

Cabinet

**Date & time**

Tuesday, 24
November 2020 at
2.00 pm

Place

Remote Meeting

Contact

Vicky Hibbert or Huma Younis
Room 122, County Hall
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Chief Executive

Joanna Killian



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

Deputy Cabinet Members: Miss Alison Griffiths, Mr Edward Hawkins, Miss Marisa Heath, Mr Mark Nuti and Mrs Becky Rush

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>

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1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING: 27 OCTOBER 2020

(Pages 1
- 22)

To agree the minutes of the last meeting as a correct record of the meeting.

3 DECLARATIONS OF INTEREST

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

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

NOTES:

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

4 PROCEDURAL MATTERS

a Members' Questions

The deadline for Member's questions is 12pm four working days before the meeting (18 November 2020).

b Public Questions

The deadline for public questions is seven days before the meeting (17 November 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 from Select Committees, Task Groups, Local Committees and other Committees of the Council.
- 6 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING** (Pages 23 - 26)
- 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 UPDATE** (Pages 27 - 30)
- To note the report from Julie Iles, Cabinet Member for All-Age Learning.
- 8 COVID-19 DELEGATED AND URGENT DECISIONS TAKEN** (Pages 31 - 38)
- 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 COVID-19 UPDATE** (Pages 39 - 46)
- With the country entering a second national lockdown and the national and local situation continuing to change and evolve regularly, the purpose of this report is to set out the latest Public Health information about Covid-19, and update Cabinet on the strategic and sensitive issues arising from the extensive response and recovery work going on across Surrey.
- [Where necessary a waiver for call-in will be sought from the relevant Select Committee Chairman]*
- 10 2021/22 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY** (Pages 47 - 96)
- The Council has a statutory duty to set a balanced budget in advance of each financial year. The Final Budget for 2021/22 will be approved by Cabinet in January 2021 and full Council in February 2021. This report and the attached 2021/22 Draft Budget and Medium-Term Financial Strategy to 2025/26 sets out progress towards delivering a balanced budget. It is good practice to, as far as possible, set out in advance the draft budget to allow consultation on and scrutiny of the approach and the proposals included.
- [The decisions on this item can be called in by the Resources and Performance Select Committee]*
- 11 ACCELERATING THE INTRODUCTION OF ULTRA LOW / ZERO EMISSIONS BUSES AND COMMUNITY TRANSPORT VEHICLES INTO SURREY** (Pages 97 - 106)
- Surrey County Council is embarking on an exciting investment programme to accelerate the introduction of ultra-low and zero emission vehicles into

Surrey. We propose to achieve this by establishing a Surrey Ultra-Low and Zero Emission Scheme backed by county council funding to generate supporting industry investment. This supports our ambitions and strategic priorities for a greener future, our Surrey 2030 vision and our Climate Change Strategy. This is part of the Council's response to the declared climate change emergency and is part of the associated £300m Greener Futures investment programme.

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

12 COVID-19 COMMUNITY IMPACT ASSESSMENT (Pages 107 - 156)

The Covid-19 Community Impact Assessment (CIA) explores how communities across Surrey have been affected by Covid-19, what support communities need as the pandemic continues, and communities' priorities for recovery. Thousands of residents, people working in frontline services and partners have taken part. The research has brought us closer to residents at this crucial time and provides a strong understanding of local communities' priorities. Early findings have already been incorporated into parts of the council's strategic, financial and service planning, and now the research has concluded this should extend further across all areas of the council's work.

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

13 TRANSFORMATION OF ACCOMMODATION BASED CARE AND SUPPORT FOR WORKING AGE ADULTS: DELIVERING SUPPORTED INDEPENDENT LIVING OPTIONS (Pages 157 - 204)

A paper was brought to Cabinet in July 2019 setting out Adult Social Care's Accommodation with Care and Support Strategy for Extra Care Housing for older people and supported independent living schemes for adults with a learning disability and/or autism. Surrey County Council (SCC) has a strategic aim to Empower its Communities by increasing the number of working age adults with support needs living in supported independent living settings and reduce its reliance on traditional residential care provision. To achieve this aim, supported independent living accommodation will be delivered through a variety of mechanisms through SCC identified sites, through independent sector provision and through partnership working with the district and borough councils.

N.B There is a part 2 Annex at Item 20.

[The decisions on this item can be called in by the Adults and Health Select Committee]

14 REVISED MINERALS AND WASTE DEVELOPMENT SCHEME (Pages 205 - 242)

Surrey County Council is the Minerals and Waste Planning Authority for Surrey, and as such, is responsible for setting the local planning policy used in making decisions on planning applications relating to minerals and waste development in the county. Cabinet is asked to agree the updated 'Minerals and Waste Development Scheme', which sets out a four year timeframe in which it is hoped to complete the new Surrey Minerals and Waste Local Plan.

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

15 BLACKWATER VALLEY HOT SPOTS LEP HIGHWAY IMPROVEMENT SCHEME (Pages 243 - 250)

In 2016, Guildford Borough Council (GBC) secured funding from Enterprise M3 Local Economic Partnership (EM3 LEP) to deliver highway improvements tackling congestion hotspots to support their Local Plan. The improvements are proposed for two junctions, namely the A31 j/w A331 and the A323 j/w A324. GBC progressed the two schemes and have managed the project from initiation until July of this year. In July, the Borough Council asked the County Council to step in to deliver the schemes on behalf of GBC. Following a review by County Council officers, the cost estimates have been revised, resulting in the potential for up to a £3.179m funding shortfall. This report seeks to explain the background to the scheme and commit the County Council to underwrite the funding shortfall whilst negotiating further funding from GBC.

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

16 SURREY SCHOOLS & EARLY YEARS FUNDING 2021-22 (Pages 251 - 328)

This report sets out the recommended funding formula for Surrey mainstream schools in 2021/22 and also proposes the principles to be adopted in the funding of early years in 2021/22. Despite increases in government funding for children and young people with special educational needs and disabilities (SEND), increasing pressures in this area have necessitated a request for support from the Schools funding block. This request was not supported by the Schools Forum and the Cabinet is asked to consider an appeal to the Secretary of State.

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

17 UPDATE- WASTE PFI CONTRACT (Pages 329 - 332)

Surrey County Council's waste management contractor, Suez, is currently in the process of building an Eco Park at Charlton Lane in Shepperton. The Eco Park comprises a recyclable bulking facility, an anaerobic digestion plant and a gasification plant. This report updates on the latest progress in respect of the delivery of the Eco Park and a review which has been undertaken of the Council's contractual position.

N.B There is a part 2 Annex at Item 21.

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

18 2020/21 MONTH 6 (SEPTEMBER) FINANCIAL REPORT (Pages 333 - 346)

This report provides details of the County Council's 2020/21 financial position as at 30th September 2020 (M6) for revenue and capital budgets and the projected outlook for the financial year.

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

19 EXCLUSION OF THE PUBLIC

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

PART TWO - IN PRIVATE

20 TRANSFORMATION OF ACCOMMODATION BASED CARE AND SUPPORT FOR WORKING AGE ADULTS: DELIVERING SUPPORTED INDEPENDENT LIVING OPTIONS (Pages 347 - 368)

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

[The decisions on this item can be called in by the Adults and Health Select Committee]

21 UPDATE- WASTE PFI CONTRACT (Pages 369 - 380)

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

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

22 PUBLICITY FOR PART 2 ITEMS

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

**Joanna Killian
Chief Executive**

Published: Monday, 16 November 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.

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**MINUTES OF THE MEETING OF THE CABINET
HELD ON 27 OCTOBER 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)	*Mrs Natalie Bramhall
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 Becky Rush	*Miss Alison Griffiths
*Mr Mark Nuti	*Miss Marisa Heath
* Mr Edward Hawkins	

* = Present

Members in attendance:

Mrs Kay Hammond, Chairman of the Children, Families, Lifelong Learning & Culture Select Committee
Mr Chris Botten, Vice-Chairman of the Children, Families, Lifelong Learning & Culture Select Committee
Mrs Lesley Steeds, Vice-Chairman of the Children, Families, Lifelong Learning & Culture Select Committee
Mr Nick Darby, Vice-Chairman of the Adults and Health Select Committee
Mr Jonathan Essex, Redhill East

**PART ONE
IN PUBLIC**

143/20 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mr Colin Kemp.

The Leader congratulated Julie Iles, Cabinet Member for All-Age Learning, whom was awarded an OBE in the Queen's birthday honours.

144/20 MINUTES OF PREVIOUS MEETING: 29 SEPTEMBER 2020 [Item 2]

The Minutes of the Cabinet meeting held on 29 September were approved as a correct record of the meeting.

145/20 DECLARATIONS OF INTEREST [Item 3]

There were none.

146/20 PROCEDURAL MATTERS [Item 4]

The Leader explained that Elmbridge had moved into Tier 2 'high' which means that the rate of COVID infections in the borough had risen to a level which demands swift action to stop the spread of the virus. The Leader re-affirmed the importance of complying with restrictions and abiding by the basic rules put in place to stop the spread of the virus including washing hands and maintaining social distance. The number of cases in the county were rising.

The Leader briefed the public on the Organisation Strategy Refresh and the four key priorities of the refresh. The overarching point being that nobody is left behind especially during these testing times. The Leader went on to explain that a mental health summit had been organised in November which would bring together key partners and stakeholders across the county to discuss how to help those who really need it.

The council had been helping families during the covid-19 period. The money from Government had been distributed to the Surrey Crisis Fund, Bookham food and distribution centre and the district and boroughs. Although there was no specific funding for free school meals, support would be provided to families during half term with the support of partners.

The 'Your Fund Surrey' would go live week commencing 2 November. The council agreed that the civic heart of the council would move to Woodhatch in Reigate and would be one of four bases in Surrey. The council site in Kingston was being actively marketed for disposal.

146/201 MEMBERS' QUESTIONS [Item 4a]

There were four Member questions. Mrs Kay Hammond asked a supplementary question in relation to her Member question. She thanked the Cabinet Member for a thorough response and queried why Surrey had 23% of children with an EHCP in comparison to the national average which was 17%. She further queried if this was evidence that Surrey's preventative agenda was not working.

The Cabinet Member for All-Age Learning thanked Mrs Hammond for the question as it spoke to the focus we have on addressing the one remaining issue from the Ofsted inspection of 2016 – that of SEND pupils missing education. Surrey had experienced a significant increase in the number of children and young people with complex special needs in the last 4 years. Surrey's growth rate had been 12% since 2016. The Cabinet Member welcomed the steps taken in the SEND transformation programmes to tackle the increase in numbers and the capital investment to provide additional specialist places closer to home so that no-one is left behind. Our early help offers include the Local Learning Fund for targeted early years' help, the graduated response programme and early intervention before needs escalate to the level where an EHCP is needed and partnership working with schools and governing bodies to provide SEN support in mainstream settings and signposting/immediate triage through the L-SPA.

Mr Essex asked a supplementary question in regards to his Member Question (2) querying when environmental sustainability assessments will be considered as part of the process for all decision making items to Cabinet. The Cabinet Member for Climate Change and Environment agreed with the views of Mr Essex stating that environmental sustainability assessments will be taken seriously as part of the Organisation Strategy Refresh. The Cabinet Member was happy to discuss the matter offline with Mr Essex and officers.

Mr Essex asked a supplementary question in regards to his Member Question (3) querying if the Equality Impact Assessment would be changed and improved going forward to include factors such as socio economic backgrounds and health and economic aspects. The Leader explained that the process was being reviewed and how various impacts may be tested including health were being considered. It was added that the community impact assessment work had raised a number of issues. Members would be invited to contribute to work to improve Equality Impact Assessments.

Mr Essex asked a supplementary question in regards to his Member Question (4) querying if Bikeability can be offered to all schools who would like more sessions. The Cabinet Member for Transport explained that the size of groups had been reduced due to Covid-19. An increased investment of £510k had also been made to the programme. The number of sessions taken up are dependent on the school as lessons take place during the day in school hours and depend on instructor availability. As long as social distancing and precautions are taking place the council supports more lessons being taken up by schools. Mr Essex was supportive of the response.

147/20 PUBLIC QUESTIONS [Item 4b]

There were three public questions. The questions and responses were published as a supplement to the agenda. Mr Ward asked a supplementary question querying if Surrey County Council would share the details with the 11 district and boroughs of the work undertaken by Price Waterhouse Coopers (PwC). The Leader stated that it was a matter for the district and boroughs on whether they shared their KMPG report. The Leader encouraged other district and boroughs leaders to engage with the council. He added that the PwC report deals predominantly with the financial issues and the unitary application. The Leader stated that the council would be happy to engage with KPMG to look at ways district and borough resources could be saved by working collectively with the County.

Ms Sally Blake asked a supplementary question which was when the tree strategy delivery plan would be completed and shared and if it include annual planting targets and sites, including the current tree planting season. The Cabinet Member for Climate Change and Environment explained that the delivery mechanism was being brought forward and it wasn't a target to plant 120k trees every year. In some years more trees would be planted than other years. The River Thames Scheme would look to plant thousands of trees at the site. Many sites have been identified for tree planting and partners would also be planting trees. Over 20,000 trees had been planted in Epsom last year and these were not included in the current tree planting figures.

148/20 PETITIONS [Item 4c]

There were no petitions.

149/20 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

150/20 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**No Wrong Door Task Group**

The report of the No Wrong Door Task Group was introduced by Lesley Steeds who explained that the task group supported the introduction of a no wrong door in Surrey and made nine recommendations relating to the development and implementation of the local service. The Cabinet Member for Children, Young People and Families was thanked for her response to the task group recommendations. The Cabinet response would be considered by the Select Committee on 14 December 2020.

Mr Jonathan Essex explained that he was a Member of the Corporate Parenting Board and queried if it was enough making changes in just two of our children's centres. He also queried why no looked after children and care leavers views were taken into account, although the report notes that this will be considered at implementation. Clarification was sought if the No Wrong Door could be implemented if the signs of safety policy had ended in Surrey.

The Cabinet Member for Children, Young People and Families thanked the task group for the work undertaken. The task group had drawn attention to a number of serious issues that required consideration. Concern was raised around Recommendation 1 and 2 and around accreditation. It was explained that using expertise from other authorities was supported by Ofsted and the model used by North Yorkshire was supported by Ofsted. It was explained that the Chairman of the task group supported the response from Cabinet to recommendations 1 and 2 and understood that the cost for the accreditation would be justified.

The Cabinet Member for Children, Young People and Families explained that the work done between the no wrong door and corporate parenting was very different. The no wrong door would be used for very short term interventions with teenagers and their parents so they can be reunited. These children would not come into care. It was further explained that although North Yorkshire used the signs of safety model and Surrey used family resilience, both of these were strengths based models of social work practice so there was not sufficient difference between these. With regards to Recommendation 8 of the task group report, as the task group met over the summer over a short space of time, there was limited opportunity to get young people involved. Going forward the user voice and participation team would be involved with the implementation of this work.

Mental Health Task Group

The report of the Mental Health Task Group was introduced by Nick Darby who explained that the report was presented to the Adults and Health Select Committee on 15 October. An investigation was undertaken from the bottom

up and effectively as the 'patient journey'. Several of the recommendations were highlighted by the Chairman. Significant improvements are required to mental health services and additional resources would be supported. The Cabinet Member for Adults and Health thanked the task group for the work undertaken and welcomed the recommendations, commending all involved. She went on to say that the work was incredibly helpful in terms of raising the profile of mental health and the awareness of the impacts across the system. It was explained that Surrey County Council and Surrey Heartlands ICS would be launching a mental health summit on 19 November to identify the actions needed to address the current challenges and to plan for the future.

The Cabinet Member for Children, Young People and Families welcomed the mental health summit explaining that there was lots more to do to align children's and adults mental health services. She added that £4.5M had been ring-fenced for children's mental health intervention work. The Deputy Cabinet Member for People added that transitions was vital in mental health services and also supported the summit in November.

RESOLVED:

That the No Wrong Door Task Group report and the Mental Health Task Group be noted. Cabinet responses to the task group recommendations were included in the supplementary agenda.

151/20 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 6]

There were five decisions to note. The Fostering Report & Statement of Purpose 2019/20 was introduced by the Cabinet Member for Children's, Young People and Families who explained that the report was very clear and explained the strides that had been taken in 2019/20 in terms of recruitment and delivering new models of support for foster carers. The Cabinet Member for All-Age Learning introduced the Consultation on Admission Arrangements for Community and Voluntary Controlled Schools for September 2022 explaining that this was a statutory consultation about proposed changes to admission arrangements for our community and voluntary control schools from September 2022. The Cabinet Member for Transport explained that the Guildford Quality Bus Corridor and Bus Lane Enhancement report was a commitment to bus operators to provide more reliable and punctual journey times and support with bus patronage. The final two decisions were in regards to the Committees in Common.

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.

152/20 CABINET MEMBER UPDATE [Item 7]

The report was introduced by the Cabinet Member for Children's, Young People and Families. The progress and achievements of the services were highlighted including the development of an extended and out of hours safeguarding service which was developed during the pandemic. The development of the outreach services provided by Surrey domestic abuse partnership had also continued during the crisis. Details were provided by the Cabinet Member on how the Corporate Parenting Strategy had been implemented which was agreed by Council in February. The Mockingbird Model had been expanded with a third hub being launched in August. £5.5M of Capital had been made available for children services to develop 2 new community children's homes which evidenced putting the child first. Children's Services had also been selected for one of the Surrey County Council corporate digital innovation projects. A further join up between services had been delivered through the L-SPA which was the learners single point of access which would integrate with the C-SPA. The new Director for Children's Services, Rachel Wardell would be joining the council in a month's time.

The Cabinet Member for All-Age Learning stated that the L-SPA had gone live as a single point of access. The L-SPA was being promoted to agencies and colleagues and has positively impacted the special needs service with 365 calls from 500 calls being resolved at first contact in the first month. The Cabinet Member for Corporate Support highlighted the work IT were doing with children's services especially around actively developing the digital roadmap. Work undertaken by children's services in the digital arena had been very comprehensive.

RESOLVED:

That the Cabinet Member update be noted.

153/20 COVID- 19 DELEGATED AND URGENT DECISIONS TAKEN [Item 8]

There were no delegated and urgent decisions to report.

154/20 ORGANISATION STRATEGY REFRESH [Item 9]

The report was introduced by the Leader who explained that the Vision 2030 had been widely consulted on and contributed to by partners and residents. Covid-19 meant re-looking at how we adjust services. Work undertaken through the community impact assessment has helped identify some longer term needs. The overarching ambitions of the vision remain true but the focus would be narrowed for the immediate term into 4 key areas which include: **Growing a sustainable economy so everyone can benefit, Tackling health inequality, Enabling a greener future and Empowering communities.** The strategy refresh would be considered by Full Council. The Leader expanded on the 4 key priorities in some more detail.

Mr Chris Botten was invited to speak on the item. Mr Botten paid tribute to colleagues who helped develop the strategy refresh stating that tackling health inequality would be challenging in the winter period. Mr Botten stated that he was proud to work for a committed organisation.

RESOLVED:

1. That the content of the refreshed Surrey County Council Organisation Strategy is approved and recommended onto the County Council for approval at its meeting on 8 December 2020.

Reason for Decision:

Through our experience in responding to the Covid-19 pandemic, our interaction with residents and partners, and analysis of the latest data, we are confident that the 2030 Vision remains the right destination for the county. While the broad ambitions outlined remain valid, the way we get there needs to change, and a sharper focus on a smaller group of priorities will enable us to more effectively prioritise our resources and activity.

We want to use the refreshed Organisation Strategy to reaffirm our commitment to ‘no one left behind’ in the county and make this the guiding principle underpinning all of our work. The strategy also sets out more clearly our commitments around equality, diversity and inclusion, including setting four new equality objectives.

Alongside the new priority objectives and guiding principle of ‘no one left behind’, we will continue to deliver the activities and services that contribute towards the ten outcomes set out in the 2030 Vision. The impact of Covid-19 continues to be felt by our communities and this is likely to continue into the future. The activities outlined in the ‘We Will’ statements in the strategy reflect not only our contribution to the 2030 Vision, but also how we will support the county in its recovery from the effects of the pandemic.

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

155/20 DELIVERY OF CARE LEAVERS ACCOMMODATION, A LIBRARY AND FAMILY CENTRE IN CATERHAM HILL [Item 10]

The report was introduced by the Cabinet Member for Resources who explained that the report requested £5.6M of capital to be brought forward from the pipeline budget for the proposed scheme into this current financial year. An existing county freehold property would be used to co-locate a library, accommodation for care leavers and a family centre. The approval of the transfer details scheme and the usual planning process will take place with Tandridge Borough Council.

Mr Chris Botten welcomed the proposals stating that the division he represents would welcome care leavers. The proposals would be strongly supported. Mr Botten stated that he was not consulted on the proposals as the report states. The parish council were also unaware of the proposals. Mr Botten offered his support when liaising with the parish council and borough council going forward.

The Cabinet Member for All-Age Learning stated that the proposals underpin our commitment to improving the library provision in the communities that they currently serve. The current building requires significant maintenance work so this scheme brings forward opportunities earlier than expected. Co-location of services was at the heart of these proposals and will help bring the

community together. The Deputy Cabinet Member to the Leader apologised Mr Botten was not consulted explaining that a lot of consultation work on the new library delivery had not started and would start later this year into 2021. The project would be exciting and would build a legacy over the years to come and would be an exemplar for the rest of the county.

RESOLVED:

1. That the transfer of £5.6m (excluding VAT) from the pipeline budget for the proposed scheme; redevelopment of the existing library site to provide accommodation for care leavers, a library and Family Centre is approved.
2. That delegated authority be given to the Director of Land and Property and the Cabinet Member for Resources for awarding the contract to redevelop the site which includes construction works.

Reason for Decision:

The proposal will provide a new community facility with excellent facilities which will make a positive difference to the lives of local residents and help to regenerate this area of Caterham. When completed, this scheme will provide a well-designed, sustainable building for a range of users.

The proposed scheme offers an opportunity to build on an existing SCC freehold asset.

The proposals would distinctly enhance the quality of accommodation for care leavers.

This will provide for the delivery of a fit for purpose accommodation for community provisions, namely, a library and Family Centre.

[The decisions on this item can be called in by the Resources and Performance Select Committee and/ or the Children's, Families, Lifelong Learning and Culture Select Committee]

**156/20 ADULT SOCIAL CARE HOME BASED CARE RECOMMISSIONING
OCTOBER 2021 [Item 11]**

The report was introduced by the Cabinet Member for Adults and Public Health who explained that it was a statutory requirement of the Care Act 2014 for the council to provide a Home Based Care service to vulnerable adults in Surrey. Home Based Care services enable and support people to remain independent and living in their own homes for longer and involves a range of social support services for all user groups. The current contracting arrangements agreed by Cabinet in February 2017 end on 30 September 2021. A new contract needs to be in place with selected providers effective from the 1 October 2021. The Deputy Cabinet Member for Place commended the report and work being done to ensure Surrey residents who require support at home continue to receive this high level of care. This report was a great example of integrated work between Surrey County Council and health colleagues.

RESOLVED:

1. That the commissioning and procurement strategy as set out in the paper is agreed.
2. That the proposal to procure the proposed tender and service specification for Home Based Care services which will be issued in January 2021 be approved with the contracts being awarded in June 2021 with a start date of the 1st of October 2021 to allow for a period of contract mobilisation.
3. The continuation of joint arrangements to purchase services with the NHS in Surrey be approved.
4. It was agreed that there should be limited service interruption to residents receiving a home based care service package. If a provider does not form part of the new contract arrangements from October 2021, they can continue to support any existing residents with home based care until the package ends or there is a suitable change point for the provision of care.

Reason for Decision:

The current contract is set to end in September 2021. It is necessary to release the tender opportunity to the care provider market in January 2021, in order to allow for a thorough review and evaluation of the responses received and for an appropriate mobilisation period of up to 3 months between June and September 2021. This provides an adequate timeframe to facilitate robust procurement and implementation.

Providers will be bidding to join the new Dynamic Purchasing System (DPS).

Cabinet approval is being sought alongside approval from Surrey Heartlands Clinical Commissioning Group (who hosts Continuing Healthcare on behalf of the three Surrey CCGs) to continue the joint arrangements for the operation of the approved provider DPS with the NHS.

The existing procurement and framework have proved successful and the options appraisal for the re-commissioning of the service in 2021 indicates that this remains the preferred approach. The re-commissioning will see changes to the contracting terms and business rules driving further improvement and enhancement to the current arrangement.

