 DECEMBER 2018 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:

Tony Samuels (Chairman)
Helyn Clack (Vice-Chairman)

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

*absent

90/18 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Ben Carasco and Jonathan Essex.

91/18 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 13 November 2018 were submitted, confirmed and signed.

In reference to Minute 83/18 (Question 6), a Member of the Council highlighted that details of the 14 sites could not be found in any Cabinet papers.

92/18 DECLARATIONS OF INTEREST [Item 3]

There were none.

93/18 ELECTION OF COUNTY COUNCILLOR [Item 4]

The Chief Executive formally reported that Mrs Amanda Jayne Boote was duly elected as the new County Councillor for the Byfleets division following the by-election held on 6 December 2018.

94/18 REVIEW OF POLITICAL PROPORTIONALITY [Item 4a]

A review of the Scheme of Political Proportionality 2018/19 was circulated to Members in the supplementary agenda on 10 December 2018.

RESOLVED (with no Member voting against):

That the committee sizes and scheme of proportionality, as set out in Annex 1 of the submitted report, be adopted for the remainder of the Council year 2018/19.

95/18 CHAIRMAN'S ANNOUNCEMENTS [Item 5]

The Chairman:

- Thanked Members who had nominated a volunteer who they felt had made an outstanding contribution to their area. It was asked that any further nominations be submitted before the Christmas break.
- Highlighted the Chairman's announcements which could be found in the agenda front sheet.

96/18 ELECTION OF LEADER OF THE COUNCIL [Item 6]

Mr O'Reilly, as proposer of the motion for the election of the Leader of the Council, spoke in support of the nomination of Mr Oliver. This nomination was seconded by Mrs Lewis, who also said a few words.

RESOLVED:

That Mr Oliver be elected Leader of the Council for a four year term, expiring on the day of the post-election annual meeting in 2021.

97/18 NEW LEADER'S STATEMENT [Item 7]

The Leader made a detailed statement. A copy of the statement is attached as Appendix A.

Members raised the following topics:

- That residents were disenchanted with politics.
- The Council needed to sustain the confidence of residents.
- It was important to maintain transparency.
- That services needed to address the needs of all residents.
- There was an essential need for mental health provision.
- That the opposition parties needed access and involvement in decisions.
- That the council's property portfolio was key to changing services.
- Noted that the Leader would retain the health portfolio.
- Many residents could not differentiate between the two tier authorities in Surrey.
- Stated that various services required rapid improvement.

98/18 MEMBERS' QUESTION TIME [Item 8]

Notice of 14 questions had been received. The questions and replies are attached as Appendix B.

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

(Q2) Mr Robert Evans asked the Cabinet Member for Community Safety, Fire & Resilience if she felt it would be positive for members of the Surrey Police and Crime Panel to attend the Police and Crime Panel national conference. The Cabinet Member stated that the matter should be directed at the Police and Crime Panel for response.

(Q3) Graham Ellwood asked the Cabinet Member for Children, Young People & Families to confirm what arrangements would be made to allow residents transport to the remaining children's centre sites. The Cabinet Member showed support for the family resilience model within Children's Services and explained that details would be provided following the review of the responses to the consultation.

(Q7) Stephen Cooksey felt that his question had not been responded to and asked the Cabinet Member to confirm who was responsible for the final decision to close the canteens, what consultations had taken place with staff, and why Member consultation was not taken into account. The Cabinet Member stated that the decision was taken by the Cabinet and had been included in the Cabinet papers for the meeting on 25 September 2018. She further stressed that the decision showed the seriousness of the council's financial situation. It was noted that alternative catering arrangements had been made and would be reviewed following implementation.

Cabinet Member Briefings: these were also published with the supplementary agenda on 10 December 2018.

Members made the following points:

Deputy Leader: on the need to maintain and clean highway signs in Surrey. The Cabinet Member confirmed that all statutory signs were maintained and cleaned for safety reasons. He further informed Members that some parish councils were beginning to declutter non-statutory signs in their areas as some felt there were too many signs on the counties highways.

Members also queried what powers and responsibilities the county would be seeking for the 'Transport for the South East' sub-national transport body. The former Deputy Leader informed Members that the decision still needed to be made on this but that the council would be looking at the legislative body 'Transport for the North East' as a guideline while adding in the context of the south east.

In his previous capacity as Cabinet Member for Highways, the Deputy Leader agreed to provide a response to a Member outside the meeting to explain the reasoning for road works taking place on a recently re-laid road.

Cabinet Member for Environment and Waste: on the need for a better railway service for residents as well as an improved delay repay scheme. Members also raised concerns with the Government's plans to earmark funds from the business rates retention scheme to fund the extra costs of Crossrail 1, rather than Crossrail 2. The Cabinet Member agreed that there was a need for a better rail service in Surrey and stated that he would be meeting with the Chief Executive to discuss these concerns. In regards to Crossrail 1, the Cabinet Member agreed to provide a written response to the Member outside the meeting.

Members also discussed concerns of possible flooding and progress on the Surrey Relief Scheme. The Cabinet Member explained that work was ongoing to mitigate issues and that he hoped to give Members assurances in the coming months.

Members also raised concerns around the closure of Community Recycling Centres and emphasised the importance of considering consultation responses before making a final decision.

Cabinet Member for Children, Young People & Families: on the Corporate Parenting Promise, which Members were asked to sign prior to the meeting. The Cabinet Member explained that the pledge was a Member promise to listen to the priorities for looked after children when building the corporate parenting strategy. It was noted that information and further updates on work following the pledge would be reported back to the Corporate Parenting Board.

Cabinet Member for Community Safety, Fire & Resilience: on the significant transformation of the Surrey Fire Service.

Cabinet Member for Finance: was thanked for his work in his previous role as Cabinet Member for Adults. Members highlighted the importance of the ongoing Care and Support Project and stressed that there was a need for this work to continue.

99/18 STATEMENTS BY MEMBERS [Item 9]

Dr Andrew Povey made a statement in regards to concerns around the proposed closure of Cranleigh Community Recycling Centre.

100/18 ORIGINAL MOTIONS [Item 10]

None received.

101/18 ELECTION OF COMMITTEE CHAIRMEN AND VICE-CHAIRMEN [Item 11]

RESOLVED:

That the Members listed in italics in the published report are duly elected as Chairman and Vice-Chairmen of the specified Committees as shown for the remainder of the Council year 2018/19.

102/18 ESTABLISHMENT OF A JOINT HEALTH OVERVIEW & SCRUTINY COMMITTEE FOR SUSSEX AND EAST SURREY SUSTAINABILITY AND TRANSFORMATION PLAN [Item 12]

The Leader of the Council introduced the report and provided Members with a brief summary. It was highlighted that, as Leader of the Council, he would continue to chair the Health and Wellbeing Board. It was further highlighted that Cllr Botten, Cllr Chapman and Cllr Grant-Duff would be appointed to the Joint Committee.

Members highlighted that the power to refer onto the Secretary of State would remain with the Health, Integration and Commissioning Select Committee.

RESOLVED:

That Surrey County Council:

- I. agreed to the establishment of a Joint Health Overview & Scrutiny Committee with Brighton and Hove City Council, East Sussex County Council and West Sussex County Council for the purposes of scrutinising substantial variations in service delivery arising from the development of Sussex and East Surrey Sustainability and Transformation Plan;
- II. approved the Terms of Reference for Sussex and East Surrey STP Joint Health Overview and Scrutiny Committee attached as Annex A to this report;
- III. agreed to appoint Mr Chris Botten, Dr Bill Chapman and Dr Zully Grant-Duff as Surrey County Council's representative on the Sussex and East Surrey STP Joint Health Overview and Scrutiny Committee; and
- IV. delegated responsibility for appointing a non-voting co-opted representative to the JHOSC to the Health Integration and Commissioning Select Committee.

103/18 APPOINTMENT OF AN INTERIM MONITORING OFFICER [Item 13]

RESOLVED:

That the County Council appoint Rachel Crossley to act as interim Monitoring Officer for Surrey County Council with effect from 21 December 2018.

104/18 REPORT OF THE PEOPLE, PERFORMANCE & DEVELOPMENT COMMITTEE [Item 14]

The Leader of the Council introduced the report and noted that the terms of reference had been discussed at length during the People, Performance and Development Committee meeting in November 2018.

Members made the following comments:

- Raised concern as the updated terms of reference prevented the Committee from taking a strategic role monitoring the costs of permanent and interim appointments.
- That the overall senior management costs should be monitored and scrutinised.
- That Members should not be involved with the recruitment of staff, as this was the responsibility of the Chief Executive as Head of Paid Service.

RESOLVED:

To include the People, Performance and Development Committee Terms of Reference in the Constitution.

105/18 FINANCIAL REGULATIONS [Item 15]

The Leader of the Council introduced the report.

Mr David Harmer proposed that the final sentence of paragraph 9 be amended to read 'Appropriate training will be provided for all Members of the Audit and Governance Committee and the Corporate Overview Select Committee', which was agreed.

RESOLVED:

- a. That the new Financial Regulations attached in Annex A of the report be approved.
- b. That the delegation of approval of the annual Treasury Management Strategy Statement to the Audit and Governance Committee be approved.
- c. That the necessary amendments to the Council's Constitution be approved, to allow the Audit and Governance Committee to "review and approve" the annual Treasury Management Strategy Statement.

106/18 REVIEW OF THE SPECIAL RESPONSIBILITY ALLOWANCE FOR DEPUTY CABINET MEMBERS - REPORT OF THE INDEPENDENT REMUNERATION PANEL [Item 16]

The Leader of the Council highlighted that Deputy Cabinet Members now had been allocated to specific Cabinet portfolios and from now on will be asked to provide an update to each County Council meeting.

Members made the following points:

- That Cabinet Members should be able to conduct the full work within a portfolio, rather than have a deputy.
- That, in theory, there could be up to 10 new Deputy Cabinet Members.
- That in October 2018, the Independent Remuneration Panel (IRP) stated that Deputy Cabinet Member roles were not necessary.
- That 18 of 26 County Councils in the country had Deputy Cabinet Members.

52 Members voted for, 14 Against and 4 Abstentions

Therefore it was resolved:

That the Special Responsibility Allowance for Deputy Cabinet Members is set at £10,000.

107/18 SCRUTINY ANNUAL REPORT 2017/18 [Item 17]

The Leader of the Council introduced the report and stated that the report summarised the work of select committees in 2017/18 and outlined the key priorities going forward. It was highlighted that there would be a review of all select committees.

Members made the following points:

- Highlighted that two thirds of select committee meetings did not make a recommendation.
- Felt that select committees should play a more important role in the governance of the Council.
- That consistency from previous arrangements was needed when reviewing select committees.
- That there was a need for more resource to conduct good scrutiny.

108/18 REPORT OF THE CABINET [Item 18]

The Leader presented the report of the Cabinet meeting held on 27 November 2018.

Reports for Information/ Discussion

- A. Revised Financial Regulations

RESOLVED:

That the report of the meeting of the Cabinet held on 27 November 2018 be adopted.

109/18 MINUTES OF CABINET MEETINGS [Item 19]

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

[Meeting ended at: 11.45 am]

Chairman

Mr Chairman and Members,

I would like to thank those who have nominated me and those who have elected me today to lead this county council on behalf of the people of Surrey. It is a great honour, and with it comes a tremendous responsibility to serve this wonderful county and its many communities.

First, can I pay tribute to the fantastic achievements of David Hodge. He has been a passionate advocate for Surrey and its residents throughout his time as a councillor and as Leader. We should all recognise the outstanding contribution he has made to us as members, to the residents of Surrey and to the wider local government sector. David, thank you.

It is now my task to implement the core strategies members agreed in October, and I am determined that we will deliver on these. This Conservative administration has a clear mandate from this council and we are united in wanting to realise our Vision for 2030.

My commitment to the principles that underpin these strategies is unwavering:

- No one should be left behind
- We will take a fresh approach to working in partnership
- We will help people to help themselves and others
- We will involve and engage our residents more fully in the development of services

We are embarking on a journey of change, renewal and innovation, supported by our officer team, led by our excellent Chief Executive Joanna Killian. Joanna has ably started the work of transformation, but it's now time for elected members to play their part.

Our first objective must be to make Surrey financially sustainable once again. We need to reshape our services around the changing needs of our communities making them fit for purpose both now and in the years to come. To do this we will need to be creative and embrace new ideas to meet the aspirations of those we serve.

My commitment to you and to the people of Surrey that I will get the finances of this county in order can be clearly demonstrated from my decision to create a post of Cabinet Member for Finance, ensuring that sustainable budgets are central to our thinking. I am delighted that Mel Few has agreed to take on this new and important role.

Equally, to support me in delivering our plans, I am pleased to announce further changes to the Cabinet. Some of the roles have been revised, others refocused and new dedicated roles for Finance and Property have been introduced.

I have asked Colin Kemp to serve as my Deputy Leader. As shown by the last two holders of this post, it is an essential role and I am delighted Colin has agreed to take it on and work alongside me.

I would like to welcome Julie Iles, Sinead Mooney, Matt Furniss, Natalie Bramhall and Wyatt Ramsdale to the Cabinet. Can I also thank John Furey and Clare Curran both of whom have served this council with distinction for many years and who are stepping down from the Cabinet. Jeff Harris leaves to take on the Chairmanship of the Adult Social Care Select Committee.

Making this council fit for purpose again is not going to be easy. The officers have already been looking at how we can meet the needs and aspirations of our residents and the changes that will be required are an uncomfortable prospect for all of us. But it is now time for us in this chamber to take the responsibility bestowed upon us by our electorate and start to make the hard decisions that must be taken.

I wish there were an easy solution; We know that in an uncertain world Surrey residents look to us for certainty and continuity but budget pressures and changing expectations mean we cannot go on as before. Change is difficult for we walk a tightrope between respecting the past and adapting to the future where resources are even tighter.

Despite the pressures we face we must make our children's services outstanding. My administration will be looking at all measures available to achieve this under the direction of Mary Lewis, supported by our Director for Children's Services Dave Hill and his team, ensuring that we achieve the best possible outcomes for every child and family in Surrey.

We must provide early support to our ageing population to help them have a better quality of life for as long as possible. We must work to become a high performing council once again with the welfare of our residents at the very heart of this organisation.

We are committed to playing our part, but we cannot secure a successful future for our county on our own. We must continue to develop more effective relationships and partnerships that are open, proactive and productive. Perhaps in the past we have been too internally focussed – for all the right reasons- but this might have led

us to missing the outward view, scanning the horizon and anticipating the future on our resident's behalf.

We will be needing all the help our partners in the voluntary, charitable and faith sectors can give us and in turn we will look at how we can be better partners to them.

We need to ensure that alongside every essential decision we have to make, we are all satisfied that we have made every possible efficiency within our services, looked at every opportunity to generate money from our own assets or created new homes and investigated every possible avenue of winning new funding or using new ways of providing services with partners

Our residents as we well know often do not distinguish between Boroughs and Districts or us. We are all "Surrey" to our residents and we must work seamlessly together as we all look to fund our front-line services.

- They don't care who empties the bins as long as someone does.
- They don't care who repairs the roads as long as someone does.
- And they don't care who provides their loved ones with care as long as someone does.

When people need our help, they are often faced with being passed from pillar to post. That must end. We need to have people on our side but as long as such isolation and disjointed service delivery continues, they will not be. It is vital we have our residents' backing because it is them, we are here to serve and upon whom our future success relies.

We will forge a new working relationship with Central Government in which we work together. Whilst we must work to unlock funding and secure policy reforms that help us adapt to changing needs and pressures in our communities, I also want us to offer our support and assistance to them to find solutions to problems felt across society. We will work with them to bring national agencies together with us to help solve the issues we face around Health, Skills, Employment and Infrastructure needs in Surrey that we alone cannot solve, yet if achieved will enable us to do more for ourselves.

We will work closely with all the business across the county, large and small to support them in providing jobs, to make them an integral part of our communities and to make Surrey the place to do business.

We have disenchanted our residents and partners for far too long and understandably many have switched off. Without their involvement, policy decisions risk moving further away from the public's needs and wishes, and I will be dedicated to increasing positive engagement and involvement to prevent this. We need also to empower the public and give them a genuine role in the development of our communities. It is not right that any organisation should assume it is better placed than the public to decide the future shape of individual communities.

Mr Chairman, Surrey County Council needs to return to Surrey. For too long the emotional connection to a community has been taken for granted. For 50 years we have not been close enough to the residents we serve, and we all represent. I have therefore asked the officers to start the detailed planning for the relocation of the people in this building back in to the County of Surrey.

Natalie Bramhall will take the lead role in locating a suitable new home for us. I have asked her to make recommendations to this council within the next few months with an expectation that we will have vacated County Hall by the end of 2020. Our workforce deserves the best possible working environment to undertake their duties and that is simply not possible here at County Hall.

Indeed, it is important to recognise that despite the current challenges we face, SCC staff always distinguish themselves in their dedication to public service. More importantly they are committed to Surrey public service and, but for their dedication, we would face many more challenges today. It would be understandable if the changes they have experienced over recent years had left them demoralised. I want to say that under my leadership we will redouble our efforts to recognise their skills, develop their careers and ensure that they are part of our future success.

We are all rightfully proud of living in Surrey. Surrey is blessed with tremendous natural assets. We have thriving villages and towns. Booming businesses and a strong economy. An abundance of diversity and a rich culture. Glorious countryside with the Surrey Hills, a history of innovation and design from Brooklands in Weybridge to the University of Surrey.

We have so much to be proud of. It is essential that we protect the heritage and character of the County as well as creating more trust in SCC to lead our community. Each one of us is a guardian of this county for as long as our residents allow us to serve them. We have many challenges ahead, but we are not alone. Others are following a similar path and I am confident that we can learn from our peers in local government, draw on their experience and take our rightful place as one of the leading counties.

To the opposition I ask you to work with us as well as to challenge us and to this end we will begin an immediate review of the role of scrutiny as well as democratic governance. You need to be involved at an earlier stage of policy formation as all our residents' views are equally as important. But in return you must fully engage and not sit on the sidelines for you have a key role to play. We need to work together for a Surrey that we, and all our residents, can be proud of.

The bottom line is that we have a difficult task ahead of us, but we know what we have to do. It is now time for us to roll up our sleeves, stick to the job in hand and make sure we see it through. The current challenges are not all for SCC. They are challenges faced by our communities and, as such, the solutions must be designed together, with businesses, residents, staff, Members, other councils, voluntary, community and faith sectors. We are stronger together and we will secure a bright future for Surrey together.

Finally, Mr Chairman, we must have humility, an ability to look backwards and learn from our previous mistakes so we can adapt and ensure the future is brighter, that the future provides our residents with the services they need, and work together to ensure the services we deliver are of the highest possible quality.

We have a steep hill to climb but with a commitment by us, all of us, to shape services for the future, with the commitment of our partners to combine our collective strength and with the commitment of our residents to play their part we can, and will, succeed.

This page is intentionally left blank

SURREY COUNTY COUNCIL

COUNTY COUNCIL

DATE: 5 FEBRUARY 2019



REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF FINANCE

SUBJECT: REVENUE AND CAPITAL BUDGET 2019/20 AND KEY FINANCIAL STRATEGIES to 2023/24

SUMMARY OF ISSUE

This report is predicated on Cabinet having approved at its meeting on 29 January 2019

- i) the recommendations of the five service Transformation Proposals and
- ii) endorsing the proposed Financial Strategy and Budget Report 2019/20 being presented to County Council.

The council has embarked upon a programme of change and improvement to address a number of performance, financial and cultural shortcomings in order that we can help secure the very best outcomes for the people of Surrey. Along with many other councils, we face a significant financial challenge and are working to ensure that every pound we spend is aimed at delivering the priorities for Surrey, which are set out in the [Community Vision for Surrey in 2030](#) (the Vision).

On 13 November 2018, Council [endorsed a suite of documents](#) which set out a clear strategic and financial direction of travel for the council in response to the vision¹. Delivering these, and responding to the challenges we're facing means changing what we do, the way we do things and how we spend the money entrusted to us.

We have a strategy and plans in place that will ensure the council is on a stable financial footing. Through the programme of change we are undertaking, Surrey County Council will drive out inefficiencies and reduce costs, minimising the use of reserves this financial year and is anticipating not needing to rely on reserves at all for 2019/20.

The hard choices and tough decisions we are having to make about services and how we allocate our precious resources, having full and proper regard to consultation and engagement with residents, along with setting a council tax increase of 2.99%, if approved by Council, will enable us to set a balanced budget for the 2019/20 financial year.

The Council has consulted and engaged residents widely on five initial areas of service transformation. During this period, people have said that the council should preserve services that help vulnerable adults and children, even if that means making reductions in spending elsewhere². Doing so will mean we are less able to provide or support universal services – those available to all - as we focus on providing for those whose need is greatest and/or are least able to look after themselves. We believe this approach should help us to contribute the most we can to the Vision aspiration of Surrey being 'a uniquely special place

¹ (1)The Organisation Strategy 2019-2023, (2) 'Our People' 2021 – Workforce Strategy, (3) Preliminary Financial Strategy 2019 – 2024, (4) Transformation Programme (Full Business Case)

² MEL Research Report - Future of services: results from resident survey, January 2019

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.

This report is to enable Council to approve:

- the revenue and capital budgets for 2019/20, including budget reductions
- the council tax precept level for 2019/20
- Council tax precept due from each Surrey borough and district
- the council's capital receipt flexibilities policy, including the level of investment required to deliver the transformation programme for 2019/20
- further investment in reform and transformation in 2018/19 to be funded from capital receipts
- indicative directorate budget envelopes to 2023/24
- the council's Capital and Investment Strategy, which provides an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.

In agreeing to the recommendations of the reports on service transformation and the budget, the cabinet considered in detail and were informed by wide public consultation and engagement exercises. The equality impact assessments flowing from this and implications of the budget changes are attached in **Annexes 5a-5g**.

The budget decisions and attached financial strategy, in **Annex 1**, support the achievement of the goals set out in the Vision and the council's [Organisation Strategy 2019-2023](#). They prioritise the investment of available resources and support the significant improvements and transformational changes that must be made to achieve improved outcomes for residents while also ensuring the future financial sustainability of the council.

RECOMMENDATIONS

Following the Cabinet meeting on 29 January, the recommendations to County Council on 5 February 2019 are:

To note the following important features of the revenue and capital budget:

1. The Executive Director of Finance's statutory conclusions in his Section 25 statement. (**Annex 1**)

Proposed budget: Cabinet recommends County Council approves the following revenue and capital budget decisions:

2. Approve the net revenue budget requirement be set at £885.9m (net cost of services after service specific government grants) for 2019/20 (**Annex 1**), subject to confirmation of the Final Local Government Financial Settlement
3. Approve the total council tax funding requirement be set at £680.1m for 2019/20. This is an increase in the level of the general council tax of 2.99% (**Annex 1**).
4. Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the council formally determines that the increase in council tax is not such as to trigger a referendum.

5. Set the Surrey County Council precept for Band D council tax at £1,453.50, which represents a 2.99% up-lift. This is a rise of 81p a week from 2018/19's precept of £1,411.29. This includes £102.39 for the Adult Social Care Precept, which remains at the same rate as last year.
6. The Council Tax for each category of dwelling as set out in the table below

Council Tax Band	2018/19 £	2019/20 £
Band A	940.86	£969.00
Band B	1,097.67	£1,130.50
Band C	1,254.48	£1,292.00
Band D	1,411.29	£1,453.50
Band E	1,724.91	£1,776.51
Band F	2,038.53	£2,099.51
Band G	2,352.15	£2,422.51
Band H	2,822.58	£2,907.01

7. The payment for each billing authority, including any balances on the collection fund, will be as set out in **Annex 2**.
8. Agree to maintain the Council Tax rate set above after the Final Local Government Financial Settlement.
9. Delegate powers to the Leader and the Director of Finance to finalise budget proposals and recommendations to County Council, updated to take into account new information in the Final Local Government Financial Settlement.
10. Approve the Flexible Use of Capital Receipts Policy for 2019/20 to meet the statutory guidelines for the use of capital receipts to fund the transformation and reform of services (**Annex 3**)
11. Approve the application of a further £7.2m in the current 2018/19 financial year to fund the transformation under the capital receipt flexibilities policy (**Annex 3**).
12. Approve the use of £16.3m in the 2019/20 financial year, to fund the transformation under the capital receipt flexibilities policy (**Annex 3**).
13. That the underlying balance on the general fund remains set at £21.3m as at 1 April 2019.
14. Approve the Total Schools Budget of £492.9m to meet the council's statutory requirement on schools funding. (**Annex 1**).
15. Approve the overall indicative budget envelopes for Executive Directorates and individual services for the 2019/20 budget (**Annex 1**).
16. Note the indicative budget envelopes for 2020-24 (**Annex 1**).

17. Approve £413.8m indicative five year capital programme, with £129.2m capital investment in 2019/20 (**Annex 1**).

Capital Strategy: Cabinet recommends Council approves the following.

18. The Capital and Investment Strategy for 2019-24 (**Annex 4**)
19. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provisions policy) (**Annex 4a**)

REASON FOR RECOMMENDATIONS

This meeting of County Council is to approve the annual budget, set the Council Tax and issue the precept for 2019/20.

The budget directs available resources to support the achievement of the council's ambitions and priorities in the Vision and the Organisation Strategy.

In particular, the budget proposals reflect the Vision ambition to ensure no one in Surrey is left behind. We know, as documented in the [evidence base](#) compiled to inform the 2030 Vision, that some residents experience a poorer quality of life than their neighbours - we will focus the resources we have available on actions that best support the most vulnerable people in communities, and those who do not have the means or resources to help themselves.

Prioritising spend in the current context of funding constraints and increased demands has necessitated the redirection of some funding from universal services and provision to targeted services and this is reflected in proposals for service transformation articulated in the accompanying Part A report Transformation Proposals – Delivering Better Services for Residents Cabinet report of 29 January 2019. The Part A report also details changes to services that include stopping some services we are not statutorily required to provide.

The budget will also support the delivery of the major transformational changes that are required to ensure that the council can improve priority outcomes for residents while managing growing demands for services and ensuring future financial sustainability.

BACKGROUND

1. On 9 October 2018, the council endorsed the Community Vision for Surrey in 2030, which was developed by a range of partners across the county following widespread community engagement and consultation. To set out clearly how the council would contribute to the goals in the Vision, a fresh strategic direction was agreed by council on Tuesday 13 November 2018, set out in a new [Organisation Strategy](#), [Our People Strategy](#), [Transformation Programme](#) and [Preliminary Financial Strategy](#). Taken together these demonstrate how the council will prioritise investment and deliver the significant improvements and transformational changes required to achieve improved outcomes for residents while ensuring future financial sustainability. The Preliminary Financial Strategy set out the overall framework within which the council will manage its financial resources and support the delivery of the agreed priorities in a sustainable way. The strategy included indicative budget envelopes for each directorate leading to a balanced budget for 2019/20, within which services would deliver agreed outcomes and priorities.
2. Since 2010 the council has faced the twin financial pressures of falling government grants and rising need for its services. Although the council has made significant efficiency savings in this time, and raised council tax, since 2014 it has needed to draw down £88m from reserves to ensure a balanced budget each year. Reserves are now at a level where it is not sustainable to continue this approach. The council does not expect

a significant change in the wider financial outlook for local government in the medium term, and therefore has embarked upon a programme of transformation to ensure its services and finances are sustainable.

3. The main themes arising from transformation proposals have been grouped as:
 - a. **Promotion of choice and control for residents.** This relates to increasing introduction of self-service for residents in several areas, including more flexibility in ways they can contact the council. Alongside this, the council is continuing to increase the numbers of Direct Payments, especially in Adult Social Care, as well as supporting families to remain together where possible as part of changes in Children's Services.
 - b. **Changing the way we work, internally and for residents.** This relates largely to changes to working practice in the Health, Wellbeing and Adult Social Care and Children, Families and Learning Directorates which include using digital technology and supporting our workforce to be more productive to enable transformation projects and deliver productivity gains, developing new technologies, becoming a more agile organisation and thinking creatively about resource allocation within services.
 - c. **Prioritising spend to make us financially viable.** This relates to making sure that we are delivering the right service, to the right people, every time. It involves focussing on reablement and rehabilitation, assessing for long term needs when a person is at their best and reviewing care packages in a culture of optimism within Adult Social Care. Where the council is moving toward delivering services in a manner similar to other local authorities of comparable size, including as part of the reconfiguration of Children's Centres, these are being undertaken to ensure the most effective allocation of resources.
 - d. **Maximising our income streams without disadvantaging residents.** This encompasses areas in which the council is introducing or making alterations to fees and charges as part of service delivery, including as part of changes in Highways, Transport and Environment and continued service development in Adult Social Care.
4. These groupings summarise the strategic actions the council is taking to transform into a modern organisation that provides effective, good quality services, with a focus on meeting the needs of the most vulnerable people of Surrey. Achieving our ambitions is reliant upon the best allocation of our resources, which may entail taking difficult decisions about how our services look in the future. The council's transformation programme seeks to reform the function, form and focus of the organisation so there will be significant impacts on services and our relationships with residents, partners and staff that need to be understood. These are set out in **Annex 5** Surrey County Council Budget 2019/20 Equality Impact Assessment.

2019/20 Revenue and Capital Budget

5. The Ministry of Housing, Communities and Local Government published the Provisional Local Government Settlement on 13 December 2018. Although the Final Settlement will not be issued until later in February 2019, this has led the council to revise some of its funding assumptions. These are described in full in **Annex 1**.
6. The proposed Budget Envelopes included in the Preliminary Financial Strategy were at a relatively early stage of development. The service budgets set out in **Annex 1** are the proposed budgets for 2019/20, which include changes to pressures and budget

reductions, and are informed by the engagement and consultation activity the council has undertaken.

7. The statutory process for setting the revenue budget is for it to be recommended to the County Council by the Cabinet. A revenue net budget of £885.9m is proposed (as detailed in **Annex 1**) this includes setting a council tax Band D precept for 2019/20 of £1,453.50, an increase of just over 2.99%.
8. The government is expected to reform how local government in England is funded from April 2020. Two significant reviews are currently underway that will shape this new methodology; one is the consultation on the Fair Funding Review, changing the allocation and distribution of business rates, and the other will be articulated through the Green Paper on Adult Social Care, which has yet to be published by the government. The outcomes of these reviews are not currently known. However, the council plans over a rolling five-year timeline and has therefore made assumptions about the future level of funding up to March 2024. This is to provide indicative budget envelopes for each directorate and demonstrate the level of available funding to deliver services in the medium term.
9. The council has developed, in **Annex 4**, a Capital and Investment Strategy. The aim of this is to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute towards the council's ambitions and priorities. This strategy is supported by the capital programme for the next five years, which is also shown in **Annex 1**.

Flexible Use of Capital Receipts Policy

10. The council has embarked on a programme of transformation in order to deliver financially sustainable services to residents in the future. Delivering the transformation programme requires a level of investment and the council is using the opportunity provided by the government to flexibly use capital receipts to fund this transformation of services. A requirement of this flexibility is that the Council approve a Flexible Use of Capital Receipts Strategy and the business cases for their use. These are both included in **Annex 3**.

Consultation and Engagement

11. The council has undertaken extensive consultation and engagement with a range of stakeholders including residents, partners and staff on service priorities to inform the budget, and on proposals for the re-design of services that support delivery of improvements and savings in 2019/20. This has included:
 - Holding two participatory budgeting workshops with 98 residents on 26 and 29 October 2018 to gain initial insight into where they would invest the council's budget and manage difficult competing demands within constrained resources.
 - A meeting of the Surrey Equality Group (which includes representatives with a range of voluntary, community and faith sector (VCFS) organisations in Surrey, chaired by Councillor Denise Turner-Stewart, Cabinet Member for Community Safety, Fire and Resilience) on 24 October 2018 to talk to them about the council's budget challenges and consultation activity.
 - Members being updated through a briefing for all Members on 15 October 2018 and the Corporate Overview Select Committee on 25 October 2018.
 - Public consultations on proposals for five different service areas ran simultaneously under the Have Your Say campaign. They ran from 30 October 2018 to 4 January

2019, and over 28,000 responses across all the consultations were received from stakeholders. The service areas consulted on were:

- Children's Centres (3,814 responses)
- Community Recycling Centres (12,130 responses)
- Concessionary bus travel (3,082 responses)
- Libraries and Culture (7,901 responses)
- Special Educational Needs and Disabilities (SEND) (1,133 responses).

Stakeholders had the option to complete an online survey on the council's website, hard copies or alternative formats, such as easyread. There were also 15 consultation drop-in sessions attended by up to 150 residents to assist them to complete the consultations they wanted to respond to. Letters were also received from a range of stakeholders making formal representations to the council on these consultations. Responses were received from organisations including District and Borough councils (including Mole Valley, Runnymede, Tandridge, Waverley and Woking) and voluntary, community and faith sector (VCFS) organisations, such as Sight for Surrey and Surrey Coalition for Disabled People.

- A survey on council spending priorities with a statistically representative sample of 1,100 Surrey residents (carried out by research company MEL Research, see paragraphs 12 - 14).
- Face-to-face discussions with a range of stakeholder groups including District and Borough Members and chief executives.
- An estimated 5,700 VCFS organisations were invited to share their views electronically on the council's budget and service consultations.

Resident survey on future of council services

12. Between 17 December 2018 and 6 January 2019, the council ran a survey, commissioned through MEL Research, to determine residents' spending priorities. This built on the participatory budget workshops held in October 2018.
13. A statistically representative sample of 1,100 Surrey residents were interviewed, achieving a broadly even split across each of the 11 districts and boroughs, then by age and gender representative of Surrey's population.
14. The findings were:
 - The majority of respondents were aware of budget pressures faced by local authorities up and down the country, although less were aware of the pressures facing the council. There was greater awareness of this among older and middle aged residents.
 - The majority of respondents were unwilling to pay more council tax than allowed within council tax referendum thresholds (2.99%) on the services they identified as being most important to them. However, there was a large share of residents who were prepared to see a further rise of 1%, while close to a quarter were prepared to accept an increase of 2%. Support for increases were more likely to be seen with people of middle age, and from respondents who lived in rural areas.

- The most important services for respondents were those that supported vulnerable people, such as adult social care, services for vulnerable children and those at risk and support for children and young people with special educational needs and disabilities. This indicates the council's spending priorities align with those of residents.
- Residents were also asked to choose from a list of potential service changes. Many residents found this hard to do. Residents were supportive of changes that encouraged people to have greater control over their lives. They generally preferred to retain services rather than cutting them, with some people challenging the notion that services must be cut.
- Nine in ten respondents were supportive of the council providing services to those most in need, even if it meant spending reductions elsewhere. Respondents who lived in urban areas were most likely to agree with this. Six in ten respondents were also willing to be more active in civic life if they could see the results of their contribution, but over half said they were unsure how to get involved.
- Notably, there was greater appetite for involvement among younger people, families with children and people from Asian communities, but less so from older people. This indicates a need for developing appropriate infrastructure and opportunities to facilitate greater civic participation, and the importance of tailoring communications around opportunities to participate.
- The majority of residents were generally happy to use digital channels to contact the council, with broad agreement that they were happy to receive emails, do everything online and use web chat services. Younger people in particular were happy to embrace these technologies for supporting them and communicating with the council.
- However, there was strong agreement with always having an option to contact the council by telephone, most likely out of concern for older people and for dealing with more complex queries. In addition, residents with disabilities were least likely to support a digital-only offer. This shows the council's strategy to invest in more digital channels for customer contact aligns with resident expectations, but that particular consideration must be given to the needs of disabled people on any changes.

<p>STATEMENT OF THE EXECUTIVE DIRECTOR FOR FINANCE (S151 officer)</p>
--

15. The Executive Director for Finance is the Section 151 Officer as defined by the Local Government Act 1974. Legislation requires the Section 151 Officer to report on the robustness of the budget. This is included in **Annex 1**. In summary, the Executive Director of Finance indicates that although there is no general use of reserves to support the 2019/20 budget, the Transformation Programme savings and cost containment plans still include a high level of risks. A contingency within the budget of £10m partly mitigates those risks against a total savings requirement of £82m.
16. The Executive Director of Finance cautions against optimism bias and the report has highlighted the continuing serious financial challenges faced by the council in the years following 2019/20. These challenges are from continuing demand pressures on service budgets, especially in social care, education and waste and a high degree of uncertainty about the future level of funding. The government is set to revise the system for funding local government from April 2020, and if resource equalisation remains a factor in this, then Surrey County Council could continue to lose core funding from central government and business rates.

17. Finally, in accordance with the Prudential Code, the Executive Director of Finance supports the proposed capital and investment strategy. The various elements of the capital strategy and associated inter-related controls and policies demonstrate that the council's capital expenditure and investment decisions properly take account of stewardship, value for money, prudence, sustainability and affordability, by setting out the long term context in which capital expenditure and investment decisions are made, and by giving due consideration to both risk and reward and impact on the achievement of priority outcomes.

OTHER IMPLICATIONS:

EQUALITIES AND DIVERSITY

18. In approving the budget and the council tax precept, the Cabinet and Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010.
19. A high level Equality Impact Assessment (EIA) of the revenue savings proposals has been undertaken and this is supported by individual EIAs where changes to service provision have been approved by Cabinet. The high level EIA s set out in **Annex 5**. This will be updated and further EIAs will be undertaken where appropriate. In considering the proposals in this report, Members are required to have 'due regard' to the objectives set out in section 149 of the Equality Act 2010, i.e. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it (the Public Sector Equality Duty).
20. The Equality Act 2010 ('the EA') provides that a public authority must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics set out in the EA are as follows:
- Age
 - Disability
 - Gender Reassignment
 - Pregnancy/ maternity
 - Race
 - Religion or Belief
 - Sex
 - Sexual Orientation
 - Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.
21. Prior to approving the budget, Council must have due regard to the Equality Duty contained in Section 149 of the EA.
22. Having 'due regard' does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Members understand the consequences

of approving the budget for those with the relevant protected characteristics and consider these alongside other relevant factors in doing so. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate.

23. The public sector equality duty set out in the EA is a continuing one, and it will therefore be necessary to monitor the effects of decisions and policies, not only during their formulation, but also after implementation.
24. The three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations. Relevant matters in this context will include the statutory requirements, and policy considerations, the impact on service provision, the budget, any relevant risks, the responses to any consultation and the public sector equality duty. The weight to be given to each of the relevant matters is for the Council to decide.
25. Members must read the full version of the EIAs and take their findings into consideration when approving the budget proposals.

LEGAL IMPLICATIONS – MONITORING OFFICER

26. This report sets out recommendations to County Council for the adoption of a budget and the basis for the level of Council Tax for 2019/20. The Council is under a duty to set a balanced and sustainable budget and in doing so must give due regard to the report of the S151 officer set out in Annex 1 of this report. Whilst the Cabinet has recommended, and subsequently the Council is being asked to agree, the revenue budget and capital programme, the budget decision does not constitute final approval of what policies would be or what sums of money will be saved under the service proposals save for those areas where a specific decision has been made by Cabinet.
27. The revenue budget and capital programme recommendations in the report do not commit the council to implement any specific savings proposal. When the Cabinet come to make specific decisions on future service transformation, where necessary, focussed consultations and the full equality implications of doing one thing rather than another will be considered in appropriate detail. If it is considered necessary, in light of equality or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the council.

WHAT HAPPENS NEXT

28. The council will continue to pursue its transformation plans in order to achieve improved outcomes for residents while also ensuring the future financial sustainability of the council. When it is identified that further public or staff consultation is required prior to implementing any proposals, planning for this will commence, with a view to carrying out these consultations in 2019.

Contact Officers:

Leigh Whitehouse, Executive Director of Finance
020 8541 7246

Joanna Killian, Chief Executive
020 8541 8081

Annexes referred to

Annex 1	2019/20 Budget and Financial Strategy 2019-24
Annex 2	Council Tax Requirement
Annex 3	Flexible Use of Capital Receipts
Annex 4	Capital and Investment Strategy 2019/20 – 2023/24
Annex 4a	Minimum Revenue Provision (MRP) Policy Statement 2019-20
Annex 5	2019/20 Budget Equality Impact Assessment
Annex 5a	Children’s Centres Equality Impact Assessment
Annex 5b	Special educational needs and disability (SEND) Equality Impact Assessment
Annex 5c	Libraries Equality Impact Assessment
Annex 5d	Community Recycling Centres (CRCs) Equality Impact Assessment
Annex 5e	Concessionary Bus Travel Equality Impact Assessment
Annex 5f	ASC Transformation Savings Equality Impact Assessment
Annex 5g	Customer Experience Equality Impact Assessment

Sources/background papers:

A Community Vision for Surrey in 2030, Report to Council 9 October 2018

Vision for Surrey 2030 – Evidence base, Annex A to Report to Council 9 October 2018

Our Surrey - report on engagement feedback on the Vision for Surrey in 2030, Annex B to Report to Council 9 October 2018

Organisation Strategy, Preliminary Financial Strategy, Transformation Programme and ‘Our People’ Strategy, Report to Cabinet 30 October 2018

MEL Research Report - Future of services: Detailed findings from resident survey, January 2019

Transformation Proposals – Delivering Better Services for Residents, Annexes 1 to 5. Cabinet Report 29 January 2019

This page is intentionally left blank

**2019/20 BUDGET
&
FINANCIAL STRATEGY 2019-24**

Contents:

Foreword	3	Funding Scenarios 2020-24	43
Surrey County Council’s contribution to the Vision for Surrey in 2030.....	4	2020/21 – 23/24 Budget Envelopes	46
How we will transform as a Council	6	Capital programme.....	49
Building on the Preliminary Financial Strategy (PFS).....	6	Reserves & balances policy statement.....	51
Financial Strategy Response	6		
Commentary of the Executive Director of Finance (s151 officer)	8		
Economic outlook and public spending.....	15		
Provisional Local Government Settlement.....	16		
Surrey County Council core funding.....	19		
Indicative Government Grants	21		
2019/20 Revenue Budget - Council Overview	23		
19/20 Directorate Budgets.....	24		
Children, Learning, Families and Culture.....	24		
Health, Wellbeing & Adults Social Care.....	26		
Highways, Transport & Environment	27		
Economy, Growth & Commercial	29		
Customer, Digital & Transformation	31		
Finance & Central Income & Expenditure	33		
2019/20 Proposed Budget Reductions.....	34		
Total Schools Budget	42		

Foreword

In October 2018, the Council endorsed the Community Vision for Surrey in 2030 which was developed and agreed by a broad range of partners across the county, following extensive and systematic engagement and consultation over the summer.

A council that is financially stable and resilient, with a plan for a sustainable financial future, is a fundamental prerequisite for the ambitious work that will be required to fulfil its part of the Vision.

This Financial Strategy describes how the council is planning to meet these requirements in 2019/20, and the work still to do in order to achieve this in the medium term through to 2023/24. It sets out the assumptions behind its estimated resources, including the Council Tax levels for the 2019/20 financial year; estimated receipts from Business Rates Retention and government grants. The budgets for each directorate are shown, along with the reductions required for a balanced budget and consideration of their impact on residents.

For the past eight years, the level of resources available to the Council has fallen as a result of successive governments' policies on national deficit reduction and the consequent impact on public spending, and therefore local government funding. At the same time, demands on services have risen due to demography and other societal factors.

By acting quickly and decisively, the council was initially able to meet this enormous financial challenge successfully. Budgets were balanced, and reserves were increased in recognition of growing financial uncertainty and volatility. However, with this period of ongoing reductions extending beyond initial expectations, and delays to the promised reform of the local government finance system, for the past four years the strain of this had begun to tell on the council's finances.

In each of the past four years, the council's budget has relied on the use of reserves and other one off measures in order to achieve a balanced position.

During 2018, it was recognised that this trend could no longer continue, and that decisive action needed to be taken. A £40m package of in year budget reductions was agreed at Cabinet in September 2018 with the express intent of offsetting emerging pressures in the High Needs Block of the Dedicated Schools Grant relating to services for children with Special Educational Needs or Disabilities (SEND), and to avoid the planned £21m drawdown of reserves originally agreed in the 2018/19 budget.

This programme, which we remain on track to deliver, was intended to draw a very clear line, and mark a change in direction for the council's finances. The reliance on reserves to balance the budget was replaced by an expectation that we would set sustainable budgets aligned with the level of available resources. This was in recognition of the need to strengthen, rather than weaken, the council's underlying financial position.

This change of approach was reflected in the development of proposals for the 2019/20 budget. The focus of the council's financial planning was shortened to the current and next financial years. A renewed emphasis was placed on the responsibility of services to manage delivery within available resources through the introduction of clear 'budget envelopes'.

A Preliminary Financial Strategy was agreed by Council in November 2018, which set out a clear direction of travel as part of a wider suite of key strategic documents, including an Organisational Strategy to help us realise the Vision for Surrey in 2030.

These steps, and the building blocks put in place to accompany them, move the council towards the objective of a financially sustainable future. However it is fundamentally important to recognise these as part of a much wider transformation of the

council that is underway and will continue for much of the medium term period covered by this Financial Strategy.

The proposals included within the budget for 2019/20 constitute the most significant package of measures the council has considered. They represent significant transformation of both the way the council provides services and operates and 2019/20 will be a pivotal year in the achievement of this change.

The proposed budget reductions are based on a rigorous transformation programme. Many of the proposals will have a significant impact on the way services are delivered; this will affect residents, service users and the staff delivering those services. These are being informed and shaped by ongoing engagement and consultation with residents, staff, local businesses and the community and faith sector. They are being developed to ensure that the resources of the council continue to be invested in local services and communities, to deliver the best possible services to the residents of Surrey.

From 2020/21, the government intends to implement two changes to local government funding – the introduction of the 75% Business Rates Retention Scheme and the Fair Funding Review. However, the council is not expecting a significant change to its funding. With the demand on services continuing to increase, the challenge to maintain a balanced and sustainable budget remains. For example, the council forecasts a budget gap of £57m in 2020/21 rising to £134m by 2023/24, so the council will need to continue to focus on transforming and improving, so the money it spends achieves maximum benefit for residents.

Surrey County Council's contribution to the Vision for Surrey in 2030

Surrey as a place - and the context within which the council, other public and voluntary, community and faith (VCF) sector partners and businesses operate - has significantly changed over the last decade and will continue to do so. Evidence shows 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. A report to Council in May 2018 [Developing a Vision for Surrey in 2030](#) set out some of the main challenges, including population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints.

In October 2018, the Council subsequently endorsed a new [Community Vision for Surrey in 2030](#), informed by extensive stakeholder engagement. The Community Vision for Surrey in 2030 recognises the need for, and value of, a shared set of outcomes to focus on - to inspire public services, the third sector, businesses, residents, staff and members - as they collectively strive to improve the lives of everyone who lives in the county. The Community Vision for Surrey describes the kind of place people want Surrey to be, and includes ten outcome-focused ambition statements.

To support the Vision for 2030 and respond to the new context, the council developed a suite of interdependent, [strategic documents](#) which were approved by Full Council in October 2018. These strategies will support the council to achieve improved outcomes for residents and develop a more sustainable, effective organisation and services in future years.

An **Organisation Strategy** which sets out how the council will work with residents and partners and direct resources to where they will have the most impact. It is the council's plan for how, over the next four years, it will work towards achieving the outcomes in the Community Vision for Surrey in 2030, and focus on making a real difference to residents' lives.

A **Preliminary Financial Strategy** that sets out the overall framework within which the council will manage its financial resources and supports the delivery of the council's priorities and the Community Vision for Surrey in 2030. This financial strategy builds on that preliminary work, setting out the revenue budget and the capital programme.

