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Agenda and Reports
for the meeting of
THE COUNTY COUNCIL
to be held on
9 July 2019

(ii)

County Hall
Kingston upon Thames
Surrey

Friday, 28 June 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, 9 July 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. Nabil Mustapha, from Elmbridge Multi-Faith Forum, Cobham 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 amelia.christopher@surreycc.gov.uk

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Amelia Christopher on 020 8213 2838.

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

1 APOLOGIES FOR ABSENCE

The Chairman to report apologies for absence.

2 MINUTES

(Pages
11 - 24)

To confirm the minutes of the meeting of the Council held on 21 May 2019.

(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 CHAIRMAN'S ANNOUNCEMENTS

Over the past month or so I have been involved with Royal visits, Borough and District civic events and visits to schools and charities.

Some of the events I have attended include:

- The Royal County of Berkshire and Surrey Armed Forces Briefing
- AGM of the Surrey Staff Retirement Association
- Horley Library opening
- In addition, in May we hosted the Long Service Awards, a ceremony to mark the completion of either 25 years or 40 years at Surrey County Council. It was a wonderful afternoon hearing the great achievements, commitment and loyalty the members of staff have to Surrey residents.
- The Surrey Civic Network took place in June, this provided the opportunity to welcome all the new Mayors and Chairmen of Surrey's towns, districts and boroughs to their new role. Each Mayor and Chairmen spoke about their plans for the up and coming year and in addition guest speakers included: Bridget

(ii)

Biddell the High Sheriff of Surrey, Michael More-Molyneux the Lord Lieutenant of Surrey and Bill Biddell the Vice Lord Lieutenant of Surrey. We also had talks from Active Surrey and Surrey Chambers.

- The Queen's Awards for Voluntary Service were announced on the 2nd of June and a 'Magnificent Seven' voluntary groups in Surrey were recipients of the coveted Queen's Award for Voluntary Service, these groups are:
 - Dyscover- Leatherhead
 - Friday Swimmers- Guildford
 - Guildford Town Guides- Guildford
 - Patchworking Garden Project- Dorking
 - Stripey Stork- Reigate and Redhill
 - Surrey Hills Society- countywide
 - The Millennium Embroidery Group- Sunbury
- All of these groups have shown a deep-seated commitment either to supporting those individuals who are less fortunate than ourselves, or to delivering a valuable service for the people of Surrey. We are especially fortunate in this county to have so many volunteers who do such extraordinary, and often unpublicised, work in caring for our communities. They are an inspiration to us all.
- Finally I attended the Charterhouse open evening in Godalming, it was a wonderful celebration of local partnership working in education.

5 LEADER'S STATEMENT

The Leader to make a statement.

There will be an opportunity for Members to ask questions and/or make comments.

6 MEMBERS' QUESTION TIME

1. 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 Wednesday 3 July 2019).

2. Cabinet Member Briefings on their portfolios.

These will be circulated by email to all Members prior to the County Council meeting, together with the Members' questions and responses.

There will be an opportunity for Members to ask questions.

7 STATEMENTS BY MEMBERS

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

(Note: Notice of statements must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on Monday 8 July 2019).

8 ORIGINAL MOTIONS

Item 8 (i)

Mr Eber Kington (Ewell Court, Auriol & Cuddington) to move under standing order 11 as follows:

This Council notes:

- The importance of trees in slowing the pace of climate change by absorbing carbon dioxide and releasing oxygen into the air, as well as providing a habitat for wildlife
- The contribution trees make to the environment in our towns including shading and cooling, pollution and noise mitigation, as well as speeding up floodwater drainage and improving the quality of our street scene.

This Council further notes:

- The Government's pledge in 2018 to plant 11 million new trees by 2050, including in towns and urban areas, and the appointment of a national Tree Champion with a remit to make this happen.

In support of the national campaign to increase the number of trees being planted, particularly in our towns, this Council therefore:

- I. Calls for a review of Surrey County Council's current policies on, and attitude towards, the planting of trees in urban areas with a view to introducing a more proactive policy, which looks to increase the number and regularity of trees planted;
- II. Calls for the new strategy to include providing opportunities to educate children in understanding the benefits of trees and to get involved in tree planting;
- III. Recommends closer partnership working with Borough and District Councils, and landowners seeking sites for new tree planting; and
- IV. Recommends that Surrey Highways take advantage of any outside funding to assist with costs, including any Borough and District schemes that enable residents and community groups to fund the planting and future maintenance of trees.

Item 8 (ii)

Mr Mike Goodman (Bagshot, Windlesham and Chobham) to move under standing order 11 as follows:

Following the Prime Minister's announcement that the UK will eradicate its net contribution to climate change by 2050:

This council notes:

- That as the first country in the G7 to legislate for long-term climate targets, the UK already leads the world in tackling climate change
- This is not only the right thing to tackle the climate emergency for future generations but a significant opportunity to increase our energy efficiency, improve our resilience and deliver a greener, healthier society.

This council welcomes:

- The target of net zero emissions being enshrined in law as soon as possible
- That in its report, the Committee on Climate Change forecast significant benefits to public health and savings to the NHS from better air quality and less noise pollution, as well as improved biodiversity
- That the UK is on track to become the first G7 country to legislate for net zero emissions, with other major economies expected to follow suit
- That for the first time, young people will have the chance to shape our future climate policy through the Youth Steering Group, set up by DCMS and led by the British Youth Council, who will advise Government on priorities for environmental action and give a view on progress to date against existing commitments on climate, waste and recycling, and biodiversity loss.

Therefore, this council resolves to:

- I. commit to working closely with the Government, the Environment Agency, our Borough & District colleagues, local businesses, our residents and other partners in meeting this ambitious target;
- II. deliver a strategy in 2019/20 that clearly outlines how we plan to deliver the target; and
- III. write to the government asking them to confirm what support will be made available to local authorities to help achieve this goal.

Item 8 (iii)

Mr Jonathan Essex (Redhill East) to move under standing order 11 as follows:

Managing Verges for Wildlife

Surrey County Council is responsible for managing highway verges and related highway owned land. This includes the cutting of verges and the use of weed killer. The way in which it manages this land has an impact on wildlife and amenity.

This Council notes that each of Surrey's eleven boroughs and district areas has a contract to cut verges on behalf of the County Council which results in many of Surrey's highway verges being cut typically at least twice each year (where speed limits are over 50mph) and more often in urban areas.

Surrey's highway verges being cut several times each year means verges are cut before many wildflower plants have had a chance to flower. Wildflowers need to be available for insects when in flower and to be left long enough to have seeded before being cut. Cutting regimes should be timed to allow wildflower verges to self-perpetuate and improve the wildlife value of verges. Many councils who have reduced cutting regimes have also found it saved money.

Furthermore, this Council notes that its contracts for management of its highway verges include the use of Glyphosate weed killer. Other councils, including Croydon and Lewes, have committed to be pesticide free, the latter successfully adopting weed killer-free alternatives after six months of trials.

Council therefore agrees to:

- I. Review and reduce the timing and frequency of highway verge cuts across the County to increase biodiversity and manage our verges as wildlife habitats, and work with partners to produce a pollinator action plan to guide verge cutting contracts;
- II. Communicate to residents the reasons for the change of management and the importance of road verges as wildlife habitats; and
- III. Commit to phase out use of Glyphosate on Surrey Council's own land over the next two years.

9 REVISED MEMBER/OFFICER PROTOCOL

(Pages
25 - 36)

To endorse the Revised Member/Officer Protocol for inclusion in the Constitution.

10 ANNUAL REPORT OF THE SHAREHOLDER BOARD

(Pages
37 - 66)

To approve the Annual Report of the Shareholder Board.

11 APPOINTMENT OF MONITORING OFFICER

(Pages
67 - 68)

To approve the appointment of the Monitoring Officer.

12 COMMITTEE APPOINTMENTS

Recommendations:

1. That Bill Chapman is duly elected as the Chairman of the Adults and Health Select Committees for 2019/20.
2. That Bill Chapman is duly elected as Surrey County Council's representative on the South West London and Surrey Joint Health Scrutiny Committee and sub-committee.

13 REPORT OF THE CABINET

(Pages
69 - 70)

To receive the report of the meetings of the Cabinet held on 28 May 2019 and 25 June 2019; the report includes details for information / discussion in respect of:

- a. 2018/19 Financial Outturn Report
- b. Moving Closer to Residents
- c. Quarterly Report on Decisions Taken Under Special Urgency Arrangements: 8 May – 28 June 2019.

14 MINUTES OF CABINET MEETINGS

(Pages
71 - 82)

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 Monday 8 July 2019.

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 21 MAY 2019 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
	Barton	Colin Kemp
*	John Beckett	Eber Kington
	Mike Bennison	Graham Knight
	Chris Botten	Rachael I Lake
	Liz Bowes	Yvonna Lay
	Natalie Bramhall	David Lee
*	Mark Brett-Warburton	Mary Lewis
*	Ben Carasco	Andy MacLeod
	Bill Chapman	Ernest Mallett MBE
	Stephen Cooksey	David Mansfield
	Clare Curran	Jan Mason
	Nick Darby	Cameron McIntosh
	Paul Deach	Sinead Mooney
*	Graham Ellwood	Charlotte Morley
	Jonathan Essex	* Marsha Moseley
	Robert Evans	Tina Mountain
	Tim Evans	Bernie Muir
	Mel Few	Mark Nuti
	Will Forster	John O'Reilly
	John Furey	Tim Oliver
	Matt Furniss	Andrew Povey
*	Bob Gardner	* Wyatt Ramsdale
	Mike Goodman	Mrs Penny Rivers
*	Angela Goodwin	Stephen Spence
	David Goodwin	Lesley Steeds
	Zully Grant-Duff	Peter Szanto
	Alison Griffiths	Keith Taylor
	Ken Gulati	Barbara Thomson
	Tim Hall	Rose Thorn
	Kay Hammond	Chris Townsend
	David Harmer	Denise Turner-Stewart
	Jeffrey Harris	Richard Walsh
	Nick Harrison	Hazel Watson
	Edward Hawkins	Fiona White
*	Marisa Heath	Keith Witham
	Saj Hussain	* Victoria Young

*absent

25/18 CHAIRMAN [Item 1]

Under the motion of Ms Turner-Stewart, seconded by Mr Botten, it was unanimously:

RESOLVED:

That Mr Anthony Samuels be elected Chairman of the Council for the council year 2019/20.

