

# Cabinet



**Date & time**  
Tuesday, 26 May  
2020 at 2.00 pm

**Place**  
REMOTE

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

**Chief Executive**  
Joanna Killian



**We're on Twitter:**  
**@SCCdemocracy**

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

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

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

**Please note that due to the COVID-19 situation this meeting will take place remotely.**

**Please be aware that a link to view a live recording of the meeting will be available on the Cabinet page on the Surrey County Council website. This page can be accessed by following the link below:**

**<https://mycouncil.surreycc.gov.uk/ieListMeetings.aspx?CId=120&Year=0>**

**If you have any queries relating to accessing this agenda please email [vicky.hibbert@surreycc.gov.uk](mailto:vicky.hibbert@surreycc.gov.uk) or [angela.guest@surreycc.gov.uk](mailto:angela.guest@surreycc.gov.uk).**

***Note:** This meeting will be filmed for live and 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.*

*If you have any queries regarding this, please contact [vicky.hibbert@surreycc.gov.uk](mailto:vicky.hibbert@surreycc.gov.uk) or [angela.guest@surreycc.gov.uk](mailto:angela.guest@surreycc.gov.uk).*

**1 APOLOGIES FOR ABSENCE**

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**2 MINUTES OF PREVIOUS MEETING: 28 APRIL 2020**

(Pages  
1 - 10)

To approve the Minutes of the virtual meeting held on 28 April 2020.

**3 DECLARATIONS OF INTEREST**

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

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

**NOTES:**

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

**4 PROCEDURAL MATTERS**

**a Members' Questions**

The deadline for Member's questions is 12pm four working days before the meeting (19 April 2020).

**b Public Questions**

The deadline for public questions is seven days before the meeting (19 April 2020).

**c Petitions**

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

**d Representations received on reports to be considered in private**

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

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

To consider any reports received.

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

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

**7 CABINET MEMBER UPDATES**

This item will include updates from Cabinet Members for noting. Briefing notes will be sent as a supplement to the agenda or be contained within the minutes of the meeting.

**8a Covid-19 Update - TO FOLLOW**

This paper is being presented under the General Exception Standing Order as it has not been possible to give 28 days' notice of decisions to be taken.

Further to the report to Cabinet on 28 April 2020, this report will set out (i) an overview of how the Council is responding as an employer to the Government's COVID-19 recovery strategy; (ii) updated forecasts and modelling from Public Health on the impact of COVID-19; (iii) an overview of the approach to testing in Surrey as well as an update around the government's approach to track and trace and implementation locally; (iv) updated financial impact of COVID-19 on the Council and (iv) an update on the Council's response to supporting vulnerable residents who are being shielded.

*[Where necessary a waiver for call-in will be sought from the relevant Select Committee Chairman.]*

**8b Covid-19 Delegated Decisions**

(Pages  
11 - 34)

To ensure transparency of decisions taken in response to COVID-19, Cabinet are asked to note the attached decisions taken since the last meeting.

**9 PUPIL REFERRAL UNIT (PRU) CAPITAL STRATEGY**

(Pages  
35 - 54)

To approve the Pupil Referral Unit (PRU) Capital Strategy to ensure Surrey County Council meet their duty to provide suitable premises for the purpose of discharging its responsibility to secure suitable education for those who have been excluded or are otherwise unable to access suitable education.

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

## 10 2019/20 FINANCIAL OUTTURN REPORT

(Pages  
55 - 68)

This report summarises:

- the County Council's 2019/20 financial performance for revenue and capital. It also includes the year end Treasury Management and Debt outturn. Further details on Service budgets are to be found in Annex 1.

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

## 11 EXCLUSION OF THE PUBLIC - IF NEEDED

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.

**Joanna Killian**  
**Chief Executive**  
Friday, 15 May 2020

### QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

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

**Please note:**

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

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 28 APRIL 2020 AT 2.00 PM  
VIA REMOTE MEETING.**

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	* Miss Alison Griffiths
*Mr Mark Nuti	

\* = Present

**PART ONE**  
**IN PUBLIC**

**48/20 APOLOGIES FOR ABSENCE [Item 1]**

There were none.

**49/20 MINUTES OF PREVIOUS MEETING: (31 MARCH 2020) [Item 2]**

The Minutes of the meeting held on 31 March 2020 were approved as a correct record.

**50/20 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**51/20 MEMBERS' QUESTIONS [Item 4a]**

There was one question from Mr Chris Botten and four questions from Mr Jonathan Essex, these and the responses were published as a supplement to the agenda.

**52/20 PUBLIC QUESTIONS [Item 4b]**

There were none.

**53/20 PETITIONS [Item 4c]**

There were none.

**54/20 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

There were none.

**55/20 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**

There were none.

**56/20 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 6]**

**RESOLVED:**

That the delegated decisions taken since the last meeting of the Cabinet be noted.

**Reason for decision:**

To inform the Cabinet of decisions taken by Cabinet Members, Strategic Investment Board and the Committee in Common subcommittee under delegated authority.

**57/20 COVID-19 UPDATE [Item 7a]**

The Leader gave a detailed update on the Council's response to COVID-19 (C19) which included the following:

- That the demand and supply of Personal Protection Equipment (PPE) was being constantly monitored and people should not be asked to do a job without the correct equipment.
- That so far C19 had cost the Council £70m. £25.2m had been received from the Government and a second tranche was yet to come. It was expected that there would be a shortfall and the Council would continue to liaise with the Government regarding this.
- A full risk assessment had been undertaken in children's services and there was close liaison with families.
- There had been an increased demand for support in adult social care and redeployment had been undertaken to address the demand.
- Planned highways works would be undertaken.
- Recognised the work undertaken by the voluntary, community & faith sector organisations in responding to the C-19 pandemic.

Cabinet Members highlighted the work undertaken in each of their areas and thanked staff and teams for the outstanding work being undertaken.

**RESOLVED:**

Cabinet resolved to note:

1. the latest public health situation with regard to COVID-19 and the latest information on Surrey's response,

2. the updated guidance on changes to local authority powers under the Coronavirus Act, including powers available to the County Council should the system for managing the deceased risk becoming overwhelmed,
3. the efforts being made to source, procure, supply and distribute Personal Protective Equipment to employees, in accordance with national guidance and the potential sanctions and liabilities in this respect,
4. the updated assessment of the impact of COVID-19 on Surrey County Council's short and medium-term financial position, and the impact on services, and
5. the measures being taken through the Surrey Local Resilience Forum Recovery Coordinating Group to plan and prepare for the immediate, operational Recovery of services from lockdown and COVID-19.

**Reason for decision:**

The county and Council continue to face unprecedented challenges due to the COVID-19 emergency. The focus of response activity remains: i) delay and suppress the progress of the virus in Surrey, ii) save lives, iii) support our most vulnerable residents and communities through the delivery of core services, iv) reduce pressure on the NHS.

These priority objectives are guiding our decisions and ensuring our response and emergent recovery strategies and work remain tightly focused. The recommendations set out in this report will support our efforts across the Council to protect, sustain and support our residents and communities and the economy of Surrey.

**58/20 COVID-19 CONTINGENCIES - URGENT AND DELEGATED DECISIONS TAKEN [Item 7b]**

The Leader gave a brief precis of decisions taken by officers.

**RESOLVED:**

That the five decisions taken by officers since the last meeting be noted.

**Reason for decision:**

To inform the Cabinet of decisions taken officers under delegated authority.

**59/20 APPROVAL OF COMMISSIONING AND PROCUREMENT STRATEGY FOR COMBINED SENSORY SERVICES FOR ADULTS AND CHILDREN [Item 8]**

The Cabinet Member for Adults & Public Health introduced a report that explained how the current contract for Children's Vision and Sensory Loss Support and Adults' Combined Sensory Services was due to expire on 31 March 2021 and a new contract was required to enable continued provision of these services. Cabinet approved the Annual Procurement Forward Plan and reserved for review the commissioning and procurement strategy for the new

contract(s) which was set out in the submitted report. The Cabinet Member for All-Age Learning spoke in support of the recommendations.

**RESOLVED:**

1. That the commissioning and procurement strategy developed by Adult Social Care, Children's Services and Procurement for the re-procurement of Children's Vision and Sensory Loss Support and Adults' Combined Sensory Services contract or contracts be approved.
2. That the procurement of the sensory services contract(s) to commence on 1 April 2021 be approved. The new contract will be in place for three years with an option to extend for up to a further 36 months.

**Reason for decision:**

We are requesting approval of the commissioning and procurement strategy for the contracts for:

- a. Children's Vision and Sensory Loss Support, of value £132,000 from the Vulnerable Learners element within the Education budget, and
- b. Adults' Combined Sensory Services, of value £1,376,004.

This will enable Adult Social Care and Children's Services to continue providing the services required in accordance with the relevant regulations.

This strategy incorporates publishing a Prior Information Notice (PIN), which will allow us to test the market with regard to the provision of these services. The outcome of the PIN notice will determine the actual procurement route: if there is no interest in the services other than the incumbent provider, SCC might consider whether a direct award the incumbent provider might be desirable rather than continuing with a full re-procurement.

The new contract(s) will ensure continued delivery of these services to the adults and children in Surrey who require these support services and addressing SCC's responsibilities under the Children Act 1989, the Children and Families Act 2014 and the Care Act 2014.

**60/20 REPROVISION OF DILAPIDATED BUILDING (JUNIOR BLOCK) AT TADWORTH PRIMARY SCHOOL TO PROVIDE MODERN FACILITIES (PSBP2 PROJECT - DFE FUNDED) [Item 9]**

The Cabinet Member for All-Age Learning introduced a report that set out the business case for the re-provision of the Junior Block (a single stand-alone building) at Tadworth Primary School. Financial details were contained in a Part 2 report. The project has been awarded funding under the Department for Education's (DfE) Priority Schools Building Programme 2 (PSBP2). A full Business Case would be formed following planning consent. The Governing Body had signed off on the plans and the admission criteria would not change.

The Cabinet Member for Adults & Public Health spoke in favour of the recommendation.

**RESOLVED:**

That, subject to the agreement of the detailed financial information for the project as set out in the Part 2 annex to the submitted report, the business case for the re-provision of the school building be approved.

**Reason for decision:**

The current block is dilapidated and beyond economic repair. The funding from the Department for Education (DfE) affords the opportunity to replace the existing block and provide children with a new education facility to use for another 60+ years rather than an old, outdated and worn out building.

If this is not undertaken SCC will lose the PSBP2 funding from DfE, and will need to carry out the same project at a later date at its own cost while suffering on going inefficient maintenance costs.

**61/20 SURREY CLIMATE CHANGE STRATEGY [Item 10]**

The Cabinet Member for Environment & Waste introduced the proposed Surrey's Climate Change Strategy that set out the intended approach to delivering its climate change ambitions over the next thirty years. It provided a joint framework for collaborative action across Surrey's 12 local authorities to reduce emissions to net zero between now and 2050. The Strategy specifically committed Surrey County Council to reducing carbon emissions from its own corporate estate to net zero by 2030. This target, although challenging, could be achieved as these emissions fall completely within the Council's control.

He went on to explain that a two-page summary document would be published on the Council's website and that the strategy had eight major themes which would each have two or three priorities for. Work on the delivery plan was underway. He emphasised the impact the strategy would have on everyone who worked or travelled within the county and the major cultural shift needed. He gave thanks to staff for pulling the information together and in particular the Project Manager, Esme Stallard.

In response to the questions from the Cabinet Team the Cabinet Member for Environment & Waste explained that:

- a. The Government would need to produce its own strategy and invest in greener futures. He would need to ask the Government to support the Council's Strategy and would continue to speak with Government regarding support.
- b. In order to get residents signed up to this and involved there had been various community engagement exercises including a survey, focus meeting and workshops. Various meetings had taken place with businesses and the Chamber of Commerce. The district and borough councils would be instrumental in the success of the strategy and the need to keep the momentum.
- c. District and boroughs had been instrumental in shaping the strategy and the newly formed Surrey Leaders Group had set the strategic direction of the strategy using a partnership approach. Councils had been very positive and it was hoped they would adopt the strategy.

This was not a one size fits all strategy and different councils would have different priorities dependent on their locations. Work would continue with district and boroughs on key performance indicators etc.

- d. The strategy would be benchmarked according to scientific evidence and Leeds University would use the public information going forward. They were to hold a workshop with borough and district councils to explain how they shaped the data.