A **Transformation Programme**, shaped around six thematic areas, which will reform the function, form and focus of the organisation to help the council to deliver its priorities.

The '**Our People 2021**' strategy is the plan for the council's workforce (current and future) and sets out how it will develop its capacity and capability to contribute to the Community Vision for Surrey, achieve priority strategic outcomes for residents, ensure the effectiveness and efficiency of the council, drive wholesale transformational change and create a high performance culture.

By 2030 the council wants 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.

The council would like the 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.

To achieve these ambitions the council will:

- Focus on ensuring no one is left behind - some residents experience a poorer quality of life than their neighbours, and this isn't good enough. This means focusing support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves.
- Take a fresh approach to working in partnership - The Community Vision for Surrey in 2030 is a shared one – the council has a key role to play but cannot deliver it alone. This is a significant moment to re-affirm a collective commitment to build on existing partnerships and extend and enhance them for the benefit of Surrey residents.
- 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 partners, the council will explore new ways of working to develop a shared sense of responsibility for delivering the vision and achieving the best outcomes for residents.
- Involve and engage residents earlier and more often in designing and delivering services, and responding to challenges - Residents have told the council that they want public sector organisations in Surrey to be better at listening. The council would like to design services so that the right people, including residents, come together to first understand the issues and then work together to decide what can be done collectively to improve outcomes.

How we will transform as a Council

To successfully deliver the council's contribution to the Community Vision for Surrey in 2030 with the resources available, the council will also need to transform the organisation and its culture. The size and scale of the challenges and opportunities facing the council means an accelerated, systematic and coordinated approach is needed. The council is purposefully redesigning how things are done so there is the capacity and capability to succeed now and in the future.

Building on the Preliminary Financial Strategy (PFS)

The council is taking a new approach to setting the statutory budget and council tax for 2019/20. In November 2018, the council published the draft budget strategy, and the proposals that underpinned it, much earlier than in previous years. The approval of the PFS was an important milestone and set out how the council plans to achieve financial sustainability and a blueprint to inform the statutory budget.

Starting the process earlier enabled the council to better plan for the future, carrying out extensive engagement and consultation with residents and stakeholders over recent months, which is ongoing. Amendments are being made to these proposals, as a result of this consultation, the impact of the provisional Local Government Settlements and any other changes considered necessary as the result of a robust review of the proposals over recent months. This has enabled the council to ensure everything is in place to begin to make savings from 1 April 2019.

Financial Strategy Response

To be able to contribute to the Community Vision for Surrey in 2030, the role of the council has to fundamentally change. There is

unlikely to be a significant change in the wider financial outlook for local government in the medium term, so it is clear the council will be unable to do all the things it has done previously. The council will need to prioritise those services that matter most to residents, and will have the biggest impact on improving people's quality of life. The focus will be on carrying out a smaller number of activities, but in a more effective way.

The council is required in law to ensure that its expenditure in any year does not exceed its resources. This financial strategy supports the council's organisational objectives and sets out the steps for a balanced and sustainable budget. Following years of cuts to government funding and rising pressures and costs, without action, the council will face a significant budget shortfall in 2019/20 and beyond. The council's reserves and balances are at a safe minimum level given the risks it faces and therefore it is no longer prudent to continue to use one-off sources of funding, such as reserves, to fund on-going expenditure.

This financial strategy sets out a balanced budget for 2019/20, without the general use of reserves. It sets a net revenue budget of **£885.9m** and a capital programme of **£129m** to deliver the council's priorities in 2019/20.

The level of transformation required to achieve the council's organisational objectives, and set a balanced and sustainable budget is significant. For 2019/20, this requires £82m of on-going savings, which is a significant total, and which carries an inherent level of risk that is moderate to high. The council will need to closely track and monitor the actions to achieve this level of savings. While challenging, this transformation is achievable but does require the council to make some tough decisions.

The council's financial strategy drives the five year Medium Term Financial Plan. It is supplemented by a number of other documents including:

- financial regulations
- the capital strategy
- the treasury management strategy
- capital receipts flexibility policy
- transformation programme

This financial strategy aims to ensure three primary objectives:

- financial sustainability,
- financial management and
- great services and outcomes for our residents

To ensure the council meets these objectives and supports the journey towards the Vision for Surrey in 2030, the council has some broad strategic principles.

A balanced revenue budget with minimum use of reserves and balances. This is to ensure that reserves are not further diminished and the council remains financially resilient to any shocks. The council will only use one-off sources of funding where there is a strong business case, such as investing to increase efficiency and the transformation of services.

Level of reserves and balances – The council will regularly assess its level of reserves and balances to ensure that it is appropriate for the levels of risk faced.

Budget envelopes – Each service area will have a budget envelope within which to provide services to residents. It is the relevant manager's responsibility to ensure that delivery of objectives is achieved within the available resource.

Cost and demand containment – the council will look to manage cost and demand volume pressures within services' budget envelopes. Service budgets will only be increased for exceptional increases in inflation and service need and this must remain affordable. The council will make the management of value for money a mainstream, business as usual activity.

Robust savings plans - Each of the savings proposals will have a robust plan, which will be consulted upon, regularly tracked and progress monitored using key indicators.

Council tax - Council Tax increases will only be considered where costs and demand pressures cannot be delivered within the budget envelope, or when it is clear that agreed outcomes cannot be met without an increase.

Partnership working – the council is committed to working with all partners, such as other councils, other public bodies, the voluntary, community and faith sector organisations and businesses to create the best value for every pound that is spent.

Budget accountability - managers will be responsible and accountable for their budgets, ensuring they are not hampered by rules and regulations, but remain transparent in how council taxpayers' money is being used.

Commentary of the Executive Director of Finance (s151 officer)

(Section 25 Report)

Introduction

In setting the Council's annual budget, section 25 of the Local Government Act 2003 requires the Council's Chief Financial Officer to make a statement on:

- a) The robustness of the estimates made for the purposes of the calculations, and
- b) The adequacy of the proposed financial reserves

The relevant officer for Surrey County Council is Leigh Whitehouse, the Executive Director of Finance, who is the Council's statutory Section 151 Officer.

In 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) is expected to publish a new Financial Management Code which will require the relevant officer completing the section 25 statement to refer to the information set out in CIPFA's proposed 'Resilience Index'.

CIPFA has indicated that it would be 'good practice' to adopt this approach in advance of the new Code, and this has been taken into account in the drafting of this statement.

Opinion

The Council's Executive Director of Finance advises that budget proposals recommended to Cabinet:

- a) Are based on sufficiently robust estimates, and
- b) An adequate level of reserves

As such, the proposals represent a balanced budget for the financial year 2019/20.

Notwithstanding this, the overall financial standing of the Council remains in a position of relative weakness. The budget recommended for 2019/20 reflects positive changes that have occurred over the past twelve months, however this progress is recent and has not yet been in place for sufficient time to be able to be fully confident in it being sustained. In contrast, many of the issues that give grounds for concern are long standing and well established.

There remains some distance left to travel before the level of vigilance required in relation to the Council's financial position can be reduced, and it remains susceptible to re-emerging or new risks in the meantime. Alongside this, the external financial outlook does not offer significant grounds for optimism, and some policies and positions that are beneficial in the short term need to be addressed in the medium to long term.

Background

Last Year's Section 25 Statement

Last year the then section 151 officer set out to Council, in some detail, her concerns about the Council's financial outlook. She drew Members' attention to a number of factors which contributed to a high level of risk in the medium term. In particular, she cited the "unprecedented level of one off funding" which was being relied upon to balance the budget for 2018/19, and the risks this represented to the ability to set a balanced budget in 2019/20.

Attention was also drawn to the fact that planned use of reserves would reduce these below the previously recommended level, and that the cumulative risk from successive years of significant savings

represented a material risk to delivery of further savings in the budget year.

CIPFA Report on Financial Resilience

In Summer 2018, CIPFA were commissioned by the then Leader of the Council and the Chief Executive to undertake a review of the Council's finances and finance function. Their report, which was considered by Cabinet on 25 September 2018, highlighted the following in relation to the Council's finances:

- Surrey County Council is in a difficult financial position. Despite repeated cost reductions, the expected increase in service pressures means that, as things stand, the Council will not have sufficient reserves to meet its expected budget gap in 2019-20 unless it acts now.
- Despite some additional central government funding, Surrey County Council will need to reform fundamentally how it provides services to its communities.

The report also set out a series of recommendations in relation to the operation and performance of the Council's finance function.

At its meeting in September, Cabinet accepted CIPFA's report, and endorsed an action plan developed in response.

External Audit Value for Money Conclusion 2017/18

The 12 December 2018 meeting of the Council's Audit and Governance Committee received a report from Grant Thornton, the Council's External Auditors, setting out supplementary evidence relating to the issuing of an 'Adverse conclusion' in relation to the Council's arrangements for securing Value for Money in its use of resources for the 2017/18 financial year. Grant Thornton cited two bases for their adverse conclusion:

- The continued rating of the Council's Children's Services as 'Inadequate' by OFSTED
- A failure to demonstrate sustainable deployment of resources, as evidenced by a continued use of reserves to balance the budget in successive years

Grant Thornton repeated CIPFA's observation about the inadequacy of the Council's reserves to meet future budget shortfalls.

CIPFA's Financial Resilience Index

In December 2018, CIPFA provided the Council's section 151 Officer with analysis relating to Surrey County Council from its newly developed 'Resilience Index'. This information is expected to be published later in 2019, but as set out above, CIPFA have conveyed an expectation that reference to the index in section 25 statements will be part of their upcoming mandatory Financial Management Code, and that it would be seen as good practice to draw upon it in producing this year's statement.

The Index utilises available information to produce what CIPFA believe to be a valuable insight into a Council's financial resilience, and to highlight those councils where financial standing is most at risk. The index is based on information from 2017/18 and three prior years.

The information provided for Surrey County Council highlights the Inadequate OFSTED rating and the Adverse Value for Money Conclusion that have been outlined above.

The indicators provided show a range for the Council from very high risk to very low risk. There are a series of indicators relating to reserves: overall level, rate of depletion, level of unallocated reserves, change in reserves and so on. In general Surrey is shown as 'High Risk' on these measures when compared with all

comparator groups. This reflects the points made above in relation to the use of reserves to balance the budget in recent years.

The Council is shown as medium risk in relation to the proportion of expenditure that is committed to social care costs and debt when compared to other County Councils or a 'Nearest Neighbours' group. These indicators are included in the index to reflect that these types of costs are harder to control in the short term in particular, and generally are less discretionary than some other areas of expenditure.

The Council is shown as relatively very low risk in relation to the small extent to which it relies on external government funding, and the high proportion of the budget which is provided from local taxpayers. This is in comparison to all comparator groups.

In very broad terms, the Resilience Index sets out a picture of an authority with relatively low levels of current financial resilience, but with relatively strong fundamentals and opportunities to strengthen financial standing. This can be interpreted as our current position being weaker than it should be, but there being strong grounds for believing that we should be able to use the significant resources we possess to deliver better and more sustainably in future.

Developments during the 2018/19 Financial Year

Early in 2018/19, the Council's finances were placed under significant strain as a result of an increasing level of overspend in the High Needs Block of the Dedicated Schools Grant. These costs are part of a ringfenced grant provided by the Department for Education to fund local schools budgets.

Constraints placed on the use of the Dedicated Schools Grant, and rising costs following changes of government policy relating to children with special educational needs, have contributed to an unfunded overspend on the High Needs Block, which had been in

deficit for two years at the start of 2018/19. As the level of overspend was expected to increase significantly during 2018/19, and there was no identified way of funding this from the Department for Education or the Dedicated Schools Grant, the Council rightly sought to recognise this growing potential liability. Without any accompanying actions, this would have led to an overspend on the Council's General Fund resulting in the need to divert either general or earmarked reserves to offset this growing liability on the Dedicated Schools Grant.

Cabinet agreed to recommendations from the Council's Corporate Leadership Team to implement an initial programme of in year budget reductions totalling £15m, which was subsequently increased to £40m, and agreed in full on 25 September 2018.

Delivery of these budget reductions would initially avoid the need to make an unplanned drawdown from reserves to offset the High Needs Block overspend, and if delivered in full would also allow the planned drawdown of £21m reserves to support the 2018/19 budget to be cancelled.

Concurrent with this activity, the Council undertook a review of its medium term financial plan, and initiated the Transformation Programme which was reported to Council in November 2018. Together these activities reframed the financial targets for 2019/20, and provided an identified route to delivering the majority of the savings required to balance the budget. The results of this are set out elsewhere in this paper.

A fundamental aspect of this work was a recognition that the level of growth being added to the council's service directorate budgets was unaffordable and unsustainable, it was also far in excess of the levels being budgeted for in comparable County Councils.

Responding to findings from CIPFA's review, fundamental principles of budget and financial management accountability have been restated and strengthened during the year.

The in-year budget reductions, and the development of budget proposals for 2019/20 were based around a framework of 'budget envelopes'. These emphasised the fundamental importance of budget owners and managers' responsibility for delivering within available resources, and for identifying solutions to financial challenges in addition to identifying the challenge itself.

All of the Council's budget managers are now required to sign a Budget Accountability Statement confirming their acceptance of their budget management responsibilities, and the requirement to deliver service objectives within the available financial resources.

These are important changes which would appear to have already started to have an impact, however shifting this to a truly embedded way of doing things will take much more time.

A significant amount of work remains to improve performance and activity data, and management information in general. This was identified as an issue by CIPFA, and whilst some progress has been made, further work is required to ensure that underlying systems are able to provide the necessary assurance about delivery of services, transformation and savings.

Positively, there is a recognition within the Council that a fundamental change in organisational culture is required to ensure that effectiveness, delivery and achievement are all raised to the necessary level. The Council's future financial outlook is heavily dependent on achieving this shift in culture.

The Council's Budget 2019/20

The information set out above sets the context in which the budget for 2019/20 is being set, and in which judgements about the robustness of the estimates therein and the adequacy of reserves must be placed.

The Council's latest budget monitoring report for the current year projects an outturn underspend against the agreed budget of £14.3m. Although the ambition remains to improve this further by year end, if this was to be the final outturn position it would mean a draw down of £7m would be required from reserves in 2018/19, rather than the £21m planned in the budget. An additional £15.8m will be added to an earmarked reserve in order to offset the estimated 'negative reserve' on the Dedicated Schools Grant caused by the expected overspending on the High Needs Block. The result of the above is that the new financial year will begin with a higher level of reserves than was anticipated in last year's budget.

In addition, the proposed budget for 2019/20 does not include any changes to the General Fund Balance, nor any general reliance on the use of earmarked reserves.

Despite this, in relative terms the Council's reserves and balances remain low. They are however at a level which is adequate based on the identified risks to the Council, and are consistent with the budget strategy for 2019/20.

In the medium term there will need to be consideration given to rebuilding the level of reserves following several years in which they have been depleted. The end of this trend, and a higher level of balances than was anticipated in last year's budget represent an important change of direction in relation to the Council's reserves strategy.

It is important to note that this addresses concerns raised in last year's section 25 statement, and subsequently by CIPFA and Grant Thornton, about the reliance on one off resources, including reserves, in order to balance the Council's budget. The budget proposed for 2019/20 is affordable and sustainable within the available resources.

The budget proposed for 2019/20 contains total savings plans of £82m. This is higher than the original target for the current year of £66m (agreed at budget setting last year), but less than the total figure being achieved in the current year due to the additional £40m budget reduction target.

The majority of the savings in terms of value are driven by work within the Council's Transformation Programme. This has a dedicated programme structure and support team, including appropriate resourced projected management.

Performance in 2018/19 gives greater confidence in the ability to deliver significant savings targets than has been the case in previous years. It also demonstrates, via the additional in year reductions, the ability of the Council to react to changing circumstances and to protect its financial position when required.

A small base budget contingency of £10m has been included within the 2019/20 budget, which will be used to mitigate any shortfall in savings delivery as and when required. However, whilst important, this is a significantly smaller contingency than was envisaged in the Preliminary Financial Strategy published in November.

Whilst these are grounds for optimism, the level of risk contained in the budget proposals should not be underestimated. After eight years of deficit reduction and significant savings, most proposals inevitably carry a degree of risk, and the 2019/20 budget will be challenging to deliver.

The proposals have been rated as Red/Amber/Green depending on the level of risk associated with them. Proposals totalling £16m have been rated as red. The achievement of red rated savings is considered as high risk due to the high level of uncertainty that remains in delivery plans, where delivery not directly controllable, or where consultation processes are yet to be concluded. The level of savings rated red is in excess of the contingency of £10m created to provide against 'optimism bias' in savings proposals.

Delivering our objectives within the available resources will require more effective management of placements and packages across adults and children's social care. These rely on a series of actions and initiatives that should, all things being equal, contain these costs within the available budgets. However, as indicated by the inclusion of these items in CIPFA's resilience index, these costs are not directly controllable, as they are subject to a number of external influences.

Significant projects within the Transformation Programme are focused on improving professional practice in order to improve service outcomes. These changes will also contribute to managing demand in a more sustainable way.

The actions taken to deliver these savings will be monitored and tracked, supported by the need for improved activity data that will give early indications of whether the proposals are on track. However the extent to which they are delivered will only become substantively clear once a majority of the budget year has passed.

A further tranche of savings proposals rely on decisions to be taken following public consultations, and where the Council has to weigh up various factors, and to make trade offs between competing priorities. Until the decision is made these savings carry a high level of risk of achievement, although once the decision is made the risk profile may change significantly.

A small proportion of the savings (less than 5%) included in the plan relate to areas where there will be an upcoming consultation, which will include consideration of the level and timing of any budget reduction to be made. Indicative budget reductions are included for these areas, which give tolerance for both the timing and the level of the saving to be identified. Were the consultation on these areas to result in proposals that could not be accommodated within the resources made available through the budget, then there is sufficient flexibility within the budget estimates, and ability to alter plans accordingly, for this not to be a prohibitive budget risk in the short term.

The transformation programme includes a number of proposals and initiatives that cut across the whole Council. In many cases, these projects enable savings included within these budget proposals to be achieved. It is however expected that in some cases these projects will realise additional savings, which will be reflected in later updates to these plans.

The Council plans to fund this Transformation Programme using the Flexible Use of Capital Receipts Strategy (see Annex 3). The alternative use of these capital receipts would be to apply against the Council's borrowing requirement and therefore reduce its Capital Funding Requirement (CFR). There is a robust process in place for agreeing the use of transformation funding, including the appropriate formal approvals.

Consideration will need to be given to any ongoing commitment arising from this investment, and to ensure that there is a sustainable funding plan in place.

Reserves

The council is required to maintain an adequate level of reserves and general balances to deal with future forecast and unexpected pressures. The Council continues to face significant challenges

due to increasing need for its services and having limited ability to manage the level of local funding to keep pace with these growing demands. Therefore the retention of the council's general balances and reserves will be essential to order to mitigate the risk of future uncertainties, non-delivery of the transformation programme or other planned budget reductions.

From 2010, the council planned to build up reserves to provide a cushion against reducing Government funding. Since 2014, however, significant use of the reserves has been made to help support the revenue budget. This approach is no longer considered appropriate and this financial strategy does not rely on the general use of reserves to provide a one-off funding solution to ongoing budget pressures.

While the Council's reserves and balances remain low, they are however at a level which is adequate based on the identified risks to the Council. In the medium term there will need to be consideration given to rebuilding the level of reserves following several years in which they have been depleted.

Capital Programme

The Council's proposed Capital Programme is based on prudent estimates of costs and appropriate financing decisions. The Capital Strategy has been produced in line with CIPFA's guidance.

Two major areas of the programme: the Asset and Place Strategy, and the Investment Strategy, are subject to an ongoing review, with any outcomes being included in an updated Capital Programme early in the new financial year.

Changes have been made to the Council's Minimum Revenue Provision policy, which will result in shorter write down periods for some investment and asset types, making the policy more prudent.

The Council's balance sheet includes long term borrowing of £398m. Due to low interest rates and the risks associated with holding large cash balances, the Council has been following a policy of temporarily funding capital expenditure from internal sources or from short term borrowing. The underlying need to borrow, or the CFR, is forecast to be £1,062m at 31 March 2019. This strategy is based on current economic conditions and is under regular review to ensure the risk of upward movements in interest rates do not expose the Council to increasing long term costs.

At the moment the risk exposure to increases in interest rates is too high, and therefore some long term borrowing is likely to be undertaken before the end of this financial year. Any borrowing will be discussed in advance with the Council's Treasury Advisers.

Key Considerations:

The following points provide assurance about the robustness of the estimates:

- *The budget proposed for 2019/20 is affordable and sustainable within the available resources, without any general use of reserves.*
- *Reserves are higher than anticipated, with trajectory reversed, but they remain low.*
- *The Transformation Programme will act as a vehicle to deliver the majority of the required savings*
- *A small contingency (£10m) has been created to offset any shortfall in savings delivery. Any benefit arising from positive changes to the Council Tax base assumptions will be added to this contingency.*

- *This year has demonstrated the ability of the Council to respond to adverse financial conditions in year, and to make short term offsetting savings.*

The following risks remain within the budget estimates:

- *The Council has a high level of 'Internal Borrowing', which brings short term revenue savings, but creates a risk of increasing long term costs and exposure to upward changes in interest rates*
- *The Council is properly utilising 'Freedoms and Flexibilities' to fund transformation costs from capital receipts. The opportunity cost of this is a higher capital financing requirement than would otherwise be the case. A sustainable solution to funding any ongoing transformation requirements is also required.*
- *The contingency included within the budget is important, but is lower than would ideally be the case*
- *A number of short term and one off measures have been used to deliver revenue savings over several years. This reduces flexibility or the range of options available should remedial action need to be taken, but also in some cases will create high costs in the long term.*

Economic outlook and public spending

The council's financial and service planning takes place within the context of the national economic and public expenditure plans, which are in turn influenced by global economic movements.

The Office for Budget Responsibility's (OBR) forecast is for relatively stable but unspectacular economic growth (around 1.5% every year) with a gradual further decline in the budget deficit. Over the medium term, forecast Gross Domestic Product (GDP) growth reflects several factors, including growth in Government spending; relatively subdued household spending; uncertainty affecting investment growth, and positive contributions from net trade.

The Government uses Consumer Price Index (CPI) inflation to calculate many allowances, benefits and spending thresholds. CPI has been falling from 3.0%, reached in the fourth quarter of 2017, and averaged 2.4% mid-way through 2018. Following increases in oil prices. OBR expects CPI to rise towards the end of 2018, fall in 2019, then remain slightly above the Bank of England's 2% target.

Stronger tax revenues and lower spending on welfare and debt interest than expected meant the actual budget deficit at March 2018 was lower than previously forecast and OBR forecast lower public sector net borrowing for 2018/19, giving a stronger starting position for the forecast period to 2023/24.

The Chancellor's Autumn Budget included plans to spend this fiscal gain. The most significant decision is to increase NHS spending by over £20bn by 2023/24. This includes over £2bn increase in funding for mental health services. Other revenue spending plans include £650m to local authorities in 2019/20 for social care.

Spending by local authorities is mostly funded from government grants; locally raised funding such as Council Tax and business rates and one off funding from reserves. Movements in reserves essentially reflect the extent to which local authorities' spending exceeds their sustainable funding in any one year (or vice versa).

Analysis of local authorities' under- and over-spends by service area since 2011 shows that throughout the period, children's social care has overspent and by increasing amounts. Adult social care also showed an increasing trend until 2017/18 when it coincided with additional funding being made available and the trend reversed. In aggregate, budgets for highways, environment, public health and fire & rescue services have underspent consistently.

Taken in aggregate, councils underspent each year from 2010/11 to 2014/15 and added £4.4bn to reserves. In 2016/17 and 2017/18, this reversed and councils drew £0.9bn from reserves. Although the overall picture seems healthy, considering the spending patterns at service level, it masks substantial variations among councils, with pressures most significant for social care authorities.

Analysis of local authorities' capital expenditure by funding source shows Government grants funded about half and prudential borrowing financed about a quarter of all capital spending from 2010/11 to 2015/16, over the next two years, grants fell and spending financed by prudential borrowing increased significantly. OBR has assumed most of the additional spending is on standard capital projects, rather than commercial ventures to generate revenue and forecasts a return to the funding pattern seen at the start of the decade, but with a bigger contribution from asset sales.

Provisional Local Government Settlement

The Secretary of State for Housing, Communities & Local Government, announced the [Provisional Local Government Finance Settlement](#) on 13 December 2018. The [consultation](#) ran until 10 January 2018 and MHCLG aims to publish the Final Settlement by 31 January 2019.

Highlights for Surrey County Council

- £17.3m funding gain from elimination of negative RSG
- Surrey is not to be a 2019/20 business rates pilot, a loss of £20m from the previous year
- £10.8m social care funding (from the £650m announced in the Budget)
- £1.7m share of £180m national business rates levy surplus

Negative RSG

Negative RSG totals £152.9m across 158 authorities, including £17.3m for this council and £27.0m for all Surrey councils. Having considered responses to its technical consultation, MHCLG has decided to eliminate negative RSG directly using foregone business rates. This confirms the council's funding position in line with the Provisional Financial Strategy.

Business rates pilots

MHCLG had confirmed it would continue the pilot programs in devolution deal areas. All remaining authorities were invited to apply for the 2019/20 75% pilot scheme. MHCLG received 35 applications. The Surrey application was not successful, which was

anticipated in the PFS, which included a reduction of £20m in funding as a result.

The 15 successful applicants were: Berkshire, Buckinghamshire, East Sussex, Hertfordshire, Lancashire, Leicestershire, Norfolk, Northamptonshire, North and West Yorkshire, North of Tyne, Solent Authorities, Somerset, Staffordshire and Stoke, West Sussex and Worcestershire. London will continue to pilot business rates retention, but at the lower rate of 75% in 2019/20.

Council Tax

MHCLG confirmed local authorities can raise Council Tax by up to 3% for 2019/20 without triggering a referendum, as assumed in the PFS. Police and Crime Commissioners can increase their band D precept by up to £24 (up from £12).

Social care funding

The Provisional Settlement proposes allocating £650m social care funding in 2019/20 using the existing Adult Social Care Relative Needs Formula. The total comprises £240m for winter pressures and £410m to support social care (that councils can use for either adults' or children's services). The council's allocations are £4.0m and £6.8m respectively. This is additional funding to that not anticipated in the PFS.

Business rates retention and levy account surplus

Higher business rates growth in 2018/19 resulted in £180m surplus on the business rates levy account. MHCLG proposes to distribute this in 2019/20 based on councils' relative need as indicated by the

2013/14 Settlement Funding Assessment (SFA). The council's allocation is £1.7m, which was not anticipated in the PFS.

New Homes Bonus

House building continued to rise in 2018/19 and MHCLG has increased New Homes Bonus (NHB) funding to £920m to keep the threshold at 0.4%. NHB will receive £900m from RSG and £20m from MHCLG budgets. The Council expects the payment period for NHB to remain at four years.

As part of funding reform, MHCLG intends to explore how to incentivise housing growth. Suggestions include Housing Delivery Test results and incentivising plans that meet or exceed local housing need. MHCLG will consult on proposals before implementing.

Settlement Funding Assessment

Settlement Funding Assessment (SFA) represents the level of general funding the Government provides to local authorities. SFA comprises Revenue Support Grant (RSG) plus business rates baseline funding (retained baseline business rates income adjusted for the business rates tariff or top up). For pilot authorities RSG is absorbed into business rates baseline funding.

Table A outlines the components of the SFA for 2019/20

Table A Total SFA components 2019/20 for England

Dec 2018 Provisional Settlement	2019/20 £m
RSG	653.1
Business Rate Retention	16,895.6
Tariff/Top-up	-1,590.5
Settlement Funding Assessment	15,958.2

Core Spending Power

Core Spending Power (CSP) represents MHCLG's assessment of local authorities' core funding. CSP comprises: SFA, Council Tax and a range of grants. For 2019/20, MHCLG assumes each council raises Council Tax at the maximum 3% permitted and each council's Council Tax base increases at its average rate for the four years up to 2016/17. The grants included in CSP are: compensation for a lower than inflation rise in the business rates multiplier, improved Better Care Fund, New Homes Bonus, Rural Services Delivery Grant, Social Care Support Grant and Winter Pressures Grant.

This year, CSP increases by 2.8% in cash terms for English local authorities. For SCC the CSP increases by 3.1%.

Capital receipts flexibilities

As part of the government's 4 year offer councils are allowed to use capital receipts to fund revenue expenditure where it supports transformation and releases savings. Last year MHCLG announced the flexibility will be extended for a further three years to March 2022.

Consultations and future work

Work towards system reform from April 2020 continues and MHCLG has published two further consultations on: business rates retention reform and review of relative needs and resources. These seek further representations ahead of introducing 75% business rates retention from 2020/21, and on ensuring MHCLG has a sound basis for a fair and optimum distribution of Spending Review resources. The consultations close on 21 February 2019.

The [business rates retention reform](#) consultation seeks views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system. The [review of relative needs and resources](#), also known as Fair Funding, seeks views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England from 2020/21. We are currently developing our response to these consultations to propose that funding is fair, predictable and relates to the cost of providing services.

MHCLG will launch a continuous improvement tool in spring 2019 following continued work with local authorities to promote efficiency.

MHCLG and HM Treasury are considering what further interventions may be required in relation to the few authorities who undertake significant borrowing for commercial purposes.

Surrey County Council core funding

Core funding 2019/20

Impact of the Provisional Settlement

The Provisional Settlement proposals increase the council's core funding for 2019/20 compared to that set out in the 2018/19 Final Settlement. The main reasons for this are:

- elimination of negative RSG,
- new social care grant funding and
- distribution of the business rates levy account surplus.

The elimination of negative RSG adds £17.3m, net changes to government grants add £11.0m and the business rates levy account distribution adds £1.7m funding compared to that in the 2018/19 Final Settlement. The Provisional Financial Strategy (PFS) assumed elimination of negative RSG, but not the other funding changes.

Business rates

As the council will no longer be part of a business rates pilot in 2019/20, it will revert back to the previous Business Rates Retention Scheme. This gives the council a revised business rates top up and much reduced scope to benefit from business rates income growth. This is reflected in the £20m reduction in total business rates and was anticipated in the 2018-21 MTFP and PFS.

Council Tax

The Provisional Settlement confirmed the permitted maximum increase in Council Tax as up to 3%, and for this council no headroom to raise the Adult Social Care precept further. A rise of just over 2.99% brings the overall Band D rate to £1,453.50. Table B shows the band rates for 2019/20, including Adult Social Care precept. The table below shows the proposed Council Tax Precept for each valuation band.

Table B Proposed Council Tax band rates 2019/20

Valuation band	Standard Council Tax precept	Adult Social Care precept	Overall Council Tax precept
A	£900.74	£68.26	£969.00
B	£1,050.86	£79.64	£1,130.50
C	£1,200.99	£91.01	£1,292.00
D	£1,351.11	£102.39	£1,453.50
E	£1,651.37	£125.14	£1,776.51
F	£1,951.61	£147.90	£2,099.51
G	£2,251.86	£170.65	£2,422.51
H	£2,702.23	£204.78	£2,907.01

Surrey's districts and boroughs, as council tax billing authorities, estimate the growth in the base and the balance on the collection fund. Estimates provided for 2019/20, show a 0.64% growth in the Council Tax base and £3.6m Collection Fund surplus. Both of these figures are lower than both their equivalents for 2018/19 (0.86% and £6.8m) and the estimates included in the PFS (1.0% and £7m). Accordingly, the estimate for Council Tax yield for both standard Council Tax and £51.3m Adult Social Care precept in 2019/20 is £731.3m.

Core grants 2019/20

For 2019/20 the council estimates receiving £34.6m in core grants. This includes the one off business rates levy account surplus grant. These are detailed below in Table C.

Total core funding 2019/20

The council's total core funding for 2019/20 amounts to £885.9m. Council Tax remains by far the biggest element of the council's core funding, providing five pounds out of every six. Table C compares core funding for 2018/19 and 2019/20.

Table C Surrey County Council core funding 2019/20

	2018/19	2019/20
	£m	£m
Council Tax	-658.0	-680.1
Council tax - Adult Social Care support	-50.9	-51.3
Total Council Tax	-709.0	-731.3
Business rates	-375.9	-57.9
Business Rates (+) Tariff / (-) Top-up	234.3	-62.0
Total Business Rates	-141.6	-119.9
Core grants	-33.3	-34.6
Total core funding	-883.9	-885.9

Note: some figures may not cast due to rounding.

Indicative Government Grants

The Council anticipates receiving the following Government grants in 2019/20. In many cases, the grants and the amounts are not yet confirmed.

Table D Surrey County Council indicative grants 2019/20

Directorate and grant	2018/19 £000	2019/20 £000
Children, Families, Learning & Culture (CFLC)		
Adult Community Learning	-2,406	-2,406
Asylum Migration Fund	-59	-59
Asylum Seekers	-5,400	-4,600
Care Leavers at Risk of Rough Sleeping	0	-48
Care Leavers Extended Duties	0	-43
Dedicated School Grant	-487,717	-477,379
Education and Skills Funding Agency	-8,039	-6,705
Extended Rights to Travel	-129	-152
Monitoring & Brokering	0	-400
Music Grant, Surrey Arts	-1,388	-1,386
PE & Sport	-4,026	-3,492
Pupil Premium	-14,946	-13,432
Registration deaths	-17	-17
Remand Grant	-62	-94
Social innovation grant	-264	-64
Teachers' Pay Grant		-2,599
Troubled Families	-959	-360
Universal Infant school Meals	-9,853	-8,447
Youth Justice Board	-630	-630
Total CFLC grants	-535,895	-522,313
Health, Wellbeing & Adult Social Care (HWA)		

Directorate and grant	2018/19 £000	2019/20 £000
Adult Social Care support grant	-2,497	-4,000
Improved Better Care Fund	-7,895	-7,078
Mental Health Deprivation of Liberty	-80	-80
Public Health	-36,540	-35,575
Total HWA grants	-47,012	-46,733
Highways, Transport & Environment (HTE)		
Bikeability	-256	-256
Bus service operator grant	-1,125	-1,125
Countryside - other grants	-77	-77
Fire Revenue	-394	-394
Flood water management	-98	-98
Surrey Area of Outstanding Natural Beauty	-144	-144
Sustainable Travel Grant	-63	-63
Total HTE grants	-2,157	-2,157
Economy, Growth & Commercial (EGC)		
Health Watch	-464	-478
Police & Crime Panel	-66	-66
Total EGC grants	-530	-544
Finance & corporate expenditure		
Social care funding	0	-6,800
Total Finance & corporate grants	0	-6,800
Total service grants	-585,594	-578,547
Central Income & Expenditure (CIE)		

Directorate and grant	2018/19 £000	2019/20 £000
Business rate cap grant	-1,667	-1,667
Business rate retention Scheme	-1,393	-1,393
Business rate levy account surplus		-1,737
Community Voices - Prison funding	-421	-421
Dedicated School Grant - Corporate Allocation	-8,744	-8,832
Independent Living Fund	-1,791	-1,791
New Homes Bonus	-2,430	-1,970
Private Financing Initiative	-16,702	-16,702
Staying put	-166	-166
Total CIE	-34,679	-34,680
Total grants	-618,908	-613,227

2019/20 Revenue Budget - Council Overview

The series of tables below show the net expenditure to be incurred in the delivery of council services by directorate. In 2019/20 this amounts to £885.9 m and equals the estimated core funding without the need for the general use reserves.

2019/20 Subjective Budget

2018/19 Base Budget £'000	Directorate	Lead	Employee cost £'000	Non-Employee cost £'000	Gross Exp £'000	Income £'000	Governme nt Grants £'000	19/20 Net cost £'000
223,157	Children, Learning, Families and Culture	Dave Hill	141,484	377,596	519,080	-52,644	-224,862	241,574
0	Delegated Schools	Dave Hill	0	297,451	297,451	0	-297,451	0
370,900	Health, Wellbeing & Adult Social Care	Simon White	65,233	456,368	521,600	-110,051	-46,733	364,816
169,804	Highways, Transport & Environment	Jason Russell	60,033	124,931	184,964	-18,725	-2,157	164,082
26,565	Economy, Growth & Commercial	Vacant	5,990	32,513	38,503	-11,012	-544	26,947
53,394	Customer, Digital & Transformation	Michael Coughlin	9,513	45,999	55,512	-1,631	0	53,881
2,449	Finance	Leigh Whitehouse	0	4,190	4,190	-1,701	0	2,489
34,080	Corporate expenditure	Leigh Whitehouse	0	38,891	38,891	0	-6,800	32,091
880,349	Total - Our Council		282,253	1,377,939	1,660,191	-195,764	-578,547	885,880
	Central funding:							
-708,985	Council tax					-731,300		-731,300
-141,588	Business Rates					-119,900		-119,900
-15,000	Capital Receipts							0
-33,314	Central Government grants						-34,680	-34,680
-18,538	Total - Our Council		282,253	1,377,939	1,660,191	-1,046,964	-613,227	0

19/20 Directorate Budgets

These tables show the 2019/20 budget for each directorate, summarising the service budgets and the movement in each directorate budget from 2018/19.

Children, Learning, Families and Culture

2019/20 Subjective Budget

2018/19 Budget Envelope £'000	Key service	Key Performance Indicator driver	Employee cost £'000	Non-Employee cost £'000	Gross Exp £'000	Income £'000	Government Grants £'000	19/20 Net cost £'000
42,940	Family Resilience		30,928	11,088	42,016	-831	-1,404	39,781
68,360	Education, Lifelong Learning & Culture	SEN Placements Home to School Transport journeys	65,449	291,889	357,338	-46,655	-212,874	97,809
11,400	Commissioning		10,080	637	10,717	-60	-1,142	9,515
5,900	Quality Assurance		5,607	704	6,311	-527	-426	5,358
94,557	Corporate Parenting	Children in Need Placements Children in need Achievement rates	33,520	73,061	106,581	-4,571	-9,016	92,994
	Directorate wide savings		-4,100	217	-3,883			-3,883
223,157	Total - Children, Learning, Families and Culture		141,484	377,596	519,080	-52,644	-224,862	241,574
	Delegated Schools			297,451	297,451		-297,451	0
223,157	Total - Children, Learning, Families and Culture		141,484	675,047	816,531	-52,644	-522,313	241,574

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope £'000	Directorate & Service	Lead	2018/19 One-offs and other Adjustments £'000	2019/20 Base Budget £'000	Inflation £'000	Growth & other changes £'000	Budget reduction £'000	19/20 Net cost £'000
42,940	Family Resilience		-2,160	40,780			-1,000	39,780
68,360	Education, Lifelong Learning & Culture		1,060	69,420	511	30,100	-2,222	97,809
11,400	Commissioning		-185	11,215			-1,700	9,515
5,900	Quality Assurance		-542	5,358				5,358
94,557	Corporate Parenting		7,687	102,244	200	1,000	-10,450	92,994
	Directorate wide			0	2,200	217	-6,300	-3,883
223,157	Total - Children, Learning, Families and Culture		5,860	229,017	2,911	31,317	-21,672	241,573
0	Delegated Schools			0		0		0
223,157	Total - Children, Learning, Families and Culture		5,860	229,017	2,911	31,317	-21,672	241,574

2019/20 Subjective Budget

2018/19 Budget Envelope £'000	Key service	Employee cost £'000	Non-Employee cost £'000	Gross Exp £'000	Income £'000	Government Grants £'000	19/20 Net cost £'000
370,900	Adults Social Care:	62,768	423,139	485,906	-109,932	-11,158	364,816
0	Public Health	2,465	33,229	35,694	-119	-35,575	0
370,900	Total - Health, Wellbeing & Adult Social Care	65,233	456,368	521,600	-110,051	-46,733	364,816

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope £'000	Directorate & Service	2018/19 One-offs and other Adjustments £'000	2019/20 Base Budget £'000	Inflation £'000	Growth & other changes £'000	Budget reduction £'000	19/20 Net cost £'000
370,900	Adult Social Care	-116	370,784	8,022	6,060	-20,049	364,816
0	Public Health	0	0	0	974	-974	0
370,900	Total - Health, Wellbeing & Adult Social Care	-116	370,784	8,022	7,034	-21,023	364,816

2019/20 Subjective Budget

2018/19 Budget Envelope	Key service	Employee cost	Non- Employee cost	Gross Exp	Income	Government Grants	19/20 Net cost	Note Ref
£'000		£'000	£'000	£'000	£'000	£'000	£'000	
67,072	Highways & Transport	18,012	55,452	73,464	-11,977	-794	60,693	
68,716	Environment	7,446	66,435	73,881	-3,283	-969	69,629	
31,252	Surrey Fire & Rescue Service	30,407	3,130	33,537	-915	-394	32,228	1
1,737	Trading Standards	3,330	338	3,668	-1,924		1,744	2
517	Communities Support function	359	29	388	0		388	
510	Emergency Management	479	47	526	-26		500	
	Directorate-wide savings		-500	-500	-600		-1,100	3
169,804	Total - Highways, Transport & Environment	60,033	124,931	184,964	-18,725	-2,157	164,082	

Notes:

1. Fire employee costs include the net cost of pensions after allowing for employee contributions and government pension top-up grant, which was previously shown separately within the MTFP.
2. Trading Standards is run in partnership with Buckinghamshire County Council (BCC). SCC and BCC jointly fund the service in the proportion 66% and 34% respectively. BCC's contribution is shown within income in the table above.
3. Savings to be identified across services include HT&E directorate-wide reviews of contracts and income (£1.1m).

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope	Directorate & Service	2018/19 One-offs and other Adjustments	2019/20 Base Budget	Inflation	Growth & other changes	Budget reduction	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
67,072	Highways & Transport	275	67,347	1,979		-8,633	60,693
68,716	Environment	467	69,183	2,587		-2,141	69,629
31,252	Surrey Fire & Rescue Service	270	31,522	598	200	-92	32,228
1,737	Trading Standards	62	1,799	51	26	-132	1,744
517	Communities Support function	-61	456	9		-77	388
510	Emergency Management	-12	498	13		-11	500
	Directorate-wide savings		0			-1,100	-1,100
169,804	Total - Highways, Transport & Environment	1,001	170,805	5,237	226	-12,186	164,082

Economy, Growth & Commercial

2018/19 Budget Envelope £'000	Key service	Employee cost £'000	Non- Employee cost £'000	Gross Exp £'000	Income £'000	Government Grants £'000	19/20 Net cost £'000
18,540	Property	443	28,789	29,232	-10,411		18,821
0	Procurement			0			0
-100	Business Operations	159	-227	-68			-68
3,600	Legal Services	3,265	785	4,050	-424		3,626
3,560	Democratic Services	1,537	2,750	4,287	-151	-544	3,592
965	Economic growth	586	416	1,002	-26		976
26,565	Total - Economy, Growth & Commercial	5,990	32,513	38,503	-11,012	-544	26,947

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope	Directorate & Service	2019/20 Base Budget	Inflation	Growth & other changes	Budget reduction	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000
18,540	Property	21,608	767		-3,554	18,821
0	Procurement	0				0
-100	Business Operations	-80	12			-68
3,600	Legal Services	3,900	65		-339	3,626
3,560	Democratic Services	3,860	76		-344	3,592
965	Economic growth	965	11			976
26,565	Total - Economy, Growth & Commercial	30,253	931	0	-4,237	26,947

Customer, Digital & Transformation

2019/20 Subjective Budget

2018/19 Budget Envelope	Key service	Employee cost	Non-Employee cost	Gross Exp	Income	Government Grants	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
700	Strategic Leadership	1,268	28	1,296			1,296
1,600	Communications	1,099	322	1,421			1,421
1,000	Strategy & Performance	913	295	1,208	-264		944
3,000	Customer Services	3,171	190	3,361	-228		3,133
0	Cross County Transformational Savings	-500	-500	-1,000			-1,000
1,600	Coroner	1,047	1,238	2,285	-513		1,772
3,000	Human Resources & Organisational Development	1,704	1,404	3,108	-20		3,088
10,940	Information Technology & Digital	811	10,802	11,613	-606		11,007
31,554	Joint Operating Budget ORBIS		32,220	32,220			32,220
53,394		9,513	45,999	55,512	-1,631	0	53,881

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope £'000	Directorate & Service	2018/19 One-offs and other Adjustments £'000	2019/20 Base Budget £'000	Inflation £'000	Growth & other changes £'000	Budget reduction £'000	19/20 Net cost £'000
700	Strategic Leadership	93	793	13	490		1,296
1,600	Communications	211	1,811	32		-422	1,421
1,000	Strategy & Performance	191	1,191	23		-270	944
3,000	Customer Services	279	3,279	54		-200	3,133
0	Cross County/Transformational Savings		0			-1,000	-1,000
1,600	Coroner	122	1,722	50	118	-118	1,772
3,000	Human Resources & Organisational Development	1,337	4,337	98		-1,347	3,088
10,940	Information Technology & Digital	1,469	12,409	313		-1,715	11,007
31,554	Joint Operating Budget ORBIS	4,071	35,625	1,411		-4,816	32,220
53,394	Total - Customer, Digital & Transformation	7,773	61,167	1,994	608	-9,888	53,881

Finance & Central Income & Expenditure

2018/19 Budget Envelope	Key service	Employee cost	Non-Employee cost	Gross Exp	Income	Government Grants	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
36,529	Corporate expenditure	0	43,081	43,081	-1,701	-6,800	34,580
36,529	Total - Finance & Corporate expenditure	0	43,081	43,081	-1,701	-6,800	34,580

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope	Directorate & Service	2018/19 One-offs and other Adjustments	2019/20 Base Budget	Inflation	Growth & other changes	Budget reduction	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
36,529	Corporate expenditure	15,351	51,880	66	-4,536	-12,830	34,580
36,529	Total - Finance & Corporate expenditure	15,351	51,880	66	-4,536	-12,830	34,580

2019/20 Proposed Budget Reductions

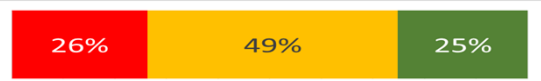
2019/20 will be a very challenging, but pivotal, year in the council's move towards a financially sustainable service provision. The following table lists the budget reductions assumed in the revenue budget for 2019/20. Due to the nature of the policy changes being proposed by some of the transformation business cases, the council has begun the process of conducting wide ranging and thorough consultations and engagement with residents and other stakeholders. A number of these budget reductions are subject to further consultations taking place.