26/18 APOLOGIES FOR ABSENCE [Item 2]

Apologies for absence have been received from Mr Beckett, Mrs Bowes, Mr Brett-Warburton, Mr Carasco, Mr Ellwood, Mr Gardner, Mrs Goodwin, Miss Heath, Mrs Moseley, Mr Ramsdale and Mrs Young.

27/18 MINUTES [Item 3]

The minutes of the meeting of the County Council held on 19 March 2019 were submitted, confirmed and signed.

28/18 DECLARATIONS OF INTEREST [Item 4]

There were none.

29/18 CHAIRMAN'S ANNOUNCEMENTS [Item 5]

The Chairman:

- Led a silent tribute in remembrance of Mrs Elise Whiteley, a former county councillor, who had died recently.
- Thanked Mr Nick Harrison for his dedication during his time as Leader of the Residents Association and Independent Group and welcomed Nick Darby as his successor.
- Informed Members that he was hosting an event at Walton Cricket Club to commemorate the fact that baseball was first played in Walton on Thames by the Prince of Wales in 1749. It was noted that Members were welcome to attend.
- Highlighted that he had arranged for some young musicians from the Yehudi Menuhin school in Cobham to play for Members at 2.30pm after the next County Council meeting. Members were asked to confirm attendance by 31 May 2019.

30/18 VICE-CHAIRMAN [Item 6]

Upon the motion of Mrs Mary Lewis, seconded by Mr Will Forster, it was unanimously

RESOLVED:

That Mrs Helyn Clack be appointed Vice-Chairman of the Council for the council year 2019/20.

31/18 LEADER'S STATEMENT [Item 7]

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The Leader made a detailed statement. A copy of the statement is attached as Appendix 1. A copy of the changes to the Cabinet Portfolios was tabled at the meeting and is attached as Appendix 2.

Members raised the following topics:

- Highlighted that the main issues for the Council were resident experience, collaboration of Members and working with partners.
- That residents were concerned with issues relating to youth centres, libraries and bus subsidies.
- That changes to the Council's scrutiny function would be positive.
- That Surrey Heartlands commissioners spend the lowest amount per capital on mental health in the country.
- That climate change needed to be addressed.
- That they welcome a review of the Community Recycling Centres and rural car parking policies.
- They hoped that this was the last County Council meeting were an Ombudsman Report was considered.
- There was a need for residents to better understand cross-agency support.
- Acknowledged a group called Extinction Rebellion and welcomed comments on climate change.
- There was a need to transform bus services to increase accessibility.
- That environment and climate change should be added to the Place Select Committee's title.

32/18 ELECTION OF COUNTY COUNCILLOR [Item 8]

The Chairman adjourned the meeting at 10:50am due to disruption in the public gallery.

The meeting was reconvened at 11:00am

The Chief Executive formally reported that Mrs Nikki Barton was duly elected as the new County Councillor for the Haslemere division following the by-election held on 2 May 2019.

33/18 CHANGES TO THE COUNTY COUNCIL'S OVERVIEW AND SCRUTINY FUNCTION [Item 9]

The Leader of the Council introduced the report and highlighted that an opposition Member would hold a Vice-Chairmanship of each select committee and would support the Committee's working groups. It was further stated that there was a need for a robust scrutiny structure in order to provide sufficient scrutiny of the Council's services and transformation programmes.

Members made the following comments:

- That they felt it was a positive move to have two Vice-Chairman on each select committee.
- Highlighted that there was a need for sufficient resource and support for select committees from Democratic Services.
- That the transparency of the process should be celebrated.

- They endorsed the role of the Select Committee Chairman's and Vice-Chairman's Group.

Mr John O'Reilly proposed a motion, seconded by Mr Saj Hussain, to change the title of the Place Select Committee to the Communities, Environment and Highways Select Committee. It was stated that the proposed title better reflected the work of the Committee and would allow for an increased understanding from a resident perspective. Two Members spoke on the amendment and made the following comments:

- That it was inappropriate to amend the title at such short notice.
- That the overall goal was to allow residents to understand the work of the Select Committee.

Mr Hussain, as seconder of the amendment, made the following comment:

- That he felt it was important that residents understand the remit of the Select Committee.

The amendment was put to a vote with 51 Members voting for, 2 against and 8 abstentions. Therefore the amendment was carried.

RESOLVED

Subject to an amendment carried at the meeting, the revised structure for overview and scrutiny in the County Council be adopted.

34/18 ANNUAL REVIEW OF POLITICAL PROPORTIONALITY [Item 10]

The annual review of the Scheme of Political Proportionality 2019/20 was introduced by the Leader of the Council.

RESOLVED (with no Member voting Against):

That the committee sizes and scheme of proportionality be adopted for 2019/20.

35/18 AMENDMENTS TO THE COUNCIL'S CONSTITUTION [Item 11]

The Leader of the Council introduced the report and provided a brief summary.

Members made the following comments:

- Members asked whether the Committee in Common Sub-Committee meetings would be held in public. The Leader of the Council confirmed that decisions made by the Sub-Committee would be held in public.
- Members asked whether the Strategic Investment Board would be subject to scrutiny at a select committee. The Leader of the Council confirmed that the Board fell within the remit of the Performance and Resources Select Committee.

RESOLVED:

The County Council approved the changes to the Scheme of Delegation and the Articles as set out in the Annexes, and authorised the Director of Law and Governance to make the necessary amendments to the Council's Constitution.

36/18 APPOINTMENT OF COMMITTEES [Item 12]

The Leader of the Council introduced the report. Members noted that the title of the Resources and Performance Select Committee was incorrect in the report.

RESOLVED (with no Members voting against):

- (1) To appoint Members to serve on the Committees of the Council for the Council year 2019/20 in accordance with the wishes of political groups.
- (2) To authorise the Chief Executive to make changes to the membership of any of the Council's Committees as necessary during the Council year in accordance with the wishes of political groups.
- (3) To appoint the County Councillors representing divisions in the Woking borough area to serve on the Woking Joint Committee for the Council year 2019/20.
- (4) To appoint the County Councillors representing divisions in the Spelthorne borough area to serve on the Spelthorne Joint Committee for the Council year 2019/20.
- (5) To appoint the County Councillors representing divisions in the Runnymede borough area to serve on the Runnymede Joint Committee for the Council year 2019/20.
- (6) To appoint the County Councillors representing divisions in the Guildford borough area to serve on the Guildford Joint Committee for the Council year 2019/20.
- (7) To appoint the remaining County Councillors for each district/borough area to serve on the appropriate Local Committee for the Council year 2019/20, and to authorise the Chief Executive to appoint an equal number of district/borough councillors to the Local Committees following nominations by the district and borough councils, which they should be requested to make politically proportional to their Membership.
- (8) To appoint the Council's representative to the Surrey Police and Crime Panel for the Council year 2019/20.
- (9) To appoint four Members (one of whom must be a Cabinet Member and the others County Councillors representing divisions that include the Basingstoke Canal) to the Basingstoke Canal Joint Management Committee.
- (10) To appoint up to two Members to the Buckinghamshire County Council and Surrey County Council Joint Trading Standards Service Committee, one of whom must be a Cabinet Member; the other in an advisory non-voting role.

(11) To note the Leader's appointments to the Council's Executive Committees as outlined above.

37/18 ELECTION OF COMMITTEE CHAIRMAN AND VICE-CHAIRMAN [Item 13]

The proposals for the appointment of Committee Chairman and Vice-Chairmen were emailed to Members and tabled at the meeting. It is attached as Appendix 3 to these minutes.

The appointment to the role of Chairmanship of the Epsom and Ewell Local Committee was subject to a contested election, with 48 Members voting for Tina Mountain and 14 for John Becket.

RESOLVED:

That the Members listed below are duly elected as Chairmen and Vice-Chairmen respectively of the Committees as shown for 2019/20.

SELECT COMMITTEES		
	Chairman	Vice-Chairmen
Adults and Health	Jeff Harris	1. Bernie Muir 2. Nick Darby
Children, Families, Lifelong Learning and Culture	Kay Hammond	1. Lesley Steeds 2. Chris Botten
Place	John O'Reilly	1. Saj Hussain 2. Andy MacLeod
Resources and Performance	Nick Harrison	1. Graham Knight 2. Will Forster
REGULATORY COMMITTEES		
	Chairman	Vice-Chairman
PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE		
	Tim Oliver	Colin Kemp
AUDIT & GOVERNANCE COMMITTEE		
	David Harmer	Keith Witham

PLANNING & REGULATORY COMMITTEE		
	Tim Hall	Edward Hawkins
SURREY PENSION FUND COMMITTEE		
	Tim Evans	Ben Carasco
LOCAL COMMITTEES		
<i>DISTRICT</i>	CHAIRMAN	VICE-CHAIRMAN
Elmbridge	Peter Szanto	Mike Bennison
Epsom & Ewell	Tina Mountain	Jan Mason
Mole Valley	Tim Hall	Stephen Cooksey
Reigate & Banstead	Jeff Harris	Barbara Thomson
Surrey Heath	Bill Chapman	Edward Hawkins
Tandridge	Cameron McIntosh	Rose Thorn
Waverley	Victoria Young	David Harmer

JOINT COMMITTEES		
Guildford	Borough to appoint	Keith Taylor
Runnymede Joint Committee	Borough to appoint	Mark Nuti
Spelthorne Joint Committee	Borough to appoint	Richard Walsh
Woking Joint Committee	Ayesha Azad	Borough to appoint

38/18 MEMBERS' QUESTION TIME [Item 14]

Notice of four questions had been received. The questions and replies were published in a supplementary agenda on 20 May 2019.