**RESOLVED:**

1. That the Surrey's Climate Change Strategy be endorsed, and its associated actions approved.
2. That the continued development of the actions contained within the strategy to identify clear ownership, appropriate levels of funding and a set of key performance indicators (KPIs) by 2021 that can provide for robust monitoring be supported. Where required any respective projects and programmes will be brought back to Cabinet with costed delivery plans for approval.
3. That the continued engagement of the Council with boroughs and districts, with the intention of achieving joint endorsement across the 12 authorities be supported.
4. That further engagement of residents and key stakeholders with the Strategy and actions, so that collective action may be taken to achieve the outlined ambition be supported.
5. That the publication of our progress annually against our targets, with a complete review of the Strategy every five years be supported. Any minor changes outside this time frame will be approved by the leader in consultation with the borough and district authorities.
6. That the Select Committee recommendation to investigate mechanisms for joint oversight and monitoring of the Climate Change Strategy impact and delivery be supported.

**Reason for decision:**

Surrey's Climate Change Strategy enables us to deliver on Surrey's net zero carbon emissions ambition and build the resilience of our communities to the impacts of climate change.

The potential implications if we do nothing to address climate change in Surrey include increased risk of flooding and extreme heat, disruption to our critical infrastructure, networks and businesses, and increased risk to our health and wellbeing.

Not only will the implementation of the actions contained within the strategy help to reduce the potentially negative and far-ranging impacts of climate change, it will also have substantial co-benefits including improved health and wellbeing, e.g. from reductions in air pollution, the potential for job creation and investment in Surrey's green economy, and more local, sustainably produced food.

Further, baseline emissions research for Surrey, produced by researchers at Leeds University, has identified that there are a number of proven cost-effective and technically viable carbon reduction options that Surrey's local authorities could deliver in addition to the County Council's existing capital programme to reduce carbon emissions. These savings will be achieved across a range of stakeholders, from residents to businesses and public sector partners and could total £1.32 billion per annum by 2050 in savings on energy bills against a Business as Usual scenario (BAU).

Whilst the impacts of COVID19 on the County and the Government's response, including the facilitation of social distancing, will not change the ambition of the strategy, they will need to be considered against the actions identified to deliver the strategy.

## **62/20 NEW TREE STRATEGY [Item 11]**

The Cabinet Member for Environment & Waste introduced a report that set out the Council's New Tree Strategy which included the vision that 'by 2030 Surrey will benefit from 1.2 million new trees, with the right trees planted in the right places, including both urban and rural locations, and supported to grow to maturity'. This equates to one tree planted for each resident of Surrey. The first of the new trees in Surrey was planted on 5 October 2019 at the Surrey Hills Wood Fair. Many community organisations and borough & district councils had got involved and were identifying site for planting.

Several Cabinet Members thanked both the Cabinet Member for Environment & Waste and the Cabinet Member for Highways for the work they had undertaken in bringing this about.

### **RESOLVED:**

1. That the New Tree Strategy be approved.
2. That the continued engagement with partners in order to develop a delivery plan which will support the strategy and our ambition to facilitate the planting of 1.2 million trees by 2030 be supported. This will be completed by September 2020 to align with the start of the tree planting period.
3. That engagement with partners to develop a wider Land Use Framework, to be completed by March 2021 be supported.

### **Reason for decision:**

Implementation of the Strategy will result not only in reductions in carbon emissions, thereby helping to mitigate climate change, but it will also have numerous co-benefits for residents' health and wellbeing. Trees and woodland have been proven to be good for both our mental health by minimising anxiety and stress for those able to enjoy green spaces, and our physical health by improving air quality through the same carbon capture that makes them so beneficial to the mitigation of climate change.

In addition, trees play an important role in climate change adaptation by providing areas of shade in built up urban areas during heatwaves as well as

providing a source of natural flood risk management. Increasing tree cover in the county will create biodiversity benefits and increased habitats, provided that the right trees are planted in the right places.

Finally, it is important to note that other types of natural capital also play an important role in sequestering CO2 and minimising the impacts of climate change. The proposed Land Use Framework will provide a mechanism that enables the Council and our partners to understand the condition and full potential and value of our natural environment, as well as how we can best support that environment.

#### **63/20 2019/20 MONTH 11 (FEBRUARY) FINANCIAL REPORT [Item 12]**

The Cabinet Member for Finance gave a brief overview of the report which provided details of the County Council's 2019/20 financial position as at 29 February 2020 (M11) for revenue and capital budgets, and the expected outlook for the remainder of the financial year. The Cabinet Member explained that 88% of the planned efficiencies would be achieved.

The Leader gave praise for the achievements on the transformation services and explained that COVID-19 would have a future impact.

#### **RESOLVED:**

That the Council's forecast revenue and capital budget positions for the year be noted.

#### **Reason for decision:**

This report was to comply with the agreed policy of providing a monthly budget monitoring report to Leader and Cabinet for Member for approval of any necessary actions.

#### **64/20 EXCLUSION OF THE PUBLIC [Item 13]**

**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.

#### **65/20 REPROVISION OF DILAPIDATED BUILDING (JUNIOR BLOCK) AT TADWORTH PRIMARY SCHOOL TO PROVIDE MODERN FACILITIES (PSBP2 PROJECT - DFE FUNDED) [Item 14]**

#### **RESOLVED:**

1. That the project be approved to provide:
  - A replacement building (Junior Block) delivered by Easter 2021
  - Provision of Temporary Classroom Accommodation to enable continued education during the reprovision of the current building
  - Demolition of the current building
  - Associated enabling and external works
  - At a total cost of [Exempt Minute E-3-20]

2. That the arrangements by which a variation of up to [Exempt Minute E-3-20] of the total value may be agreed by the Executive Director for Resources and Executive Director for Children, Families, Learning and Communities, in consultation with the Cabinet Member for All-Age Learning, the Cabinet Lead Member for Finance and the Leader of the Council was approved.
3. That authority to approve the award of contracts for works be delegated to the Director of Land & Property in consultation with the Leader of the Council, Cabinet Member for All-Age Learning, Head of Procurement and Section 151 Officer when a competitive tender is procured through the new Southern Modular Building Framework.

**Reason for decision:**

See Minute 60/20.

**66/20 PROPERTY ACQUISITION [Item 15]**

**RESOLVED:**

That this Part 2 report regarding a property acquisition 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).

See [Exempt Minute E-4-20].

**Reason for decision:**

See [Exempt Minute E-4-20].

**67/20 PUBLICITY FOR PART 2 ITEMS [Item 16]**

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

Meeting closed at 3.38 pm

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**Chairman**



**SURREY COUNTY COUNCIL****CABINET****DATE:** 26 MAY 2020**REPORT OF:** N/A**LEAD OFFICER:** JOANNA KILLIAN, CHIEF EXECUTIVE**SUBJECT:** SURREY COUNTY COUNCIL RESPONSE TO COVID 19  
– URGENT DECISIONS TAKEN BY OFFICERS UNDER  
STANDING ORDER 54 AND COVID RELATED  
DELGATED DECISIONS**SUMMARY OF ISSUE:**

To note the officer delegated decisions taken in response to COVID-19.

**RECOMMENDATIONS:**

It is recommended that the Cabinet note the decisions taken by officers as set out in the annex.

**REASON FOR RECOMMENDATIONS:**

To inform the Cabinet of decisions taken officers under delegated authority.

**DETAILS:**

1. The Council is responding to the COVID-19 major incident and therefore needs to make urgent decisions to ensure that residents are protected. Urgent decisions taken under Standing Order 54 are attached.
2. Delegated decisions will be reported to the next available Cabinet meeting for information.
3. The Audit and Governance Committee will monitor the use of the new meetings protocol and make recommendations on any required amendments to the protocol to ensure that Members remain informed in relation to council decision making.

**Contact Officer:**

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

**Annexes:**

Annex – Delegated Decisions taken

**Sources/background papers:** None

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# Record of decision taken under delegated powers by a council officer



Title:	<b>Surrey County Council Response to Covid: providing support to service providers</b>
Divisions Affected:	All divisions
Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	<b>Cabinet decision 31 March 2020 Min ref: 41/20</b>

## Summary

Adult Social Care providers that the Council commissions care services from are facing additional financial pressures due to the COVID-19 (C19) pandemic.

SCC moved quickly to develop a support offer to give confidence to the sector. This support offer was communicated to ASC providers on 27<sup>th</sup> March and 8<sup>th</sup> April 2020. In summary this support offer included:

- payments on account to support providers with cash flow challenges.
- consideration of making payments at pre C19 levels where providers have had to close services due to C19 (subject to other support available to providers).
- the ability for providers to increase support for specific individuals during the C19 lock down by up to 15% without prior agreement by SCC.
- a process for providers to submit claims with evidence of additional costs incurred due to C19 for SCC to review and decide whether to pay.

A number of things have happened since this offer was communicated:

- Guidance was issued by the LGA and ADASS about how ASC providers should be supported in relation to C19. This guidance estimated that providers would typically incur additional cost pressures of around 10% due to C19.
- The government published an Adult Social Care Action Plan. This stated that local authorities should use the C19 grant funding they are receiving from government to support provider cash flow and meet new costs arising from C19.
- SCC has learned more about the support offers being put in place by other local authorities for ASC providers. The majority of authorities SCC has spoken to, including a number of county councils in the South, are committing to some form of additional payments to providers.
- The Surrey Care Association and individual ASC providers have made representations that the support offer communicated by SCC is deficient as it does not provide any financial certainty for providers in relation to coverage for additional C19 costs.

In response to these emerging issues, SCC has decided to revise the C19 support offer to ASC providers as follows:

1. Make goodwill grant payments to all ASC providers for the period April – June 2020 equivalent to 10% of the value care packages open with each provider at the end of March 2020. This will be paid as single lump amounts for the whole period.
2. Agree to make premium payments to help incentivise home care providers to take new packages following hospital discharge equivalent to 10% of the value of care delivered for new packages following hospital discharge in the period 23<sup>rd</sup> March 2020 – 28<sup>th</sup> June 2020.
3. Amend the 15% tolerance for increases to care packages without ASC approval to only apply to home care packages in light of the 10% goodwill grant payments
4. Keep all other aspects of the support offer already communicated the same.

#### **Decision made**

##### Decision made:

It was AGREED that:

The C19 support offer previously communicated to ASC providers would be amended as set out in Summary section above.

##### Reasons for Decision:

To sustain Surrey's ASC market during the C19 crisis, taking into account national guidance and action being taken by other local authorities in the region.

Decision taken by:	Simon White – Executive Director for ASC Sinead Mooney – Cabinet Member for Adults Leigh Whitehouse – Executive Director for Resources Mel Few – Cabinet Member for Finance
Decision taken on:	23 <sup>rd</sup> April 2020
To be implemented on:	A letter confirming the revised support offer will be sent to all ASC providers by 24 <sup>th</sup> April. SCC will then endeavour to process the goodwill grant payments within the following two weeks.

### Alternative options considered

The alternative is to retain the support offer as previously communicated to ASC providers.

Following national guidance and representations made by the Surrey Care Association and a number of individual providers, it was felt that keeping the offer as originally communicated would no longer be suitable to sufficiently support Surrey's ASC market during the C19 crisis.

### Summary of any financial implications

The goodwill grant payments to ASC providers for directly commissioned care packages for the period April – June 2020 will cost just under £9m. These goodwill grant payments will be paid up front in a single lump sum amount and will be funded out of the £25.2m C19 grant that SCC has already received from government.

It is expected that some payments may also be required in relation to care packages that providers offer to individuals who ASC pays Direct Payments to, and also potentially for some of the broader support services that ASC commissions beyond specific care packages to meet people's assessed eligible needs. It is estimated that this could cost between a further £0.5 - £1m on top of the £9m of payments made in relation to directly commissioned care packages.

### Declarations of conflicts of interest

None

### Consultation/Process Followed

Decision taken in consultation with Cabinet Members for Adults and Finance, the Executive Directors for Adult Social Care and Resources, and also based on discussions with the Surrey Care Association and ASC providers.

### Background Documents

Exempt:

Cabinet report 31 <sup>st</sup> March 2020 setting out the council's response to Covid-19.	
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# Record of decision taken under delegated powers by a council officer



Title:	<b>Surrey County Council Response to Covid: Providing Support to Service Providers</b>
Divisions Affected:	All
Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	Committee decision 31 March 2020 (Min ref 41/20)

## Summary

Adult Social Care providers that the Council commissions care services from are facing additional financial pressures due to the COVID-19 (C19) pandemic.

SCC moved quickly to develop a support offer to give confidence to the sector. This support offer was communicated to ASC providers on 27<sup>th</sup> March and 8<sup>th</sup> April 2020. In summary this support offer included:

- payments on account to support providers with cash flow challenges.
- consideration of making payments at pre C19 levels where providers have had to close services due to C19 (subject to other support available to providers).
- the ability for providers to increase support for specific individuals during the C19 lock down by up to 15% without prior agreement by SCC.
- a process for providers to submit claims with evidence of additional costs incurred due to C19 for SCC to review and decide whether to pay.