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Corporate Parenting	Looked After Children - Reduction in placements	Recommission better and more cost effective placements. Reduce more expensive residential and independent fostering placements.	A	-4,950	Transformational
Corporate Parenting	Looked After Children - Reduction in placements	Increase local foster care.	R	-5,500	Transformational
Corporate Parenting	Reconfiguration of CFL Directorate	Reduce staffing budgets restructure Children's services completely and build in a staff vacancy factor	A	-6,300	Transformational
Corporate Parenting	Reconfiguration of CFL Directorate	Review contract spend to recommission or decommission as appropriate	R	-1,700	Transformational
Corporate Parenting	Recommissioning of Children's Centres	Review and reconfigure the children centre provision	A	-1,000	Transformational
Education, Lifelong Learning & Culture	SEND Sustainability - SEN transport savings	Independent travel training and increased take up of travel allowances.	R	-700	Transformational
Education, Lifelong learning & Culture	Saving from Democratic Services envelope		A	-22	Transformational
Education, Lifelong learning & Culture	Review of Cultural Services	Review libraries, heritage, arts and registration services	A	-1,500	Transformational
Total Children, Families, Learning & Communities				-21,672	

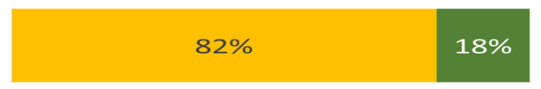
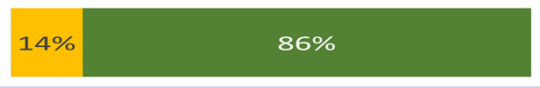




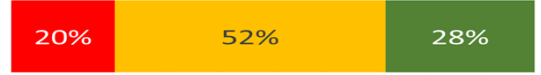
Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Adult Social Care	Older People /Physical Disabilities savings	Deliver savings through Adult Social Care's transformation programmes including Practice Improvement, Accommodation with Care & Support, Market Management, All Age Learning Disabilities and Health & Social Care Integration	G	-1,100	Transformational
Adult Social Care	Older People /Physical Disabilities savings		A	-5,924	Transformational
Adult Social Care	Older People /Physical Disabilities savings		R	-658	Transformational
Adult Social Care	Learning Disabilities 25+ savings		G	-2,500	Transformational
Adult Social Care	Learning Disabilities 25+ savings		A	-1,500	Transformational
Adult Social Care	Learning Disabilities 25+ savings		R	-4,470	Transformational
Adult Social Care	Transition 18-24 savings		A	-1,262	Transformational
Adult Social Care	Mental Health savings		R	-412	Transformational
Adult Social Care	Resolution of significant outstanding Continuing Health Care (CHC) disputes / assessments	Resolve cases where the Council believes individuals have a primary health need, meaning the NHS should fund their care costs under the CHC framework rather than ASC	A	-750	Efficiency
Adult Social Care	Surrey Choices efficiency programme	Efficiencies delivered by Surrey Choices to reduce the cost of services commissioned by ASC	A	-300	Efficiency
Adult Social Care	Completion of Housing related support decommissioning	The remaining full year effect saving from the decision to decommission Housing Related Support services	G	-151	Policy
Adult Social Care	Completion of Closure of Surrey Information Hubs	The remaining full year effect saving from the decision to close Surrey Information Hubs	G	-121	Policy
Adult Social Care	Wider contracts & grants savings	Reduce ASC's contribution to a range of universal services	G	-500	Policy
Adult Social Care	Increased assessed fees & charges income	Growth in assessed fees & charges income based on current year trends	G	-400	Income (increases and new initiatives)
Total - Adult Social Care				-20,049	

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Public Health	Change in Mental Health Budget to match contracted expenditure	Match 2019/20 budget to projected expenditure on: time to change and suicide prevention activity.	G	-15	Efficiency
Public Health	Reduce Healthy Child Programme (0-19) contract management fee	Reduce contract management fee for healthy child programme (0-19) as part of the wider community services contract. The Council is an associate commissioner, Guildford & Waverley is the lead commissioner.	G	-18	Efficiency
Public Health	Move to increased targeting of healthy weight service	The healthy weight contract expires in September 2019. Commission a new contract to maximise the remaining funding.	A	-37	Efficiency
Public Health	Children's Dental Health Epidemiology Survey	Allocate the remaining budget for activity to support oral health as other intelligence can target such work. There is no direct service provision impact.	A	-40	Policy
Public Health	Reduction to the pay budget	Reduce the pay budget by removing vacant posts so there is no direct impact on existing individuals and work is redistributed across the team.	G	-50	Efficiency
Public Health	Maintain Health Checks programme at current activity levels	Health checks are paid for based on activity by pharmacies and GPs. Realign the budget to match the expected 2018/19 expenditure more closely to maintain activity at a similar level in 2019/20.	A	-50	Efficiency

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Public Health	Reductions in non-pay budgets	Reduce a number of non-pay budgets including training, printing, and the recharge paid to SCC from the ring fenced PH budget. This means no likely impact on service provision is expected.	G	-51	Efficiency
Public Health	Smoking cessation - recommissioning and maintain current public health agreement activity levels	Commission a more targeted smoking cessation service for 2019/20 at a smaller contract value. Also realign the smoking cessation budget for payments to GPs and pharmacies to match the expected 2018/19 expenditure, providing a similar level of activity in 2019/20.	G	-89	Efficiency
Public Health	Planned change in Healthy Child Programme (0-19) contract value	The recommissioned healthy child 0-19 programme built a planned reduction into the contract, meaning no additional impacts anticipated beyond those already identified in the original EIA	G	-284	Transformational
Public Health	Planned change in substance misuse budget	Reduce the contingency budget built into year one (from April 2018) of the integrated substance misuse service. Now the service is established, this has no significant negative impact on services beyond those identified in the existing EIA. Review the EIA in February 2019 to see if introduction of the new model needs further updates or mitigating action.	A	-340	Transformational
Total – Public Health				-974	
Total Health, Wellbeing & Adult Social Care					-21,023

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Highways & Transport	HT&E savings to be identified		A	-1,537	Transformational
Highways & Transport	Changes to concessionary fares, including reduced volumes	Review concessionary fares scheme, and impact of recent trend of reduced journey numbers.	A	-883	Transformational
Highways & Transport	Local Committee Highway Fund and Local Committee Revenue Schemes	Remove Local Committee Highway Fund and Local Committee Revenue Schemes and replace with a capital budget. Hold the Member Local Highway Fund and Member Community Fund at 2018/19 levels.	G	-1,866	Transformational
Highways & Transport	Application of transport grants	One-off application of Bus Service Operator Grant where there has historically been a surplus.	A	-1,900	One-offs and Financing
Highways & Transport	Street lighting conversion to LED	Expected net saving from LED conversion after revenue impact of investment.	A	-260	Efficiency
Highways & Transport	Street lighting contractual savings	Estimated one-off saving from street lighting PFI contract review.	A	-1,382	One-offs and Financing
Environment	Changes at community recycling centres	A range of measures including site closures and extension of existing charges for non-household waste.	A	-1,005	Transformational
Environment	Countryside review	Identify cost reduction and income generation measures.	A	-200	Efficiency
Environment	Ongoing waste disposal & recycling initiatives	Ongoing impact of existing measures e.g. waste minimisation campaigns.	A	-225	Efficiency
Environment	Directorate-wide initiatives	Delete HT&E directorate initiatives budget. New initiatives need to be self-financing, or funded from existing budgets.	G	-323	Efficiency
Trading Standards	Additional income generation	Additional income including from providing trading standards advice under Primary Authority Agreements.	A	-33	Income (increases and new initiatives)
Directorate-wide	Staffing review		A	-1,000	Transformational

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Directorate-wide	Income review	Review existing fees and charges, investigate new opportunities.	A	-600	Transformational
Directorate-wide	Contract reviews		A	-500	Transformational
Directorate-wide	Marginal gains		A	-472	Efficiency
Total Highways, Transport & Environment					
				-12,186	
Legal	Case management efficiency review		A	-339	Efficiency
Democratic Services	Staffing review		G	-76	Efficiency
Democratic Services	Modern council	Efficiencies through modern ways of working	G	-22	Efficiency
Democratic Services	Members' allowances	Savings from pension changes and fewer special responsibility allowances	A	-246	Efficiency
Property	Building repairs and maintenance		G	-1,960	Efficiency
Property	External fees for building project feasibilities		G	-627	Efficiency
Property	Budget for utilities at low usage		G	-600	Efficiency
Property	Building running costs		G	-150	Efficiency
Property	Building rates		G	-117	Efficiency
Property	Printing contract		G	-100	Efficiency
Total Economy, Growth & Commercial					
				-4,237	

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Finance	Contribution to insurance reserve	Reduce contribution to Insurance Self Fund based on Actuarial Review	G	-223	Policy
Total Finance				-223	
Corporate expenditure	Revised borrowing strategy	Continue short term borrowing strategy	A	-826	Efficiency
Corporate expenditure	Deferred contributions to reserves	Defer planned contribution to replenish reserves	G	-3,199	One-offs and Financing
Corporate expenditure	Minimum Revenue Provision (MRP)	Apply capital receipts to the Capital Financing Requirement to reduce the MRP required.	G	-2,700	Policy
Corporate expenditure	Investment Income – existing	Increase income from the investment strategy	G	-4,182	Income
Corporate expenditure	Investment Income-projected	Increase income from the investment strategy	A	-1,700	Income
Total Corporate Income & Expenditure				-12,607	
Total				-81,836	

Total Schools Budget

The council is required by law formally to approve the Total Schools Budget, which comprises: Dedicated Schools Grant funding, post 16 grant funding and any legally relevant council tax related funding. This budget is used to fund schools' delegated and devolved expenditure and other maintained schools expenditure, plus expenditure on a range of school support services specified in legislation. The Total Schools Budget excludes funding allocated to individual academy schools.

The Total Schools Budget is a significant element of the proposed total budget for Children, Families, Learning & Communities Directorate. Table E outlines the proposed Total Schools Budget for 2019/20 of £492.9m, comprising:

- £486.2m Dedicated Schools Grant (DSG);
- £6.7m Education and Skills Funding Agency (ESFA) sixth form grants;

Table E Analysis of Total Schools Budget for 2019/20

	Schools' delegated and devolved budgets £m	Centrally managed services £m	Total £m
DSG 2019/20	334.4	151.8	486.2
Total DSG	334.4	151.8	486.2
ESFA sixth form grant	6.7		6.7
Total Schools Budget	341.1	151.8	492.9

Centrally managed services include the costs of:

- placements for pupils with special educational needs in non-maintained special schools and independent schools;
- two and three year olds taking up the free entitlement to early education and childcare in private nurseries;
- part of the cost of alternative education (including part of the cost of pupil referral units);
- additional support to pupils with special educational needs; and
- a range of other support services including school admissions.

Schools are funded through a formula based on pupil numbers and ages with weightings for special educational needs and deprivation. Cabinet considered and agreed a detailed report on the 2019/20 funding formula on 30 October 2018. In 2019/20 the formula limits any school level losses to 0% maximum loss per pupil (the Government's Minimum Funding Guarantee). To pay for the guarantee, the formula limits the per pupil increase (via a "ceiling"). The level of this ceiling is dependent on the outcome of the appeal to the Secretary of State to transfer £3.1m of school funding to high needs.

Schools will also receive pupil premium funding, based on the number of:

- pupils on free school meals at some time in the past six years;
- looked after children;
- children adopted from care;
- pupils from service families (or who qualified as service children within the last six years, or in receipt of a war pension).

Funding Scenarios 2020-24

The funding position beyond 2019/20 is not clear. 2020/21 is the first year of a new Comprehensive Spending Review and the new 75% Business Rates Retention system based on the current Fair Funding Review. Details of these will not be known until well into 2019, making accurate financial forecasting challenging. So, the council has modelled core, optimistic and pessimistic funding scenarios from 2020/21. The main elements in the modelling are: Council Tax, growth in local business rates income and the impact of the new business rates retention system.

Council Tax

Council tax funded over 80% of the council's net revenue expenditure in 2018/19 – one of the highest proportions nationally. While this makes the council more resilient to fluctuations in government funding, it also increases reliance on the local taxpayer.

In 2018/19 Tax base growth was 0.86% and had averaged 1.51% in the preceding three years. The forecast growth for 2019/20 by Surrey's districts and boroughs has fallen further to 0.64%. From 2020/21, the core scenario assumes 0.75% annual tax base growth, with the optimistic and pessimistic scenarios at 1.00% and 0.50% respectively.

MHCLG limited Council Tax increases without a referendum at 3% for 2018/19 and 2019/20, in line with CPI. All the scenarios assume annual standard Council Tax rises of 1.99% from 2020/21, which is in line with the Office for Budget Responsibility's forecast for CPI.

Only the optimistic scenario assumes an additional precept to fund social care, with a 2% limit each year from 2020/21.

The collection fund surplus, which is the difference between actual and estimated council tax collected in any year, peaked in 2014/15 at £11m. It has since fallen and the forecasts districts and boroughs indicate a surplus of £3.6m in 2019/20. From 2020/21, the core scenario assumes a £3.0m annual surplus, with the optimistic and pessimistic scenarios at £5.0m and 1.0m respectively.

Business rates income

Surrey benefits from a large business rates tax base and the local economy makes a contribution to the UK in terms of gross value added (GVA) that is second only to London. However, this scale and stability has meant actual tax base growth has averaged less than 0.1% in the seven years preceding the business rates revaluation in 2017.

In making estimates of future funding from retained business rates, all scenarios assume the business rates multiplier rises each year in line with CPI. In addition, the core scenario assumes zero real tax base growth. The optimistic and pessimistic scenarios respectively see a 1% increase to the tax base and a 1% decrease to the tax base.

Business rates retention system

The new 75% business rates retention system starts in 2020/21. In it, councils will use the extra 25% business rates income to cover responsibilities previously supported by RSG and Public Health Grant (PHG). In addition, the formula derived from the Fair Funding

Review will revise authorities' Baseline Funding Levels (BFL), which indicate relative need to spend from business rates funding, adjusted for ability to raise resources locally through Council Tax.

While the council can influence the above factors by responding to consultations and lobbying, much is outside its control. Key factors affecting this council include the following.

- How the Fair Funding formula determines spending need, including for Public Health, which will set councils' BFL.
- The split of retained business rates in two tier areas.
- Decisions around setting and resetting the Business Rates Baseline (BRB), which is the Government's estimate of a council's share of collectable business rates in its area.
- The difference between a council's BFL and its BRB determines its tariff or top up, which affects its exposure to funding volatility.

For 2020/21 the core scenario assumes the new funding formula will take account of the council's high Council Tax base and reduce BFL by -£26m. Because MHCLG is considering transitional arrangements this reduction is applied over five years. The pessimistic scenario sees the reduction applied over three years and the optimistic scenario sees no reduction.

Proposals for a new public health relative needs formula within the new funding formula is welcome news, as the council receives the lowest allocation per head of all county councils. The core scenario assumes funding at 2019/20 levels, £36m. The optimistic scenario, follows the Advisory Committee on Resource Allocation model, at £49m and the pessimistic scenario assumes PHG decreases at the same rates as recent years, so the council's allocation would be £35m.

MHCLG will reset all councils' BFL in 2020/21, the first reset since 2013. MHCLG has indicated it prefers a 'full reset' meaning BRB would be set at the forecast level rather than a 'partial reset' which sets the revised BRB lower than forecast. A partial reset would benefit the council as it would retain more of its current income above BRB. The core scenario assumes a full reset; the optimistic scenario a partial reset; and the pessimistic scenario assumes BRB is set higher than the council's forecast baseline level.

All scenarios assume a 70:30 tier split. This gives the council a 30% share of 75% local retention (i.e. 22.5%) compared to the current 20% share of 50% local retention (i.e. 10%).

Overall funding scenarios 2020-24

Figure A shows the differences in core funding from the three scenarios. Table F shows the core funding scenario estimate totals for the period 2019/20 to 2023/24.

The main change in the council's activities supported by its core funding in 2020/21 relates to Public Health. From 2020/21, Public Health Grant will form part of local authorities' 75% local share of retained business rates, and the function will no longer be funded directly by a specific grant. Therefore, the council forecasts its net budget will increase by £35.6m, which is equivalent to its spending on Public Health. The council's scenario planning estimates its core funding will increase by between £35m and £49m as outlined above for Public Health in 2020/21.

The other main changes relate to:

- inclusion of a further social care precept in the optimistic scenario, which adds £15m to Council Tax income in 2020/21

compared to the core scenario and an additional £15m in each year thereafter; and

- the impact of the reset of the business rates baseline in 2020/21 and the transitional period for damping the change from the 2019/20 baseline.

By 2023/24, the pessimistic scenario funding total is £29m lower than the core scenario and the optimistic scenario funding total is £117m higher than the core scenario.

Figure A Funding scenarios 2020-24

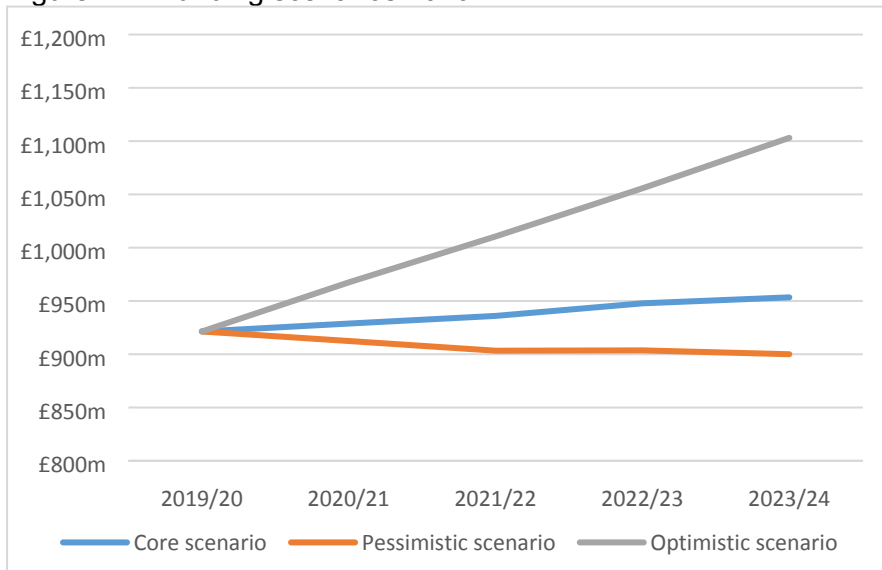


Table F Core funding estimates 2019/20 to 2023/24

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Core funding estimate	-885.9	-928.8	-936.0	-947.8	-953.4

2020/21 – 23/24 Budget Envelopes

In light of the uncertainty of future funding, this strategy has set out a number of scenarios to illustrate potential funding for 2020-24. Directorate budget envelopes have been set for the same period based upon the core funding scenario.

Our Financial Strategy aims to set a balanced revenue budget without the general use of reserves and balances. We have achieved this for the 2019/20 financial year as shown in the preceding sections. In future years we must also contain the expenditure on our services within the core funding scenario. The realisation of a different level of funding will entail revising these budget envelopes

The budget envelopes shown in Table G below use the 2019/20 balanced budget as a starting point and then projects forward the budget envelope for each Executive Directorate.

Table G – Budget Envelopes 2019/20 to 2023/24

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Children, Families, Learning & Culture	240.7	242.1	245.1	246.6
Health, Welfare & Adults	399.0	401.2	406.2	408.6
Highways, Transport & Environment	163.8	164.7	166.8	167.8
Economy Growth & Commercial	26.9	27.0	27.3	27.5
Customer, Digital & Transformation	53.7	54.0	54.7	55.0
Finance	2.5	2.5	2.5	2.5
Corporate expenditure	31.0	31.2	31.6	31.8
Contingency	11.3	13.3	13.5	13.5
Total	928.8	936.0	947.8	953.4

A key principle of budget envelopes is that keeping within them will ensure that the budget is balanced and sustainable. This requires any increases in expenditure, whether due to increase volume demand, price increases or the full delivery of savings, to be contained within the total budget for each directorate.

The council has developed the Service Transformation Programme to improve how we deliver services to our residents and at lower cost. The impact of this programme will continue to be realised from 2020/21 and future years. However, in estimating future expenditure and activity levels the council is aware of the risks that may lead to cost increases. Whilst a small contingency against these risks has been included, the council will continue to closely monitor the progress of transformation plans and the need and usage of services. To match the level of savings required in future years, the contingency would need to increase to reflect the associated risk

The council continues to face significant risks in future years that will put pressures to increase expenditure above these budget envelopes. The most significant areas include;

- Pay and non-pay inflation
- Looked after children
- Special Education Needs and Disabilities
- Adults Learning Disabilities
- Older people
- Waste Disposal

Including these forecast pressures into future budgets will increase the annual net expenditure above the budget envelopes set out above. This creates a budget gap – the difference between the Budget Envelope and forecast expenditure and funding is shown in Table H below.

Table H – Directorate Budgets Gaps 2020/21 to 2023/24

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Children, Families, Learning & Culture	23.6	33.7	39.9	42.7
Health, Welfare & Adults	18.0	32.6	44.6	59.5
Highways, Transport & Environment	7.5	12.4	16.1	20.9
Economy Growth & Commercial	0.3	0.3	0.1	0.2
Customer, Digital & Transformation	0.5	0.5	0.1	0.0
Finance	0.0	0.0	0.0	0.0
Corporate expenditure	7.5	8.6	9.7	10.5
Contingency	0.0	0.0	0.0	0.0
Total	57.3	88.1	110.6	133.8

In preparing the budgets for future years, and having regard to the estimated nature of the funding scenario, we will develop plans to ensure the budget continues to be balanced and sustainable from 2020/21 onwards.

Capital programme

The council has produced a Capital & Investment Strategy for 2019-24. This provides an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of our services. The council's capital investment plans deliver a range of schemes to enhance, maintain and deliver new assets to support the delivery of the council's strategic aims and priorities. It includes investment in agile workforce, highways improvements, property maintenance and also in some cases provides a return on investment.

The strategy covers a number of distinct areas of capital spend and brings these together in one place:

- The **capital programme**, which covers the council's capital expenditure plans on operational assets to continue to provide services to residents. Planned expenditure in this area is detailed below.
- The council's **investment strategy** which set out to deliver annual net income of £10m to support council services and reduce reliance on central government support. This strategy is current subject to a review before any further expenditure is committed to.
- **Transformation & Strategic Investment**, which is required to deliver the council's new vision and transformation of its services. This area of spend is also subject to review and detailed business cases will be drawn up for approval in line with the appropriate governance arrangements before expenditure is committed.

In addition, during 2018/19, the council has introduced new governance arrangement to oversee all capital investment decisions. Further details of the governance, monitoring and financing arrangements can be found in the council's Capital & Investment Strategy.

The council's capital expenditure plans are financed from the following sources:

- Government grants
- Third part contributions
- Revenue reserves
- Capital Receipts
- Borrowing.

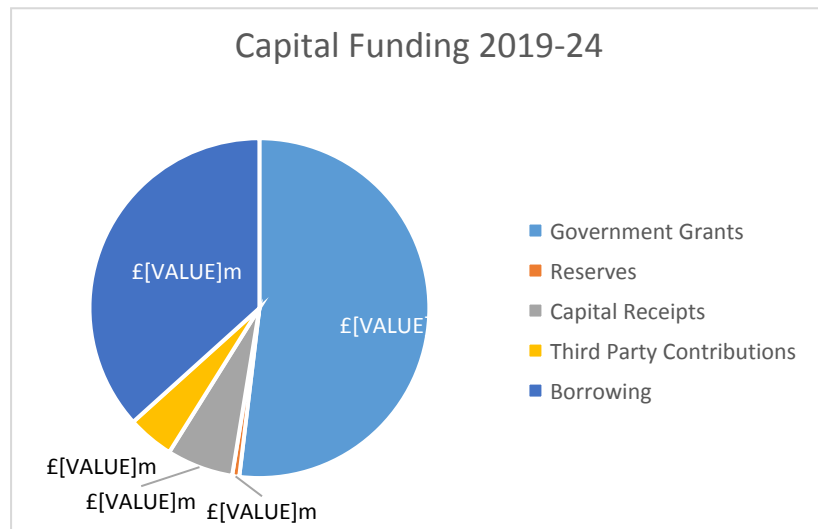
The Prudential Code for Capital Finance plays a key role in capital finance decisions in local authorities. Local authorities are free to determine their own programmes and the Prudential Code was developed by CIPFA as a professional code to support the making of these decisions and ensure that borrowing decisions take proper account of stewardship, value for money, affordability, prudence and sustainability. The Prudential Code requires Local Authorities to have in place a capital strategy which sets out the long term context in which capital expenditure and investment decisions are made.

Where the council uses borrowing to pay for capital investment, it incurs borrowing costs, which increase pressure on the revenue budget. The council therefore has set some criteria to determine the circumstances when it will borrow. The council will use borrowing to fund capital expenditure only where:

- It fulfils a statutory requirement
- It generates a capital receipt
- It generates a revenue saving, or avoids a revenue cost

The council’s proposed capital programme for 2019-24 is summarised below:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	TOTAL £000
Property (incl Schools)	70.9	46.4	25.5	21.7	21.7	186.2
Highways & Transport	48.5	32.6	32.3	26.8	25.6	165.8
IT & Digital	3.9	8.1	12.1	3.2	3.3	30.6
Fire & Rescue	1.0	1.6	1.6	1.6	1.6	7.4
Other	4.9	4.7	4.7	4.7	4.7	23.8
Total Capital Programme	129.2	93.4	76.2	58.0	57.0	413.8



The council’s capital investments fall within “the Prudential Code for Capital Finance in Local Authorities.” Under this Code, local authorities have discretion over the funding of capital expenditure and the freedom to determine the level of borrowing they wish to undertake to deliver the Capital Programme. There are a range of potential funding sources which can be generated locally, either by the council itself or in partnership with others.

The implications of financing capital expenditure from borrowing is that the expenditure is not funded immediately but charged to the revenue budget over a number of years. This annual charge to revenue is known as the Minimum Revenue Provision (MRP) and the council has a statutory duty to set aside each year and amount it considers to be prudent, in line with guidance. The Council approves the MRP Policy each year.

Reserves & balances policy statement

The council is required to maintain an adequate level of reserves and general balances to deal with future forecast and unexpected pressures. A local authority is not permitted to allow its spending to exceed its available resources so that overall it would be in deficit. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting estimated future expenditure when calculating the budget requirement.

Balances and reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general balances;
- a contingency to cushion the impact of unexpected events or emergencies, which also forms part of general balances;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

Given the reduction in funding that the council has experienced over recent years, retention of the council's general balances and reserves will be essential to order to mitigate the risk of future uncertainties and non-delivery of the transformation programme or other planned budget reductions, that are designed to bring the council's spending in line with available resources.

The application of general balances and reserves can, by definition only be used once and should therefore only be applied for one-off or non-recurring spending, investment or to smooth the effect of government funding reductions that have a disproportionate impact in any one year. If reserves are depleted disproportionately in a financial year, the council should plan to replenish these in future years to be confident of being in a position to manage future risks safely.

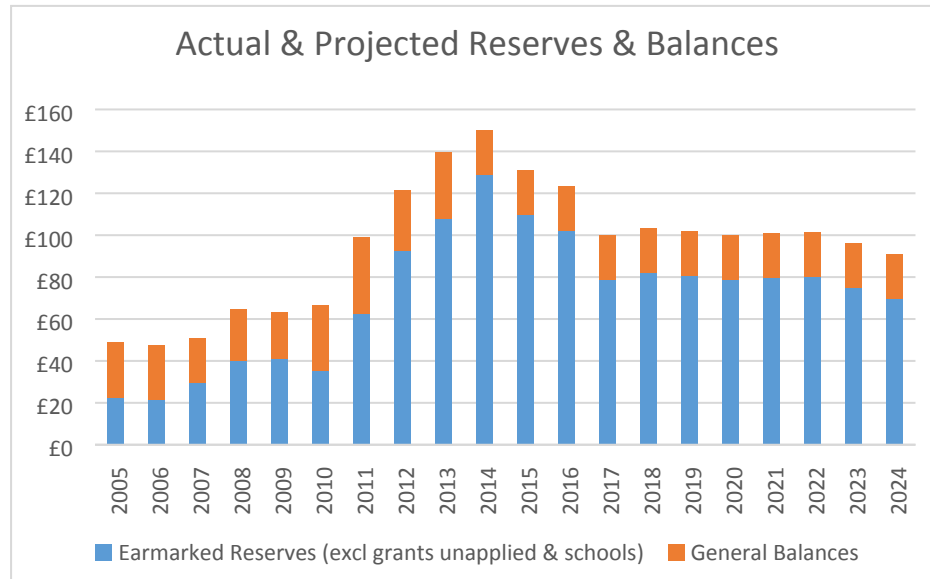
General Fund Balance:

The council has traditionally maintained a small general balance in order to provide a contingency against unforeseen overspendings or a major unexpected event. Although there is no generally recognised official guidance on the level of general balances to be maintained, the key factor is that the level should be justifiable in the context of local circumstances, and council taxpayers' money should not be tied up unnecessarily. The council's external auditor comments on the level of balances and reserves as part of the annual audit of the council's financial position.

In recent years it has been considered prudent to maintain a minimum level of available general balances of between 2.0% to 2.5% of the core funding, i.e. between £17m to £22m. This is normally sufficient to cover unforeseen circumstances and the risk of higher than expected inflation. The council brought forward £21.3 m general balances at 1 April 2018. The council has applied none of this to support the 2018/19 budget. Going into 2019/20 the Executive Director of Finance recommends the level of general balances remains the same. This reflects the on-going high level of uncertainty and risk the council faces.

Earmarked Reserves:

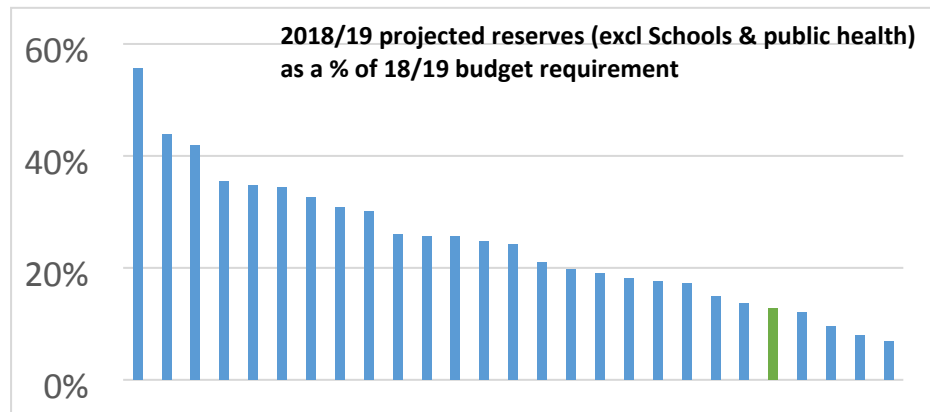
While general balances are unallocated, earmarked reserves are held for specific purposes and to mitigate against potential future known or predicted liabilities. The level of earmarked reserves will vary according to specific prevailing financial circumstances, in particular linked to risk and uncertainty and are therefore reviewed regularly with adjustments reported to and supported through Cabinet decisions.



From 2010, the council planned to build up reserves to provide a cushion against reducing Government funding. Since 2014, we have used £88m of reserves to help support the revenue budget.

We now believe that our reserves are at the minimum level to be able to sustain financial resilience and therefore the further depletion of these reserves to support future budgets is no longer considered appropriate. This financial strategy does not rely on the general use of reserves to provide a one-off funding solution to ongoing budget pressures.

Despite this, in relative terms, the Council's reserves and balances remain low. Compared to other county councils we have a relatively low level of reserves and balances. This is demonstrated in the graph (below), with Surrey County Council being the green column.



Reserves are however at a level which is adequate based on the identified risks to the Council. Due to the increased risk and uncertainty in current budgets, it would not be considered appropriate to reduce reserves to pre-2011 levels.

In the medium term there will need to be consideration given to rebuilding the level of reserves following several years in which they have been depleted. The end of the trend of falling reserves, and a higher level of reserves than was anticipated in last year's budget represent an important change of direction in relation to the Council's reserves strategy.

Council Tax Requirement

Districts and boroughs provided the Council with estimated Council Tax taxbase and Council Tax collection fund balance figures before the legislative deadline of 31 January 2019. The collection fund balance is the difference between the estimated Council Tax collectable for the current year (2018/19) and that actually collected. The districts and boroughs confirmed the Council Tax collection fund balance at £3,313,750.21.

The basic amount of Council Tax is the Council Tax Requirement divided by the tax base.

The Council Tax Requirement for 2019/20 is based on an overall increase of 2.99%.

	£	£
Gross expenditure		1,660,474,364.56
Other income		-195,764,000.00
Budgeted revenue		1,464,710,364.56
expenditure		
Council Tax collection fund balance	-3,313,750.21	
Contribution to/from reserves and balances	0.00	
Reserves and balances including Council Tax collection fund		-3,313,750.21
Budgeted net expenditure		1,461,396,614.35
Business rates income		-57,900,000.00
Business rates tariff		-62,077,015.60
Other Government grant		-613,227,000.00
COUNCIL TAX REQUIREMENT		728,192,598.75

The tax base is the number of Band D equivalent properties for precepting purposes. For 2019/20 it is as follows:

Billing authority	Number of Band D equivalent properties
Elmbridge	64,720.00
Epsom & Ewell	32,895.63
Guildford	56,795.35
Mole Valley	40,957.00
Reigate & Banstead	60,243.00
Runnymede	33,409.90
Spelthorne	39,688.00
Surrey Heath	38,054.42
Tandridge	38,237.10
Waverley	54,669.10
Woking	41,323.00
Total	500,992.50

The Council Tax tax base for 2019/20 shows a 0.70% increase on the 2018/19 taxbase.

In announcing the Provisional Settlement for 2019/20, the Secretary of State set a threshold for councils to increase the standard level of Council Tax by up to 3% without having to hold a referendum. This uplift is calculated on the full Council Tax precept for 2018/19. In addition, to reflect the specific service demand and cost pressures faced by councils with Adult Social Care (ASC) responsibilities, the Council can maintain, but not increase, its ASC precept. The Council must identify the ASC precept separately on the Council Tax bill and use it entirely for adult social care. Accordingly, the Council Tax precept for 2019/20 at Band D is calculated as follows.

Standard Council Tax	£676,895,976.68	÷ 500,992.50	= £1,351.11
Adult Social Care	£51,296,622.07	÷ 500,992.50	* = £102.39
Council Tax precept	728,192,598.75	÷ 500,992.50	= £1,453.50

*The amount charged for the ASC precept is the sum of the ASC precept increases in 2016/17, 2017/18 and 2018/19, with nil increase in 2019/20; i.e. £24.39 + £38.05 + £39.95 + £0.00 = £102.39

Surrey County Council's level of Council Tax for each category of dwelling in its area will be as follows:

Valuation band	Standard Council Tax precept	Adult Social Care precept	Overall Council Tax precept
A	£900.74	£68.26	£969.00
B	£1,050.86	£79.64	£1,130.50
C	£1,200.99	£91.01	£1,292.00
D	£1,351.11	£102.39	£1,453.50
E	£1,651.37	£125.14	£1,776.51
F	£1,951.61	£147.90	£2,099.51
G	£2,251.86	£170.65	£2,422.51
H	£2,702.23	£204.78	£2,907.01

The payment for each billing authority including any surplus or deficit balances on the collection fund will be as follows:

Billing authority	
Elmbridge	£94,423,935.00
Epsom & Ewell	£48,398,246.20
Guildford	£81,930,927.23
Mole Valley	£60,109,502.50
Reigate & Banstead	£88,590,213.71
Runnymede	£47,233,833.65
Spelthorne	£57,818,508.00
Surrey Heath	£56,068,799.47
Tandridge	£56,339,926.85
Waverley	£79,941,320.85
Woking	£60,651,135.50
TOTAL*	£731,506,348.96

*This total includes the Council Tax collection fund balance.

Each billing authority's payments to be made in ten equal instalments on the following dates, already agreed with the relevant authorities:

18 April 2019	11 October 2019
24 May 2019	22 November 2019
28 June 2019	8 January 2020
26 July 2019	17 February 2020
6 September 2019	16 March 2020

This page is intentionally left blank

Flexible Use of Capital Receipts Strategy

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects. Initially this flexibility on the use of capital receipts was limited to those receipts received between 1 April 2016 and 31 March 2019, however, this has now been extended to March 2022.

In the 2018/19 financial year, the council proposed the use of capital receipts to fund the revenue costs of transformation for the first time. The Council has embarked on a major programme of transformation, covering a number of years, in pursuit of its strategic ambitions and priorities and in order to deliver financially sustainable services to residents in the future. To deliver this transformation programme the Council will use the opportunity provided by the government to flexibly use capital receipts to invest in and fund this transformation of services. A requirement of this flexibility is that the County Council approve a Flexible Use of Capital Receipts Strategy and the business cases for their use.

Since 1 April 2016, the council has received £45m capital receipts, which it could use to fund this strategy. In setting the 2018/19 budget the County Council initially approved the use of £15m capital receipts in accordance with this strategy. The council can vary this amount during the year with the approval of County Council. At its meeting on 22 May 2018, Council approved an additional £5m to provide interim capacity and project management support for the Transformation Programme, to inject the necessary pace required to deliver the scale of change required. This report also highlighted that a further £10m-£15m of investment, using these flexibilities, was estimated to be required to deliver the savings identified in the individual business cases.

Following the County Council's approval of the Transformation Programme in November 2018, and the Cabinet's consideration of the outcome of consultation, engagement and equality impact assessments, business cases have been developed to deliver an estimated £125.5m of revenue savings and/or cost avoidance over the period to March 2021. The council estimates that investment of £31.4m is required to achieve this, of which £7.2m will be in the current 2018/19 financial year. Approval by the County Council is sought for the 2018/19 investment of £7.2m and further investment of £16.3m required for 2019/20, under the Flexible Use of Capital Receipts.

The schedule below presents the projects to transform services that will be funded through flexible use of capital receipts, and associated revenue savings or future cost avoidance. In some cases there is a direct link between a project and the realisable financial benefit. In others, the project contributes to enabling the savings in other business cases or provide a wider benefit, which would not otherwise be realised.

	Projected Investment Required				Estimated Return on Investment		
	2018/19 £00	2019/20 £000	2020/21 £000	TOTAL £000	Anticipated Savings in 2019/20 £000	Anticipated annual savings by 2020/21 £000	Comments
Accommodation with Care & Support	74	210	210	494	17,826 plus significant cost avoidance	34,600	
ASC Practice Improvement	900	2,170	384	3,454			
Health & Social Care Integration	20	0	0	20			
ASC Market Management	103	318	174	595			
All Age Learning Disabilities (Transitions)	354	1,164	1,080	2,598			
Family Resilience (Early Help & Practice)	1,381	2,626	0	4,007	19,450	31,400	
SEND Sustainability	445	2,629	1,675	4,749	700 (SEN transport) plus significant cost avoidance	700	Business case proposes sustainable provision (within government funding) by 21/22
Cultural Services	83	170	0	253	1,500	4,000	
Commissioning	0	350	450	800	Enabling (estimated £10m)	Enabling (estimated £10m)	
Highways, Transport & Environment Transformation	663	538	106	1,307	9,614	17,400	
Asset & Place Strategy	478	153	0	631			To be agreed, under review
Finance Transformation	290	351	135	776			Finance service improvement programme and financial sustainability
Fees & Charges	7	0	0	7	Enabling (estimated £1m)	Enabling (estimated £1m)	
Agile Workforce	180	833	750	1,763	Enabling	Enabling	
ORBIS VFM	0	200	0	200	1,757	3,400	
Performance Management & MI/Insight	176	421	0	597	Enabling	Enabling	
Spans of Control	60	15	0	75	500 (plus enabling up to approx. £7m)	Enabling (up to approx. £15m)	
Customer Experience	315	662	112	1,089	500 (plus enabling in other services)	Enabling	
Digital	779	2,672	2,063	5,514	Enabling	Enabling	

Governance/Culture/Comms	800	800	800	2,400	Overarching	Overarching	
TOTAL	7,153	16,277	7,939	31,369	51,847*	91,500	

*Direct service savings. These transformation projects also deliver significant cost avoidance and service provision transformation.

The regulations on the flexible use of capital receipts require local authorities to disclose the impact of the strategy on Prudential Indicators. The council's current capital programme has not sought the use of capital receipts received since 1 April 2016 as a source of funding for schemes. Therefore, there will be no change to the council's Prudential Indicators that are contained in the Treasury Management Strategy Statement.

This page is intentionally left blank

CAPITAL AND INVESTMENT STRATEGY 2019/20 – 2023/24

1. INTRODUCTION

This strategy sets out Surrey County Council's approach to capital investment for the next 5 years. It forms a vital part of the Council's governance arrangements and provides a mechanism by which investment and financing plans can be prioritised, ensuring that capital decisions take account of stewardship, value for money, prudence, sustainability and affordability.

The Capital and Investment Strategy is an integral part of the Council's overall financial and asset management planning framework and should be read in conjunction with Financial Regulations and the Scheme of Delegation, the Financial Strategy 2019/24, the Treasury Management Strategy Statement (TMSS), the Minimum Revenue Provision (MRP) Policy (attached at Appendix 1), the Risk Management Strategy, the Investment Strategy, the Asset and Place Strategy for Surrey and the Highways Asset Management Plan.

The Council has regard to the Statutory Guidance on Local Government Investments issued by the Secretary of State and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, and has in place robust financial planning, option appraisal and governance arrangements as outlined in the Governance Section below.

2. OBJECTIVES

The Capital and Investment Strategy is a new report for 2019/20, providing a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of risk management and the long term sustainability of capital investment plans.

This strategy will:

- ensure capital expenditure contributes to the achievement of the Council's organisational strategy
- set a capital programme which is affordable and sustainable
- maximise the use of the Council's assets
- provide a clear framework for decision making and prioritisation relating to capital expenditure
- establish a corporate approach to the review of asset utilisation

This Strategy covers the following distinct, but inter-related elements of capital and investment activity as follows:

Capital Expenditure (section 3); the Council incurs three distinct types of capital expenditure, (capital programme, strategic investment and commercial investment). This strategy covers each of these areas, setting out the Council's capital expenditure and financing plans over the medium term. It provides an overview of the governance arrangements for approval and monitoring of expenditure and, in relation to commercial investment activities, sets out the due diligence process and the Council's risk appetite in respect of these, including proportionality in respect of overall resources.

Capital financing and borrowing (Section 4); including a projection of the Council's capital financing requirement and how this will be funded and repaid. It links to the Council's

borrowing strategy and sets out the Council's policy to meet its statutory duty to make an annual revenue provision for the repayment of debt (Appendix 1).

Prudential Indicators (Section 5); Local Authority borrowing is governed by CIPFA's Prudential Code, which requires local authorities to set indicators which ensure that the level of borrowing is affordable, prudent and sustainable. The Prudential Indicators are set in the Treasury Management Strategy Statement each year, and monitored throughout the year by the Audit & Governance Committee. This strategy highlights the key indicators relating to borrowing levels.

Treasury Management Investments (Section 7); provides an overview of the Council's approach to the management of investments and cash flows. Further details on this are contained in the Council's Treasury Management Strategy Statement.

Use of capital resources for revenue purposes (Section 8); provides a summary of the Council's plans to utilise the Governments flexibilities to use capital receipts to finance the costs of its transformation plans. These are further detailed in the Council's Flexible Use of Capital Receipts policy.

Knowledge & Skills (section 10); summarises the knowledge and skills available to the Council to support it in its decision making in these areas. Full details of processes and the roles and responsibilities of Budget Holders can be found in the 'Budget Holder Handbook – Capital.'

3. CAPITAL EXPENDITURE

Expenditure is classified as capital in nature when it results in the acquisition or construction of an asset (eg land, buildings, roads and bridges, vehicles, plant and equipment etc) that will:

- be held for use in the delivery of services, for rental to others or for administrative purposes; and
- be of continuing benefit to the Council for more than one financial year.

There are a number of other specific instances where expenditure is required to be classified as capital expenditure, including:

- where the Council does not directly benefit from, or control, the resulting asset but where if it did it would be required to classify the expenditure as capital expenditure.
- where statutory regulations require it.

This includes expenditure on the purchase of shares, assets owned by other bodies and loans or grants to other bodies or subsidiaries, enabling them to buy assets.

The Council incurs capital expenditure in three distinct areas:

- investment in new and existing operational assets to support the delivery of its services (**capital programme**),
- investment required to deliver the Council's new vision and transformation of its services (**transformation & strategic investment**),
- investment to balance the Council's existing commercial investment income portfolio, as set out in the Investment Strategy. This includes shareholdings and loans to third parties and subsidiaries (**commercial investment**).

There are currently reviews taking place of both the commercial investment and transformation & strategic investment areas. Conclusions from these reviews will be communicated in early 2019/20. Approval for any potential future expenditure will be sought via the appropriate governance arrangements.

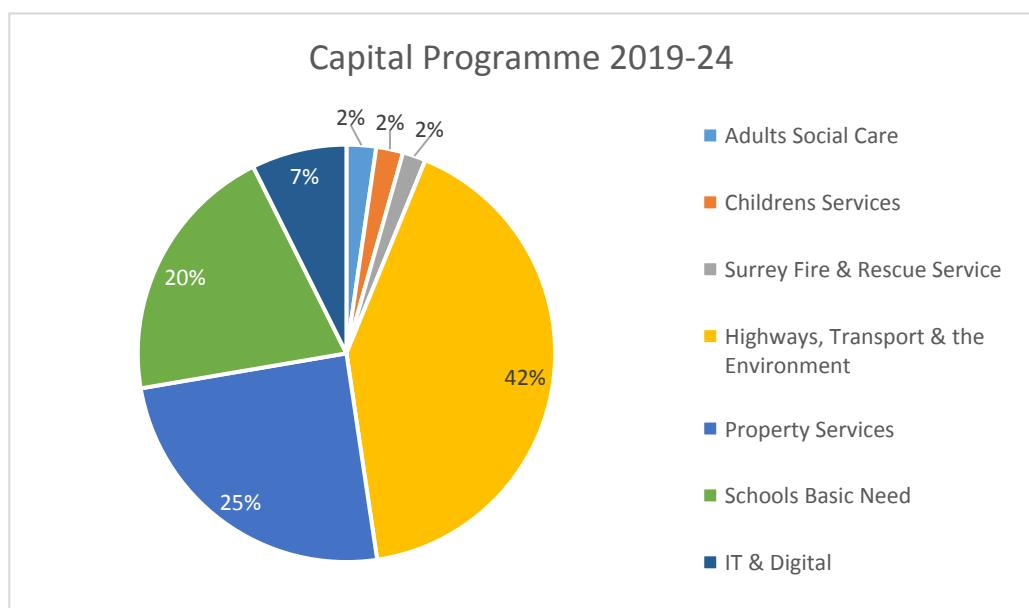
Capital Programme:

The capital programme represents the Council's commitment to continue to invest in its operational asset portfolio, specifically in the highways, operational property and in new pupil places. It is refreshed at least annually during budget planning and is approved by County Council as part of the revenue and capital budget setting process.

New capital schemes and projects will usually be added to the Capital Programme as part of the annual budget setting process, however, governance arrangements around managing the Capital Programme allow for new schemes and projects to be added in-year, subject to appropriate approval. All proposed new projects will be assessed on a lifetime costing basis, making sure all revenue and maintenance costs are affordable.

The proposed capital programme includes £129.2m of investment in 2019-20, with an indicative programme for the subsequent four years of £283.6m.

Chart 1 shows a breakdown of the Capital Programme by main service type:



Governance: New capital schemes, projects and maintenance programmes are assessed and scrutinised in two stages prior to being included in the Capital Programme:

- 1) The Capital Programme Panel (CPP) an officer panel comprising a small team of Executive Directors and senior officers nominated by Executive Directors, and
- 2) The Asset Strategy Board (ASB), a member / officer board comprising Cabinet Members, the Executive Director of Economy, Growth & Commercial and the Executive Director of Finance.

All proposed schemes are based on a robust business case and subject to appropriate internal / external due diligence. In particular they must ensure:

- capital programme proposals are consistent with the Council's Organisational / Directorate Strategies;
- whole life costing is provided;
- financial and service risks are fully assessed and considered;
- proposed delivery timescales are realistic;
- all associated revenue implications are fully explained for the current and future years.

Only those schemes and projects that meet strategic priorities and have been supported via the two stages outlined above will be incorporated in the Capital Programme, which is approved by Council. Preference will be given to schemes and projects that are self-financing by generating additional income, reducing expenditure or realising a capital receipt. However, it is recognised that not all capital projects generate a return.