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

(Q1) Mr Eber Kington asked the Cabinet Member for Highways to confirm whether highways funding was based on road used and whether he would agree to introduce it as a criteria for local highways funding in the future. The Cabinet Member stated that it would not be appropriate to monitor and assess until after a full year had passed. It was further stated that each local council had received core funding for highways.

(Q2) Mr Robert Evans asked the Cabinet Member for Highways whether he would visit his electoral division to see the state of local pavements in order to better understand the challenges residents face when using them.

Mr Essex asked if the Cabinet Member would agree that the review should not only assess the process but also the funding allocation.

The Cabinet Member confirmed that he was happy to visit any Member's division to better understand local issues. The Cabinet Member further confirmed that there were currently 13 reconstruction schemes on pavements which equalled 6.5 kilometres. In response to the second question, the Cabinet Member highlighted that Members were able to use their Members' Allocation to address issues with pavements up to 10 to 15 metres.

(Q3) Mr Chris Botten asked the Cabinet Member for Adults and Public Health whether they would consider publishing a delegated action list to outline details of decisions taken by offices and information on how the decisions could be challenged.

The Cabinet Member confirmed that a document which outlined key decisions delegated to officers was currently published. The Cabinet Member stated that she would arrange for Democratic Services to circulate an email notification to Members upon the publication of key delegated decisions..

(Q4) Mr Robert Evans highlighted to the Cabinet Member for Environment and Waste that children were particularly affected by fine matter and asked whether the Cabinet Member would continue to have the highest possible standards for air quality.

The Cabinet Member confirmed that funding had been secured to educate children in Surrey schools on air quality. The Cabinet Member further confirmed that an anti-idling campaign would be held in five schools on 20 July 2019. Members further noted that the Schools Air Quality Programme would be presented to the Health and Wellbeing Board in September 2019 rather than December 2019.

39/18 STATEMENTS BY MEMBERS [Item 15]

Mrs Tina Mountain made a statement concerning a recent house fire in Stoneleigh where she commended the work of the Fire Service.

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40/18 DELIVERING THE COMMUNITY VISION FOR SURREY IN 2030: WORKING WITH PARTNERS AND RESIDENTS [Item 16]

The Leader of the Council introduced the report and provided a brief summary.

Members made the following comments:

- A Member highlighted that there was previously an agreement of work between partners and the Council known as the Surrey Compact and asked if this would be reinstated. The Leader of the Council stated he that he would look into this.
- That they full supported the initiative.

RESOLVED:

Council endorsed and approved the Partnership Commitment and supported its promotion across the county.

41/18 APPOINTMENT OF SECTION 151 OFFICER [Item 17]

The Leader of the Council introduced the report.

RESOLVED:

The County Council agreed to appoint Leigh Whitehouse as Executive Director of Resources and Section 151 Officer of Surrey County Council.

42/18 REPORT OF THE CABINET [Item 18]

The Leader presented the report of the Cabinet meetings held on 26 March 2019 and 30 April 2019.

RECOMMENDATIONS ON POLICY FRAMEWORK DOCUMENTS

A. Revision Of Procurement and Contract Standing Orders

REPORT FOR INFORMATION / DISCUSSION

B. Asset And Place Strategy

C. Moving Closer To Resident

D. Local Government Ombudsman

E. Quarterly Report On Decisions Taken Under Special Urgency Arrangements: 1 February – 7 May 2019

RESOLVED:

That the report of the meetings of the Cabinet held on 26 March 2019 and 30 April 2019 be adopted.

43/18 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: 11.28 am]

Chairman

County Council speech – May 2019

Mr Chairman and Members, let me begin by congratulating Nick Darby on his election as group leader of the Residents Association. I have worked with Nick over the past couple of years on the Elmbridge Local Committee and as a member of the investment board and know him to be someone who is diligent and hard-working, always putting his residents first - despite being a lawyer.

Equally, having seen Nick Harrison in his first two and last two years as Leader, I have witnessed at first hand his honest, open and appropriate challenges during that time, and I have no doubt he will continue to keep us on our toes as Chairman of the Resources Select Committee.

And welcome to Nikki Barton, who returns to the chamber following the Haslemere by-election earlier this month.

Also I would like to welcome both new and returning leaders across districts and boroughs, and I look forward to visiting each of them over the coming weeks.

As you know it is a key strategic commitment to work better with our partners across the county, coordinating and collaborating to secure better outcomes for the people we jointly serve. Therefore, while the recent elections may have resulted in changes to some of the administrations I don't believe that this will or should delay the implementation of local partnership boards across the county, something I mentioned in my last council speech, and indeed which we will be piloting in two boroughs later this year. These boards, with membership drawn from key stakeholder groups, are intended to transcend political control as they genuinely focus on good local place shaping.

Mr Chairman, it is imperative that we ensure our message is properly conveyed so that residents understand that this is about modernisation and a better way of delivering services and not about cutting cost. We are dealing urgently with the finances of the council so it moves on from surviving to thriving. But I want this county council to be an authority that really cares about its residents, listens to its residents, and explains to its residents what it can and cannot do and where we can assist them to help themselves and others.

I recognise that we all want our children to be safe, our vulnerable adults to be well cared for, our roads to be well maintained, our schools to be outstanding, our countryside to be protected, the air to be clean and ultimately to ensure that our generation passes on a legacy to the next that they can be proud of. I also know that our residents recognise that there is a cost, a financial cost as well as a human cost, to achieving those aspirations.

As an administration we are working hard to address the historic shortcomings in our children services area and we are making some really positive progress. We are tackling the pressures from the increasing demand for adult social care which is

largely a reflection of the demographics across the county. We will be investing more in our highways infrastructure as we try to cope with the volume of traffic that uses the 3000 miles of roads that we are responsible for on a daily basis.

Everything that we are now doing is about striving to be the most efficient council, delivering value for money for our residents and modernising the way in which services are delivered.

We are improving how we work and reorganising our workforce to reflect modern day working practices.

It is of course absolutely essential that we explain our plans clearly to our residents whether that be around increasing the resource we put into the community to look after our vulnerable family members or redeploying resource within the Fire service to enable them to focus on a real prevention agenda. The senior leadership team at Surrey Fire and Rescue are transforming the service to one that is fit for the future with a determination to stop fires from happening in the first place rather than having to deal with the often very sad consequences.

We are also custodians of the outstanding areas of natural beauty we all enjoy across the County; countryside that is owned by our residents and for the use of our residents. That is why we have developed a 25 year strategy which we will shortly be publishing. This puts the protection of the countryside at the very heart of how it will be managed going forward.

However, I completely understand the frustration when people believe we are restricting access by seeking a contribution towards the cost of maintaining the countryside through car park charges.

I have already made a commitment – indeed I made this clear as soon as I became Leader - to review those charges through a working group in the Autumn when we have a full year's figures.

And if we cannot **clearly demonstrate** to our residents that those parking charges are directly contributing towards the upkeep of the countryside, **and I mean clearly demonstrate**, then we will review the policy.

Dr Povey continues the good work with his group to review the CRCs and I very much hope they will find a workable solution that ensures the recycling centres remain open as part of the wider proposals we will be considering following the recently published government waste and resources strategy.

We are absolutely committed to supporting recycling and we must make that as easy as possible whether that's through increased curb side recycling or the use of a local community recycling centre, whilst recognising that a minority dispose of large amounts of waste at the CRC rather than pay to have it removed commercially. It was to stop this sort of behaviour that the charges were introduced.

As a county council we are clear about our responsibility to the environment and that is why I will be asking the Chairs of the Select Committees to consider setting up a working group alongside Cabinet to develop an Environmental Charter.

This would include a review of the causes of traffic congestion, which we know has a significant impact on air quality.

Let's see what we can achieve together to make a positive impact in this area

Mr Chairman our committee process is a vital component of our structure and I am therefore grateful to the cross party working group that have carried out a review of our scrutiny function. The new structure gives every member of this council the opportunity to make a full and meaningful contribution to the policies and strategies that we pursue and I very much hope that it will be embraced across the chamber as a transparent and effective critical friend. Let's use the talent within this organisation to find better, more effective and more efficient ways of doing things.

As we move forward with increasing confidence around the future financial stability of this organisation, we will have choices. Choices on what we invest in and choices on what we expect our residents to pay for. Over the coming weeks we will carry out a comprehensive review of the charges and services that we provide to all council tax payers and will listen to feedback from local people.

Mr Chairman, I propose to make one change to the Cabinet at this stage.

Joining the Cabinet will be Dr Zully Grant-Duff, who replaces Charlotte Morley. Dr Grant-Duff will be particularly focussing on the rollout of the IT, Digital and Agile working transformation programmes. We must and will invest in our staff and give them the tools they need to do an excellent job.

Charlotte has made a significant contribution to the cabinet over the past 12 months and I am grateful to her for her support

There will also be some changes to the roles of the deputy cabinet members.

Alison Griffiths will now be working with me in delivering our Surrey wide Health Strategy and progressing the integration of this council with Surrey Heartlands.

Cameron McIntosh will work alongside Julie Iles in delivering the hugely important transformation of the way we support those with Special Educational Needs and Disabilities.

Wyatt Ramsdale will assist in embedding the restructure of Orbis and working with our partners East Sussex County Council and Brighton and Hove.

Natalie Bramhall will ensure we progress the implementation of our asset and place strategy which was approved at last month's Cabinet meeting. This will centre on significantly reducing our operational estate to reduce costs as well as generate income through capital receipts.

In relation to the County Hall project and our commitment to be closer to our residents, planning work is ongoing to relocate around one thousand staff members to existing buildings within the county, whilst maintaining 300 or so people in a small civic heart in either Guildford or Woking. There will be a detailed analysis and options report to Cabinet in July, setting out both the financial benefits and total costs.

Finally Mr Chairman, I would like to thank the Council for re-electing me as Leader. It is without doubt a demanding role but also a great privilege. I will continue to drive forward our agenda of improving the delivery of our services, improving outcomes for residents and delivering our ambition to make Surrey County Council an organisation that its elected members, its workforce and our residents can be justifiably proud of.