A number of things have happened since this offer was communicated:

- Guidance was issued by the LGA and ADASS about how ASC providers should be supported in relation to C19. This guidance estimated that providers would typically incur additional cost pressures of around 10% due to C19.
- The government published an Adult Social Care Action Plan. This stated that local authorities should use the C19 grant funding they are receiving from government to support provider cash flow and meet new costs arising from C19.
- SCC has learned more about the support offers being put in place by other local authorities for ASC providers. The majority of authorities SCC has spoken to, including a number of county councils in the South, are committing to some form of additional payments to providers.
- The Surrey Care Association and individual ASC providers have made representations that the support offer communicated by SCC is deficient as it does not provide any financial certainty for providers in relation to coverage for additional C19 costs.

In response to these emerging issues, SCC has decided to revise the C19 support offer to ASC providers as follows:

1. Make goodwill grant payments to all ASC providers for the period April – June 2020 equivalent to 10% of the value care packages open with each provider at the end of March 2020. This will be paid as single lump amounts for the whole period.
2. Agree to make premium payments to help incentivise home care providers to take new packages following hospital discharge equivalent to 10% of the value of care delivered for new packages following hospital discharge in the period 23<sup>rd</sup> March 2020 – 28<sup>th</sup> June 2020.
3. Amend the 15% tolerance for increases to care packages without ASC approval to only apply to home care packages in light of the 10% goodwill grant payments
4. Keep all other aspects of the support offer already communicated the same.

#### **Decision made**

##### Decision made:

The C19 support offer previously communicated to ASC providers would be amended as set out in Summary section above.

##### Reasons for Decision:

To sustain Surrey's ASC market during the C19 crisis, taking into account national guidance and action being taken by other local authorities in the region

Decision taken by:	Simon White – Executive Director for ASC Sinead Mooney – Cabinet Member for Adults Leigh Whitehouse – Executive Director for Resources Mel Few – Cabinet Member for Finance
Decision taken on:	7 <sup>th</sup> May 2020
To be implemented on:	7 <sup>th</sup> May 2020

#### **Alternative options considered**

The alternative is to retain the support offer as previously communicated to ASC providers.

Following national guidance and representations made by the Surrey Care Association and a number of individual providers, it was felt that keeping the offer as originally communicated would no longer be suitable to sufficiently support Surrey's

ASC market during the C19 crisis.

### **Summary of any financial implications**

The goodwill grant payments to ASC providers for directly commissioned care packages for the period April – June 2020 will cost just under £9m. These goodwill grant payments will be paid up front in a single lump sum amount and will be funded out of the £25.2m C19 grant that SCC has already received from government.

It is expected that some payments may also be required in relation to care packages that providers offer to individuals who ASC pays Direct Payments to, and also potentially for some of the broader support services that ASC commissions beyond specific care packages to meet people's assessed eligible needs. It is estimated that this could cost between a further £0.5 - £1m on top of the £9m of payments made in relation to directly commissioned care packages

### **Declarations of conflicts of interest**

None

### **Consultation/Process Followed**

Decision taken in consultation with Cabinet Members for Adults and Finance, the Executive Directors for Adult Social Care and Resources, and also based on discussions with the Surrey Care Association and ASC providers.

### **Background Documents**

Exempt:

Cabinet report 31<sup>st</sup> March 2020 setting out the council's response to Covid-19.

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# Record of decision taken under delegated powers by a council officer



Title:	Surrey County Council Response to Covid: Age UK Surrey information and advice service
Divisions Affected:	All divisions
Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	<b>Cabinet decision 31 March 2020 Min ref: 41/20</b>

## Summary

Age UK Surrey provides a countywide information and advice service for people aged 50+ and carers across Surrey and is a commissioned service by Adult Social Care and the six local joint commissioning groups – annual funding of £81.5k is paid to Age UK. This service provides support and advice in relation to housing, help at home, local support and benefits advice. The main mode of operations is via telephone from a team based at the Guildford office complemented by face-to-face visits at the office and some home visits for people who are housebound or particularly frail.

Adult Social Care regularly signposts people to the Age UK Surrey information and advice service. It is an important part of the broader support people can access in the community linked to strengths-based practice.

In response to COVID-19 Age UK Surrey has moved this service to be operated virtually. In order to do this and enable staff to work at home and conduct video and telephone calls with residents in a consistent way Age UK purchased laptops and mobile phones for their staff. The total cost incurred was £18.9k. As some services have stopped or had to be adapted, the organisation has introduced a new emergency shopping service and Check in and Chat service to help the local response and support the most vulnerable people. The new SCC Community Helpline is diverting residents to these services.

Age UK Surrey has requested that SCC reimburses them for the costs for purchase of laptops and mobile phones which is a significant change in business process. With reduced opportunities for fundraising due to COVID-19, Age UK Surrey does not have other means to pay for these costs.

**Decision made**Decision made:

It was AGREED that:

ASC would make a one off payment of £18.9k to Age UK Surrey to reimburse the charity for costs incurred due to purchase of laptops and mobile phones to enable virtual operation of their information and advice service to people aged 50+ and carers across Surrey during the COVID-19 pandemic.

The payment will be outside of the normal payments made to Age UK for the information & advice service and the intention is for this payment to be funded out the COVID-19 funding SCC is receiving from government.

Reasons for Decision:

To ensure residents can continue to access the information and advice service during the COVID-19 pandemic.

Decision taken by:	Simon White – Executive Director for ASC Sinead Mooney – Cabinet Member for Adults
Decision taken on:	30 <sup>th</sup> April 2020
To be implemented on:	Payment to be made following CLT and Cabinet confirmation of this decision. This is due to take place on 30 <sup>th</sup> April 2020.

**Alternative options considered**

The alternative is to not reimburse Age UK Surrey for the additional costs and leave the charity to try to find alternative means for funding them. This could put the continued delivery of the information and advice service at risk.

**Summary of any financial implications**

The cost to SCC will be £18.9k.  
This will cost will be met out of the COVID-19 funding SCC is receiving from central government, not ASC's base budget.

**Declarations of conflicts of interest**

None

**Consultation/Process Followed**

Decision taken in consultation with the lead commissioner for the Age UK Surrey information and advice service, the Assistant Director for Commissioning &

Transformation, the Executive Director for Adult Social Care and the Cabinet Members for Adults.

The Adults Leadership Team reviewed the request made by Age UK Surrey at their meeting on 29<sup>th</sup> April 2020 and recommended that it is approved and paid.

**Background Documents**

Exempt:

Cabinet report 31 <sup>st</sup> March 2020 setting out the council's response to Covid-19.
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# Record of decision taken under delegated powers by a council officer



Title:	Surrey County Council Response to Covid: providing support to a specific provider – Millbrook Healthcare
Divisions Affected:	All divisions
'Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	<b>Cabinet decision 31 March 2020 Min ref: 41/20</b>

## Summary

Adult Social Care providers that the Council commissions care services from are facing additional financial pressures due to the COVID-19 (C19) pandemic.

Millbrook Healthcare (Millbrook) provides the Community Equipment Service (CES) to the Council and its CCG partners through a S75 agreement. Monthly costs for the service are in the range of £650k - £725k depending on demand. Millbrook approached officers with a proposal to help support them during the C19 pandemic.

Due to the pandemic there has been a significant drop off in repairs and maintenance work delivered through the contract. This work is the part of the contract that enables Millbrook to achieve a small margin, the remainder of the contract is related to the purchase, delivery and collection of equipment and is delivered at cost. Without the demand for Repairs and Maintenance work, Millbrook can't recover the costs of staff who would normally do this work, but who have been redeployed to work on other aspects of the Surrey contract at this time.

Millbrook's request is that they are paid the on costs of the staff that would otherwise have been carrying out repairs and maintenance work and that would normally be funded through the cost of the repairs and maintenance works. This "does not include any margin for Millbrook. The cost of this is £105.64 per employee per day and initial estimates suggest the total cost for the period April – June 2020 will be less than £25,000. Millbrook will provide data to substantiate their claim on a monthly basis.

SCC are only liable for half the cost as the CES contract is part of a pooled fund and split between SCC and our CCG partners on a 50:50 basis.

## Decision made

Decision made:

It was AGREED that:

The C19 support offer to Millbrook be varied as set out above.

Reasons for Decision:

To support Millbrook during this C19 pandemic period in a way that is acceptable to all parties and provides the best value for money for the Council.

Decision taken by:	Simon White – Executive Director for ASC Sinead Mooney – Cabinet Member for Adults
Decision taken on:	6 <sup>th</sup> May 2020
To be implemented on:	Following CLT and Cabinet formal approval of this arrangement which is due to be made on 7 <sup>th</sup> May, payments to Millbrook for the period April to June 2020 will be made inclusive of the cost of the repairs and maintenance staff as set out above.

**Alternative options considered**

Millbrook could furlough some front line staff (they have already furloughed some back office staff). This would mean that they would not be as responsive to supporting the Council and Health partners in the current rapidly changing environment. This was not deemed to be acceptable for the CES Board.

**Summary of any financial implications**

The payment of on costs for the period April – June is currently expected to cost less than £25,000 based on 2 staff no longer working on repairs and maintenance tasks. If there is a further drop off in orders placed with Millbrook this cost may increase. If the costs increase significantly further conversations will take place with Millbrook on how SCC can best support them. This may include requesting that they furlough some front line staff.

This cost will be split in the pooled fund 50/50 between SCC and its CCG partners. SCC's estimated cost is therefore £12,500 and the intention is that the COVID-19 funding SCC is receiving from central government will be used to fund this cost. CCG partners intended to recover their share of the cost through their own COVID-19 funding.

**Declarations of conflicts of interest**

None

**Consultation/Process Followed**

Decision taken in consultation with Cabinet Members for Adults, the Executive Directors for Adult Social Care, and also based on discussions with CES Board and Millbrook.

**Background Documents**

Exempt:

Cabinet report 31 <sup>st</sup> March 2020 setting out the council's response to Covid-19.	
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**Summary of additional payments above budget to organisations due to pressures caused by COVID-19**

Service areas	Payment type	Pending CLT/Cabinet approval £000	Approved, payment due £000	Paid £000	Total additional payments £000
Adult Social Care	Addtl costs reimbursement	31	9,500	0	9,531
	Hardship payment	0	0	0	0
	<b>Total additional payments</b>	<b>31</b>	<b>9,500</b>	<b>0</b>	<b>9,531</b>
Children, Families, Learning & Culture	Addtl costs reimbursement	0	6	0	6
	Hardship payment	0	13	0	13
	<b>Total additional payments</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>19</b>
Community Protection	Addtl costs reimbursement	0	0	0	0
	Hardship payment	0	0	0	0
	<b>Total additional payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Environment, Transport & Infrastructure	Addtl costs reimbursement	408	33	0	441
	Hardship payment	0	0	0	0
	<b>Total additional payments</b>	<b>408</b>	<b>33</b>	<b>0</b>	<b>441</b>
Property & IMT	Addtl costs reimbursement	0	0	0	0
	Hardship payment	0	0	0	0
	<b>Total additional payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Health	Addtl costs reimbursement	0	0	0	0
	Hardship payment	0	0	0	0
	<b>Total additional payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
VCF organisations	Addtl costs reimbursement	0	0	0	0
	Hardship payment	105	100	0	205
	<b>Total additional payments</b>	<b>105</b>	<b>100</b>	<b>0</b>	<b>205</b>
<b>Total SCC</b>	<b>Addtl costs reimbursement</b>	<b>439</b>	<b>9,539</b>	<b>0</b>	<b>9,978</b>
	<b>Hardship payment</b>	<b>105</b>	<b>113</b>	<b>0</b>	<b>218</b>
	<b>Total additional payments</b>	<b>544</b>	<b>9,652</b>	<b>0</b>	<b>10,196</b>