In addition, the Transformation Programme requires capital investment in assets, infrastructure and IT. The overall Transformation Programme will be supported by and delivered via individual business cases. Where these business cases have identified the need for capital funding, expenditure has been included in the capital programme, this relates mainly to the provision of IT equipment which is essential to the achievement of the agile workforce transformation project.

Budget monitoring - Budget managers must ensure capital expenditure does not exceed the allocated capital resources over the life of the project. Capital expenditure is monitored by CPP monthly, and reported to ASB, Corporate Leadership Team (CLT), Scrutiny Committee and Cabinet as part of the overall budget monitoring process. The monitoring report highlights any forecast variance in expenditure and the implications of changes, if any, to the expected timescales for delivery.

Asset Disposal – The Council takes a strategic approach in identifying those assets that are surplus to requirements and considers a range of options for their future use including suitability for alternative use, e.g. Extra Care accommodation, the business case for commercial or residential development against the benefits to be gained from marketing for sale. The Council has recently entered into a joint venture arrangement with Places of People to undertake approved development schemes for a number of its vacant sites.

Asset Management – Highways and Transport - Surrey County Council provides essential services which benefit all of Surrey's residents, businesses and visitors. The infrastructure includes over 3,000 miles of roads, 3,262 miles of footway, 2,143 miles of footpaths, bridleways and byways, 2,300 hectares of countryside, 2,300 bridges and structures, 15 community recycling centres and 4 waste transfer stations. We promote road safety, regulate waste and minerals developments and work to ensure that new development across Surrey is sustainable.

Asset Management – Property - The Council owns approximately 5,800 registered assets both inside and outside Surrey. These cover a wide range of property types from farms and countryside through to the operational buildings such as schools, offices and fire stations. The total value of these assets amounts to circa £1.5 billion.

Strategic Investment

The Council is undergoing major transformation of the way it works and the way in which it delivers services to residents. Future services will be more about supporting people to make changes in their lives that will make them happier and healthier in their homes and communities and less about the buildings our staff are in. The asset management plan provides a guide for future property decisions and a link between the strategic consideration of assets and their role in the delivery of the Council's services.

Given the Council's ambitions and the financial challenges it faces, it is timely to review the contribution that property assets can make both to the transformation of Surrey County Council services and to the development of Surrey's wider economy. This will build on the Council's existing Investment Strategy and provide a wider approach to the development and utilisation of the Council's assets, enabling the development of housing and employment space and a contribution to the wider Surrey economy.

Work is underway to develop plans under the Asset and Place strategy and separate approval will be required to add these schemes to the capital programme.

Commercial Investment / Non-treasury Investment:

The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to enhance its financial resilience in the longer term. The main principles of the strategy are to create a diversified and balanced portfolio of investments to facilitate future service provision, manage risk and secure an ongoing annual return to the Council.

Cabinet approved the business case for the creation of a Property Company and its associated subsidiaries in May 2014 to enable investment in property outside of the county and for the commercial income return. The property investment portfolio is therefore a combination of assets acquired or developed by the Council for future service need or economic development and those acquired or developed by Halsey Garton Property Group (HGP).

Governance

The governance for the Investment Strategy is provided by the Investment Board (IB), which is comprised of members of the Cabinet, who are supported by officers. The IB is responsible for making investment decisions in accordance with the framework established by the agreed Investment Strategy and for the strategic management of the overall portfolio consistent with the aims of the Investment Strategy. Officers, supported by independent Capital and Investment Strategy

specialist professional advisors, support the IB. These specialist advisors periodically evaluate the recommended portfolio of property investment, taking into account market conditions and achievable returns.

The Investment Board produces an Annual report for Cabinet and for the purposes of scrutiny which provides details about the investment portfolio governance, its processes and the responsible investment policy. A summary version of the report is also available to the public on the council's website. Capital expenditure and in-year financial performance is reported to the Cabinet monthly as part of the Financial Monitoring Report.

Further information about the Investment Strategy and the council's investment portfolio is shared in the Investment Board's Annual Report.

Financial Arrangements

Acquisitions by HGP are funded by the council from the provision of equity and debt finance. This finance is provided on market facing terms, on an 'arm's length' basis in order to be compliant with competition law and State Aid. The returns to the council from the provision of finance to HGP are received in the form of a net interest margin receivable by the council on the loans provided plus the annual dividend payment from the company.

In undertaking investment activity the council is required to take into account the new guidance that has been published by the Secretary of State and by CIPFA. In particular the new guidance in relation to "borrowing in advance of need". The Council does not borrow in advance of need purely in order to profit from the investment of the extra sums borrowed. The Council does however borrow to invest in order to fulfil its statutory duties and in doing so, will take into account the new guidance and the codes of practice. The Council has the power to invest legally and to provide financial support to its wholly owned property company, and in doing so will consider these regulations and will exercise its powers reasonably and in accordance with best value and fiduciary duties with regard to mitigation of risk and all due-diligence

Risk Management

The Investment Strategy means that the council is managing different financial risks. Investments will be subject to inherent economic and market risks which requires a balanced portfolio of investments to be built over time. The strategy notes a preference toward assets that are investment grade, are of good quality, in good or growth locations with a diversified portfolio a mix of geographical locations.

The investment portfolio is being delivered to ensure diversification of-

- **Asset Class:** a mix of office, retail, industrial and other investment classes (e.g. leisure, hotels etc.). The target mix of investments between classes is reviewed in detail bi-annually on the basis of an in-depth market report and recommendations from our strategic property investment advisors, CBRE.
- **Location:** a geographically diverse portfolio, focussed in good or growth locations for their asset class and for retail investments, a mix of high-street and out-of-town locations.
- **Tenants:** a mix of tenants across different sectors, including a diversified range of tenants within the retail sub-sector. Care is also taken to limit the number of lease breaks and lease expiry in any one-year.

The creation of a diversified portfolio of assets to mitigate risk will take some time to achieve. The investment portfolio, including future commitments, is currently over-weight in retail. To address this and achieve a balance closer to the benchmark would require further acquisitions of approximately £150m. We are currently undertaking a review of the Investment Strategy, and until this is complete, no further acquisitions are being actively pursued.

The purpose of the Investment Strategy is to deliver an annual income stream in support of the council's services and in doing so, the council is not assuming any gain from the value of the underlying assets. Instead a long-term view is taken, since the value of the assets may decrease as well as increase over time, and the costs of purchase – in particular stamp duty, are unlikely to be offset by increases in value in the much shorter term.

All investment assets are independently revalued each year as part of the year-end financial accounts process using a standard methodology of fair market value. This method takes into account the present value of the known income streams, the likelihood of future unknown income and the underlying site value of each asset. This means that generally, the shorter the lease the lower the asset value. The results of the year-end valuation are reported in the Annual Report provided by the Investment Board and are included in the Council's annual Statement of Accounts.

Values will therefore fluctuate but there are no financial implications unless or until the asset is sold and the timing of any sale is the decision of the Investment Board on behalf of the council. Investment grade assets are by their nature liquid since there is a well-developed market and as the council is not reliant upon the capital receipt investment, assets can be sold only when financially beneficial to do so.

Any revaluation loss does not impact upon the general fund of the council – there are no adverse implications for the tax-payer since financial adjustments of this nature are excluded from the calculation of the revenue requirements of the council by statute. Similarly this is the case if there is a revaluation gain. It is only realised profits (or losses) that have an impact upon the council.

Assets that are being developed will not produce an immediate income stream and there will be occasions when a tenant triggers their break clause or vacates at the end of the lease resulting in a potential letting void. In order to mitigate against these risks the council has a Revolving Investment and Infrastructure fund that meets the initial revenue costs of initiatives and can act, if required, as a method to smooth net income and offset the impact of voids, noting that one strand of the diversification approach is avoid potential void events occurring at the same time. The reserve has not been required to date, since the income delivered by acquisitions has offset development spend and voids in the portfolio.

Reliance and proportionality

The investment portfolio held by the council and its property company HGP was valued at £319m as at 31 March 2018, this is 16% of the Group's¹ land and buildings assets.

The returns from investment contribute to the funding of the council's services and is included in the MTFP at £4.0m in 2018/19 rising to the target return of £10.0m per annum

¹ Group consists of the Council and its wholly owned Local Authority Trading Companies (SE Business Services, Halsey Garton Property Ltd and Surrey Choices Ltd)
Capital and Investment Strategy

for 2019/20 onwards. The forecast income in 2018/19 is in excess of this target, at £5.2m. This compares to a total income, excluding grants, of £197m in the MTFP. Therefore the extent to which the delivery of the council's services is dependent upon the performance of its investments is significantly limited.

With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk include property voids and fall in capital value. These risks are managed by ensuring that the portfolio is diversified across multiple property sectors and a range of geographical locations, and that reliance on a commercial return is in proportion to the Council's overall budget.

Specific tenant risk and voids are monitored by the Investment Board as part of in-depth quarterly reporting. Tenant voids as measured in terms of an estimate of the rent that would otherwise be receivable as a % of the total rent receivable are currently 3.7%. This is below industry benchmarks – which for an established diversified portfolio is currently c.7%.

The Council has established a Revolving Infrastructure and Investment Fund as a risk mitigation to smooth the investment income and mitigate against potential / inevitable voids. This fund will be called upon if target returns are not achieved and a shortfall results in an overall shortfall in the revenue budget. The fund will be replenished if actual income exceed targets and will be subject to approval by Cabinet.

Table 2 illustrates the proportion of investment income to gross service expenditure:

	2018/19 Forecast £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m	2022/23 Budget £m	2022/23 Budget £m
Net service expenditure	883.8	885.9	928.8	936.0	947.8	953.4
Investment income	5.2	10.0	10.0	10.0	10.0	10.0
Proportion	0.6%	1.1%	1.08%	1.07%	1.06%	1.05%

Purchase of shares/Provision of loans: The Council may make investments to assist local public services, including making loans to and buying shares in service providers, local businesses to promote economic growth and the Council's subsidiaries that provide services or which have been established for the purposes of trading. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even or generate a profit after all costs.

The decision to invest in shares or provide funding in the forms of loans is taken by Cabinet or in accordance with delegated decision-making, upon the basis of a business case which articulates the strategic rationale, the financial implications and associated risks for the council. The Shareholder Board safeguards the Council's interest and takes decisions in matters that require the approval of the Council as owner or a shareholder of a company. Shareholder control is exercised over all companies owned by the Council, and in relation to any shares held whether the purpose is trading, service provision or investment. Decisions in relation to the day to day operation of companies are taken by the directors of each company. The Shareholder Board produces a report on these shareholdings which is presented to Council annually.

Capital and Investment Strategy

Service investment (loans): Loans to local enterprises may be considered as part of a wider strategy for local economic growth. Such loans will be considered when all of the following criteria are satisfied:

- The loan is given towards expenditure which would, if incurred by the Council, be capital expenditure;
- The purpose for which the loan is given is consistent with the Council's corporate / strategic objectives and priorities;
- Due diligence is carried out that confirms the Council's legal powers to make the loan, and that assesses the risk of loss over the loan term;
- A formal loan agreement is put in place which stipulates the loan period, repayment terms and loan rate (which will be set at a level that seeks to mitigate any perceived risks of a loss being charged to the General Fund, and takes appropriate account of state aid rules) and any other terms that will protect the Council from loss;

Most loans are capital expenditure and proposals will therefore initially be presented to the CPP as part of the capital programme assessment, and all decisions on service investments and loans to third parties are subject to member approval.

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. If applicable, the figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

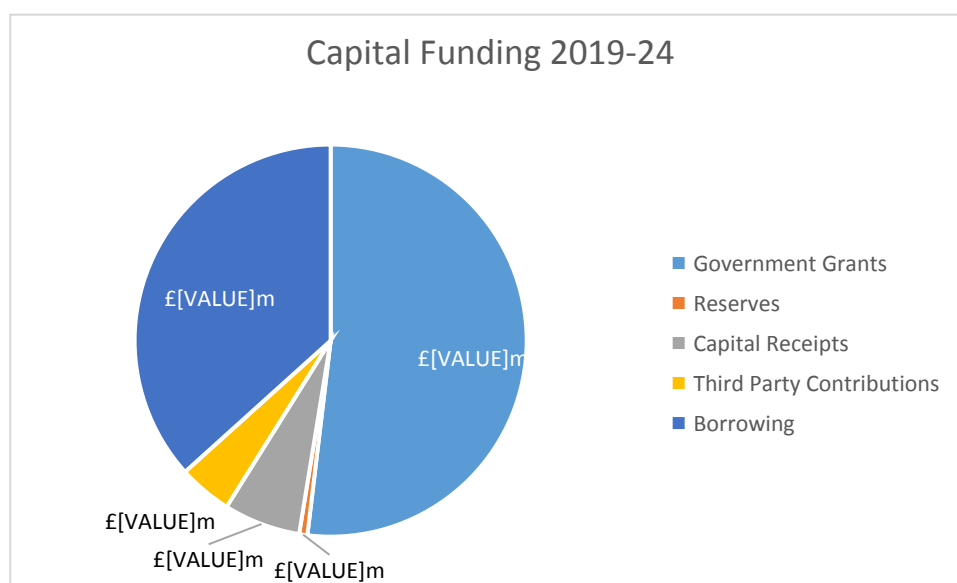
Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

4. CAPITAL FINANCING & BORROWING

The Council's capital investments fall within "the Prudential Code for Capital Finance in Local Authorities" (the Code), and the Council complies with the Code. Under the Code, local authorities have discretion over the funding of capital expenditure and the freedom to determine the level of borrowing they wish to undertake to deliver the Capital Programme. There are a range of potential funding sources which can be generated locally, either by the Council itself or in partnership with others. The Council will fund the Capital Programme from the following sources:

- Government Grants
- Third Party Contributions (including section 106 agreements and Community Infrastructure Levy (CIL))
- Reserves and Capital Receipts
- Revenue Contributions to Capital
- Borrowing

Chart 2 below summarises the Council's estimated capital funding for the period 2019/24:



Government grants - Grants are allocated in relation to specific projects or schemes, and the Council will seek to maximise such allocations, developing projects and schemes which reflect government and partnership led initiatives, and at the same time address the Council's local priorities. The level of future government grants is uncertain, and the 2019/24 capital programme includes an estimate for each year. The Council reviews notification regularly, and the Capital Programme is adjusted accordingly and reported to Cabinet as part of the monthly budget monitoring.

Table 3 shows the grants expected for 2019/24.

Expected Government capital grants	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
School Basic Need*	27.1	17.6			
Schools condition allocation	9.8	9.8	9.8	9.8	9.8
Devolved Formula Capital (Schools)	1.2	1.2	1.2	1.2	1.2
Integrated transport block	4.8	4.8	4.8	4.8	4.8
Highways maintenance	13.4	13.4	13.4	13.4	13.4
Local Growth Fund	6.7				
Other capital grants	4.1	3.5	3.3	3.3	3.3
Total expected grant	67.1	50.3	32.5	32.5	32.5

* Includes some re-profiling of unspent grant from previous years

Third party contributions / Section 106 Agreement Contributions & Community Infrastructure Levy (CIL) – These are mainly generated from planning gain agreements under Section 106 or as community infrastructure levies (CIL) from developers. The 2019/24 Capital Programme relies on approximately £18m third party contributions. These contributions help to finance infrastructure, facilities and services, e.g. schools, highways and transport improvements. S106 is negotiated, CIL is levied, and collected by planning authorities in consultation and collaboration with the County Council. Planning authorities need to work closely with the County Council in setting priorities for how the s106 receipts Capital and Investment Strategy

and the levy will be spent, to ensure the required infrastructure is secured to support new development.

Reserves and Capital Receipts - These are amounts set aside from the revenue budget (revenue reserves) or from asset disposal (capital receipts) into a reserve for future capital expenditure. The Council plans to use approximately £29m of reserves and capital receipts to support the 2019/24 capital programme.

Revenue Contributions to Capital - Capital expenditure may be funded directly from revenue (REFCUS – Revenue Expenditure Funded from Capital Under Statute).

Borrowing - After the application of all other sources of capital funding, the Council will utilise Prudential Borrowing to finance the un-funded part of the Capital Programme.

The Council has a policy, that it will only finance a capital scheme from borrowing if it fulfils one, or more, of the following criteria:

- is a statutory requirement
- generates a revenue savings
- avoids a revenue costs
- produces a capital receipt

Over the five years of the 2019/24 capital programme, the Council expects to fund approximately £152m of capital expenditure in this way. In addition, any expenditure on commercial investments, loans to third parties or the purchase of shares will also be funded in this way.

The implications of financing capital expenditure from borrowing is that the expenditure is not funded immediately but charged to the revenue budget over a number of years. The Council may defer the timing of external borrowing on a short to medium term by using temporary cash resources held in reserves and balances. This practice, which is referred to as 'internal borrowing', does not reduce the magnitude of borrowing required or the level of funds held in reserves and balances; the funds are merely being utilised in the short term until they are required for their intended purpose. The timing of external borrowing and the balance of external / internal borrowing is determined by market conditions and the Council's cash flow position. Officers manage this position on a day to day basis in line with the overall TMSS, as approved by members of the Audit & Governance Committee.

Debt is only a temporary source of finance, loans must be repaid. The Council has a statutory duty to set aside an amount it considers to be prudent, in line with guidance, for the repayment of borrowing. This is known as the Minimum Revenue Provision (MRP). See Appendix A for this Council's MRP Policy for 2019/20. The Council's underlying debt liability will be repaid in line with the MRP Policy, amortised over the life of the assets creating the debt liability. Alternatively the Council can repay debt from selling capital assets (capital receipts).

Although capital expenditure is not charged directly to the revenue budget, interest payable and MRP are charged to revenue. This is offset by income and investment income. All treasury and non-treasury investments make a contribution to the Council's services, and in meeting the Council's strategic aims and objectives. Treasury investments follow the Security / Liquidity / Yield criteria, but the Council also makes a range of investments with the intention of making a return that will be spent on local public services. The net annual

charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from local taxation and general government grants.

Table 4 below provides the Prudential Indicator for proportion of financing cost to net revenue stream:

	2018/19 forecast	2019/20 projection	2020/21 projection	2021/22 projection	2022/23 projection	2023/24 projection
Financing costs (£m)	£17.9m	£13.7m	£16.2m	£17.7m	£19.1m	£19.7m
Proportion of net revenue stream	2.02%	1.55%	1.75%	1.89%	2.02%	2.02%

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable due to the robust assessment process and the close links between the Medium Term Financial Plan, the capital programme and revenue budget and the TMSS.

Leasing – Assets such as vehicles and IT equipment may be leased rather than purchased where there is a financial benefit in doing so, subject to a robust options appraisal. The financing of expenditure by lease needs to take into account:

- Value of expenditure
- Residual value
- Life span of equipment matches the funding proposed

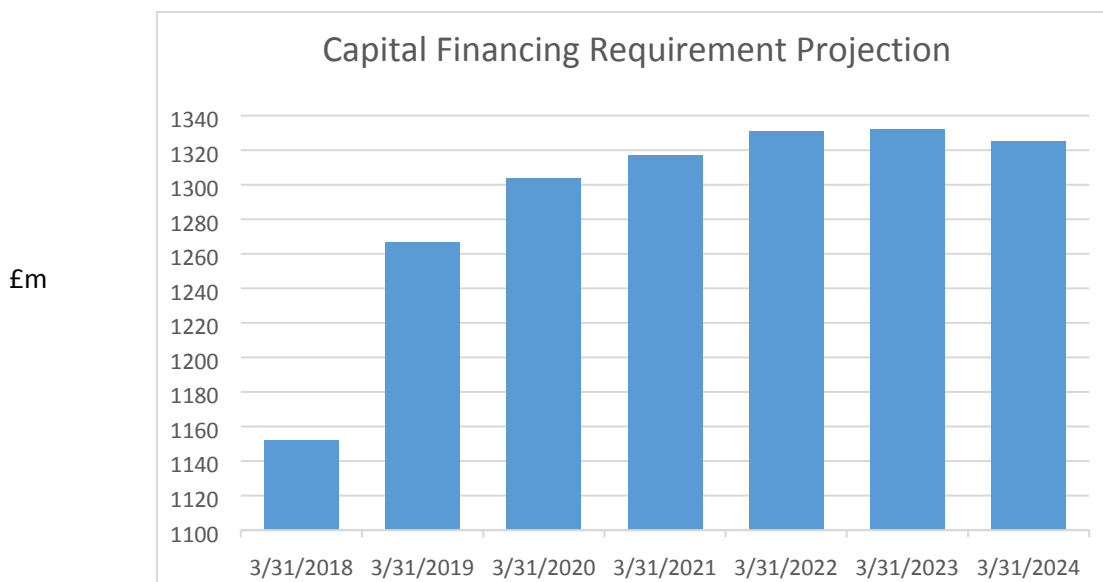
Leasing is considered to be a type of credit arrangement and therefore forms part of the Council's Capital Financing Requirement, as if it were borrowing.

5. PRUDENTIAL INDICATORS

Local Authority borrowing is governed by CIPFA's Prudential Code, which requires local authorities to set indicators which ensure that the level of borrowing is affordable, prudent and sustainable. The Prudential Indicators are set in the TMSS each year, and monitored throughout the year by the Audit & Governance Committee.

The Capital Financing Requirement provides a measure of the amount of capital expenditure that the Council has already spent but not yet funded. The CFR is the measure of the Council's debt liability; i.e. the need to borrow for capital financing purposes. Credit arrangements are included in the CFR calculation as such arrangements are a form of borrowing. Examples of credit arrangements include Private Finance Initiative (PFI) schemes and finance leases.

The Authority's CFR projections are shown in **Table 5** below:



CFR movements are caused by:

- the Council incurring further capital expenditure which is not funded from existing capital resources, (the CFR **increases**)
- the Council makes a statutory provision for the repayment of debt through MRP, (the CFR **decreases**).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the capital financing requirement (see above). **Table 6** shows the gross debt compared to the CFR:

	2017/18 actual £m	2018/19 forecast £m	2019/20 projection £m	2020/21 projection £m	2021/22 projection £m	2022/23 projection £m	2023/24 projection £m
Gross Borrowing (incl. PFI & Leases)	590	689	716	732	759	743	736
CFR	1,152	1,267	1,303	1,317	1,337	1,332	1,325

Affordable borrowing limits: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. **Table 7** sets out the Council's Authorised Limit and Operational Boundary for external debt, and full details can be found in the TMSS.

Operational Boundary						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Agreed	← ----- Estimated -----			----->	
	£m	£m	£m	£m	£m	£m
Borrowing	702	966	1131	1179	1173	1166
Other long term liabilities	170	143	124	106	87	68
Total	872	1108	1256	1285	1260	1234
Estimated external debt	689	716	732	759	743	736

Authorised Limit						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Agreed	← ----- Estimated -----			----->	
	£m	£m	£m	£m	£m	£m
Borrowing	1,092	1,553	1,717	1,757	1,762	1,755
Other long term liabilities	182	143	124	106	87	68
Total	1274	1696	1841	1863	1849	1823
Estimated external debt	689	716	732	759	743	736

6. BALANCED PORTFOLIO APPROACH

The Council will assess its overall approach to capital expenditure and investment, and will aim to avoid over-exposure to specific markets, sectors or activity. This will reflect investments made to deliver Council services and to those service designed for wider economic benefit.

All projects will reflect full development costs including purchase, fees to cover due diligence, site surveys, legal and transactional costs. The overall business case will include full lifetime maintenance and management costs as well as projected income. Where necessary, external specialist advice and support will be sought, and internal / external due diligence will be undertaken.

The portfolio will comprise an acceptable balance of risk and return, based on market conditions and the level of secured / unsecured investments. Appropriate risk management tools will be applied, tailored to individual schemes and projects.

The Capital and Investment Strategy covers a range of capital investments, and the balanced portfolio approach will ensure an overall average net return reflecting that some projects will yield a higher return than others, and that some schemes are not delivered purely to generate a return.

7. TREASURY MANAGEMENT INVESTMENTS

The Council's investment activities are undertaken in compliance with statutory regulation, the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-

Sectoral Guidance Notes (referred to as the Treasury Management Code). The Treasury Management Code and statutory regulations require the Council to prepare an annual strategy that explains how the Council will invest its funds. In accordance with regulatory requirements, the primary objectives when investing funds for treasury management purposes are **Security, Liquidity**; and **Yield**, in that order of importance, often referred to as the **SLY** criteria. The Council's current policy is to maximise the use of reserves and balances for the purpose of internal borrowing, and thereby keeping investment balances to a minimum. This policy reduces the cost of external borrowing and also reduces the market risk of investments.

Day to day decisions on investment and borrowing are delegated to the Section 151 Officer and the Finance Team, who act in line with the TMSS, which is approved by the Audit and Governance Committee before the start of each financial year. Effective scrutiny of the TMSS is undertaken by the Corporate Overview Standards Committee.

8. FLEXIBLE USE OF CAPITAL RECEIPTS

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their capital receipts from the sale of non-housing assets on revenue costs incurred to generate ongoing revenue savings, to reduce costs and / or transform service delivery in a way that reduces costs or demand for services in future years. This flexibility relates to expenditure which is properly incurred for the financial years that begin on 1 April from 2016 to 2021.

Local authorities are only able to use capital receipts in the years in which this flexibility is offered. In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice. A flexible use of capital receipts policy will be presented to Council before the start of each financial year for which the flexibilities are proposed to be utilised.

9. RISK MANAGEMENT

Internal and external financial and service related risks are assessed in line with the Council's Risk Management Strategy. Future costs are estimated using interest rate forecasts and projections provided by the Council's treasury management advisers and other financial advisers, and lessons learned from completed schemes and projects are reported to CPP. Operational risks are identified and mitigating controls are applied wherever possible. Residual risks are managed by Budget Managers and reported to CPP monthly.

10. KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council pays for officers to study towards relevant professional qualifications including CIPFA.

All officers involved in the treasury and investment management function have access to relevant technical guidance and training to enable them to acquire and maintain the appropriate level of expertise, knowledge and skills to undertake the duties and

responsibilities allocated to them. The Council currently employs treasury management advisers, and seeks external legal and property related advice and due diligence as required. The Council's commercial investment strategy is supported by advice from CBRE.

Those charged with governance (Members of the Audit and Governance Committee and the Corporate Overview Select Committee) recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The Section 151 Officer will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

The Orbis partnership enables the creation and development of specialist resources. Centres of Expertise have been established for key areas of finance and property, and central teams of pooled expertise have been created to provide robust services which are resilient to meet the changing service needs of partners.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Annual Minimum Revenue Provision (MRP) Policy Statement 2019-20

The Council is required by statute to make a prudent provision for the repayment of its debt. It is also required to 'have regard' to guidance on how to calculate this provision, issued by the Ministry for Housing, Communities and Local Government (MHCLG). The Council has assessed the Minimum Revenue Provision and are satisfied that the guidelines for their annual amount of MRP, set out within this policy statement, will result in their making a prudent provision.

Where capital expenditure was incurred before 1 April 2008, the guidance suggests writing down the remaining Capital Financing Requirement by providing MRP of 4% per annum. The Council agreed in 2016/17 to write this amount off over the next 50 years, resulting in the whole balance being provided for over a finite period and far sooner than under the 4% reducing balance method.

As suggested in the guidance, for capital expenditure incurred on or after 1 April 2008 and funded through borrowing, the Council will calculate MRP by charging expenditure over the expected useful life of the relevant assets, on an annuity basis. MRP will be first charged in the year following the date that an asset becomes operational.

For the following types of capital expenditure, the Council has determined that an alternative methodology for determining the annual MRP charge should be adopted:

- For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability, or over the life of the asset.
- Where loans are made to other bodies for their capital expenditure, and are to be repaid under separate arrangements, no MRP will be charged. The capital receipts generated by the repayment of those loans will be set aside to repay the debt.
- In order to better match MRP to the period of time that the assets are expected to generate a benefit to the Council, MRP for investment properties purchases will be based on an estimated useful life of 50 years, on an annuity basis. This is in recognition that these assets are held for income generation purposes and that the Council holds a saleable asset, the capital receipt from which will be used to repay any outstanding debt when sold.
- The council will determine MRP on equity investments based a 20 year life. However, for equity investments in asset backed companies, a 50 year life will be assumed to match the Council's policy for investment assets.

The Council reserves the right to determine alternative MRP approaches in particular cases, in the interests of making prudent provision, where this is material, taking account of local circumstances, including specific project timetables and revenue-earning profiles.

Each year a new MRP statement will be presented.

This page is intentionally left blank

Surrey County Council Budget 2019/20 - Equality Impact Assessment

Summary

1. This report summarises potential impacts on residents and Surrey County Council staff arising from service changes that will contribute to the improvement of services for residents as well as supporting the council to realise a sustainable budget for the 2019/20 year. It also includes mitigating actions to maximise positive impacts and minimise adverse impacts. This report should be read with a number of appendices, including individual Equality Impact Assessments (EIAs), the Part A) Transformation Proposals – Delivering Better Services for Residents Cabinet report of 29 January 2019, and the Part B) Revenue and Capital Budget 2019/20 and Key Financial Strategies to 2024/25 Cabinet report of 29 January 2019.
2. The transformation proposals have been grouped into the following themes:
 - a. Promotion of choice and control for residents
 - b. Changing the way we work, internally and for residents
 - c. Prioritising spend to make us financially viable
 - d. Maximising our income streams without disadvantaging residents.
3. These reflect the strategic actions the council is taking to transform into a modern organisation that provides effective, good quality services, with a focus on meeting the needs of the most vulnerable people of Surrey. These actions form part of the activity the council has committed to in the [Organisation Strategy 2019-2023](#), which articulates how we will contribute to the [Community Vision for Surrey in 2030](#). Achieving our ambitions relies on the best allocation of our resources, which may entail taking difficult decisions about how our services look in the future. The council's transformation programme seeks to reform the function, form and focus of the organisation so there will be significant impacts on services and our relationships with residents, partners and staff that need to be understood.
4. Some of the work programmes associated with the 2019/20 budget aim to transform our workforce and working practices so we are able to meet the simultaneous challenges of reduced funding from central government and increasing demand for our services. Others aim to increase customer satisfaction and achieve economies of scale by changing the way residents access the information and services they need.
5. We are also working to anticipate and prepare for future increased demand on services by improving the use of data to drive evidence-based decision making, commissioning and transformation. All of these will lead to improved performance and more informed decisions about how we allocate resources and provide services.
6. Given the scale and complexity of change required, the council's savings proposals for 2019/20 have been analysed as a whole. This exercise has highlighted the potential for some resident groups to be impacted by multiple savings proposals. The following groups have been identified:
 - a. Families, young children and expectant mothers
 - b. Older adults
 - c. People with physical, mental or learning disabilities
 - d. Carers

Our Duties

7. When approving financial plans, Members must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires them to have due regard to the need to:
 - a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - b. advance equality of opportunity between persons who share a relevant protected characteristic¹ and persons who do not share it²; and
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
8. Members are also required to comply with Section 11 of the Children Act 2004, which places a duty on the Council to ensure their functions, and any services that they contract out to others, are discharged having regard to the need to safeguard and promote the welfare of children.
9. Members must read each individual EIA (listed in Paragraph 19) in full and take their findings into consideration when determining these proposals. Having ‘due regard’ requires that Members understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making decisions. In addition, consideration of equality is an ongoing process and should take into account evidence from consultation and engagement activity and other data sources where appropriate.
10. ‘Due regard’ also means that consideration given to equality matters should be appropriate in the context of the decision being taken. This means Members should weigh up equality implications against any other relevant factors in the decision-making process. In this case the most significant other matters are:
 - a. the statutory requirement to set a balanced budget;
 - b. the ambitions the council has for Surrey as a place, which are set out in the [Community Vision for Surrey in 2030](#) and the [Organisational Strategy 2019-2023](#)
 - c. the priorities within the council's [Confident in Surrey's Future: Equality, Fairness and Respect Strategy 2015 – 2020](#)
 - d. the [demographic pressures](#) facing the council's services that include a rising population with projected increases in the number of older residents and children and young people. Increases in these age groups are placing, and will continue to place, additional demands and pressures on adult and children's social care services and local schools.

Council Tax

¹ The protected characteristics set out in the Equality Act 2010 are as follows: Age, Disability, Gender Reassignment, Pregnancy/maternity, Race, Religion or Belief, Sex, Sexual Orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.

² In addition to this, Surrey County Council considers impacts on Carers when undertaking Equality Impact Assessments as they are protected under the Act by association with someone with a protected characteristic listed in paragraph 14.

11. The council believes that raising Council Tax by 2.99% is likely to have minimal impact for most households as it does not constitute a large proportion of outgoings. If the council was to seek to agree a lower Council Tax increase, the effect of this would be a need to further reduce services, as we seek to set a balanced budget without the drawdown of reserves. This could lead to a greater impact on the most vulnerable people in Surrey with the council having fewer resources to support them.
12. Overall, the increase is modest, at 81p per week for a Band D household, and there are a number of Council Tax relief/support schemes in place through district and borough authorities to mitigate the effects of rises for those on low incomes or with specific circumstantial factors. Information about these schemes are available from individual district and borough websites.

Surrey County Council Savings Proposals 2019/20 - Strategic Actions
--

13. An assessment of service proposals has been undertaken. When taken together, service proposals can be categorised as the following strategic actions;
 - a. **Promotion of choice and control for residents.** This relates to increasing introduction of self-service for residents in several areas, including more flexibility in ways they can contact the council. Alongside this, the council is continuing to increase the numbers of people who exercise control over budgets for their own care, such as through Direct Payments in Adult Social Care, as well as supporting families to remain together where possible as part of changes in Children's Services.
 - b. **Changing the way we work, internally and for residents.** This relates largely to changes to working practice in the Health, Wellbeing and Adult Social Care and Children, Families and Learning Directorates which include using digital technology and supporting our workforce to be more productive to enable transformation projects and deliver productivity gains, developing new technologies, becoming a more agile organisation and thinking creatively about resource allocation within services.
 - c. **Prioritising spend to make us financially viable.** This will help us make sure we are delivering the right service, to the right people, every time. It involves focussing on reablement and rehabilitation, assessing for long term needs when a person is at their best and reviewing care packages in a culture of optimism within Adult Social Care. Where the council is moving toward delivering services in a manner similar to other local authorities of comparable size these are being undertaken to ensure the most effective allocation of resources.
 - d. **Maximising our income streams without disadvantaging residents.** This encompasses areas in which the council is considering commercial opportunities, as well as introducing charges for some services we offer, including as part of changes in Highways, Transport and Environment and continued service development in Adult Social Care.
14. These actions demonstrate how the council is intending to become a modern organisation, which is responsive to the needs of residents and is financially sustainable, including increased access to services through digital technology, more effective allocation of its resources to support the most vulnerable residents in Surrey

Annex 5 – SCC Budget 2019/20 Equality Impact Assessment

and transforming back-office processes to enable the council to invest more in front-line service delivery.

15. We are also introducing these changes out of necessity. Since 2010, the council has faced the twin financial pressures of falling government grants and rising need for its services. Although we have made significant efficiency savings in this time, and raised Council Tax, we have had to draw down £88 million from reserves since 2014 to ensure a balanced budget each year. Reserves are now at a level where it is not sustainable to continue this approach. We do not expect a significant change in the wider financial outlook for local government in the medium term, and therefore has embarked upon a programme of transformation to ensure its services and finances are sustainable.
16. Prioritising spend in the current context of funding constraints and increased demands means we will need to target some of our services more at the people who need them most and this is reflected in proposals for service transformation. These proposals are examined in individual EIAs (**Annexes 5a – 5g**).

Surrey County Council Savings Proposals 2019/20 – Equality Impact Assessments

17. The Equality Act does not require an EIA to be carried out, however we think an EIA is the best way to demonstrate that the equality impacts have been identified and considered. We have reviewed the whole package of savings proposed for 2019/20 to determine whether an EIA is needed or not. For those transformational services changes where residents are most likely to see tangible changes, individual EIAs have been completed and reviewed as part of the council's commitment to understanding the impact of its decisions, especially on those with protected characteristics. These are available to read in **Annexes 5a to 5g**. Our assessment of the likely impacts of these started when proposals were being formed. Proposals will only be implemented after due regard has been given to the need to achieve the three aims set out in Section 149 of the Act (paragraph 7 of this report).
18. It is open to the council to formulate its budget proposals (having regard to the likely impact on protected characteristics), and then at the time of developing any policies, the council will consider in greater detail the specific impact of the proposed policies that might be implemented within the budgetary framework. Where it is the case that decisions on how to achieve savings within the agreed budget will be taken in-year, subsequent decisions will be taken by the relevant Cabinet Member and Executive Directors, and shall be made based on a clear understanding of what the potential impacts might be.
19. There are seven individual Equality Impact Assessments for Cabinet and Council to consider when giving due regard to the proposals outlined in the budget:
 - 1) Recommissioning of Children's Centres in Surrey (**Annex 5a**)
 - 2) Special Educational Needs and Disability Strategy (SEND) (**Annex 5b**)
 - 3) Transforming Libraries and Cultural Services in Surrey (**Annex 5c**)
 - 4) Proposed changes to Surrey's Community Recycling Centres (CRCs) (**Annex 5d**)
 - 5) Surrey County Council (SCC) Review of English National Concessionary Travel Scheme Enhancements (**Annex 5e**)

Annex 5 – SCC Budget 2019/20 Equality Impact Assessment

- 6) Adult Social Care Transformational Savings EIA (**Annex 5f**)
 - 7) Customer Experience EIA (**Annex 5g**)
20. These individual assessments represent the proposals which, if approved, will or are likely to change how residents currently access or receive services and therefore require consideration of what potential equality implications may be, and how these could be mitigated.
 21. As some of the other savings proposals within the budget are still in a formative stage, services are not yet in a position to assess the full impacts of these. Where impacts are identified at a later date, the relevant Cabinet Member and Executive Director will be required to consider new information and give them due regard as proposals are implemented.
 22. Members should also recognise that within the EIAs attached to this budget, some impacts that are described are necessarily high level as a result of the stage which some of the transformation projects are at. As any unanticipated effects become apparent further down the line, Members will be informed of these as appropriate.
 23. Some savings within the 2019/20 budget will not have any direct effect on residents or service delivery. These savings will be found through mechanisms such as budget adjustments and removal of vacant posts.
 24. The following section assesses the council's savings for 2019/20 in a cross-cutting way and considers the cumulative impact of some of these changes. Members may consider this cumulative analysis alongside the individual EIAs but must still read, consider conscientiously and give due regard to each individual EIA document when making decisions on the proposals outlined in the budget.

Surrey County Council Savings Proposals 2019/20 – Cumulative Impact

25. Analysis of the EIAs shows that the groups with the potential to be cumulatively affected by the changes proposed for 2019/20 are as follows. Impacts on each stakeholder group are identified along with proposed mitigations.
26. **Protected characteristic: Age and Pregnancy and Maternity - Families, young children and expectant mothers.** This is due to the partial shift away from place-based service delivery of a high number of Children's Centres toward a targeted approach for the most vulnerable children and the use of main centres in locations where children are most likely to be adversely affected by deprivation. This change reflects best practice elsewhere, as well as our own strategic principles; redesigning the way families can access these services will allow us to assist those most in need.
27. Any potential changes to the delivery of cultural services, subject to analysis of recent consultation and any future consultation that may also be required, could also disproportionately impact on this group as young children and their parents make up a higher percentage of the user groups of these services. We know from recent engagement that residents are positive about the idea of co-location of services and shared spaces, as well as being supportive of using new technologies to more effectively deliver services.

Mitigations:

Annex 5 – SCC Budget 2019/20 Equality Impact Assessment

- a. Comprehensive consultation has taken place in recent months in order to understand how the council can work with residents to ensure minimum disruption following service changes, and engagement with partner organisations is underway to discuss how potential alternative delivery mechanisms, if any, could be utilised.
- b. These steps will address some of the potential impact that families, young children and expectant mothers may especially feel. Further detail of mitigation can be found within the Recommissioning of Children's Centres EIA (**Annex 5a**) and the Review of Cultural Services EIA (**Annex 5c**)

28. **Protected characteristic: Age - Older adults.** Changes within Adult Social Care have the potential to cumulatively impact on elderly residents, including any decisions the council takes to target services toward the most vulnerable and therefore the need to think flexibly about how care is provided to other service users. Any potential increased reliance on family, friends and community networks may bring with it quality assurance and/or safeguarding concerns.
29. Changes to the local market arising from service alterations within Adult Social Care, such as exit by providers from the local area, could impact on older residents who purchase care directly from these organisations. The council will undertake a co-design approach in order to minimise some of these impacts, but the move toward self-service for residents and an increased reliance on digital platforms for contacting the council may make it further difficult for these groups to raise concerns or queries.

Mitigations:

- a. Staff will be trained and supported to have effective conversations with residents at the point at which they access services, including growing the knowledge base of the organisation in order to lead to effective signposting to community-based resources.
 - b. The council work with the voluntary, community and faith sector providers so that any reduction in grants and contracts are evaluated across the system, targeted and undertaken in adherence to the principle of the Surrey Compact.
 - c. Those persons eligible for a statutory service will continue to receive it in accordance with their assessed needs
 - d. This will address some of the potential impact that older adults may especially feel. More information and further mitigation can be found within the Adult Social Care Transformational Savings EIA (**Annex 5f**).
30. **Protected characteristic: Disability - those with physical, mental or learning disabilities.** Though these groups are foremost likely to be affected by the planned strategic shift from residential to community provision and associated savings of that project, all other proposals that alter the way residents access council services, such as an amalgamated single front door approach, present the risk that individuals in this group will be negatively affected as they may find it more difficult to self-serve or use digital platforms than other residents. People belonging to this group are also likely to be affected by changes to the companion pass scheme, and the future development of the SEND strategy.

Mitigations:

- a. A targeted and coordinated approach which includes the introduction of more specific support plans with clearer outcomes for service users, as well as clear communication and support to care companies who can work with the council to shape their offer around direct payments and find creative solutions

to deliver best value for money. As part of changes to the way residents can contact the council, mediation or translation services for those with communication difficulties will continue to be used so that all residents are able to make their views heard.

- b. Though the council originally consulted on the removal of the Companion Pass, following consultation feedback it has been decided to retain the application of this pass between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays, so that any qualifying disabled bus pass holders who need assistance to be able to travel can take someone with them who can travel for free as well during the times specified.
- c. These steps will address some of the potential impact that people with learning, mental or physical disabilities may especially feel.

31. **SCC additional characteristic: Carers.** As Adult Social Care shifts toward more creative and informal ways of thinking about care, whilst continuing to fulfil statutory responsibilities to deliver plans based on levels of assessed need, there may be some degree of initial anxiety for those with caring responsibilities as they adapt to any new arrangements. There may also be a feeling that these individuals are obliged to provide care they are unable to cope with or do not currently provide. Other service changes that may specifically impact carers include changes to the Companion Pass travel system and increases to different fees and charges that are already in place.

Mitigations:

- a. The use of new digital platforms and the alignment of multiple points of access into one front door for residents will be a positive impact of service changes for those who require clear and concise information in an accessible format, or who may have regular contact with the organisation. This will address some of the potential impact that carers may especially feel as a result of service proposals.
- b. Any concerns with these new ways of working or communicating will be captured by services and adjustments made accordingly. Finally, flexible ways of working may make arrangements easier for those staff members with caring responsibilities. Further information can be found in the Customer Experience EIA (**Annex 5g**)

Surrey County Council Savings Proposals 2019/20 – Other Impacts

32. The council is aware that some elements of the Transformation Programme could result in unexpected or unintended impacts on residents, which we are not yet in a position to fully assess. This cumulative analysis highlights some of the high level impacts that we are able to define at this time, as they relate to the projects mentioned.

33. Through reviewing all of the Equality Impact Assessments undertaken as part of the budget process, it is noted that there are other areas in which decisions that the council is taking are likely to impact on service delivery for residents which are not mentioned in the seven EIAs attached.

34. Changes to arrangements for Looked after Children (LAC), as part of the wider Family Resilience Transformation Plan, are intended to ensure that all children receive the right help at the right time, which will improve services for children, young

Annex 5 – SCC Budget 2019/20 Equality Impact Assessment

people and their families as well as reduce our over-reliance on independent placements comparative to our peer authorities. Whilst the intended effects of this change will mean increased in-county provision and support for in-house foster carers, there is the possibility that placement choice may be reduced, resulting in the potential for higher placement instability. Effective planning and completion of Sufficiency Plans will help identify the needs of LAC, so that gaps in provision can be proactively addressed.

35. The SEND Travel Assistance Policy continues the introduction of a wider variety of travel assistance options that are better adapted to the needs of children and young people, from the previous financial year. The service has actively promoted its independent travel training offer since the launch of the new arrangements in September 2018, and is currently devising a Travel Assistance Communications plan to continue to engage with residents around impacts of the policy change and potential mitigations.
36. A review is underway to assess the services the Highways, Transformation and Environment Directorate provides, including the future of public bus provision in Surrey. As the review progresses and proposals developed, reports will be presented to Cabinet with completed EIAs following stakeholder consultation and engagement.
37. Service changes attached to the Countryside Review, a continuation of savings from previous financial years, entail a reduction in contribution to hosted partnerships and a reduction in Rights of Way work. The public who visit the countryside, and those who benefit from some of the activities run by the partnerships experiencing funding reductions, are likely to continue to be affected. The service will continue to monitor the impact of these changes and make adjustments as appropriate as the impacts become apparent.
38. Changes to working practices in the Customer, Digital and Transformation directorate are likely to impact staff in a variety of ways. More flexibility and an 'agile' approach to working bring with it benefits for those staff members who are able to take advantage of this flexibility through, for example, working remotely or utilising digital to more effectively manage workloads. Early assessment suggest that those staff with protected characteristics may be less able to adapt to these changes and are the most likely to be affected. Those departments implementing new ways of working will monitor how members of staff are able to adapt and provide training and make adjustments as necessary.
39. Although there are difficult choices to make, our EIAs illustrate the commitment of the council to understanding the effects of decisions made and to mitigate negative impacts where possible. We will closely monitor the impact of decisions taken, especially those on the groups outlined within this section as potentially being at particular risk of impact.

Mitigations

40. As part of this equality analysis work, services have developed a range of mitigating actions that seek to offset impacts of savings proposals (as outlined in paragraphs 20 - 27 and in the EIAs themselves) on residents and staff with protected characteristics. In general terms, the Council's approach to mitigating impacts has been, or will be as strategic principles are developed into more formative proposals, to adopt one or more of the following:

Annex 5 – SCC Budget 2019/20 Equality Impact Assessment

- a. Putting service users and staff at the heart of service re-design, using co-design and consultation methods to produce services that are responsive and focus on supporting people that need them most. This means bringing together the right people early in the process to understand the issues and then decide what can be done collectively to improve outcomes.
- b. Undertaking ongoing evaluation of the impacts of changes to services so we can build further evidence of who is affected by them, to refine and strengthen the mitigations that are in place and to document and respond to unforeseen negative impacts.
- c. Providing tailored information to service users that are impacted negatively by savings proposals so they can draw on their own resources or seek further support either from the council or partner organisations.
- d. Ensuring any changes to staffing levels or staff structures are completed in accordance with the council's human resources policies and procedures and take account of the impact these changes have on the workforce profile. In particular, there may be positive career opportunities for staff with protected characteristics as a result of this activity.
- e. Increasing opportunities for residents to access council services in new and easier formats, such as through the use of digital technologies. Additional support will be provided for residents who may need help to adapt to the new formats, such as some older or disabled people.
- f. Ensuring that staff with protected characteristics are fully supported with training and adjustments as appropriate to allow them to access the new ways of working the transformation proposals give rise to and for all staff to be equipped to support residents to do the same.