OFFICER REPORT TO COUNCIL

REVISED MEMBER / OFFICER PROTOCOL

KEY ISSUE/DECISION:

1. Surrey County Council is committed to enabling Members and Officers to work effectively together to enable the delivery of positive outcomes for the benefit of residents.
2. In June 2018, The People, Performance and Development Committee requested that the Member Development Steering Group lead a review of the Member/Officer Protocol, ensuring that it is fit for purpose and actively communicated and understood.
3. The Member/Officer Protocol forms part of the Constitution and a decision is required from Council to approve the revised version.

BACKGROUND:

4. **Informing the review.** To understand the level of understanding of the current Protocol and the existing perceptions and challenges around Member/Officer relationships, engagement was undertaken with both Members and Officers, in the form of one to one interviews and a focus group. This was supplemented by a Protocol benchmarking exercise, comparing the council's existing Protocol with those from twenty other authorities.
5. **Summary of findings specific to the current Protocol:**
 - a. It does not appear to have any real influence on ways of working
 - b. It contains too much information that may not be relevant to Member/Officer relationships
 - c. It includes too much information that is already contained within other documents
 - d. There is repetition throughout the document, with similar points being made
 - e. The document is too long which can result in it not being read/fully understood
 - f. Language used could contribute to a culture of opposition rather than encouraging collaboration and mutual respect

- g. Language is at times ambiguous and lacks specific examples to aid understanding
- h. Some elements assume prior experience in order to put them into context
- i. The cultural shift the council is aiming to achieve is not sufficiently reflected.

KEY CHANGES IN THE NEW DRAFT PROTOCOL:

- 6. **Contents.** Content that is duplicated, or more appropriately contained within other policy and guidance documents, has been removed. The repetition of similar points have been consolidated and reduced. This has reduced the length of the document.
- 7. **Our People 2021.** Aligning the Protocol to the county council's Vision and Values, as well as the Working Principles developed through our cultural diagnostic work, has been crucial to ensuring it fully reflects the cultural shift we are aiming to achieve across the organisation. As a result, the principles of and language used within the Protocol seek to better reflect this.
- 8. **Clearer examples.** The revisions seek to tackle previous comments around the guidance and language being ambiguous or complex, by including more specific examples and descriptors. This should particularly help those Members and Officers new to working together to understand the relationship, expectations, boundaries and desired behaviours from the outset.

IMPLEMENTATION

- 9. Implementing the revised Protocol will be supported by an expanded training offer for both Members and Officers, starting from September 2019. The training will be structured so that it covers mandatory induction programmes as well as continuous development in a variety of forms (eLearning, workshop/classroom activities, seminars and other face-to-face events).
- 10. Implementation will also be supported by an internal communications and engagement campaign.

RECOMMENDATIONS:

- 11. That the County Council endorses the revised Member/Officer Protocol for inclusion in the Constitution.

Lead/Contact Officers:

Elliot Sinclair, Senior Manager – Leadership and Member Support

elliott.sinclair@surreycc.gov.uk

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Members and Officers of Surrey County Council – A Protocol for Working Collaboratively

1. Surrey County Council is committed to enabling Members and Officers to work effectively together to enable the delivery of positive outcomes for the benefit of residents.
2. This Protocol provides guidance and principles that support effective working relations between Members and Officers. It supplements, and does not seek to repeat, other existing policies and protocols set out in the [Constitution](#); specifically the codes of conduct for [Officers](#) and [Members](#).

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The Role of Members and Officers

3. **Members and Officers** are both servants of the public; their roles are complementary to each other but their responsibilities are distinct:
4. **Members** are elected by residents to represent an electoral division and serve a term of office; they are responsible and accountable for making strategic decisions and ensuring that they are implemented by Officers.
5. **Officers** are responsible to the Chief Executive via their managers and Executive Directors; their role is to provide information, guidance, support and advice to all Members so that they are equipped to make effective decisions. Officers are responsible for implementing and delivering the outcomes of policy and decisions.

Core principles

6. **Members and Officers together will:**
 - Be professional, respectful and reliable, working with trust and respect
 - Respond in a timely way to one another

- Understand and advise on the needs of local communities
- Trust and value each other's expertise, knowledge and skills
- Not criticise each other in the public domain
- Work together.

7. **Members can expect Officers to:**

- Be honest, impartial and politically neutral
- Keep them well-informed and give Members time to work with the information provided
- Implement policy and ensure operational delivery
- Recognise the pressures that Members face whilst representing their residents and the political environment in which they operate.

8. **Officers can expect Members to:**

- Fully consider professional advice as part of decision making
- Avoid becoming involved in routine management and staff issues (including recruitment below Deputy Chief Officer level)
- Carry out their role as the public face of the organisation and represent residents' best interests
- Show consideration by avoiding requests that include unreasonable deadlines or excessive demands.

The relationship – Piecing it together

The relationship is most effective when it operates in partnership. Both parties bring skills, knowledge and experience but for the relationship to work there needs to be awareness of expectations and boundaries.

We start from the precept that people are capable, mature and have good intent.

Officer support to Members - Keeping the local Member informed

9. Surrey County Council's 81 elected Members provide the bedrock of representative democracy and it is important that they are supported to carry out their community leadership role. Members are often the first point of contact for residents and to be effective it is critical that they are updated about matters affecting their division.

10. Officers are expected to be equipped to keep local Members informed:

- In relation to significant or sensitive operational matters
- When there is planned or unexpected service disruption taking place
- During the formative stages of policy development
- Whenever a public consultation is planned
- Prior to an issue raised in the media or public domain.

11. Where an issue is to be discussed at a public meeting that affects a particular division or area, all local county councillors will be invited and offered the opportunity to speak.

12. Officers can assist Members further by:

- Being alert to the local political context of decisions or issues
- Understanding their problems, looking for solutions and avoid focusing on obstacles
- Initiating contact proactively. Introductory emails to Members from newly appointed Officers, where a relationship will need to exist, is welcomed.

The media test:

“Is it reasonably foreseeable that this topic could be reported in the local media?”

If the answer is “yes”, then communication with Members is required.

Officer support to Cabinet

13. SCC operates a strong leader model of executive governance. The Cabinet will take decisions in accordance with the Constitution and Officers will implement those decisions.

14. Whilst the distinction between Member/Officer roles and responsibilities is consistent across the organisation, the relationship between the Cabinet and Corporate Leadership Team (CLT) is unique. These groups have a leadership duty to model the desired working relationships and boundaries; where members provide strategic direction and CLT are responsible for the operational delivery.

15. A close working relationship between Senior Officers and Cabinet Members is inevitable (and desirable) but it should never become, or appear to become, so close as to bring into question the Officer’s ability to work impartially with other Members and political groups.

Officer support to Scrutiny

16. Overview and Scrutiny plays an important role in overseeing policy implementation, service performance and scrutinising Cabinet business and the decisions that it takes. When Officers provide information for scrutiny committees, they are expected to do so, in line with Access to Information requirements.

17. Committees can request Officers attend scrutiny meetings. The intent is for the Officer to provide relevant information on policies and service performance, through constructive Member questions. Questions will not be related to the capability or competence of Officers as this is not a scrutiny function.

Officer support to Political Groups

18. Political groups are part of the informal governance landscape and they are permitted to request that an Officer attends a group meeting for the purpose of providing a briefing on a matter of policy, that is (or may be) the subject of a formal meeting.

- There is no entitlement to an additional meeting, or pre-briefing, ahead of other Members being provided with information.

19. To ensure transparency and political neutrality, the role of an Officer attending a group meeting is to:

- Provide the same factual information and professional advice to all political groups on request
- Withdraw from the meeting prior to groups discussing their course of action, or if they feel their impartiality or integrity are being put at risk
- Respect the confidentiality of any group discussion and not relay it to any other Members/groups or third party. Officers are able to discuss the meeting with senior Officers on a need to know basis.

20. To ensure that information is appropriate for the audience and protects confidentiality, groups need to provide advance notice of any third parties also attending the meeting who are not bound by council policy.

21. Whilst Members are entitled to use council premises and resources to carry out their duties, Officers are not in a position to extend the use of the resources to activities that are wholly personal, electioneering or solely for party political purposes. Where an agreed arrangement exists, resources may be made available at a charge.

Member support to Officers

22. Members are able to contribute to fostering positive relationships by recognising the boundaries and restrictions placed upon Officers. For example, Officers are unable to:

- Contribute to business solely relating to a political party (including attending local political group meetings)¹
- Take part in electioneering
- Assist with personal correspondence or matters
- Provide administrative support to Members in their capacity as a Councillor of another local authority.

23. Members have an important role in contributing to the development of policies and strategies (including scrutinising decisions). However, this is distinctly different from developing operational plans and the management of service delivery, which is

¹ This excludes Political Assistants.

the domain of Officers. Members can foster positive relationships by remaining mindful of this role boundary.

24. When seeking to deal with constituent matters, on some occasions it may not be possible to satisfy a Member's request due to operational time, capacity and resource pressures. Having a conversation about mutually appropriate timescales is reasonable.

25. Members can assist Officers further by:

- Avoiding support requests based on personal preferences that create additional pressure, process or cost
- Not disclosing to the public the direct contact details of an Officer without their consent
- Introducing themselves early into their term to appropriate Officers and also investing in the relationship.

Familiarity and personal relationships

26. Social interaction between Officers and Members is only beneficial in a public setting and work related context where professionalism is still maintained; this extends to social media.

27. Where a close/intimate personal relationship (relative/partner) exists or develops between an Officer and Member, the Monitoring Officer is to be informed at the earliest opportunity. Under these circumstances the Officer in question should not perform or supply support that has a financial association or where there is a conflict of interests.

Access and the provision of Information

28. The statutory rights of Members' access to information held by the Council are outlined in [Article 15](#) of the Constitution.

29. Members need to have adequate and relevant advice and information available to them in order to carry out their duties as Members of the Council, Cabinet or any relevant Committees or Boards and in particular in their role as local Members in relation to matters affecting their division. This enables Members to make properly informed decisions, be effective community leaders and scrutinise and develop policy. It is important that Officers assist Members by providing such advice and information in a timely way when requested.