## List of COVID-19 additional payments to organisations requiring CLT &amp; Cabinet approval

Service	Claim Ref	Organisation name	Payment period		Amount £000	Payment type	Summary reasons for payment	Date approved by service panel
			From	To				
Insight, Analytics & Intelligence	VCF5004	Citizens Advice Elmbridge	01-Apr-20	30-Jun-20	4	Hardship payment	Part fund application - agree £3,880 for additional costs incurred due to a move to agile working and loss of revenue. A further £10k was requested relating to costs of recruiting extra staff due to anticipated demand which the panel felt did not meet the scope of the fund, or the criteria.	28-Apr-20
Adult Social Care	ASCC19Pay137	Age UK Surrey	24-Mar-20	31-Mar-20	19	Addtl costs reimbursement	Reimbursement of laptops and mobile phones purchased to enable virtual operation of Age UK's information & advice service during C19 pandemic.	29-Apr-20
ETI - Highways & Transport	ETI2	Various highway contractors subcontracted by Kier	30-Mar-20	09-Apr-20	408	Addtl costs reimbursement	Payments to highway contractors operating under the Kier contract, where works which have been ordered are paused (e.g. costs of staff, hired plant, demobilisation). Costs are currently estimated at £0.408m. £0.276m will be paid now, with the remainder paid once verification has taken place on an open book basis. Possible requirement for additional costs after 9th April, and in respect of other highway contracts. Note that these are "tier 2" suppliers, i.e. they are contracted to Kier, not to SCC.	29-Apr-20
CFLC - Corporate Parenting	R6	Moving on Care Ltd	01-Apr-20	23-Apr-20	1	Addtl costs reimbursement	Additional costs incurred in order to continue providing supported accommodation and minimise the risk of Covid19.	01-May-20
CFLC - Commissioning	R5	Totterdown Pre School	01-Apr-20	30-Jun-20	8	Hardship payment	Continuing to provide EY places as limited alternatives in the area. Cost of remaining open for 2/3 children causing them to generate a deficit. A total payment of £8,085 be made to Totterdown Pre School in two instalments of £4,000 and £4,085. The second payment in July 2020 will be subject to no further government announcements of funding becoming available which will be assessed by commissioning and finance officers.	01-May-20
CFLC - Commissioning	R9	Little Angels Nursery and Pre School	01-Apr-20	30-Jun-20	5	Hardship payment	Lost private income and continuing costs require additional support. A total payment of £5,044 be made to Little Angels in two instalments of £2,556 and £2,488. The second payment in July 2020 will be subject to no further government announcements of funding becoming available which will be assessed by commissioning and finance officers.	01-May-20
CFLC - ELLC	R3	Stepping Stones	20-Mar-20	26-Apr-20	5	Addtl costs reimbursement	NMI provider that remained open over Easter and incurred additional costs. These include temporary staff not contracted over Easter and cleaning as a result of a linked positive Covid19 test.	01-May-20
Insight, Analytics & Intelligence	VCF5007	Age Concern Mole Valley	01-May-20	30-Jun-20	10	Hardship payment	Funding will be used to continue to deliver befriending, information and signposting service, which is currently at risk due to loss of income	05-May-20
Insight, Analytics & Intelligence	VCF5006	Surrey Community Action	19-Mar-20	18-Jun-20	29	Hardship payment	Funding will be used to enable service continuity in time of significant reduced income from room hire & fund raising and provide wider support to tenants within the Astolat building due to ability to reduce service charge to tenants	05-May-20
Insight, Analytics & Intelligence	VCF5008	Oakleaf	19-Mar-20	19-Jun-20	50	Hardship payment	Funding will be used to continue to provide critical mental health support in a time of significant reduction in usual funding streams.	05-May-20
Insight, Analytics & Intelligence	VCF5019	The Lucy Rayner Foundation	01-Apr-20	30-Jun-20	12	Hardship payment	Partial funding recommended, to support bereavement service and costs to June, due to reduced income stream. Anticipated costs after June are not considered in scope of the fund at present.	05-May-20
Adult Social Care	TBC	Millbrook Healthcare	01-Apr-20	30-Jun-20	14	Addtl costs reimbursement	Payment for staff that would otherwise have been carrying out repairs and maintenance work and that would normally be funded through the cost of the repairs and maintenance works.	30-Apr-20

Service areas	Adult Social Care
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**Summary of additional payments above budget to organisations due to pressures caused by COVID-19**

Service	Claim Ref	Date claim submitted	Organisation name	Payment period		Amount £000	Payment type	Summary reasons for payment	Date approved by service panel	Date approved by CLT & Cabinet	Date payment made	Status
				From	To							
Adult Social Care	N/A	N/A	All ASC providers	01-Apr-20	30-Jun-20	9,500	Addtl costs reimbursement	A revised support offer to ASC providers has been agreed involving a 10% goodwill grant payment of the value of open packages at the end of March for 3 months - April to June 2020. These payments could cost up to £9.5m. The log will be updated with the actual payments made within the next two weeks.	N/A	23-Apr-20		Approved, payment due
Adult Social Care	ASCC19Pay137	17-Apr-20	Age UK Surrey	24-Mar-20	31-Mar-20	19	Addtl costs reimbursement	Reimbursement of laptops and mobile phones purchased to enable virtual operation of Age UK's information & advice service during C19 pandemic.	29-Apr-20			Pending CLT/Cabinet approval
Adult Social Care	TBC	20-Apr-20	Millbrook Healthcare	01-Apr-20	30-Jun-20	13	Addtl costs reimbursement	Payment for staff that would otherwise have been carrying out repairs and maintenance work and that would normally be funded through the cost of the repairs and maintenance works.	30-Apr-20			Pending CLT/Cabinet approval

Service areas	Children, Families, Learning & Culture
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**Summary of additional payments above budget to organisations due to pressures caused by COVID-19**

Service	Claim Ref	Date claim submitted	Organisation name	Payment period		Amount £000	Payment type	Summary reasons for payment	Date approved by service panel	Date approved by CLT & Cabinet	Date payment made	Status
				From	To							
Corporate Parenting	R6	23-Apr-20	Moving on Care Ltd	01-Apr-20	23-Apr-20	1	Addtl costs reimbursement	Additional costs incurred in order to continue providing supported accommodation and minimise the risk of Covid19.	01-May-20	05-May-20		Approved, payment due
Commissioning	R5	23-Apr-20	Totterdown Pre School	01-Apr-20	30-Jun-20	8	Hardship payment	Continuing to provide EY places as limited alternatives in the area. Cost of remaining open for 2/3 children causing them to generate a deficit. A total payment of £8,085 be made to Totterdown Pre School in two instalments of £4,000 and £4,085. The second payment in July 2020 will be subject to no further government announcements of funding becoming available which will be assessed by commissioning and finance officers.	01-May-20	05-May-20		Approved, payment due
Commissioning	R9	27-Apr-20	Little Angels Nursery and Pre School	01-Apr-20	30-Jun-20	5	Hardship payment	Lost private income and continuing costs require additional support. A total payment of £5,044 be made to Little Angels in two instalments of £2,556 and £2,488. The second payment in July 2020 will be subject to no further government announcements of funding becoming available which will be assessed by commissioning and finance officers.	01-May-20	05-May-20		Approved, payment due
Education, Lifelong Learning and Culture	R3	22-Apr-20	Stepping Stones	20-Mar-20	26-Apr-20	5	Addtl costs reimbursement	NMI provider that remained open over Easter and incurred additional costs. These include temporary staff not contracted over Easter and cleaning as a result of a linked positive Covid19 test.	01-May-20	05-May-20		Approved, payment due

**Summary of additional payments above budget to organisations due to pressures caused by COVID-19**

Service	Claim Ref	Date claim submitted	Organisation name	Payment period		Amount £000	Payment type	Summary reasons for payment	Date approved by service panel	Date approved by CLT & Cabinet	Date payment made	Status
				From	To							
ET1 - Highways & Transport	ET11	08-Apr-20	Falcon Buses	01-Apr-20	30-Jun-20	33	Addtl costs reimbursement	The 461 is a key route to St Peter's Hospital, originally running every 30 minutes, contracted by SCC and partially funded from fares. The operator reduced service frequency due to lower patronage/fares, which led to complaints from NHS workers using the service to get to/from work. A payment has been negotiated in lieu of fares, to keep the service operating every two hours. <b>As of 15/04/20 this is now expected to be funded from additional government grant.</b>	08/04/2020 Approved by Exec Director and Cabinet Member 15/04/2020	16-Apr-20		Approved, payment due

Service areas	Voluntary Community & Faith Organisations
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**Summary of additional payments above budget to organisations due to pressures caused by COVID-19**

Service	Claim Ref	Date claim submitted	Organisation name	Payment period		Amount £000	Payment type	Summary reasons for payment	Date approved by service panel	Date approved by CLT & Cabinet	Date payment made	Status
				From	To							
Insight, Analytics & Intelligence	VCF1	08-Apr-20	Community foundation for Surrey	01-Apr-20	30-Jun-20	100	Hardship payment	To contribute to CFS COVID-19 Appeal Fund to enable them to support small charities & vol orgs (on our behalf) for claims of up to £5k	14-Apr-20	16-Apr-20		Approved, payment due
Insight, Analytics & Intelligence	VCFS004	27-Apr-18	Citizens Advice Elmbridge	01-Apr-20	30-Jun-20	4	Hardship payment	Part fund application - agree £3,880 for additional costs incurred due to a move to agile working and loss of revenue. A further £10k was requested relating to costs of recruiting extra staff due to anticipated demand which the panel felt did not meet the scope of the fund, or the criteria.	28-Apr-20			Pending CLT/Cabinet approval
Insight, Analytics & Intelligence	VCFS007	27-Apr-18	Age Concern Mole Valley	01-May-20	30-Jun-20	10	Hardship payment	Funding will be used to continue to deliver befriending, information and signposting service, which is currently at risk due to loss of income	05-May-20			Pending CLT/Cabinet approval
Insight, Analytics & Intelligence	VCFS006	27-Apr-18	Surrey Community Action	19-Mar-20	18-Jun-20	29	Hardship payment	Funding will be used to enable service continuity in time of significant reduced income from room hire & fund raising and provide wider support to tenants within the Astolat building due to ability to reduce service charge to tenants	05-May-20			Pending CLT/Cabinet approval
Insight, Analytics & Intelligence	VCFS008	01-May-20	Oakleaf	19-Mar-20	19-Jun-20	50	Hardship payment	Funding will be used to continue to provide critical mental health support in time of significant reduction in usual funding streams.	05-May-20			Pending CLT/Cabinet approval
Insight, Analytics & Intelligence	VCFS019	01-May-20	The Lucy Rayner Foundation	01-Apr-20	30-Jun-20	12	Hardship payment	Partial funding recommended, to support bereavement service and costs to June, due to reduced income stream.	05-May-20			Pending CLT/Cabinet approval

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 26 MAY 2020**



**REPORT OF: MRS JULIE ILES, CABINET MEMBER FOR ALL-AGE LEARNING**

**LEAD OFFICER: MR DAVE HILL, EXECUTIVE DIRECTOR FOR CHILDREN, FAMILIES AND LEARNING**

**SUBJECT: PUPIL REFERRAL UNIT (PRU) CAPITAL STRATEGY**

#### **SUMMARY OF ISSUE:**

We are ambitious for all children in Surrey and are developing a holistic strategy for alternative provision of education that meets the needs of some of our most vulnerable children and young people. The suitability and condition of existing Pupil Referral Unit (PRU) accommodation within Surrey does not support this ambition or allow Surrey County Council to effectively meet its statutory duty to ensure all children of statutory school age receive suitable education. The current PRU accommodation lacks capacity to provide adequate places in appropriate locations, is of a dilapidated condition and lacks facilities and space to provide a suitable learning environment for some of our most vulnerable learners.

This proposal seeks to secure the funding needed to test out site options and to develop a business case that will renew the PRU estate, in a phased programme, over the next ten years.

#### **RECOMMENDATIONS:**

It is recommended that:

1. Cabinet agrees the approach set out in this report to provide appropriate PRU provision that adheres to the statutory requirements and accommodation guidelines for alternative provision to support our ambition for children and young people.
2. Approval of £1m to support the relocation of the Pewley Hill PRU as set out in this report.
3. Approval of £1m to carry out a feasibility study for long term accommodation requirements and inform a business case to be considered at Cabinet in the Autumn 2020.

#### **REASON FOR RECOMMENDATIONS:**

The existing PRU estate is not fit for purpose and does not meet the needs of our most vulnerable learners. The recommendations seek to ensure that the PRU settings meet the minimum Department for Education space standards, are informed by national guidance on alternative provision and are suitably located within communities to appropriately meet the needs of our vulnerable learners.

The recommendations will ensure urgent relocation of the Pewley Hill provision in the short term, (mitigating the poor condition of the current estate on the site), inform a business case to ensure that there are appropriate educational facilities in the long term, and address the wide range of pupil needs and flexibility required to manage fluctuations in pupil numbers throughout the year - including early intervention programmes to reduce exclusions.

## DETAILS:

### Introduction

1. Surrey County Council has a statutory duty, under section 19(1) of the Education Act 1996, to arrange suitable education for children of statutory school age who, due to illness, exclusion or otherwise, would not receive suitable education without such arrangements being made. Pupil Referral Units (PRUs) established and maintained by the local authority enable this duty to be discharged. Further to this, PRUs must adhere to 'The Schools Premises (England) Regulations 2012', prescribed under the Education Act 1996.
2. Existing PRU provision within Surrey is made up of eight providers (across Primary and Secondary phase and including hospital-based provision) delivered across 14 different sites within Surrey. All providers are rated Good or Outstanding as at March 2020.
3. The Pupil Referral Unit estate in Surrey is no longer fit for purpose and does not meet the Department for Education minimum standards or best practice guidance for alternative provision. In addition to the lack of appropriate indoor and outdoor space, the building condition of the majority of PRUs is poor.
4. This capital strategy underpins the development of a revised delivery model for the education provision for pupils attending PRUs, enabling the Local Authority to meet the current need and projected future demand of some of our most vulnerable learners.