It is envisaged that there will be no interruption of services for residents receiving home based care provision at the point where new contracting arrangements commence. There will be no requirement for a provider to cease providing support to existing residents if they are not continuing to provide further support under the new contracting arrangements.

[The decisions on this item can be called in by the Adults and Health Select Committee]

157/20 DECISION ON THE ROUTE TO MARKET FOR TWO EXTRA CARE HOUSING SCHEMES [Item 12]

The report was introduced by the Cabinet Member for Adults and Public Health introduced the report explaining that a paper was presented to Cabinet in July 2019 setting out Adult Social Care's (ASC) Accommodation with Care and Support Strategy for delivering Extra Care Housing for older persons and Independent Living schemes for adults with a learning disability and/or autism. This paper sets out Surrey County Council's proposed route to market for two sites proposed for Extra Care Housing on the Lakeside and Salisbury Road sites owned by the Council. This would support the council's strategy to deliver accommodation with care and support in line with the council's 2030 vision. These sites would provide 136 affordable extra care units which would help us stay on target to deliver our ambitions.

The Cabinet Member for Resources supported the report and also supported the option in the report for the council to undertake the development on its own if required. The Cabinet Member for Corporate Support stated that the report was very comprehensive and fully supported the recommendations.

RESOLVED:

1. That the development of Extra Care Housing on the Lakeside and Salisbury Road sites owned by the Council set out in the paper be approved.
2. That the Extra Care Housing schemes are approved and developed on these sites on the basis that the Council has 100% nomination rights for all of the units. This will mean that all of the units will be available to support people with Adult Social Care needs for whom the Council has a responsibility to commission care and support services to meet their eligible needs.
3. That the following delivery models for the development of Extra Care Housing on Lakeside, Frimley, Surrey Heath and Salisbury Road, Epsom, Epsom and Ewell sites be approved:
 - a. External delivery through the tender for strategic development and housing management partner(s) as the preferred option.
 - b. In-house delivery whereby the Council would manage and fully fund the costs of the developments if the tender for strategic development and housing management partner(s) is not successful.
4. That grants approval to procure in order to enable a full tender process to identify an Extra Care Housing development and housing management strategic partner(s) for the Lakeside, and Salisbury Road sites as set out in this paper be approved.
5. That in the event of in-house delivery, decisions be delegated for:
 - a. the award of contract to a building contractor,
 - b. final agreement on tenure and lease arrangements,
 - c. agreements with the housing management partner,

Collectively to the Executive Director for Resources in consultation with the Cabinet Member for Resources and Executive Director for Adult Social Care in consultation with Cabinet Member for Adult Social Care.

Reason for Decision:

The development of Extra Care Housing on the two sites set out in this paper will represent a substantial contribution towards the Council's strategic objective to expand affordable Extra Care Housing provision by 2030.

Tendering for strategic development and housing management partner(s) to take forwards the development of Extra Care Housing on the Lakeside and Salisbury Road sites is consistent with previous decisions made by Cabinet. In October 2019 and July 2020 Cabinet agreed to identify a strategic partner(s) for the development and housing management of Extra Care Housing at the former Pond Meadow School, the former Brockhurst Care Home and the former Pinehurst Resource Centre sites through a tender process.

This is consistent with our ASC vision for development of Extra Care Housing, which has been clearly communicated through market and stakeholder engagement.

A tender was published in the Summer 2020 for an Extra Care Housing development and housing management strategic partner at the former Pond Meadow School site. This process provides the Council with learning and a template to inform any future tenders for further Extra Care Housing schemes.

By approving both delivery models for Extra Care Housing on the Lakeside, and Salisbury Road sites, in the event that the tender is not successful, the in-house delivery option can be employed. This will minimise delay in delivering Extra Care Housing at these sites.

[The decisions on this item can be called in by the Adults and Health Select Committee]

158/20 CATERHAM ON THE HILL AND OLD COULSDON FLOOD ALLEVIATION SCHEME [Item 13]

The report was introduced by the Cabinet Member for Environment and Climate Change who explained that this scheme was part of the wider Surrey Flood Alleviation Scheme to reduce flood risk to 205 properties within the catchment currently at risk. The total scheme cost is £1.95M with a Surrey County Council contribution of up to £14K. The majority of funding will be provided by the Environment Agency defence grant in aid and the River Thames Regional Flood and Coastal Committee.

Mr Chris Botten welcomed the report and stated that he was well consulted on the proposals in the report. He went onto explain that events of June 2016 were life changing for many residents and that the proposals in the paper would improve quality of life for many. The Leader confirmed that over £30M had been put into schemes across Surrey and hundreds of millions would be

put into the River Thames Flood Alleviation Scheme with the Environment Agency.

RESOLVED:

1. That the addition of the Caterham on the Hill and Old Coulsdon Flood Alleviation Scheme to the Capital Programme is approved through external funding subject to the approval of the Outline Business Case by the Environment Agency.
2. That the approval of any changes to the Outline Business Case is delegated to the Director for Highways and Transport and Strategic Finance Business Partner in consultation with the Cabinet Member for Environment and Climate Change.
3. That the procurement of the works through the Environment Agency Property Flood Resilience Framework is approved as the scheme was not included in the 2020/21 Annual Procurement Forward Plan approved by Cabinet in January 2020.
4. That the development of the wider flood mitigation measures in the catchment is supported and decisions on individual schemes as they come forward are delegated to the Director for Highways and Transport and Strategic Finance Business Partner in consultation with the Cabinet Member for Environment and Climate Change.

Reason for Decision:

The Caterham on the Hill and Old Coulsdon Flood Alleviation Scheme will reduce the impacts of flooding to 205 properties within the catchment currently at risk.

Recent flooding in the area has caused significant disruption to the area and damage to infrastructure and properties. The long term impacts on residents' lives cannot be underestimated, and these proposals will offer protection and some comfort to those living with the threat of flooding to their homes.

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

159/20 SURREY COUNTY COUNCIL RESILIENCE PLANNING FOR WINTER 2020/21 [Item 14]

The report was introduced by the Cabinet Member for Communities. The report details the important and ongoing work of Surrey County Council and services, demonstrating the agility of our resilience to support the organisation and plan resilience of our services. The report covers the imminent end of the EU exit transition period, and the normal seasonal health and non-health related pressures. The report gave assurances around structures and important relationships and processes in place to manage challenging periods. It was added that a 6 week PPE buffer was in place.

With regards to highways, the Cabinet Member for Transport explained that work was being undertaken to ensure freight and traffic was not negatively impacted as part of the EU transition period especially to the east of Surrey. Winter contingency was being developed and the county was well stocked with grit and salt. The Cabinet Member for Adults and Public Health felt the county was well prepared for the winter period and key challenges. Key

challenges the Cabinet Member was focused on included development of the PPE supply chain.

The Cabinet Member for All-Age Learning stated that through the Local Resilience Forum, we had very quickly responded to the gap where children in receipt of free school meals may not receive that provision in school holidays. Working with district and boroughs a long term plan would be established to ensure food is available through food banks or other local arrangements. The Leader stated that people who required support should look on the County Councils website for contact details.

RESOLVED:

1. That the work being undertaken by services across the Council with partners to ensure the business continuity of the services provided to residents and communities across the county be noted.

Reason for Decision:

The Council and partners across Surrey face a challenging period over the Autumn and Winter period 2020/21, and the risks and threats facing the authority require services to ensure that they have planned for potential disruption. This kind of organisational resilience requires a robust understanding of the likely threats and risks, but also effective and tested business continuity plans that aim to minimise the negative impacts of such disruption to services on residents and customers served. In addition, it is vital that the Council has effective cross-Council arrangements in place to support an effective response when an incident arises.

As a local authority providing critical services to communities, Surrey County Council has a responsibility to prepare for such threats to business continuity, as well as in its capacity as a Category 1 responder under the Civil Contingencies Act 2004 to contribute to multi-agency planning and response.

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

160/20 SURREY SAFEGUARDING ADULTS ANNUAL REPORT 2019-2020 [Item 15]

The Cabinet Member for Adults and Public Health explained that the Surrey Safeguarding Adults Board (SSAB) was a statutory multi-agency Board with responsibilities set out in the Care Act 2014. The Board were commended on the improved formatting and presentation of data in the annual report. The report highlights the responsiveness of agencies in Surrey in terms of keeping safeguarding adults at the forefront of all that we do. The Independent Chair of the SSAB, Simon Turpitt introduced the report stating that he hoped everyone enjoyed the new format of the report. He explained that there had been some positive impacts from Covid-19 including partners better working together. The past year had seen an increase in referrals and there has been improved quality in Section 42 arrangements. The Independent Chair made a plea that everyone try and get involved in national safeguarding week which takes place week commencing 22 November 2020.

The Cabinet Member for Children, Young People and Families reiterated the importance of considering the child at every point of contact when an adult with safeguarding concerns is being reviewed. The Independent Chair stated the importance of both children's and adults services recognising vulnerabilities and communicating these with partners.

RESOLVED:

1. That the Surrey Safeguarding Adults Annual Report for 2019/2020 be noted.

Reason for Decision:

This recommendation demonstrates that the Council is fulfilling its statutory requirement under the Care Act 2014 in having established a Safeguarding Adults Board in its area.

It will support the SSAB to be transparent by providing information to the public on the performance of the Board and its strategic plan.

[The decisions on this item can be called in by the Adults and Health Select Committee]

161/20 SURREY WASTE LOCAL PLAN: ADOPTION [Item 16]

The Cabinet Member for Environment and Climate Change introduced the report explaining that the Waste Plan was nearing the end following an examination in public in September 2019. The Inspector who examined the Plan found the Plan sound and legally compliant, so the Council is now able to adopt the Plan. Waste planning is rarely popular and certain communities will be unhappy with the Plan but the County Council has a statutory duty to produce local plans for mineral and waste in order to ensure sufficient capacity. The Waste Plan is 12 years old and is out of date. Trumps Farm under the new Plan will solely be used to facilitate the development of a household waste materials dry recovery facility and not a gasifier. Weylands was reviewed by the Inspector and it was concluded that the site should still be included in the Plan. Routing to the site would be controlled.

The Cabinet Member for Resources welcomed the assurances made that the Waste and Mineral Plan refresh will take place and will consolidate the two Plans and appropriate site selections will be reviewed.

RESOLVED:

1. That the report of the Inspector who examined the Surrey Waste Local Plan as set out in Annex 1 be noted.
2. That Council adopts the Surrey Waste Local Plan, including the Policies Map, as set out in Annexes 2 and 3, at its meeting on 8 December 2020.
3. That the publication be approved alongside the adopted Surrey Waste Local Plan the required post-adoption environmental statement, as set out in Annex 4.

Reason for Decision:

The Surrey Waste Local Plan contains updated planning policy affecting the management of waste in Surrey and, with modifications, has been found sound and legally compliant following examination by an independent Planning Inspector. Council's adoption of the Surrey Waste Local Plan (as modified) will mean that it forms part of the formal Development Plan for Surrey and will be used when making decisions on planning applications for related development in Surrey.

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

162/20 STREET LIGHTING PFI CONTRACT - REFINANCING [Item 17]

The Cabinet Member for Transport updated the Cabinet on the current contract in place with Surrey Lighting Services. Despite Covid-19 initial analysis was carried out by the provider to check if there was any gain by refinancing the project debt. The service provider undertook a desktop assessment and it indicated there was significant net gain from refinancing with the council receiving a substantial return. Engagement was undertaken with potential lenders and formal commencement of refinancing was agreed. There would be no more than 10% value difference in the council share of the refinancing gain. Best value for the tax payer was being achieved through this refinancing.

RESOLVED:

1. That the application of the contract mechanism to refinance the Street Lighting contract which will result in a saving to the Council in the amount it pays for these services either as an annual cost reduction, a one-off saving or a combination of both be approved in principle.
2. That the final decision be delegated to the Executive Director for Environment, Transport and Infrastructure (ETI) and the Executive Director for Resources, in consultation with Cabinet Member for Transport and Cabinet Member for Resources.

Reason for Decision:

The principal of refinancing the street lighting PFI contract has been explored a few times over the past 10 years and until now any financial benefit from doing so has been outweighed by the costs associated with the refinancing itself. Despite the latest review having been conducted in the months since Covid-19 has impacted the Country, the refinancing gain available has improved significantly.

The balance of the financial return from refinancing is assessed to outweigh any amended/increased risk to the Council.

If the Council were not to proceed with the refinancing exercise, it would be paying more for the service than it needed to and so would not be securing Best Value.

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

163/20 SURREY ECONOMIC STRATEGY 2030 UPDATE [Item 18]

The Leader explained that the full strategy would be presented to Cabinet in December. The Economic Commission was set up in 2019 and comprised of a number of business people, chaired by Lord Hammond. The Commission looked at ways to grow the Surrey economy. There are other significant factors the county needs to be cognisant of including the exit from the EU, climate change and the impact of digitalisation. The Commission made a number of recommendations. The government would be pushed for a growth deal which would require a county wide approach.

RESOLVED:

1. That the progress taken on the development of the Surrey 2030 Economic Strategy and the proposed process of engagement and approval be noted.
2. That the final strategy be presented to Cabinet in December 2020.

Reason for Decision:

Cabinet is receiving this update to ensure that the process of engaging and consulting on the 2030 Economic Strategy is inclusive and that Members are aware of the wider context and emerging themes; this will give all stakeholders the opportunity to contribute to the Strategy in advance of it being presented for approval in December 2020.

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

164/20 BROADWATER SECONDARY SCHOOL, GODALMING, SURREY [Item 19]

The Report was introduced by the Cabinet Member for All-Age Learning who explained the school would expand from 4 forms of entry and 120 Published Admission Number per year (600 places overall) to 5 forms of entry and 150 Published Admission Number per year (750 places overall) to help meet the demand for 150 additional secondary places in Waverley from September 2021. The local Member, Penny Rivers was consulted on proposals and is happy with proposals. The school had been rated as good by Ofsted in 2019 and officers are confident the school can take additional pupils. There are no proposals to amend the admission criteria for the school.

RESOLVED:

1. That subject to the approval of the detailed financial information as set out in the Part 2 report, the business case for the expansion of Broadwater School, creating an additional 150 school places be approved.

Reason for Decision:

The proposal supports the Authority's statutory obligation to provide sufficient school places relative to demand.

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

165/20 PRUDENTIAL RIDE LONDON-SURREY [Item 20]

The Cabinet Member for Communities provided details of the Prudential Ride London Surrey (PRLS) cycling events which were conceived as an Olympic Legacy and have taken place in Surrey annually since August 2013. The main 100-mile event route is based upon the route for the 2012 Olympic cycling road race events. The event requires a number of road closures and for 2021 event organisers are planning a shorter event which would focus on women and families. A consultation was undertaken on the future of the event beyond 2021 and there was a marginal majority of 53% in favour of the event. Lengthy discussions took place with event organisers around financial contributions towards a cycle scheme for pupils but this was not successful. The council would therefore focus on smaller events working alongside Active Surrey and with active travel proposals.

The Cabinet Member for All-Age Learning stated that the race impacted her division and that residents had strong feelings on both sides of the argument. Cycling pelotons throughout the year caused disruption to residents and residents felt that they have done their fair share of hosting the event. Cycling events could and would be organised locally. The Cabinet Member for Transport stated his disappointment that the organisers of the event did not want to support with the funding of Bikeability. The County Council would therefore fund the scheme themselves.

The Leader explained that he had ridden the race three times but recognition of the disruption caused needed to be taken seriously. The Council would be open to further conversations with organisers but financial benefits needed to be taken seriously.

RESOLVED:

1. That Surrey County Council continues to work with the event organiser to maximise the benefits to Surrey and mitigate any potential negative impacts of the shorter sportive/inspiration ride event scheduled for May 2021 (subject to the implications of the COVID pandemic and any associated restrictions).
2. That Surrey County Council does not continue to host the original 100 mile-event closed road event in Surrey after 2021 but that the council will remain open-minded to and explore opportunities for smaller, less disruptive events (subject to the COVID pandemic and any associated restrictions) that might inspire cycling for everyday journeys, rather than events focussed primarily on sports cycling.

Reason for Decision:

There are reasonable arguments in favour of continuing to support the 100-mile closed road event such as inspiring more cycling, generating grants for sporting and recreation organisations in Surrey and raising money for national charities. However, these benefits are set against the strong concerns from many Surrey residents over the disruption and negative impact on local businesses and services from the event, and concerns over anti-social behaviour of a small minority of sports cyclists.

With these finely balanced arguments in mind, a better deal for Surrey residents was sought from the event organisers to ensure that the negative impacts of the event on local communities was sufficiently outweighed by the benefits to the wider community. These efforts were led by the Leader, Cabinet Member and relevant senior officers, and specifically sought a financial contribution to provide thousands more children with cycle training across Surrey's schools, but regrettably this commitment was not forthcoming from London Marathon Events.

However, there are smaller events that could be hosted in the county that are less disruptive events and would build on the County Council's existing services to inspire and enable more people to cycle for everyday journeys. This approach would more closely align with the Council's corporate objectives, compared with longer events focused primarily on sports cycling.

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

166/20 2020/21 MONTH 5 (AUGUST) FINANCIAL REPORT [Item 21]

The Cabinet Member for Resources explained that at August 2020 (M5) the Council is forecasting a deficit of £9.0m, against a budget of £1,019.7m. The main factors being £12.1m through continuing pressures in the Children, Families and Lifelong Learning Directorate. There was also a £3.1m variance in waste. These variances had been offset through £4.7m of increased grant income received and more favourable outlooks for the year by adult social care and central income and expenditure. He reiterated that work is being undertaken to pursue every opportunity to ensure that the year ends with a balanced budget without the use of reserves. The Cabinet were asked to note the establishment of an early years recovery fund. The Executive Director for Resources, Leigh Whitehouse was congratulated on winning CIPFA finance leader of the year. The finance team were highly commended. The Cabinet commended the service on their hard work and dedication.

RESOLVED:

1. That the Council's forecast revenue and capital budget positions for the year be noted.
2. That the establishment of an Early Years recovery fund to support providers' financial sustainability, included within the current forecast be approved.

3. That the reset to the 2020/21 capital budget including accelerated delivery of £6m of Highways Maintenance be approved.

Reason for Decision:

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

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

167/20 EXCLUSION OF THE PUBLIC [Item 22]

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.

168/20 DECISION ON THE ROUTE TO MARKET FOR TWO EXTRA CARE HOUSING SCHEMES [Item 23]

The Cabinet Member for Adults and Health introduced a Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED:

1. It be noted that the financial modelling set out in this paper and associated annexes demonstrates that the development of Extra Care Housing on the sites in question is expected to generate financial benefits for the Council in addition to representing an important contribution to the Council's strategic aim to develop an additional 725 affordable units of Extra Care Housing in Surrey by 2028.
2. That capital investment in the development of Extra Care Housing on the sites out of the [Exempt Minutes E-17-20] pipeline funding already approved in the Council's Medium Term Financial Strategy (MTFS) be approved for this programme as follows:
 - a) Up to [Exempt Minutes E-17-20] for Lakeside and [Exempt Minutes E-17-20] for Salisbury Road if contributions towards developments costs are required by the Council as part of a tender for development and strategic housing management partner(s), which is the recommended delivery approach.
 - b) Up to [Exempt Minutes E-17-20] for Lakeside and [Exempt Minutes E-17-20] for Salisbury Road if the tender for development and strategic housing management partner(s) is not successful, meaning that the development of Extra Care Housing is instead managed in house and fully funded by the Council.

Reason for decision:

This paper sets out the financial case underpinning the development of Extra Care Housing on the sites in question.

Cabinet is asked to approve the potential capital investment required for both of the two delivery approaches set out in the Part 1 paper – external delivery through a tender for development and strategic housing management partner(s) and in-house delivery whereby the Council would manage and fully fund the costs of development.

As set out further in this paper, external delivery through a tender is recommended as the desired delivery approach as it is modelled to achieve a greater financial return over the initial 40 year estimated life of the assets. The aim will be to avoid or limit as far as possible any capital investment by the Council. Capital investment will only be considered if the winning bidder in the tender for each site requires it as part of their tendered proposal for the development of Extra Care Housing at a site. The level of capital investment Cabinet which is being asked to be approved here has been capped at the estimate existing use value of each site. This means that the modelled financial benefits of developing Extra Care Housing on each site would be no less than the opportunity cost of selling the land. If a higher level of capital investment is required for either site following the outcome of the tender, then the Extra Care project team will consider whether this is financially viable and acceptable to the Council. A further report would then be brought back to Cabinet if appropriate to request approval for additional capital investment above the levels set out in recommendation 2a above.

If the tender for development and strategic housing management partner(s) is not successful, then Cabinet is asked to approve capital investment to cover the estimated full costs of development. As set out in this paper, although in-house delivery is not modelled to fully repay the capital outlay over a 40 year period, it is expected to generate care package savings and to achieve a financial return beyond the initial 40 year life of the assets. The development of Extra Care Housing would increase the land value of the sites, create an asset for the provision of Extra Care Housing, as well as making an important contribution to reaching the Council's strategic ambition. Furthermore, if in-house delivery did become the only viable option, then the Council would re-explore the possibility of securing some form of funding or investment by other public bodies such as Homes England in the sites. This could reduce the scale of capital investment required by the Council and in doing so increase the Council's net financial return.

If Cabinet approves the capital investment requested for the two sites in this paper, then capital funding within the limits approved will be moved from the Council's capital pipeline to the Council's capital budget as required based on the outcome of the tender for strategic housing management partner(s) or if necessary to fund the full cost of developments if in-house delivery becomes the only viable option.

[The decisions on this item can be called in by the Adults and Health Select Committee]

169/20 STREET LIGHTING PFI CONTRACT - REFINANCING [Item 24]

The Cabinet Member for Transport introduced a Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED:

1. That the application of the contract mechanism to refinance the Street Lighting contract which will result in a saving to the Council in the amount it pays for these services as an annual cost reduction of approximately [Exempt Minutes E-18-20] and a one-off upfront payment of approximately [Exempt Minutes E-18-20] payable upon completion of the Refinancing which is expected to be completed in November 2020 be approved in principle.
2. That completion of the negotiation and execution of the final details of the Refinancing including a Deed of Variation be delegated to the Executive Director for Environment, Transport and Infrastructure (ETI) and the Executive Director for Resources, in consultation with the Cabinet Member for Transport and Cabinet Member for Resources in line with the tolerance set out in paragraph 28.

Reason for decision:

See Minute 162/20.

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

170/20 BROADWATER SECONDARY SCHOOL, GODALMING, SURREY [Item 25]

The Cabinet Member for All-Age Learning introduced a Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED:

1. That the business case for the project to expand Broadwater School by 150 places, at a total cost to Surrey County Council of [Exempt Minutes E-19-20] be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Director of Land & Property in consultation with the Cabinet Member for All Age Learning, the Cabinet Member for Finance and the Leader of the Council be approved.
3. That the award of contract for works be delegated to the Director of Land & Property in consultation with the Leader of the Council, Cabinet Member for All Age Learning, Procurement Partner (Infrastructure and

City) Strategic Procurement Team and Section 151 Officer when a competitive tender is procured through the new Orbis Construction Framework.

Reason for decision:

See Minute 164/20.

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

171/20 PUBLICITY FOR PART 2 ITEMS [Item 26]

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

Meeting closed at 17:00

Chairman

SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2020****REPORT OF: N/A****LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE****SUBJECT: LEADER/DEPUTY LEADER/CABINET MEMBER/ STRATEGIC INVESTMENT BOARD AND COMMITTEE-IN-COMMON DECISIONS TAKEN SINCE THE LAST CABINET MEETING****SUMMARY OF ISSUE:**

To note the delegated decisions taken since the last meeting of the Cabinet.

RECOMMENDATIONS:

It is recommended that the Cabinet note the decisions taken by Cabinet Members since the last meeting as set out in Annex 1.

REASON FOR RECOMMENDATIONS:

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

DETAILS:

1. The Leader has delegated responsibility for certain executive functions to the Deputy Leader and individual Cabinet Members, and reserved some functions to himself. These are set out in Table 2 in the Council's Scheme of Delegation.
2. The Leader has also delegated authority to the Strategic Investment Board to approve property investment acquisitions, property investment management expenditure, property investment disposals and the provision of finance to its wholly owned property company, Halsey Garton Property Ltd.
3. Delegated decisions are scheduled to be taken on a monthly basis and will be reported to the next available Cabinet meeting for information.
4. **Annex 1** lists the details of decisions taken since the last Cabinet meeting.