30. If Members are not receiving, or are having difficulty in obtaining, information where they are able to demonstrate a "need to know", they should contact the Monitoring Officer or appropriate Executive Director.

31. If an Officer feels it to be necessary, they may contact their Executive Director, or the Monitoring Officer, before providing confidential information to a Member.

32. When providing written or verbal reports and briefings, it is important that Officers present information and advice in a way which is clear and evidence based. Allowing Members the opportunity for constructive challenge and debate supports effective decision making.

Communication and Correspondence

Open, honest and constructive communication is the foundation of our collaborative culture that directly influences organisational outcomes. Communication becomes easier as you build the relationship.

We start from the precept that we will be open and inviting, we will be clear about what we mean and we will say clearly what we need from others and why.

33. Regular contact between Officers and Members regarding council business is encouraged.

34. One to one communication between Members and Officers is confidential; whether oral or written. General Data Protection Regulations (GDPR) already apply but further guidance includes that:

- Officers will seek agreement from parties before forwarding emails to other Members
- Blind copies (Bcc) to any recipient are not permitted
- Responses to individual Member enquiries should not be forwarded to cabinet portfolio holders.

35. Members appreciate it when Officers:

- Provide information in an accessible and readable format
- Send information in good time so that Members can read it and be prepared
- Acknowledge Members' communications quickly and provide a response timeframe.

36. Officers appreciate it when Members:

- Allow sufficient time to respond to Member enquiries
- Wherever possible, request a mutually convenient time to discuss an issue. Officers are working to existing priorities and are often unable to accommodate immediate requests for support
- Acknowledge that Officers are working within restrictions with regards to data protection and confidentiality.

Confidentiality

37. Information given to a Member can only be used for the purpose for which it was requested, that is in connection with the proper performance of the Member's duties as a Surrey County Councillor.

38. Similarly, information requested by a Member (or a political assistant on behalf of a Member of a political group) is provided by Officers in confidence. It is not for distribution to other Members without the consent of the Member making the request or the political assistant acting on his/her behalf.

39. Information and correspondence to Members legitimately pertaining to their role, whether by electronic means or post, will not be delayed or interfered with by Officers or Members.

40. Confidential information provided to Members should not be divulged to anyone. If a Member identifies the need to disclose the information, prior advice is required (e.g. from the Monitoring Officer).

41. When information is distributed, best practice is to avoid forwarding an email chain as this may contain additional personal data that is not for disclosure.

Release of information to the media

42. Media activity, including press releases and social media activity relating to council policy, will be prepared by the Communications team in support of decisions by the Council, the Cabinet, Cabinet Members or any committees/boards, and generally on approved policies and initiatives. These are ultimately the responsibility of the Director of Communications & Engagement in conjunction with the relevant Executive Director(s). They should be cleared with the appropriate Cabinet Member or chairman before being issued and they may include a statement from the Cabinet Member or chairman. Care should be taken to ensure that media activity supports the actions and decision of the council, not of a political party.

43. There is specific legislative guidance relating to media activity in the run up to an election. This is known as the Pre-Election Period (PERP, or popularly Purdah). Great care has to be taken to ensure that council actions and statements cannot be seen to support a particular political party.

How to resolve issues

44. Members and Officers are considered as professionals and the expectation is for individual differences to be resolved through private discussions at the earliest and most suitable opportunity.

45. There may be occasions when Members or Officers feel that the other's behaviour, or actions, have not been in the spirit of this Protocol. The Member or Officer is advised to raise the issue with the respective line manager, Director,

Executive Director or Chief Executive, as appropriate. If an informal resolution remains unsuccessful then the issue may be referred to the Monitoring Officer for formal progression.

46. Issues regarding professional standards and conduct are covered within the relevant Codes of Conduct.



County Council Meeting – 9 July 2019

REPORT OF THE STRATEGIC INVESTMENT BOARD

REPORT FOR INFORMATION / DISCUSSION

SHAREHOLDER BOARD ANNUAL REPORT

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

The report was considered by the Strategic Investment Board at its inaugural meeting of 25 June 2019.

The Strategic Investment Board AGREED:

That the Shareholder Board Annual Report, Annex A to the submitted report (and also attached as Annex A to this report) be endorsed and that the report be presented to Council at its meeting on 9 July 2019.

Reason for decision:

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

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

The Strategic Investment Board RECOMMENDS that the County Council notes the Annual Report of the Shareholder Board.

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Shareholder Board Annual Report

Financial Year 2018/19



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



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

The Shareholder Board provides effective over-sight and alignment with the strategic objectives and values of the council. The Board safeguards the council's interests and takes decisions in matters that require the approval of the council as owner or as a shareholder of a company.

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



Tim Oliver

Leader of Surrey County Council

THE SHAREHOLDER BOARD

Governance

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

The Shareholder Board is comprised of 4 members of the council's Cabinet and is supported by officers of the council, including the Section 151 Officer (Executive Director of Resources) and the Monitoring Officer (Director of Law & Governance).

Members

- Leader
- Deputy Leader
- Cabinet Member for Corporate Support
- Cabinet Member for Finance

Advisors

- Chief Executive
 - Executive Director of Resources (Section 151 Officer)
 - Director of Law & Governance (Monitoring Officer)
 - Head of Strategic Finance (Board Secretary)
- *

In future the functions of the Shareholder Board, the Investment Board and the Asset Strategy Board will be combined into a new Board, the Strategic Investment Board, to commence from June 2019.

Purpose

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

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

Surrey Choices was set up in order to safeguard the provision of services to people with learning and physical disabilities. Cabinet approved the creation of a Property Company in order to strengthen the council's ability to invest in a diversified and balanced portfolio of assets in pursuit of the Investment Strategy. The investment in the Municipal Bonds Agency will give the council an alternative source of finance at preferential rates.

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

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

Trade & generate income

Invest in assets to deliver an income

THE COUNCIL'S SHAREHOLDINGS

The decision to create a company or to invest in shares is taken by Cabinet or in accordance with delegated decision-making, upon the basis of a business case which articulates the financial implications and associated risks for the council. These proposals are made with realistic and prudent expectations regarding the investment required and the length of time it will take to establish a successful company. The council recognises that returns will not necessarily be received in the short-term but will contribute to financial resilience in the longer term



Company	Ownership
Halsey Garton Property	100%
S.E. Business Services	100%
Surrey Choices	100%
South Ridge Development*	50%
TRICS	16.7%
FutureGov	13.7%
Municipal Bonds Agency	3.4%

South Ridge Development is a Limited Liability Partnership

South Ridge Development is the Joint Venture arrangement with Places for People to deliver housing and mixed use development on the council's vacant sites. The Joint Venture is arranged as a Limited Liability Partnership (LLPs) which is a structure permissible in certain circumstances and is beneficial for the council as it is transparent for tax.

The Shareholder Board provides oversight for LLPs in a similar way to companies limited by shares. Further information about LLPs is included in the glossary section.

Disposals



Babcock 4S was formed in 2004 when the Council selected a commercial partner to deliver its school support and improvement services. The Joint Venture was successful but the company more recently has been significantly impacted by changes in the schools market and the changing role of Local Education Authorities. The Council's contract for services came to an end in March 2019.

As a result of the changing market a buyer for the business was identified by the shareholders and in February 2019 the business was sold to Strictly Education. Strictly Education was formed in 2002, based in Milton Keynes supplying services to 1,500 schools, 500 academies and 100 Multi-Academy trusts. The company were looking to expand their services and their geographical reach through acquisition and secure economies of scale.

The sale to Strictly Education secures the future of the business enabling the continued delivery of services to Surrey schools. The terms of the sale enabled the council to receive a capital receipt and a final dividend payment.

Shareholder Board & Decision-Making

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

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

Shareholder Board Annual Report

<u>Decision</u>	<u>Rationale</u>
Changes to the Articles	Removes all controls
Appoint and remove Directors	To ensure that the company is appropriately managed and that there is satisfactory governance
Material change in the nature or scope of the business	To ensure companies only undertake activities for which approval has been given and to protect the council's reputation
Purchase of shares or interest in another company. Acquisitions of any business or any shares.	Significant business decision which may involve further financial risk
Borrowing or the raising of finance (except from SCC). The creation of any security interest (except SCC)	To avoid taking on debt that undermines security for SCC debt (excluding de-minimis bank overdrafts) and to avoid incurring further financial risk
Issuing, withdrawal or buy back of shares	To maintain SCC ownership as originally intended
Enter any Joint Venture, consortium or partnership	To ensure companies only undertake activities for which approval has been given in order to protect SCC reputation. To ensure that it is the shareholder that takes decisions that may involve substantial financial risk (rather than the Directors alone).
Selling, transferring, leasing, assigning property or assets (excluding de-minimis and replacement of operational equipment)	To avoid dilution of assets or security in relation to SCC debt
Disposal of any business or any shares	To maintain SCC ownership as originally intended
Entering into an administration order or steps to voluntarily wind up the company	To protect SCC's reputation

Directors

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

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

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

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

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

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

Company Details

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

Cabinet Approval	May 2014
Ownership	100%
Date of Incorporation	June 2014
	Commenced trade in November 2015
Council Investment	Share Capital £93m Loans of £234m (as at 31 st March 2019)
Return on Investment	In 2018/19 the company paid a dividend of £1.6m and made interest payments to the council of £12.2m. The dividend in 2017/18 was £1.6m and in 2016/17 was £750,000.
Directors	Edward Hawkins (Susan Smyth to June 2019)

HG

Halsey Garton
Property Ltd

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

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

Halsey Garton Property

Company Profile & Business Case

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

Council Investment

The council provided initial share capital of £1,000 and provides further equity and debt financing to enable the company to progress agreed investments. This is provided on an arm's length basis following the approval of the business case by Cabinet or more recently under the delegated authority of the Investment Board. The council has provided a further £93m of equity funds and loans of £234m as at 31st March 2019 to enable the company to purchase agreed investment assets.

Progress Report

The company purchased its first asset in November 2015. The company now owns investment assets with a value of £302m – with the following key indicators.