### Drivers for Change

5. The cohort of pupils attending PRUs are some of Surrey's most vulnerable learners; in the main they are pupils who have been permanently excluded from school and increasingly those with Social, Emotional and Mental Health (SEMH) needs and who require an alternative setting to mainstream school. These vulnerable children require an atmosphere and ethos which fosters a positive association with education in order that they are offered equal opportunities to achieve their potential and make a successful transition to adulthood. Pupils are more likely to make greater personal, social and academic progress if welcomed into an educational environment that is suitable to meet their needs.
6. Our focus is on enabling children to remain within their school or, where that is not possible or appropriate, to be educated in an alternative provision close to home. The core principles of Surrey's strategy are based on effective early intervention, flexible and inclusive outreach and supporting timely transition back to mainstream education for those that have required short-term programmes of respite and

support. This is a whole system approach based on assessment of need, of which the PRUs fulfil a valuable role.

7. Our ambitions are to ensure:
  - The right children are placed in alternative provision;
  - Every child in alternative provision receives a good education;
  - Every child can make a successful transition out of alternative provision;
  - Alternative provision becomes, and is recognised as, an integral part of the education system
  - Achieves high quality outcomes for children and young people.
8. Although rooted in the delivery of the Local Authority's statutory duty to provide education for those who have been permanently excluded, PRUs also contribute to the development and implementation of inclusive practice within schools and in the delivery of outreach services. The key objective is to prevent instances of permanent exclusion by promoting and enabling partnership working between alternative education providers, schools and community settings. Supporting skills development and promoting equity, accountability and clear application of thresholds will be central to this, in keeping with our levels of need approach.
9. PRU settings need to be capable of accommodating a wide range of pupil needs in order to support all the vulnerable learners attending. Pupil numbers tend to fluctuate throughout the year and this emphasises the need for flexible accommodation that facilitates effective year-round pupil transition, e.g. providing a separate area for assessments.
10. Our vision is informed by the Department for Education's report 'Creating opportunity for all: Our vision for alternative provision' (March 2018) that drives the need not only to change the PRU properties but equally to lay strong foundations for reform by:
  - building effective practice across our PRUs and wider alternative provision
  - reviewing exclusions practice and providing early support in schools through outreach and skill development
  - bringing key partners together to build an agreed vision for change
  - establishing systems to manage poor behaviour and support children with additional needs
  - ensuring those who return from alternative provision to mainstream or special school placements are appropriately supported.

## **Delivery Mode**

11. The proposal is to replace the dilapidated and inappropriate estate with new, fit for purpose PRUs. The planning assumption is that the total number of places currently provided is sufficient when considered in the context of current demand, exclusion

and population trends and analysis and the potential impact of a more effective outreach and preventative approach. This is on the basis that:

- A fit for purpose estate would provide improved flexibility of space including outdoor provision to meet the needs of learners more effectively
  - That more learners can be supported through blended packages of support, including short programmes of support on site or in their school
  - That the majority of primary school learners' needs can be met with support in school or by utilising local community settings including, family centres with specialist outreach support.
  - The needs for children and young people with significant social emotional and mental health needs are met through early identification and support with appropriate specialist provision commissioned where appropriate.
  - Settings will be designed to cater for a range of needs
12. The sufficiency of places will be refined through consultation and analysis and fed into the 10-year strategy and inform the business case development.
13. The delivery model also considers the co-location of Primary and Secondary phase PRU provision. This would provide the opportunity to benefit from enhanced leadership and utilise economies of staffing to offer more specialised subject knowledge. This model will not only help to contribute to pupils' increased engagement and progress but will also lend itself to creating financially sustainable provision which delivers high quality education to vulnerable learners.
14. The County Council appointed *Aecom* to undertake an assessment of all PRU sites against the Asset Management Planning criteria of condition, capacity and suitability. The results concluded that the current PRU estate is in a dilapidated condition, that the PRU sites are not large enough to meet minimum DfE standards in BB104 and that no PRU site was able to offer a broad curriculum due to lack of specialist spaces, especially for sport.
15. Phase 1 of the PRU Capital Strategy is to temporarily move the Wey Valley College Primary phase provision from its current site at Pewley Hill to the Southway site through the addition of some temporary accommodation. The condition survey at Pewley Hill showed there was at least £690,000 of urgent remedial works required to a site that is not large enough for the current cohort and has no soft play or sports accommodation. There is £1m in the approved capital programme for 2021 to accommodate this and the proposed scheme is currently being considered by Town Planners.
16. The Capital Strategy will take up to ten years to deliver and will be subject to a programme business case being developed for approval.

#### **CONSULTATION:**

17. PRU, Special Education Needs & Disabilities (SEND) and mainstream Head Teachers attended workshops in July 2019 held in each quadrant to consider the design principles and approach to develop the SEND and PRU Capital Strategy. Their guidance has informed the PRU design brief and this Capital Strategy.

18. Consultation with parents/carers will be undertaken in conjunction with each phase of delivery. This will focus on the impact of relocation of provision from current sites, where appropriate, both in terms of location and size, on learners and their parents/carers.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

19. Risks will be varied and not only associated with land and asset management but also the impact this has on the educational effectiveness of PRU provision. It is therefore essential that interdependencies are identified in order to achieve the delivery of a successful PRU model.
20. Further consultation is required to understand better the educational impact of the proposed delivery model. This will consider the impact of fewer delivery sites and larger capacity per site on factors such as staffing, learner support and management. Outcomes will inform the establishment of robust Service Level Agreements with PRU providers.
21. A significant revision to the PRU estate will likely result in a noticeable level of short-term disruption to service provision and destabilisation. The proposed level of change will result in a phase of transition as a result of the merging and rationalisation of services. The impact this may have on not only the welfare of the pupils but also the staff must be captured and where possible mitigated in order to ensure vulnerable learners continue to receive high quality education throughout. The direct impact this change could have on staff and further indirect impacts this could have on the provision should not be underestimated. The implementation of a clear and transparent communication strategy at the earliest opportunity will ensure pupils, families and staff understand the rationale for change.
22. Specific risks associated with individual projects that relate to statutory processes including prescribed alterations and planning could mean that specific projects cannot be continued. Each project will be subject to detailed consideration by officers and alternative proposals brought forward for consideration where necessary.
23. Risks associated with building projects will be captured within a risk register and regularly updated and managed by the Land & Property team.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

24. The PRU Capital Strategy aims to facilitate Surrey County Council's goal to transform the way in which PRUs, largely resource intensive and high-cost services, can deliver a financially sustainable offer to meet current and future demand. This will be achieved through consultation with partners to ensure efficient utilisation of resources, identification of opportunities to benefit from economies of scale, where appropriate, and an emphasis on prevention and intervention.
25. The current funding mechanism for PRUs must also be considered when looking to ensure provision is financially sustainable. Funded places do not necessarily reflect

physical capacity. This is exacerbated by the inefficiencies of the estate being comprised of a large number of small sites.

26. Within the approved Capital programme there is £0.8m already allocated to PRUs which will be used for the works on Pewley Hill, a further £0.2m will then be required to be drawn down from the pipeline budget. An additional £22.5m is notionally allocated as part of the pipeline budget. There is therefore a total of £23.5m Capital funding available for these works.
27. Feasibility studies can only be capitalised if they are directly attributable to the final design which is implemented. It should therefore be noted that whilst the £1m will initially be funded from the Capital programme, any design works on options which are not constructed will need to be written back to revenue.
28. At present there are no revenue efficiencies or pressures directly linked to this PRU strategy. As plans develop further these will be incorporated within relevant revenue budgets.

#### **SECTION 151 OFFICER COMMENTARY**

29. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook is uncertain as it is heavily dependent on decisions made by Central Government. With no clarity on these beyond 2020/21, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. As such, the Section 151 Officer supports the progress of the PRU Capital Strategy to further develop the benefits that can be derived from the £23.5m allocated within the capital programme.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

30. The Council is empowered by section 120 of the Local Government Act 1972 to acquire land for the purpose of any of its functions and under Section 123 of the Local Government Act 1972, the Council has the power to dispose of land in any manner it sees fit, subject to the disposal being for the best consideration reasonably obtainable. However, as this Strategy relates to Education/school land, any disposal of existing sites will need specific consent from the Secretary of State.
31. As detailed plans are formulated, the necessary consultation and Equality Impact Assessment will need to be completed.

#### **EQUALITIES AND DIVERSITY**

32. PRUs provide education for some of Surrey's most vulnerable learners at both Primary and Secondary age. A notable proportion of the cohort have SEND.
33. This strategy aims to ensure some of Surrey's most vulnerable pupils who are in PRUs are educated within safe environments that deliver an atmosphere and ethos

which foster a positive association with education and support a return to mainstream school.

#### **SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS**

34. The council has a duty to promote and improve educational outcomes for all children, particularly those who are vulnerable or disadvantaged. This strategy aims to ensure some of Surrey's most vulnerable pupils are educated within safe environments that deliver an atmosphere and ethos which foster a positive association with education. Pupils are more likely to make greater personal, social and academic progress if welcomed into a more appropriate educational environment.

#### **ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

35. An initial Environmental Sustainability Assessment (ESA) has been undertaken (annex 2) as this matter requires a Cabinet decision and the primary subject matter is a strategic plan in Children, Families, Lifelong Learning and Culture.
36. The key points from the ESA are:
- a. Sites are not yet identified. When sites are identified an updated ESA will be made.
  - b. Energy use would be a component of the operational phase costs of the new buildings. Design philosophy that has been adopted to create new buildings will support low energy consumption, reduce solar gain and promote natural ventilation. Any proposals will be in line with this policy and any new building will be to the expected standards in the local planning authority's adopted core planning strategy.
  - c. Delivery of new builds will involve the usual amounts of travelling for materials and workers. Through the design and procurement phase an updated ESA will be undertaken.

#### **WHAT HAPPENS NEXT:**

37. The approval by Cabinet of the PRU Capital Strategy will allow Land and Property to develop a programme capital business case to deliver the renewed PRU estate over the next ten years. A report will come back to Cabinet for approval of each detailed business case.
38. A review of the revenue funding for PRU provision will be undertaken concurrently and agreed through Schools Forum. The funding source is the Dedicated Schools Grant.

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**Contact Officer:** Dee Turvill, Alternative Provision & Participation Manager  
(Dee.Turvill@Surreycc.gov.uk)

**Consulted:** PRU Head Teachers, School Phase representatives

**Annexes:**

Annex 1 Equality Impact Assessment

Annex 2 Environmental Sustainability Assessment

**Sources/background papers:**

Creating opportunity for all: Our vision for alternative provision (Department for Education), March 2018

Alternative Provision: Statutory guidance for local authorities (Department for Education), January 2013

Advice on standards for school premises (Department for Education), March 2015

Area guidelines for SEND and alternative provision (Department for Education), December 2015

Surrey School SEND Programme: Stage 1 Summary Document (Aecom), May 2019

Surrey Schools Pupils Referral Units: Design Brief – DRAFT for discussion only (Aecom), June 2019

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Annex 1

<b>EIA Title</b>	Pupil Referral Unit (PRU) Capital Strategy			
<b>Did you use the EIA Screening Tool?</b> (Please tick or specify)	Yes (Please attach upon submission)	X	No	

## 1. Explaining the matter being assessed

<b>What policy, function or service change are you assessing?</b>	<i>In order to achieve a holistic strategy for alternative provision of education that meets the needs of some of our most vulnerable children and young people, our goal is to transform the way in which Pupil Referral Units (PRU) are used to create a more positive impact for those accessing them. This will be achieved by implementing a new delivery model which would deliver efficient utilisation of resources, benefit from economies of scale, where appropriate, and put emphasis on prevention and intervention rather than exclusion. To support this the proposal is to replace the dilapidated and inappropriate estate with new, fit for purpose PRUs.</i>			
<b>Why does this EIA need to be completed?</b>	<i>A significant proportion of pupils placed in Alternative Provision (AP), including PRUs require either Special Educational Needs and Disability (SEND) support or have/are awaiting an Education, Health and Care Plan (EHCP). PRU provision within Surrey is available for all pupils of statutory school age. Changes to the emphasis of PRU provision are likely to impact the characteristics of the cohort targeted. A change in the nature of the delivery of PRU provision has the potential to enforce a change in the staffing structure and skills of the workforce.</i>			
<b>Who is affected by the proposals outlined above?</b>	<i>Existing PRU staff Children and young people accessing PRUs Parents/Carers of children and young people accessing PRUs</i>			
<b>How does your service proposal support the outcomes in <a href="#">the Community Vision for Surrey 2030</a>?</b>	<i>Children and young people are safe and feel safe and confident. Everyone benefits from education, skills and employment opportunities that help them succeed in life.</i>			
<b>Are there any specific geographies in Surrey where this will make an impact?</b> (Please tick or specify)	County Wide	X	Runnymede	
	Elmbridge		Spelthorne	
	Epsom and Ewell		Surrey Heath	
	Guildford		Tandridge	
	Mole Valley		Waverley	
	Reigate and Banstead		Woking	
	Not Applicable			
	County Divisions (please specify if appropriate):			
<b>Briefly list what evidence you have gathered on the impact of your proposals?</b>	<i>PRU, SEND and Mainstream headteachers were consulted to consider the design principles and approach.</i>			