Contact Officer:

Huma Younis, Committee Manager, huma.younis@surreycc.gov.uk

Annexes:

Annex 1 – Delegated Decisions taken

Sources/background papers:

None

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STRATEGIC INVESTMENT BOARD
20 October 2020

1. HALSEY GARTON RESIDENTIAL LTD - TRANSFER OF PROPERTIES

The Board considered a report which contained information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

Details of decision:

The following recommendations were agreed:

1. That approval is given for the transfer of property to HGR by the end of December 2020 subject to all legal due diligence and loan agreements being in place, for a value of between [Exempt Minute E-16-20], for a number of properties between [Exempt Minute E-16-20].
2. That approval is given for a loan of [Exempt Minute E-16-20] of working capital from SCC to HGR.
3. That Residential Managing agents have already been appointed to manage the former SWT portfolio after a tender process and that the same Managing Agent be appointed to manage this portfolio.

Reasons for decision:

The business case sets out a sound financial basis for undertaking the transfer of [Exempt Minute E-16-20], Residential Units from SCC to HGR. SCC are undertaking the major refurbishment works currently required which limits the exposure of the Company to unforeseen capital expenditure risk.

SCC is also providing by way of the legal contracts, an indemnity for the Company that in the event of unforeseen circumstances, or other such statutory events, those costs or ramifications arising from any such action against the company are underwritten.

SCC has provided RCL's for a significant period of years, against internal legal advice that the structure of RCL's in an unknown legal quantum.

The RCL letting and management process is a significant administrative burden on SCC and transferring to HGR will allow standard Assured Shorthold Tenancies to be entered into thus streamlining and reducing administrative and legal processes.

By SCC disposing of the RCL stock to HGR it will enable SCC to refocus key staff on core statutory Land and Property functions whilst maximising the income potential from the RCL portfolio via HGR.

CABINET MEMBER DECISIONS
10 November 2020

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LEADER DECISION

1. Statutory Notices to Create a New School Amalgamating Christ Church C of E Infant School and Englefield Green Infant School and Nurseries

Details of decision

1. That the Leader of the Council determined the statutory notices.
2. That work commences to close the existing infant schools on 31 August 2021 and open the new school on 1 September 2021.

Reason for decision

Both Christ Church C of E Infant School and Englefield Green Infant School and Nurseries have experienced a decline in admissions in recent years. This has meant there has been a surplus of places and the school budget has reduced as school budgets are based on the number of pupils on roll, in the schools. Forecasts are showing that whilst pupil numbers are expected to increase in more urban parts of Runnymede, they are not expected to increase in Virginia Water and Englefield Green.

The new infant school would work closely with the local junior school, St Jude's C of E Junior School, with potential for a more formal partnership in the future.

The three schools share similar values and educational expectations, having worked closely for a number of years as part of a wider informal collaborative partnership of Church of England schools and schools affiliated with the diocese. Each school is rated 'Good' by Ofsted. By amalgamating the two infant schools, opportunities for further joint working with St Jude's Junior School are offered in a more cost effective and strategic manner than at present with two separate infant schools. This will, in turn, make the school more sustainable in the long-term.

The educational vision of the new school is to build an outstanding school that meets the needs of children aged two to seven years in the community it serves.

This proposal is supported by the governors of Englefield Green Infant School and Nurseries, Christ Church C of E Infant School and St Jude's C of E Junior School. The result of the amalgamation and continued collaboration with St Jude's will be that there will be provision for 60 places for children in newly amalgamated infant school in Englefield Green from reception to year two matching the Published Admission Number (PAN) of 60 year 3 places at St Jude's Junior School.

(Decision taken by the Leader of the Council – 10 November 2020)

CABINET MEMBER UPDATE

NAME: Julie Iles

PORTFOLIO: All-Age Learning

Special Education Needs and Disabilities Capital Investment to delivers specialist places closer to home

The SEND Capital Programme is progressing well and in line with planning and procurement timescales. The remaining Phase 1 projects for the expansion of maintained special schools from September 2021, approved by Cabinet on 24 September 2019, are in the final stages of planning or have contractors appointed. These Capital projects will deliver the remaining 108 places of the total approved for the first phase of the programme. The second phase of the programme was approved by Cabinet on 29 September 2020. These six projects will create 213 additional places across Surrey's SEND estate to bring more children and young people with complex needs closer to home, as well as reducing the reliance on out of county and non-maintained independent schools. Site visits are well underway and Headteachers at all these schools have confirmed that they are happy to continue with on-site engagement to progress feasibility, despite the new national lockdown. Surrey County Council's operational services, schools and appointed contractors continue to adhere to stringent social distancing protocols, so we are not anticipating delays resulting from Covid-19 at this point.

Return to School

Since September most schools and settings in Surrey have been fully open, however in the lead up to half term there were increased numbers of confirmed Coronavirus cases. Most of the schools affected remained open, with a small number closing for between one and three days. School leaders are being assisted by the Department for Education, Health Protection teams and Surrey County Council Officers in Education and Public Health. The School Relationship Service has continued to assist school leaders with weekly emails containing updated local advice and guidance. Schools, education teams and social workers have worked in partnership to engage in conversations with parents in order to allay any anxiety and promote school attendance where safe to do so. Schools have put in place protective measures including additional cleaning, increased ventilation, creation of bubbles, social distancing where practicable and the use of face coverings, where appropriate. Her Majesty's Inspectorate's Health and Safety Executive is continuing to conduct spot-checks with schools nationally and in Surrey to ensure protective measures are in place to protect school communities.

Pupil Referral Unit (PRU) Capital Investment

Pupil Referral Units deliver alternative provision (AP), which is education arranged by local authorities for pupils who, because of exclusion, illness or for other reasons, would not otherwise receive suitable education. Alternative provision education can also be arranged by schools for pupils on a fixed period exclusion or as off-site provision to improve their behaviour. Work to complete the urgent remedial work across the twelve Surrey PRU sites started in October 2020 and is due for completion by the end of November 2020. Site visits have been completed with all the PRU Headteachers. Appointed contractors are now in the process of carrying out the planned maintenance work to ensure the settings are brought up to standard and are fully functional for learners and staff. A PRU and Alternative Provision User survey went live on the consultation hub, 'Surrey Says' in mid-October 2020 and the results of this and other stakeholder engagement will help to determine the next planning stage for the PRU Capital Programme and wider Alternative Provision Strategy. Both consultations have been extended with a revised close date of Tuesday 17 November 2020.

Alternative Provision (AP) Strategy

Wherever possible, all children should be able to attend school within their home communities, alongside their peers. If Alternative Provision is required, the standard of education provided must be comparable to that of regular schooling and must enable children to achieve

everything they would have accessed at school, i.e. there must be absolutely no disadvantage for a child in attending Alternative Provision. In Surrey, a range of Alternative Provision is used, stretching from Outreach activity through to full-time Pupil Referral Units. The per pupil cost in Surrey exceeds £20,000 which is above the Department for Education estimates and the cost per pupil can be reduced by bringing together a revised delivery model underpinned by the capital investment in the PRU estate. Following a full review of Alternative Provision, a Strategy and Operating Model is now being developed and a first draft will be available by the end of December 2020. This is being co-produced with school leaders and wider system-partners to ensure the step-change necessary to achieve the best possible outcomes for young people who access Alternative Provision. All the leads of the primary, secondary and special school phase councils and headteachers of Pupil Referral Units have provided input as well as Headteachers across the county. Importantly, the views of children and young people are being gathered through a direct survey and targeted interviews with young people through the Surrey User Voice Participation Networks. The principle underpinning the Strategy is to provide, wherever possible, local in-school solutions so that learners can remain in their mainstream settings, closer to home, with minimal disruption to their education.

Launch of the Learners' Single Point of Access (L-SPA)

The Learners' Single Point of Access (L-SPA) was launched in July 2020, with the establishment of a joint team of SCC Contact Centre staff, a new Triage Team and a Multi-Disciplinary Team; The L-SPA team works together to ensure a more personal and timely approach to support families and professionals, where there is a concern about the development or learning needs of a child. Since the service was established, the L-SPA has received 2782 calls (to 30 October). While many calls were direct enquiries to case officers, the L-SPA also dealt with calls related to SEND transport, Education, Health and Care Plan (EHCP) enquiries, the SEND admissions process and moving to/from the area. In a typical week, 65% of calls are from parents/carers and 32% from education providers and professionals. Most calls are resolved at the first point of contact by the Contact Centre. For more complex queries, for instance, children with multiple and complex needs, these are followed up quickly by the Multi-disciplinary team to provide support and guidance to either professionals or families to find solutions for the child or young person.

Update on Special Educational Needs and Disabilities (SEND) Provision and the L-SPA

From 5 October, all requests for an Education, Health and Care needs assessment are being reviewed through the L-SPA. We have also developed a 'Request for Support' pathway, where professionals can request support for a child or young person without the need for a statutory plan. With all requests coming through the L-SPA, we are working on tracking and monitoring these comprehensively which will enable better analysis: identifying trends and themes by age group, by primary need, by geographical area, or by school. We are working closely with partners including Special Educational Needs Coordinators (SENCOs) in schools, to listen to their feedback on the new service, amending to ensure this is as smooth a process as possible. We are also developing a clearer pathway for parents, to support them to access services earlier and in a more supportive and coordinated way. We already have a number of compliments from professionals and parents who have used the L-SPA contact that it provides quick and quality information and support.

Update on Adult Learning

Surrey Adult Learning (SAL) delivers a wide range of high-quality learning opportunities for residents aimed at supporting people to feel more connected as well as more confident and resilient. Since the start of lockdown in the Spring, SAL delivered targeted provisions for Family and Supported Learning alongside outreach to disadvantaged residents and those with mild/moderate mental health disabilities. Learners were engaged through bulletins containing learning activities and pre-recorded videos. SAL developed virtual learning pilots for Maths, English and ESOL (English to Speakers of Other Languages) in response to the learners' feedback. A blended learning programme comprising a mix of online and face to face learning,

for all courses has been launched for the autumn term to ensure continuity of provision in the current pandemic situation ensuring delivery within covid safety guidelines.

Apprenticeships

Currently there are 42 apprentices on the Council's programme, of which 18 are Operational Firefighter Apprenticeships. The team supports and monitors the Fire and Rescue Service with this programme. Most of the activity is remote, except for exams which have resumed in centres with social distancing in place to enable apprentices to catch up on exams which could not be held when centres were closed, subject to restrictions. End Point Assessments are going ahead remotely. We have gained approval from the Institute of Leadership & Management (ILM) for the Level 5 Diploma for Managers, commencing on 10 November with four learners. We are also collaborating with the Surrey County Council Leadership and Management team to commence the Level 5 Coaching Professional Apprenticeship in the Spring term of 2021. We continue to deliver Customer Service and Business Administration apprenticeships.

The council's adult and community education provision will continue to develop the availability of apprenticeships and training courses working with the economic recovery group to look at provision which will address the skills gap and enable those who have recently lost their jobs to study for qualifications which will increase their employability.

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SURREY COUNTY COUNCIL**CABINET****DATE:** 24 NOVEMBER 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 DELEGATED DECISIONS

8

SUMMARY OF ISSUE:

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

RECOMMENDATIONS:

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

REASON FOR RECOMMENDATIONS:

To inform the Cabinet of decisions taken by 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:

Huma Younis, Committee Manager, huma.younis@surreycc.gov.uk

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:	Disbursement of Infection Control Grant Funding
Divisions Affected:	All divisions
'Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	Cabinet decision 31 March 2020 Min ref: 41/20

Summary

On 1st October 2020 the Department for Health & Social Care (DHSC) published details of the ADULT SOCIAL CARE INFECTION CONTROL FUND ROUND 2 RING-FENCED GRANT 2020.

Surrey County Council (SCC) is receiving £15.8m of Infection Control Fund (ICF) round 2 funding. ICF round 2 is to support infection control across ASC care provision in Surrey and is for use in the period 1st October 2020 – 31st March 2021. It cannot be used to fund costs before or after this timeframe.

ICF round 2 comes on the back of ICF round 1 which covered the period 13th May – 30th September 2020. Surrey's ICF round 1 allocation was £19.2m, so the £15.8m ICF round 2 allocation means Surrey is due to receive £35m in total of infection control funding from DHSC.

ICF round 2 is split into three elements as follows:

1. £9.8m is ringfenced for care homes in Surrey and the grant conditions propose that funding is allocated to care homes based on the number of registered beds in each home. In order to receive funding care homes must complete the national capacity tracker at least weekly.
2. £2.8m is ringfenced for home based care, supported living and extra care community care providers. Funding can only be paid to providers who are registered in Surrey (those providers who provide care services for Surrey residents but are registered in neighbouring local authorities should receive funding from their host authority). The grant conditions propose that funding is allocated to community care providers based on the number of service users each provider supports. In order to receive funding providers must complete the CQC homecare survey at least weekly.
3. £3.2m is for discretionary use within the terms of the grant conditions.

SCC is required to report how grant funding has been deployed to DHSC monthly from November 2020 through to April 2021. This includes confirmation of how grant funding paid to ASC providers has been spent across a range of infection control categories. ASC providers are required to report back how they have spent their grant funding allocations monthly to ensure the grant has been spent in line with the conditions, and to enable SCC to complete the monthly returns to DHSC. If ASC providers do not provide this information or they stop complying with other grant conditions (e.g. completion of care home capacity tracker / CQC homecare survey) then they will be required to repay the funding to SCC (and depending on when this happens SCC may then have to repay this funding to DHSC if it cannot be redistributed to other providers to offset eligible costs they have incurred up to 31st March 2021).

The funding is being paid to SCC in two equal instalments. The first instalment was paid in October 2020. The second instalment is due to be paid in December 2020, although this is dependent on the government being satisfied that the first instalment has been spent in line with the specified grant conditions.

The grant conditions enable local authorities to take alternative approaches to allocate the ringfenced care home and community care funding to providers as long as the alternative approaches:

- are consistent with the intention of the funding to provide an equitable level of funding among providers of community care, including those with which the local authority does not have existing contracts.
- have been consulted upon with the local provider sector.

DHSC makes it clear that alternative approaches are “carried out at the local authority’s own risk”.

ASC has worked closely with the Surrey Care Association (SCA) to agree a proposed plan for how the ICF round 2 should be deployed. A key point of discussion has been how to distribute funding fairly to community care providers.

For ICF round 1, funding to home care providers was allocated based on the number of Full Time Equivalent care workers they employed to support Surrey residents at the end of March 2020 (including residents who fund their own care), and funding to supported living providers was allocated based on SCC’s annual expenditure on ASC care packages commissioned with each provider as at the end of March 2020.

ASC and the Surrey Care Association both agree that the per service user allocation method proposed by DHSC for community care is not a good methodology to use because:

- the available data on service users is flawed and getting more accurate data would likely significantly delay the time by which payments could be made to providers.
- allocating based on service users does not take account of differing acuity of care needs between residents. Two providers could support the same number

of residents, but the cost of care provision for these residents could be very different due to their level of needs. The FTE care worker and SCC expenditure methods employed for round 1 for home care / supported living are deemed to be much more equitable bases for allocation.

This delegation decision paper confirms how SCC will deploy the ICF round 2 funding that is paid by DHSC.

Decision made

It was agreed that SCC would utilise the £15.8m of Infection Control Fund round 2 that is due to be received as follows:

- The £9.8m of funding ringfenced for care homes will be allocated to all care homes that comply with the grant conditions on a per registered bed basis. If any care homes fail to comply with the grant conditions, their share of the funding will be added to the funding for community care providers.
- The £2.8m of funding ringfenced for community care providers will be allocated to all community care providers that comply with the grant conditions. Funding will be allocated to home care providers based on the number of FTE care workers they employ to support Surrey residents and to supported living providers based on SCC's annual expenditure on care packages commissioned with each provider as at the 31st March 2020 (before the main impact of the COVID-19 pandemic).
- The £3.2m of discretionary funding will be allocated as follows:
 - £0.7m will be paid to day care providers. Providers will receive 83% of the ICF round 1 funding allocations they received in line with reduction in Surrey's total ICF round 2 funding compared to round 1.
 - Funding will be paid to supported housing and organisations that provide broader ASC services in the community and who demonstrate a need for funding to support infection control. It is estimated around £0.15m of funding will be used for this purpose.
 - A small proportion of funding will be used to cover the cost of PPE purchased by SCC and distributed to ASC services in October 2020. It is estimated that this will be a little over £0.1m. ASC providers should be accessing free PPE through the government's national portal, and so from 2nd November if ASC providers place orders from SCC for PPE that SCC has purchased, SCC will charge providers for this PPE.
 - The balance of discretionary funding (likely to be around £1.9m - £2.2m) will be added to the community care ringfence and paid to community care providers.

Reasons for Decision:

To support COVID-19 infection control in ASC services across Surrey and ensure SCC is compliant with DHSC's grant conditions.

Decision taken by:	Leigh Whitehouse – Executive Director for Resources and Section 151 Officer Simon White – Executive Director for Adult Social Care Sinead Mooney – Cabinet Member for Adults
Decision taken on:	12 th November 2020
To be implemented on:	Initial payments will be made to care providers in November as soon as SCC has all of the information to enable the amount for each care provider to be confirmed and based on their compliance with the grant conditions. Final payments will be made from December onwards once SCC has been paid the second funding instalment by DHSC and based on providers' compliance with the grant conditions.

Alternative options considered

SCC must spend the Infection Control Fund grant in line with the grant conditions and all funding must be fully spent by 31st March 2021.

There are only two areas where SCC could have taken an alternative decision.

Firstly, the methodology for allocating funding to community care providers.

Secondly, how the discretionary funding is spent.

In both cases, the decisions reflected in this paper are considered the most appropriate to support ASC providers in Surrey based on market intelligence and through conversations with the Surrey Care Association.

Summary of any financial implications

There are no direct financial implications to SCC as all of the money paid out to care providers will be funded out of the Infection Control Fund round 2 grant funding SCC receives from DHSC.

Payment of this funding to care providers is intended to help sustain and improve infection control in ASC care settings across Surrey. This will provide crucial support to vulnerable residents and at the same time should lead to indirect financial benefits for SCC.


Declarations of conflicts of interest

None

Consultation/Process Followed

Decision taken in consultation with the Surrey Care Association, other local partners, the Executive Directors for Adult Social Care, the Executive Director for Resources and the Cabinet Member for Adults.

Background Documents

Cabinet report 31 st March 2020 setting out the council's response to Covid-19.	 SCC Response to COVID-19
Link to Infection Control Fund round 2 guidance	https://www.gov.uk/government/publications/adult-social-care-infection-control-fund-round-2/adult-social-care-infection-control-fund-round-2-guidance

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SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2020****REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: MICHAEL COUGHLIN, DEPUTY CHIEF EXECUTIVE****SUBJECT: COVID-19: SURREY COUNTY COUNCIL - UPDATE**

ORGANISATION STRATEGY PRIORITY AREA: Growing A Sustainable Economy So Everyone Can Benefit/ Tackling Health Inequality /Empowering Communities

SUMMARY OF ISSUE:

Surrey County Council continues to have a vitally important role in leading the ongoing local response to Covid-19, to save lives, protect the NHS, ensure our residents are protected wherever possible and crucial council services continue to operate in these unprecedented times.

With the country entering a second national lockdown and the national and local situation continuing to change and evolve regularly, the purpose of this report is to set out the latest Public Health information about Covid-19, and update Cabinet on the strategic and sensitive issues arising from the extensive response and recovery work going on across Surrey.

RECOMMENDATIONS:

Cabinet are asked to note and endorse:

1. the latest public health situation with regard to Covid-19 in Surrey, the new national restrictions that have come into place with the second Lockdown and the actions being delivered through Surrey's Local Outbreak Control Plan,
2. the latest impacts on Adult Social Care and Children's, Families, Lifelong learning and Culture services and the management and mitigation of them,
3. the ongoing support to vulnerable residents, including through the County Council Community Helpline and the allocation of emergency funding to District and Borough Councils,
4. the latest Covid-19 financial position as reported in the M6 (September) Financial report.

REASON FOR RECOMMENDATIONS:

The county and council continue to face unprecedented challenges due to the Covid-19 crisis. In addition to the response activity, the council continues to look forward to how it can

work with its partners to enable recovery within the county and a return to day-to-day life for our communities following the end of the second national lockdown and more long term into the future.

The recommendations set out in this report ensure Cabinet are apprised of the work going on across the council to protect, sustain and support our residents and communities and the economy of Surrey.

DETAILS

Public Health Update

- Public Health continue to hold daily data surveillance meetings in order to systematically review Covid-19 data and intelligence and ensure prompt action is taken in line with the [Surrey Local Outbreak Control Plan](#). The [Surrey COVID-19 Weekly Intelligence Summary](#) is published Mondays and Thursdays along with a daily infographic on Covid-19 Alert Levels. Table one below shows the most recent intelligence at the time of writing. Surrey's rate per 100,000 is lower than the rate in England, but there are significant differences in the rates across the county.

Table one: cases and rates per 100,000 population in the most recent 14-day period (25/10/20-7/11/20) and most recent 7-day period (1/11/20-7/11/20)

	Most recent 14 days with complete data (25 Oct - 07 Nov)			Most recent 7 days with complete data (01 Nov - 07 Nov)		
	National rank	14 day rate	Cases	National rank	7 day rate	Cases
England		464.3	261,316		232.4	130,831
South East		243.5	22,352		125.8	11,549
Surrey		258.1	3,088		130.5	1,561
Spelthorne	140	370.6	370	140	189.3	189
Mole Valley	146	356.5	311	164	157.0	137
Runnymede	182	282.9	253	166	156.6	140
Woking	178	288.7	291	176	147.8	149
Guildford	211	246.3	367	191	136.9	204
Epsom and Ewell	197	267.9	216	210	124.0	100
Reigate and Banstead	238	217.1	323	226	117.0	174
Surrey Heath	249	203.8	182	238	110.9	99
Tandridge	242	211.1	186	241	110.1	97
Waverley	217	240.6	304	244	109.2	138
Elmbridge	244	208.3	285	258	98.0	134

IMPORTANT: Most recent 4 days can be affected by reporting delays

Note 1: Table sorted on 7 days rate (from highest to lowest)

Note 2: Rank out of 315 LTLAs in England

National Lockdown

- New national restrictions come into force on 5th November 2020 (full guidance is available [here](#)). As part of these restrictions, people are being told to stay at home unless they have a specific reason such as work, which cannot be done from home, and for education purposes, with school, colleges and universities remaining open. People are also allowed to leave home for exercise, medical reasons, to buy food and other essential shopping and to provide care for vulnerable people or for

volunteering. Clinically vulnerable people are asked to be "especially careful", but not being asked to resume shielding as was previously the case.

Test and Trace programmes update

3. Surrey's Local Outbreak Control Plan is continuously updated in light of new national guidance. The following key actions aligned to the plan have taken place:
 - Surrey's Local Tracing Partnership will go live on 26th November. Customer Services and Public Health staff are currently undertaking contact tracing training and local processes are being finalised.
 - A COVID Champions initiative is being implemented to further engage key parts of the community.
 - Incident Management Team meetings have been held in boroughs and districts with rapidly increasing rates to coordinate targeted action.
 - All boroughs and districts have provided delivery plans for COVID Marshal schemes to undertake proactive physical visits to premises and support Environmental Health COVID education, engagement and enforcement work.
 - Work has continued with the four universities in Surrey to promote key public health messages. By frequently sharing resources and staying connected, SCC are helping the Universities implement what is considered (COVID) best practice with a holistic approach to student wellbeing.

Testing

4. Symptomatic testing is available in Surrey through a variety of different means including drive through Regional Test Sites (RTSs) at Guildford, Chessington, Gatwick, Heathrow and Twickenham and Mobile Test Units (MTUs) in locations across the county. MTUs are deployed on rotation to ensure access is available in all boroughs and districts in response to increasing rates of infection. There are also Local Test Sites (LTSs) in areas of greater population density. Currently two are operational in Guildford and Egham, and while the programme is currently paused by the Department of Health and Social Care (DHSC), Elmbridge and Waverley will be deployed when this pause is lifted.

Governance

5. A new Strategic Coordinating Group - the Surrey COVID-19 Management Group (CMG) - has been established which covers the geographical area of the Surrey Local Resilience Forum (LRF). The CMG reports to the Surrey SCG (Strategic Coordination Group) and is designed to provide a strategic health system led forum for local organisations to support and facilitate health sector (including voluntary and independent sector) preparedness, planning and tactical approaches to the current Covid-19 emergency.