Assets held by HGP	Description
Hampton Park West, Melksham	Manufacturing and warehouse facility
Washford Mills, Redditch	Retail warehouse units
Hawkley Drive, Bristol	Manufacturing and warehouse facility
Manton Wood, Worksop	Distribution warehouse
Aztec West, Bristol	Single tenanted office
Wiggs House, Salford	Distribution warehouse
Friar Street, Worcester	Cinema and retail / restaurant units
Travelodge, Stratford	Hotel and retail units
Willowbrook, Loughborough	Retail units (out of town location)
Oakgrove, Milton Keynes	Retail units (out of town location)
Stratham Street, Macclesfield	Retail warehouse unit
High Street, Winchester	High Street department store
Blenheim Park, Nottingham	Distribution warehouse
Malvern Shopping Park, Worcestershire	Retail units (out of town location)
Travelodge, Hatfield	Hotel
Park Spring Road (Symphony), Barnsley	Manufacturing and warehouse facility
Kitemark Court, Milton Keynes	Single tenanted office

The company paid a dividend of £1.6m in 2018/19 and paid the council £12.2m in interest payments. Further information about the company and its investment portfolio is provided by the Investment Board Annual Report.



Cabinet Approval	March 2013
Ownership	100%
Date of Incorporation	June 2013. Commenced Trade in December 2013
Council Investment	£100 Share Capital
Return on Investment	The company has provided the following dividends- 2014/15: £400,000 2015/16 £400,000 2016/17: £440,000 2017/18 £400,000 2018/19: £500,000
Directors	Jeff Harris & Steve Ruddy (Liz Mills & Rachel Crossley to February 2019)

S.E.Business Services

Company Profile

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

Business Case

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

Council Investment

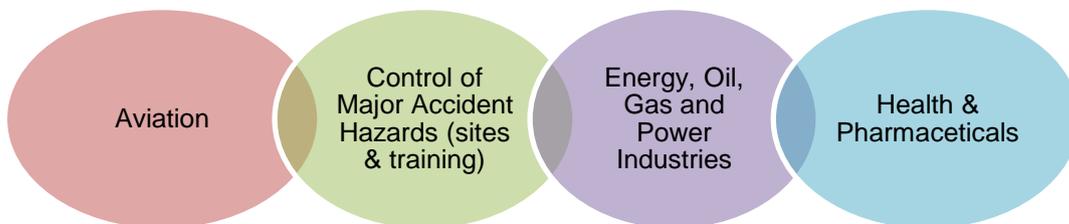
The council provided share capital of £100 and an initial working capital loan to enable the company to commence trade– all lending has been provided on an “arms-length” basis and has been fully repaid.

Progress Report

The company has delivered profits in excess of those expected in the original Business Case and in excess of its approved Annual Business Plan for the year. These profits have been delivered as a result of contracts in the fire aviation contingency market for Heathrow Airport and more recently for John Lennon Airport in Liverpool. The company also delivers IT services to two private sector organisations operating in the health sector. The company has paid dividends since its first full year of trading.

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

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





Cabinet Approval	December 2013
Ownership	100%
Date of Incorporation	March 2014
	Commenced Trade in August 2014
Council Investment	£100 Share Capital Loans of £2.8m
Directors	Mette Le Jakobsen (Managing Director), Bernie Muir & Simon Pollock

Surrey Choices

Company Profile

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

Business Case

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

Council Investment

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

Progress Report

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

In light of this, the Adults Service (ASC) undertook a review of the contract and made appropriate amendments. This review concluded in October 2016 and recognised the importance of ensuring the continuation of the services provided to the residents of Surrey. This support enabled the company to put together a revised business plan which was approved by the Shareholder Board in December 2016. This revised plan, based upon the delivery of significant cost savings and prudent assumptions in terms of non-council business, signalled the start of the significant turn-around in the success of the company. Pre-tax profits of £397,000 were delivered in 2017/18 and pre-tax profit for the year ending 31st March 2019, based upon the draft and pre-audited accounts, is expected to be £968,000 (both figures are quoted prior to the actuarial gain or loss on the defined benefit pension scheme).

There have been a number of changes to the management team since the creation of the company and this inevitably impacted upon progress. The original Managing Director (MD) resigned in August 2016, and an interim was in place up until August 2017. Permanent recruitment followed but unfortunately resigned for family reasons. A new MD has been in place since November 2018. More recently however there is significantly more resilience, with a strong senior management team who have delivered a number of changes to improve profitability, internal controls and the governance environment.

The forward looking strategic business plan for 2019/20 and beyond recently approved by the Shareholder Board has been co-designed with the council's ASC senior team and has a renewed focus on delivering transformational shifts in service delivery. Surrey Choices will develop all of its current portfolio of services, with a primary focus on day service modernisation, the expansion and development of employment and vocational opportunities, flexible community based support and the expansion of the Shared Lives service.

South Ridge Development LLP



Cabinet Approval	December 2017
Ownership	50%
Date of Incorporation	September 2018
Council Investment	No investment to date
Surrey County Council Directors	Peter Hopkins & Nick Cook

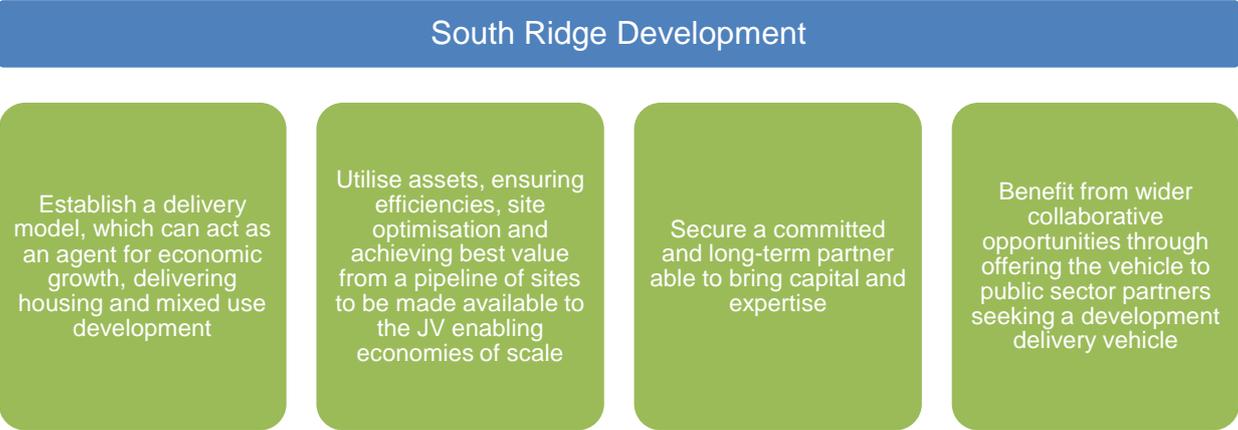
South Ridge Development

Company Profile

South Ridge Development is the Joint Venture arrangement with Places for People to deliver housing and mixed use development on the council’s vacant sites. The Joint Venture is arranged as a Limited Liability Partnership (LLPs) which is a structure permissible in certain circumstances and is beneficial for the council as it is transparent for tax. The LLP was set up in September 2018 following Cabinet approval in December 2017.

Business Case

Places for People were selected as the Council’s development partner following an extensive open-market procurement exercise. The JV will provide SCC with an ability to secure the following objectives-



Council Investment

Development costs will be borne by the JV and recouped from the sale of residential units once developed. The JV's cash flow requirements will be provided by an initial working capital loan provided by Places for People. The council is able to provide development finance to the company and will do so if it is financially beneficial. Any loan provided will be required to be on an "arm's length" basis.

Progress Report

The Shareholder Board approved the JV's first Annual Business Plan in April 2018, and in doing so provided the opportunity for the JV to produce options analysis for a first tranche of 14 sites. The Council has issued briefs for 9 of these sites so far, which initiates the scheme development process and production of options analysis for further approval by the Council before development can commence.



Cabinet Approval	July 2014
Ownership	16.67%
Date of Incorporation	October 2014
	Commenced trade in January 2015
Council Investment	£37,500 Share Capital
Return on Investment	The company has provided the following dividends- 2015: £81,300 2016: £83,800 2017: £80,200 2018: £93,040
Surrey County Council Director	Mike Green

TRICS

Company Profile

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

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

Business Case

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

Council Investment

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

Progress Report

The Company commenced trading on 1st January 2015 when it took over the operation of the database from the incumbent supplier. The company comprises of the Managing Director, recruited to deliver the day-to-day operation of the company, three employees that TUPE transferred from the previous supplier and two further employees recruited to support its recent growth. The company is benefiting from increased memberships with user activity on the increase particularly from the residential development sector. The company is further expanding its reach into international markets, with a legal agreement to host data in New Zealand and Australia, which went live in September 2018. Further surveys in the region will be undertaken in 2019.

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

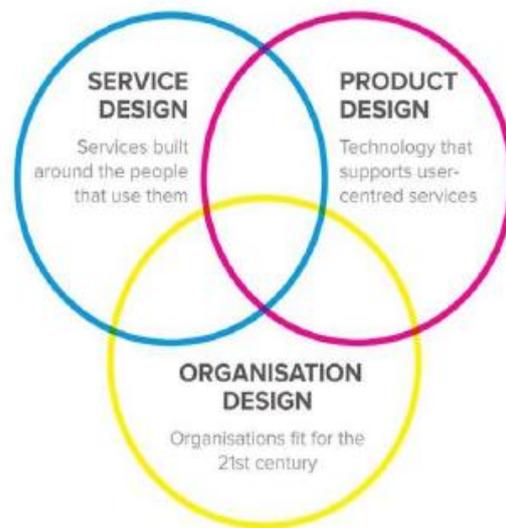
FUTUREGOV

Cabinet Approval	December 2013
Ownership	13.7%
Date of Purchase of Shares	January 2014
Council Investment	£125,000 Share Capital £125,000 Loan Notes
Surrey County Council Director	Susan Smyth attends the board meetings of the company as an observer & advisor.