Conclusions

41. As part of our drive to become a modern and efficient organisation, the council is undertaking changes in the way we deliver some services to residents. Some of these changes have necessitated Equality Impact Assessments to be undertaken to identify any groups with protected characteristics who may be impacted by these proposals.
42. This report has summarised the main themes and potential impacts on residents arising from savings proposals for the 2019/20 year, as well as mitigation activity. The scale of change the council needs to go through is significant, and will affect the residents that depend on our services. However, this report demonstrates, as part of our commitment to ensure that no-one is left behind, that we will always consider how these changes affect the most vulnerable residents and how we can support them through this period of transformation.
43. **This summary report should be read only in conjunction with each individual EIA.**

This page is intentionally left blank

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Recommissioning of Children’s Centres in Surrey
EIA author	Nikki Parkhill

2. Approval

	Name	Date approved
Approved by	Nigel Denning	07 January 2019
Approved by	Dave Hill (Executive Director, Children, Families, Learning and Culture)	07 January 2019
Approved by	Mary Lewis (Cabinet Member for Children)	16 January 2019

3. Quality control

Version number	v. 12	EIA completed	07 January 2019
Date saved	10.1.19	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Lesley Hunt	Supporting Children's Manager	Surrey County Council	Project Insight
Sue Turton	Children's Centre Advisory Team Manager	Surrey County Council	Project Insight
Chris Tisdall	Principal Commissioning Manager Early Help and Early Years	Surrey County Council	Project Insight
Dom McVey	Lead Commissioner, Insight and Innovation	Surrey County Council	Researcher & data analysis- Public Consultation
Nigel Denning	Early Help Transformation Lead	Surrey County Council	Advice

Annex 5a – Children’s Centres Equality Impact Assessment

Adam Whittaker	Policy and Strategic Partnerships Manager	Surrey County Council	Advice
Janet Polley / Deborah Chantler	Senior Principal Solicitors	SCC	Legal Advice

5. Explaining the matter being assessed

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

This EIA assesses the impacts of proposed changes to children’s centres in Surrey on children, families and staff who have protected characteristics.

Children’s centres bring together services for young children from birth to five years and their families in a multi-professional way. They work with children and families within and across the community and also make direct contact with families not accessing other services. In order to reach the children who need support the most, children’s centres take services into family homes and community settings used by families as well offering them from the centre. The core purpose for children’s centres is to ensure that by the time children reach school age they are ready to take advantage of all the opportunities available to them. Children’s centres make a key contribution to enabling families to become more resilient. This means that families are more able to cope with change and difficult circumstances.

There are currently 58 children’s centres in Surrey primarily supporting families with children aged 0-5.

It is proposed that our new Family Centres will focus on the children and families in most need. Currently the children’s centres offer a universal service and there is strong evidence that the families who are in greatest need do not use the centres, instead sometimes accelerating into child protection and public care. Research undertaken at Durham University points to better outcomes where there is a stronger focus on ‘hard to reach’ children and families.

There will be at least one Family centre in every district and borough, 21 in total, with 9 satellite centres. We will also retain a mobile Family Centre. We will enable other service providers to offer some universal services from our Family Centres. Surrey County Council will signpost universal or open access services. The Family Centres will act as hubs for partner agencies and community organisations to offer universal services such as Health Visiting, breast feeding advice and support for new parents.

The new Family Centres will work with children aged 0 to 11 and their families. The services will be targeted and referrals will come via our new Early Help Hub, which will replace the current MASH (Multi Agency Service Hub) arrangements. This new approach builds on the Family Resilience model, based on early intervention and support, which has at its core the goal of keeping families together where possible. We are seeking to avoid children becoming subject to child protection or public care, as far as this is appropriate. There will be parallel services for adolescents.

	<p>The proposed changes will mean that there will be fewer children’s centres in Surrey, but that the offer currently provided for families with children aged 0-5 will be extended to those with children aged 0-11. Resources will be targeted to families who need them the most, so centres will be located in areas with the lowest socio-economic outcomes. This is a different approach from how the council has historically allocated funding.</p> <p>The proposal seeks to achieve a £1m saving in 2019/20. The revised funding formula for centres will however mean that some boroughs and districts will experience a greater reduction than others.</p>
<p>What proposals are you assessing?</p>	<p>The purpose of children’s centres will be to develop the resilience of families with children aged 0-11. To do this they will contribute to three main strategic outcomes:</p> <ul style="list-style-type: none"> • Improving child and family health; • Narrowing the gap for disadvantaged children and families, and; • Strengthening family relationships and wellbeing. <p>As a result of increased resilience, children will be enabled to be happy; healthy; learn; achieve their potential; and become economically independent citizens.</p> <p>This EIA considers the following proposals:</p> <ul style="list-style-type: none"> • Children's Centres are remodelled to create Family Centres as part of a wider Family Service, to support the families with children aged 0 -11 that are the most vulnerable. • Family Centres are located in areas where children are most likely to experience poor outcomes, with at least 1 main centre in each district and borough supported by use of satellites, outreach workers and use of community venues. • To retain one mobile Family Centre in Surrey to deal with areas where there a small numbers of vulnerable children and families.
<p>Who is affected by the proposals outlined above?</p>	<p>The proposal is expected to affect:</p> <ul style="list-style-type: none"> • Children and families • The staff working in children’s centres • Health practitioners such Health visitors and Midwives who deliver from current children’s centres • Provision delivered by the Voluntary, Community and Faith Sector, and Lifelong Learning, that is currently offered at children’s centres. This may result in a broader loss of provision for families, and a loss of funding for the sector. • Young people who access youth provision at some of the venues being considered as delivery sites for children centre activities and the staff who work there

- Schools due to impact on the school readiness of children, and change of use of buildings on their premises.

6. Sources of information

Engagement carried out

Initial engagement sessions were held between January and February 2018 in the four Surrey quadrants, to acquaint partners and relevant stakeholders with the proposed model and what it could mean locally. Cluster meetings were also held across the 11 district and boroughs in Surrey during spring 2018 and engagement workshops were undertaken with current children’s centre staff in October 2018.

In addition, a seminar for Surrey County Council elected members took place in April 2018 which provided opportunity to discuss the overall Early Help consultation proposals with a strong focus on Children’s Centre restructure.

A formal public consultation ran from 30th October 2018 through to 4th January 2019 which involved an online survey delivered through Surrey Says (paper copies and an ‘easy read’ version were also available) and opportunities for face to face discussion at drop in events in every borough and district. Overall, we received 3739 responses to the survey. The vast majority of respondents agreed with the principle of earlier intervention, and two fifths agreed with allocating resources according to need. Recurrent themes included issues of access; rurality; transport; isolation; and a reduction of support for parents/ carers experiencing poor mental health and emotional wellbeing. These issues are discussed below and mitigations for these factors will be described.

Data used

The following key data was used to inform the proposal:

- SCC Early Help Needs Assessment (2018) and District & Borough Needs analysis
- Income Deprivation affecting Children in Need Index (IDACI)
- Lower Super Output Areas (LSOAs) figures
- Gender distribution in Surrey - Surrey-i
- Responses to the Proposed Model from Providers– Surrey Says
- Feedback from initial engagement and cluster meetings with providers.
- Children and Family Health Surrey – NHS
- Health and Wellbeing of Children and Young people in Surrey
- Office for National Statistics Figures
- Surrey Children’s Centre EStart Data extracted October 2018
- Data from the Outcomes Star reporting system
- Social Mobility Commission (2017) Social Mobility in Great Britain: 5th State of the Nation Report

- SCC Children’s Centre Reach Profiles (2016)
- Surrey Children’s Centre Outcomes Star report (extracted in October 2018)
- Department for Communities and Local Government (DCLG), IMD 2015
- The analysis of the responses to Phase 1 of the Family Resilience public consultation which focussed specifically on the proposals relating to children’s centres in Surrey (January 2019)

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

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<ul style="list-style-type: none"> Children aged 0-11, and their families, will have access to targeted activities and services that will help them to progress. Funding and provision is being allocated based on the Index of Deprivation Affecting Children (IDACI). Therefore, children and families who live in areas of lower income will benefit from services being located within their community. Families who need support but do not live close to a children’s centre will be supported by outreach workers. 	<ul style="list-style-type: none"> Reduction in universal services and fewer children’s centres will reduce access to provision for families: some existing entry points into preventative and targeted provision will be reduced. This may result in difficulties within families being missed, and these factors increasing. There may be an increased chance of children not meeting their milestones/ experiencing poor outcomes relating to health and wellbeing and school readiness. Children and families considered to have less/ lower level needs will have fewer opportunities to access provision as the delivery of universal services is significantly 	<p>According to the Office for National Statistics, there are approximately 71,000 children in Surrey aged 0-4 and 78,100 children aged 5-9. (https://www.surreyi.gov.uk/dataset/population-projections-2016-2041)</p> <p>As at 30 June 2015, registration rates at the 58 Children’s Centres across Surrey show that the range of services available reached 80% of families living in disadvantaged areas and 74% of families overall - <i>Health and Wellbeing of Children and Young people in Surrey</i></p> <p>The Surrey Children’s Centre Reach Profiles (2016) showed a range of 79.69% - 91.28% and mean average of 83% children aged 0-4 registered with a children’s centre.</p> <p>As of 12.10.18, there were 56,861 children registered at children’s centres in Surrey. This demonstrates that the percentage of 0-4 year olds registered at children’s centres has remained constant. Between 1st October 2017 and 30th September 2018, 16,735 were seen at children’s centres more than 3 times. The mean average number of attendances is 6.5</p>

		<p>reduced, or in some locations moved to being signposted elsewhere.</p> <ul style="list-style-type: none"> • Children from military families may be negatively impacted by the proposed closure of Mychett and Pirbright & Brookwood Children’s Centres. 	<p>times per annum with a range of 1 to 186 times seen during the 12 month period.</p> <p>Registration by age:</p> <ul style="list-style-type: none"> • 7,703 children aged 0 • 10,968 children aged 1 • 12,311 children aged 2 • 12,954 children aged 3 • 12,825 children aged 4 <p>The Early Help Needs Assessment (SCC, 2018) and the borough and district based Early Help Advisory Boards have identified that there is a gap in provision for children aged 5-11 and their families.</p> <p>10% of children in Surrey live in poverty. Children living in poverty experience worse outcomes than their peers living in more affluent households. This is more pronounced in affluent areas such as Surrey (Social Mobility Commission, 2017)</p> <p>35% of military children in Surrey live in Surrey Heath.</p>
<p>Disability</p>	<ul style="list-style-type: none"> • The new funding model will increase the percentage of funding available to areas with high deprivation. Disabled children disproportionately live in low economic areas. Funding will therefore be matched more appropriately to disabled families. 	<ul style="list-style-type: none"> • The proposed restructure may reduce the quantity of frontline universal services. This change may affect children with disabilities and their families. • It is thought that families with the most needs tend not to travel out of their local area as they do not drive and public transport is 	<p>Health and Wellbeing Surrey estimates that there are 8,500 children with a disability in Surrey. Of those children, it is estimated that 55% are living in poverty or near to living in poverty.</p> <p>According to the EStart data (October 2018), 167 children and 412 parents registered at children’s centres have declared a disability. However, of the children who have been seen at centres, 123 have been identified as having a disability and 179 have been listed as having ‘special needs’. It is unclear if any of those children have been identified against</p>

	<ul style="list-style-type: none"> • The focus on delivering targeted services is likely to include provision for families who have a child with special educational needs and/ or disabilities. • Outreach will be provided to ensure access for the families who would benefit most from support. 	<p>generally poor in those areas. It is estimated that only 6% have gone to another Children’s Centre.</p>	<p>both categories and if the data accurately reflects the number of disabled children and parents/ carers who access the provision.</p> <p>Of the 1038 families who are using the Outcomes Star:</p> <ul style="list-style-type: none"> • 55 parents have a chronic health condition as do 53 children; • 9 parents and 43 children have a sensory impairment; • 32 parents and 37 children have a physical disability; • 423 parents have mental health issues, as do 43 children; • 57 parents and 131 children have a learning disability. <p>It is important to note, however, that only 234 families have a single identified need, and therefore, the numbers listed above may capture an individual family for more than one category of need.</p> <p>The Early Help Needs Assessment (2018) has identified a gap in support for parents of children who have special educational needs and/ or disabilities and complex needs (incl. ASD and ADHD). A further gap identified is for access to provision that enables needs to be identified and responded to early.</p> <p>Post-natal depression has been identified as a key issue for many parents accessing children’s centres through the public drop-in sessions and the responses to the online survey. Post-natal depression is not linked to income. Partners and families are concerned about people who are experiencing post-</p>
--	---	--	--

			<p>natal depression and their ability to access provision. It has been suggested that post-natal depression is compounded by social isolation and changes in employment patterns and social life when the primary carer takes time away from work to be with their child during parental leave. According to Health Surrey, postnatal depression can happen at any time for up to two years after giving birth and affects 1 in 8 women.</p> <p>The IMD 2015 showed that the top 10 areas with a mental health need amongst the adult population at a greater level than the England average as;</p> <p>:</p> <ul style="list-style-type: none"> • Old Dean (Surrey Heath) • Merstham (Reigate and Banstead) • Preston (Reigate and Banstead) • Westway (Tandridge) • Horley Central (Reigate and Banstead) • Beare Green (Mole Valley) • Court (Epsom and Ewell) • Box Hill and Headley (Mole Valley) • Portley (Tandridge) • St Michaels (Surrey Heath). <p>Parents and community members who attended the public drop-in sessions during the consultation phase have highlighted the challenges of travelling for families who need to access a different children centre. In particular, they have highlighted that parents/ carers may need to take multiple buses which will be costly in both time and money. Public transport can be particularly inaccessible for disabled parents and children.</p>
--	--	--	--

			Some respondents to the public consultation highlighted that some provision that facilitates early identification and support for families who have children with special educational needs and/ or disabilities may be affected by the closure of some centres.
Gender reassignment	<ul style="list-style-type: none"> None identified for now although parents of children aged 5-11 who are questioning their gender identity, who identify as non-gender binary, or wish to transition, may be able to access more support. 	<ul style="list-style-type: none"> None identified at this stage 	It has not been possible to find any data specifically related to gender reassignment and children’s centres. It is possible that for some people, a change in children’s centre provision and staffing may feel difficult due to a fear of discrimination.
Pregnancy and maternity	<ul style="list-style-type: none"> Children’s centres will continue to provide invaluable support to families before, during and after pregnancy. The funding model will better target funding to areas of high deprivation where there are higher rates of pregnancy and support required for single parents. 	<ul style="list-style-type: none"> Children’s centres bring together an array of services and professionals such as health visitors, midwives etc. who provide invaluable services to pregnant women and nursing mothers. These services include baby weighing clinics, sleep and weaning workshops, breastfeeding and post-natal depression support. The reduction in the number of children’s centres is likely to impact on the choices parents have of when and where 	<p>As of January 2018, there were 5,554 pregnant women registered with the Children’s Centres across Surrey.</p> <p>About 145 teenage parents and 3380 lone parents of 0-4 children are registered with Children’s Centres across Surrey.- <i>Estart Data</i></p> <p>Children born to women under 20 are at a higher risk of being born into poverty (Surrey Young Parents Framework- draft- March 2007).</p> <p>21% of young women who are not in education, employment or training are young parents.</p> <p>Younger fathers are at risk of experiencing anxiety and depression, poorer physical health and nutrition, are more likely to use alcohol and substances, have</p>

		<p>they can access this provision.</p> <ul style="list-style-type: none"> The delivery of the Family Nurse Partnership, a service beneficial to many young mothers, could be impacted by the change. 	<p>poorer educational attainment and use violence within the family.</p> <p>Respondents to the consultation highlighted concerns about the negative impact of the reduction in the number of children’s centres on new parents, especially those who have limited support from families and/ or limited social networks, people who experience post-natal depression, those who experience challenges with breast feeding and women who are unable to drive in the weeks following the birth of their child who would currently be in walking distance of support. Respondents highlighted that these factors are compounded by rurality and infrequent, disjointed and costly public transport.</p>
<p>Race</p>	<ul style="list-style-type: none"> None identified 	<ul style="list-style-type: none"> There may be a negative impact on families who access particular children’s centres that are proposed to close, or the mobile provision which may be withdrawn. Families from GRT communities can potentially lack trust in local services and councils, with a stigma relating to these. The formalisation of referral routes into provision, increased targeted provision and a loss of universal provision, may 	<p>The ethnicity of 56% (32,360 children) of the children registered at children’s centres is unrecorded. 17, 598 have been identified as White British, 1,797 any other white background. 88 have been registered as Gypsy, Roma or Traveller. However, we know that there are approximately 10,000 to 12,000 GRT families in Surrey which includes approximately 1400 children, although this is likely to be a conservative estimate (Surrey Brighter Futures Strategy 2014-2017). This raises questions about the quality of data recorded on Estart. Some families choose not to declare their race/ ethnicity due to fears of and/ or experiences of judgement and discrimination. It may be that this is similar for people from other BAME groups.</p> <p>This population is disproportionately affected by poverty and GRT children have poorer outcomes in relation to educational achievement and increased experiences of discrimination, bullying and school</p>

		deter families from accessing provision.	exclusions. There is also a higher incidence of mental health issues and GRT children experience significant barriers to accessing health care. There is a need to secure better and more stable accommodation for this population in order to improve health and educational outcomes for children.
Religion and belief	<ul style="list-style-type: none"> None identified 	<ul style="list-style-type: none"> The changes to location and times of sessions may have an impact on families who have commitments relating to their religion/ beliefs. 	According to the 2011 Census, 62.7% of Surrey is Christian, 0.5% Buddhist, 1.3% Hindu, 0.3% Jewish, 2.2% Muslim, 0.3% Sikh and 24.7% no religion. There is a 4% difference between the percentages of people who identify as Christian in rural areas (66.2%) versus the percentage who identify in urban areas (62.3%).
Sex	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> The majority of parents using Children’s Centre services are female and any changes to the service will impact disproportionately on them, particularly those with young children. Some centres run specific services for dads, usually run on a weekend, which may be impacted by a reduction in staff and the number of sites. 	<p>Of 82,776 parents registered, 59.8% are female Of children seen, 48.92% are female and 51.03% male, with no gender given for the remaining children.</p> <p>Younger fathers are at risk of experiencing anxiety and depression, poorer physical health and nutrition, are more likely to use alcohol and substances, have poorer educational attainment, are more likely to experience time in custody, and to use violence within the family. (Surrey Young Parents Framework- draft-March 2007).</p> <p>63% of the respondents to the Public Consultation were female.</p> <p>Some respondents to the Public Consultation highlighted the importance of the activities delivered for fathers at children’s centres. Respondents mentioned in particular the value of men being able to</p>

			meet other fathers and to have the opportunity to develop a strong bond with their children. One father mentioned that he felt it particularly important for men to have the opportunity to spend time with their children without their mum so that she can have some time for herself in order to enhance her wellbeing.
Sexual orientation	<ul style="list-style-type: none"> • None identified, although parents of children aged 5-11 who are questioning their sexual orientation may be able to access more support. 	<ul style="list-style-type: none"> • None identified 	It has not been possible to find any data specifically related to sexual orientation and children’s centres. It is possible that for some people, a change in children’s centre and staff may feel difficult due to a fear of discrimination.
Marriage and civil partnerships	<ul style="list-style-type: none"> • None identified 	<ul style="list-style-type: none"> • None identified 	<p>Parents registered at Children’s Centres across Surrey as of 15.10.18 (eStart data extract):</p> <ul style="list-style-type: none"> • Non-recorded status 13,513 • Civil partnership 144 • Divorced 184 • Living with partner 16,743 • Married 47,815 • Separated 462 • Single 3838 • Widowed 77
Carers (protected by association)	<ul style="list-style-type: none"> • None identified 	Carers may have to travel further to access services (see the section on Disability) and may experience a loss of support, specifically for families with children who have special educational needs and/or disabilities.	<ul style="list-style-type: none"> • See the section on Disability

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> Feedback from initial engagement and cluster meetings with Providers. CC staff data related to staff directly employed by SCC as of 2018
Disability	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> Staff with disabilities may be negatively impacted by the proposals if service relocation requires different methods of transport. Staff who are carers, and those they care for, may be negatively impacted if staff are relocated The changes to children’s centres, and therefore working arrangements, may have a negative impact on the mental health, emotional wellbeing and physical health of affected staff. 	<ul style="list-style-type: none"> Feedback from initial engagement and cluster meetings with Providers
Gender reassignment	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> None identified at this stage 	
Pregnancy and maternity	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> Staff who are on maternity or adoption leave during the changes to staffing structures may be negatively impacted because they are not able to contribute to any developmental work within the directorate, or have the opportunity to choose which role to apply for. 	

Race	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	-
Religion and belief	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	
Sex	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • The vast majority of staff employed in Children’s Centres are female, and therefore, women will be disproportionately affected by the proposed changes. 	<ul style="list-style-type: none"> • All the current Children’s Centre managers are female.
Sexual orientation	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	
Marriage and civil partnerships	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	
Carers (protected by association)	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • Carers may experience a negative impact due to changes to working locations and working patterns which may result in it being challenging to fulfil caring responsibilities 	

8. Amendments to the proposals

Change	Reason for change
Reinstate the delivery of mobile provision through the use of a bus.	To ensure that families living in rural areas and isolated communities are able to access provision that enables their children to achieve positive outcomes. 55% of respondents to the public consultation disagreed/ strongly disagreed with removing this provision.
Ensure there is a robust approach to outreach across the county through the use of community venues and delivery in homes.	To ensure that families who are in need of support, but do not live close to a children’s centre or face barriers relating to transport, are able to access the services required.
Develop an approach to recruiting, training and involving volunteers and voluntary organisations in the delivery of provision alongside skilled and qualified paid staff.	This is response to feedback gathered through the public consultation. 62% of respondents thought that volunteers could help with running activities and nearly 50% said that they would volunteer. This approach provides greater flexibility and resource for delivery which may mean that some universal provision is able to continue.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate the negative impact	By when	Owner
Disruption in services targeted at pregnant women and nursing mothers.	Ensure clear communication with health colleagues about the potential changes and supporting them to find alternative delivery sites to minimise disruption to services.	March 2019	Director for Family Resilience & Safeguarding
Children’s centres provide wide-ranging services and a disruption in service delivery is likely to be felt by children and their families.	Ensure that there is clear communication with families and partners so that they are clear about the changes to be made and the provision that will be available. Where particular communities, groups and individuals have been identified as being negatively impacted, develop a local solution via an outreach approach.	March 2019	Director for Family Resilience & Safeguarding
A reduced number of physical centres and opportunities to identify	<ul style="list-style-type: none"> The new Early Help Hub will act as the referral pathway for the Children’s Centre 	April 2019	Director for Family

<p>families in need of support. Effective arrangements to identifying families who need support and then ensure they are met need to be established.</p>	<p>Outreach workers. The Hub will consider the needs of the family and match with the most appropriate support.</p> <ul style="list-style-type: none"> • Work closely with partners (including the VCFS) who deliver universal services to families to ensure that they are able to identify causes for concern and that referral routes into children’s centre activity are clear. Collaborative, co-ordinated and close partnership working has been highlighted by Ofsted as good practice in the delivery of early help services for families. • Ensure that families know where to go for help should they need it by promoting children’s centres and the Family Information Service through universal services. • Deploy outreach workers within communities identified as having higher/ specific needs. 		<p>Resilience & Safeguarding</p>
<p>Some groups including military families, those who have children with special educational needs and/ or disabilities and families from the Gypsy, Roma and Traveller communities may experience particular barriers to accessing provision should their local centre close or targeted groups be re-located.</p>	<ul style="list-style-type: none"> • Develop a deep understanding of the barriers experienced by families with particular needs in order to respond appropriately. • Work with other services and voluntary organisations that support GRT and military families. • Continue targeted outreach services, mobile provision and the allocation of adequate resources to support groups with particular needs. • Ensure that the service specification clearly identifies priority groups and the requirement for outreach work. 	<p>April 2019</p>	<p>Director for Family Resilience & Safeguarding</p>

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<ul style="list-style-type: none"> Women will be predominantly affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of Children’s Centres. 	Sex
<ul style="list-style-type: none"> Disabled staff and staff who have caring responsibilities, and their families, may be negatively impacted by the proposals if service relocation requires different methods of transport. There is also the possibility of being redeployed to roles not best suited to disabled personnel. 	Disability

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> Initial engagement sessions were held between January and February 2018 in the four Surrey quadrants to acquaint partners and relevant stakeholders with the proposed model and what it could mean locally. Cluster meetings were held across the 11 District and Boroughs in late February and early March 2018. These provided opportunities to initiate development of the governance plans and funding proposals for the future Family Places model within each district and borough. A member seminar took place in April. This provided an opportunity to discuss the overall Early Help consultation proposals with a strong focus on Children’s Centre restructure. A formal public consultation ran from 30th October 2018 through to 4th January 2019 which involved an online survey delivered through Surrey Says (paper copies and an ‘easy read’ version were also available) and opportunities for face to face discussion at drop in events in every borough and district <p>The following key data was used to inform the proposal:</p> <ul style="list-style-type: none"> SCC Early Help Needs Assessment (2018) and District & Borough Needs analysis Income Deprivation affecting Children in Need Index (IDACI) Lower Super Output Areas (LSOAs) figures Gender distribution in Surrey - Surrey-i Responses to the Proposed Model from Providers– Surrey Says Feedback from initial engagement and cluster meetings with providers. Children and Family Health Surrey – NHS Health and Wellbeing of Children and Young people in Surrey Office for National Statistics Figures
---	---

	<ul style="list-style-type: none"> • Surrey Children’s Centre EStart Data extracted October 2018 • Data from the Outcomes Star reporting system • Social Mobility Commission (2017) Social Mobility in Great Britain: 5th State of the Nation Report • SCC Children’s Centre Reach Profiles (2016) • Surrey Children’s Centre Outcomes Star report (extracted in October 2018) • Department for Communities and Local Government (DCLG), IMD 2015 • The analysis of the responses to Phase 1 of the Family Resilience public consultation which focussed specifically on the proposals relating to children’s centres in Surrey (January 2019)
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<ul style="list-style-type: none"> • Children aged 0-11, and their families, will have access to targeted activities and services that will help them to progress. • Funding and provision is being allocated based on the Index of Deprivation Affecting Children (IDACI). Therefore, children and families who live in areas of lower income will benefit from services being located within their community. • Families who need support but do not live close to a children’s centre will be supported by outreach workers. • More women will be affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of children’s centres. • Disabled staff and staff who have caring responsibilities, and their families, may be negatively impacted by the proposals if service relocation requires different methods of transport. There is also the possibility of being redeployed to roles not best suited to disabled personnel. • Some children and families who experience particular barriers to engagement, are unable to travel to their nearest children’s centre or do not engage with universal provision may miss out on support and activity at an early stage because they remain unknown to the outreach teams. • The consultation responses have shown a low level of agreement with the proposed locations of Family Centres. The responses largely focus on the loss of a local facility and access to the universal services they provide. A significant number of responses suggested using alternative community venues.
<p>Changes you have made to the proposal as a result of the EIA</p>	<ul style="list-style-type: none"> • Reinstate the delivery of mobile provision through the use of a bus

<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<ul style="list-style-type: none"> • Ensure clear communication with health colleagues about the potential changes and supporting them to find alternative delivery sites to minimise disruption to services and enable them to continue to provide universal activities at the remaining centres in the future model. • Ensure that there is clear communication with families and partners so that they are clear about the changes to be made and the provision that will be available. Where particular communities, groups and individuals have been identified as being negatively impacted, develop a local solution via an outreach approach. • Work with closely with partners (including the VCFS) who deliver universal services to families to ensure that they are able to identify causes for concern and that referral routes into children’s centre activity are clear. Collaborative, co-ordinated and close partnership working has been highlighted by Ofsted as good practice in the delivery of Early Help services for families. • Ensure that families know where to go for help, should they need it, by promoting children’s centres and the Family Information Service through universal services. • Deploy outreach workers within communities identified as having higher/ specific needs. • Develop a deep understanding of the barriers experienced by families with particular needs in order to respond appropriately • Work with other services and voluntary organisations that support GRT and military families. • Continue targeted outreach services, mobile provision and the allocation of adequate resources to support groups with particular needs. • Ensure that the service specification clearly identifies priority groups and the requirement for outreach work. • Ensure that the services specification includes enabling and developing Universal activities that can be provided by other partner agencies.
<p>Potential negative impacts that cannot be mitigated</p>	<ul style="list-style-type: none"> • More women will be affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of Children’s Centres. • Staff with disabilities may be negatively impacted by the proposals if service relocation requires different methods of transport.

This page is intentionally left blank

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Special Educational Needs and Disabilities Strategy
EIA author	Peter Schnabel, SEND Implementation Officer

2. Approval

	Name	Date approved
Approved by	Liz Mills (Director - Education, Life-Long Learning and Culture)	18 January 2019
Approved by	Dave Hill (Executive Director, Children, Families, Learning and Culture)	18 January 2019
Approved by	Julie Iles (Cabinet Member for All-Age Learning)	18 January 2019

3. Quality control

Version number	V2.1	EIA completed	18 January 2019
Date saved	18 January 2019	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Zarah Lowe	SEND Transformation Programme Manager	SCC	EIA Responsible Officer
Peter Schnabel	SEND Implementation Officer	SCC	Author/EIA co-ordinator
Deborah Chantler/ Janet Polley	Senior Principal Solicitors	SCC	Legal advisor
Kirsty Cole	Principal Commissioning	SCC	Data advisor

	Manager (Analytics)		
Susie Campbell	Quality Assurance and Professional Standards Develop Manager (Social and Emotional Mental Health)	SCC	Service user impacts

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>The purpose of this Equality Impact Assessment is to review the potential impact of the proposed special educational needs and disabilities (SEND) Strategy for Surrey.</p> <p>The strategy focuses on inclusion and ensuring that children with SEND can get a good education at a school close to their home. The aim of the strategy is to make sure that every child growing up in Surrey has the best possible start in life so that children and young people with special educational needs and disabilities are able to live, learn and grow up locally. We also need to ensure that this provision is cost-effective, fair across the range of children and young people's differing needs and sufficient when taking into account predicted future rising levels of need.</p> <p>We recognise that SEND impacts the whole family, including parents, carers and siblings, and that the whole family is key to supporting the child or young person with SEND and helping them to reach their potential. We therefore need to take a collective approach to ensure that support is in place to address not only the needs of the child or young person with SEND, but also their family.</p>
<p>What proposals are you assessing?</p>	<p>In order to improve outcomes for children and young people and achieve financial sustainability, we have developed a strategy based on supporting children and young people with SEND at an earlier stage.</p> <p>The strategy is based on five key principles:</p> <ol style="list-style-type: none"> 1. Children with special educational needs are identified earlier and supported in a timely and effective way, in order to improve their outcomes and wellbeing. 2. There is an increased focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions. 3. Children and young people are helped to become resilient and independent so that they can lead independent and fulfilling lives in their own communities. 4. The voices of our children, young people and families are heard so they can shape and inform how we work together to get the best results. 5. Surrey's early years settings, schools, colleges and other providers are able to support children to live, learn and grow up locally and achieve their full potential. <p>The recent SEND consultation (30 October 2018 – 4 January 2019) asked Surrey residents to feedback on the proposed five principles, the areas of transformation and what they see as priorities for improvement. Feedback is being used to support further engagement</p>

and co-design activity work with families, health partners, education and other partners to develop this strategy into a jointly owned Surrey special educational needs and disabilities strategy and long term action plan.

This EIA considers the principles of the proposed SEND Strategy and the transformation proposals that have been developed in line with the strategic approach

The proposals are grouped into four areas of transformation and we are proposing to make investment into the programme in two ways:

- Providing additional core funding over the next two years
- Investment in transformation over two years directly through the SEND Transformation programme and two associated programmes (All Age Learning Disability and Family Resilience).

1 Early identification and support

In early years, schools and colleges, we will ensure children and young people with additional needs are identified earlier and receive the assessment and support they need when they need it. This means we will:

- Ensure easier access to information, advice and support.
- Develop a graduated pathway (known as a Graduated Response) with associated guidance and support to ensure children and young people with additional needs receive early support and assessment to prevent escalation to more complex needs.
- Provide support through Educational Psychology, speech and language therapy and other support at an early stage (pre-statutory) for those who need it, as part of the graduated response.
- Establish an early help behaviour and emotional wellbeing pathway that will support children and young people with mental health needs and/or challenging behaviour and their families both at home and at school. This will also be part of the graduated response.
- Support education settings, including nurseries and schools to implement the graduated response.
- Develop a robust outcomes framework and monitoring tools.
- We will review and promote the local offer.

2 Developing local services and managing the market

We will:

- Increase our local specialist school places by providing around 350 additional places over the next two years and making use of

available capacity by working with existing schools to extend and adapt their arrangements.

- Increase our post-16 and post-19 education focussed pathways by creating around 100 additional places and programmes of support over the next two years.
- Create more specialist post-16 employment focused pathways through increasing our adult learning and employability provision, and expanding our Supported Internship programme, targeting an additional 120 places over four years.
- Develop a long term property strategy for specialist school provision in order to meet the needs of children with SEND.
- Work with specialist education providers and recommission where needed to ensure we are able to support a wider range of children and reduce the number of children and young people with SEND who are out of school or being placed in high cost placements in the non-maintained and independent sector. This will be accompanied by a new funding model to support a graduated pathway.
- Implement an attendance monitoring system in targeted specialist settings to improve safeguarding, gain a clearer picture about attendance and ensure best value for money.
- Implement an ambitious market management strategy in order to achieve efficiencies in the non-maintained and independent sector. This will be supported by a dynamic purchasing system currently being tendered to manage the procurement of placements and achieve better value for money.

3 Partnership working

Working with partners in healthcare and education to ensure educational provision is effective, of a high quality and delivers the best educational outcomes for children and young people with SEND.

We will:

- Facilitate the creation of local school clusters (taking account of/building on existing arrangements) and special school hubs to support flexible and blended offers of provision for children and young people with SEND.
- Develop a new school effectiveness approach, with inclusion at the heart, and seek to ensure that we reduce the number of exclusions and absence for children and young people with SEND, in-year placement changes and the number of children and young people with SEND in Pupil Referral Units for lengthy periods of time. The provision of additional specialist places where needed will also support this approach.
- Improve the quality, impact, timeliness and suitability of SEN Support plans and education, health and care planning through

<p>Who is affected by the proposals outlined above?</p>	<p>the improvement of quality assurance arrangements. We will use the graduated response and annual reviews to help achieve this.</p> <ul style="list-style-type: none"> • Develop joint commissioning for children and young people with complex needs involving parents, carers, children and young people in the planning, monitoring and evaluation of services, for example, therapy provision and Children, Adolescent and Mental Health Services (CAMHS) through new commissioning team arrangements. • Improve transition for young people and support them in preparing for adulthood. This will be in conjunction with investment into an all-age disability service being developed within the County Council and with young people and partners. <p>4 Improving policy and practice</p> <p>Improve the quality of our practice with partners to improve the experience for children and young people with SEND and their families. We will:</p> <ul style="list-style-type: none"> • Improve practice and the level of skills and knowledge for all those working with children and young people with SEND. This will be developed through the newly established Children’s Academy and by Teaching Schools and National Leaders of Education. • Commission a new outreach offer for mainstream schools through our Special Schools and Pupil Referral Units which will become hubs of excellence linked to early intervention and support. • Review and streamline our processes and policies to improve management and coordination of area information and maximise the positive impact of digital technology. • Improve the help, support and development for SENCos (Special Needs Co-ordinators within schools) through improved SENCo networks, training and development opportunities through the Children’s Academy, sharing best practice and helpdesk arrangements.
	<p>There are approximately 200,000 pupils in Surrey state-funded schools. Of these children and young people there are around 23,000 receiving special educational needs (SEN) support in an educational setting.</p> <p>In addition, Surrey maintains education, health and care plans (EHCPs) for a further 8,600 pupils (as of October 2018).</p> <p>The key groups affected by the proposals set out in this EIA are:</p> <ul style="list-style-type: none"> • Children and young people with SEND aged 0-25 in Surrey. • Parent carers (this term covers parents, grandparents, foster parents and special guardians) and siblings.

- Provider organisations across education, health and care and training including, but not limited to: early years settings; schools (maintained and independent); colleges; and providers of employment related skills and training.
- Staff from provider organisations including local authority staff and provider staff who support children and young people with SEND and their families.

6. Sources of information

Engagement carried out

- Service leads workshop (9 July 2018)
- Surrey CCG Children’s Lead Commissioner and Children and Families Health Surrey
- Schools Forum
- Schools Phase Councils (Early Years, Primary, Secondary and Special)
- Schools Funding consultation (3-25 September 2018)
- Family Voice Surrey – children, young people, families
- Individual Interviews with key professionals undertaken by The ‘Public Office’
- A formal public consultation on the proposed SEND strategy opened on 30 October 2018 and closed on 4 January 2019. Engagement and consultation events were conducted across All Districts and Boroughs, including evening and weekend events.

There were a total of **1133** responses to the consultation:

- **637** (56%) of respondents are a parent/carer of a child or young person with SEND
- **21** (2%) respondents are young people with SEND
- **837** (74%) of respondents are female
- Only **4%** of respondents identify as from black and minority ethnic (BME) groups. (Expectations in line with population from 2011 census would be 10%)

Data used

- Joint Strategic Needs Analysis (JSNA)
- SEND Strategy (Draft):
 - Finance data – historical spend in previous years and projected spend
 - MTFP
 - Performance Data
 - School Attainment data
 - Benchmarking against other similar Local Authorities
 - Overall Surrey Transformation Plan – other transformation programmes which support delivery of SEND services:
 - Family Resilience
 - All Age Learning Disability (AALD)
 - Information/research regarding peer local authority operating models
 - Personal Outcomes Effectiveness Tool (POET)
 - SEND Sufficiency
 - Sustainable Futures Project
- Family Voice Surrey SEND Survey (Submission to SCC re SEND Transformation Strategy Consultation – January 2019)
- Public consultation on SEND Strategy (30 October 2018 to 4 January 2019) – initial quantitative and qualitative findings – summary report January 2019:

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

The SEND Strategy has been developed in order to improve outcomes for children and young people and achieve financial sustainability.

The strategy proposes to achieve the shift in focus of support for children and young people with special educational needs and disability to an earlier pre-statutory stage and reduce our reliance on high cost placements in the non-maintained and independent sector.

This wide ranging transformation, involving all stakeholders, means that we will do things in a different way to deliver the better outcomes in a way that is financially sustainable.

In response to the feedback we have received back from the consultation we are proposing to do further engagement and co-design work with families and health and other partners to develop a strategy and a more detailed action plan that is jointly developed and owned with partners that will be consulted on and impact assessed as necessary.

Strategy / Proposal	Impact
<p>Early Identification and Support:</p>	<p>The impact of early identification and support will be that more children and young people with additional needs will receive early support and assessment with the aim of preventing escalation to more complex needs. This means that fewer children are likely to require specialist support and provision. In addition, working across services to provide early intervention, mental health support and a blended offer of wraparound support as need.</p> <p>We would expect early identification and support to potentially impact in the following ways:</p> <ul style="list-style-type: none"> • to increase the number of children with SEN Support Plans receiving specialist support at a pre-statutory stage. • to improve in the attainment and progress for children and young people on SEN Support and with a Statutory plan • to increase the number of children and young people who attend mainstream settings • to decrease the number of children who need to request an EHCP • to decrease the number of children and young people with SEND who are excluded from education settings.
<p>Developing local services and</p>	<p>The investment in more state-funded specialist provision in Surrey or close to Surrey will drive the following impacts:</p>

<p>managing the market:</p>	<ul style="list-style-type: none"> • An increase in the number of state-funded specialist school places in Surrey so that children will not need to travel so far to school and are able to maintain links with their community • An increase in the number of children and young people travelling independently or supported by their family • A decrease in the average distance travelled between home and school for pupils with EHCPs • An increase in the number of post 16/19 employment focussed pathways for young people to provide better support for their preparation for adulthood
<p>Partnership working:</p>	<p>Working in partnership with health, care and education settings and other services and organisations will ensure that children and young people with SEND achieve good outcomes and access provision and services that are of a high quality. Within this area of transformation, there is a focus on improving school effectiveness and sharing of best practice.</p> <p>This area of transformation will have the potential impact of:</p> <ul style="list-style-type: none"> • An improvement in the attainment and progress for children and young people on SEN Support and with a statutory plan. • a decrease in the number of children and young people with SEND who are excluded from education settings • a decrease in the number of children who need to request an EHCP
<p>Improving policy and practice:</p>	<p>Improving policy and practice through upskilling the wider workforce supporting children and young people with SEND and their families and streamlining processes and policies is likely to have the following impact:</p> <ul style="list-style-type: none"> • Increasing the number of children and young people with EHC plans who are able to attend and remain in mainstream settings • An improvement in the attainment and progress for children and young people on SEN Support and with a statutory plan

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>Early identification and support implemented across all ages giving early access to support and intervention.</p> <p>Improved transition for young people and support for them in preparing for adulthood.</p> <p>Increase in post – 16 and post – 19 pathways by creating around 100 additional places and programmes of support over the next two years. We will also work with post-16 providers and special schools to create additional post -16 capacity</p> <p>Create more specialist post - 16 employment focussed pathways through increasing our adult learning and employment provision and expanding our Supported Internship programme.</p>		<p>Identification of special educational needs and disabilities across the 0 to 25 age range will differ according to age and type of need.</p> <p>The proposals to provide more educational psychology and therapy support in the pre-statutory phase before a request for an EHCP has been made should benefit all age groups to reduce the level of need escalating by delivering more timely support.</p> <p>Special educational needs may begin to be identified when a child moves into an Early Years setting, such as a nursery or childminder.</p> <p>Many needs are identified once a child has moved to primary school or secondary school.</p> <p>The FVS survey highlighted the overwhelming support for the positive impact of post 16 special education and employment opportunities.</p> <p>The Special Educational Needs and Disability Code of Practice: 0-25 years specifically requires the application of a graduated approach to support children and young people with SEND prior to any statutory assessment and planning.</p>

			<p>The proposals place more emphasis on Preparing for Adulthood for those in National Curriculum Year 9 and beyond. This is the reasoning for developing more pathways for independence and employment for young people over 16.</p> <p>The number of EHCPs by age groups are shown below:</p> <p>Number of EHCPs ages 0-25 (5 October 2018):</p> <ul style="list-style-type: none"> • 8600 EHC Plans <p>Age of EHCP holders / General Population (NCY?)</p> <ul style="list-style-type: none"> • 0 to 4, 3.4% / 20.2% • 5 to 9, 27.9% / 22.2% • 10 to 14, 35.0% / 20.9% • 15 to 19, 28.8% / 18.8% 20 to 24, 4.9% / 18.0%
<p>Disability</p>	<p>Early Identification and Support</p> <p>Increased Educational Psychology, Speech and Language Therapy (SLT) and Occupational Therapy (OT) capacity and support as part of graduated response for children and young people in pre-statutory phase.</p> <p>Early identification and support removes lengthy statutory assessment process before the delivery of more timely and appropriate support</p>		<p>440 respondents to the public consultation (out of 1133 – 39%) provided written comments in addition to the quantitative assessment of the proposals regarding this transformational area of work.</p>

	<p>Establishing a new early help behaviour and emotional wellbeing pathway and additional support reduces exclusions from settings.</p> <p>Graduated response requires partners and educational settings to deliver more services and outcomes in pre-statutory phase.</p> <p>Provision closer to home and market management</p> <p>More local school provision will reduce travel distances and time for children and young people.</p>	<p>Market management of the NMI sector may result in some schools withdrawing from the market with negative consequences for the range of specialist provision available to meet the needs of children and young people. Some types of complex/specialist provision may no longer be available.</p> <p>Parents may perceive that less specialist provision is available for children and young people with the strategy’s aim to reduce the number of children and young people placed further away from home in non-maintained and independent placements</p>	<p>396 respondents to the public consultation (out of 1133 – 33%) provided written comments in addition to the quantitative assessment of the proposals regarding this transformational area of work. Sufficiency plan and supporting analysis provides a detailed analysis of home to school travel distances</p> <p>With fewer NMI places and more children attending maintained special schools, the increased number of maintained special school places will be located to address local unmet needs and to reduce travel distances/times equitably. The sufficiency planning has identified areas of unmet need and travel times/distances.</p> <p>Some respondents from the public consultation wrote about how more support is needed for children and young people in mainstream settings and some respondents gave personal experiences of mainstream not meeting needs. This issue of ‘mainstream not meeting needs’ was a high ranking topic in the consultation question regarding the principles of the proposed strategy. Some respondents were hopeful that more children and young people with SEND could attend mainstream settings in the future if</p>
--	---	--	--

			<p>The primary contacts for parents of children with EHCPs are the SEN Caseworker and the child’s school for case specific issues.</p> <p>More general information about SEND can be obtained from many sources including Voluntary, Community and Faith Sector (VCFS) organisations, the SEND Local Offer, Family Information Service (FIS) and Surrey SEND Information, Advice and Support Service (SSIASS).</p> <p>Young people can meet new friends through the Surrey Youth Advisors Service (SYAS).</p> <p>Effective communication channels need to be designed to meet the needs of different audiences - children, young people and their parents/carers.</p> <p>The drive for more digital communication must not disadvantage those groups whose do not have access to IT or are unable to use it effectively.</p>
Gender reassignment	Gender identity and sexual orientation issues may be masked by behavioural and Emotional Wellbeing and Mental Health difficulties making early intervention and support more difficult to deliver effectively.	None identified	<p>No SEND specific data is available.</p> <p>Gender identity issues may be masked by behavioural and EWMH difficulties making early intervention and support more difficult to deliver effectively.</p>
Pregnancy and maternity	None identified	None identified	
Race	None identified	None identified	<p>The response to the consultation was low from BME and therefore we need to do further work to understand the potential impacts that these proposals will have.</p> <p>The effectiveness of early intervention by Education Psychologists and Speech and Language Therapists as part of the proposals for graduated response may be</p>

			reduced if children from ethnic groups have not had ‘First Language Assessments’. Identification of SEND in children for whom English is not their first language may be difficult because of language issues.
Religion and belief	None identified	None identified	
Sex	Proposals to increase special school places according to local need may allow any increase in demand for single sex or mixed provision to be addressed.	None identified	<p>More boys than girls in Surrey are identified as having special educational needs and disabilities for both SEN Support Plans and statutory EHC Plans. In addition, we know that the incidence of differing types of need are changing at different rates, such as the increasing number of girls requiring social, emotional and mental health (SEMH) provision.</p> <p>For all types of special educational support (both statutory EHC plans and SEN Support plans) in Surrey schools (is this maintained schools? Only SEN support in mainstream), boys outnumbered girls by over two to one with 14354 boys and 6903 girls (SCC SEND Needs analysis 2016)</p> <ul style="list-style-type: none"> • General Surrey population (Male, 51.1% EHC holders: <ul style="list-style-type: none"> • Female, 26.4% • Male, 73.6% <p>This means that the proportion of boys to girls increases to 3 to 1 for holders of EHC plans.</p>
Sexual orientation	Gender identity and sexual orientation issues may be masked by behavioural and Emotional Wellbeing and Mental Health difficulties making early intervention and support more difficult to deliver effectively.	None identified	<p>Sexual orientation issues may be masked by behavioural and EWMH difficulties making early intervention and support more difficult to deliver effectively.</p>