Impact on Adult Social Care services

Hospital Discharge

6. From 1 September (referred to as Scheme 2) new or extended health and care support will be funded by the NHS for a period of up to six weeks. It is not yet agreed, but we expect this to continue into subsequent years. We are continuing to work in an integrated way with our health partners to ensure all assessments are completed within the six-week period.
7. Previously those in Scheme 1 (19 March – 31 August) were discharged without an NHS or social care assessment. Assessments are taking place to transfer these

people where appropriate to the correct funding streams - NHS funding (CHC), SCC Adult Social Care or self-funding arrangements. Catching up with Scheme 1 assessments whilst also completing Scheme 2 within six weeks is proving challenging and while NHS funding for Scheme 1 remains in place until 31 March 2021, the expectation is that assessments are undertaken as quickly as possible.

Designated settings

8. In response to a requirement from DHSC in October, we are working closely with NHS colleagues to ensure people can be managed within community hospital bed capacity, along with exploring options for scaling up the number of beds available at NHS Seacole Centre. Whilst we have not as yet been able to secure designated premises beds within the private residential and nursing home market, we are in on-going dialogue to see if capacity can be established. We are also working to scale up the home-based care and reablement offer to ensure people can go home with the right level of support however intense their needs.
9. On 5 November, NHS England and NHS Improvement directed NHS and social care to carry on as normal until isolation facilities are confirmed. We will endeavour to discharge people who have a Covid-19 positive status by looking at their individual circumstances and the options available. There is however growing anxiety about our ability to place people and our heavy reliance upon community hospitals beds and NHS Seacole Centre which is not yet fully operational.

Infection Control Fund

10. The first round of the Infection Control Fund covered the period 13 May – 30 September 2020 where we worked closely with the Surrey Care Association (SCA) to agree an approach for how the discretionary element should be used. The second round of the Fund covers the period 1 October 2020 – 31 March 2021 (details of the amount are set out in the Finance section of this report). As with round 1, we have been working closely with SCA to devise a plan for distribution which has now been approved by the Cabinet Member for ASC and Executive Directors for ASC and Resources. Work is underway to confirm the allocations due for each provider.

Personal Protective Equipment (PPE)

11. DHSC has expanded the national portal to provide free Covid-related PPE for the majority of care homes and other adult social care providers. While this system embeds, Surrey's Local Resilience Forum (LRF) PPE Cell remains in place to support care providers should the portal fail and an emergency stockpile which can be released should infections and demand significantly increase. The Government released its new PPE strategy and winter care plan in September, offering free PPE to all care providers until March 2021. The Council made the decision not to charge for PPE provided before 2 November in recognition of the spirit of the national strategy and significant financial challenges faced by the sector.

Anti-body Testing

12. Anti-body testing was made available to all adult social care staff employed by the Council and the independent sector during the period of 18 August – 30 October. From 1 November all paid adult social care staff are able to order an at-home antibody testing service offered through the DHSC.

Impact on Children, Families, Life-long learning and Culture services

13. The increased numbers of contacts from our statutory partners to the C-SPA continued in September and has led to a 17% increase in referrals when compared to the previous two months. There are currently over 1500 open assessments in social care teams, the highest number since February 2020. The number of children subject to a CP plan has also increased from 696 in April to 770 in September. This is a 30% increase compared to September 2019.
14. Over 95% of children in care were visited in September, with most being able to take place face to face. Virtual visits were used in 11% of cases. Dental checks continue to decline due to the closure of dental practices as do immunisations and developmental checks for children under five years of age.
15. Due to Covid-19 restrictions there is no new reporting on key stage results or Ofsted ratings for schools. However, we have seen that vulnerable children in Surrey were three times as likely to attend school during lockdown than the national average (11%). This academic year will likely see unexpected trends which will require specific analysis as the data becomes available. For example, the number of requests for an Education Health Care Plan (EHCP) is considerably lower this year (69 requests) when compared to the same time in 2019 (118) and 2018 (138). It is too early to say if this is related to non-attendance linked to Covid-19.

Support to vulnerable residents/Community Helpline

16. There are over 36,000 clinically extremely vulnerable residents (CEV) in Surrey. Through a process of prioritisation, the Community Helpline is supporting districts and boroughs to make outbound calls to 3,500 residents through the provision of scripting guidance and signposting information. Two of the districts and boroughs are also being supported with inbound call capacity for the 25,000 CEV who will be contacted by text.
17. To date, since the beginning of the first lockdown period, the Community Helpline has handled 11,118 resident enquiries, and our Website has had over 260,000 website views on our Coronavirus pages. Customer Services is gearing up to prepare for our local Contact Tracing operation due to launch on the 26th November. This will be embedded in our Community Helpline.
18. Following the announcement of the second lockdown DHSC issued updated guidance to CEV individuals on how they can protect themselves during this 4-week period. In recognition that this will create new pressures on councils, MHCLG allocated funding equivalent to £14.60 per CEV individual on the Shielded Patients List for the 28-day period that the restrictions are due to be in place. Surrey received £579k and has distributed the majority (£538k) to the Boroughs and Districts (based on the number of CEV individuals in each area). This will enable them to provide essential resources and support to these residents during the second Lockdown.

Covid-19 finance update

19. As reported in the M6 (September) Financial report (as reported elsewhere on this agenda), and following the proposed budget reset, the total Covid-19 position consisted of total costs, lost income and unachievable efficiency savings of £78.0m due to Covid-19:
 - Funded through: £53.4m of general Government Covid-19 funding (£0.9m used in 2019/20) leaving £52.5m in the 2020/21 budget

- £25.5m of specific Government Covid-19 funding relating to Infection Control, Test and Trace funding and grants for active travel and bus services.

20. Subsequent to the position reported for M6, further ringfenced/specific funding of £27.4m has been announced and is expected to be spent or allocated through partners; as follows:

- £15.8m: A second round of Infection Control funding announced in October (for further details see paragraph 11 of this report)
- £9.2m: Contain Outbreak Management Fund - Upper tier councils in England will receive a one-off payment of £8 per head, to support local test, trace and contain activities as well as wider measures to protect public health and local economies. The initial estimate for Surrey was £9.4m however an initial payment to Elmbridge Borough Council received when they were in High Alert, before the national lockdown, has been deducted.
- £0.9m Home to School and College Transport grant
- £1.3m: Minor updates to other grant funding

21. It is expected that each of the above grants will be used in full. When added to the M6 forecast, total costs, lost income and unachievable efficiency savings are £105.4m. These are offset by £52.9m specific income and £52.5m of general Covid-19 funding.

22. On the 8th November, Government announced a package of £170m funding for councils in England to run the Covid Winter Grant scheme. Surrey's share of this is yet to be finalised but has been indicated at £2.1m. Additionally, further non-ringfenced/general funding has been announced since the reset:

- A fourth tranche of the Government's emergency Covid-19 funding on 22nd October, with Surrey's allocation at £5.3m.
- Income Compensation Scheme (ICS), £4.6m claim for Tranche 1 funding (subject to confirmation)
- Both amounts above will be held in the Covid-19 reserve; bringing the expected reserve balance to c£10m.

23. The forecasts at M6 predate the second Lockdown and an increase in costs and income loss on this basis is probable. The financial implications on the council's services, continue to be monitored closely. Further budget resets (funded by the Covid-19 reserve) to mitigate the impact of Covid-19 may be necessary in-year and will be communicated through future budget reports to Cabinet.

Recovery activity

24. The SLRF Recovery Co-ordinating Group (RCG) has continued to involve and work across a range of partners, as well as with equivalent groups across the South East, during the various phases of the pandemic, focussing on returning services and activities to a 'steady state' and transitioning ongoing business as usual activity to delivery and oversight bodies. Given this, the RCG has adapted its 'battle rhythm' and meet monthly in a monitoring role, ready to stand up if required by the Strategic Coordinating Group.

25. Working across the themes of Humanitarian, Economic, Infrastructure and Environmental, the group have continued to engage in, for example, the following:

- Working primarily with Districts and Boroughs and the Local Economic Partnerships, putting activities and information in place and disbursing

Government grants that support local businesses, while monitoring business failures, unemployment and growth within Surrey,

- Given the ongoing concern about the impacts on high street retail, working hard to ensure balanced messaging regarding returning to the high street with appropriate Covid-19 alerts and secure measures,
- Working with DWP to support 18 to 24-year olds in receipt of Universal Credit,
- Identifying and preparing 'shovel ready' infrastructure projects for when funding becomes available,
- Considering how best to sustain local community engagement and neighbourly activity and support the VCFS in the longer term when charitable donations and funding streams e.g. events, retail outlets, are disrupted,
- Initiating the Community Impact Assessment (as reported elsewhere on this agenda) and Recovery Progress Index, in order to better and more fully understand the effect of the pandemic, lockdowns and social distancing measures on residents as well as being able to more effectively plan and target support for different geographical areas and vulnerable groups
- Overseeing work to try to find permanent accommodation for rough sleepers,
- The recovery of Health services within both Surrey Heartlands and Frimley Health and Care Integrated Care Partnerships (ICPs) is overseen by a comprehensive programme within the health system. The RCG provides the opportunity for both ICPs to come together and be fully sighted on recovery actions across the system, including cross cutting issues such as mental health.

RISK MANAGEMENT AND IMPLICATIONS:

26. Risk implications are stated throughout the report and COVID-19 related risks are managed through the Strategic Coordination Group governance structure.

SECTION 151 OFFICER COMMENTARY

27. 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. The public health crisis has resulted in increased costs which may not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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.

28. The financial implications of the pandemic continue to be monitored closely and reported regularly through the budget monitoring report.

LEGAL IMPLICATIONS – MONITORING OFFICER

29. The various initiatives described in the report have been the subject of specific legal advice and support in formulating and implementing the Council's response to the Covid-19 pandemic to ensure they are in accordance with the Council's powers, duties and responsibilities. There are no further specific legal implications arising in the report.

30. As the Covid-19 infection rate has continued to increase, we know there are greater risks to certain residents in our population with pre-existing vulnerabilities, such as those with pre-existing mental health conditions, residents living in residential care homes, people experiencing domestic abuse and people from Black and Minority Ethnic (BAME) communities. We will continue to monitor impacts on these groups closely and this report outlines actions we are already taking to support these residents, such as through direct provision of PPE and using Infection Control Fund money to support capacity to help people living in residential care settings.
31. The report notes shifts in demand for Children's Services and support for children and young people with special educational needs and disabilities and vulnerable learners. Unlike the previous lockdown in March, there is a steady increase in the number of C-SPA referrals, unaccompanied asylum-seeking children and children on a child protection plan. It will be important to keep under review how well these children and young people are being served and the impact of lockdown on our ability to provide a service and respond to needs. It also notes monitoring activity to ensure our most vulnerable learners can be supported to thrive at school.
32. Through the recovery work we are acting to support some of Surrey's most vulnerable residents. Younger adults are more likely to have been disproportionately affected economically, such as through job losses, which the partnership work with DWP aims to support. Work to support rough sleepers to find permanent accommodation will also support them to feel safe and improve their wellbeing.

Contact Officer:

Sarah Richardson, Head of Strategy, 07971 091475

Consulted:

- Cabinet Members
- Corporate Leadership Team and other staff

SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2020****REPORT OF: MR MEL FEW, CABINET MEMBER FOR RESOURCES****LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF RESOURCES****SUBJECT: 2021/22 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY**

ORGANISATION STRATEGY PRIORITY AREA: Growing A Sustainable Economy So Everyone Can Benefit/ Tackling Health Inequality/Enabling A Greener Future/Empowering Communities

**SUMMARY OF ISSUE:**

The Council has a statutory duty to set a balanced budget in advance of each financial year. The Final Budget for 2021/22 will be approved by Cabinet in January 2021 and full Council in February 2021.

This report and the attached 2021/22 Draft Budget and Medium-Term Financial Strategy to 2025/26 sets out progress towards delivering a balanced budget. It is good practice to, as far as possible, set out in advance the draft budget to allow consultation on and scrutiny of the approach and the proposals included.

The production of the 2021/22 budget has been developed through an integrated approach across Strategy, Transformation and Finance, ensuring that revenue budgets, capital investment and transformation plans are all aligned with each Directorate's service plans and all four corporate priorities of the organisation.

Ensuring that each aspect of strategic planning for 2021/22 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the Covid-19 pandemic and wider pressures.

Good progress has been made over the last few months in reducing the original budget gap from £67m to the current provisional budget with a gap of £18.3m. There still remains work to be completed to close this gap but it is recognised that the funding element of the budget has not yet been finalised and the final budget will only be completed on the Local Government Finance Settlement which is due some time in December 2020.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Note the 2021/22 Draft Budget and Medium-Term Financial Strategy to 2025/26, including progress to date in setting out spending pressures and efficiencies, as set out in Annex 1.
2. Note the provisional budget gap of £18.3m for 2021/22 and the next steps required to close the gap.
3. Note the proposed Capital Programme for 2021/22 to 2025/26 of £1.7bn

REASON FOR RECOMMENDATIONS:

In January 2021, Cabinet will be asked to recommend a Final Budget for 2021/22 to full Council for approval in February. The draft budget sets out proposals to direct available resources to support the achievement of the Council's corporate priorities in the refreshed Organisation Strategy, giving Cabinet the opportunity to comment on the proposals and next steps.

The draft budget also provides an update on the continuing transformational changes that are required to ensure that the Council can continue prioritising outcomes for residents, while managing growing demand for services while ensuring future financial resilience and sustainability.

DETAILS:

1. The Draft 2021/22 Final Budget Report and Medium-Term Financial Strategy to 2025/26 and supporting Annexes set out the context (both internal and external), approach and assumptions underpinning the development of the budget.

CONSULTATION:

2. Section 9 of the Draft Budget sets out the consultation undertaken to date and the plans for further consultation between now and approval of the Final Budget.

RISK MANAGEMENT AND IMPLICATIONS:

3. The attached report and annexes have been prepared with a view to risk management from a financial, operational and reputational perspective. The financial risk implications are set out throughout Section 5 (Financial Strategy and Draft Budget 2021/22) of the attached document and exemplified in the S151 commentary below.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

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

SECTION 151 OFFICER COMMENTARY

5. The Council has a duty to ensure its expenditure does not exceed resources available. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook remains uncertain. The current public health crisis has resulted in increased costs which may not be fully funded in the current year and uncertainty about the ongoing impact of health crisis and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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. Within this context the Council will continue to develop and implement plans to ensure the delivery of services are contained within resources.
6. The Section 151 Officer confirms that the Draft Budget has been based on reasonable assumptions, taking into account all material, financial and business issues and risks at the time of preparation.

LEGAL IMPLICATIONS – MONITORING OFFICER

7. The draft budget does not constitute final approval of policies or sums of money to be saved under the service proposals. The proposed draft revenue budget and capital programme in the report do not commit the Council to implement any specific efficiency proposal.
8. When the Cabinet comes to make specific decisions on efficiencies, where necessary, focussed consultations and the full equality implications of implementation will be considered in appropriate detail. If it is considered necessary, in light of equality or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the Council.

EQUALITIES AND DIVERSITY

9. Where appropriate, Equality Impact Assessments will be undertaken to assess the efficiency proposals set out in budget, along with any further measures that emerge as part of closing the draft budget gap. Proposals will only be implemented once Members have actively paid due regard and considered all possible actions and mitigations to achieve the aims of the Public Sector Equality Duty, namely the need to:
 - Eliminate discrimination, harassment, victimisation or any other conduct 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.
10. A report on the cumulative equality implications of the efficiency proposals to identify multiple impacts on the same groups, as well as individual Impact Assessments for proposals that need them, will be presented to Cabinet in January.

CORPORATE PARENTING/LOOKED AFTER CHILDREN IMPLICATIONS

11. This is set out in section 4.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS

12. This is set out in section 4.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

13. The Draft Budget has been designed to support the implementation of the Council's corporate priorities; including enabling a Greener Future. Section 4. of the report sets out relevant implications.
14. Where draft proposals in this report have an Environmental Sustainability impact, this will be set out in full to Cabinet as part of the decision required to implement the proposal.

PUBLIC HEALTH IMPLICATIONS

15. This is set out in section 4.

WHAT HAPPENS NEXT:

16. Section 10 of the report sets out detailed next steps; in summary they are:

- a. Draft budget proposals will be iterated over the course of November and December, with a final budget presented to Cabinet in January and full Council in February 2021.
- b. The focus in the intervening period will be to close the indicative gap of £18.3m in order to set a balanced budget for 2021/22
- c. Funding assumptions will be refined in light of expected announcements from Government and latest intelligence on the impact of Covid-19
- d. The Capital Programme and emerging proposals will be subject to continued scrutiny to ensure that benefits are clearly demonstrated and the impact on the revenue budget is fully quantified, justifiable and prudent
- e. Further consultation will take place as set out in section 9 of the report
- f. Equality Impact Assessments (EIAs) will be undertaken as required on proposals within the emerging final budget.

Contact Officer:

Leigh Whitehouse, Executive Director of Resources, 020 8541 7246

Consulted:

Cabinet

Executive Directors

Heads of Service

Annex:

Annex 1 – Draft Directorate Pressures and Efficiencies

Annex 2 – Draft Capital Programme

Surrey County Council

2021/22 Draft Budget Report and Medium-Term Financial Strategy to 2025/26

1. EXECUTIVE SUMMARY

- 1.1 The 2021/22 Draft Budget Report and Medium-Term Financial Strategy to 2025/26 updates on the progress to deliver a balanced budget for 2021/22 and to outline ambitious, sustainable and resilient medium-term financial plans.
- 1.2 The production of the 2021/22 budget has been developed through an integrated approach across Strategy, Transformation and Finance, based around a set of Core Planning Assumptions which set out likely changes to the environment in which we deliver our priorities. The integrated approach ensures that revenue budgets, capital investment and transformation plans are all aligned with each Directorate's service plans and the new Corporate Priorities of the organisation. Ensuring that each aspect of planning for 2021/22 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the Covid-19 pandemic and wider pressures.
- 1.3 Continuing a trend set over several previous financial years, Local Government funding remains highly uncertain, with a number of factors likely to result in significant changes to our funding position over the medium-term. These factors are set out in section 5 of this report and include in particular; a one-year Spending Review likely to be announced on 24th November (in lieu of an anticipated three-year settlement) which may or may not include the possibility of a further year of Adult Social Care precept and clarity on the treatment of the DSG High Needs Block (HNB) deficit. The provisional settlement is expected to be released close to Christmas with a final settlement in January 2021. Government spending to combat Covid-19 and mitigate its impact on business and individuals has led to record levels of public sector borrowing; this may well influence the level of funding available for Local Authorities.
- 1.4 Despite the funding uncertainty, the overall outlook for 2021/22 is one of stability; with Directorate budget envelopes currently projected to remain largely at 2020/21 levels. There remain significant challenges in managing growth in demand (particularly in Children's services), inflationary pressures and the ongoing impact of Covid-19 within those envelopes. In terms of living within the principles of a budget envelope approach, Directorates have been tasked with identifying efficiencies to close their element of the overall budget gap.
- 1.5 Good progress has been made over the last few months however, at present, there remains a provisional gap for 2021/22 of £18.3m. This is not insignificant and will require further actions to close. However, given where we are in the process prior to producing the Final Budget in February, and dependent on the outcome of the Settlement, we are confident that we will be able set a balanced budget for 2021/22.
- 1.6 The key elements of this report include:
 - The refreshed Organisation Strategy
 - An update on our Transformation plans
 - Directorate Service Strategies aligned to both of the above

- The Financial Strategy for 2021/22– incorporating both revenue and capital
- 2020/21 Financial Performance – revenue and capital
- The medium-term financial outlook to 2025/26
- Our approach to consultation
- Next steps

1.7 Between now and February 2021 when the budget is approved by full Council, officers and Cabinet Members will work closely together to close the current budget gap; challenge and refine assumptions and finalise the development of the Capital Programme.

2. ORGANISATION STRATEGY 2021 – 2026

2.1 The Organisation Strategy sets out the Council’s contribution to achieving the aims and ambitions set out in the Community Vision 2030 (the 2030 Vision). The Covid-19 pandemic has fundamentally shifted the strategic context in which we are operating. Our data and insight shows that the 2030 Vision is still the right destination but the way we get there needs to change to ensure we can support delivery of this and create better lives, a better place and a county where no-one is left behind.

2.2 The priorities that have emerged through the Council’s response to Covid-19 have formed a new focus for our work and Cabinet agreed a refresh of the Council’s Organisation Strategy in October 2020. The strategy sets out a clear strategic direction for the council and brings together a number of interrelated workstreams including response and recovery to the Covid-19 pandemic, our transformation programme and our Medium-Term Financial Strategy alongside day to day activity of our services.

2.3 We continue to face financial challenges alongside rising demand for services, a situation that has worsened as a result of Covid-19. In this context, and to help us to continue to deliver on the long-term aims for the county, the refreshed strategy emphasises four priority objectives as our new focus and around which our activity and resources will be aligned:

- Growing a sustainable economy so everyone can benefit
- Tackling health inequality
- Enabling a greener future
- Empowering communities

We have also made it clearer that our guiding principle will be to tackle inequality and ensure no one is left behind in the county. The impacts of Covid-19 and lockdown measures have widened social, economic and health inequalities, with different impacts by age, race, poverty and wealth. The Organisation Strategy sets out how we will tackle these inequalities, so that we can provide support early for some of Surrey’s most vulnerable residents and stimulate economic recovery and jobs growth.

2.4 ‘No one left behind’ is the guiding principle that runs throughout our strategy and underpins our commitments around Equality Diversity and Inclusion (EDI). Our ambition is to remove barriers and level the playing field to make it easier for people to engage with the council and access the services they might need. This will enable us to target our resources more effectively so that we can support the most disadvantaged and redesign services in a smarter way to ensure they are inclusive and accessible to all.

- 2.5 The Organisation Strategy sets how we will support communities to help themselves and increase their ability to make their own lives better, and how we will work with Government and local partners to develop solutions together. The limits on resources mean we need to work smarter to continue to put ourselves on a sustainable financial footing. The strategy will guide how we will organise our money, people and other resources around achieving our priorities so that we can improve outcomes for residents.
- 2.6 The Organisation Strategy provides a clear direction for the Council and guides the decisions that we take around the way we deliver services and the way we will work with our partners and our residents. Focussing on a smaller set of priorities will mean we can better align our resources and activity to delivering the outcomes that will make the most difference to the lives of residents, and ensure we are doing this in the most financially sustainable way. Success for the council should be on the impact that we have and making a positive difference for residents through our activity to deliver on our priority objectives.

3. TRANSFORMATION UPDATE

Background

- 3.1 Over the last two years we have made good progress in delivering far reaching and ambitious transformation across a wide range of services and initiatives.
- 3.2 The current programme was agreed by Cabinet in January 2020 to continue to address financial and performance challenges and start to fundamentally reform the function and focus of the organisation so that we can deliver the best possible outcomes for residents and achieve the vision for Surrey in 2030.
- 3.3 The programme has improved services, built capacity and competency, stabilised the organisation, and addressed critical and immediate challenges faced. This includes achieving over £55m of efficiencies to date and containing costs in areas of growing demand, thereby ensuring we can operate within available resources and protect investments in key services.
- 3.4 At the same time, we have started to develop new service models. By working differently with our residents and partners, we are helping to prevent problems earlier and better support residents and communities to be independent. In key areas such as children's services and adult social care we are now seeing the positive impact these new approaches can have for residents.