FutureGov

Company Profile

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



Business Case & Council Investment

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

Progress Report

The company has delivered significant growth in sales revenue and profits since the date of investment. These recent achievements are the result of a focus on consultancy services and design. The company is recognised as a key player in the digital design and transformation public sector market and frequently successfully competes against the big consultancy firms.

The company has invested in a number of key hires to support its growth including an experienced non-executive director who has encouraged the company to seek bigger contracts which has resulted in some significant success. In October 2018 FutureGov successfully acquired Uscreates, a company providing design consultancy services for clients primarily in the health and well-being sector. The Shareholder Board gave their consent to the acquisition on the basis of the following rationale-

- provides enhanced delivery capacity for larger scale projects
- provides access to a broader range of public sector clients and procurement frameworks
- strengthens and compliments existing skill-sets with a strong cultural fit
- enables savings on back-office and premises costs from economies of scale.

The acquisition has been successfully integrated into the business and has contributed to the achievement of further growth and scale.

In June 2019 SCC's shares in FutureGov were acquired by Panoply Holdings, an AIM listed group of companies specialising in information technology and innovation consulting. The sale, which was approved by Cabinet in May 2019, delivered a substantial profit on the Council's original investment".



MUNICIPAL BONDS AGENCY

Cabinet Approval	Decision taken under delegated approval in September 2015.
Ownership	3.4%
Date of Incorporation	September 2014
Council Investment	£450,000 share capital

Company Profile

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

Business Case & Council Investment

The agency aims to provide access to all local authorities to raise external borrowing provided that they meet the criteria set, and at the time of SCC's investment, preferential terms were expected to be provided to those councils that are also shareholders in the company. It is uncertain whether this commitment will stand in the future.

Progress Report

The Municipal Bond Agency distributed a framework agreement which set out the terms upon which local authorities will be able to borrow from them. Authorities were expected to pass the agency's own credit checks and agree to a joint and several guarantee that would operate if a local authority defaulted on its borrowing. This requirement created some significant concerns for local authorities particularly at a time of ongoing financial uncertainty. This, together with the continued low interest rate environment and short-term borrowing strategies adopted by a number of local authorities, has meant that the first bond issue has not been achieved in accordance with originally anticipated timeframes. The LGA continues to financially support the agency.

GLOSSARY

Articles of Association

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

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

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

Assets

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

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

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

Debt Financing

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

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

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

GLOSSARY

Directors Duties

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

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

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

Group Companies

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

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

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

Joint Venture

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

GLOSSARY

LATC (Local Authority Trading Company)

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

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

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

Limited Liability Partnership (LLP)

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

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

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

GLOSSARY

Reserved Matters

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

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

Share Capital (Equity)

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

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

Shareholders

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

Shareholders Agreement

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

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

GLOSSARY

Support Services

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

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

TUPE

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

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

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

GLOSSARY

Teckal

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

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

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

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

Transfer Pricing / State Aid

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

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

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

**REPORT OF THE PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE –
APPOINTMENTS SUB-COMMITTEE**

- * Mr Tim Oliver (Chairman)
- * Dr Zully Grant-Duff
- * Mr Chris Botten
- * Mr Ernest Mallett

* = Present

APPOINTMENT OF MONITORING OFFICER

1. The Appointments Sub-Committee of the People, Performance and Development Committee met on 18 June 2019 to conduct final interviews for the role of Monitoring Officer at Surrey County Council. One candidate was put forward to the Committee for final interview following a robust initial selection process, where all candidates were assessed on their technical ability by an independent external expert as well as internal stakeholder panels.
2. Following an in depth discussion of the candidate's merits, the Committee has selected Paul Evans as the person it is recommending that the County Council appoints to the role of Monitoring Officer.
3. Paul is currently the Monitoring Officer for the London Boroughs of Merton and Richmond, and is Head of the South London Legal Partnership, a team of 120 lawyers and support staff across five London Boroughs, which provides services to over one million residents. He has also previously worked for Liverpool City Council and for Doncaster Metropolitan Borough Council.
4. The Officer Employment Procedure Rules requires every Cabinet Member to be notified of the proposed appointment and of their right of objection within the period specified in the notification. No objections were received from Cabinet Members.
5. The People, Performance and Development Committee **RECOMMENDS** that the Council appoints Paul Evans as the Monitoring Officer for Surrey County Council from when he commences employment with Surrey County Council.

Tim Oliver

**Chairman of the People, Performance and Development Committee
July 2019**

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*County Council Meeting – 9 July 2019***REPORT OF THE CABINET**

The Cabinet met on 28 May 2019 and 25 June 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 28 May and 25 June meetings are included within the agenda at Item 14. 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, 8 July 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. 2018/19 FINANCIAL OUTTURN REPORT

The Cabinet at its meeting on 28 May 2019 considered the 2018/19 Financial Outturn Report. Cabinet noted that the Council was half way through its transformation process and that whilst £106m of savings had been made there was still a further £100m of savings to find and future funding was uncertain.

The Leader thanked officers and Cabinet for the hard work put in to get to this position.

Cabinet NOTED:

1. The Council's overall revenue and capital budget positions as at 31 March 2019:
 - £21.8m underspend against the original 2018/19 budget;
 - Contributions to Reserves of £0.5m and those set out in paragraphs 3, 8 and 12 to 14 of the submitted report;
 - Use of £14.4m capital receipts in-year to support transformation; and
 - £117m service capital expenditure against £139m budget.

Cabinet AGREED:

2. The carry forward of revenue budget underspends of £0.3m, in addition to the £4.1m approved at Month 11.
3. The carry forward of capital budget underspends of £19.5m.

B. MOVING CLOSER TO RESIDENTS

At its meeting on 25 June 2019 the Leader made a statement that it was hoped to have had a report to this meeting but that conversations were still taking place and the report was not ready. He went on to reiterate the Council plans which

meant a physical move of building but also the next part which would be agile working and how we connected. He confirmed that there would be a smaller heart of the council that would be located separately to the wider council and options still being considered for this included Woking and Guildford as possible locations. The Leader went on to say that the end of 2020 remained the target for the move from County Hall and that a report would come to Cabinet in September that would confirm the move and the financial impacts of that.

Cabinet NOTED the Leader's statement.

C. QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS: 8 MAY – 28 JUNE 2019

The Cabinet is required under the Constitution to report to Council on a quarterly basis the details of decisions taken by the Cabinet and Cabinet Members under the general exception arrangements set out in Standing Order 55 of the Constitution. This occurs where a decision is required on a matter that is not contained within the Leader's Forward Plan (Notice of Decisions). Where a decision on such matters could not reasonably be delayed, the Chairman of the appropriate Scrutiny Board must be notified.

The Cabinet RECOMMENDS that the County Council notes that there has been no urgent decision in this quarter.

**Mr Tim Oliver, Leader of the Council
28 June 2019**

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 28 MAY 2019 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

**PART ONE
IN PUBLIC**

78/19 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mrs Mary Lewis and Mr Matt Furniss.

79/19 MINUTES OF PREVIOUS MEETING: (30 APRIL 2019) [Item 2]

The minutes of the meeting held on 30 April 2019 were approved as a correct record.

80/19 DECLARATIONS OF INTEREST [Item 3]

There were none.

81/19 LEADER STATEMENT - RECYCLING CHARGES AT COMMUNITY RECYCLING CENTRES [Item]

The Leader referred to his speech at full Council where he had confirmed the Council's commitment to the environment and the wish to make recycling as easy as possible for residents. He therefore announced that the proposed charges for disposal of DIY wood and roof felting to be introduced in June would be deferred and considered by the working group chaired by Dr Andrew Povey which would report back in the Autumn.

82/19 MEMBERS' QUESTIONS [Item 4a]

There were none.

83/19 PUBLIC QUESTIONS [Item 4b]

There were none.

84/19 PETITIONS [Item 4c]

There were none.

85/19 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

86/19 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

There were none.

87/19 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/ INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING [Item 6]

The Cabinet Member for Environment & Waste reported that the reason for taking his decision was incorrect and the reason for reducing the speed limit down to 50mph on the relevant section of the A331 was due to ministerial directions to reduce levels of nitrous oxide.

RESOLVED:

That the decisions taken by Cabinet Members / Investment Board under delegated authority since the last meeting be noted.

Reason for Decision:

To inform the Cabinet of decisions taken by the Leader, Cabinet Members and Investment Board under delegated authority.

88/19 2018/19 FINANCIAL OUTTURN REPORT [Item 7]

The Cabinet Member for Finance highlighted various aspects of this report stating that it was a reflection of a balanced budget without the need for the use of reserves and that a further £0.5m had been moved to reserves. He also explained that the Council was half way through its transformation process and that whilst £106m of savings had been made there was still a further £100m of savings to find and future funding was uncertain.

The Leader thanked officers and Cabinet for the hard work put in to get to this position.

RESOLVED:

That the following be noted;

1. The Council's overall revenue and capital budget positions as at 31 March 2019:
 - £21.8m underspend against the original 2018/19 budget;
 - Contributions to Reserves of £0.5m and those set out in paragraphs 3, 8 and 12 to 14 of the submitted report;

- Use of £14.4m capital receipts in-year to support transformation; and
- £117m service capital expenditure against £139m budget

That the following be approved;

2. The carry forward of revenue budget underspends of £0.3m, in addition to the £4.1m approved at Month 11.
3. The carry forward of capital budget underspends of £19.5m.

Reason for Decision:

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

The decision was unanimous.

89/19 EXCLUSION OF THE PUBLIC [Item 8]

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.

90/19 INVESTMENT DISPOSAL [Item 9]

The Cabinet Member for Finance introduced this Part 2 report 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 proposed to dispose of an investment for which an attractive offer had been received.

RESOLVED:

That the sale of the Council's investment in [Exempt minute E-2-19] be approved at no less than the figures given in paragraph 18 of the submitted report and authority be delegated to the Executive Director of Resources to agree final terms for the sale.

Reason for Decision:

The sale will deliver a profit on the Council's original investment delivering a capital receipt in support of its capital programme and limit its future financial risks.

The decision was unanimous.