Marriage and civil partnerships	None identified	None identified	
Carers (protected by association)	None identified	None identified	

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence																										
Age	The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable	1. Some staff with protected characteristics may struggle to adapt to the new technology	<p>Ages of local authority staff working in SEN (excludes children's social care) – source SCC Data Operations – Equalities & diversity Monitoring Green Sheet - January 2019):</p> <table border="1"> <thead> <tr> <th>Age range (years)</th> <th>Percentage %</th> </tr> </thead> <tbody> <tr> <td>20-24</td> <td>3.4</td> </tr> <tr> <td>25-29</td> <td>9.4</td> </tr> <tr> <td>30-34</td> <td>9.3</td> </tr> <tr> <td>35-39</td> <td>13.9</td> </tr> <tr> <td>40-44</td> <td>13.0</td> </tr> <tr> <td>45-49</td> <td>13.6</td> </tr> <tr> <td>50-54</td> <td>14.6</td> </tr> <tr> <td>55-59</td> <td>11.6</td> </tr> <tr> <td>60-64</td> <td>7.9</td> </tr> <tr> <td>65-69</td> <td>2.7</td> </tr> <tr> <td>70-74</td> <td>0.6</td> </tr> <tr> <td>75+</td> <td>0.2</td> </tr> </tbody> </table> <p>Just over 50% of staff are aged 45 or older.</p>	Age range (years)	Percentage %	20-24	3.4	25-29	9.4	30-34	9.3	35-39	13.9	40-44	13.0	45-49	13.6	50-54	14.6	55-59	11.6	60-64	7.9	65-69	2.7	70-74	0.6	75+	0.2
Age range (years)	Percentage %																												
20-24	3.4																												
25-29	9.4																												
30-34	9.3																												
35-39	13.9																												
40-44	13.0																												
45-49	13.6																												
50-54	14.6																												
55-59	11.6																												
60-64	7.9																												
65-69	2.7																												
70-74	0.6																												
75+	0.2																												

<p>Disability</p>	<p>The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable</p>	<p>Detailed proposals to be developed may change ways of working for different SEND related jobs with a range of potential impacts. These might include changes to the requirements for travel or changes to ways of working through increased use of digital technologies with implications for staff with physical and sensory disabilities.</p> <p>The proposals currently identify no changes</p>	<p>Disability analysis: 11.1 % of staff have declared disabilities</p> <ul style="list-style-type: none"> • Types of staff disability (which may impact on ways of working: <ul style="list-style-type: none"> ○ Mobility, transport ○ Visual/aural - Use of IT/phones etc <p>Many SEND staff already travel to meet children, young people and their families. The strategy to increase early intervention and support is unlikely to increase the amount of travel.</p>
<p>Gender reassignment</p>	<p>None identified</p>	<p>None identified</p>	
<p>Pregnancy and maternity</p>	<p>The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable</p>	<p>Detailed proposals to be developed may change ways of working for different SEND related jobs with a range of potential impacts. These might include changes to the requirements for travel or changes to ways of working through increased use of digital technologies with implications for staff with physical and sensory disabilities.</p> <p>The proposals currently identify no changes</p>	<p>Data is not held on pregnancy and maternity.</p> <p>With 90% of staff being female and 50% of staff aged under 45, this means that at least 40% of staff under age 45 will be female.</p> <p>It is therefore reasonable to assume that pregnancy and maternity issues will need to be considered carefully in the co-design of detailed proposals.</p>

Race	None identified	None identified																
Religion and belief	None identified	None identified																
Sex	None identified	<p>Changes to working practices may affect more women than men due to the larger number of women than men in many SEND roles.</p> <p>The proposals currently identify no changes and consequential impacts.</p>	<p>Gender and full time/part time status (SEN staff):</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Full/part time</th> <th>Percentage %</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>Full Time</td> <td>27.9</td> </tr> <tr> <td>Female</td> <td>Part Time</td> <td>60.7</td> </tr> <tr> <td>Male</td> <td>Full Time</td> <td>5.5</td> </tr> <tr> <td>Male</td> <td>Part Time</td> <td>5.9</td> </tr> </tbody> </table> <p>A total of 88.6% of staff are female.</p>	Gender	Full/part time	Percentage %	Female	Full Time	27.9	Female	Part Time	60.7	Male	Full Time	5.5	Male	Part Time	5.9
Gender	Full/part time	Percentage %																
Female	Full Time	27.9																
Female	Part Time	60.7																
Male	Full Time	5.5																
Male	Part Time	5.9																
Sexual orientation	None identified	None identified																
Marriage and civil partnerships	None identified	None identified																
Carers (protected by association)	The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable	None identified	<p>Data is not held on whether a role holder within the organisation has carer responsibilities.</p> <p>However, it would not be unreasonable to assume that there are a significant number of staff with carer responsibilities because the following data is closely aligned with generally accepted carer demographics:</p> <ul style="list-style-type: none"> • high proportion of female staff • 50%+ of staff aged over 45 • high proportion of part-time staff <p>Changes in the way services are delivered, for example, working patterns/hours, locations may impact on the ability of staff who are carers to continue delivering care. This may have an indirect impact on some with protected characteristics (age, sex)</p>															

			<p>The current proposals do not identify any specific changes and hence there are currently no identified negative impacts on this protected category.</p>
--	--	--	--

8. Amendments to the proposals

Change	Reason for change
<p>Although the majority of responders agreed with the proposed five principles and areas of transformation, a number of responders stressed the importance of partnership working with Health, Care and Education settings in order to achieve real change. We are proposing that further engagement and co-design work needs to take place with families and partners to develop this into a joint strategy, that is owned across the whole SEND system, rather than just the Council</p> <p>Some responders felt that there was a lack of detail contained within the strategy about how SEND transformation was going to be achieved. We are proposing to address through the joint development of a detailed action plan with partners.</p>	N/A

Emerging themes from public consultation analysis

The results of the consultation support the direction of travel of the principles and in particular the four identified areas of transformation (See section 7) and the consultation analysis report. Analysis of the qualitative feedback from respondents has identified many themes, largely drawn from experiences of the current SEND system rather than the proposals, to be considered in the next phase of co-design.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Negative – Market management of the NMI sector may result in some schools withdrawing from the market with negative consequences for the range of specialist provision available to meet the needs of children and young people. Some types of complex/specialist provision may no longer be available.	Engagement and consultation with the Non-Maintained and Independent sector to help shape their offer and support development of a sustainable market	On-going	Director of Commissioning
Negative – Parents may perceive that less specialist provision is available for children and young people with the strategy's aim to reduce the number of children and young people placed further away from home in non-maintained and independent placements	Develop appropriate communications and engagement within the overall communications and engagement strategy to show how proposals deliver more, appropriate placements	On-going	Service Manager – SEND Programme
Negative – Some staff with protected characteristics may struggle to adapt to the new technology	Training will be designed and delivered to ensure all staff have the right IT skills	April 2020 onwards	Director of Education, Lifelong Learning and Culture
Negative - Detailed proposals to be developed may change ways of working for different SEND related jobs with a range of potential impacts. These might include changes to the requirements for travel or changes to ways of working through increased use of digital technologies with implications for staff with physical and sensory disabilities. The proposals currently identify no changes	Training will be designed and delivered to ensure all staff have the right IT skills	April 2020	Director of Education, Lifelong Learning and Culture
Negative - . Changes to working practices may affect more women than men due to the larger number of women than men in many SEND roles.	This will be reviewed on an on-going basis. The directorate restructure also includes its own EIA	April 2018 onwards	Director of Education, Lifelong Learning and Culture

<p>The proposals currently identify no changes and consequential impacts.</p>			
<p>Positive – Early identification and support implemented across all ages giving early access to support and intervention.</p>	<p>The further co-design work of the graduated response and a jointly owned strategy and implementation plan, working with our health partners and settings will help to develop a greater understanding of the challenges within this sector and how these can be addressed.</p>	<p>September 2019</p>	<p>Director of Education, Lifelong Learning and Culture</p>
<p>Positive - Improved transition for young people and support for them in preparing for adulthood.</p>	<p>Ensure sufficient number of places on each pathway to meet demand</p>	<p>September 2019</p>	<p>Assistant Director for All Age Learning Disabilities</p>
<p>Positive - Increase post – 16 and post – 19 pathways by creating around 100 additional places and programmes of support over the next two years. We will also work with post-16 providers and special schools to create additional post - 16 capacity</p>	<p>Ensure sufficient number of places on each pathway to meet demand</p>	<p>September 2019</p>	<p>Assistant Director for All Age Learning Disabilities</p>
<p>Positive - Create more specialist post - 16 employment focussed pathways through increasing our adult learning and employment provision and expanding our Supported Internship programme.</p>	<p>Ensure sufficient number of places on each pathway to meet demand</p>	<p>September 2019</p>	<p>Assistant Director for All Age Learning Disabilities</p>
<p>Positive - Graduated response requires partners and educational settings to deliver more services and outcomes in pre-statutory phase.</p>	<p>The further co-design work of the graduated response and a jointly owned strategy and implementation plan, working with our health partners and settings will help to develop a greater understanding of the challenges within this sector and how these can be addressed.</p>	<p>September 2019</p>	<p>Director of Education, Lifelong Learning and Culture</p>
<p>Positive - Early identification and support removes lengthy statutory assessment process before the delivery of more timely and appropriate support</p>	<p>Establishing a new Graduated Response implementation team will also help ensure this work has the required impact.</p>	<p>April 2019</p>	<p>Assistant Director for Vulnerable Learners</p>
<p>Positive - New early help behaviour and emotional wellbeing pathway and additional support reduces children from being excluded from settings.</p>	<p>Joint working with health partners and settings and co-design with families will be a key part of the development of this pathway</p>	<p>April 2019</p>	<p>Assistant Director for Vulnerable Learners</p>

<p>Positive - Increased Educational Psychology, Speech and Language Therapy (SLT) and Occupational Therapy (OT) capacity and support children and young people in pre-statutory phase.</p>	<p>The impact of this will be monitored through the SEND Programme Board</p>	<p>April 2019</p>	<p>Assistant Director for Vulnerable Learners</p>
<p>Positive – More local school provision will reduce travel distances and time for children and young people.</p>	<p>The impact of this on travel will be monitored through the SEND Programme Board</p>	<p>April 2020</p>	<p>Service Manager – SEND Programme</p>
<p>Positive – Gender identity and sexual orientation issues may be masked by behavioural and Emotional Wellbeing and Mental Health difficulties making early intervention and support more difficult to deliver effectively.</p>	<p>The development of Emotional Wellbeing and Mental Health behavioural pathways needs to take this into account.</p>	<p>September 2019</p>	<p>Assistant Director for Vulnerable Learners</p>
<p>Positive – The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable</p>	<p>The Digital transformation programme will support this.</p>	<p>Ongoing</p>	<p>Programme Manager for Digital Transformation</p>

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
None identified at this stage	N/A

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> • SEND Sufficiency planning (2017/2018) • Engagement with schools – Schools Forum and Phase councils • Engagement with service leads • Residents engagement events (October 2018) • SEND Transformation Business Case (September 2018) • SEND Strategy (October 2018) • Family Voice Surrey SEND Survey (Submission to SCC re SEND Transformation Strategy Consultation – January 2019) • SEND Strategy Public Consultation (October 2018 – January 2019)
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Key positive impacts on service users:</p> <ul style="list-style-type: none"> • Strengthened early identification services • Provision delivered closer to home <p>Key negative impacts:</p> <ul style="list-style-type: none"> • None identified at this stage
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>None at this stage. The analysis of the public consultation and other engagement methods over the October to January 2019 period will inform the more detailed co-design phase.</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>Key mitigating actions to address outstanding negative impacts include:</p> <ul style="list-style-type: none"> • Co-design of detailed proposals to deliver projects defined in the four areas of work within the strategy.
<p>Potential negative impacts that cannot be mitigated</p>	<p>None identified at this stage.</p>

This page is intentionally left blank

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Transforming Libraries and Cultural Services in Surrey
EIA author	Lesli Good, Ben Skipp

2. Approval

	Name	Date approved
Approved by	Liz Mills	07 January 2019
Approved by	Dave Hill (Executive Director, Children, Families, Lifelong Learning and Culture)	07 January 2019
Approved by	Julie Iles (Cabinet Member for All Age Learning)	16 January 2019

3. Quality control

Version number	9	EIA completed	07 January 2019
Date saved	15 January 2019	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Lesli Good	Assistant Director, Lifelong Learning and Culture (Interim)	SCC	Assistant Director
Ben Skipp	Programme Manager	SCC	Project Manager
Sarah Baker / Deborah Chantler / Janet Polley	Legal Services Manager / Senior Principal Solicitors	SCC	Legal advisors

Adam Whittaker	Policy and Strategic Partnerships Manager	SCC	Corporate Equalities Oversight
----------------	---	-----	--------------------------------

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Surrey County Council is developing a new strategy to support the delivery of libraries and cultural services. The development of this strategy is one component of a wider Surrey County Council transformation that is about how the council delivers services in the future within the financial constraints it is facing now and will continue to face in the future.</p> <p>As the first step the council has consulted residents, service users and partners on five strategic principles to underpin the development of the strategy. Consultation took place between 30th October 2018 and 4th January 2019.</p> <p>This EIA identifies the key equalities issues that flow from the strategic principles.</p>
<p>What proposals are you assessing?</p>	<p>The consultation sought feedback on five strategic principles to underpin the strategy development. These were:</p> <ol style="list-style-type: none"> 1. Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, improve literacy and be involved in their communities. 2. There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient. 3. Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces. 4. New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access. 5. Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do. <p>Residents, service users and partners were asked to indicate whether they agree/disagree with the principles and, for each principle what impact the principle might have on them. In addition, there was the opportunity for consultees to provide comments.</p>

The consultation has demonstrated that there is significant support for the five strategic principles to inform development of a new strategy for libraries and cultural services.

We have identified that positive impacts will include:

- the ability to access library, cultural and other services in the same building/community hubs
- increased access to services as a result of the enhanced digital platform
- the ability to access library and cultural services in community settings
- improvements in targeted services for specific groups

We have identified the following potential negative impacts, including:

- reduced access to libraries and cultural services operating in stand-alone buildings for older people, people with mobility issues and rural communities
- barriers to participation in proposed enhanced digital services by people who may not have access to, or the skills to use digital technology

We have also identified that we do not fully understand the impact of the principles on children and young people as they were under-represented in the consultation compared to use of libraries and cultural services. At 0.43% the percentage of responses to the library and cultural services stage one consultation from the 0 – 18 age group is disproportionately low when compared to the Surrey population and the use of libraries by the 0 – 14 age group who represent 27% of libraries current borrowers.

We are also aware that the development of a strategy and new service model will impact on staff and partners.

To address these impacts in the next phase of developing the strategy and new service model we will need to ensure that geographical spread is met through enhanced digital services and libraries and cultural services in community settings.

We will undertake targeted consultation with those groups who may experience physical barriers to participation e.g. older people, people with mobility challenges and rural communities.

We will undertake targeted consultation with children and young people to ensure that we understand better the impact of the strategic principles on this group.

We will seek to understand more fully barriers to participation for those who may not benefit from the enhanced digital platform and design services to reduce digital exclusion.

	<p>We will include staff in the design of the new service model and consult formally if there is a change in the structure.</p> <p>We will work closely with boroughs, districts, partners, voluntary sector and users to co-design the new service model.</p> <p>As a live document this EIA seeks to assess the impact of the consultation and these service outcomes with regard to groups with protected characteristics.</p>
<p>Who is affected by the proposals outlined above?</p>	<p>There will be a potential positive and negative impact on the following groups.</p> <p>All users of library and cultural services Surrey residents Visitors to Surrey Businesses</p>

6. Sources of information

Engagement carried out

The consultation was carried out from 30 October 2018 to 04 January 2019. Consultees were asked to complete a survey asking for views on the five strategic principles (shown in section 5). The survey was accessible both online and in hard copy, including an Easy Read version.

The council contacted multiple partner organisations to raise awareness of consultation with a link to the online questionnaire. These include, but are not limited to:

- Surrey District and borough local authorities
- All SCC schools
- Action for Carers
- Age Concern
- Age Uk
- Alzheimers Society
- Children’s Centres
- Disability Access Networks
- Further education colleges
- Hospitals
- National Autistic Society
- NHS
- Surrey Community Action
- Surrey Youth Parliament
- University of Surrey
- Other Voluntary Groups and Charities

In addition, 13 drop-in sessions were held in each of the borough/district council areas across the county. These allowed people to ask questions about the strategy development and consultation content.

Data used

- Initial quantitative findings (see summary report – 22 Nov 2019) of the current consultation being carried out across Surrey on the proposed new libraries and cultural strategy.
- Final consultation summary report for the Libraries and Cultural Services Transformation, including both quantitative and qualitative responses.
- Usage data – analysing the numbers of visitors and issues made in each Surrey library.
- Research - Good practice and delivery models of library and cultural services, both nationally and internationally. Some examples were included in included in the consultation’s strategy document.
- Financial data – Internal SCC libraries and cultural services finance data and CIPFA (Chartered Institute of Public Finance Authorities).

Annex 5c – Libraries and Cultural Services Equality Impact Assessment

- Statistical Datasets at ward level – IMD, IDACI, IDAOP, % of population aged 0 – 4 and 65+
- Geographical spread/ coverage of existing libraries and cultural buildings

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

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<p>All groups</p>	<p>The 5 strategic principles that will underpin the development of the libraries and cultural strategy and new service model could have a positive impact on all groups as shown below:</p> <p>Users will be able to access a range of libraries, cultural and other services in one building/hub.</p> <p>Users will be able to access library and cultural services physically and digitally in community settings.</p> <p>Users will be able to access a wider range of services through an enhanced digital platform.</p>	<p>The 5 strategic principles that will underpin the development of the libraries and cultural strategy and new service model could have a negative impact on all groups as shown below:</p> <p>The possibility that the new strategy and service model will result in a reduction in stand-alone buildings in which only library and cultural services will be delivered.</p> <p>Increased emphasis on digital access to services might impact on residents who may not have the skills, or access to technology to benefit from this development.</p>	<p>See the detailed evidence for each group with protected characteristics in their specific section below.</p>

<p>Age</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>Younger and older users may benefit from targeted services.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>Surrey Library Borrowers Compared to Surrey Population:</p> <table border="1" data-bbox="1348 252 2085 443"> <thead> <tr> <th>Age Band</th> <th>Current Borrowers</th> <th>Surrey Population</th> <th>Over /Under Representation</th> </tr> </thead> <tbody> <tr> <td>0-14</td> <td>27%</td> <td>18%</td> <td>+9%</td> </tr> <tr> <td>15-65</td> <td>55%</td> <td>63%</td> <td>-9%</td> </tr> <tr> <td>65</td> <td>17%</td> <td>19%</td> <td>-2%</td> </tr> </tbody> </table> <p>(March 2016)</p> <p>Libraries and Cultural Services Transformation Strategy Consultation Respondents:</p> <table border="1" data-bbox="1496 624 1966 815"> <thead> <tr> <th>Age Band</th> <th>Respondents to Consultation</th> </tr> </thead> <tbody> <tr> <td>Under 18</td> <td>0.43%</td> </tr> <tr> <td>18-64</td> <td>64.88%</td> </tr> <tr> <td>65+</td> <td>30.72%</td> </tr> </tbody> </table> <p>Children are significant users of Surrey Libraries in proportion to their representation in the Surrey population and are predominantly registered at the Category C, CPLs and some B libraries. There is significant use by children of rhyme times and other events at Category A and B libraries.</p> <p>The age group that has the highest rate of registration at Category A libraries is 16-64. A library member can register at any library and can use all libraries in the network. (Source: Library Data Management System March 2016 & ONS 2015 Mid-Year Estimates)</p>	Age Band	Current Borrowers	Surrey Population	Over /Under Representation	0-14	27%	18%	+9%	15-65	55%	63%	-9%	65	17%	19%	-2%	Age Band	Respondents to Consultation	Under 18	0.43%	18-64	64.88%	65+	30.72%
Age Band	Current Borrowers	Surrey Population	Over /Under Representation																								
0-14	27%	18%	+9%																								
15-65	55%	63%	-9%																								
65	17%	19%	-2%																								
Age Band	Respondents to Consultation																										
Under 18	0.43%																										
18-64	64.88%																										
65+	30.72%																										

<p>Disability</p>	<p>Disabled people will be able to access targeted services.</p>	<p>Increased emphasis on a digital platform could reduce access for people with disabilities where necessary adaptations have not yet been developed.</p>	<p>The Library Service does not hold data on disability of its users.</p> <p>The day to day activities of 13.5% of Surrey’s population are limited by a long term health problem or disability. This proportion is below the national average of 17.6% and is unchanged since 2001. The activities of 5.7% are limited “a lot”.</p> <p>The likelihood of suffering from a long term illness or disability increases with age. 78% of people over 85 reported a health problem compared with just 2.9% of children under 16.</p> <p>Source: Surrey-i, 2011 Census-Disability, Health and Carers)</p>
<p>Gender reassignment</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	
<p>Pregnancy and maternity</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>Parents with young children may experience positive benefits from a wider service offer and on the enhanced digital platform eg co-location</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>Early years children (and therefore their parents) are significant users of Surrey Libraries in proportion to their representation in the Surrey population and predominantly are registered at the Category C, CPLs and some B libraries. There is significant use by children of rhyme times and other events at Category A and B libraries. (Source: Library Data Management System & ONS 2015 Mid-Year Estimates)</p> <p>In 2013 there were 13,569 live births recording the mother’s usual place of residence as Surrey. North East Surrey had the highest number with 4,084 live</p>

	<p>of midwifery services in library/cultural/community hubs.</p> <p>This group may benefit from targeted services.</p> <p>Residents from this group may access libraries and cultural services more actively if they are in buildings with a broader community focus.</p>		<p>births and the lowest number was 2,775 in the South West. (Source: Surrey-i)</p>
<p>Race</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>This group may benefit from an increased focus on targeted services.</p> <p>Residents from this group may access libraries and cultural services more actively if they are in buildings with a broader community focus.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>The Library Service does not hold data on the ethnicity of its users.</p> <p>The population of Surrey is 83.5% White British. The District & Boroughs in Surrey that have more than 1% above the County average for a minority ethnic group are as follows:</p> <p>Elmbridge, Runnymede and Woking: White Other Spelthorne: Indian Woking: Pakistani Epsom & Ewell: Other Asian (Source: Census 2011)</p>

<p>Religion and belief</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>Residents from this group may access libraries and cultural services more actively if they are in buildings with a broader community focus.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	
<p>Sex</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	
<p>Sexual orientation</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>This group may benefit from targeted services.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>The Library Service does not hold data on its users for this protected characteristic.</p>
<p>Marriage and civil partnerships</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>The Library Service does not hold data for this protected characteristic of its users.</p>
<p>Carers (protected by association)</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>There are over 100 Reminiscence Professionals, (those engaging with Alzheimer sufferers usually in residential homes), and a number of Care Homes are also using Surrey Libraries regularly. Library Direct Volunteers offer an alternative service for those unable to physically access a Library.</p>

		<p>(Source: Library Data Management System)</p> <p>The percentage of the Surrey population providing unpaid care is 10%. The figure is similar across all the Districts & Boroughs, and slightly below the national average.</p> <p>Older people are more likely to be providing unpaid care than younger people, and providing more hours of care. Nearly 14% of people aged 65 or over provide care with more than quarter of these providing 50 hours or more. Among young people under 25, less than 2% provide care, around one in 13 of these providing 50 hours or more.</p> <p>Young adult carers can face barriers to education and employment which may be due to young people becoming more heavily involved in caring as they get older. Having a caring a role when aged 16 – 24 years old can affect future life opportunities.</p> <p>As the general population ages, the number of older people providing unpaid care is also expected to increase. Estimates have been produced of the number of older carers in Surrey to increase by 11% in Surrey. The largest increases are expected in Tandridge, Reigate & Banstead, Woking and Epsom & Ewell.</p> <p>(Source: JSNA 2013)</p>
--	--	--

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence														
All groups	Opportunity to use their skills and knowledge to influence the new strategy for library and cultural services and the design of the service for the future.	<p>Uncertainty throughout the next stage consultation process on how the new strategy and how the outcome in a possible new service offer might affect them.</p> <p>If, subject to the next stage of consultation the strategy brings forward a new service offer requiring staff to work in new locations they may have further to travel to work incurring greater expense of time and money.</p>															
Age	The positive impact on this group is set out above in the section titled all groups.	Staff who are older may find it difficult to adapt.	<p>Surrey Libraries Staff:</p> <table border="1" data-bbox="1348 1050 1901 1415"> <thead> <tr> <th data-bbox="1348 1050 1592 1145">Age Range</th> <th data-bbox="1592 1050 1901 1145">% of Library Staff</th> </tr> </thead> <tbody> <tr> <td data-bbox="1348 1145 1592 1193">15 to 19</td> <td data-bbox="1592 1145 1901 1193">9.6%</td> </tr> <tr> <td data-bbox="1348 1193 1592 1241">20 to 24</td> <td data-bbox="1592 1193 1901 1241">5.7%</td> </tr> <tr> <td data-bbox="1348 1241 1592 1289">25 to 29</td> <td data-bbox="1592 1241 1901 1289">5.9%</td> </tr> <tr> <td data-bbox="1348 1289 1592 1337">30 to 34</td> <td data-bbox="1592 1289 1901 1337">5.2%</td> </tr> <tr> <td data-bbox="1348 1337 1592 1385">35 to 39</td> <td data-bbox="1592 1337 1901 1385">6.1%</td> </tr> <tr> <td data-bbox="1348 1385 1592 1415">40 to 44</td> <td data-bbox="1592 1385 1901 1415">8.3%</td> </tr> </tbody> </table>	Age Range	% of Library Staff	15 to 19	9.6%	20 to 24	5.7%	25 to 29	5.9%	30 to 34	5.2%	35 to 39	6.1%	40 to 44	8.3%
Age Range	% of Library Staff																
15 to 19	9.6%																
20 to 24	5.7%																
25 to 29	5.9%																
30 to 34	5.2%																
35 to 39	6.1%																
40 to 44	8.3%																

			<table border="1"> <tr> <td>45 to 49</td> <td>7.9%</td> </tr> <tr> <td>50 to 54</td> <td>11.4%</td> </tr> <tr> <td>55 to 59</td> <td>16.6%</td> </tr> <tr> <td>60 to 64</td> <td>14.0%</td> </tr> <tr> <td>65 to 69</td> <td>6.8%</td> </tr> <tr> <td>70+</td> <td>2.6%</td> </tr> </table> <p>(May 2017)</p>	45 to 49	7.9%	50 to 54	11.4%	55 to 59	16.6%	60 to 64	14.0%	65 to 69	6.8%	70+	2.6%										
45 to 49	7.9%																								
50 to 54	11.4%																								
55 to 59	16.6%																								
60 to 64	14.0%																								
65 to 69	6.8%																								
70+	2.6%																								
Disability	The positive impact on this group is set out above in the section titled all groups.	Staff with mental health issues may be more prone to be affected by any change in their working arrangements.	<p>Surrey County Council staff with a declared disability is as follows:</p> <ul style="list-style-type: none"> • Male: 3.10% • Female: 3.14% <p>(Source: SCC Equalities and Diversity Profile 2016)</p>																						
Gender reassignment	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	There is no workforce data available.																						
Pregnancy and maternity	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	There is no workforce data available.																						
Race	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	<p>All Staff Surrey County Council:</p> <table border="1"> <thead> <tr> <th rowspan="2">Ethnicity</th> <th colspan="2">Gender</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>White</td> <td>76.95%</td> <td>80.30%</td> </tr> <tr> <td>BAME</td> <td>7.86%</td> <td>7.28%</td> </tr> <tr> <td>Not declared</td> <td>15.19%</td> <td>12.42%</td> </tr> </tbody> </table> <p>(Source: SCC Equalities and Diversity Profile 2016)</p> <table border="1"> <thead> <tr> <th>Ethnicity</th> <th>Surrey (%)</th> </tr> </thead> <tbody> <tr> <td>White: British</td> <td>83.51</td> </tr> <tr> <td>White: Irish</td> <td>1.15</td> </tr> <tr> <td>White: Other White</td> <td>5.54</td> </tr> </tbody> </table>	Ethnicity	Gender		Male	Female	White	76.95%	80.30%	BAME	7.86%	7.28%	Not declared	15.19%	12.42%	Ethnicity	Surrey (%)	White: British	83.51	White: Irish	1.15	White: Other White	5.54
Ethnicity	Gender																								
	Male	Female																							
White	76.95%	80.30%																							
BAME	7.86%	7.28%																							
Not declared	15.19%	12.42%																							
Ethnicity	Surrey (%)																								
White: British	83.51																								
White: Irish	1.15																								
White: Other White	5.54																								

			<table border="1"> <tr><td>White and Asian</td><td>0.85</td></tr> <tr><td>Indian</td><td>1.79</td></tr> <tr><td>Pakistani</td><td>0.96</td></tr> <tr><td>Chinese</td><td>0.84</td></tr> <tr><td>Other Asian</td><td>1.73</td></tr> <tr><td>African</td><td>0.69</td></tr> </table> <p>(Source: Census 2011)</p>	White and Asian	0.85	Indian	1.79	Pakistani	0.96	Chinese	0.84	Other Asian	1.73	African	0.69																		
White and Asian	0.85																																
Indian	1.79																																
Pakistani	0.96																																
Chinese	0.84																																
Other Asian	1.73																																
African	0.69																																
<p>Religion and belief</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<table border="1"> <thead> <tr> <th>Religion</th> <th>Surrey %</th> <th>SCC Staff %</th> </tr> </thead> <tbody> <tr><td>Christian</td><td>62.8</td><td>28</td></tr> <tr><td>Muslim</td><td>2.15</td><td>1.14</td></tr> <tr><td>Hindu</td><td>1.33</td><td>0.58</td></tr> <tr><td>Buddhist</td><td>0.53</td><td>0.5</td></tr> <tr><td>Sikh</td><td>0.33</td><td>0.07</td></tr> <tr><td>Jewish</td><td>0.27</td><td>0.13</td></tr> <tr><td>Other Religion</td><td>0.37</td><td>0.36</td></tr> <tr><td>No Religion</td><td>24.80</td><td>20.23</td></tr> <tr><td>Not Stated</td><td>7.42</td><td>48.99</td></tr> </tbody> </table> <p>(Source: Census 2011 and SCC Equalities and Diversity Profile 2016)</p> <p>Staff belonging to the Christian faith and those with No Faith/Religion represent a greater proportion of staff to other religions although below the average when compared against the County as a whole. Those not stating a religion or belief are the largest category amongst staff.</p>	Religion	Surrey %	SCC Staff %	Christian	62.8	28	Muslim	2.15	1.14	Hindu	1.33	0.58	Buddhist	0.53	0.5	Sikh	0.33	0.07	Jewish	0.27	0.13	Other Religion	0.37	0.36	No Religion	24.80	20.23	Not Stated	7.42	48.99
Religion	Surrey %	SCC Staff %																															
Christian	62.8	28																															
Muslim	2.15	1.14																															
Hindu	1.33	0.58																															
Buddhist	0.53	0.5																															
Sikh	0.33	0.07																															
Jewish	0.27	0.13																															
Other Religion	0.37	0.36																															
No Religion	24.80	20.23																															
Not Stated	7.42	48.99																															

<p>Sex</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>Surrey Libraries Staff Gender Breakdown:</p> <ul style="list-style-type: none"> • Male 13% • Female 87%
<p>Sexual orientation</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>All Staff Surrey County Council:</p> <ul style="list-style-type: none"> • Heterosexual: 44.07% • LGBT: 1.19% • Not Declared: 54.74% <p>(Source: SCC Equalities and Diversity Profile 2016)</p>
<p>Marriage and civil partnerships</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>There is no workforce data available.</p>
<p>Carers (protected by association)</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>There is no workforce data available.</p>

8. Amendments to the proposals

Change	Reason for change
<p>As a result of the consultation the wording of the strategic principles has been amended, see below that changes are shown in italics.</p> <ul style="list-style-type: none"> • Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities. • There <i>will be</i> a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient, <i>providing touch points and safe spaces</i>. • Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces <i>creating a model of financial sustainability</i>. • New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access. • Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do. 	<p>To respond to the wealth of ideas and information provided in the qualitative responses and make the principles clearer.</p>

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Potential impact of library and cultural services operating in stand-alone buildings on all groups.		TBC	Liz Mills
Potential impact on users who may not benefit from the enhanced digital platform if they do not have access to, or skills to use new technology.	In the next phase of developing the strategy and new service model we will investigate the barriers to participation for this group and design services to reduce digital exclusion.	TBC	Liz Mills
Potential impact on staff including increased levels of anxiety about how the development of a new strategy and potential changes in the service offer might affect them.	<p>Staff will be involved in the development of the strategy and future service offer.</p> <p>Senior management will implement a communications strategy during the strategy development and the next stage of consultation on same to ensure staff receive timely and accurate information.</p> <p>Staff will be equipped with information and tools to enable them to manage their interactions with customers positively whilst the strategy is being developed and during the next stage of the consultation.</p>	On-going	Lesli Good

10. Potential negative impacts that cannot be mitigated

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

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>7,000 questionnaires were returned. 3,000 respondents provided comments in addition to sharing their view of the principles on which we consulted. Partner organisations have provided feedback by letter and in meetings. The % of respondents was subject to comparison against the demographics of Surreys population.</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>The most significant negative impact which will affect all groups is the potential reduction of libraries and cultural services operating in stand-alone buildings.</p> <p>Potential impact on users who may not benefit from the enhanced digital platform if they do not have access to, or skills to use new technology.</p> <p>Positive impacts for all groups include opportunity to access libraries, cultural and other services in community/cultural hubs and the enhanced digital platform.</p> <p>Potential impact on staff as a result of uncertainty during the strategy development process as to the impact of a new service offer on their roles.</p>
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>The strategic principles have been amended, see below that changes are shown in italics.</p> <ul style="list-style-type: none"> • Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities. • There <i>will be</i> a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient, <i>providing touch points and safe spaces</i>. • Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces <i>creating a model of financial sustainability</i>. • New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access. • Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>In the next phase of developing the strategy and new service model we will need to ensure that geographical spread is met through enhanced digital services and libraries and cultural services in community settings.</p>

	<p>We will undertake targeted consultation with those groups who may experience physical barriers to participation eg older people, people with mobility challenges and rural communities.</p> <p>In the next phase of developing the strategy and new service model we will investigate the barriers to participation for this group and design services to reduce digital exclusion. We will include staff in the design of the new service model and consult formally if there is a change in the structure.</p> <p>We will work closely with boroughs, districts, partners, voluntary sector and users to co-design the new service model.</p>
<p>Potential negative impacts that cannot be mitigated</p>	

This page is intentionally left blank

Equality Impact Assessment (EIA)



1. Topic of assessment

EqlA title:	Proposed changes to Surrey's Community Recycling Centres (CRCs)
--------------------	---

EqlA author:	Nicholas Meadows – Change Consultant
---------------------	--------------------------------------

2. Approval

	Name	Date approved
Approved by	Richard Parkinson	17 January 2019

3. Quality control

Version number	V2.1	EqlA completed	17 January 2019
Date Last saved	17 January 2019	EqlA published	21 January 2019

4. EqlA team

Name	Job title (if applicable)	Organisation	Role
Nicholas Meadows	Change Consultant	Surrey County Council	Author
Steve Strickland	Waste Contract Manager	Surrey County Council	Reviewer
Richard Parkinson	Waste Operations Group Manager	Surrey County Council	Approver
Jay Ganesh	Senior Programme Officer	Surrey County Council	Reviewer (Directorate Equality Group Representative)
Adam Whittaker	Policy & Strategic Partnerships Manager	Surrey County Council	Reviewer
Janet Polley	Senior Principal Lawyer	Surrey County Council	Reviewer

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>The council provides a network of 15 CRCs across the county, which help householders recycle waste from their homes. This EIA considers the impact of a reduction in the provision of CRCs and further changes to the charging waste and van permit schemes. .</p>
<p>What proposals are you assessing?</p>	<p>This equality impact assessment (EqIA) is seeking to understand what impact the following proposed changes would have on staff and users with protected characteristics:</p> <ol style="list-style-type: none"> a) The permanent closure of up to six smaller CRC sites located in Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham. b) Further changes to the charging waste scheme to introduce wood and roofing felt to the scheme; c) Introduce a price increase for all materials in the charging waste scheme. d) Charge an annual application fee to residents for a van permit (owners of vans, trailers and pick-ups are currently required to register van permit before they can visit a CRC. This is provided free of charge and entitles them to 12 visits in a calendar year).
<p>Who is affected by the proposals outlined above?</p>	<p>The above recommendation will affect –</p> <ul style="list-style-type: none"> • Service users (residents) • Frontline service staff

6. Sources of information

<p>Engagement carried out</p>
<p>A number of engagement exercises have already been carried out, as outlined in the timeline below:</p> <p>2014 A CRC site user survey of behaviours and attitudes was completed during 2014. Residents were asked about gender, work status and house type, but the survey did not seek to identify whether any residents had protected characteristics. A total of 3440 online interviews were achieved using a combination of recruitment techniques (cold mailing to 30k Surrey residents, cards handed out to users at all 15 sites, plus an e-mail invitation to the Surrey Matters database).</p> <p>2015/16 A public consultation ran from 17 July 2015 until 30 September 2015 regarding proposed changes to the CRC service including charging for non-household waste. This received a total of 4581 responses and informed the final recommendations for change that were approved on 24 November 2015 by Cabinet.</p> <p>2017/18 A public and staff consultation on further proposed changes to the CRC service including the permanent closure of CRC sites ran from 23 June 2017 to 7 August 2017. This received a total of 13,637 responses including 13,573 from residents and 64 responses from organisations/groups such as District/Borough and Parish/Town Councils. Respondents to this consultation in particular highlighted that any reduction to a CRC service especially permanently closing CRCs could have a negative impact on recycling, increase journey times to the nearest alternative CRCs, increase traffic/congestion and have a negative impact on the</p>

environment including an increase in fly-tipping. The results of this consultation informed the final recommendations for change, which were approved by [Cabinet on 26 September 2017](#).

2018/19

A public and staff consultation on the proposals outlined in section 5 of this EqiA ran from 30 October 2018 and to 4 January 2019 and received a total of 12,131 responses. The feedback submitted during this consultation has been used to update this EqiA, and has informed the final recommendations for change that will be put forward to Cabinet for approval in early 2019, with any agreed changes coming into effect from April 2019.

Data used

- Surrey-I (local data portal) which can be searched by protected characteristics.
- Feedback to the postcode, consultation and customer satisfaction surveys.
- Feedback from the contractor and complaints submitted to the SCC contact centre.
- Benchmark of other local authorities that have made changes to their Household Waste Recycling Centre (HWRC) services.
- Traffic count data, driving time catchments and waste tonnage information.

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

Council officers have developed the proposals outlined in section 5 alongside this EqiA to understand the impact on service users (residents) and staff.

Potential impacts **on service users and staff with protected characteristics** have been listed below in sections 7a and 7b.

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

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>The single level CRC sites in Bagshot, Cranleigh, Dorking and Farnham require service users to climb steps to access waste disposal containers. This is currently mitigated through assistance provided by staff. If these sites were closed in accordance with the recommendation, the nearby alternative sites are more accessible split level facilities that do not require the use of steps to access a waste container and so are more accessible..</p>	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p> <p>These identified impacts do not extend to any other CRC. The other CRC sites with pedestrian access are unaffected by the proposals, and all other single level sites are proposed for closure.</p>	<p>Feedback submitted during the consultation/observation from the project team/contractor.</p>
Disability	<p>The single level CRC sites in Bagshot, Cranleigh, Dorking and Farnham require service users to climb steps to access waste disposal containers. This is currently mitigated through assistance provided by staff. If these sites were closed in accordance with the recommendation, the nearby alternative sites are more accessible split level facilities that do not require</p>	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a</p>	<p>Feedback submitted during the consultation/observation from the project team/contractor.</p>

¹ More information on the definitions of these groups can be found [here](#).

	the use of steps to access a waste container and so are more accessible..	<p>single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p> <p>These identified impacts do not extend to any other CRC. The other CRC sites with pedestrian access are unaffected by the proposals, and all other single level sites are proposed for closure.</p>	
Gender reassignment	None	None	Screening- There is no differential impact on this protected characteristic.
Pregnancy and maternity	The single level CRC sites in Bagshot, Cranleigh, Dorking and Farnham require service users to climb steps to access waste disposal containers. This is currently mitigated through assistance provided by staff. If these sites were closed in accordance with the recommendation, the nearby alternative sites are more accessible split level facilities that do not require the use of steps to access a waste container and so are more accessible.	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p> <p>These identified impacts do not extend to any other CRC. The other CRC sites with pedestrian access are</p>	Feedback submitted during the consultation/observations from the project team/contractor.

		unaffected by the proposals, and all other single level sites are proposed for closure.	
Race	None	None	Screening- There is no differential impact on this protected characteristic.
Religion and belief	None	None	Screening- There is no differential impact on this protected characteristic.
Sex	None	None	Screening- There is no differential impact on this protected characteristic.
Sexual orientation	None	None	Screening- There is no differential impact on this protected characteristic.
Marriage and civil partnerships	None	None	Screening- There is no differential impact on this protected characteristic.
Carers²	None	None	Screening- There is no differential impact on this protected characteristic.

² Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	None	None	Screening- There is no differential impact on this protected characteristic.
Disability	None	None	Screening- There is no differential impact on this protected characteristic.
Gender reassignment	None	None	Screening- There is no differential impact on this protected characteristic.
Pregnancy and maternity	None	None	Screening- There is no differential impact on this protected characteristic.
Race	None	None	Screening- There is no differential impact on this protected characteristic.
Religion and belief	None	None	Screening- There is no differential impact on this protected characteristic.
Sex	None	None	Screening- There is no differential impact on this protected characteristic.
Sexual orientation	None	None	Screening- There is no differential impact on this protected characteristic.
Marriage and civil partnerships	None	None	Screening- There is no differential impact on this protected characteristic.
Carers	None	None	Screening- There is no differential impact on this protected characteristic.

8. Amendments to the proposals

Change	Reason for change
<p>Following the closure of the consultation the service have recommended that the recycling centres at Farnham and Lyne (Chertsey) are retained, and the current prices for materials in the charging waste scheme remain the same.</p> <p>The service have recommended that all other proposals in section 5 of this EqIA are introduced in light of the requirement for the county council to make important savings.</p>	<p>None of these amendments to the proposal arise from the impacts identified on those with protected characteristics but relate to review of the proposals in light of consultation responses.</p>

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
<p>Negative – Caterham CRC could become much busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p>	<p>Suez to ensure site staff are given guidance to prioritise service users with limited mobility.</p>	<p>Policy already in operation at all single level sites, but will be reinforced for Caterham CRC</p>	<p>Richard Parkinson</p>

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This</p>	<p>Age, Disability, Pregnancy and Maternity</p>

<p>would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Staff and Contractors indicate that most pedestrians who use the Warlingham CRC actually park their car outside the site and then walk in, so the impact that these pedestrians will have is having to drive further to reach an alternative site, which has no differential impact on protected characteristics. However the service does acknowledge that some pedestrians who live locally will walk into the site, and whilst it's not aware that there are many of these pedestrians with limited physical mobility, it does recognise the greater impact that it could have on them especially if they are unable to drive to an alternative CRC because of their condition. The service considers those affected will be able to use alternative methods of disposal available at the kerbside or commercially.</p>	
--	--

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> • Surrey-i, our local data and information portal, which can be searched by protected characteristics. • Feedback to the postcode, consultation and customer satisfaction surveys. • Feedback from the contractor and complaints submitted to the SCC contact centre. • Benchmark of other local authorities that have made changes to their Household Waste Recycling Centre (HWRC) services. • Traffic count data, driving time catchments and waste tonnage information.
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p>
<p>Changes you have made to the proposal as a result of the EqIA</p>	<p>None</p>

Key mitigating actions planned to address any outstanding negative impacts	<p>Suez to ensure site staff are given guidance to prioritise users with limited mobility.</p>
Potential negative impacts that cannot be mitigated	<p><u>Pedestrians with limited physical mobility that currently walk into Warlingham CRC</u></p> <p>Staff and contractors indicate that most pedestrians who use the Warlingham CRC actually park their car outside the site and then walk in, so the impact that these pedestrians will have is having to drive further to reach an alternative site, which has no differential impact on protected characteristics. However the service does acknowledge that some pedestrians who live locally will walk into the site, and whilst it's not aware that there are many of these pedestrians with limited physical mobility, it does recognise the greater impact that it could have on them especially if they are unable to drive to an alternative CRC because of their condition. The service considers those affected will be able to use alternative methods of disposal available at the kerbside or commercially.</p>

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title:	Surrey County Council (SCC) Review of English National Concessionary Travel Scheme Enhancements
-------------------	---

EIA author:	Paul Millin, Strategic Transport Group Manager, Highways, Transport and Environment
--------------------	---

2. Approval

	Name	Date approved
Approved by	Jason Russell (Executive Director, Highways, Transport and Environment)	17 January 2019
Approved by	Mike Goodman (Cabinet Member for Environment and Waste)	17 January 2019

3. Quality control

Version number	2.1	EIA completed	17 January 2019
Date saved	15.01.2019	EIA published	21 January 2019

4. EIA team

Name	Job title (if applicable)	Organisation	Role
Keith McKain	Change Consultant	SCC	Project Manager
Adam Whittaker	Policy & Strategic Partnerships Manager	SCC	Corporate equalities oversight
Directorate Equalities Group	N/A	SCC	Directorate equalities oversight
Sarah Baker / Deborah Chantler / Janet Polley	Legal Services Manager / Senior Principal Solicitors	SCC	Legal advisors

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Central government provides councils with some funding so that qualifying older and disabled people can travel for free on buses after 09.30 and before 23.00 during the week and all day at weekends and on public holidays. This is known as the English National Concessionary Travel Scheme (the ENTCS).</p> <p>In Surrey the County Council provides extra funding for residents so that people with a disabled person's bus pass can travel free at any time. We also provide companion bus passes so that any qualifying older or disabled bus pass holders who need assistance to be able to travel can take someone with them who can travel for free as well. The availability of the enhanced benefits is under review.</p>
<p>What proposals are you assessing?</p>	<p>The county council is proposing to reduce this extra funding to bring us into line with other councils who offer the statutory scheme.</p> <p>The effect of this would be that disabled pass holders travelling before 09.30 and after 23.00 on weekdays would then need to pay. Bus travel would still be free between 09.30 and 23.00 on weekdays and all day at weekends and on public holidays.</p> <p>The county council is also proposing to retain companion passes so from Monday 1 April 2019 entitled pass holders and a companion can travel for free between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays.</p> <p>The council originally consulted with stakeholders and the public in relation to the removal of:</p> <ul style="list-style-type: none"> • free concessionary travel for disabled pass holders before 09.30 and after 23.00 Monday to Friday. Pass holders would still be able to travel for free after 09.30 and before 23.00 Monday to Friday, which is paid for by the English National Concessionary Travel Scheme (ENCTS). Free travel at any time on Saturdays, Sundays and Public Holidays would be unaffected. • companion passes. Pass holders would continue to travel for free, however, their companions would no longer receive free travel.
<p>Who is affected by the proposals outlined above?</p>	<ul style="list-style-type: none"> • All disabled pass holders their carers or families • All disabled or older companion pass holders their carers or families • Businesses – from the staff using a disabled pass to travel • Service operators – who get a proportionate reimbursement for concessionary travel • Partner and external organisations – who may represent older or disabled people or who have people traveling to them using a disabled or companion pass

6. Sources of information.

Engagement carried out
<p>A set of engagement activities were undertaken as part of the consultation. This included:</p> <ul style="list-style-type: none"> - A full public consultation - Meeting with the Disability Empowerment Networks & Chairs meeting as well as the Surrey Coalition of Disabled People with material sent to other disability and carer representative groups - Meeting with the Joint and Local Committee Chairman - Consultation material sent to bus user groups and operators - Consultation material sent to boroughs, districts, parish and town councils - SCC colleagues in social care provided material to their networks
Data used
<p>Data that has been used for previous consultations</p> <ul style="list-style-type: none"> • Feedback to the consultation questionnaire and views submitted by e-mail or post • Outcomes of stakeholder meetings during the public consultation • Written correspondence from stakeholders • ESP Systemex Concessionary Fares Card Management System and data from Consultants MCL

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

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

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
Age	None	<p>The proposals would affect all older people who qualify for a companion bus pass.</p> <p>The assessment for other companion pass holders is covered under Disability, because this is the basis on which they applied for their passes.</p> <p>The initial assessment and feedback to the consultation highlighted the proposals could:</p> <ul style="list-style-type: none"> - make it more difficult for those residents who need assistance to travel to access key services. This could then have an adverse effect on other service areas within the council e.g. Adults Social Care and Public Health. - Impact people's personal finances or for their companions, should they be required to pay for transport. This was mainly around people being unpaid / unrecognised carers, so not in receipt of any Carer's Allowance - Missing medical appointments or clinics, having to pay for travel or use another form of free travel at a cost to the NHS or SCC. 	<p>The National Travel survey indicates that bus usage is highest amongst 16-24 year olds and those aged 65 and over.</p> <p>In Surrey we have 157,535 older persons concessionary pass holders. Another 184 people have a +C older persons companion pass.</p> <p>Some comments from older people who did not qualify for a disabled or companion pass stated that they viewed the proposals as 'fairer' to them with a move to a national statutory level. However, whilst this may be one view, this does not mitigate any impact on those people, their families, and carers who would be directly affected.</p> <p>Nearly 50% of consultation respondents were over 65, with nearly 45% of respondents saying they are retired.</p> <p>367 respondents stated they use their pass to travel, or help a child or dependent travel, to school or other education institution. This is just under 12% of responses.</p> <p>Stakeholder feedback highlighted the growing number of registered carers in the county and that the allowance they receive from Government (just over £63 per week) would not be sufficient to meet additional travel cost. Particularly when, as identified in</p>

¹ More information on the definitions of these groups can be found [here](#).