## 2. Service Users / Residents

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

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

*Though not included in the Equality Act 2010, Surrey County Council recognises that socio-economic disadvantage is a significant contributor to inequality across the County and therefore regards this as an additional factor.*

*Therefore, if relevant, you will need to include information on this. Please refer to the EIA guidance if you are unclear as to what this is.*

## AGE

**What information (data) do you have on affected service users/residents with this characteristic?**

*PRU provision impacted by the proposed delivery model include both Primary and Secondary age. Current capacity within Surrey based PRU provision is 242 places.*

<b>Impacts</b> (Please tick or specify)	Positive		Negative		Both	X
<b>Impacts identified</b>	<b>Supporting evidence</b>		<b>How will you maximise positive/minimise negative impacts?</b>	<b>When will this be implemented by?</b>	<b>Owner</b>	
The planning assumption is that the total number of places currently provided is sufficient when considered in the context of current demand, exclusion and population trends and analysis and the potential impact of a more effective outreach and preventative approach. This is on the basis that more Primary age learners' needs can be met with support into the school or by utilising community settings including family centres with specialist outreach support.	2019/20 capacity/Pupil allocation number for Surrey based PRUs.  Surrey PRU numbers on roll (2016/17-2019/20)		Sufficiency of places will be refined through consultation and analysis fed into the 10-year strategy and will inform the business case development.	Final phase of building delivery (5-10 years)	SCC Educational Effectiveness, Education Place Planning and Commissioning	
	Pupil population projections 2020/21-2028/29  Permanent exclusion statistics (2016/17-2019/20)		Development of PRU outreach activity to support mainstream inclusion and minimise the instances of permanent exclusion (as far as is possible).	Academic Year 2020/2021	PRU Headteachers	
The potential co-location of Primary and Secondary phase PRU provision will require careful consideration. The needs and challenges of Primary and Secondary age pupils can differ	Reason given for permanent exclusions.		Accommodation design to be specific to co-location of phases and facilitate appropriate level of separation without compromising the benefits of	SCC Property  PRU Head teachers		

<p>greatly. There is a risk that co-location may result in issues commonly seen at one phase crossing over to the other phase. Additionally there will be wider safeguarding risks to be considered.</p>		<p>this model (i.e. economies of scale and sharing of staff expertise).</p> <p>Implementation of robust safeguarding measures.</p>	<p>Educational Effectiveness</p>	
<p><b>What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of</b></p>				
<p>In order to achieve our ambition of transforming Alternative Provision in Surrey, it is proposed that a new delivery model be implemented which would transform the way in which PRUs, largely resource intensive and high-cost services, are used to create a greater impact on the educational outcomes for the vulnerable children and young people accessing them. This goes beyond the physical delivery site to include the nature of the interventions. The emphasis will be firmly focussed on PRUs delivering short-term interventions and proactively supporting inclusion within mainstream settings, thus impacting the level of demand on places within PRUs. This is taken into consideration in the change to the PAN for each phase.</p>				
<p><b>Any negative impacts that cannot be mitigated? Please identify impact and explain why</b></p>				
<p><i>Pupil numbers within PRU settings tend to fluctuate throughout the year. This can result in demand being near capacity at some parts of an academic year, particularly at Key Stage 4, and capacity under-utilised at others.</i></p>				

## Disability

### What information (data) do you have on affected service users/residents with this characteristic?

Pupil Referral Units (PRUs) are educational settings providing education for children who are permanently excluded, sick, or otherwise unable to attend a mainstream or special maintained school. The report, *Alternative Provision Market Analysis* (Isos Partnership, October 2018) highlighted the link between Alternative Provision and Special Educational Needs and Disabilities (SEND) provision; a significant proportion of pupils placed in Alternative Provision require either SEN support or have/are awaiting an Education, Health and Care Plan (EHCP). Recent analysis of SEND data identifies a significant increase in the number of children receiving an EHCP. This is likely to put pressure on PRU capacity in light of the high proportion of those with SEND attending PRUs. It is therefore important to acknowledge any similarities between a PRU and a Special School and the need to ensure accommodation is fit for purpose in relation to this.

Impacts (Please tick or specify)	Positive		Negative		Both	X
Impacts identified	Supporting evidence		How will you maximise positive/minimise negative impacts?	When will this be implemented by?		Owner
The number of pupils who have been excluded, who have an EHCP is small but of concern. The role PRUs play in supporting pupils with SEND, whether permanently excluded or requiring respite from their main setting, will likely change in line with the delivery model. The emphasis being on outreach and short-term intervention will seek to support the reduction in permanent exclusions, particularly of those with SEND.	SEND Needs Analysis – population projections  Data from Management Information System – March Tableau Compendium and April Current data:		Revised PRU delivery model to be a critical component of the wider AP Strategy, thus delivering a coordinated response which achieves prevention and early intervention and minimises the need to escalate the level of support. Close collaboration with local authority SEND services will be required to ensure enough support is implemented for learners with SEND.			SCC Education, Vulnerable Learners and SEND Commissioning

<p>The development of new PRU provision based on assessment of capacity vs demand will ensure pupils with SEND have access to facilities and space that better meet their needs.</p>	<p>Area guidelines for SEND and Alternative Provision, Building Bulletin 104 (BB104).</p>	<p>Building design will be aligned with area guidelines for SEND, thus providing the best possible learning environment</p>	<p>Completed by final phase of building delivery (5-10 years)</p>	<p>Surrey County Council Property Services</p>
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**What other changes is the council planning/already in place that may affect the same groups of residents?  
Are there any dependencies decisions makers need to be aware of**

A comprehensive SEND Capital Strategy is underway which may mitigate the demand on PRU provision. Further to this, Social, Emotional and Mental Health (SEMH) needs are particularly prevalent amongst those referred to PRUs. Commissioning of provision for this cohort will also ease pressures on capacity.

Additional activity to reduce the number of exclusions include:

- The Surrey Educational Psychology Service – whole school approach and targeted support for pupils with SEMH
- Behavioural Support and Specialist Teachers Service – revised package of support recently launched
- Graduated Response – encouraging professionals and parents to seek support earlier
- Emergency Interim Reviews – inclusion and recording of data
- STIPS – realistic and practical advice to improve outcomes/provision for vulnerable pupils
- Speech and Language Therapists – support for young people who are at risk of Permanent Exclusion at SEN support.
- Exploring the link between well-being and exclusions
- Review of arrangements to support SEMH difficulties, including building on the revised healthy schools’ programme
- Review of outreach support services
- Introduction of governance structure and KPIs for SALP Executive Boards
- Developing training of SENCOs in relation to language disorders and difficulties on the emotional wellbeing and behaviour of young people

**Any negative impacts that cannot be mitigated? Please identify impact and explain why**

## 3. Staff

### AGE

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

The current PRU staffing serves numerous small sites. The development of a smaller number of larger sites may impact on the number of staff required by benefitting from economies of scale.

There is likely to be significant change to working practice and an increased demand for training.

Impacts	Positive		Negative		Both	X
<b>Impacts identified</b>		<b>Supporting evidence</b>	<b>How will you maximise positive/minimise negative impacts?</b>		<b>When will this be implemented by?</b>	<b>Owner</b>
Significant change to working practice/delivery model for those nearing retirement may be unsettling and resistance to change may lead to a decision to consider early retirement.			Implementation of a clear communications strategy regarding the future changes to be developed as early as possible.			PRU Headteachers

#### What other changes is the council planning that may affect the same groups of staff? Are there any dependencies decisions makers need to be aware of

None identified

#### Any negative impacts that cannot be mitigated? Please identify impact and explain why

None identified

## 4. Amendments to the proposals

CHANGE	REASON FOR CHANGE

## 5. Recommendation

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

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

## 6a. Version Control

Version Number	Purpose/Change	Author	Date
1		Dee Turvill	07.04.2020
2	Amendments to focus in line with changes to supporting strategy, particularly around the need for further consultation and the maintenance of existing capacity.	Dee Turvill	04/05/2020

The above provides historical data about each update made to the Equality Impact Assessment. Please do include the name of the author, date and notes about changes made – so that you are able to refer back to what changes have been made throughout this iterative process. For further information, please see the EIA Guidance document on version control.

## 6b. Approval

	Name	Date approved
Approved by*	<i>Liz Mills – Director for Education, Lifelong Learning and Culture</i>	
	<i>Dave Hill - Executive Director for Children, Families and Learning</i>	
	<i>Julie Iles - Cabinet Member for All-Age Learning</i>	

EIA Author	Dee Turvill, Alternative Provision and Participation Manager
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*\*Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.*

## 6c. EIA Team

Name	Job Title	Organisation	Team Role
Dee Turvill	Alternative Provision and Participation Manager	Surrey County Council	EIA Author
Mike Singleton	Service Manager – Education Place Planning	Surrey County Council	
Helen Kacouris	Service Manager – Educational Effectiveness	Surrey County Council	

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## Issues identified, possible actions and prioritisation

Area	Relevant topic? (Y/N)	Issue	Possible Action	Taken forward? (☐)
<b>Designated sites, protected species and biodiversity</b>  <b>Resilience to risks posed by the environment to service delivery</b>	Y	Sites not yet identified	When sites are identified appropriate environmental assessments will be undertaken	
<b>Materials and water</b>  <b>Energy</b>  <b>Waste</b>	Y Y Y	Energy use and reduction in waste would be components of the operational phase costs of the new buildings, as schemes are developed.	SCC's design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. Any new infrastructure on the site will be built to the local planning authority's adopted core planning strategy.	
<b>Transport</b>	Y	Delivery of construction projects does involve an amount of travel for labour, and delivery of materials.  Pupils will need to travel to the new Hubs, so their location is very important across the County. The right balance must be struck between educating children 'closer to home' - so more small provisions; and, the economies of scale achieved with co-locating provisions so management resources can be shared.  Air Quality Management Area not yet identified	This will be considered as part of the of the procurement process for individual projects.  Transport on public transport and through coordinated home to school transport. This will reduce the amount of travel undertaken under current arrangements.	

## Annex 2: PRU Capital Strategy Environmental Sustainability Assessment

<b>Landscape and trees</b>	Y	Sites not yet identified	When sites are identified appropriate environmental assessments will be undertaken	
<b>Heritage</b>	Y			
<b>Education / raising awareness</b>	Y			

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 26 MAY 2020**



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

**LEAD OFFICER: EXECUTIVE DIRECTOR RESOURCES (S151 OFFICER)**

**SUBJECT: 2019/20 OUTTURN FINANCIAL REPORT**

#### **SUMMARY OF ISSUE:**

This report reviews the County Council's 2019/20 financial performance for revenue and capital. It also includes the year end Treasury Management and Debt outturn. Further details on Service budgets are to be found in **Annex 1**.

#### **Key Messages - Revenue**

- I am pleased to report that for the third year the Council has achieved its budget without the need to rely on reserves.
- The final outturn for the year is a small surplus of £0.2m, after transferring the unused budget contingency of £8.9m to reserves and other transfers to reserves of £5.1m.
- The Council achieved £72m (c88%) of the £82m target of efficiencies including transformation programmes set up at the beginning of the financial year. The total efficiencies over the last 3 years totals circa £200m. The position reflects a turnaround of £0.3m from M11. This result is due to improvements across many services, broadly attributable to the following:

An overall Service Improvement of £5.6m, comprising of:

- **£1.6m Central Income & Expenditure** – an increase of business rate Section 31 and other grant funding (£1m), upside on net interest payable (£0.6m)
- **£0.9m Children, Families, Lifelong Learning and Culture (CFLC)** – recovery from schools and academies in relation to children's centres.
- **£0.9m Environment, Transport & Infrastructure (ETI)** – lower waste management costs including a reduction in waste disposal prices.
- **£0.8m Resources** - increased underspend in IT&D due to the timing of payments relating to application and software licence costs.
- **£0.8m Adult Social Care (ASC)** - Learning Disability care packages being lower than previously forecasted.

- **£0.3m Transformation, Prosperity & Partnership (TPP)** – underspend in HR&OD mainly relating to training, partially off-set by increased body storage and staffing costs within the Coroners service.
- **£0.3m Community Protection (CP)** – reduction in the cost of fuel for Fire service vehicles.

Offset by:

- **£0.2m Public Health** – small changes due to increased spend across different projects and corporate recharges.

Note that the 2019/20 financial position only includes £0.9m of COVID-19 related costs and loss of income. This is discussed further by the COVID-19 government funding (para 18-19).