Why we are refreshing the transformation programme

- 3.5 Any large scale and dynamic change programme must continue to flex and adapt if it is to meet strategic objectives in an ever-changing operating environment. We have committed to review and refresh our programme annually, ensuring we continue to build on and improve what we do for our residents.
- 3.6 The transformation programme must continue to align with the strategic priorities of the organisation and as such the refreshed programme will be designed to deliver on the four key dial-up areas in the revised Organisational Strategy:

- Growing a sustainable economy so everyone can benefit
- Tackling health inequality
- Enabling a greener future
- Empowering communities

The refreshed programme

- 3.7 The refreshed programme is being developed with a focus on:
1. continuing the implementation of a number of large-scale delivery programmes (e.g. SEND transformation) that are ensuring critical services are improved and are financial sustainable
 2. ensuring programmes will contribute to successfully delivering the council's four strategic priorities (see paragraph 3.6)
 3. a range of initiatives that lay the foundations for future Public Sector Reform and a new operating model for the Council based on a blend of agile, digital and more community-focussed ways of working.
- 3.8 Transformation will continue to deliver significant efficiencies as part of the MTFS and will contribute cost containment and demand management in Adult Social Care and Children's services. Currently we anticipate transformation delivering further efficiencies of £15m in 2021/22 and £19m in 2022/23 and work is ongoing to increase these where possible. *Please note, these numbers are based on current calculations and are subject to change; they will be confirmed as part of the final budget approval process.*
- 3.9 A number of the programmes, in particular those that will underpin the shift to a new operating model, will over the next year drive the design and proposals for improved productivity and efficiencies that will contribute to the 2022/23 onwards position, ensuring the council can deliver on its ambitions within a reduced medium term funding envelope.
- 3.10 The focus of transformation in the short term is to continue to drive service improvements and continue to stabilise areas of poor performance. In the medium-term transformation will drive deeper and more fundamental improvements across a range of areas that span the organisation. This will be aligned to the Organisation Strategy and will seek to drive a significant increase in productivity while continuing to manage demand and deliver efficiencies to help address the budget gap.
- 3.11 Work is underway, co-ordinated by the Transformation Support Unit, to scope and define the final refreshed set of programmes required to deliver on the organisation strategy goals and service strategies. At this stage we are still working to finalise the suite of projects that will constitute the revised transformation programme with over 30 initiatives currently being reviewed.
- 3.12 These will undergo a process of engagement, refinement and iteration throughout November and December, culminating in a finalised programme that will form part of the budget approval process through Cabinet and Full Council in the New Year.

ADULT SOCIAL CARE

- 4.1 Adult Social Care's (ASC) vision is ***"To promote people's independence and wellbeing, through personalised care and support that focuses upon their strengths, the outcomes they want to achieve and enables choice and control"***.
- 4.2 ASC provides advice and information, assessment, care and support services for people aged 18+ with Physical and Sensory Disabilities, Learning Disabilities and Autism, Mental Health needs and for frail Older People. ASC operates in a challenging environment with reductions in government funding; an ageing population and growing numbers of young people moving into adulthood who need services; an increasingly fragile care market; and radical changes in national policy. The Covid-19 pandemic has added another level of complexity, with ASC playing a crucial role in SCC's response to save lives, protect the National Health Service (NHS), ensure our residents are protected wherever possible and continue to deliver essential services.
- 4.3 ASC's 2021-26 MTFS seeks to build on and further progress the ambitious transformation programme that the service originally embarked on in 2018. At its heart is the implementation of a new 'strength-based' framework that focuses on people's strengths to promote their independence. This has already enabled SCC to manage demand for ASC more efficiently and effectively and make a substantial contribution towards putting SCC in a more financially sustainable position.
- 4.4 The implementation of ASC's transformation programme has already delivered significant financial benefits. As a result of the actions taken by ASC's leadership team to control expenditure and begin to implement transformation plans, by 2019/20 net expenditure had only increased to £362.5m from the £359.4m spent in 2017/18. This was £48.9m less than the provisional (but unaffordable) budget for 2019/20 proposed in the 2018-21 MTFS. The 2020/21 budget planned for net expenditure of £372.1m. Excluding additional Covid-19 costs, the current outlook is that an underspend will be delivered in 2020/21. The number of people funded by ASC, particularly Older People, has sadly reduced due to the Covid-19 pandemic, but beyond this another year in which total net expenditure is likely to increase by 2% or less is evidence of the continued success of the actions ASC has put in place to effectively manage expenditure through transforming service delivery.
- 4.5 Based on SCC's current expected funding, ASC, like most services, has been asked to develop a financial strategy that holds expenditure in 2021/22 at ASC's current 2020/21 budget of £372.1m. This is a very significant challenge in the context of the pressures ASC faces. Total pressures are budgeted at £16.5m in 2021/22, £106m for the whole 2021-26 MTFS period. The majority of the pressures relate to care package expenditure, which not surprising given that almost 90% of ASC's gross expenditure relates to supporting people and their carers. The biggest pressures are care package price inflation (budgeted at £11.6m in 2021/22, £64m for 2021-26), and care package demand (budgeted at £6.6m in 2021/22, £32.1m for 2021-26).
- 4.6 ASC plans to deliver an ambitious programme of efficiencies in order to mitigate these pressures. These efficiencies take into account that Surrey remains a high spender on ASC per

head of population compared to comparator authorities. At present £11.5m of efficiencies are budgeted in 2021/22 and £31.2m over the whole 2021-26 MTFS period. More will be needed in the medium term in particular.

4.7 The majority of ASC's efficiencies (£8.3m in 2021/22 and £28m over the whole 2021-26 MTFS period) are expected to be achieved through delivery of ASC's transformation programmes.

These programmes focus on:

- **Transforming the care pathway**, including implementing a new discharge to assess model across all Surrey hospitals.
- Developing new care settings in the community to enable a shift away from residential care through the **accommodation with care and support** programme.
- Changing models of care to focus on promoting independence through the **Learning Disabilities and Autism** programme.
- Improving **market management**, including creating a central brokerage function and commissioning new frameworks for home-based care, Older People nursing & residential care and Learning Disabilities and Autism independent living.
- Comprehensively **reviewing all care services delivered in-house by ASC** to determine the best way of delivering these services in the future.
- Re-shaping service delivery and reviewing organisational structures through the **mental health transformation** programme.
- Implementing a comprehensive new **Technology Enabled Care services** offer, which will be an essential enabler to the delivery of all of the above programmes and their efficiencies.

4.8 There are £3.2m of further efficiencies proposed in 2021/22 for resolution of Continuing Health Care disputes and the implementation of a new strategy for people with Physical or Sensory Disabilities that do not directly relate to ASC's transformation programmes.

4.9 Delivery of ASC's transformation programme is likely to involve SCC committing significant capital resources, both in terms of use of SCC owned land, that could potentially otherwise be sold or used for alternative purposes, and direct capital expenditure. Proposals for pipeline capital expenditure of c£90m for developing new affordable Extra Care provision for Older People and c£55m for developing new Independent Living provision for people with Learning Disabilities or Autism are being developed and will be included in the final 2021-26 MTFS. This represents the initial estimated capital investment that SCC may be required to contribute towards the development of 725 new affordable units of Extra Care and 500 units of independent living (noting that SCC will not lead on the funding and development of all these units). The pipeline funding will be drawn upon as required based on decisions made by Cabinet about proposed schemes on different sites. There will also be a need for continued capital investment in the care homes operated in-house by ASC and consideration of the long-term future of these sites which could have significant capital implications.

4.10 It is recognised that changes will not necessarily be welcomed, initially at least, by all. Some of ASC's important stakeholders including service users, care providers and NHS partners may challenge aspects of ASC's planned transformational changes. It will be important to remain cognisant of these challenges and respond to them in a considered manner. There is no question though that significant change does need to take place if spending on ASC is to be kept within what SCC can afford.

4.11 The current pressures and efficiencies planned result in a gap of £5m for ASC in 2021/22 compared to the budget envelope that has been set based on the SCC's current expected funding. This gap grows to £107.6m by 2025/26. ASC will seek to deliver an underspend above the current forecast in 2020/21 if at all possible and will also continue to review whether the current level of efficiencies budgeted could be extended to close the gap in 2021/22 and beyond. The outcome of the Local Government Finance Settlement will also of course determine the gap that ASC has to address next year. However, it is important to be clear that it will not be possible to offset all pricing and demand pressures indefinitely in the medium-term without potentially more serious societal impacts, or risk of being in breach of our statutory obligations. To avoid those negative impacts Surrey, like all local authorities, is reliant on the government to safeguard social care in the long term by finally implementing the fundamental changes and investment to the social care system in England that have been promised for so long. Successive governments have repeatedly promised a Green Paper on ASC reform, but it is currently completely unclear when this will be brought forward.

PUBLIC HEALTH

- 4.12 SCC's Public Health (PH) service improves and protects the health and wellbeing of people living and working in Surrey. It achieves this by:
- Providing expert PH information and advice to ensure SCC's decision making is evidence based and cognisant of all relevant PH implications.
 - Supporting people to make positive changes to improve their health and wellbeing throughout their life.
 - Protecting Surrey residents from communicable diseases and environmental hazards.
- 4.13 The PH service commissions a range of services centred on key PH priorities including:
- Healthy lifestyle services including stop smoking, weight management and mental health.
 - 0-19 services including health visitors and school nurses.
 - Substance misuse services relating to drugs and alcohol.
 - Sexual health services including contraception and genitourinary medicine (GUM).
 - NHS health checks.
- 4.14 PH's priority focus in 2020 has of course been on supporting the containment and management of the Covid-19 pandemic. The PH service has mobilised its resources and expertise to ensure that accurate and up-to-date information about infection rates across the county along with intelligence on the wider impact of the pandemic is provided for decision makers, and has worked closely with SCC's Corporate Leadership Team (CLT) and Surrey's Local Resilience Forum (LRF) to advise on how the virus can be most effectively managed for staff, residents and the delivery of essential services. As part of this, SCC's PH service is leading on the deployment of the £3.4m of Test and Trace funding that Surrey has received, and will also be coordinating claims for funding under the government's tiered alert levels for Covid-19 once the new national lockdown has ended. At the same time, the PH service continues to provide responses 7 days a week to local health protection queries and notifications of outbreaks from across the system whilst also ensuring the delivery of the majority of its core functions and commissioned services that are an integral part of the delivery of the local health and wellbeing strategy. These, it could be argued, are more

important than ever, to maintain and improve people's health and wellbeing during these very challenging times.

- 4.15 The PH service is reviewing its priorities for 2021/22 and beyond in light of the Covid-19 pandemic. These updated priorities will be reflected in the final budget report in January 2021. Since transferring to SCC from the NHS in 2013/14, Surrey's PH service has had to operate in a very challenging financial environment. There have been three main financial challenges:
- Firstly, Surrey's PH funding is very low. Surrey's 2020/21 PH grant equated to £31.45 per head of population (the second lowest per head allocation in the country) compared to an England average of £57.82 per head.
 - Secondly, the government has implemented a series of cuts to PH grant funding in recent years. When grant funding in 2013/14 is rebased to take account of additional responsibilities that have transferred to local authorities since the initial commissioning transfer, even when this year's increased funding is taken into account, Surrey's PH grant in 2020/21 is still 3% (£1.2m) lower than it was in 2013/14.
 - Thirdly, like all council provided services, Surrey's PH service has been impacted by the reductions to broader central government funding that SCC has suffered in recent years. An increasing proportion of the PH grant has been allocated to services delivered or commissioned by other parts of SCC that contribute to meeting PH outcomes. Currently £5.4m of Surrey's PH grant is budgeted to fund PH services delivered by other parts of SCC. This has required the PH service to make reductions to the services it directly commissions.
- 4.16 The combination of the above factors has meant Surrey's PH service has had to significantly reduce expenditure on the services it directly commissions in recent years. Between 2013/14 and 2019/20 expenditure on services directly commissioned by Surrey's PH service reduced by £9m (23%), when additional responsibilities that have transferred to PH in recent years are taken into account.
- 4.17 Surrey's PH grant was increased in 2020/21 by £2.4m. All local authorities have received increased funding in 2020/21, but the scale of increase has varied between authorities. Surrey was one of fourteen authorities to receive the highest 6.8% increase in PH grant funding from the Department of Health and Social Care (DHSC). It is assumed that this is in part in response to the representations that SCC has repeatedly made to government in recent years about Surrey's very low level of PH funding.
- 4.18 PH were required to use £0.8m of the £2.4m increased 2020/21 funding to cover the cost of the Agenda for Change NHS pay award for contracted services where this applies. In light of the reductions in expenditure on PH directly commissioned services that have been necessitated by SCC's financial position, and the importance of PH services in the context of the Covid-19 pandemic, Cabinet has agreed that the full £1.6m remaining grant increase for 2020/21 should be allocated to the PH service for investment in additional PH service provision. A significant proportion of this increase is planned to be used to expand the provision of mental health and substance misuses services, which were already under pressure in Surrey prior to Covid-19 pandemic and have seen demand increase considerably in recent months.
- 4.19 PH's budget envelope has been increased by the £2.4m 2020/21 grant increase to £32.6m. In 2021/22 this revised budget envelope of £32.6m will remain unchanged and PH is not at present required to deliver efficiencies next year in light of SCC's desire to increase PH service

provision. It is expected that the PH grant will remain ringfenced in 2021/22, but based on the government's current proposals it would become unringfenced in 2022/23 when the government plans to introduce a new Fairer Funding model nationwide. In light of the recognised importance of PH service provision, Cabinet has approved a carry forward from SCC's General Fund to sustain increased investment in the additional services to be commissioned by Surrey's PH service until at least 2022/23. This will mean the PH service will have a stable budget for the next two years and will avoid a situation whereby service provision is increased in 2021/22, but is then potentially subject to reductions the year after.

- 4.20 From 2023/24 the PH service will need to manage its expenditure within SCC's available resources. Based on the current outlook it is likely that expenditure on service provision may have to be reduced from this point. It is important to be clear though that any further reduction in PH spending in Surrey could have very serious long-term impacts for Surrey residents, especially considering how much of an outlier Surrey already is in terms of low PH spending. Therefore, any future changes to Surrey's PH spending once the national funding position is clearer will require very careful consideration, prioritisation and evidence-based decision making. In the meantime, SCC will continue to lobby for increased PH funding to support the delivery of the health and wellbeing priorities for Surrey residents.

CHILDREN, FAMILIES, LIFELONG LEARNING & CULTURE (CFLC)

- 4.21 Our purpose is to ensure that Surrey's children and families get the help and support they need at the right time, enabling children and young people to be safe and feel safe, healthy, have great education, skills and employment opportunities and make good choices about their wellbeing. Our ambition is that children and young people can live, learn and grow up locally. The directorate aims to work with all our multi-agency partners and in true partnership with children and families to provide them with access to a range of services that tackle inequalities in outcomes, support independence and enhance their lives.
- 4.22 The global Coronavirus (Covid-19) pandemic has seen the communities that we live and work in change overnight and has required us to be resilient and adaptable in our approaches to working with people and the services that we provide.
- 4.23 We have seven strategic priorities for 2020/21 alongside our ongoing, business as usual, responsibilities within the Directorate. These seven are:
- Response to the Coronavirus Pandemic
 - Starting well: first 1000 days
 - Children's Services Improvement
 - SEND and additional needs transformation
 - Emotional Health and Wellbeing
 - Libraries and Cultural Services transformation
 - Enabling our people, utilising our technology and embedding equality and diversity for all
- 4.24 **Special Education Needs and/or Disabilities (SEND) Transformation**
- In March 2019, Ofsted and the Care Quality Commission carried out a joint review of Surrey's progress in addressing weaknesses that were highlighted in a previous inspection in 2016;
 - The inspectors judged that the local area had made sufficient progress in four out of five areas of weakness, but that there was more to do. The partnership of County Council,

Clinical Commissioning Groups (CCGs), educational settings and alternatives to education provision are working together with families, to transform services for children needing support, to help them reach their potential and lead more independent lives;

- The financial demands on the High Needs Block (HNB), which funds the majority of revenue aspects for SEND, have continued to increase resulting in a forecast £31m overspend in 2020/21. In order to mitigate the risk associated with the HNB deficit, the Council is contributing £31m to an offsetting reserve out of its own resources. This represents a £7m additional contribution to the budgeted £24m. The ambition of the transformation programme is to bring this annual contribution down to a neutral position, before beginning to pay back the deficit. For 2021/22 there are £20m of efficiencies associated with this programme to maintain the current budgeted overspend position of £24m
- As part of the SEND transformation plan, on 29 September 2020, Cabinet approved the latest SEND Capital programme to develop local provision in order to meet demand. This includes an additional 213 places for the academic year 2021/22 providing more specialist school places in Surrey mainstream and special schools – so that children with SEND could be placed closer to home;

4.25 Looked After Children

- The impact of COVID-19 has created additional pressure within Corporate Parenting and Family Resilience in responding to the level of referrals and providing the right support for Looked After Children (LAC). Managing the one-off pressure from increased Covid-19 referrals and the underlying growth in LAC we have seen over the past few years is being undertaken through a number of areas;
 - Using the Capital programme to Increase internal provision which is more cost effective than external providers.
 - Transformation programme helping to fund a number of areas such as no-wrong door, mockingbird and the Family Safeguarding model. All of these will assist with both managing decisions around referrals into the system and ensuring resources are applied effectively

4.26 Integrated Commissioning

- Changes continue to be made to Integrated Children's Commissioning that will strengthen the way we integrate, deliver and continue to develop our Integrated Care System (ICS) to improve outcomes for our residents. It aims to drive forward and support agile decision making and effective use of resources, with a key focus on self-care, prevention, early intervention and building resilience.
- The Emotional Wellbeing and Mental Health (EWMH) contract re-procurement is progressing to be implemented in April 2021 and will represent the first major piece of work undertaken as part of these new integrated commissioning arrangements.

4.27 CFLC continues to see significant cost pressures within placements for both education (SEND) and Social Care (LAC). In both areas this is driven by a growth in demand and to a lesser extent increased unit costs. Expanding internal provision within the Council is part of the strategy for both SEND and LAC. In house placements are more cost effective whilst also

enabling the Council to have greater contact and engagement with the Children. This approach is reflected in both the SEND and LAC Capital programmes.

ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

- 4.28 Environment, Transport & Infrastructure (ETI) aims to **shape places, improving the environment** and reaching **sustainability and climate change targets**. **Building resilience** in the Surrey community through provision of **transport and digital connectivity**, infrastructure, and services in a **flexible** way that puts our **customers first** and provides **excellent value** for taxpayer money. ETI aims to embrace **effective and genuine partnership working** with **residents, peers, and business to deliver outcomes**.
- 4.29 ETI is developing a 5-year financial strategy which reflects a number of factors including:
- delivering on the Organisational Strategy, in particular enabling a Greener Future as well as climate change (as per the Surrey Climate Change Strategy),
 - responding to other priorities including a visitor-facing countryside service, major capital infrastructure delivery and placeshaping (as per the Surrey Place Ambition); as well as new legislation such as the Government's National Waste Strategy and the Environment Bill,
 - COVID-19 is also impacting on services with new ways of working, travelling, and new expectations as a result of changing behaviour arising from lockdown. Impacts include pressure on the bus industry and increased waste volumes, which could continue into the medium term,
 - the proposed financial strategy also reflects inflationary increases where necessary, e.g. for contracts delivering highways, transport and waste services.
- 4.30 This has inevitably led to growth, which the Directorate continues to review and challenge. In addition, opportunities for efficiencies are being actively pursued, including energy savings arising from street lighting LED conversion, additional opportunities for cost recovery and income, opportunities for better joint working with districts and boroughs on waste, and opportunities to reduce waste disposal costs.
- 4.31 The proposed ETI capital programme supports these objectives through continued investment in infrastructure, as set out in section 6. The capital budget totals £557m over the MTF5 period and includes investment in highway maintenance (roads, bridges, etc), flood alleviation including the River Thames Scheme, ongoing conversion of streetlights to LED, the A320 North of Woking Housing Infrastructure scheme, and public rights of way. The capital pipeline (comprised of schemes under development and subject to full business case approval) totals £387m over the period and includes major transport infrastructure improvements such as at Farnham and the A22, Local Enterprise Partnership schemes, cycling and walking improvements, and investment in energy efficiency and low carbon measures such as solar power and low emission vehicles.

COMMUNITY PROTECTION GROUP

- 4.32 Community Protection Group includes Surrey Fire & Rescue Service, Trading Standards, Emergency Management, Coroners, Health & Safety, Military Covenant and Resilience. At its core, this group is positioned to work together to deliver against the Council's 2020-2025 Corporate Strategy and the 2030 Community Vision.
- 4.33 Partnership working is key to the success of the group, starting within Surrey County Council with Adults and Children's services, to help prioritise support to our most vulnerable residents. External partnerships with the boroughs and districts will also be key around protecting people, places and premises, and enabling closer working with businesses to support the Surrey economy.
- 4.34 The Group's Medium-Term Financial Strategy reflects:
- a cost review of the Coroners service, highlighting historic issues which need to be addressed. An external review of the service is under way, which amongst other things will confirm the preferred service model, and this is expected to result in budget growth;
 - inflation, against pay and other costs; and
 - the full year effect of the changes introduced in 2019/20 as part of Making Surrey Safer – Our Plan 2020-2023, which was approved by the Council in September 2019 following extensive consultation, and which sets out how we will deliver our prevention, protection and response activities and find better ways of working with partners, residents and businesses. The plan allows for a stronger focus on prevention and protection activities to meet the risk profile of Surrey, while continuing to provide a strong, effective, and more efficient response to incidents. The plan is supported by investment in Fire vehicles and equipment.
- 4.35 Through the current transformation programmes and the improved coordination of services within the Community Protection Group we will be in a perfect position to improve:
- the safety of vulnerable adults and children in their homes and neighbourhoods;
 - information and assistance available to the public around protecting themselves from risk, such as fire and rogue traders, and also enabling residents to be more resilient in order to help themselves and others in their communities; and
 - working with businesses around enabling greater understanding of risk, such as Health & Safety, and the impact that incidents and accidents can have on their operation.

RESOURCES

- 4.36 The Resources Directorate provides vital support services to the organisation. As the Council continues to drive forward its ambitious transformation programme to improve the services we provide to residents and its commitment to the Community Vision for Surrey 2030, the Directorate is focused on ensuring that corporate support and enabling services are of the highest calibre.
- 4.37 Covid-19 has shown how teams are responsive, adaptable and collaborative in tackling extreme challenges. In addition, the Orbis landscape is evolving, with a rebalancing of the twin priorities of efficiency through integration, with responsiveness to sovereign change requirements. The Directorate want to build on this, to provide the Council with a more

joined up approach to support from back office functions, generating opportunities to realise better customer experience and efficiency through digital innovation.

- 4.38 Therefore, the Resources Directorate is embarking on an improvement programme, to ensure the consistent delivery of high quality, trusted advice and services, performing to their full potential and in a collaborative way, as a key enabler for the County Council to achieve the best outcomes for local residents.
- 4.39 Through this improvement programme the Directorate are looking to provide efficient services without reducing the service offer. Initially the programme will look at quality of service delivery and future years will focus on realising efficiencies, in conjunction with the implementation of the new ERP solution (Unit4 Business World) and the Agile Office Estate Strategy.
- 4.40 COVID-19 is impacting on the services within the Directorate with pressures emerging relating to ongoing enhanced cleaning requirements within Council owned buildings, legal costs for increased Children’s safeguarding demand and anticipated expected sustained loss of income from school meals, as a result of decreased parent confidence and changing school environments due to social distancing compliance. In addition there are new expectations on the IT&D team as a result of changing behaviours arising from new ways of working experienced during lockdown.
- 4.41 In financial terms, the ambition is to stabilise the Directorate and ensure the sustainability and quality of service delivery. Despite this, efficiencies have been identified to more than offset emerging pressures. In the medium term the focus on realising efficiencies will be in conjunction with:
- the implementation of the new Unit4 ERP solution to help drive more streamlined and automated processes;
 - the Agile Office Estate Strategy realising efficiencies in the management of the Council’s office estate;
 - a renewed focus for estate rationalisation to reduce revenue costs and increased impetus on using our asset base to generate sustained income; and
 - changes in culture and working practices, through adopting a Business Partnering Approach, to ensure that we work effectively across the organisation as trusted and insightful partners, enabling more efficient delivery of services while optimising our impact and generating better working relationships and outcomes within the services we support.

TRANSFORMATION, PARTNERSHIPS AND PROSPERITY (TPP)

- 4.42 The services of the Transformation, Partnership & Prosperity (TPP) Directorate are not currently consolidated within the one Directorate, being dispersed across several Directorates, as part of an interim Leadership Structure. For budget planning purposes, these services are being treated as being consolidated and working to the TPP Directorate budget envelope.
- 4.43 These services provide resources, activities and expertise that are vital to drive forward, enable and support the Council to achieve the Community Vision for Surrey 2030, the refreshed Organisational Strategy and financial objectives. There is a need to further invest in these to deliver on the recently confirmed Council’s ambitions, specifically;

- Economic recovery and growth, drawing on the findings of the Surrey Future Economy Commission and research by the University of Surrey
- Embedding and supporting community-focussed approaches into the way we work, (including Local Community Networks and Your Surrey Fund), our organisational culture and the services we provide.

4.44 Financial efficiencies are being realised as Customer Services continue to extend the front-line customer service offer and implement digital enablers to support customers to successfully self-serve, reducing volumes and costs and enabling resources to be focused on priority areas.

4.45 In addition, financial efficiencies across the organisation are driven through the ambitious and forward-looking transformation programme, making a significant contribution to achieving the financial sustainability required, so that the Council can deliver priorities, resulting in better outcomes for Surrey residents.