		<ul style="list-style-type: none"> - Limit people’s ability to live independently and risk around social isolation. For example, access to adult learning or community groups 	<p>the 2018 State of Caring Report, a proportion of carers already face financial hardship.</p> <p>.</p>
Disability	None	<p>The proposals would affect all disabled pass holders and particularly those disabled companion pass holders.</p> <p>The initial assessment and feedback to the consultation highlighted the proposals could:</p> <ul style="list-style-type: none"> - have an adverse effect on other service areas within the council e.g. Adults Social Care and Public Health. Missing medical appointments or clinics, having to pay for travel or use another form of free travel at a cost to the NHS or SCC - impact people’s personal finances should they or their companions be required to pay for transport. This was mainly around people being unpaid / unrecognised carers, so not in receipt of any Carer’s Allowance - limit access to education for disabled children and the transition to adulthood - impact people’s ability to live independently and risk around social isolation - impact people’s ability to access employment - restrict options for 	<p>There are 8,065 disabled concessionary persons pass holders, with another 2,557 people having a +C Disabled Person Companion Pass.</p> <p>There were 3082 responses to the consultation.</p> <p>The consultation analysis paper breaks down responses by people who stated they had a disabled person’s or companion pass in more detail.</p>

Gender reassignment	None	None	There is no differential impact on this protected characteristic.
Pregnancy and maternity	None	None	There is no differential impact on this protected characteristic.
Race	None	None	There is no differential impact on this protected characteristic.
Religion and belief	None	None	There is no differential impact on this protected characteristic.
Sex	None	None	There is no differential impact on this protected characteristic.
Sexual orientation	None	None	There is no differential impact on this protected characteristic.
Marriage and civil partnerships	None	None	There is no differential impact on this protected characteristic.
Carers		See Age and Disability	

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

SCC staff will be impacted in the same way as the public. Any impact on protected characteristics will be the same as those described above.

8. Amendments to the proposals

Change	Reason for change
Review companion pass use over the next 12 months and retain their use for that period. Free travel would be in line with the ENCTS statutory offer – free travel between 09.30 and 23.00 Monday to Friday, all day at weekends and on Bank Holidays	Based on feedback to the consultation from the public and stakeholders, there was a clear sense of the impact being most heavily felt by companion pass holders. Particularly on carers, but also on family, friends or others who help companion pass holders with travel. These individuals may be unregistered carers and so are not entitled to receive any Carer's Allowance from the Government.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Negative impacts raised through consultation include: - Social isolation - Impact on finances - Impact on access to work, education, medical facilities	Discussion with, and confirmation from, all bus companies operating services in the county on the potential for a commercially offered reduced or flat fare scheme for Surrey disabled and companion pass holders.	April 2019	Strategic Transport Group Manager

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<p>Will impact some peoples' ability to access to work, health care, education, etc.</p> <p>May increase rural and social isolation.</p> <p>May create a demand pressure on community transport and voluntary transport</p> <p>All of the potential negative impacts have the potential to put pressure on those people's personal finances or those of their carer/s.</p> <p>May push cost and / or other pressure onto other departments to provide alternative home to school transport, health care provider, charity or third sector</p>	Older and disabled people who have a disabled person's or companion pass, their families and their carers

<p>partner who work with the County Council to deliver services for older and disabled people. This may impact on their ability to deliver the same offer to the people they serve.</p> <p>Whilst companion passes will be retained during the 12 month review of their use, free travel will not be available before 09.30. The result will be that those people travelling as a companion would still be required to pay before 9.30am. How much will depend on the decision by bus operators as a result of discussions on a reduced or flat fare scheme in the county.</p>	
--	--

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>As with previous consultations - Analysis is based on:</p> <ul style="list-style-type: none"> • Responses received during the public consultation • Feedback given at our stakeholder meetings during the public consultation period and any written stakeholder feedback • Nationally available data • ESP Systex Concessionary Fares Card Management System data and MCL consultancy data
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Will impact some peoples' ability to access to work, health care, education, etc.</p> <p>May increase rural and social isolation.</p> <p>May create a demand pressure on community transport and voluntary transport.</p> <p>All of the potential negative impacts have the potential to put pressure on those people's personal finances or those of their carer/s.</p> <p>May push cost and / or other pressure onto other departments to provide alternative home to school transport, health care provider, charity or third sector partner who work with the County Council to deliver services for older and disabled people. This may impact on their ability to deliver the same offer to the people they serve.</p> <p>Whilst companion passes will be retained during the 12 month review of their use, free travel will not be available before 09.30. The result will be that those people travelling as a companion would still be required to pay. How much will depend on the decision by bus operators as a result of discussions on a reduced or flat fare scheme in the county.</p>

<p>Changes you have made to the proposal as a result of the EIA</p>	<p>Used to influence this assessment, as a result of consultation the following change is – A review of companion pass use over the next 12 months and retain their use for that period. Free travel would be in line with the ENCTS statutory offer – free travel between 09.30 and 23.00 Monday to Friday, all day at weekends and on Bank Holidays</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>Mitigation options are set out in Table 1 of the consultation summary report.</p> <p>Key mitigation action being progressed is – Discussion with the bus operators around considering / agreeing a flat fare or reduced fare scheme across the routes they operate, covering travel for both disabled and companion pass holders.</p> <p>The likelihood of this mitigation option being successfully implemented across the county or for specific operators depends on the financial position of each operator and their willingness to take the commercial decision to adopt a new fare offer for Surrey disabled and companion pass holders.</p> <p>Also, the re-provision of free transport to entitled school children currently using their disabled concessionary pass to travel to school or college before 09.30. This will be a purchased season ticket. However, this does not mitigate the need for a companion to pay before 09.30, so would still impact on that person's finances.</p>
<p>Potential negative impacts that cannot be mitigated</p>	<p>Will impact some peoples' ability to access to work, health care, education, etc.</p> <p>May increase rural and social isolation.</p> <p>May create a demand pressure on community transport and voluntary transport</p> <p>All of the potential negative impacts have the potential to put pressure on those people's personal finances or those of their carer/s.</p> <p>May push cost and / or other pressure onto other departments to provide alternative home to school transport, health care provider, charity or third sector partner who work with the County Council to deliver services for older and disabled people. This may impact on their ability to deliver the same offer to the people they serve.</p> <p>Whilst companion passes will be retained during the 12 month review of their use, free travel will not be available before 09.30. The result will be that those people travelling as a companion would still be required to pay. How much will</p>

	depend on the decision by bus operators as a result of discussions on a reduced or flat fare scheme in the county.
--	--

This page is intentionally left blank

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Adult Social Care Transformational Savings
EIA author	Kathryn Pyper

2. Approval

	Name	Date approved
Approved by	Sinead Mooney, Cabinet Member for Adult Social Care	3 January 2019
Approved by	Simon White, Executive Director, Adult Social Care	2 January 2019

3. Quality control

Version number	5	EIA completed	18 January 2019
Date saved	18 January 2019	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Liz Uliasz	Service Director (Adult Social Care)	Adult Social Care	Accountable Executive
Toni Carney	Head of Resources & Caldicott Guardian	Adult Social Care	Head of Resources
Kathryn Pyper	Senior Programme Manager	Adult Social Care	Equality & Diversity
Claire White	Lead Project Manager	Adult Social Care	Subject matter expert
Mike Boyle	Assistant Director, Commissioning and Transformation	Adult Social Care	Commissioning
Peter Tempest	Assistant Director, Learning Disability and Autism	Adult Social Care	Learning Disability and Autism

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Adult Social Care’s vision is to be a modern service which promotes independence. This modern service will be characterised by:</p> <ul style="list-style-type: none"> • Diverting people to alternative support including, community and family support, self-help and universal services • Helping people at the right time so that short term help is provided to promote independence and is then reduced over time • Focusing on restoration, reablement, recuperation, recovery and rehabilitation • Assessing for long term needs when an individual is at their best • Treating hospitals as a front door in their own right • Reviewing in a culture of optimism <p>This modern service will be delivered through the ASC transformation programme. The key elements of this programme which will deliver savings as part of the 2019/20 Medium Term Financial Plan (MTFP) will be:</p> <ol style="list-style-type: none"> 1. Learning Disability – This programme will increase the number of people with a learning disability and autism living independently in their own homes, with access to employment, friendship groups or other worthwhile pastimes. 2. Market Management – This programme will renegotiate the cost of care for the provision of supported living and residential care for people with a learning disability 3. Practice Improvement – This programme will equip practitioners to take a strength based approach, ensuring people who need care and support have real choice and control, implementing a rigorous approach to reviews.
<p>What proposals are you assessing?</p>	<p>Some areas of the programme require an Equality Impact Assessment to be undertaken. Those areas that do not require an assessment are not referred to in this document. The proposals requiring an EIA in respect of the transformation programme are as follows:</p> <ol style="list-style-type: none"> 1. Learning Disability <ul style="list-style-type: none"> • Residential care and day care – Exploring options for replacing day care and associated transport arrangements with better access to universal community services, employment training, travel training etc. • Supported Living schemes – Introducing assistive technology across all schemes to reduce staff costs and aid independence/safety. • Short break service/respice – Exploring the concept of a county service to ensure parity of provision, price and use. Developing a directory of alternatives to building based short breaks - possibly extending shared care schemes and other activity based approaches. • Direct payments – Making this the default offer by mid-2019 to give people more choice and buying power. Introducing an asset based model of support to achieve the same outcomes at a reduced cost - switching the focus to training/recovery/discovery of skills, rather than doing for the person. 2. Market Management

	<ul style="list-style-type: none"> • Renegotiating the cost of care for the provision of supported living and residential care for people with a learning disability. <p>3. Practice Improvement</p> <ul style="list-style-type: none"> • Changing the conversation at the front door – Having skilled workers triaging at the front door using an asset based approach to ensure we manage demand more effectively and avoid unnecessary casework. Holding strength-based conversations through the assessment, support planning and review process. Making direct payments the default offer to reduce dependency on traditional home care and commissioned services. • Mobile Workforce – Testing the LAS (Liquidlogic Adults System) mobile app for roll out to workers with visiting roles to enable a more mobile workforce who can complete assessments in the community, saving both time and travel. • Channel shift /self-serve – Having a greater focus on self-service, self-assessment and self-sourcing and developing the functionality to enable online reviews. . Introducing online accounts to enable clients to complete support plans online and to interact with us in a digital way to reduce transaction costs. • Flexible and Skilled Workforce - Looking at organisational structure and accountabilities including qualified and un-qualified posts. Having a new structure for ASC localities/hospital teams defined and a new structure for countywide services in place by the end of 2018/2019.
<p>Who is affected by the proposals outlined above?</p>	<p>The proposals will affect:</p> <ul style="list-style-type: none"> • People who use services and their carers • Local residents • Adult Social Care staff • Surrey Choices (SCC's Local Authority Trading Company)

6. Sources of information

<p>Engagement carried out</p>
<p>Staff and our strategic user and carer partners have been engaged as part of defining the Practice Improvement changes.</p> <p>Extensive engagement with Surrey Care Association and a steering group of learning disability providers was undertaken to develop the new pricing structure for residential care and supported living for the cost of care renegotiations.</p> <p>For the changes to learning disability services, a range of engagement will be undertaken with staff, Members, providers and other stakeholders including the Learning Disability Partnership Board, Local Valuing People Groups, Autism Partnership Board and Carers Forum.</p> <p>People who use services will be engaged in any changes arising on an individual basis as part of their personalised review</p>
<p>Data used</p>
<ul style="list-style-type: none"> • Liquidlogic Adults System (LAS) management information – April 2018 • Interviews with locality team managers - April 2018

Annex 5f – ASC Transformational Savings Equality Impact Assessment

- Team Appraisal 5 - September 2017
- Data from www.surreyi.gov.uk, including the Surrey Joint Strategic Needs Assessment
- Strengths-based social work practice with adults, roundtable report, Department of Health – June 2017
- Predicting and managing demand in social care, Professor John Bolton – March 2016

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

** Please note: Potential positive and negative impacts which relate to all protected characteristics are listed under age; those which then relate to each specific protected characteristic are then listed against that characteristic

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence																														
Age**	<p>Create more age appropriate services, including extra care or residential age appropriate settings</p> <p>Identify family carers of 70yrs+ and offer them more effective support and engage in early planning for their adult child's future wellbeing, support and financial arrangements etc</p> <p>Enable an offer to young adults transitioning into adult services is aligned with the opportunities we will be creating for working age adults.</p> <p>It will encourage a more creative and age appropriate response by care companies</p>	<p>The shift towards more creative and informal care may generate some initial anxiety for people and their carers</p> <p>There may be increasing demands placed upon the voluntary, community and faith sector which may become overloaded and unable to support everyone who approaches them</p> <p>Block commissioning enables reduced rates to be negotiated. Individual's commissioning services may not receive the same competitive pricing.</p> <p>Older residents may not have the same ability to access a menu of support services and may be less able to</p>	<p>Learning Disability - The age profile of all the people with a learning disability and/or autism and/or asperger who will be supported by the ASC learning disability and autism team is as follows:</p> <table border="1"> <thead> <tr> <th>Age Band</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>16 to 25</td> <td>209</td> </tr> <tr> <td>26 to 40</td> <td>1,166</td> </tr> <tr> <td>41 to 65</td> <td>1,465</td> </tr> <tr> <td>66 to 80</td> <td>442</td> </tr> <tr> <td>80+</td> <td>54</td> </tr> <tr> <td>Not Known</td> <td>95</td> </tr> <tr> <td>Grand Total</td> <td>3,431</td> </tr> </tbody> </table> <p>Market Management - The age profile of all the people with a learning disability who are supported by providers involved in the cost of care renegotiation is as follows:</p> <table border="1"> <thead> <tr> <th>Age Band</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>16 to 25</td> <td>252</td> </tr> <tr> <td>26 to 40</td> <td>601</td> </tr> <tr> <td>41 to 65</td> <td>970</td> </tr> <tr> <td>66 to 80</td> <td>339</td> </tr> <tr> <td>80+</td> <td>54</td> </tr> <tr> <td>Grand Total</td> <td>2,216</td> </tr> </tbody> </table> <p>Practice Improvement - The number of individuals supported by Adult Social Care is shown below, broken down by age range:</p>	Age Band	Number	16 to 25	209	26 to 40	1,166	41 to 65	1,465	66 to 80	442	80+	54	Not Known	95	Grand Total	3,431	Age Band	Number	16 to 25	252	26 to 40	601	41 to 65	970	66 to 80	339	80+	54	Grand Total	2,216
Age Band	Number																																
16 to 25	209																																
26 to 40	1,166																																
41 to 65	1,465																																
66 to 80	442																																
80+	54																																
Not Known	95																																
Grand Total	3,431																																
Age Band	Number																																
16 to 25	252																																
26 to 40	601																																
41 to 65	970																																
66 to 80	339																																
80+	54																																
Grand Total	2,216																																

¹ A Protected Characteristic is defined in the Equality Act 2010. See the Equality and Human Rights Commission information for further information <https://www.equalityhumanrights.com/en/equality-act/equality-act-2010>

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence														
	<p>There will be a focus upon ensuring people have access to universal health care and screening at the right time in their lives</p> <p>Providers may hand back contracts and/or ask people to leave. This creates opportunities for people over 65 years of age to move to more age appropriate services with their peer age group</p> <p>Residents will be encouraged to have a more detailed discussion, exploring what care and support their family, friends and local community can provide to meet their needs. This will encourage creativity, people to continue to play an active part in their community and to maintain their independence</p> <p>Skilled and trained staff at the front door,</p>	<p>access community based support services</p> <p>Older people may be less able to assess the suitability of the services they are buying</p> <p>There may be quality assurance and safeguarding issues around the care provided by family, friends and community networks, how this is assured and to whom concerns should be raised</p>	<p>Open ASC cases (August 2018)²</p> <table border="0"> <tr> <td>18 to 54</td> <td>6,417</td> </tr> <tr> <td>55 to 64</td> <td>3,083</td> </tr> <tr> <td>65 to 74</td> <td>3,139</td> </tr> <tr> <td>75 to 84</td> <td>4,408</td> </tr> <tr> <td>85 to 99</td> <td>5,687</td> </tr> <tr> <td>100+</td> <td>155</td> </tr> <tr> <td></td> <td>22,889</td> </tr> </table>	18 to 54	6,417	55 to 64	3,083	65 to 74	3,139	75 to 84	4,408	85 to 99	5,687	100+	155		22,889
18 to 54	6,417																
55 to 64	3,083																
65 to 74	3,139																
75 to 84	4,408																
85 to 99	5,687																
100+	155																
	22,889																

² ASC LAS system [accessed 6 August 2018]

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
	<p>using a reworked contact form, will ensure residents experience earlier decision making, and provision of appropriate information and signposting</p> <p>Online tools allow residents to refer themselves at a time and place that suits them; independently or with the help of a relative or friend; to record responses in their own words; and with links to information to help meet their needs</p> <p>The promotion of direct payments and Individual Service Funds will give residents more choice, control and independence</p> <p>Robust, timely and proportionate reviews will mean residents have services at a level and duration to meet their needs</p>		

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence																																
	<p>New models for strategic commissioning in alignment with health will mean more seamless service provision for residents</p>																																		
<p>Disability**</p>	<p>It will encourage commissioners and care companies to co-design services and to listen to the individuals' voice in shaping new services to meet need</p> <p>The offer of a direct payment will increase choice and control for people with a learning disability and autism</p> <p>This may create opportunities for people to explore alternative community based solutions and different living arrangements</p> <p>Online tools will enable deaf residents to complete an assessment online without the need for an interpreter</p>	<p>Placing people in the community may be perceived by their families as placing them at potential risk</p> <p>If we don't communicate change in an appropriate and accessible way, there is a risk that people with a learning disability and autism will be excluded from the decision making process</p> <p>Local residents may object to planning application in their community for new services for people with a learning disability and autism</p> <p>It will be more difficult for people with some particular disabilities to access community networks as their disabilities are more challenging to support in</p>	<p>Learning Disability - The profile of the primary support reason of all the people with a learning disability and/or autism and/or asperger who will be supported by the ASC learning disability and autism team is as follows:</p> <table border="1"> <thead> <tr> <th>Primary Support Reason</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Learning Disability Support</td> <td>3,082</td> </tr> <tr> <td>Mental Health Support</td> <td>72</td> </tr> <tr> <td>Not Known</td> <td>116</td> </tr> <tr> <td>Physical Support</td> <td>117</td> </tr> <tr> <td>Sensory Support</td> <td>15</td> </tr> <tr> <td>Social Support</td> <td>23</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td>6</td> </tr> <tr> <td>Grand Total</td> <td>3,431</td> </tr> </tbody> </table> <p>Market Management - The profile of the primary support reason of all the people with a learning disability who are supported by providers involved in the cost of care renegotiation is as follows:</p> <table border="1"> <thead> <tr> <th>Primary Support Reason</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Learning Disability Support</td> <td>1,898</td> </tr> <tr> <td>Mental Health Support</td> <td>99</td> </tr> <tr> <td>Physical Support</td> <td>175</td> </tr> <tr> <td>Sensory Support</td> <td>32</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td>12</td> </tr> <tr> <td>Grand Total</td> <td>2,216</td> </tr> </tbody> </table>	Primary Support Reason	Number	Learning Disability Support	3,082	Mental Health Support	72	Not Known	116	Physical Support	117	Sensory Support	15	Social Support	23	Support with Memory and Cognition	6	Grand Total	3,431	Primary Support Reason	Number	Learning Disability Support	1,898	Mental Health Support	99	Physical Support	175	Sensory Support	32	Support with Memory and Cognition	12	Grand Total	2,216
Primary Support Reason	Number																																		
Learning Disability Support	3,082																																		
Mental Health Support	72																																		
Not Known	116																																		
Physical Support	117																																		
Sensory Support	15																																		
Social Support	23																																		
Support with Memory and Cognition	6																																		
Grand Total	3,431																																		
Primary Support Reason	Number																																		
Learning Disability Support	1,898																																		
Mental Health Support	99																																		
Physical Support	175																																		
Sensory Support	32																																		
Support with Memory and Cognition	12																																		
Grand Total	2,216																																		

Annex 5f – ASC Transformational Savings Equality Impact Assessment

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence																										
		<p>a community setting eg mental health, autism</p> <p>Safeguarding issues need to be considered particularly for people with learning disabilities or mental health needs, who may be more vulnerable in some community situations</p>	<p>Practice Improvement - Individuals supported by Adult Social Care by primary reason for support are listed below.</p> <p>Open ASC cases as at Aug 2018³</p> <table border="0"> <tr> <td>Learning Disability Support</td> <td style="text-align: right;">3,945</td> </tr> <tr> <td>Mental Health Support</td> <td style="text-align: right;">1,708</td> </tr> <tr> <td>Physical Support - Access and Mobility Only</td> <td style="text-align: right;">1,499</td> </tr> <tr> <td>Physical Support - Personal Care Support</td> <td style="text-align: right;">8,898</td> </tr> <tr> <td>Sensory Support - Support for Dual Impairment</td> <td style="text-align: right;">47</td> </tr> <tr> <td>Sensory Support - Support for Hearing Impairment</td> <td style="text-align: right;">207</td> </tr> <tr> <td>Sensory Support - Support for Visual Impairment</td> <td style="text-align: right;">162</td> </tr> <tr> <td>Social Support - Asylum Seeker Support</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Social Support - Substance Misuse Support</td> <td style="text-align: right;">66</td> </tr> <tr> <td>Social Support - Support for Social Isolation / Other</td> <td style="text-align: right;">278</td> </tr> <tr> <td>Social Support - Support to Carer</td> <td style="text-align: right;">3,200</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td style="text-align: right;">1,255</td> </tr> <tr> <td></td> <td style="text-align: right;">21,266</td> </tr> </table>	Learning Disability Support	3,945	Mental Health Support	1,708	Physical Support - Access and Mobility Only	1,499	Physical Support - Personal Care Support	8,898	Sensory Support - Support for Dual Impairment	47	Sensory Support - Support for Hearing Impairment	207	Sensory Support - Support for Visual Impairment	162	Social Support - Asylum Seeker Support	1	Social Support - Substance Misuse Support	66	Social Support - Support for Social Isolation / Other	278	Social Support - Support to Carer	3,200	Support with Memory and Cognition	1,255		21,266
Learning Disability Support	3,945																												
Mental Health Support	1,708																												
Physical Support - Access and Mobility Only	1,499																												
Physical Support - Personal Care Support	8,898																												
Sensory Support - Support for Dual Impairment	47																												
Sensory Support - Support for Hearing Impairment	207																												
Sensory Support - Support for Visual Impairment	162																												
Social Support - Asylum Seeker Support	1																												
Social Support - Substance Misuse Support	66																												
Social Support - Support for Social Isolation / Other	278																												
Social Support - Support to Carer	3,200																												
Support with Memory and Cognition	1,255																												
	21,266																												
Gender reassignment**	No significant impact	No significant impact																											
Pregnancy and maternity**	No significant impact	No significant impact																											
Race**	No significant impact	No significant impact																											
Religion and belief**	The offer of a direct payment may enable people to access																												

³ ASC LAS system [accessed 6 August 2018]

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence															
	services which cater for their faith People who share a religion or belief system will be encouraged to access support from within their local faith community																	
Sex**	No significant impact	No significant impact																
Sexual orientation**	No significant impact	No significant impact																
Marriage and civil partnerships**	No significant impact	No significant impact																
Carers^{4**}	Direct payments will offer carers more choice and support options We want to increase home adaptations to encourage and enable families to look after their adult family member at home	Carers may be resistant to, and feel anxious about, change Carers may feel obliged to take on more of a caring role Any changes to existing care arrangements may cause carers and families anxiety	Learning Disability - The profile carers for all the people with a learning disability and/or autism and/or asperger who will be supported by the ASC learning disability and autism team is as follows: <table border="1"> <thead> <tr> <th>Number of Carers linked to individual</th> <th>Number of Individuals who have a Carer</th> <th>Number of Carers</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1,048</td> <td>1,048</td> </tr> <tr> <td>2</td> <td>176</td> <td>352</td> </tr> <tr> <td>3</td> <td>9</td> <td>27</td> </tr> <tr> <td>Grand Total</td> <td>1,233</td> <td>1,427</td> </tr> </tbody> </table>	Number of Carers linked to individual	Number of Individuals who have a Carer	Number of Carers	1	1,048	1,048	2	176	352	3	9	27	Grand Total	1,233	1,427
Number of Carers linked to individual	Number of Individuals who have a Carer	Number of Carers																
1	1,048	1,048																
2	176	352																
3	9	27																
Grand Total	1,233	1,427																

⁴ Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
	<p>Online tools will enable carers to complete a carer's assessment in their own time and away from the cared for person so they are able to think about their own needs</p>		<p>Practice Improvement – The number of carers known to ASC is as follows:</p> <p style="text-align: right;">Number of carers known to ASC as at August 2018⁵ 3,865</p> <p>Based on the 2011 Census and population projections, the number of carers in Surrey is projected to increase to 124,176 by 2025. An increase is projected in all age groups but the biggest increase is projected for carers aged 65 and over. Of those, 11% are projected to be 85 or over.</p> <p>Based on the 2011 Census and population projections, it is estimated that there are higher numbers of female carers in Surrey. The proportion is the highest in the 16-64 age group, where 60% of carers are female. This increases to 67% in that age group where they are caring for 50 or more hours per week. The 85+ age group is an exception to this, however, as the majority of carers (57%) are male. This increases to 58% for carers aged 85 and over who are caring for more than 20 hours per week.</p> <p>The 'Healthy Lives Healthy People' 2010 report stated that carers who care for 50 hours a week or more are 80% more likely to have health impacts. It also stated that carers providing 20 hours per week or more are likely to sustain a physical injury such as back strain.⁶ The ADASS report '<u>Economic Case for Local Investment in Carers Support</u>' refers to the Department of Health's 'Impact Assessment on the Care Bill' and concludes that 'each pound spent on supporting carers would save councils £1.47 on replacement care costs and benefit the wider health system by £7.88'.⁷</p>

⁵ ASC LAS system [accessed 6 August 2018, includes Carers and Carers who also use services]

⁶ Department of Health. *Healthy Lives Healthy People*, 2010. Available from: <https://www.gov.uk/government/publications/healthy-lives-healthy-people-our-strategy-for-public-health-in-england>

⁷ ADASS, Department of Health, Carers Trust, Carers UK. *Economic Case for Local Investment in Carers Support* and Department of Health. *The Care Act 2014: Regulations and guidance for implementation of Part 1 of the Act in 2015/16: Impact Assessment (IA) 6107*, October 2014

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

** Please note: Potential positive and negative impacts which relate to all protected characteristics are listed under age; those which then relate to each specific protected characteristic are then listed against that characteristic

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence ⁸
Age**	<p>Staff will be equipped to spend more time understanding people's situations, assisting them to identify all the options available to meet their needs, providing information and encouraging the use of technology</p> <p>The review of organisational structure and accountabilities may create opportunities for staff with protected characteristics to develop new skills and to take on new roles and responsibilities</p>	<p>Some staff with protected characteristics may struggle to adapt to the pace and scale of change eg changing their conversation at the front door, using the mobile app, supporting online channel shift</p> <p>The review of organisational structure and accountabilities may limit opportunities for staff with protected characteristics</p>	<p>4.86% of the Surrey County Council workforce is aged 16 to 24 years, compared to 3.37% in Adult Social Care & Public Health, and 12 % of the economically active population in Surrey.</p> <p>Adult Social Care & Public Health has a higher profile of mature workers than the Surrey wide population, with 31.48% 45-54-years (compared to 15%). This is 28.97% for Surrey County Council as a whole.</p> <p>42.01% of employees in Adult Social Care & Public Health are part time compared with 53.1% in SCC. 38.64% of the Adult Social Care & Public Health workforce are women working part-time</p> <p>13.36% of the Adult Social Care & Public Health workforce is 60 years and older, compared to 12.62% in Surrey County Council. This compares to 11% of the economically active population in Surrey.</p>
Disability**	As above	Moving from a locality to county wide service could mean staff with a disability find travelling to carry out their duties more challenging	The disability workforce profile in Adult Social Care & Public Health is 3.15% compared to 3.09% in the larger Surrey County Council.
Gender reassignment**	No significant impact	No significant impact	-

⁸ SCC:HR - Workforce Planning Data Sheet Jan 2017 and 2011 Census

Annex 5f – ASC Transformational Savings Equality Impact Assessment

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence⁸
Pregnancy and maternity**	No significant impact	No significant impact	-
Race**	No significant impact	No significant impact	
Religion and belief**	No significant impact	No significant impact	
Sex**	No significant impact	No significant impact	
Sexual orientation**	No significant impact	No significant impact	
Marriage and civil partnerships**	No significant impact	No significant impact	-
Carers**	Introduction of the mobile app will enable staff to be more flexible and efficient in their time and travel and will thus enable them to accommodate any caring responsibilities	Moving from a locality to county wide service could mean staff with caring responsibilities find travelling to carry out their duties more challenging	-

8. Amendments to the proposals

Change	Reason for change
No amendments to the proposals are recommended as a result of the Equality Impact Assessment.	-

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
More creative and age appropriate services	Take a coordinated approach, provider by provider, introducing more specificity to support plans with clearer outcomes Encourage and challenge care companies to find creative solutions to deliver best value for money	2019/20	Assistant Director, Learning Disability and Autism (AD PLD)
Support for family carers 70yrs+	Identify family carers 70yrs+ and offer effective support and engage in early planning for their adult child's future wellbeing support and financial arrangements etc through using the family carers network to assist in conversations	2019/20	AD PLD
Seamless service to young adults transitioning into adult services	Align work with the Council's All Age Learning Disability Strategy Support work to improve the flow of information and data from Children's Services	2019/20	AD PLD
Services relevant to the changing needs of individuals as they age	Staff will undertake annual reviews to ensure services are relevant and changed where appropriate	2019/20	AD PLD
Focus upon the outcomes	Take a coordinated approach, provider by provider, introducing more specificity to support plans with clearer outcomes	2019/20	AD PLD

Annex 5f – ASC Transformational Savings Equality Impact Assessment

Co-design of services	<p>Ensure commissioners and care companies co-design services with, and listen to the voices of, people who use services and their carers</p> <p>Drive forward change with input from, and the support of, all stakeholders</p>	2019/20	AD PLD
Supporting carers	<p>Continue to support carers in their caring role</p> <p>Involve carers in the co-design of new services</p> <p>Monitor the use of carers' services to ensure equitable access</p> <p>Make direct payments the default offer for carers</p>	2019/20	AD PLD
Direct payments	<p>Ensure there are appropriate support mechanisms in place to enable people with a learning disability and autism to use a direct payment</p> <p>Work with ALT colleagues to ensure the PA rate is adequate to enable people to recruit and retain a PA</p>	2019/20	AD PLD
Home adaptations	<p>Work with district and borough councils to ensure home adaptations are undertaken with pace</p>	2019/20	AD PLD
Care companies adapting to direct payments	<p>Provide clear communication and support to care companies to reshape their service offer around direct payments</p>	2019/20	AD PLD
Placing people in the community perceived as a risk to themselves/the community	<p>Ensure people are equipped and their needs are suitable to access community resources</p> <p>Ensure robust safeguarding arrangements are in place</p> <p>Use success stories to reassure families</p>	2019/20	AD PLD

Annex 5f – ASC Transformational Savings Equality Impact Assessment

People will be excluded from the decision making process	Communicate change in an accessible way for people with a learning disability and autism so they are engaged in the decision making process	2019/20	AD PLD
Local residents may object to planning application	Engage with the local community and adherence to planning processes	2019/20	AD PLD
Carers resistant to, and anxious about, change may feel obliged to take on more of a caring role	<p>Provide clear communication to help carers understand why and how services are changing</p> <p>Listen to carers concerns and reflect these into service design</p> <p>Ensure carers are assessed in their own right and have a support plan</p> <p>Continue to take a whole family approach to assessment. Ensure any young carers are identified and given support</p>	2019/20	AD PLD
Moving to a county wide service could mean staff with a disability or caring responsibilities find travelling more challenging	Reasonable adjustments will be made to support staff	2019/20	AD PLD
Changes arising from market management	The Council has an on-going duty of care to meet eligible assessed need and will continue to do so		AD PLD with AD Commissioning and Transformation
Changing the conversation at the front door	Train and support staff to have an informed conversation with residents at the front door	End March 2019	Business Process Transformation Project Team
	Continue to grow staff's knowledge of local community based resources to which they can signpost people	On-going	SCDCs
	Continue to promote direct payments	On-going	ADs
	Define Surrey's Individual Service Funds offer for residents	End March 2019	Business Process Transformation Project Team

Annex 5f – ASC Transformational Savings Equality Impact Assessment

	Continue to work as part of Local Joint Commissioning Groups to expand the role of, and support available to, the voluntary, community and faith sector	On-going	ADs
Mobile Workforce	Roll out the mobile app to staff with visiting roles. Offer training to support the introduction of the new technology.	End March 2019	Business Process Transformation Project Team
Channel shift /self-serve	Continue to develop and promote online tools for Surrey residents	On-going	Business Process Transformation Project Team
Flexible and Skilled Workforce based on 11 Localities Model	Ensure the review of the organisational structure and accountabilities takes account of staff with protected characteristics	End March 2019	Liz Uliasz

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
Care companies giving notice	Age and disability
Local residents objecting to planning application for new services in their community	Disability

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>A range of data was used to support the equalities analysis including Surrey, Team Appraisal 5, LAS management information, interviews with locality team managers, independent research and literature.</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>See table above</p>
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>No changes have been made to the proposal as a result of the Equality Impact Assessment</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>See table above</p>
<p>Potential negative impacts that cannot be mitigated</p>	<p>See table above</p>

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Customer Experience
EIA author	Carole Comfort

2. Approval

	Name	Date approved
Approved by	Michael Coughlin (Executive Director, Customer, Digital and Transformation)	14 January 2019
Approved by	Charlotte Morley (Cabinet Member for Corporate Support)	16 January 2019

3. Quality control

Version number	1	EIA completed	14 January 2019
Date saved	14/01/19	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Carole Comfort	Project Lead	Surrey County Council	Customer Services
Susan Grizzelle	Customer Services Group Manager	Surrey County Council	Customer Services
Sarah Baker / Janet Polley / Deborah Chantler	Legal Services Manager / Senior Principal Solicitors	SCC	Legal Advice
Adam Whittaker	Policy and Strategic Partnerships Manager	SCC	Advice

5. Explaining the matter being assessed

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

As part of the transformation programme which Surrey County Council is undertaking, there is a drive to change the way in which residents can contact the council and access some of its services.

Through the promotion of digital and self-service options and the expansion of the established front door model, the requirement for consistent and cost effective access to council services will be met.

This increased use of digital and expansion of the front door together entail the Customer Experience programme.

The council's Organisational Strategy 2019-2023 identifies that to keep up with the digital demands of society we need faster, quicker and better public services available through multiple channels and devices.

It further states the council's commitment to get better at seeing things from a resident's perspective, giving customers a more consistent experience while reducing costs. It identifies that currently customers have to transact, interact and get information from the council in a number of different ways and that an improved customer experience will be created by streamlining and simplifying this to a single point of contact where appropriate.

Initial scoping has identified the following as potential opportunities to bring new services into the existing front door model:

- Children's MASH
- SEND
- Adult's triage
- Adult's MASH
- Coroner
- Online school wait list checker (digital)
- Online bus pass system (digital)

What proposals are you assessing?

The contact centre operates as the front door to the majority of council services. In order to realise required efficiency savings, and provide customers with more flexibility and control in the way they contact the council, it would like to deliver services digitally wherever possible.

Working with our partners in IT& Digital to identify options to improve the ability of customers to self-help and self-serve, we can provide economy of scale for the council and free up more costly specialist officer time within services.

The strategy is being assessed to serve as an overarching policy when considering any proposals to withdraw or reduce mediated telephone access to services via the council's contact centre. Additional EIAs will be carried out on a service by service basis as and when individual proposals are made.

This model will also allow us to focus our most expensive methods of communication, e.g. telephone, for our most vulnerable residents and customers, add most value and ensure we do not exclude those who are not digitally enabled.

	<p>Centralising enquiry management by expanding the existing single front door model will deliver economy of scale and an improved, consistent customer experience. It will enable a more transformative change to the provision of self-service options through utilising enhanced technology.</p> <p>It will also enable a comprehensive and joined up picture of Surrey residents and customers. Customer insight and feedback gathered by customer services in a centralised performance management framework will ensure that the customer is at heart of service delivery and policy change.</p> <p>The Customer Experience strategy supports customers to self-serve wherever possible. The aim is to provide customers with more flexibility, choice and control over when they can contact us while at the same time realise efficiency savings</p>
<p>Who is affected by the proposals outlined above?</p>	<p>All customers who currently access those services which will have their point of access changed as a result of the expanded front door, as well as those who chose to telephone the contact centre in order to access council services (as these services will largely move to digital platforms).</p> <p>Any savings associated with staffing reductions will be achieved by natural wastage wherever possible, therefore these proposals are unlikely impact on staff.</p> <p>Additional EIAs will be undertaken, where necessary, as and when specific proposals are received for services coming into the single front door.</p>

6. Sources of information

Engagement carried out

Engagement and consultation will be carried out with customers as necessary, as and when individual proposals are made..

Data used

The contact centre call logging system is used to identify the number of calls received by the contact centre on specific call types. Web data is analysed to identify levels of online uptake.

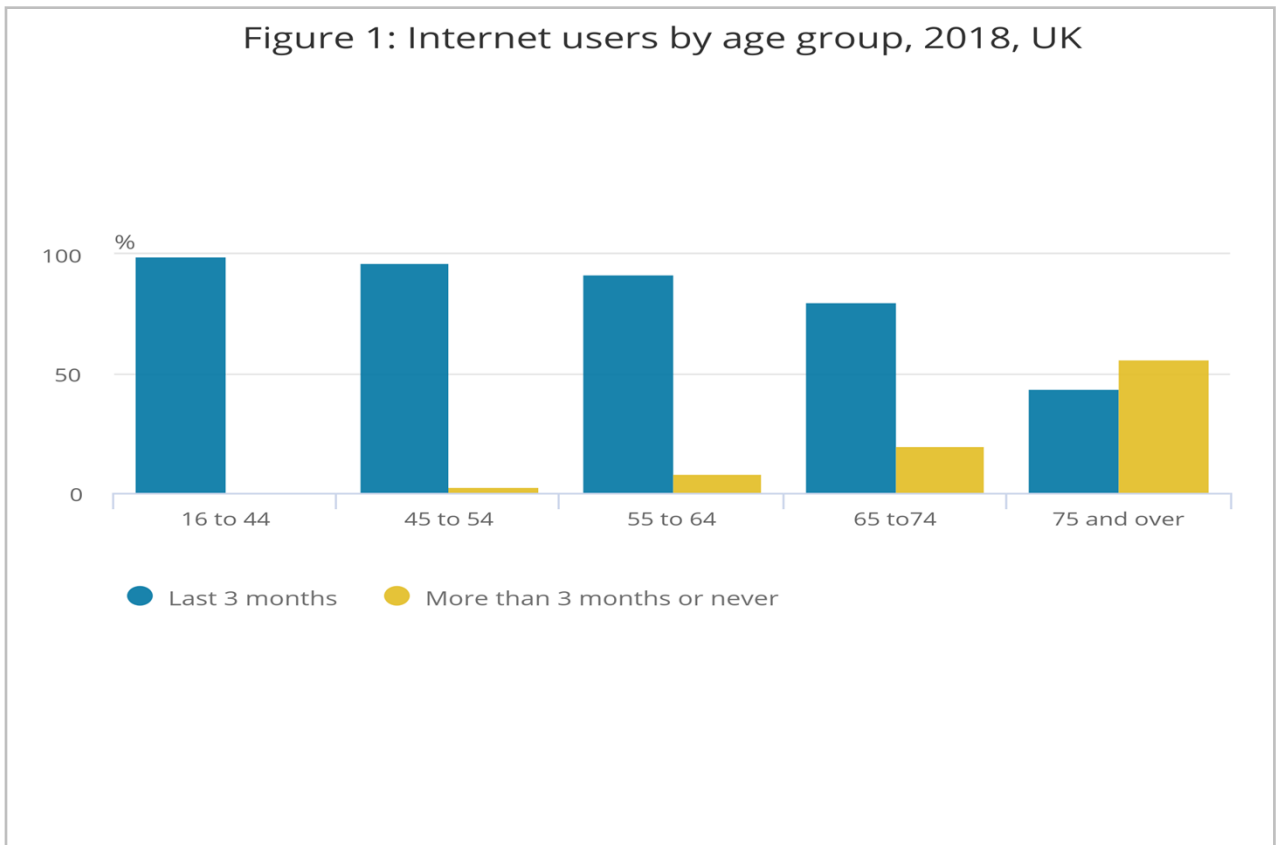
Surrey has a low rate of digital exclusion. Data indicates that there is an upward trend of customers preferring self-serve options for straightforward transactions (see graphs).