### Key Messages - Capital

The Council set a capital budget for 2019/20 of £129.2m in February 2019. Over recent months the budget has been adjusted for an in-year review leading to re-profiling of budgets to future years to reflect the current position on programme delivery, new schemes and reviews. As a result, the current 2019/20 capital budget was revised to £126.7m. Capital Programme spend for the year against this budget is £117.2m, which has resulted in £9.5m (7.5%) slippage of the programme. This is an increase in slippage of £2.4m since M11. Details are set out in **Table 5**.

The Council entered into a Sale & Leaseback arrangement with Surrey and Borders National Health Trust in March 2020, requiring a capital investment from the Council of £25.4m (£24.9m in 2019/20 with fees to be confirmed) in return for an initial annual rental income at a cost neutral position.

### RECOMMENDATIONS:

The Cabinet is asked to:

1. Note the Council's revenue and capital financial positions for the year.
  - £0.2m surplus against the original 2019/20 budget that will be added to the General Fund Reserve;
  - Contributions to reserves adding £2.8m to General Fund Reserve (inclusive of the £0.2m surplus), as set out in paragraphs 13-14;
  - Use of £13m capital receipts in-year to support transformation (paragraphs 11-12); and
  - £117.2m service capital expenditure against £126.7m budget.
2. Approve the Council's newly created reserves for Children, Families, Lifelong Learning & Culture Inspection and System renewals (£1.2m) and COVID-19 Emergency Funding (£24.3m) (paragraphs 15-16).

## REASON FOR RECOMMENDATIONS:

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

## Revenue Budget

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

**Table 1 - Summary revenue financial position as at 31 March 2020**

Directorate	Cabinet member(s)	Full Year Budget £m	Outturn £m	Variance £m	Change in forecast since last month £m
Children, Families, Learning & Culture (CFLC)	M Lewis / J Iles	243.4	246.1	2.7	(0.9)
Public Health	S Mooney	30.2	30.0	(0.2)	0.2
Adult Social Care (ASC)	S Mooney	364.0	362.6	(1.4)	(0.9)
Environment, Transport & Infrastructure (ETI)	D Turner-Stewart/ M Furniss/ M Goodman	129.0	129.2	0.2	(0.9)
Community Protection (CP)	D Turner-Stewart	34.5	33.7	(0.9)	(0.3)
Resources (Res)	M Few/ Z Grant- Duff	71.2	70.2	(1.0)	(0.8)
Transformation, Partnership & Prosperity (TPP)	T Oliver/ Z Grant-Duff/ C Kemp	14.7	15.3	0.6	(0.2)
Central Income & Expenditure (CIE)	M Few	(887.1)	(892.3)	(5.2)	(1.6)
<b>Directorate surplus before reserves</b>		<b>0.0</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.4)</b>
Increase to the 2020/21 Contingency			2.5	2.5	2.5
Contribution to the General Fund Reserve*			2.6	2.6	2.6
<b>Outturn surplus to general fund balances</b>		<b>0.0</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.3)</b>

\*The total contribution to the General Fund Reserve is £2.8m (inclusive of the £0.2m surplus)

Note: The Public Health grant is now shown within Central Income & Expenditure.

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

## Children, Families, Lifelong Learning & Culture (CFLC) Directorate

2. In the CFLC Directorate, the number of pupils requiring Special Education Needs (SEN) transport continued to rise in a similar pattern to previous years. The Transport Review identified mitigations to reduce some of these costs, however the overspend for SEN Transport was at £2.9m. There was also an increase in the cost of mainstream and alternative provision transport leading to an overall budget overspend on transport of £3.9m for this year.
3. Despite a reduction in the number of external residential placements and external fostering; the placements have remained above initial estimates.
4. A key area of risk for the Council is in Special Educational Needs and Disabilities (SEND), which is funded through the Dedicated Schools Grant (DSG) High Needs Block (HNB). The main driver of this overspend is the increase in the number of Non-Maintained Independent (NMI) placements (a significant factor in the cost of SEND) which rose to 1,231 by the end of March 2020. This is 107 placements higher than forecast in the SEND reset business case. This has led to a full year overspend of £1.0m on the DSG HNB and therefore a further £1m needed to the contribution to the offsetting reserve (an overspend on the budgeted contribution). The overall outturn for the HNB is an overspend on SEND of £30.0m in 2019/20. If the overall number, or unit cost, of these placements are not reduced there is a significant risk to remaining within budget in 2020/21.

### 2019/20 Schools Outturn

5. Surrey's final DSG budget for 2019/20 was £481.3m net (£861m gross of academies and college SEND places). In total the DSG blocks overspent by £22.4m, which is summarised in Table 2 below:

**Table 2 - Dedicated Schools Grant variances 2019/20**

Block	Over/(under) £m
Schools	(3.8)
Central services schools	0.2
High needs	30.0
Early years	(3.8)
	<b>22.4</b>

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

6. The underspend on schools was mainly due to the following:
- Contingency budget brought forward from 2018/19 (£1.0m);
  - Un Business rates changes related to academy conversions and trust school conversions (some related to prior years) (£0.8m);
  - Local learning funds set aside for initiatives to improve inclusion (£0.4m); and
  - Sums set aside for growing schools and falling rolls protection (£1.5m); these budgets require specific annual approval from Schools Forum.

The schools outturn was discussed with the Schools Forum on 30 April 2020.

7. Surrey is funded for early years provision on the average of January 2019 and January 2020 censuses, but must fund providers using the average of three termly censuses. The difference between the two count bases is a funding risk and the underspend is largely due to the termly average being lower than the January average. This underspend has been utilised in the 2020/21 funding allocations by increasing inclusion and early intervention funding.

### Schools Balances

8. Surplus balances held by individual Surrey maintained schools have reduced by £2.4m in 2019/20. Table 3 explains the reasons for this decrease:

**Table 3 – Schools Balances**

	<b>£m</b>
Surplus balances held by schools which were maintained by LA at 31 Mar 2019	40.6
Reduction in balances of continuing schools during 2019/20	(0.2)
Surplus balances transferred to academies which converted between April 2019 - March 2020	(2.2)
Deficits funded by Council	0.0
<b>Surplus balances held by schools which were LA maintained at 31 March 2020</b>	<b>38.2</b>

**Adult Social Care (ASC) Directorate**

9. While the outturn reflects and underspend for the year of £1.4m it must be noted that the service under achieved the care package efficiencies budgeted for 2019/20 by some £5.9m. This underachievement is being largely offset by one-off underspends and some additional income. Given the challenges ASC has faced in 2019/20, delivering an underspend represents a significant achievement.
10. However, excluding any impact at this point of the COVID-19 event, significant underlying budget risks remain for 2020/21.
11. During 2019/20, £13m of revenue expenditure was invested in the transformation programme. This resulted in the achievement of £38.5m of targeted efficiencies. This investment was funded by the flexible use of capital receipts, as enabled by the MHCLG guidance and approved by full Council in February 2019.
12. The £13m incurred was less than the original budgeted £22m for 2020/21, due in part to the Transformation Refresh, agreed by Cabinet in January 2020, and in part due to reprofiling of planned expenditure against some of the transformation projects. The underspend will be carried forward to progress the refreshed transformation programme. This programme will be subject to review in light of the current COVID-19 outbreak.

**Supporting and Building financial resilience in 2020/21**

13. As a result of a positive outturn position, finances are in place to ensure the continued delivery of corporate initiatives, as well as increasing financial resilience in 2020/21:
  - Increasing the 2020/21 Contingency to £32m by passporting the residual £8.9m balance of the 2019/20 Contingency to 2020/21 and adding £2.5m from the outturn surplus. In addition, the £1.4m call against the Contingency by ETI for LED conversion project in 2019/20 will be repaid in 2020/21. This was due to additional time needed to complete the legal and technical reviews and secure lender approvals, this had a subsequent effect on the refinancing of the PFI contract; and
  - Adding £2.8m to the General Fund Reserve (inclusive of the £0.2m surplus), to bring the total to £24.1m (a 13% increase to the Reserve).
14. In summary, despite ending the year with the uncertainty around the financial impact of COVID-19, we are able to commence 2020/21 financial year in a stronger position, with a greater Contingency and General Fund Reserve

15. Within Financial Regulations, the creation of any reserve will be subject to approval from Cabinet, upon the advice of the S151 Officer. Increases in existing reserves are approved by the Executive Director following consultation with Deputy S151 Officers and the Cabinet member for Finance
16. Two additional reserves have been created - CFLC Inspection and System Renewals (£1.2m) and COVID-19 Emergency Funding (£24.3m):
  - The purpose of the CFLC Inspection and System Renewals reserve is to fund additional cost in preparation for the OFSTED re-inspection as well as reviewing and renewal of the monitoring and recording case system for children social care services funded from a review of the revenue unapplied grants.
  - The purpose of the COVID-19 Emergency Funding is to support the authority to fund the loss of income and extra costs for 2020/21, which has been funded by the Government's COVID-19 grant (para 18-19).

#### **COVID-19 costs**

17. The COVID-19 pandemic which emerged towards the final stages of the 2019/20 financial year, has created much turmoil in the economy with associated repercussions for the Local Government sector, from a resourcing and financial perspective.
18. On 27th March, Surrey received £25.2m of the £1.6bn available for Local Authorities to cover the costs and loss of income associated with the crisis. As part of outturn, £0.9m of 2019/20 COVID-19 costs and loss of income were confirmed, these will be offset against the £25.2m grant and the balance of £24.3m will be carried forward to fund pressures in 2020/21.
19. On the 28th April the Council was advised an additional £21.8m of second tranche funding to cover COVID-19 related costs and income loss would be paid by Government which has been received post year end closure.
20. The Council included £82m of efficiency proposals in the annual budget approved by Council in February 2019. £72m (88%) has been achieved. Whilst there has been £10m of non-delivery, services have been able to deliver alternative one-off measures to compensate.
21. Directorate efficiencies are shown in **Table 4** below.

**Table 4 – Final Efficiency outcome**

Directorate	Full Year Target	Outturn	Variance	Last Month
	£m	£m	£m	£m
Children, Families, Lifelong Learning & Culture	21.7	19.0	2.7	2.8
Adult Social Care	20.0	20.0	0.0	0.0
Public Health	1.0	1.0	0.0	0.0
Environment, Transportation & Infrastructure	11.9	7.6	4.3	3.0
Community Protection group	0.0	0.0	0.0	0.0
Transformation, Partnership & Prosperity	3.4	2.5	0.9	0.8
Resources	11.0	8.9	2.1	2.3
Central Income & Expenditure	12.6	12.6	0.0	0.0
<b>Total</b>	<b>81.6</b>	<b>71.6</b>	<b>10.0</b>	<b>9.0</b>

22. The £10m non-delivery is comprised of the following:

- **Project delays (£1.6m):** primarily due to ETI LED conversion project (£1.4m)
- **Decisions taken not to pursue savings (£5m):** Reducing commercial investment activity (£2.7m); renegotiation of ORBIS contribution rates (£1.4m); Changes at Community Recycling centres (£0.6m) and review of concessionary fares scheme (£0.3m)
- **Specific Savings not identified (£6.5m):** Looked after children (£3m); Highways (£1.5m); TPP (£2m)
- **Savings shortfalls against original targets (£2.4m):** mainly due to: contract reviews, income reviews, Countryside review, waste & recycling initiatives and marginal gains within ETI (£1.2m); legal case management efficiencies, members' allowances and Orbis business plan efficiencies in Resources (£0.7m); and reconfiguration and contract recommissioning (£0.3m) within CFLC.

Off-set by:

- **Compensatory savings or underspends (£5.5m)** - Greater reduction in concessionary fare volumes (£0.8m); application of transport grants (£0.2m); review of inventory accounting transactions leading to a write off of £1.5m; additional income from interest arbitrage (£1.2m); over-achievement in library saving (£0.6m) and alternative one-off efficiencies within the HR&OD, Economic Development & Insights, Analytics and Intelligence within TPP (£1.3m).

## Capital Budget

23. The M12 budget of £126.7m is an increase of £2.5m from M11. This is as a result of:

- £0.7m additional schools' expenditure which will be funded by third party contributions, including the Devolved Formula Grant;
- £0.2m - Capitalisation of externally funded and revenue funded work in Environment; and

- £1.6m - Capitalisation of externally funded and revenue funded work in Highways and Transport.

24. **Table 5** below provides a summary of the outturn for the 2019/20 Capital budget, including the re-profile requests.