5. FINANCIAL STRATEGY AND DRAFT BUDGET 2021/22

5.1 This section outlines our approach to setting the budget and Medium-Term Financial Strategy (MTFS), adopting best practice to drive improvements in process and outcomes. We commenced this journey last financial year having made a number of changes to ensure that we were completely aligned with characteristics of a 'good' budget. A refreshed self-assessment against these characteristics demonstrates that we have moved forward at pace and continue that work into 2021/22. The hallmarks of a good budget translate into the principles we adopt for our budget setting process.

5.2 The outcome of the budget planning work undertaken to date is outlined in the Revenue Budget Headlines section, below, supported by Annex 1 which sets out pressures and efficiencies for each Directorate. We conclude the section by reviewing our approach to securing the financial resilience of the Council and our compliance with latest best practice in financial management.

Hallmarks of a Good Budget

5.3 As part of Phase 1 of our Finance Improvement Programme (FIP) we worked with an External Assurance Panel who suggested that we commit to assessing future budget setting processes against a best practice framework. We started the process in the last financial year but have committed to enhancing our approach in 2021/22. In March 2020, we reviewed our budget setting process against the following six hallmarks to consider improvements in the process. The table below presents an assessment of our progress against these hallmarks in setting the 2021/22 budget and MTFS.

Table 1 – Self-assessment against the Hallmarks of building the Budget

Hallmark	Self-Assessment
The budget has a medium-term focus which supports the Strategic Plan	<ul style="list-style-type: none"> • The budget process has been coordinated across Directorate Leadership Teams, Strategy, Transformation and Finance; the integrated approach ensures that the budget is focussed on delivering Corporate priorities

	<ul style="list-style-type: none"> • Despite significant uncertainty in the financial planning environment and the unprecedented impact of Covid-19, our approach continues to focus on a five-year-medium term budget which bears the hallmarks of sustainability and avoids short-term measures or depletion of reserves
<p>Resources are focused on our vision and our priority outcomes</p>	<ul style="list-style-type: none"> • The budget is based on clear integration with Organisation Strategy, the Transformation Plan and corporate priorities; developed in partnership across the organisation • The draft budget has been subject to numerous iterations through Cabinet and Corporate Leadership Team over the last four months to narrow the gap and clarify assumptions • The budget is based on the comprehensive application of a recognised framework (PESTLE – see para 5.7) to review the likely environment for budget setting and service delivery • The assessment led to the development of Core Planning Assumptions to provide a consistent framework for planning
<p>Budget not driven by short-term fixes and maintains financial stability</p>	<ul style="list-style-type: none"> • An integrated approach to transformation with a focus on efficiencies required over the medium term ensures that we are taking action now to secure a sustainable budget over the medium-term • Business cases are built around corporate priorities; focussing on benefits realisation and deliverability across transformation, invest to save and capital • We aim to continue to build general fund reserves to meet general risks and specific pressures to ensure that our resilience as an organisation grows despite an increasingly volatile and uncertain external environment
<p>The budget is transparent and well scrutinised</p>	<ul style="list-style-type: none"> • Workshops were held with Select Committees early in the budget process to set out the approach, covering the Core Planning Assumptions, the approach by services and funding projections. These continue throughout the budget setting process
<p>The budget is integrated with the Capital Programme</p>	<ul style="list-style-type: none"> • Section 6 sets out the Draft Capital Programme • The Programme is developed alongside the revenue budget by Capital Programme Panel. We will continue to clearly demonstrate delivery of corporate and service priorities and set out the impact and linkages with the revenue budget

	<ul style="list-style-type: none"> • The full borrowing costs of proposed Capital Programme are reflected in the revenue budget • The full lifecycle costs of new investment are assessed to establish the long-term financial impact
The budget demonstrates how the Council has listened to consultation with local, people, staff and partners	<ul style="list-style-type: none"> • Section 9 sets out our approach to consultation, in summary; • We have engaged with residents over the summer to understand the impact of Covid-19 and their future priorities for the Council • During November and December 2020, we will engage further with residents, businesses, districts and boroughs, other public service partners and the voluntary, community and faith sector to understand their views about the draft budget and whether we are prioritising our resources in the right places

Budget Principles

5.4 The previous MTFS (for 2020/21 to 2024/25) contained a number of high-level principles which were used as a framework to set the budget. These have proven to be successful and been reaffirmed for the current MTFS period.

5.5 The principles are:

- An integrated approach linking Organisation Strategy, Service and Transformation plans to the MTFS through cross-cutting business partnership;
- A balanced revenue budget with only targeted use of reserves and balances;
- Regular review of reserves to ensure appropriate coverage for emerging risk;
- Budget envelopes set for each Directorate to deliver services within available resources;
- Cost and demand pressures contained within budget envelopes;
- Robust efficiency plans which are owned, tracked and monitored;
- Managers accountable for their budgets
- Scenario planning across pessimistic, optimistic and likely assumptions to set realistic boundaries on the likely operating environment; and
- Working with partners to create best value for residents.

The principles more specifically related to setting sustainable medium-term budgets are:

- Developing and iterating five-year plans, integrated with transformation and capital investment across the Council;
- Continuing to adopt a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Directorate budget envelopes;
- Envelopes validated annually based on realistic assumptions;
- Evidence bases used to underpin all efficiency proposals;
- Assurance that all efficiencies, pressures and growth are managed within budget envelopes to deliver accountability for implementation;

- Pay and contract inflation allocated to Directorates to be managed within budget envelopes;
- A corporate transformation fund held centrally
- A corporate risk provision/contingency held centrally; and
- A corporate redundancy provision held centrally.

Revenue Budget Headlines

- 5.6 The draft revenue budget has been developed during a period of significant uncertainty; with inflation forecasts, funding, the impact of Covid-19 and likely demand for services in 2021/22 all very unclear. This uncertainty has been managed through the development and costing of a range of Core Planning Assumptions which looked at pessimistic, optimistic and likely financial scenarios to set realistic limits on the range of potential outcomes.
- 5.7 The potential scenarios for service delivery and budget planning were initially modelled using the well-established 'PESTLE+' framework to build an expectation of future conditions by reference to the following factors:
- Political
 - Economic
 - Social
 - Technological
 - Legislative
 - Environmental; plus
 - Health
- 5.8 An assessment of likely outcomes against each of the scenarios of this framework was used to develop the Core Planning Assumptions, against which the service strategies and the draft budget were developed.
- 5.9 As a starting point for developing the budget, an initial costing of potential budget pressures against this framework identified a potential gap for 2021/22 of between £26m and £106m (reflecting the uncertainty at that point early in the pandemic period); with a realistic picture being c£63.7m; as reported to Cabinet in the Strategic Reset paper on 29th September 2020.
- 5.10 Since September, Directorate growth pressures have been subject to a number of iterations; culminating in indicative pressures for the Draft Budget of £62.5m (a reduction of £1.2m since September Cabinet). Draft pressures are categorised as follows:
- Demand and inflation of **£43.4m** – amounts required to cover increasing prices, growing demand and unavoidable legislative changes
 - Covid-19 impact of **£14.6m** – the expected Covid-19 pressure on Directorate spending in 2021/22. This amount excludes the impact of the pandemic on funding (set out in subsequent sections) and is subject to significant volatility. The final impact is likely to change in reaction to the impact of national and local responses to the pandemic. It does not assume any 'lockdowns' during the new financial year.
 - Increased or new investment in priority areas of **£4.5m** – the draft revenue budget of £971.6m in its entirety is focused on delivering Corporate Priorities or our statutory responsibilities; this increase reflects specific, targeted investment to develop capacity where necessary to deliver priorities.
- 5.11 To date, efficiencies of £41m have been identified along with a small growth in funding of £3.2m (as set out in para 5.23). Together, these developments give a gap still to be closed for

2021/22 of £18.3m as shown in the table below. Further information on the position for each Directorate is set out in Annex 1.

Table 2: Summary Draft Budget Position for 2021/22

	Base Budget £m	Pressures £m	Efficiencies £m	Directorate Total £m	Directorate Gap £m
Adult Social Care	372.1	16.5	(11.5)	377.1	5.0
Public Health	32.6	0.0	0.0	32.6	0.0
Children, Families, Lifelong Learning and Culture	245.2	26.8	(20.9)	251.2	5.9
Environment, Transport and Infrastructure	132.8	9.4	(3.5)	138.8	5.9
Community Protection	36.2	1.8	(0.5)	37.4	1.2
Resources	66.6	3.9	(4.4)	66.1	(0.5)
TPP Services	17.4	0.9	(0.2)	18.1	0.7
Central Income and Expenditure	65.4	3.2	0.0	68.6	0.0
Directorate Sub-total	968.4	62.5	(41.0)	989.9	18.3
Projected Funding	(968.4)	(3.2)	0.0	(971.6)	
Net Gap	0.0	59.3	(41.0)	18.3	

Given the level of uncertainty, a gap of £18.3m (1.9% of likely net revenue funding) represents acceptable progress in balancing the budget at this early stage. Uncertainty still surrounds our funding position, the likely impact of Covid-19 and the extent to which Government measures will reduce the burden on the Council. There is every reason to be confident that a balanced budget will be achieved by the time the final budget is approved by Council in February 2021.

National and Local Funding Context and the impact of COVID-19

National context - background

- 5.12 On 11 March 2020, the Chancellor of the Exchequer, the Right Honourable Rishi Sunak, delivered the Government's Budget 2020¹. Dealing with the immediate Covid-19 outbreak, the Chancellor set out several measures to deal with the economic impact, announcing a £30bn stimulus package. On the same day the coronavirus outbreak was declared a global pandemic by the World Health Organisation.
- 5.13 During the following week the Government dramatically increased its efforts to reduce the spread of the Covid-19 virus. Measures announced included enforced closures of some businesses and other venues, and social distancing measures. The lockdown restrictions lasted for a significant period with a gradual easing commencing in June. During this time, gross domestic product (GDP) shrank by a record 20.4%. This marked the second consecutive quarter of decline, pushing the UK into a recession.

¹ <https://www.gov.uk/government/news/budget-2020-what-you-need-to-know>

- 5.14 The impact of the actions taken to reduce the spread of virus and the subsequent recession has inevitably resulted financial hardship to both individuals and businesses. The Government's financial support measures are constantly evolving and the economic outlook for the UK is uncertain and further complicated by Brexit, with the transition period coming to an end on 31 December 2020. The Institute for Fiscal Studies (IFS) are forecasting the Government's budget deficit will climb to £350bn (17% of GDP) in 2020–21², more than six times the level forecast at the March Budget. They are also expecting unemployment to rise to 8-8.5% in the first half of 2021³, double the rate at the beginning of this year.
- 5.15 On 31st October, the Government announced a second national lockdown commencing on 5th November. The impact of this on the economy and the Draft Budget is not yet fully understood; but may significantly increase projected collection fund deficits and set out in this section. The continued and now heightened uncertainty reinforces our focus on building resilience and stability.

Comprehensive Spending Review (CSR)

- 5.16 The Government announced at the Budget 2020 that a CSR, setting out planned resource expenditure for three years from 2021/22 to 2023/24 and capital budgets for four years to 2024/25, would conclude in July 2020. Just two weeks later, on 24 March 2020, the Chancellor announced that the CSR would be delayed 'to enable the government to remain focused on responding to the public health and economic emergency'.
- 5.17 On Wednesday 21 October, following months of speculation about the timing and duration of the CSR, the Chancellor announced the decision to conduct a one-year Spending Review (SR) in order to prioritise the response to Covid-19 and focus on supporting jobs. The announcement confirmed the Review on the 25th November with a provisional settlement very close to Christmas.

2021/22 Provisional Local Government Finance Settlement (provisional LGFS)

- 5.18 The cancellation of the Autumn Statement and the announcement about the spending review has direct consequences for the timing and the type of settlement we will receive. The settlement, announcing the annual determination of funding to local government, is likely to be several weeks after the spending review and a one-year review decreases the likelihood of a multi-year settlement. This means that Councils will not gain certainty of their funding position until mid-to-late December and that certainty is unlikely to extend across the medium-term.

Local Context

- 5.19 Councils nationally have played a pivotal role in responding to the Covid-19 pandemic and the Government has enabled local authorities to achieve this through the swift provision of timely one-off resources. However, the economic shock the country has experienced and the recession we are facing will have profound and lasting effects, not met by temporary funding.

² <https://www.ifs.org.uk/publications/15081>

³ <https://www.ifs.org.uk/publications/15078>

- 5.20 In 2018, the Council was at a crossroads. Over four successive years we had relied on general fund reserves to support our revenue budget whilst adopting a policy of actively lobbying Government for more funding to address years of continuous grant reductions. Having eroded our reserves substantially and facing significant financial pressures there was the very real possibility of the Council tipping into a financial deficit.
- 5.21 At that point we took the decision to reduce the focus on lobbying and instead concentrate on actively managing our own destiny. Just two years later at the beginning of 2020, following a CIPFA review of our financial management arrangements and subsequent financial improvement plan, our position had stabilised. The Council faced relatively few difficult decisions and felt that it was adequately prepared for whatever came next.
- 5.22 The transformation of the Council's finances has provided us with the security to tackle the immediate challenges arising from the Covid-19 pandemic. However, much has been made of the severe financial difficulties facing a number of other authorities and now, due to events beyond our control, we too see the future as extremely challenging.

Funding Assumptions

- 5.23 The macro environment this year has resulted in an unprecedented level of uncertainty over the budget planning and MTF5 period. Over the course of this year our usual horizon scanning, intelligence gathering, and sector engagement have been undertaken to a much greater extent than would normally be required. Various scenarios have been modelled and the draft budget is considered to provide the most realistic overall funding position at this point in time.

The budget has been drafted with total funding of £971.6m (a £3.2m increase on 2020/21) as set out in the table and main principles, below.

Table 3: 2021/22 funding

	2020/21	2021/22	Change*
	£m	£m	£m
Council tax precept	760.9	775.1	14.2
Business Rates	116.2	115.6	(0.6)
Grant Funding	88.2	93.4	5.2
Funding before collection fund	965.4	984.1	18.7
CT collection fund	3.0	(10.8)	(13.8)
BR collection fund	0	(1.7)	(1.7)
Total funding	968.4	971.6	3.2

*2020/21 budget was approved at £968.4m and subsequently increased to £1,021.6m to reflect one-off Covid-19 grant funding and associated expenditure. The funding was one-off and does not increase totals for 2021/22 or beyond.

Roll forward Local Government Finance Settlement (LGFS)

- 5.24 We have assumed a 'roll-forward' LGFS and the announcement of a one-year spending review means this is the most likely outcome. Broadly, a roll-forward settlement would see similar principles applied to the determination of funding to local government in 2021/22 to those provided on 2020/21. Fundamentally for SCC, this assumes that 'negative RSG' continues to be eliminated in full.

Council tax funding £764.3m (Core funding £775.1m less collection fund deficit £10.8m)

- 5.25 **Core council tax funding increase:** The referendum principle is assumed to be maintained, allowing an increase in Council Tax of 1.99% resulting in an additional £15.2m in 2021/22. £4.3m of underlying council tax growth was set aside as contribution to reserves in 2020/21 meaning that the **overall funding change from 2020/21 is an increase of £19.6m.**
- 5.26 **Local Council Tax Support (LCTS):** Due to the effects of Covid-19 we anticipate that any growth in properties this year would be offset by an increase to the level of LCTS required. Early intelligence indicates this assumption is correct. However, we anticipate that the second lockdown may see LCTS exceed further property growth and could result in a reduction to the tax base of going into 2021/22. **Overall change from 2020/21 – reduction of £5.4m.**
- 5.27 **Together, the increase in core council tax (£19.6m) offset by LCTS produces (£5.4m) produces a net increase (before collection fund loss) of £14.2m.**
- 5.28 **Adult Social Care (ASC) precept:** There has been no increase built into the budget relating ASC precept on the basis that the Government has not yet provided any directive to allow increases. If a 2% increase was announced and implemented the Council could raise an additional c£15m to help support our vulnerable adults and those in need of social care.
- 5.29 **Tax base:** There is a risk that the actual tax base used for final budget setting purposes will reduce further as a result of the Surrey Districts and Boroughs (D&Bs) decisions on where they set the collection rate for next year. If the collection rate assumptions were to fall by 2% compared to this year, council tax income could reduce by c£15m. This could worsen as a result of the second national lock down announced on 31st October.
- 5.30 **Collection fund deficit c£32m:** Based on regular information sharing with District and Borough Councils, we know that a council tax collection fund deficit in 2021/22 is extremely likely. The level of deficit will be influenced by the amount of council tax collected throughout the year and the District and Borough Councils' decisions on debt provision. The draft budget assumes a deficit in the region of c£32m/4% with £10.8m (33%) in 2021/22. **Overall change from 2020/21 – reduction of £13.8m.**
- 5.31 **Council Tax Collection Fund loss spread over the next three financial years:** To ease the immediate pressure on budgets the Government is proposing⁴ that repayments to meet collection fund deficits accrued in 2020/21 will be phased over a three-year period (2021/22 to 2023/24). The Government's intention is for the deficit phasing to apply to all authorities and the scheme will be prescribed in secondary legislation. Latest government guidance dictates that the loss should be spread equally over three years.
- 5.32 There is a range of risks and opportunities in each of these assumptions largely driven by whether the macro environment remains stable over the coming months, and decisions made

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/927363/200716_Technical_details_on_LGF_package_for_Treasurers_and_FDs_FINAL_.pdf

by Government and the District and Borough Councils. On balance, whilst the mix of the above assumptions will shift how council tax income is achieved, our intelligence and modelling indicate that the overall level of funding (c£764m) is a realistic assumption.

Business Rates funding £113.9m (Retained rates £115.6m less collection fund deficit £1.7m)

5.33 **Retained rates decrease £0.6m:** Under a roll-forward funding scenario business rates broadly increase in line with CPI, although due to the relatively low measure of inflation (0.5% in September) and the impact of the pandemic, we anticipate an increase to local reliefs being awarded to businesses offsetting the inflationary increase next year and leading to a slight reduction. **Overall change from 2020/21 - decrease of £0.6m.**

5.34 **Business Rates Collection fund deficit £1.7m:** Similarly, to council tax, the level of deficit will be influenced by the amount of business rates collected throughout the year and the District and Borough Councils' decisions on debt provision as well as appeals. Due to the Council's share of retained rates being just 10%, the risk is somewhat smaller than with council tax. Current estimates on business rates collection fund loss is c£5m/10% with the ability to spread the loss making the deficit in next year's budget c£1.7m. The 2020/21 budget did not build in any assumptions for the business rates surplus/deficit. **Overall change from 2020/21 decrease of £1.7m.**

Grant funding £93.4m

5.35 Key assumptions for grants for a roll-forward scenario:

- Negative RSG is eliminated in full
- Continuation of **New Homes Bonus** (legacy payments only), **Social Care Support grant** and **Business rates multiplier compensation.**

5.36 Grants held centrally which fall outside the scope of the settlement that are expected to continue and consist of **Public Health grant, Private Finance Initiative** and the central share of the **Dedicated Schools Grant.**

5.37 The 2020/21 budget was approved at £968.4m of which £88.2m related to grant income. This was subsequently increased by to reflect Covid-19 grant funding and associated expenditure. The grant funding was one-off and does not increase total grant for 2021/22 or beyond. All grant funding is reviewed and updated in line with the latest intelligence. This early intelligence indicates a net increase between 2020/21 and 2021/22 of **c£5.2m.** This net increase is largely driven by revised assumptions on the central share of the Dedicated Schools Grant (still to be finalised).

5.38 All income assumptions will be revised in the coming months following the SR, provisional LGFS, other ad-hoc government announcements and the D&B confirmation of the 2021/22 tax base and collection fund estimates for budget setting purposes.

DSG High Needs Block uncertainty

5.39 The Dedicated Schools Grant (DSG) High Needs Block (HNB) expenditure continues to be a significant pressure for the Council. We are witnessing significant and rising demand for SEND support and this has been exacerbated by Covid-19; in particular the requirement to continue

paying suppliers at previous rates through the pandemic. This requirement has delayed or prevented a number of our cost containment plans from being realised.

- 5.40 Currently we are projecting an annual deficit of around 16% (c£31m) which would result in a cumulative deficit of c£80m at the end of 2020/21. For context, a cumulative deficit of £80m represents over 10% of our annual Council Tax Requirement. Government have taken the first step to clarify that deficits should be recovered within the DSG budget. We await clarification on discussions between MHCLG and the Department for Education on the accounting treatment for DSG deficits which we understand are due in November, as well as a hoped for funding solution via the schools funding settlement.

CIPFA Resilience Index Update

- 5.41 CIPFA's Financial Resilience Index, made publicly available for the first time in 2019, aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience of an authority. However, users of the index can undertake comparator analysis drawing their own conclusions.
- 5.42 The 2020 index, which will provide the relative position for the 2019/20 financial year, will not be made publicly available until December 2020 and because an authority's performance is ranked relative to those in the selected 'comparator group', we will not know how we compare until its release. Notwithstanding, we continue to strengthen our resilience as an organisation, including building our reserves to tackle the challenges we know the future will bring. As such, we expect the index to show improvements at an individual level in the majority of the primary indicators.
- 5.43 Building on this, and despite the challenges we have faced, we again intend to set a balanced budget for 2021/22 and over the medium-term without the use of general reserves. Earmarked Reserves may be drawn on for their intended function, such as to mitigate the impact of Covid-19 and for the transformation programme, funding specific projects. As such, the reserves indicators within the resilience index could move either way in future years but our underlying resilience is likely to grow.

CIPFA FM Code of Practice

- 5.44 CIPFA has developed the Financial Management Code (FM Code) 'designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.' The FM code has several components including six Principles of Good Financial Management, setting the benchmark against which all financial management should be judged.

CIPFA expect the first full year of compliance with the FM Code to be 2021/22 and it is for individual authorities to determine whether they meet the standards. As such officers are reviewing the guidance released earlier this year as part of the budget setting and MTFs planning process. The final budget report will set out our findings and any actions required to ensure we continue to adopt best practice.

6. DRAFT CAPITAL PROGRAMME 2021/22 TO 2025/26

Overview

- 6.1 This section of the report provides an update on the development of the Capital Programme for 2021/22 to 2025/26, taking into account work that has been carried out by officers and Cabinet Members over the last 12 months.
- 6.2 The planning process to set the Capital Programme began earlier this year than it has done previously. This is part of a continuing improvement of capital planning which ensures that equal prominence is given to capital and revenue, with a fully integrated approach. During 2020, the officer-led Capital Programme Panel (CPP), chaired by the Director, Corporate Finance, ensured that the framework for setting the Capital Programme continues to focus on alignment with the four new corporate priorities (set out in the Organisation Strategy), outcomes for residents, deliverability and affordability.
- 6.3 The governance around the Capital Programme continues to be led by CPP and the three Strategic Capital Groups (SCGs) for Property, Infrastructure and IT. The SCGs are tasked with developing the Capital Programme based on an asset planning approach to ensure that affordable, value for money capital solutions are identified to meet the needs of residents.
- 6.4 For the 2020/21 to 2024/25 Capital Programme, we introduced the concept of a capital pipeline. This continues for the new MTF period and allows us to reflect comprehensive and ambitious spending plans for the Council prior to full business cases being approved by CPP and Cabinet. The capital pipeline holds schemes in the early stage of development which are moved into the approved budget only when their benefits and deliverability are adequately demonstrated to CPP and Cabinet. The borrowing costs for all schemes, including the pipeline, are factored into the revenue budget and are set out in section 6.13 and 6.14, below.
- 6.5 An external review by PwC of the revised capital governance and approach to budget setting has provided assurance that the process reflects best practice. The recommendations from the review have provided a path to stronger governance consistent with the ongoing goal of adopting streamlined, fit-for-purpose processes. Many of the recommendations have been implemented already. This will continue throughout 2021/22 as we seek to drive continuous improvement.
- 6.6 Key improvements that have been implemented to-date include:
- Capital governance structures, panel attendees and terms of reference finalised, including SCGs and CPP
 - The introduction of monthly budget-profiling and monitoring of year-to-date spend against realistic plans
 - Expenditure forecasts reviewed in detail each month, with plans developed to mitigate slippage
 - Introduction of outcome-based reporting; focusing on key deliverables alongside forecast spend
 - Linking proposals (new and existing) to corporate priorities and efficient use of assets
 - Improved collaboration between budget holders and finance business partners for the development and costing of business cases

- Increased focus on risk assessment at CPP for the overall programme informed by SCGs, including improved risk assessment at business case stage

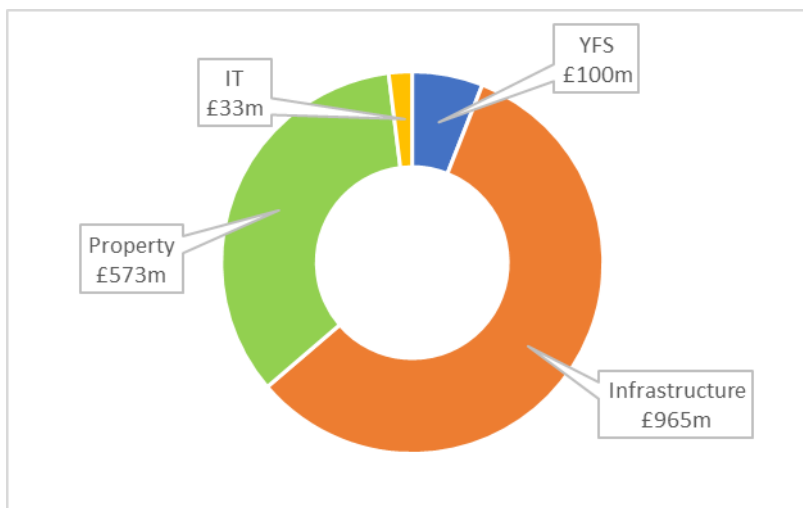
- 6.7 Further development is required to implement the remaining recommendations of the PwC review. Work is currently underway to improve and align business case development across the SCGs, CPP and Cabinet to ensure that robust and consistent information is provided to decision makers.
- 6.8 The Council is developing its project management capacity to enable the timely production of robust business cases for pipeline projects and to accelerate the conversion of approved business cases to project delivery.
- 6.9 The changes in structure, governance and processes from 2020/21 in capital budget setting, monitoring and delivery have been embedded as business as usual. These changes have ensured that plans are iterated throughout the year to reflect strong governance and control of the Capital Programme, maximise funding available and delivering outcomes within the financial constraints and risk appetite of the Council.
- 6.10 Over the Summer, spending plans have been iterated and the SCGs have come forward with a refreshed set of proposals; some of which require further scrutiny and benefits testing before they are included in the pipeline. The latest iteration of the Capital Programme is set out in the sections below.