Data on digital inclusion*:

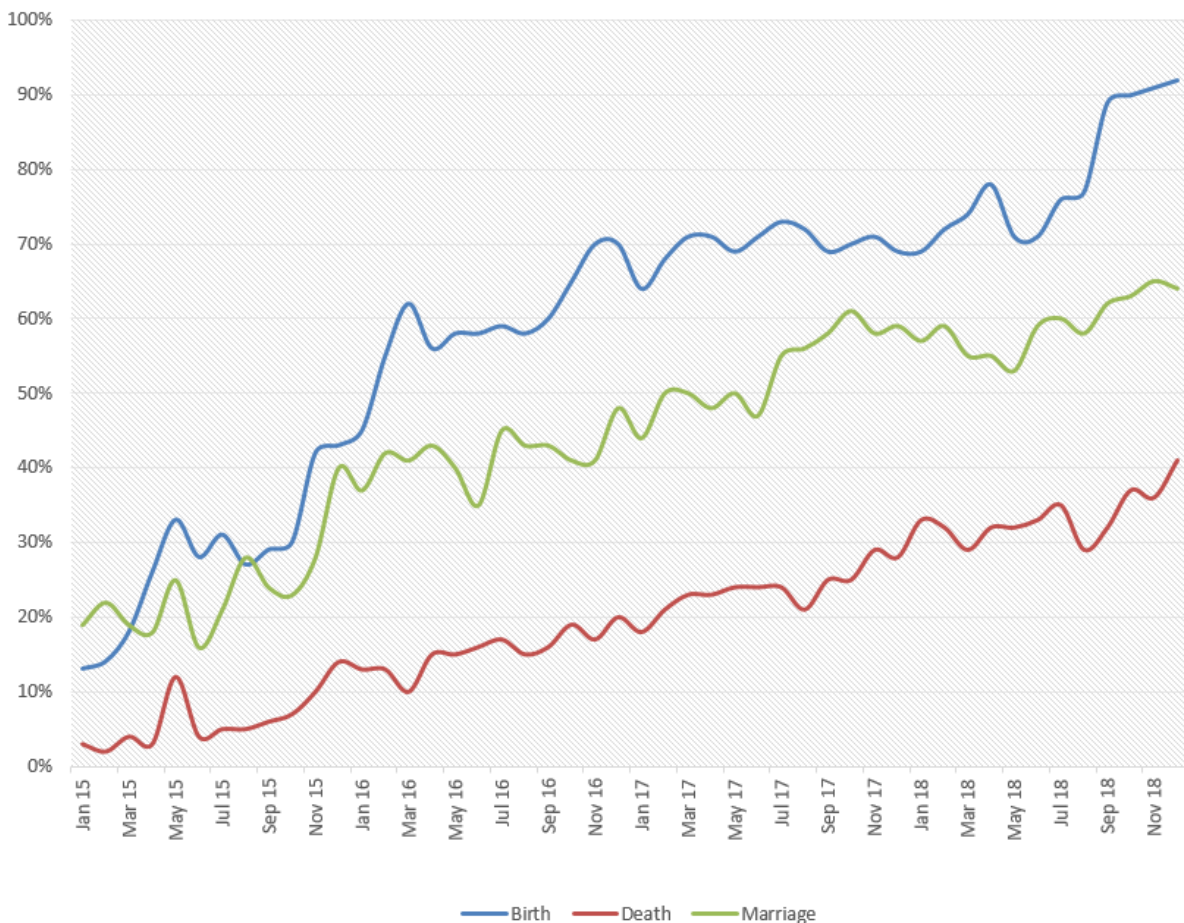
- 93.4% of adults in Surrey go online regularly
- 77%-80% (3% variance between districts and boroughs) of Surrey residents have all 5 digital skills needed to participate fully online, i.e.
 - Managing information – e.g. able to search for information and store data
 - Communicating – e.g. use email, instant messaging, post on forums
 - Transacting – e.g. order shopping
 - Problem solving – e.g. access support services such as live chat
 - Creating – e.g. create a text document, create a social media post
- 98% of premises in Surrey can receive broadband of at least 10mps, 85% of households can access superfast broadband
- Surrey County Council's website receives approximately 6.5 million visits each year, 36% of visits take place out of office hours
- In 2018 there was a larger difference in recent internet use for adults aged 75 years and over; 39% of disabled adults in this age group were recent internet users, compared with 49% of non-disabled adults**
- Overall, the proportion of recent internet users was lower for adults who were disabled compared with those who were not**
- Just over 7,000 people in Surrey either do not speak English well or at all

*Data obtained from Ofcom, ONS, DotEveryone, Surrey County Council, Surrey-i

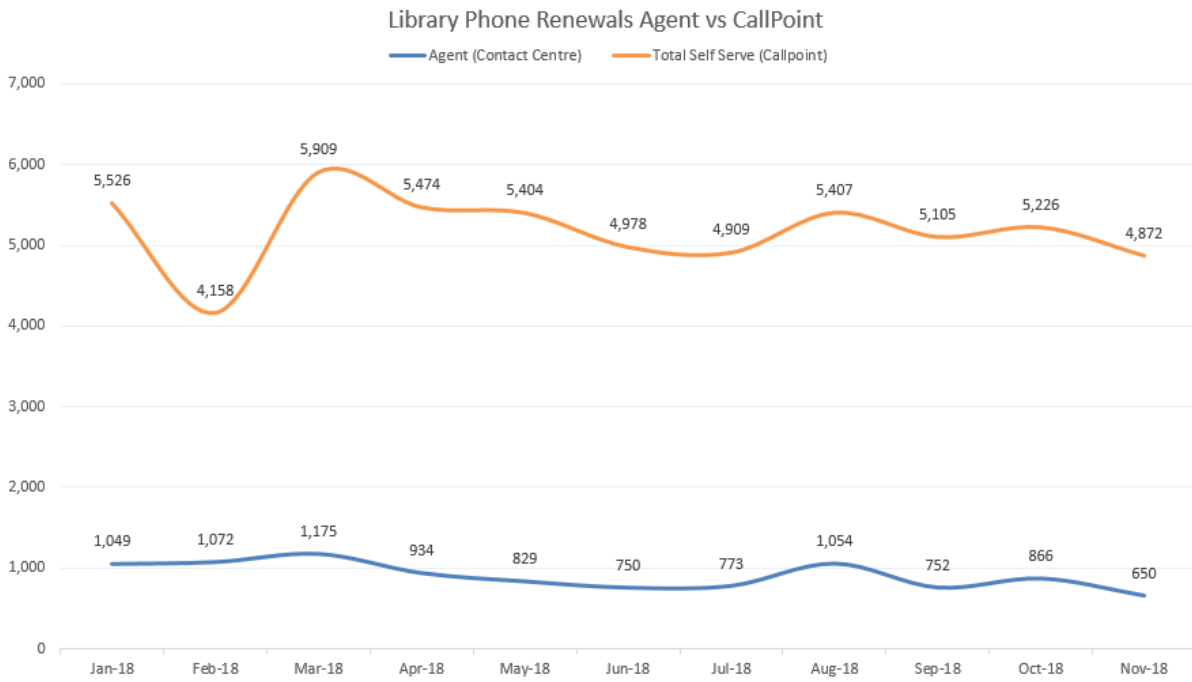
**ONS Internet Users UK:2018



Birth, Death and Marriage appointments booked online



Annex 5g – Customer Experience Equality Impact Assessment



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

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>People who prefer to self-serve will benefit from this policy. This may include younger people.</p> <p>A single point of access for all council services will make it easier for customers to access the information and services they need.</p>	<p>People who are digitally excluded will be impacted by this policy. This group may include older people.</p>	<p>Data shows (see point 6 above) that almost all adults age 16-54 regularly use the internet. This drops to 41% in those aged 75+.</p>
Disability	None	<p>People who are unable to self-serve will be impacted by this policy. This group may include people with certain types of disability.</p>	<p>Latest data (see point 6 above) from ONS states that 39% of adults with disabilities aged 75+ used the internet recently compared with 49% of non-disabled adults.</p>
Gender reassignment	None	None	None
Pregnancy and maternity	None	None	None
Race	None	<p>Some people who do not speak English as a first language may have difficulty understanding and/or following online or automated instructions.</p>	None
Religion and belief	None	None	None

Sex	None	None	None
Sexual orientation	None	None	None
Marriage and civil partnerships	None	None	None
Carers (protected by association)	This policy may assist carers to access services, advice and information at a time that best suits them.	None	None

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	None	None	None
Disability	None	None	None
Gender reassignment	None	None	None
Pregnancy and maternity	None	None	None
Race	None	None	None
Religion and belief	None	None	None
Sex	None	None	None
Sexual orientation	None	None	None

Annex 5g – Customer Experience Equality Impact Assessment

Marriage and civil partnerships	None	None	None
Carers (protected by association)	None	None	None

8. Amendments to the proposals

Change	Reason for change

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Customers will be able to access information and services from a single point channels across a range of contact channels.		N/A	N/A
The potential withdrawal of telephone based mediated access to some services will have a negative impact on customers who are digitally excluded and/or unable to self-serve. This group is most likely to include older people and people with disabilities	<p>We recognise that some of our customers may not be able to self-serve. Customers who are digitally excluded will still be able to contact the council through traditional methods such as telephone. The contact centre will provide instruction and support to any customers who experience difficulty in using digital or automated services.</p> <p>A discrete mediated service will be offered to vulnerable customers who are unable to self-serve, even with assistance. Although some customers may still require assistance from the contact centre this channel shift strategy will lead to an overall significant reduction in call volumes.</p> <p>Training will be provided to contact centre staff to ensure that vulnerable customers are correctly identified and provided with appropriate support and/or mediated access. The customer services in-house training team will</p>	Customers will receive additional support as, and when, required	N/A

	deliver this training to ensure take up by all staff.		
The withdrawal of telephone based mediated access to some services may have a negative impact on customers who do not speak English as a first language	<p>Customers who do not speak English as a first language may have difficulty in reading or understanding online instructions.</p> <p>The contact centre has access to a telephone interpretation service and would offer this as part of a mediated service to customers who are unable to use online or automated services due to language difficulties in the same way as they do at present.</p>	Customers will receive additional support as, and when, required	N/A
The proposed changes will provide an opportunity to raise awareness of the ability of the majority of Surrey residents, including those with protected characteristics, of 24/7 self-serve options for a number of transactions	Some residents and other customers may find it easier to use self-serve options. The channel shift strategy will help to promote online self-serve options which are available 24/7.	N/A	N/A

10. Potential negative impacts that cannot be mitigated

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

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> • The communications team will be consulted to ensure that appropriate messaging is undertaken for each proposal that may impact customers, including those with protected characteristics. The approach for each proposal is likely to vary depending on what service is being considered. • Staff briefing sessions and training will be undertaken to ensure that vulnerable customers and those unable to self-serve due to digital exclusion are given appropriate assistance and support to access the services they need
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<ul style="list-style-type: none"> • Residents who are digitally excluded, including older people and people with disabilities, will be impacted by these proposals. • People who have English as a second language may find it challenging to understand/follow online and/or automated instructions. • Opportunity to raise awareness of 24/7 self-serve options for a number of services which may benefit some people with protected characteristics.
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>N/A</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<ul style="list-style-type: none"> • A discreet mediated service will be offered by the contact centre to vulnerable customers, and customers who do not have English as a first language, if they are unable to self-serve, even with guidance and instruction. • Training will be provided to contact centre staff to ensure that vulnerable customers are correctly identified and provided with appropriate support and/or mediated access
<p>Potential negative impacts that cannot be mitigated</p>	<p>N/A</p>



OFFICER REPORT TO COUNCIL

APPOINTMENT OF AN INTERIM MONITORING OFFICER

KEY ISSUE/DECISION:

At its meeting on 11 December 2018, Council appointed Rachel Crossley as Interim Monitoring Officer.

An interim Director of Law & Governance, Geoff Wild, has now been appointed and Council approval is sought to appoint him to the statutory role of Monitoring Officer pending recruitment to the position on a permanent basis.

BACKGROUND:

1. Section 5 of the Local Government and Housing Act 1989 requires the Council to designate one of its officers as the Monitoring Officer. The Monitoring Officer may not also be the Council's Chief Finance Officer or the Chief Executive/Head of Paid Service.
2. The functions of the Monitoring Officer include:
 - Oversight and reporting of the operation of the Council's Constitutional arrangements and decision making processes;
 - Reporting on unlawfulness and maladministration;
 - Investigating allegations of breach of the Code of Conduct; and
 - Seeking rulings from the Council's Independent Person and arranging meetings of the Member Conduct Panel.
3. Geoff Wild has been selected following due process as an excellent candidate with substantial previous experience as a Director of Law & Governance and Monitoring Officer. He commenced as Interim Director of Law & Governance on 4 February and will assume the role of Monitoring Officer pending permanent appointment to the role, with Rachel Crossley taking back the role of Deputy Monitoring Officer.

RECOMMENDATIONS:

It is recommended that Geoff Wild be appointed as Interim Monitoring Officer from the date of this meeting.

Lead/Contact Officers:

Joanna Killian, Chief Executive.

Sources/background papers:

None.

This page is intentionally left blank

*County Council Meeting – 5 February 2019***REPORT OF THE CABINET**

The Cabinet met on 18 December 2018 and 29 January 2019.

In accordance with the Constitution, Members can ask questions of the appropriate Cabinet Member, seek clarification or make a statement on any of these issues without giving notice.

The minutes containing the individual decisions for 18 December meeting is included within the agenda at item 12. The Minutes of 29 January will be made available as a supplement to the agenda. Any Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 4 February 2019).

For members of the public all non-confidential reports are available on the web site (www.surreycc.gov.uk) or on request from Democratic Services.

REPORT FOR INFORMATION / DISCUSSION**A. LOCAL GOVERNMENT OMBUDSMAN**

The Monitoring Officer presented her report and gave background details to the complaint, which arose from the Council's failings in dealing with a previous complaint about educational provision for a child with special educational needs. She explained that a number of changes to processes had been put in place to ensure that this particular issue did not reoccur. The Local Government Ombudsman (LGO) was fully satisfied that appropriate assessments had been carried out to ensure that there had not been any significant impact on the child's educational attainment. Statutory notices had been published in two newspapers and all Members of the Council would receive a copy of the Ombudsman's report.

The Leader of the Council extended his apologies for the failings in the handling of the original complaint and was pleased that changes had now been put in place and the child was receiving support. It was requested that all complaints that involve the LGO are also sent to the relevant Cabinet Member in order that they can keep track of it.

RESOLVED:

1. That the Ombudsman's report and the steps taken by the service to address the findings was noted.
2. That no further action should be taken.
3. That the Monitoring Officer would bring her report to the attention of all councillors was noted.
4. That all future complaints raised with the Ombudsman be notified to the relevant Cabinet Member.

Mr Tim Oliver, Leader of the Council
28 January 2019

This page is intentionally left blank

**Report by the Local Government and Social Care
Ombudsman**

**Investigation into a complaint against
Surrey County Council
(reference number: 18 005 543)**

23 October 2018

The Ombudsman's role

For 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Mr B	The complainant
Mrs B	The complainant's wife
C	Mr and Mrs B's son

Report summary

Children's Services

Mr B complains the Council failed properly to provide the agreed remedy for his previous complaint to the Ombudsman.

Finding

Fault found causing injustice and recommendations made.

Recommendations

To remedy the injustice caused, we recommend the Council:

- send Mr B a further written apology, covering its delays sending the previously agreed apology and payment; and
- pay Mr B £250 to recognise the injustice to him.

The Council should also report to the Ombudsman, with evidence, to show it has reviewed its processes to ensure:

- it responds promptly, fully and accurately to our enquiries, draft decisions and other communications; and
- it checks full and prompt completion of each part of a complaint remedy it agrees with us and then updates us promptly.

The complaint

1. Mr B complains the Council failed properly to provide the agreed remedy for his previous complaint to the Ombudsman.

The law relevant to this complaint

2. We investigate complaints about ‘maladministration’ and ‘service failure’. In this report, we have used the word ‘fault’ to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as ‘injustice’. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
3. We cannot question whether a council’s decision is right or wrong simply because the complainant disagrees with it. We must consider whether there was fault in the way the decision was reached. (*Local Government Act 1974, section 34(3), as amended*)
4. If we are satisfied with a council’s actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i)*)
5. Our investigation of Mr B’s previous complaint ended on this basis as we were satisfied with the Council’s agreement to take certain actions.
6. Under the information sharing agreement between the Local Government and Social Care Ombudsman and the Office for Standards in Education, Children’s Services and Skills (Ofsted), we will share this decision with Ofsted.

How we considered this complaint

7. We produced this report after examining relevant documents and considering information from Mr B and the Council.
8. We gave Mr B and the Council a confidential draft of this report and invited their comments. The comments received were taken into account before the report was finalised.

What we found

Background

9. Mr B’s son, C, has special educational needs and disabilities. In May 2018, we upheld Mr B’s previous complaint. We did not publish that decision on our website because the contents risked identifying the family. The Council agreed to our recommendations to put matters right so we ended our investigation.
10. When the timescale for the Council to complete the agreed actions passed, it appeared the Council had not carried out any of those actions. We therefore investigated a new complaint from Mr B that the Council had not provided the agreed remedy for the previous complaint.

Our consideration of Mr B’s previous complaint

11. Our previous investigation found the Council was at fault for failing to meet C’s educational needs properly, including for C having no school place for half a school year in 2016/17. C also did not receive the speech and language therapy

(SLT) and occupational therapy (OT) the Council's education, health and care plan (EHCP) said he needed. In addition, we found that, even once C was at school, problems with the Council's OT provision meant C and other children did not receive the OT the Council said they needed.

12. We found those faults caused uncertainty about the impact on C's education and caused C's family considerable inconvenience, time and trouble pursuing matters, avoidable distress, anxiety and a justified sense of anger. There was also the possibility that other children's progress had been set back by not having OT.
13. At our recommendation, the Council agreed to do the following to resolve the complaint.
 - Apologise.
 - Obtain assessments from relevant professionals of whether C needs any extra educational provision, OT, or SLT to reach the points he would be likely to have reached if he had been in school. If he does, the Council should ensure C receives this, at the Council's expense.
 - Pay Mr B £2,200 in respect of C's missed educational provision.
 - Pay Mr and Mrs B an additional £750 each (£1,500 altogether) to acknowledge the injustice the Council's faults caused the family.
 - Obtain assessments from relevant professionals of whether other children affected by the problems with the Council's OT provision need any extra OT to make up for what they lost. If they do need this, the Council should ensure they receive it, at the Council's expense.
14. Before our final decision, we set out these recommended actions and timescales in a draft decision and invited the Council and Mr B to comment. The Council accepted the draft recommendations without suggesting there would be any problem with either the actions or the timescales.
15. The Council agreed to send the apology and payments by 17 June 2018 (one month after our final decision). It agreed to obtain the assessments by 17 June 2018 and begin any necessary catch-up provision as soon as possible after that.
16. The Council's usual procedure after agreeing our draft recommendations is to share our final decision with relevant Council managers, highlighting the agreed actions and timescale. Those managers should then complete the remedy. We have considered what the Council did on each point it had agreed.

Apology

17. The Council drafted an apology letter within a week of our final decision. However, it did not issue the letter, seemingly having overlooked this due to staff changes. It sent the apology on 4 July 2018. That was over two weeks late and evidently only happened because we had asked the Council what it had done about our recommendations. The Council was at fault for the delay.

Payments

18. The Council agreed to pay by 17 June 2018. It did nothing until early July. Then, prompted by us, it asked Mr B for his bank details, which he provided promptly. The Council then told us it had paid Mr B in July. This was not true, which the Council admitted after Mr B and we pursued the point. We do not suggest the Council deliberately misled us. Rather, the inaccuracy appears to have resulted from poor communications within the Council. The Council eventually paid the money in mid-August, two months late.

-
19. The Council could reasonably have sought the bank account details and made the payment well within the one-month period it had agreed. Its delay was fault. That fault was compounded, and further time wasted, by the Council wrongly telling us it had already paid.
 20. These events suggest an unfocussed approach to dealing with us on this matter, even when the Council knew it had already failed to pay on time. We should not have had to chase the Council repeatedly to make it pay.

Whether C needs any extra educational provision, occupational therapy or speech and language therapy

21. On 11 July 2018, the Council told us it had not yet done anything about obtaining and acting on the assessments. It apologised to us.
22. The purpose of these recommendations was to establish whether the Council's earlier faults had set back C's progress. It was important to do this promptly so any remedial action could follow soon, minimising any effect on C's progress. Failing to do this as agreed was significant fault.
23. We asked the Council what it has now done about our previous recommendations regarding C's progress in education, OT and SLT.

Educational provision

24. Regarding C's general educational progress, the Council now says that, given C's complex special educational needs, '*...it is not possible in 2018, to assess damage caused from the period of time [when C had no school place]...*'
25. If it is 'not possible in 2018' to assess this, it is not clear why the Council agreed to do precisely this as part of the remedy for Mr B's previous complaint. This response implies the Council did not properly consider our recommendation before agreeing it. This point adds to the general impression of an unfocussed approach to remedying the complaint and to dealing with us.
26. The Council also now states that C is in a suitable school with highly specialised provision specifically tailored to his needs. It therefore says the education C has received since starting there automatically takes account of his needs, including any needs caused by his previously missing some schooling. Essentially, the Council's position is that C's current education is taking account of all his needs on a continuing basis.
27. Given the nature of C's needs, the nature of the school he attends, and the reviews of his needs that the school and Council undertake in the normal course of events, the Council's comments here seem likely to be accurate. So, we do not consider the Council needs to do more now in terms of assessing the impact of any previous shortfall in C's educational provision. Nevertheless, the Council must ensure it properly considers our draft recommendations rather than agreeing points it is unable to deliver.

Occupational therapy

28. We now understand that, before our previous investigation ended, C received additional OT sessions to catch up on what he missed. C's most recent annual review also suggested an increase in his OT provision. The Council believes it is providing everything that is appropriate in terms of OT.
29. The purpose of our recommendation was to ensure C received any necessary and possible catch-up provision if his progress had suffered during the period when the Council's faults had left him without OT. The Council's position is based

on its understanding of C's needs and on appropriate professional judgements. So, as paragraph 3 explained, we cannot criticise the Council's position. Also, the substantive position in terms of action to help C would have been the same even had the Council reacted promptly to our previous recommendations.

30. However, as the Council took some of the relevant steps before our previous investigation ended, it is surprising the Council did not tell us this when we sent our draft decision on the previous complaint. Again, there seems to be a lack of a joined-up approach within the Council and in its dealings with us.

Speech and language therapy

31. A speech and language therapist who has observed C recently has now considered C's circumstances and liaised with C's previous school. In July 2018 the therapist judged it unlikely a formal assessment of C would help because of his difficulty engaging with an assessment. That was a professional judgement the therapist was entitled to make. It was properly reached based on recent knowledge of C.
32. The speech and language therapist therefore reported based on observing C recently and on knowledge of his history before and since starting his current school. The therapist concluded: C's communication skills have deteriorated but this is in line with his overall presentation over time; C's time out of school may have affected his routine and his access to a more communication-rich environment; but it is unlikely C's time out of school directly impacted his communication skills.
33. Those points are professional judgements, properly reached based on considering C's circumstances. Also, it is likely those judgements would have been the same had the Council acted promptly on our previous recommendations and considered the situation sooner. So, we cannot criticise those judgements.
34. The Council has achieved the aim of our recommendation, namely establishing, as far as possible, the effect of C's time out of school on his speech and language. The Council properly reached its view that there was unlikely to have been an adverse effect. Therefore, the Council need not do more on this point.

Whether any other children affected need extra occupational therapy

35. During the 2016/17 school year, the Council failed to provide some OT in parts of Surrey. It told Mr B in June 2017 this was affecting some OT services in schools and to children living in the affected areas. Our draft decision on Mr B's previous complaint recommended the Council assess the affected children by 17 June 2018 then begin any catch-up work as soon as possible. The Council agreed.
36. However, it now appears the Council had already taken remedial action before our previous draft decision. The Council has now explained that a recovery plan started in April 2017, including risk assessments for each child, updates and the use of locums to provide OT. While not all children (including C) were receiving their OT by June 2017, as the Council told Mr B then, we understand the Council established in March 2018 that all OT provision was now up to date.
37. The Council now accepts it did not properly consider our draft recommendations on the previous complaint, which asked the Council to identify and assist children who had missed OT. If the Council had considered this properly, it would have been able to tell us then that it had just finished resolving the problem. Therefore, we would not have recommended the Council now deal with that point. The Council also did not explain the position fully earlier in the current investigation.

-
38. The Council's failure to explain the position properly to us was fault. It acknowledges it should learn from this. On the information we now have, we do not consider we need to ask the Council to do more on the underlying point about other children having missed OT.

The Council's dealings with our office

39. The time for the Council to implement the agreed actions on Mr B's previous complaint and update us passed but we heard nothing. On 22 June 2018, we emailed the Council seeking an update. The Council received this email but did not forward it to the relevant officers and did not reply. That was fault.
40. We chased the Council again on 2 July, asking what had happened. The Council did not reply until 9 July, it says partly due to confusion about which officer would reply. It says it has revised its processes to prevent such confusion happening again. The confusion and delayed reply were faults.
41. The Council's reply on 9 July said it had now sent the apology and would make the payments. The reply, from the Council's complaints section, also said that section had been unable to obtain an update from the Council's operational teams about the other agreed actions. The Council accepted this was not satisfactory.
42. The Council was at fault for its inability even to tell us what had happened on each of our recommendations. It is concerning that different sections of the Council were not communicating with each other properly.
43. On 12 July, the Council admitted to us it had done nothing about assessing whether C needed any further provision. By then, we had started investigating Mr B's new complaint about the Council's failure to provide the agreed resolution for his previous complaint.
44. We sent the Council some enquiries. The Council's response did not answer some of our enquiries and did not provide the requested supporting documentary evidence for all of the points it did answer. The inadequate response was fault, which necessitated further enquiries to obtain the relevant information.
45. Overall, the Council's dealings with us about this complaint were inadequate. This, and the seemingly poor communications between sections of the Council, implies the Council did not give sufficient priority to implementing our recommendations on the previous complaint promptly enough and to communicating fully with us about it.

Conclusions

46. The Council failed to honour its agreement with us and Mr B. That was fault, as the Council accepts. We should not have had to chase the Council repeatedly for it to do what it previously agreed.
47. We take seriously any breach of an agreement resulting from our findings. Parliament has given us wide discretion to investigate complaints and make recommendations. Implicit in this is the expectation that, if a council freely agrees our recommendations, it will do what it has agreed. The Council's failure to honour its commitments is a significant fault.

Injustice

48. Mr B had a reasonable expectation the Council's agreement to remedy his complaint showed the Council took the matter seriously and intended to make amends. The Council's failure to do that properly caused Mr B justified frustration,

anger and avoidable uncertainty. Mr B also had to go to more time and trouble complaining to us again. These are all injustices, which compound the injustice from the Council's faults that our previous investigation found.

49. The Council's faults in its dealings with us meant Mr B had to wait longer for an answer to his new complaint. Those faults also caused unnecessary additional work for our office.

Recommendations

50. The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)
51. To remedy the injustice caused by its faults, we recommend the Council should:
- send Mr B a further written apology, covering its delays sending the previously agreed apology and payment; and
 - pay Mr B £250 to recognise the injustice to him identified paragraphs 48 and 49 above. Responding to a draft of this report, the Council suggested £250 was excessive. We do not agree. The Council's faults providing the previously agreed remedy meant Mr B had to make a second complaint to the Ombudsman, correct inaccurate information the Council then sent us and wait longer to receive the payment the Council previously agreed. He should not have had to do any of that.
52. The Council should carry out the actions in paragraph 51 within one month of the date it considers the report.
53. The Council should also report to us, with evidence, to show it has reviewed its processes to ensure:
- it responds promptly, fully and accurately to our enquiries, draft decisions and other communications; and
 - it checks full and prompt completion of each part of a complaint remedy it agrees with us and then updates us promptly.

The Council should carry out the actions in paragraph 53 within three months of the date it considers this report.

Decision

54. We have completed our investigation of this complaint. We have found evidence of fault causing injustice. We have recommended action to remedy the injustice caused.

This page is intentionally left blank



OFFICER REPORT TO COUNCIL

MEMBER CONDUCT PANEL REPORT

KEY ISSUE/DECISION:

To notify Council of the outcome of a decision made by the Member Conduct Panel following a meeting on 30 November 2018.

BACKGROUND:

1. The Council's arrangements for handling complaints about Member conduct require any complaint which proceeds to an investigation to be determined by a Member Conduct Panel.
2. Following consultation with the Independent Person a final decision was made by the Panel which included notifying Council of the outcome of the investigation.
3. The decision has been published and is attached as an appendix to this cover report.

RECOMMENDATIONS:

That Council notes the decision sheet of the Member Conduct Panel of 30 November 2018 attached as an appendix.

Lead/Contact Officers:

Katie Booth, Democratic Services Lead Manager Te; 020 8541 7197
email: katieb@surreycc.gov.uk

Annex

Notice of a decision by the Member Conduct Panel

Sources/background papers:

Arrangements for dealing with allegations of breaches of the Member Code of Conduct

This page is intentionally left blank

MEMBER CONDUCT PANEL

The following decisions were taken by the Member Conduct Panel following a meeting on Friday, 30 November 2018.

- **INVESTIGATOR'S REPORT IN RESPECT OF AN ALLEGATION THAT A MEMBER FAILED TO COMPLY WITH THE CODE OF CONDUCT (Item 4)**

NOTICE OF A DECISION OF THE MEMBER CONDUCT PANEL

Date of Panel meeting: 30 November 2018

Allegation concerning: Mr Peter Martin

Chairman of Panel: Mr Ken Gulati

Members of Panel: Mrs Hazel Watson

Mr Tim Hall

Investigating Officer: Mr Richard Lingard

Independent Person: Mr Bernard Quoroll

Date of Final decision: 14 December 2018

Constitutional Basis

- 1) The Member Conduct Panel has been established as part of Surrey County Council's arrangements for dealing with complaints made about the conduct of Surrey County Councillors and Co-opted Members.
- 2) Mr Martin is a Member of Surrey County Council.
- 3) Mr Bernard Quorroll has been appointed by Surrey County Council as an Independent Person as defined by S28(7) of the Localism Act 2011.

Consideration of Complaint

1. The Member Conduct Panel met on 30 November 2018 to consider the report of an investigation into a complaint where the complainant had alleged that questions asked of them by Mr Martin during a meeting with him were 'unlawful' and 'unjustified' and that the line of questioning constituted harassment and discrimination.
2. Prior to taking the decisions set out below the Panel sought and took into account the views of the Independent Person.
3. The complaint was initially considered by the Monitoring Officer and the Independent Person and the matter was referred for an investigation into whether there had been a breach of paragraphs 3 and 9 of the

Council's Code of Conduct for Members (the Code).

4. Paragraph 3 of the Code provides: *'When carrying out your public duties you must make all choices (such as making public appointments, awarding contracts or recommending individuals for rewards or benefits) on merit, and must be impartial and be seen to be impartial.'* The Investigating Officer found that there had been no breach of this paragraph because, in his conversation with the complainant, Mr Martin was not taking part in a decision making process.
5. The Investigating Officer found that Mr Martin's conduct during the meeting with the complainant did amount to a breach of Paragraph 9 of the Code, which provides: *You must promote and support high standards of conduct (characterised by the above requirements) by leadership and example when serving in your public post.*
6. The Member Conduct Panel met to consider whether Mr Martin did fail to comply with the Code, and what action to take.
7. After hearing from the Investigating Officer and from Mr Martin, and consulting the Independent Person, the Panel asked the Investigating Officer to provide further information as to the feedback provided by Mr Martin following his meeting with the complainant. On receipt of this information, the Panel concluded that Mr Martin was not taking part in a decision making process in his conversation with them, and had therefore not failed to comply with Paragraph 3 of the Code.
8. The Panel considered all the circumstances of the case, and concluded that Mr Martin had failed to comply with Paragraph 9 of the Code.

Reasons and Action

9. The Panel noted that Mr Martin had fully co-operated with the investigation, and had voluntarily admitted his conduct. He subsequently resigned his position as Chairman of the Council and apologised to the complainant. After a full discussion, the Panel felt that no further action was necessary.
10. The Panel decided that its findings should be reported to the next meeting of the County Council.

Ken Gulati
Chairman of Member Conduct Panel

Right of Appeal

The Council's Arrangements do not include a right of appeal against a finding that a Member has breached the Code of Conduct.

MINUTES OF THE MEETINGS OF
CABINET HELD ON 18 DECEMBER 2018
AND 29 JANUARY 2019

Any matters within the minutes of these Cabinet meetings may be the subject of questions and statements by Members upon notice being given to the Democratic Services Lead Manager by 12 noon on Monday 4 February 2019.

Please note that the minutes of the 29 January 2019 Cabinet meeting will be issued in a supplementary agenda.

This page is intentionally left blank

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 18 DECEMBER 2018 AT 2.00 PM
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,
SURREY KT1 2DN.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

*Mr Tim Oliver (Chairman)	*Mr Mike Goodman
*Mr Colin Kemp (Vice-Chairman)	*Mrs Mary Lewis
Ms Charlotte Morley	*Mrs Julie Iles
*Mrs Sinead Mooney	*Mr Matt Furniss
*Mr Mel Few	*Ms Denise Turner-Stewart

Deputy Cabinet Members:

*Mrs Natalie Bramhall	*Mr Wyatt Ramsdale
*Mr Cameron McIntosh	*Miss Alison Griffiths

* = Present

PART ONE
IN PUBLIC

198/18 APOLOGIES FOR ABSENCE [Item 1]

An apology was received from Ms Charlotte Morley.

199/18 MINUTES OF PREVIOUS MEETING: 27 NOVEMBER 2018 [Item 2]

The Minutes of the meeting held on 27 November 2018 were approved as a correct record.

200/18 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

201/18 PROCEDURAL MATTERS [Item 4]

1 MEMBERS' QUESTIONS [Item 4a]

There were no Member questions.

202/18 PUBLIC QUESTIONS [Item 4b]

There were no public questions.

203/18 PETITIONS [Item 4c]

There were no petitions.

204/18 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

205/18 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

There were no reports to consider.

206/18 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/ INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING [Item 6]

RESOLVED:

To note the decision taken by the Cabinet Member for Environment & Transport.

Reason for decision:

To inform the Cabinet of decisions taken by the Cabinet Member under delegated authority.

207/18 CHILDREN'S IMPROVEMENT PLAN [Item 7]

The Cabinet Member for Children, Young People & Families introduced the Children's Improvement Plan and explained how the plan aligned with the Council's Vision that 'no one is left behind' and how every child matters. She explained that a solid plan was in place and had been agreed by the Children's Services Commissioner. She also explained some of the work that had taken place since the appointment of the Executive Director for Children, Families & Learning including changes to governance arrangements and the consultations taking place. The Ofsted Priority Board had an independent chairman that brought rigor to the Board. It was also smaller with key, high level membership. She also stressed that to ensure delivery of the plan openness, honesty and partnership working were essential.

There was some discussion about the timings of reports and Cabinet requested a report prior to the Commissioner's visit expected in April 2019. Thanks were extended to staff for the work undertaken.

RESOLVED:

1. That the significant improvement required across children's services in Surrey was acknowledged and the delivery of improvement work wherever it was needed fully supported.
2. That the development of the Children's Improvement Plan, in response to the 2018 inspection of Children's Services was noted and the governance arrangements that have been put in place to oversee its delivery endorsed.
3. That the progress made on the delivery of the Children's Improvement Plan be reviewed by Cabinet prior to the Commissioner's visit. The Commissioner will visit Surrey and review progress in April 2019 – an

update to Cabinet will follow this visit and publication of the Commissioner's report to the Secretary of State.

4. That Children's Services performance data be shared with the Children and Education Select Committee.

Reason for decision:

The Children's Improvement Plan outlined the work needed in key operational areas that were reviewed during statutory inspections from Ofsted. Improving practice in these areas was essential to ensure the needs of children and families in Surrey were being met with the right services being provided in the right way and at the right time.

The Department for Education (DfE) appointed Children's Commissioner would review progress and report to the Secretary of State in April 2019.

208/18 COMMISSIONING OF PERSONAL SUPPORT SERVICES FOR CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES [Item 8]

The Cabinet Member for Children, Young People & Families introduced the report explaining the different lots to the contract. She stated that this formed part of the Transformation Programme, widening the offer of the personal support element of short breaks to include better provision for the range of complex needs of the children and young people entitled to the service. Furthermore, the framework agreement would reduce costs to the Council. She also explained that this was a framework agreement which would reduce costs to the Council.

She also explained how Family Voice had expressed concerns about the effects of this service with the Children's and Adolescent Mental Health Service (CAMHS). The concerns had been acknowledged and work was being undertaken to improve mental health services for children. In response to Member queries it was stated that Family Voice had been involved in identifying issues with the contract and their contributions would be welcomed going forward, along with other groups.

RESOLVED:

That the setup of a Light Touch Dynamic Purchasing System (DPS) for the commissioning of Personal Support for Children, Young People and their Families be approved. This would enable call-off placements to be made under the Light Touch DPS from 1 April 2019 – 31 March 2022. (If both extension years are used the Light Touch DPS end date will be 31 March 2024.)

Reason for decision:

The current arrangements end on 31 March 2019 and the Council had statutory duties to provide these services. The Council needed to ensure spend on personal support was compliant with procurement regulations and addressed current overspend.

Feedback from professionals and families had indicated that there were limitations to the previous framework in terms of choice, flexibility and overall

availability. Therefore a different approach was required. The new specifications would support improved outcomes for children and families.

The Light Touch DPS provided the opportunity to improve choice and flexibility for families through a dynamic list of approved suppliers. Support will be called off through the lifetime of the Light Touch DPS, therefore limiting spot-purchases and, as a result, the new approach should offer better value for money.

209/18 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF YOUNG PEOPLE SUBSTANCE MISUSE SERVICE [Item 9]

The Leader of the Council introduced this report and highlighted that the new contract would support 120 more people and the age range had been extended from 21 to 25 years of age. The contract would also provide evidence based interventions and accessibility to the service would be improved.

There was some discussion about the use of and the carrying of illegal drugs. County Lines, a project including the Metropolitan Police, had performed an operation at Woking Station and the numbers either carrying or found with traces of drugs was shocking. The Leader explained that the Health & Wellbeing Board were looking at health priorities for the next 10 years and that alcohol/substance misuse was one of them.

RESOLVED:

That the award of contract for the provision of Surrey's Young People's Substance Misuse Service to Catch 22 be approved. The contract will be for a period of three years from 1 April 2019, with an option to extend for a further three years in one year intervals.

Reasons for decision:

The existing contract will expire on 31 March 2019. A competitive tender process, in compliance with the requirements of Public Contract Regulations and Procurement Standing Orders, had been completed. The recommended suppliers offered overall best value for money in the procurement process.

The Council's statutory responsibilities for public health services were set out in the Health and Social Care Act 2012 in which the provision of substance misuse services was mandated. This service had been funded via the ring-fenced Public Health Grant and supported the Council's duty to improve public health and provide facilities for the prevention or treatment of illness.

The award of this contract would enable uninterrupted provision of the service and would contribute towards the Council's Vision for Surrey in 2030 by supporting young people to have a positive start in life and addressing issues affected by their substance misuse as early as possible in order for them to lead healthy and fulfilling lives.

Each of Surrey's ambitions for people are supported within this contract:

- 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; and
- communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life

In addition, this service would fulfil key priorities within Surrey's Health and Wellbeing Strategy, including:

- improving children's health and wellbeing;
- developing a preventative approach;
- promoting emotional wellbeing and mental health; and
- safeguarding the population

This service would generate a number of benefits for Surrey's residents by supporting the Early Help and Family Resilience models, resulting in anticipated financial savings for Surrey. Based on Public Health England's Return on Investment Tool in which 'for every £1 spent on young people's drug and alcohol interventions brings a [cost avoidance] benefit of £1.93 within two years and up to £8.38 in the long term', there could be cost avoidance savings made of approximately £3.7million in the long term and £211,392 in Social Value.

210/18 PREPARATION OF THE NEW SURREY WASTE LOCAL PLAN: SUBMISSION PLAN [Item 10]

Three Members stated that they would be abstaining from the vote of this decision even though the advice from the Monitoring Officer had been that they did not have a prejudicial interest.

The Cabinet Member for Environment & Waste introduced the report and the background to this very big piece of work. 200 sites had been assessed and five sites had been allocated, four of which were in the green belt. Planning authorities had been requested to remove these sites from their Local Plans as green belt sites. He described how the plan was being challenged for legality and soundness. He also stressed that this was at a very early stage and allocation did not mean planning consent and there was still a very long way to go to get to that stage.

RESOLVED:

1. That the Council submits the Surrey Waste Local Plan (Submission Plan) to the Secretary of State following its publication for representations under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
2. That delegated authority be given to the Executive Director of Highways, Transport & Environment to approve any non-material changes to the Plan in consultation with the Cabinet Member for Environment & Waste prior to its publication and during its Examination.
3. That the Council's revised Minerals and Waste Development Scheme December 2018 was agreed.

4. That the Council publishes an updated draft Statement of Community Involvement for consultation in Spring 2019 was agreed.

Reasons for decision:

It was a statutory requirement for Surrey County Council to have a Waste Local Plan and the National Planning Policy Framework (NPPF) emphasised that Local Plans should be kept up to date. A new Surrey Waste Local Plan (the Plan) was being prepared that would replace the 2008 Surrey Waste Plan (SWP) and would cover the period from 2018 to 2033. The Plan would ensure that planning policy for the management of waste reflected a more recent assessment of the need for waste management in Surrey as well as the current and likely future opportunities and constraints for such development. Regulations governing the plan-making process require that such plans are submitted to the Secretary of State following a period for representations on soundness and compliance with relevant legislation.

The Plan included a vision for Surrey to be sustainable in terms of waste management. This meant encouraging communities to prevent waste and to manage waste that was produced in the most sustainable way by provision of recycling and recovery facilities in the right locations at the right time. The Plan expected facilities to maximise the resource potential of waste by managing waste as high up on the waste hierarchy as possible.

Waste data was published annually in November and the published Plan would include the latest available 2017 data and any consequent non-material changes to the Plan. Such changes, and any other minor changes considered desirable, would be made by the Executive Director, in consultation with the Cabinet Member, prior to the Plan publication in mid-January 2019.

The associated timetable for preparing the Plan and statement on how communities were involved in the preparation of planning policy and consultation on planning applications also required updating to ensure they reflected the current programme for preparing the Plan and new legislative requirements.

Mr Mel Few, Mr Tim Oliver and Mr Matt Furness abstained from voting on this item.

**211/18 UPDATED HIGHWAY ASSET MANAGEMENT STRATEGY AND POLICIES
[Item 11]**

The Cabinet Member for Highways introduced a report which detailed the updates to policies and strategies for Highways. He explained how prioritising road repairs had been modified to take account of evidence from officers and Members. Local Committee feedback had been taken into account that the policies now meant a more flexible approach and were fit for purpose.

A few Members mentioned the noticeable improvement in roads around Surrey and thanked the Highways Team.

RESOLVED:

1. That the following policies and strategy be approved:
 - a) the Capital Scheme Prioritisation Policy;
 - b) the Skid Resistance Policy;
 - c) the Hierarchy Definition Policy;
 - d) the Highway Safety Inspection Policy; and
 - e) the revised Highway Asset Management Strategy
2. That delegated authority be given to the Cabinet Member for Highways to review and update Policies as set out in a) to e) in response to changes in legislation, guidance or practice in the future.

Reason for decision:

To ensure that these policy documents were updated to accurately and clearly explain to elected Members and the public how Surrey County Council Highways:

- Prioritises its capital highway works,
- Monitors and reviews skid resistance of the highway
- Defines its network hierarchy
- Undertakes Highway Safety Inspections, and
- Manages its Highway Assets with consideration to risk and value for money.

212/18 WATER AND WASTE WATER SERVICES [Item 12]

The Leader of the Council introduced this report that set out recommendations arising from work on options for the provision of water and waste water services to premises owned or operated by the County Council and outlined a competitive tender procurement process in order to select a supplier to deliver the service.

RESOLVED:

That the award of a two Year plus one Year optional contract to Castle Water Limited for the provision of water and waste water services to Surrey County Council be approved.

Reason for decision:

Water and waste water services were essential in order for the Council to continue operating its premises in a way which was compliant to relevant standards of health and safety.

The award of this contract would enable uninterrupted provision of the service while reducing the current number of providers and the processing of multiple invoices. It would also generate pricing reductions of an estimated £26,000 per annum for the Council against current costs.

A mini-competition and e-auction process in compliance with the requirements of Public Contract Regulations and Procurement Standing Orders had been completed. The recommended supplier offered overall best value for money in the procurement process which was carried out by Crown Commercial

Services on behalf of Orbis partners: Surrey County Council, East Sussex County Council and Brighton and Hove City Council.

213/18 FEES AND CHARGES POLICY [Item 13]

The Cabinet Member for Finance explained how the review of fees and charges was part of the Council's transformation programme. The proposed policy provided guidance on the setting of new charges and the policy context within which existing charges are to be reviewed. It confirmed the Council's approach to cost recovery and income generation and the governance processes.

RESOLVED:

1. That the proposed fees and charges policy be adopted.
2. That any discretionary services, whether currently provided free of charge or with some element of subsidy, will be subject to a full review including appropriate consultation before a decision is taken on whether the subsidy was to continue.

Reason for decision:

The Council was facing a serious financial situation which meant that its approach to the delivery of discretionary services, for which a charge is permissible, needed to be appropriate. The fees and charges policy ensured that a consistent, transparent and policy based approach was adopted by the Council in order to eliminate unintentional subsidies or reconsider subsidies that may no longer be supportable within the current financial context.

214/18 LOCAL GOVERNMENT OMBUDSMAN REPORT [Item 14]

The Monitoring Officer presented her report and gave background details to the complaint, which arose from the Council's failings in dealing with a previous complaint about educational provision for a child with special educational needs. She explained that a number of changes to processes had been put in place to ensure that this particular issue did not reoccur. The Local Government Ombudsman (LGO) was fully satisfied that appropriate assessments had been carried out to ensure that there had not been any significant impact on the child's educational attainment. Statutory notices had been published in two newspapers and all Members of the Council would receive a copy of the Ombudsman's report.

The Leader of the Council extended his apologies for the failings in the handling of the original complaint and was pleased that changes had now been put in place and the child was receiving support. It was requested that all complaints that involve the LGO are also sent to the relevant Cabinet Member in order that they can keep track of it.

RESOLVED:

1. That the Ombudsman's report and the steps taken by the service to address the findings was noted.

2. That no further action should be taken.
3. That the Monitoring Officer would bring her report to the attention of all councillors was noted.
4. That all future complaints raised with the Ombudsman be notified to the relevant Cabinet Member.

Reason for decision:

There was a statutory requirement for the Monitoring Office to bring to Members' attention any Ombudsman report on the Council that identified it is at fault and has caused injustice as a result.

215/18 MONTHLY BUDGET MONITORING REPORT [Item 15]

The Cabinet Member for Finance reported highlights from the Government's budget announcements. He explained that Surrey had not been chosen to be part of the Business Rate Retention scheme for 2019/20, the Council Tax levy had not changed and there had been no comment on the fair funding formula and the Green paper on Adult social care was also delayed.

He went on to introduce the report and drew Cabinet's attention to the S151 commentary and the Equalities and Impact Statement in the report.

The Leader of the Council reinforced the message that the Council needed to get into a financial sustainable position and that difficult decisions would need to be taken. However, the Council was a long way towards identifying and delivering savings.

RESOLVED:

That the Council's overall revenue and capital budget positions as at 31 October 2018 be noted:-

- -£8m forecast reduction in the need to use reserves;
- £63m savings forecast against the £66m MTFP target;
- £29m completed actions towards achieving £40m in year cost reductions;
- The additional in-year government grant funding for winter pressures in adult social care (Annex 2 para 13), and
- £133m forecast service capital programme outturn against £135m budget.

Reason for decision:

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

216/18 AWARD OF FRAMEWORK AGREEMENTS AND CALL OFF CONTRACTS FOR THE PROVISION OF LEGAL SERVICES [Item 16]

The Leader of the Council introduced this report that described the procurement process for a new framework agreement that would give access to external specialised legal advice and support, from solicitors and barristers in the form of both transactional case work and counsel/advocacy on a wide variety of areas of law for the Orbis Public Law authorities. He emphasised that there was no commitment on the Council.

RESOLVED:

That Surrey County Council award the external legal services framework for three years, plus a three year optional extension period (total six year term) and any respective call off contracts, in conjunction with the Orbis Public Law authorities.

Reason for decision:

The Council had a framework agreement in place for the provision of external legal services (Surrey Provision of External Legal Services (SPELS) Framework), which was due to expire on 28 February 2019.

The new framework agreement brought together the requirements of the Orbis Public Law (OPL) authorities and Surrey and Sussex District and Borough Councils. The potential value of spend across all the authorities (approximately £60m) meant that the tender offered an attractive opportunity for the market and greater economies of scale.

The framework agreement would enable the OPL authorities to:

- a. cover the provision of external legal services advice and support across Surrey, East Sussex, West Sussex and the city of Brighton & Hove;
- b. ensure an up to date specification that meets OPL's requirements;
- c. deliver a cost effective service and enable instructions to be issued to external legal providers much faster than if no framework existed;
- d. obtain up to date competitive rates;
- e. achieve savings through efficiencies and monitoring usage more closely;
- f. offer OPL staff more flexibility and access to a wider range of specialist expertise.

The new framework agreement had been procured through a full tender procedure with a thorough evaluation process, which had identified that to award framework agreement and call off contracts to a number of providers would provide Surrey County Council with the best value for money.

217/18 EXCLUSION OF THE PUBLIC [Item 17]

RESOLVED: 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.

218/18 COMMISSIONING OF PERSONAL SUPPORT SERVICES FOR CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES [Item 18]

The Cabinet Member for Children, Young People & Families introduced the Part 2 annex that contained information which was 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).

There was discussion about how ‘quality’ was defined and requested that definitions be included in future reports.

RESOLVED:

See Minute 208/18.

Reason for decision:

See Minute 208/18.

219/18 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF YOUNG PEOPLE SUBSTANCE MISUSE SERVICE [Item 19]

The Leader of the Council introduced the Part 2 annex that contained information which was 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).

RESOLVED:

See Minute 209/18 and Exempt Minute [E-26-18].

Reason for decision:

See Minute 209/18.

220/18 WATER AND WASTE WATER SERVICES [Item 20]

The Leader of the Council introduced the Part 2 annex that contained information which was 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).

RESOLVED:

See Minute 212/18.

Reason for decision:

See Minute 212/18.

221/18 AWARD OF FRAMEWORK AGREEMENTS AND CALL OFF CONTRACTS FOR THE PROVISION OF LEGAL SERVICES [Item 21]

The Leader of the Council introduced the Part 2 annex that contained information which was 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).

It was commented that only 9% of providers were Surrey based and that this was far short of the Council target of 50%. Where this occurred in future it was requested that an explanation for this form part of the report. The social values detailed in this Part 2 annex should have been in the public report.

RESOLVED:

See Minute 216/18.

Reason for decision:

See Minute 216/18.

222/18 PUBLICITY FOR PART 2 ITEMS [Item 22]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

Meeting closed at 3.25 pm

Chairman