**Table 5 - Summary capital spend for 2019/20**

		Full year budget £m	Full year actual £m	Full year variance £m	Full year forecast variance at month 11 £m	Change in forecast since last month £m
Adult Social Care	S Mooney	1.9	1.8	(0.1)	0.3	(0.4)
Children, Families, Lifelong Learning & Culture	M Lewis / J Iles	8.7	8.0	(0.7)	(0.8)	0.0
Environment	M Goodman	1.2	1.0	(0.2)	(0.2)	(0.0)
Highways & Transport	M Furniss	61.7	53.7	(8.0)	(6.2)	(1.8)
Information Technology & Digital	Z Grant-Duff	8.0	7.8	(0.2)	0.1	(0.3)
Property Services	M Few	23.3	25.8	2.5	1.6	0.9
Schools Basic Need	J Iles	19.5	18.5	(0.9)	(0.4)	(0.5)
Community Protection	D Turner-Stewart	2.4	0.6	(1.8)	(1.6)	(0.3)
COVID-19 - Coroner's Equipment		0.0	0.1	0.1	0.0	0.1
<b>Overall</b>		<b>126.7</b>	<b>117.2</b>	<b>(9.5)</b>	<b>(7.1)</b>	<b>(2.4)</b>

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

25. Capital Programme spend for the year was £117.2m, this has resulted in £9.5m (7.5%) net slippage of the programme. This is an increase in slippage of £2.4m since M11. This is primarily comprised of the following:

Underlying additional slippage of £3.0m:

- Highways and Transport - £1.8m (incl. £0.9m Street Lighting and £0.4m on LEPs schemes)
- Schools Basic Need - £0.5m
- Adult Social Care - £0.4m (incl. £0.3m Capital Equipment)
- Community Protection - £0.3m (incl. £0.2m Joint Transport Project)

Offset by:

- Property accelerated delivery (£0.5m Priority Schools Building Programme and £0.5m maintenance)

26. The capital position was reprofiled twice during the year (in M2 and M7) to more accurately reflect the delivery of the programme.

27. At present, there is a significant piece of work being undertaken to review and reprofile the 2020/21 Capital Programme which was approved by Council in February 2020 to accurately reflect both the total quantum of the spend and also the in-year profile following the Covid 19 pandemic which has impacted all sectors of the economy.

## Balance Sheet Indicators

28. The Council reports on a quarterly basis on the following key balance sheet indicators, which are presented in **Annex 2** (attached) and cover the following:

- Debt; and
- Treasury Management.

29. The Council's overdue debt stood at £27m at the 31 March 2020, an increase of £1m over the year. This has been driven by an increase in secured care debt due to a change in the national regulations. **Annex 2** provides further details on this.

30. The Council has continued its policy of minimising cash balances and exposure to low interest rates on short-term investments by internal and short term borrowing. **Annex 2** provides a further explanation of the impact of this policy on the Council's Balance Sheet.

### CONSULTATION:

31. Executive Directors and Cabinet Members have confirmed their revenue and capital outturn positions.

### RISK MANAGEMENT AND IMPLICATIONS:

32. Risk implications are stated throughout the report and each relevant director or head of service in consultations with their respective Cabinet Member have updated their strategic and or service risk registers accordingly. In addition, the Leadership Risk Register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the Medium Term Financial Plan. In the light of the financial risks faced by the Council, the Leadership Risk Register will be reviewed to increase confidence in Directorate plans to mitigate the risks and issues.

### FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

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

### SECTION 151 OFFICER COMMENTARY:

34. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that the outturn has been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

The Council has a duty to ensure its expenditure does not exceed resources available. It is drawn to Members' attention that the Council continues to face ongoing uncertainty about future funding, demand pressures and efficiencies. Within this context the Council will continue to develop and implement plans to ensure the delivery of services are contained within resource.

### LEGAL IMPLICATIONS – MONITORING OFFICER:

35. The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.
36. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

### EQUALITIES AND DIVERSITY:

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

### WHAT HAPPENS NEXT:

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

#### Contact Officer:

Leigh Whitehouse, Executive Director of Resources  
020 8541 7246

#### Consulted:

Cabinet, Executive Directors, Heads of Service

#### Annexes:

Annex 1 – Detailed Revenue Outturn position  
Annex 2 – Balance sheet Indicators – Debt and Treasury Management

## Detailed Revenue Outturn position

Service	Cabinet Member	2018/19 Outturn £m	Full Year Gross budget £m	Full year net budget £m	Full Year Outturn £m	Full year net variance £m
Delegated Schools	J Iles	0.0	312.5	0.0	0.0	(0.0)
Education, Lifelong Learning & Culture	J Iles	86.1	285.1	97.4	98.6	1.2
Corporate Parenting	M Lewis	99.1	110.6	96.0	96.0	0.0
Commissioning	M Lewis / J Iles	11.4	66.2	6.0	6.3	0.4
Family Resilience	M Lewis	42.2	40.3	38.1	38.0	(0.1)
Quality Assurance	M Lewis / J Iles	6.1	10.4	8.6	8.2	(0.4)
Directorate wide savings		0.0	(2.6)	(2.6)	(1.0)	1.6
<b>Children, Families, Lifelong Learning, and Culture</b>		<b>245.1</b>	<b>822.5</b>	<b>243.4</b>	<b>246.1</b>	<b>2.7</b>
<b>Public Health</b>	<b>S Mooney</b>	<b>0.1</b>	<b>30.3</b>	<b>30.2</b>	<b>30.0</b>	<b>(0.2)</b>
Adult Social Care	S Mooney	359.6	488.2	364.0	362.6	(1.4)
<b>Health, Wellbeing &amp; Adult Social Care</b>		<b>359.6</b>	<b>488.2</b>	<b>364.0</b>	<b>362.6</b>	<b>(1.4)</b>
Highways & Transport	M Furniss	64.4	73.6	59.0	54.6	(4.3)
Environment	M Goodman	69.1	73.9	69.3	73.2	3.9
Communities Support Function	D Turner-Stewart	0.5	0.4	0.4	0.3	(0.1)
Leadership Team (ETI)	M Goodman	0.0	0.5	0.3	0.9	0.6
<b>Environment, Transport &amp; Infrastructure</b>		<b>134.0</b>	<b>148.4</b>	<b>129.0</b>	<b>129.2</b>	<b>0.2</b>
Fire & Rescue	D Turner-Stewart	31.4	36.3	32.1	31.3	(0.8)
Trading Standards	D Turner-Stewart	1.8	3.9	1.7	1.8	0.0
Emergency Management		0.4	0.5	0.5	0.4	(0.1)
Health & Safety		0.0	0.1	0.1	0.0	0.0
Military Covenant		0.0	0.1	0.1	0.1	0.0
<b>Community Protection</b>		<b>33.6</b>	<b>40.9</b>	<b>34.5</b>	<b>33.7</b>	<b>(0.9)</b>
Human Resources & Organisational Development	Z Grant-Duff	2.9	3.7	3.7	2.9	(0.9)
Insight, Analytics & Intelligence	Z Grant-Duff	1.3	3.8	3.1	2.6	(0.5)
Customer Services	Z Grant-Duff	3.0	3.3	3.1	2.9	(0.2)
Coroner	D Turner-Stewart	2.2	2.3	1.8	2.5	0.7
Strategic Leadership	T Oliver	0.9	1.2	1.2	1.3	0.1
Communications	Z Grant-Duff	1.5	1.4	1.4	1.2	(0.2)
Economic Growth	C Kemp	0.7	1.2	1.2	0.7	(0.5)
Transformation programme		0.0	1.1	1.1	1.2	0.1
Cross County			(2.0)	(2.0)	0.0	2.0
<b>Transformation, Partnership &amp; Prosperity</b>		<b>12.5</b>	<b>16.1</b>	<b>14.7</b>	<b>15.3</b>	<b>0.6</b>
Joint Operating Budget ORBIS	Z Grant-Duff	33.5	31.9	31.9	33.7	1.8
Property	M Few	16.4	28.1	19.0	17.8	(1.2)
Information Technology & Digital	Z Grant-Duff	10.5	11.6	10.9	9.8	(1.1)
Finance	M Few	2.4	4.1	2.7	1.7	(1.0)
Legal Services	Z Grant-Duff	4.3	4.0	3.6	4.2	0.6
Democratic Services	Z Grant-Duff	3.5	3.4	3.2	3.0	(0.2)
Business Operations	Z Grant-Duff	0.0	(0.1)	(0.1)	0.0	0.1
Savings to find			0.0	0.0	0.0	0.0
<b>Resources</b>		<b>70.7</b>	<b>83.1</b>	<b>71.2</b>	<b>70.2</b>	<b>(1.0)</b>
Corporate Expenditure	M Few	42.6	52.6	41.3	56.3	15.0
Corporate funding		(898.6)		(928.5)	(933.1)	(4.6)
<b>Directorate surplus before reserves</b>		<b>898.1</b>	<b>1,682.0</b>	<b>928.5</b>	<b>943.5</b>	<b>14.9</b>
<b>Contributions to reserves and General Fund balances</b>		<b>0.0</b>		<b>0.0</b>	<b>(10.5)</b>	<b>(10.5)</b>
<b>Outturn surplus</b>		<b>(0.5)</b>		<b>0.0</b>	<b>(0.2)</b>	<b>(0.2)</b>

## Balance Sheet Indicators

### Debt

For the year to March 2020, the Council raised invoices totalling £432m. At the year-end, the gross debt outstanding on these invoices was £49.4m (c11%), representing a reduction of £2m from quarter 3. At year-end 2018/19 gross debt outstanding was £44.9m. Table 1 below shows the age profile of the debts as at 31<sup>st</sup> March 2020. The overdue debt is the gross debt less those balances not immediately due (i.e. less than 30 days old).

**Table 1 – Age profile of the Council’s debt as at 31 March 2020**

Account group	<1 month £m	1-12 months £m	1 to 2 years £m	over 2 years £m	Gross debt £m	Overdue debt £m
Care debt – unsecured	6.2	3.4	4.2	5.4	19.2	13.0
Care debt – secured	0.4	4.0	2.3	3.9	10.6	10.2
<b>Total care debt</b>	<b>6.6</b>	<b>7.4</b>	<b>6.5</b>	<b>9.3</b>	<b>29.8</b>	<b>23.2</b>
Schools, colleges and nurseries	2.5	-0.1	0.1	0.0	2.4	0.0
Clinical commissioning groups	6.7	0.5	0.5	0.1	7.8	1.1
Other local authorities	1.5	0.2	0.4	0.0	2.1	0.6
General debt	5.2	1.5	0.4	0.3	7.2	2.1
<b>Total non-care debt</b>	<b>15.8</b>	<b>2.0</b>	<b>1.3</b>	<b>0.4</b>	<b>19.5</b>	<b>3.7</b>
<b>Total debt</b>	<b>22.5</b>	<b>9.4</b>	<b>7.8</b>	<b>9.7</b>	<b>49.4</b>	<b>26.9</b>

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

### Borrowing

The Council borrows to finance its capital spending that exceeds receipts from grants, third party contributions, capital receipts and reserves. The Council’s long term debt stands at £436.2m. This reflects an increase of £39m to take advantage of low interest rates and lock them in for future year since the start of the year.

As at 31 March 2020, the weighted average interest rate of the Council’s long term debt portfolio remained 3.86%. The Treasury Strategy, approved by County Council in February 2019, continued the policy of internal borrowing and where necessary, to borrow short term to meet cash flow liquidity requirements. Table 2 shows a net £36.5m decrease in the Council’s short term borrowing activity since 1<sup>st</sup> April 2019.

**Table 2 - Short term borrowing as at 31 March 2020**

	£m
Debt outstanding as at 31 March 2019	255
Net movement since start of year	-36.5
<b>Current balance as at 31<sup>st</sup> March 2020</b>	<b>218.5</b>

Figures are for Surrey County Council only and do not include Surrey Police

The weighted average interest rate of the Council’s short term external debt is 1.06% at 31<sup>st</sup> March 2020.

## Cash Investments

The Council's average daily level of cash investments was £41.5m during 2019/20, compared to an average of £41m during 2018/19. The Council invests temporary cash surplus exclusively through the use of money market funds (MMF). Other investment facilities are available, including: brokers, direct dealing with counterparties through the use of call accounts or direct deal facilities, or with the government's Debt Management Office (DMO). No new fixed term deposits have been agreed during 2019/20 due to the low cash balances held and the need to maintain high liquidity.

Table 3 shows the weighted average return on all investments the Council received in the quarter to 31st March 2020 is 0.63%. This compares to the 0.43% average 7-day London Interbank Bid Rate (LIBID) for the same period

**Table 3 - Weighted average return on investments compared to 7-day LIBID**

	<b>Average 7-day LIBID</b>	<b>Weighted return on investments</b>
2019/20 Quarter 4	0.43%	0.63%
2019/20 Quarter 3	0.57%	0.68%
2019/20 Quarter 2	0.57%	0.71%
2019/20 Quarter 1	0.57%	0.75%
2018/19 Quarter 4	0.57%	0.76%
2018/19 Quarter 3	0.49%	0.70%
2018/19 Quarter 2	0.51%	0.58%
2018/19 Quarter 1	0.36%	0.21%

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