91/19 LAND DISPOSAL - WOKING [Item 10]

The Leader introduced this Part 2 report 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 proposed to sell a parcel of land at Woking as it was no longer required to support service delivery or capable of generating significant income, following abortive negotiations with a prospective purchaser and a re-marketing exercise.

RESOLVED:

1. That the sale of land as shown hatched on the plan in Annexe 1 of the submitted report to [Exempt minute E-3-19] on an unconditional basis be approved.
2. That authority be delegated to the Chief Property Officer, in consultation with the Leader, the ability to accept up to a 10% variation in the sale price to reflect possible changes occurring during the technical and legal due diligence basis.

Reason for Decision:

The land at [Exempt minute E-4-19] Woking is not required to support service delivery, nor is it capable of generating a significant income. The capital receipt will contribute to the funding sources available to the council in support of its delivery of services to its residents.

The decision was unanimous.

92/19 LEASE ACQUISITION - WALTON [Item 11]

Children's services serving the north east quadrant of Surrey are currently based in Fairmount House in Leatherhead. In order to improve practice, business efficiency and staff productivity in the North East Quadrant team, the Children's service have proposed that the optimum location for staff to be relocated to would be within the Walton on Thames area.

RESOLVED:

1. That the leasehold acquisition of the accommodation described in the submitted report [Exempt minute E-5-19] be approved.
2. That the capital budget from unallocated resources within the current Capital Programme be approved for the fit out and adaptation of the property in accordance with the layout plans approved by the service, on the basis the total capital cost and associated fees does not exceed [Exempt minute E-6-19] plus VAT.
3. That authority be delegated to the Lead Strategic Asset Manager in consultation with the Leader and the Executive Director of Resources to procure specialist office fit out contractors to accelerate occupation following lease completion.

Reason for Decision:

There will be substantial business efficiencies and other associated benefits such as the ability of the Service to recruit and retain staff who are required to

operate within the North East Quadrant and utilise a local office as a base office.

The decision was unanimous.

93/19 PUBLICITY FOR PART 2 ITEMS [Item 12]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

Meeting closed at 2.32 pm

Chairman

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**MINUTES OF THE MEETING OF THE CABINET
HELD ON 25 JUNE 2019 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
*Dr Zully Grant-Duff	*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

94/19 APOLOGIES FOR ABSENCE [Item 1]

There were none.

95/19 MINUTES OF PREVIOUS MEETING: 28 MAY 2019 [Item 2]

The Minutes of 28 May 2019 were approved as a correct record.

96/19 DECLARATIONS OF INTEREST AND STATEMENT FROM LEADER OF THE COUNCIL [Item 3]

There were none.

Statement from Leader of the Council - Moving Closer To Residents

The Leader made a statement that he had hoped to have had a report at this meeting but that conversations were still taking place and the report was not ready. He went on to reiterate the Council plans which meant not only a physical move of building but also the rollout of agile working which would be a different way of working for many staff. He confirmed that there would be a smaller civic heart with options still being considered in Woking and Guildford. The Leader went on to say that the move from County Hall by the end of 2020 was still on target and that a report would come to Cabinet in September which would confirm details of the move and the financial impact.

97/19 MEMBERS' QUESTIONS [Item 4a]

There were none.

98/19 PUBLIC QUESTIONS [Item 4b]

There were none.

99/19 PETITIONS [Item 4c]

There were none.

100/19 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

101/19 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

There were none.

102/19 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/ INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING [Item 6]

RESOLVED:

The decision taken by the Cabinet Member for Children, Young People & Families was noted.

Reason for Decision:

To inform the Cabinet of decisions taken by the Leader, Cabinet Members and Investment Board under delegated authority.

103/19 DYNAMIC PURCHASING SYSTEM (DPS) - INDEPENDENT EXPERT ASSESSMENTS [Item 7]

The Cabinet Member for Children, Young People & Families introduced this report by setting out the Council's obligations on child protection and the various tests and assessments that may be requested internally or by the courts. She explained the benefits of the proposed dynamic purchasing system and how it linked to other changes in practice which included a reduced reliance on external expert assessments due to increased in-house skills. The Cabinet Member went on to highlight areas of the report and the Equalities Impact Assessment as positive outcomes for children. She informed Members that an email link would be sent out at the end of the week for the latest Ofsted and Children's Commissioner reports.

In response to Member questions the Cabinet Member for Children, Young People & families stated that:

- She was confident that 40% reduction in the current number of assessments would be achieved over the coming financial year 2020/21 as an evidence based model of social work practice was being introduced along with a Gateway to Resources team to decide when external assessments would be needed.

- That applicants for Special Guardianship Orders were responsible for arranging legal assessments.
- Whilst there was some leeway in the financial figures the Council would only pay for what it used.

RESOLVED:

1. That following consideration of the available options, the results of the procurement process, and commercially sensitive information provided in the Part 2 annex of the report, approval be given for the council to establish a Dynamic Purchasing System (DPS) for the period 1 August 2019 – 31 July 2021 (with the option for extension up until, but not exceeding 31 July 2024).
2. That authority be delegated to the Service Manager (Gateway to Resources) to ‘call off’ independent expert assessments and assessments for special guardianship orders from this DPS as required.
3. That authority be delegated to the Director - Commissioning to add new providers onto the DPS for the Council as appropriate.

Reason for Decision:

As outlined in *Child First Commissioning Intentions for Children in Surrey 2017-22*, Surrey County Council is committed to ensuring children in Surrey get ‘the right help, care and protection at the right time so they can thrive’. Expert Witnesses and providers of Special Guardianship Order (SGO) Assessments inform the County Council in its care planning decisions.

The demand for statutory and in some cases court ordered assessments has increased at a rate which the Council is unable to meet within current in-house capacity. To cope with this pressure and ensure our statutory duties are met, the Children’s Social Care teams have been spot purchasing external experts to carry out SGO and expert assessments. However the spot purchasing arrangements are not sustainable and not achieving value for money. (This is unsustainable within the financial challenges that the Council is facing). The Council also acknowledges Ofsted’s findings (May 2018) which highlighted that there is an over-reliance on independent social workers and other expert witnesses in Surrey, and the quality, value for money and timeliness of assessments are key areas that need improving.

The robust commissioning and contract management arrangements that will be put in place will ensure that expert assessments will be monitored more closely. Regular monitoring will have a strong focus on providers’ safeguarding policies and procedures and ensure that the safety of children, young people and vulnerable adults remains a priority at all times.

[The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee]

**104/19 COMMISSIONING EARLY HELP AND EMOTIONAL WELLBEING
PROVISION FOR CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES
[Item 8]**

The Cabinet Member for Children, Young People & Families introduced a report that described commissioned services that would form part of the new early help offer. These would help to ensure that families had access to Early Help at the right time, in the right place and the right cost, that enables them to build resilience through safe, nurturing relationships that enhance emotional health and wellbeing, and enable children and young people to thrive, reducing the need for access to statutory services. The Cabinet Member highlighted the need for a consistent offer across the county and referenced the Children's Commissioner report of September 2018.

In response to Member questions the Cabinet Member explained that when the Family Support Grant ends, the Council would continue to fund. She also explained how the Early Help profile would be raised and the message spread. This included the schools consultation line, family information online and providers making the offer understood and known about.

RESOLVED:

1. That the use of a Dynamic Purchasing System to commission Early Help and emotional wellbeing provision for children, young people and families from January 2020 be approved.
2. That the providers as listed in the Part 2 Annex of this report be awarded a place on the new DPS as they have passed the Invitation to Tender (ITT) evaluation process, whilst recognising that other organisations will be able to apply throughout the duration of the DPS.
3. That authority be delegated for the approval of individual contract awards to the Executive Director of Children, Families, Life Long Learning and Culture.

Reason for Decision:

A Dynamic Purchasing System (DPS) under the Light Touch Regime has been selected as the most appropriate route to market because:

- It enables robust control of the quality of Early Help provision for children, young people and families;
- It provides flexibility to meet the needs of the whole family regardless of the age of the children. This approach also helps to attract a wider range of suppliers and allows providers to enter / exit from the list without having to re-open frameworks, which can be legally challenging and bureaucratic;
- It is responsive. It will enable us to ensure that the service providers who can meet the emergent needs of children, young people, and families are able to join the list throughout the length of the commission.

[The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee]

105/19 INVESTMENT BOARD ANNUAL REPORT [Item 9]

The Leader of the Council explained that the Investment Board, Asset Strategy Board and Shareholder Board had all been combined into the Strategic Investment Board and meetings would now be held in public. He introduced the report and explained that there was a challenging market and for the time being, the Council were not actively pursuing investment outside of the county.

RESOLVED:

That the Annual Report of the Investment Board be endorsed.

Reason for Decision:

To inform the Cabinet about the activities of the Investment Board during the Financial Year 2018-19. The Investment Board was responsible for the delivery of the agreed Investment Strategy. The Investment Strategy was created by the council to deliver an ongoing and resilient source of income to provide financial support to the council's front line services. Investments undertaken as a result of the strategy agreed in 2013 are delivering a net income stream to the council.

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

106/19 EXCLUSION OF THE PUBLIC [Item 10]

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.

107/19 DYNAMIC PURCHASING SYSTEM (DPS) - INDEPENDENT EXPERT ASSESSMENTS [Item 11]

The Cabinet Member for Children, Young People & Families introduced this Part 2 report 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 107/19.

Reason for Decision:

See Minute 107/19.

[The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee]

**108/19 COMMISSIONING EARLY HELP AND EMOTIONAL WELLBEING
PROVISION FOR CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES
[Item 12]**

The Cabinet Member for Children, Young People & Families introduced this Part 2 report 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 108/19.

Reason for Decision:

See Minute 108/19.

[The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee]

109/19 INVESTMENT BOARD ANNUAL REPORT [Item 13]

The Leader of the Council introduced this Part 2 report 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 109/19.

Reason for Decision:

See Minute 109/19.

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

110/19 PUBLICITY FOR PART 2 ITEMS [Item 14]

Meeting closed at 2.51 pm

Chairman