Capital Programme – MTFS Budget and Pipeline Summary

- 6.11 The draft Capital Programme is set out in Annex 2. Further work is required to review proposed allocations, delivery plans and to comprehensively demonstrate the benefit of new schemes. The outcome of this work will be presented in detail to Cabinet in January as part of the Final Budget Report.
- 6.12 The proposed Capital Programme has increased from £1.4bn in the MTFS approved by Council in February 2020 to c.£1.7bn in the latest proposals. The revised Capital Programme is split between proposed budget of £960m, pipeline of £611m and a £100m allocation for Your Fund Surrey. The majority of the increase from February relates to a £139m indicative allocation for Farnham infrastructure projects (of which an indicative £30m-£35m is likely to result in increased borrowing, dependent upon the level of grant funding available) and c£8m indicative allocations for Climate Change schemes (funded from borrowing). Both proposed additions are held in the pipeline and will be subject to rigorous scrutiny before they become part of the approved budget. These new proposals increase borrowing over previously approved estimates by c.£40m at a cost of £1.7m per year when the schemes are complete (phased in from 2022/23 onwards).
- 6.13 The Capital Programme over the MTFS period is presented below:

Table 4: MTFS Indicative Capital Programme by Strategic Group

Strategic Capital Group	MTFS (£m)
Infrastructure	965
Property	573
IT	33
Your Fund Surrey (YFS)	100
Total MTFS Capital Programme	1,671



6.14 Annex 2 also sets out proposed funding for the Capital Programme. Capital spending plans will lead to an increase in borrowing costs over the MTFS period from £35m in 2020/21 (funding existing borrowing) to £74m by 2025/26. Excluding the new proposals set out in paragraph 6.13, the revenue costs were factored into the Medium-Term Financial Strategy approved by Council in February 2020. Offsetting the increase in borrowing costs; many of the schemes are crucial to delivering revenue efficiencies, cost containment or income generation. A key part of finalising the Capital Programme will be to test the justification, affordability and prudence of plans to increase borrowing. This will be reflected in the Final Budget and in the Treasury Management Strategy and associated prudential indicators; both set to be approved in January 2021.

Your Fund Surrey (YFS)

6.15 “Your Fund Surrey”, (formerly known as the Community Projects Fund), is a five year £100m capital fund announced by the Council in its 2020/21 Budget. The broad timeline for the YFS launch begins with a digital campaign to promote the fund. The fund will open for applications in February 2021 with the first award to successful applicants expected in late May 2021. The fund will run from 2021/22 to 2025/26 with £20m available each year over the period (with flexibility to re-phase where necessary). YFS is a key part of the programme to achieve the Council’s priority objective of empowering communities to be able to tackle local issues and support one another. The fund aims to bring community-led place-making or place-improving projects to life at a scale to make a significant impact and deliver a real legacy in communities.

6.16 Decision making and governance will include scalable measures that reflect the scope of the bids to ensure a streamlined process. The YFS Panel will provide recommendations to a two-tier delegated authority to approve bids and transfer appropriate amounts to the approved capital budget for successful applicants. The proposed delegated authority is as follows:

- Projects between £10K and £1m – delegated to the appropriate Executive Director in consultation with the relevant Cabinet Member(s)
- Projects over £1m – decision taken by Cabinet

2021/22 Capital Budget and MTFS to 2025/26

6.17 A total of £960m of schemes are included in the proposed approved capital budget over the MTFS (i.e. excluding pipeline amounts). Business cases for these well-developed schemes have been prepared and subjected to appropriate testing and scrutiny before being approved. The schemes will be monitored during the year for cost control, deliverability and to ensure budget estimates remain realistic over the period of the Capital Programme. This is particularly important considering the impact of Covid-19 on deliverability. The table below shows a breakdown of budget schemes into the three SCGs over the MTFS period:

Table 5: MTFS Indicative Capital Budget by Strategic Capital Group

Strategic Capital Group	Budget (£m)
Infrastructure	576
Property	351
IT	33
Total Budget	960

6.18 These schemes deliver priorities across the county, including investment in schools, the transport network, flood alleviation, making the most efficient use of the corporate estate and providing support to vulnerable residents. The top 10 schemes based on estimated budget spend over the MTFS period are as follows:

- £183m - Surrey Flood Alleviation - River Thames
- £169m - Highway Maintenance
- £124m - Schools Basic Need
- £84m - Recurring Capital Maintenance Schools
- £61m - SEND Strategy
- £49m - Bridge/Structures Maintenance
- £47m - Recurring Capital Maintenance Corporate
- £46m - A320 North of Woking and Junction 11 of M25
- £18m - Surrey Flood Alleviation - Wider Schemes
- £17m - Surrey Fire - Purchase of New Fire Engines & Equipment

6.19 2021/22 is an ambitious year for the Council, with £199m in the draft capital budget. This will need to be thoroughly tested for deliverability prior to the final budget being approved but is consistent with the scale of forecast delivery for 2020/21:

Table 6: 2021/22 Indicative Capital Budget by Strategic Capital Group

Strategic Capital Group	2021/22 Budget (£m)
Infrastructure	89
Property	96
IT	14
Total Budget	199

6.20 Successful delivery of the 2021/22 budget is a key part of ensuring the Capital Programme overall remains on course. The focus of the 2021/22 budget will be on the schemes that comprise the majority of forecast spend. The top 10 schemes account for c.£151m, or 76% of the 2021/22 budget:

- £34m - Highway Maintenance
- £31m - Schools Basic Need
- £22m - SEND Strategy
- £14m - Recurring Capital Maintenance Schools
- £10m - Recurring Capital Maintenance Corporate
- £9m - Relocation and upgrade of SFRS functions currently at Wray Park
- £9m - Digital Business & Insights Programme - ERP Replacement
- £9m - Bridge/Structures Maintenance
- £8m - Local Enterprise Partnerships Funded Schemes
- £8m - Street Lighting LED Conversion

Pipeline Schemes

6.21 Pipeline schemes include proposals developed to a stage where they can be earmarked against a flexible funding allocation built into the wider Capital Programme. The pipeline allows projects to be approved during the year subject to business case approval. The SCGs have come forward with an ambitious set of proposals to support key strategic priorities and safeguard the future for Surrey residents. The table below shows a breakdown of pipeline schemes into the SCGs over the MTFS:

Table 7: MTFS Indicative Capital Pipeline by Strategic Capital Group

Strategic Capital Group	Pipeline (£m)
Infrastructure	387
Property	224
Total Pipeline	611

6.22 Several projects are being explored to deliver on our climate change responsibilities and to create a Greener Future for residents. In addition to these, the Council is committed to continue working with partners to unlock opportunities across the County, including large scale infrastructure projects to significantly improve transport links, unlock housing development for District and Borough partners and to regenerate towns and local economies. The top 10 schemes based on estimated spend over the MTFS period are shown below:

- £139m – An initial outline estimate of infrastructure works in Farnham including the A31 at Hickley’s Corner
- £57m - A22 Strategic Developments
- £44m - Local Enterprise Partnerships Funded Schemes
- £42m - Ultra Low Emission Vehicles - Bus Companies
- £42m - Extra Care Housing -SCC Schemes
- £40m - Looked After Children (LAC) Schemes
- £38m - Corporate Asset Capital Programme Spend
- £35m - LCWIPS (Local Cycling and Walking Infrastructure Plans)

- £28m - Materials Recovery Facility at Trumps Farm
- £26m - Weybridge - redevelopment of town centre library site as a multifunctional Community Centre

6.23 Proposals are subject to ongoing development, scrutiny and challenge to ensure feasibility and deliverability before being approved to budget and confirmed into the Capital Programme.

7. FINANCIAL PERFORMANCE 2020/21

- 7.1 The Month 6 Finance Update report is reported to the same Cabinet on 24th November. Headline performance is set out below.
- 7.2 **Revenue:** As at September 2020 (M6) the Council is forecasting a £3.5m business as usual overspend in 20/21 against the proposed budget baseline of £1,021.6m; an improvement of £1.2m from M5.
- 7.3 **Covid-19** has resulted in unprecedented in-year changes to the revenue budget, including two major resets and a number of other allocations. The second of the two resets is proposed in the Month 6 Finance Update report.
- 7.4 As a result of Covid-19 the Council has so far incurred total costs, lost income and unachievable efficiency savings of **£78.0m**, funded through:
 - £53.4m of general Government CV-19 funding (of which £0.9m used in 2019/20) leaving **£52.5m in the 2020/21 budget**
 - **£25.5m** of specific Government CV-19 relating to Infection Control, Test and Trace funding and grants for active travel and bus services.
- 7.5 A fourth tranche of Covid-19 emergency funding (£5.3m for Surrey) was announced in October and will supplement the CV-19 reserve. In September, the first Covid-19 Income Compensation Scheme (ICS) claim for £4.6m was submitted to Government. Further claims are likely to follow and the total amount due for the year will be confirmed by a reconciliation and audit at the end of the year. As the situation is still developing, management are keeping the budget under close review throughout the remainder of the year.
- 7.6 **Capital:** The Council approved a capital budget for 2020/21 of £175.7m in February 2020. This has been restated to £226.3m to reflect the revised M5 forecasts, recognising the impact of Covid-19 and the inclusion of the acquisition and associated costs of the strategic acquisition of the Woodhatch site in Reigate. Against the revised budget, forecast capital spend is £226.8m; an increase of £0.5m across SCGs.
- 7.7 The 2020/21 expected forecast outturn for both revenue and capital give us confidence that the underlying budget is realistic and deliverable; providing a solid base on which to build the 2021/22 budget. Where Directorate variances are forecast to have an ongoing effect, these are built into the starting point for 2021/22 and included in the gap.

8. MEDIUM TERM FINANCIAL OUTLOOK 2021/22 TO 2025/26

8.1 Over the medium-term, the gap between expected Directorate spending pressures and projected funding grows significantly. By 2025/26, the Council will need to close a gap of c.£170m. This is driven by:

- Growth pressures: including demand and inflation: £244m
- Plus, expected reduction in funding: £39m
- Less efficiencies identified to date: £113m

8.2 Although our immediate priority is understandably closing the gap and setting a balanced budget for 2021/22; our medium-term focus means that transformation and service delivery plans are developing now which already go a significant way to improving our medium-term financial outlook. These plans will iterate as funding projections gain more certainty.

Table 8: MTFS Gap to 2025/26

	Total						Total £m
	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Budget Envelope	968.4	971.6	960.3	951.7	933.8	929.0	
Brought forward budget	968.4	968.4	989.9	1,007.7	1,034.5	1,066.8	
Plus growth (inc inflation)		62.5	47.6	45.5	44.5	43.9	243.9
Less identified efficiencies		(41.0)	(29.7)	(18.7)	(12.3)	(11.5)	(113.2)
Total budget requirement		989.9	1,007.7	1,034.5	1,066.8	1,099.1	
Reductions still to find		18.3	29.1	35.4	50.2	37.0	170.1

8.3 The unprecedented level of uncertainty throughout the 2021/22 budget planning process continues over the MTFS. Whilst we are optimistic that council tax will start to show signs of improvement within a one to two years, a second delay to Local Government Reform (FFR and Business Rates reset) and the possibility of receiving a single-year settlement this year leaves the Council facing further uncertainty going into 2022/23, which undermines effective planning. The following is considered to represent likely outcomes at this point and will subject to continuous review as any new intelligence emerges.

Table 9: MTFS funding to 2025/26

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Likely funding breakdown						
Council tax precept	760.9	775.1	798.7	816.6	834.2	855.1
Business Rates	116.2	115.6	133.3	115.8	84.8	59.2
Grant Funding	88.2	93.4	25.8	25.0	13.1	13.1
Funding before collection fund	965.4	984.1	957.8	957.4	932.1	927.4
CT collection fund	3.0	(10.8)	2.2	(5.9)	1.6	1.6
BR collection fund	0	(1.7)	0.3	0.3	0.0	0.0
Total funding	968.4	971.6	960.3	951.7	933.8	929.0

*2020/21 budget was approved at £968.4m and subsequently increased to reflect CV-19 grant funding and associated expenditure. The funding was one-off and does not increase totals for 2021/22 or beyond.

Council tax

8.4 The scenario considered to be most likely is that council tax continues to increase within a referendum limit of 1.99% on annual increases (as is expected to be the case for 2021/22). Over 2021/22 and the medium-term, no increase has been assumed in relation to the ASC precept. We are expecting to hear more on this as part of the Spending Review on 24th November

- 8.5 In line with 2021/22 assumptions, we anticipate that the pandemic and the recession lead to increasing levels of Local Council Tax Support and that house building growth would be offset by this; resulting in a relatively flat base going into 2022/23. Thereafter, modest growth ranging from 0.25% to 0.5% has been assumed after 2023/24.
- 8.6 The collection fund is expected to move between deficit and surplus between now and 2023/24 due to the deficit spread unwinding and recouping of arrears increasing. We expect this to stabilise with modest surpluses thereafter.

Local Government Reform (Fair Funding Review, Business Rates Reset and Social Care Reform)

- 8.7 The review of Local Government funding distribution, the Fair Funding Review (FFR), and the move to 75% retention of business rates has been delayed for a second time although unlike the previous delay, the Government has not indicated when reform is likely to be implemented. The current working assumption is that the delay is for a further 12 months, with reform taking effect as of April 2022.
- 8.8 Confirmation over the timing of the reform is crucial to planning, not least because we anticipate the results will reduce our overall funding. We assume transitional arrangements will be put in place, so the pace of reduction is phased/more manageable. Under normal circumstances officers would review technical working group papers as a highly effective means of keeping informed about the potential direction of reform. However, working groups which were previously developing the new system have been suspended and so the ability to gather any new and robust intelligence has been somewhat reduced.
- 8.9 In relation to Social Care, in order to avoid negative impacts, Surrey, like all local authorities, is reliant on the government to safeguard social care in the long term by finally implementing the fundamental changes and investment to the system in England that have been long-promised but not yet delivered. Successive governments have repeatedly promised a Green Paper on ASC reform, but it remains unclear when this will be brought forward.

Business rates

- 8.10 The level of business rates retained changes is part of the reform mentioned above. At this point we see an increase to our business rates and a decrease to grant income as Public Health grant will be 'rolled-in', and we expect Business Rates Multiplier and Social Care grants to also part of the overall reform. The level of business rates retained has a direct relationship with FFR and as such we expect this funding to reduce over the remainder of the MTFS as transitional arrangements unwind.
- 8.11 The uncertainty over the details and timing of the move to 75% business rates retention is further complicated by the delay to a revaluation of the rateable values of all business and other non-domestic property that was due to take place in 2021. Legislation had been introduced to bring the next business rates revaluation forward by one year from 2022 to 2021 but has now been postponed 'to ensure businesses have more certainty during this difficult time.' The delay is understandable with changing circumstances as a result of the coronavirus pandemic. Despite this, longer periods between revaluations could increase the level of funding the District and Borough councils choose to set aside to deal with appeals.

8.12 We expect the business rates collection fund to have a minor surplus in 2022/23 and 2023/24 as a result of the deficit spread being offset by the recoupment of arrears in the subsequent year.

Grant income

8.13 The grants the we do not expect to be subsumed into overall funding reform are:

- New Homes Bonus – we anticipate legacy payments only which fully unwind in 2023/24
- Dedicated schools grant (central share) expected to continue over the MTFs
- Private Finance Initiative – continues over the duration of the MTFs however the largest element, relating to Waste, ends in 2023/24 at which point only Street Lighting credits remain.

9. ENGAGEMENT AND CONSULTATION

9.1 We have engaged with residents over the summer to understand the impact of Covid-19 and their future priorities for the council. This includes a survey carried out with approximately 2,200 Surrey residents looking at behaviours, attitudes and opinions during the period of the pandemic and a comprehensive Community Impact Assessment to fully understand the initial impact of Covid-19 on Surrey's communities, particularly for vulnerable populations and places.

9.2 The results of the survey have highlighted that during the pandemic that some residents, in particular those that have had to shield have felt disconnected from their local community while there has been a significant impact on mental health & wellbeing, notably amongst residents aged 16-34 and those in lower income households. Support for priority groups or more vulnerable residents was recognised as a priority which has influenced the refreshing of our Organisation Strategy around the principle of 'no-one left behind'.

9.3 The reported impact on access to healthcare services is significant with the result there has been low levels of use for out of hours GPs, mental health services and services for carers, despite those concerned having a relevant health issue. Tackling health inequality is one of our new organisational priorities in order drive work across the system to reduce widening health inequalities including increasing our focus on addressing mental health issues.

9.4 Respondents have highlighted the importance of their support networks, including family, friends and neighbours as well as the services they have received during the crisis from both the public and VCFS. It is this emerging community spirit that we are looking to build on through our priority to reinvigorate our relationship with residents and empowering communities to tackle local issues and support one another.

9.5 The results of the survey highlight that resident support for local businesses is strong and how local recovery can be encouraged through innovation, support and funding. Growing a sustainable economy so everyone can benefit is a key focus for us and how we can support people and businesses across Surrey to grow during the economic recovery.

9.6 The Community Impact Assessment (CIA) explores health, social and economic impacts of Covid-19 among communities across Surrey and has helped further shape the refreshed

Organisation Strategy around the overarching priority of tackling inequality and no-one being left behind. The findings from the CIA expand on the results of the temperature check survey, highlighting the negative impact that lockdown has had on mental health, as well as the health inequality between the impact on certain groups, such as those that are vulnerable or from BAME communities when compared to people more widely. The CIA has also highlighted the extent of overlapping vulnerabilities and complexity of cases, for example an instance of domestic abuse also relating to an instance of homelessness and substance misuse at the same time.

- 9.7 During November and December 2020, we will engage further with residents, businesses, Districts and Borough councils, other public service partners and the voluntary, community and faith sector to understand their views about the draft budget and whether we are prioritising our resources in the right places. This engagement will include an online survey, community roadshows with the Leader and other engagement forums. The results from this engagement will inform the Budget and MTFS that is published in February 2021.

10. NEXT STEPS

- 10.1 The Final 2021/22 Budget Report and Medium-Term Financial Strategy will be presented to Cabinet in January 2021 and ultimately approved by Council in February 2021. At this point we are expecting to bring a balanced budget for 2021/22 to Cabinet and full Council for approval. The focus for the intervening period is to resolve the budget gap of £18.3m. This is likely to be achieved through a balance of the following factors:

- Review income and funding assumptions; particularly in light of recent developments in the national response to Covid-19 and the Spending Review on 24th November
- Ensure that contingencies in the 2021/22 budget are sufficient to deal with continuing uncertainty around the economy and the impact of Covid-19
- Review Directorate budget envelopes for further efficiencies
- Develop ideas for cross cutting opportunities to deliver additional efficiencies across commissioning activity and pursue four areas of work identified to progress:
 - Inflation planning and negotiation: Establishing an annual approach setting out the Council's position on contract inflation, informed by evidence of what is happening in our context that might effect costs – noting that there will need to be flexibility for Directorate areas to use their discretion in setting inflation levels, provided that the first two are in place; and working with common suppliers across directorates on a relationship led approach
 - Closer links with District and Borough Councils to procure and influence market: a consistent approach where we can secure better value for money through collaboration, not just shifting costs between different parts of the system; which is underpinned by shared ambitions we are seeking to achieve for people and places of Surrey
 - Working in partnership with other councils – maximising a regional approach to managing the market. This should impact the cost of provision and enable shared contract management, best practice and learning, and make sense of regional vs local in terms of outcomes and longer-term costs

- Revisiting the Supplier Collaboration Programme: identifying opportunities within existing contracts around: consistent commercial challenge; supply base cost reductions; and seeking innovation and new ways of working to deliver

These ideas will be developed into delivery plans which define additional financial benefit across Services through the sharing and development of practice and consistent approaches. It is expected that efficiencies will start to be delivered in 2021/22 and continue through to 2022/2023, dependent on contracts, suppliers and partners.

- Review emerging guidance on the treatment of the DSG High Needs Block Deficit
- Engage with Government to clearly set out the impact of uncertainty on our ability to plan sustainably over the medium-term
- Plan for expected funding announcements expected from Government in December; particularly the potential to apply a further Adult Social Care Precept and the Government's proposals for mitigating the continuing financial impact of Covid-19.

10.2 The Capital Programme and emerging proposals will continue to be subject to robust scrutiny to ensure that benefits are clearly demonstrated and the impact on the revenue budget is fully understood, justifiable and prudent.

10.3 Throughout December, Select Committees will scrutinise the Draft Budget proposals and the outcome of that scrutiny will be recognised in the Final Budget. Cabinet members will be consulted on the development of any further efficiency proposals.

10.4 A report on the cumulative equality implications of the efficiency proposals to identify multiple impacts on the same groups, as well as individual Impact Assessments for proposals that need them, will be presented to Cabinet in January.

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Annex 1: Draft Pressures and Efficiencies

SUMMARY

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	968.4	989.9	972.1	945.3	913.1	

Pressures

Directorate	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Adult Social Care	16.5	25.0	24.4	20.1	20.1	106.1
Public Health	0.0	0.0	0.0	0.0	0.0	0.0
Children, Families, Lifelong Learning and Culture	26.8	6.5	7.0	6.5	5.8	52.6
Environment, Transport and Infrastructure	9.4	3.3	4.3	4.1	4.1	25.2
Community Protection Group	1.8	1.0	1.1	1.0	1.1	6.0
Resources	3.9	1.4	2.1	2.1	2.2	11.6
Transformation, Partnerships and Prosperity	0.9	0.5	0.4	0.4	0.4	2.6
Central Income and Expenditure	3.2	9.9	6.2	10.3	10.3	40.0
Total Pressures	62.5	47.6	45.5	44.5	43.9	243.9

Efficiencies

Directorate	Net Growth					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Adult Social Care	11.5	13.0	3.6	1.8	1.3	31.2
Public Health	0.0	0.0	0.0	0.0	0.0	0.0
Children, Families, Lifelong Learning and Culture	20.9	11.4	11.0	9.9	9.5	62.7
Environment, Transport and Infrastructure	3.4	2.3	0.9	0.2	0.1	6.9
Community Protection Group	0.5	0.0	0.0	0.0	0.0	0.5
Resources	4.4	2.8	2.9	0.0	0.0	10.1
Transformation, Partnerships and Prosperity	0.2	0.3	0.2	0.4	0.6	1.7
Central Income and Expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Total Efficiencies	41.0	29.7	18.7	12.3	11.5	113.2

Total Budget	989.9	972.1	945.3	913.1	880.8
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Indicative funding increase / (reduction)	3.2	(11.3)	(8.6)	(17.9)	(4.7)	(39.4)
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Reductions still to find	18.3	29.1	35.4	50.2	37.0	170.1
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*Columns and rows may not sum throughout the annex due to the impact of minor rounding discrepancies

ADULT SOCIAL CARE

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	372.1	377.1	389.2	409.9	428.3	

Pressures

Description	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price Inflation	11.6	14.1	13.5	12.4	12.4	64.0
Pay Inflation	1.7	1.8	1.9	1.9	2.0	9.3
Demand Pressures	6.6	7.1	7.0	5.8	5.7	32.1
Care packages - permanent effect of 2020/21 changes	(1.4)	0.0	0.0	0.0	0.0	(1.4)
Assumed increase in 2020/21 BCF funding for ASC	(2.0)	0.0	0.0	0.0	0.0	(2.0)
Liberty Protection Safeguards	0.0	2.1	2.1	0.0	0.0	4.1
Total Pressures	16.5	25.0	24.4	20.1	20.1	106.1

Efficiencies

Description	Net Growth					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Transform care pathway	2.5	3.0	0.9			6.5
Comprehensive review of in-house operated ASC services		3.8	1.1			4.9
Decommission traditional day care services and reinvest in community support	2.3	2.3				4.5
Strategic shift from residential care to independent living	1.5	1.5	0.9	0.5		4.4
Improved purchasing of home based care packages	0.4	1.0	0.7	0.7	0.6	3.3
Resolution of continuing health care disputes	2.7					2.7
Improved purchasing of Older People nursing / residential care beds	1.1	1.1				2.2
Expand Extra Care Housing				0.6	0.7	1.3
Introduce new transport policy	0.3	0.3				0.6
Develop new strategy for physical and sensory disabilities	0.5					0.5
Mental health transformation programme	0.4					0.4
Technology enabled care			Key enabler of efficiencies			0.0
Total Efficiencies	11.5	13.0	3.6	1.8	1.3	31.2

Total Draft Budget	377.1	389.2	409.9	428.3	447.0	
Indicative share of medium-term gap	0.0	8.7	6.1	11.6	6.2	32.7
Reductions still to find	5.0	20.8	26.9	30.0	25.0	107.6

PUBLIC HEALTH

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Total Draft Budget	32.6	32.6	32.6	32.6	32.6	
Indicative share of medium-term gap	0.0	0.8	0.5	1.0	0.5	2.9
Reductions still to find	0.0	0.8	0.5	1.0	0.5	2.9

CHILDREN, FAMILIES, LIFELONG LEARNING AND CULTURE (CFLC)

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	245.2	251.2	246.2	242.2	238.8	

Pressures

Description	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	1.9	2.0	2.1	2.2	2.2	10.4
Pay inflation	2.5	2.6	2.8	2.9	3.0	13.8
Increase in Social Care referrals (CV-19 related)	7.6	(1.8)	(1.4)	(1.0)	(0.7)	2.6
Underlying growth in Looked After Children	2.6	2.7	2.7	2.7	1.4	12.1
Permanent impact of overspends identified in 2020/21	2.9	0.0	0.0	0.0	0.0	2.9
At risk efficiencies	3.0	1.0	1.0	0.0	0.0	5.0
Lost Culture Income (CV-19 related)	3.1	0.0	0.0	0.0	0.0	3.1
Emotional Wellbeing and Mental Health Procurement	3.0	0.0	0.0	0.0	0.0	3.0
Joint commissioning staff costs	0.1	0.0	0.0	0.0	0.0	0.1
Existing MTFS Pressures	0.1	(0.2)	(0.2)	(0.2)	0.0	(0.4)
Total Pressures	26.8	6.5	7.0	6.5	5.8	52.6

Efficiencies

Description	Net Growth					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Existing MTFS efficiencies – Health integration, Libraries and reunification project	1.8	1.8	1.5	0.3	0.0	5.3
DSG High Needs Block reduction to General Fund reserve contribution	0.0	5.3	5.3	5.3	5.3	21.1
Increase vacancy factor in non social work roles	1.3	0.0	0.0	0.0	0.0	1.3
Efficiency and accuracy improvements from introduction of new IT systems	0.0	0.2	0.2	0.2	0.0	0.5
Transport policy and new route procurement process	3.0	1.4	1.4	1.5	1.5	8.8
ELLC efficiencies, reallocation of work to reduce expenditure and reduction in school redundancy payments	0.5	0.0	0.0	0.0	0.0	0.5
Reduction in travel allowances spend	0.5	0.0	0.0	0.0	0.0	0.5
Q & P savings	0.0	0.2	0.0	0.0	0.0	0.2
Reductions to 20-21 in-year overspend to reduce future year impact	1.0	0.0	0.0	0.0	0.0	1.0
Inflation containment / commissioning savings	0.5	0.0	0.0	0.0	0.0	0.5
KLOE opportunities such as S20 charges, digital and business support	0.5	0.0	0.0	0.0	0.0	0.5
Impact of new practice models on LAC numbers	1.0	2.6	2.7	2.7	2.7	11.8
Mitigation of one off growth in CSC referrals from COVID-19	7.6	0.0	0.0	0.0	0.0	7.6
Actions required to offset lost CV-19 cultural income	3.1	0.0	0.0	0.0	0.0	3.1
Total Efficiencies	20.9	11.4	11.0	9.9	9.5	62.7

Total Draft Budget	251.2	246.2	242.2	238.8	235.2	
Indicative share of medium-term gap	0.0	5.8	4.0	7.7	4.1	21.5
Reductions still to find	5.9	0.8	0.0	4.3	0.4	11.5

ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE (ETI)

ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	132.8	138.8	139.8	143.2	147.2	

Pressures

Description	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	3.0	3.5	3.7	3.8	3.8	17.7
Pay inflation	0.5	0.5	0.6	0.6	0.6	2.8
Waste volume (CV-19 related)	0.8	0.0	0.0	(0.4)	(0.4)	0.1
Waste prices	1.4	0.0	0.0	0.0	0.0	1.4
Waste contract re-procurement	0.0	0.0	0.0	0.1	(0.1)	0.0
Public Rights of Way	0.1	0.3	0.0	0.0	0.0	0.4
Climate Change Agenda	0.3	0.1	0.0	0.0	0.0	0.4
Planning and Major Projects	0.2	0.0	0.0	0.0	0.0	0.2
Establish Placemaking team to maximise funding and inward investment opportunities and support development of local centres.	0.3	0.0	0.0	0.0	0.0	0.3
Local Bus Service subsidies (CV-19 related)	1.7	(1.7)	0.0	0.0	0.0	0.0
Bringing structures inspections back in house	0.1	0.0	0.0	0.0	0.0	0.1
Additional resources required for delivery of LTP/LCWIP/active travel agendas	0.2	0.0	0.0	0.0	0.0	0.2
Maintaining new active travel infrastructure to heightened design standards	0.0	0.1	0.1	0.1	0.1	0.3
Dedicated highways contract manager	0.1	0.1	0.0	0.0	0.0	0.2
Increased mitigation for severe weather and ecological threats (incl roads/footways & trees)	0.0	0.2	0.0	0.0	0.0	0.2
Local Committee parking surplus reallocation	0.7	0.0	0.0	0.0	0.0	0.7
Other pressures	0.0	0.2	0.0	0.0	0.0	0.3
Total Pressures	9.4	3.3	4.3	4.1	4.1	25.2

Efficiencies

Description	Net Growth					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Increased capture of food waste through new provision	0.2					0.2
Review waste & recycling financial mechanisms	0.2					0.2
Reduce CRC trade waste through ANPR	0.1					0.1
Growth in reuse shop income	0.1	0.0	0.1	0.0	0.0	0.1
Reduction in residual waste prices	0.8	0.0	0.0	0.0	0.0	0.8
Infrastructure and Planning efficiencies and cost recovery	0.0	0.0	0.0	0.0	0.0	0.1
Energy savings from streetlighting LED conversion	1.1	1.1	0.3	0.0	0.0	2.5
Bus lane enforcement	0.2	0.2	0.1	0.0	0.0	0.5
Commercialisation	0.1	0.1	0.0	0.0	0.0	0.2
Review on street parking	0.1	0.1	0.1	0.1	0.1	0.5
Increased capitalisation of structures and network resilience costs	0.3	0.0	0.0	0.0	0.0	0.3
Reduced Highways Insurance Claims	0.3	0.0	0.0	0.0	0.0	0.3
Countryside estate efficiencies and cost recovery	0.2	0.0	0.1	0.0	0.0	0.3
Savings to start in future years	0.0	0.8	0.2	0.0	0.0	1.0
Total Efficiencies	3.4	2.3	0.9	0.2	0.1	6.9

Total Draft Budget	138.8	139.8	143.2	147.2	151.0	
Indicative share of medium-term gap	0.0	3.1	2.2	4.2	2.2	11.7
Reductions still to find	5.9	4.1	5.6	8.1	6.1	29.8

COMMUNITY PROTECTION GROUP

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	36.2	37.4	38.4	39.5	40.6	

Pressures

Description	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	0.1	0.1	0.1	0.1	0.1	0.5
Pay inflation	0.8	0.9	0.9	0.9	1.0	4.5
Coroner underlying cost pressure	0.7	(0.1)	0.0	0.0	0.0	0.6
Coroner reduced funding from Surrey Police	0.1	0.1	0.1	0.0	0.0	0.4
Total Pressures	1.8	1.0	1.1	1.0	1.1	6.0

Efficiencies

Description	Net Growth					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Full year effect of transformation, including collaboration and modernisation in response to the recommendations of HMICFRS	0.5	0.0	0.0	0.0	0.0	0.5
Total Efficiencies	0.5	0.0	0.0	0.0	0.0	0.5

Total Draft Budget	37.4	38.4	39.5	40.6	41.7
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Indicative share of medium-term gap	0.0	0.8	0.6	1.1	0.6	3.2
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Reductions still to find	1.2	1.8	1.7	2.2	1.7	8.7
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RESOURCES

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	66.6	66.1	64.7	63.9	66.0	

Pressures

Description	Net Pressure					
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Price inflation	1.5	1.5	1.5	1.5	1.6	7.6
Pay inflation	0.5	0.6	0.6	0.6	0.6	2.9
Income loss from School Meals	0.5	(0.5)	0.0	0.0	0.0	0.0
Ongoing impact of unachievable efficiencies in 2020/21	0.1	0.0	0.0	0.0	0.0	
Additional IT requirements for agile working and digital delivery	0.3	0.0	0.0	0.0	0.0	0.3
Loss of income from Data Centre as customers to Software-as-a-Service (Saas)	0.0	0.2	0.0	0.0	0.0	0.3
Sustained need for enhanced cleaning and social distancing measures in operational buildings	0.3	0.0	0.0	0.0	0.0	0.3
Legal services - CV-19 related	0.3	(0.3)	0.0	0.0	0.0	0.0
Legal services - Ongoing Children's caseloads & property transactions	0.2	0.0	0.0	0.0	0.0	0.2
Democratic Services contribution to election reserve	0.4	0.0	0.0	0.0	0.0	0.4
Total Pressures	3.9	1.4	2.1	2.1	2.2	11.5

Efficiencies

Description	Net Growth					
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Land & Property: corporate landlord approach, property rationalisation, income generation and adopting essential revenue maintenance approach	3.0	0.0	0.0	0.0	0.0	3.0
IT&D Service-wide review and realignment of budgets	0.8	0.0	0.0	0.0	0.0	0.8
Orbis business plan efficiencies	0.6	0.0	0.0	0.0	0.0	0.6
DB&I reduced running costs relating to ERP	0.0	0.1	0.2	0.0	0.0	0.3
Efficiencies realised from the DBI programme and the 'go-live' of new ERP processes	0.0	1.0	1.0	0.0	0.0	2.0
Agile Office Estate efficiencies	0.0	1.7	1.7	0.0	0.0	3.4
Total Efficiencies	4.4	2.8	2.9	0.0	0.0	10.1

Total Draft Budget	66.1	64.7	63.9	66.0	68.1
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Indicative share of medium-term gap	0.0	1.6	1.1	2.1	1.1	5.9
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Reductions still to find	(0.5)	0.2	0.2	4.2	3.2	7.3
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TRANSFORMATION, PARTNERSHIPS AND PROSPERITY

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	17.4	18.1	18.3	18.4	18.4	

Pressures

Description	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	0.1	0.1	0.1	0.1	0.1	0.6
Pay inflation	0.2	0.2	0.3	0.3	0.3	1.3
Communications (CV-19 related)	0.1	(0.1)	0.0	0.0	0.0	0.0
Requirement to strengthen Economic Development Team to develop and implement Growth Plan	0.3	0.2	0.0	0.0	0.0	0.5
Administration of Your Fund Surrey (Community Projects Fund)	0.2	0.0	0.0	0.0	0.0	0.2
Total Pressures	0.9	0.5	0.4	0.4	0.4	2.5

Efficiencies

Description	Net Growth					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Communications channel shift	0.0	0.0	0.0	0.0	0.0	0.1
Customer services channel shift	0.2	0.0	0.0	0.0	0.0	0.2
HR income opportunity through traded services to schools	0.0	0.1	0.2	0.4	0.6	1.2
DB&I improved processes leading to a reduction in HR&OD FTE	0.0	0.2	0.0	0.0	0.0	0.2
Total Efficiencies	0.2	0.3	0.2	0.4	0.6	1.7

Total Draft Budget	18.1	18.3	18.4	18.4	18.1
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Indicative share of medium-term gap	0.0	0.4	0.3	0.5	0.3	1.5
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Reductions still to find	0.7	0.6	0.4	0.5	0.1	2.2
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CENTRAL INCOME AND EXPENDITURE

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	65.4	68.5	78.5	84.7	95.0	

Pressures

Description	Net Pressure					Total £m
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Corporate Charges and Levies adjustments	(1.6)	0.9				(0.7)
Capital Programme financing costs	2.3	9.0	6.2	10.3	10.3	38.2
Remove capital receipt funding for transformation	2.5					2.5
Total Pressures	3.2	9.9	6.2	10.3	10.3	40.0

Total Draft Budget	68.5	78.5	84.7	95.0	105.3
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Annex 2: Draft Capital Programme 2021/22 to 2025/26

Project	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	TOTAL £m
Surrey Flood Alleviation - River Thames	2.5	10.0	60.0	60.0	50.0	182.5
Surrey Flood Alleviation - Wider Schemes	3.6	3.6	3.6	3.6	3.6	17.8
Highway Maintenance	33.9	33.9	33.9	33.9	33.9	169.3
A320 North of Woking and Junction 11 of M25	3.0	15.0	27.7	-	-	45.7
Bridge/Structures Maintenance	8.6	10.2	10.2	10.2	10.2	49.2
Traffic signals	2.9	2.9	2.9	2.9	2.9	14.6
Street Lighting LED Conversion	7.6	4.8	-	-	-	12.4
Illuminated Street Furniture	3.5	1.9	1.9	1.9	0.5	9.7
Flooding & drainage	1.7	1.7	1.7	1.7	1.7	8.5
Local Highways Schemes	2.1	2.0	2.0	2.0	2.0	10.1
Local Enterprise Partnerships Funded Schemes	7.7	-	-	-	-	7.7
External funding	1.2	1.2	1.2	1.2	1.2	6.0
Drainage Asset Capital Maintenance/Improvements	1.0	1.0	1.0	1.0	1.0	5.0
Safety Barriers	1.0	1.0	1.0	1.0	1.0	5.1
Highway Maintenance - Signs	0.4	0.4	0.4	0.4	0.4	2.0
Safety Barrier Maintenance	-	0.5	0.5	0.5	0.5	2.0
Road Safety Schemes	0.2	0.2	0.2	0.2	0.2	1.0
Replacement Vehicles	0.2	0.2	0.2	0.2	0.2	0.8
Surrey Quality Bus Corridor Improvement	0.4	0.3	-	-	-	0.7
Other - (Grant Funded Speed Cameras, ANPR at CRCs, Traffic Systems)	0.5	0.1	-	-	-	0.6
Real Time Traffic Monitoring (Traffic Studies)	0.5	-	-	-	-	0.5
Smallfield Safety Scheme (CIL)	0.4	-	-	-	-	0.4
LEP Funded Schemes Electric Vehicle Charging Point Pilot Study	0.1	-	-	-	-	0.1
Superfast Broadband	0.1	-	-	-	-	0.1
Public Rights of Way	1.0	0.7	0.7	0.7	0.7	4.0
Basingstoke Canal	0.2	0.2	0.2	0.1	0.1	0.7
Improving Access to the Countryside	0.4	0.0	0.0	0.0	0.0	0.5
Closed landfill sites	0.1	0.1	0.1	0.1	0.1	0.3
Surrey Fire - Purchase of New Fire Engines & Equipment	4.2	4.1	4.1	2.1	2.1	16.6
Making Surrey Safer – Our Plan 2020-2023	0.3	0.5	0.5	0.5	0.5	2.1
INFRASTRUCTURE TOTAL	89.0	96.3	153.8	124.0	112.6	575.6
Schools Basic Need	30.6	38.4	43.7	5.7	5.7	124.0
Recurring Capital Maintenance Schools	13.5	17.3	17.3	17.5	18.0	83.5
Priority Schools Building Programme 2	2.2	-	-	-	-	2.2
SEND Strategy	22.0	29.3	9.4	-	-	60.7
Recurring Capital Maintenance Corporate	10.2	9.4	9.3	9.0	9.0	46.8
Wray Park	9.3	5.5	-	-	-	14.7
Winter Maintenance Depot (Salt Barns)	3.2	-	-	-	-	3.2
Fire Risk Assessments	0.6	0.4	0.4	0.4	0.4	2.2
Fire Station Reconfiguration	0.7	-	-	-	-	0.7
Gypsy Sites	0.4	-	-	-	-	0.4
Woking Library	0.1	-	-	-	-	0.1
Adaptions For CWD	0.3	0.3	0.3	0.3	0.3	1.7
Foster carer grants	0.2	0.2	0.2	0.2	0.2	1.1
School Kitchens	0.3	-	-	-	-	0.3
Adults Capital Equipment	1.5	1.5	1.5	1.5	1.5	7.5
Major Adaptions	0.3	0.3	0.3	0.3	0.3	1.5
In house capital improvement scheme	0.1	0.1	0.1	0.1	0.1	0.5
PROPERTY TOTAL	95.5	102.6	82.5	35.0	35.4	351.0

Project	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	TOTAL £m
IT&D Hardware	1.2	1.0	3.0	5.6	1.2	12.1
Digital Business & Insights Programme - ERP Replacement	8.8	-	-	-	-	8.8
IT&D Infrastructure	0.7	1.4	1.1	2.0	1.0	6.2
Telephones UNICORN network (BT)	2.5	0.2	0.1	0.1	0.1	3.1
Agile Workforce - Transformation	-	-	1.9	-	-	1.9
Education Management System	0.8	-	-	-	-	0.8
Data Centre Replacement	0.1	0.0	0.1	0.1	0.1	0.4
IT TOTAL	14.0	2.7	6.2	7.9	2.4	33.2
TOTAL BUDGET	198.5	201.5	242.5	166.9	150.4	959.8
Your Fund Surrey	20.0	20.0	20.0	20.0	20.0	100.0
Pipeline	161.4	179.3	109.5	86.8	74.6	611.6
TOTAL CAPITAL PROGRAMME	380.0	400.9	372.0	273.7	244.9	1,671.4

Capital Programme – Financing 2021/22 to 2025/26

Funding Source	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	TOTAL
Grant / Contribution	99.3	115.5	162.9	103.3	100.6	581.6
Receipts	75.4	-	-	-	-	75.4
Revenue	6.1	6.2	7.1	5.7	4.8	29.9
Borrowing	199.2	279.2	202.0	164.7	139.5	984.6
TOTAL FUNDING	380.0	400.9	372.0	273.7	244.9	1,671.4

*Columns and rows may not sum due to the impact of minor rounding discrepancies

**SURREY COUNTY COUNCIL****CABINET**

DATE: 24 NOVEMBER 2020

REPORT OF: MR MATT FURNISS, CABINET MEMBER FOR TRANSPORT

LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

SUBJECT: ACCELERATING THE INTRODUCTION OF ULTRA LOW / ZERO EMISSIONS BUSES AND COMMUNITY TRANSPORT VEHICLES INTO SURREY

ORGANISATION Enabling A Greener Future
STRATEGY
PRIORITY
AREA:

SUMMARY OF ISSUE:

Surrey County Council is embarking on an exciting investment programme to accelerate the introduction of ultra-low and zero emission vehicles into Surrey. We propose to achieve this by establishing a Surrey Ultra-Low and Zero Emission Scheme backed by county council funding to generate supporting industry investment. This supports our ambitions and strategic priorities for a greener future, our Surrey 2030 vision and our Climate Change Strategy. This is part of the Council's response to the declared climate change emergency and is part of the associated £300m Greener Futures investment programme. Providing sustainable transport options will contribute to a reduction in harmful emissions, moving us toward net zero carbon as well as helping our communities to be resilient and well connected.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Supports the establishment of a Surrey Ultra-Low and Zero Emission Scheme that will accelerate the introduction of ultra-low and zero emission vehicles onto a range of bus and community transport services, inclusive of supporting industry investment; and
2. Agrees that the Surrey Ultra-Low and Zero Emission Scheme detail and implementation, once agreed by the Capital Programme Panel, shall be delegated to the Executive Director, Environment, Transport & Infrastructure, the Executive Director of Resources and the Director of Law & Governance in consultation with the Cabinet Member for Transport, including moving the required capital funding from the Capital Pipeline to the capital budget so that the programme can moved forward.

REASON FOR RECOMMENDATIONS:

The establishment of a Surrey Ultra-Low and Zero Emission Scheme will accelerate the substantive introduction of ultra-low and zero emissions buses and minibuses into Surrey

than would otherwise have been the case with operator investment alone, in a post-Covid 19 financial and operational climate. The project also encompasses investment in bus priority measures at pinch-points on the highway to improve bus journey times and real time passenger information to aid resident knowledge and travel decision making. It also includes complementary investment by bus operators and community transport providers to maximise the number of ultra-low and zero emission vehicles to be introduced over the lifetime of the project, thus generating further reductions in emissions from transport operations.

DETAILS:

Surrey Ultra-Low and Zero Emission Scheme

1. The Council's ambition is to have only ultra-low or zero emission buses operating in the county by 2030. To quicken the pace of change and to deliver this in a transparent way that complies with legislation, a Surrey Ultra-Low and Zero Emissions Scheme is to be developed along similar lines to the Government's previous Ultra-Low Emission Bus and Green Bus Funds bidding competitions.
2. Proposed financial support from the council with supporting investment from bus operators will see the introduction of between 70 and 80 ultra-low or zero emission buses, alongside over 50 Community Transport (CT) minibuses, over the next five years. This is believed to be the first occasion that a scheme of such magnitude will have been introduced in one area of the UK. Companies or organisations receiving the new buses will be able to cascade the less-polluting diesel bus models ('Euro 5 and 6' emissions rating) replaced by the scheme onto other routes in the county, which in turn will replace older vehicles with more-polluting lower 'Euro' engine ratings. This vehicle cascade could be as high as one to one, with between 70 and 80 relatively highly polluting Euro 3 and 4 buses replaced by less polluting Euro 5 and 6 buses. The actual number will of course depend upon which bids to the Surrey Ultra-Low and Zero Emissions Scheme are successful.
3. All operators will be able to bid on the basis that the funding will support an agreed proportion of the cost difference between buying an ultra-low or zero emission bus and a conventional diesel-powered equivalent. This may be supported by a contribution toward the cost of new charging/fuelling infrastructure, if required.
4. The scheme will have a technology-neutral approach, whereby bidders can bid for financial support towards the cost of any vehicle that meets the definition of an ultra-low or zero emission vehicle. This will be defined by the eligibility criteria currently under development. Technology will likely include, for example, hydrogen-fuelled, full electric or extended range battery-driven electric buses. In a micro-hybrid extended range electric bus, an electric motor powers the bus at all times, with a small diesel generator to top up the battery during the day. In any chosen area the generator can be turned off automatically through GPS geofencing, so that the bus is in full zero-emission mode.
5. Preference will be given to bids for those bus routes that run through Air Quality Management Areas.
6. The level of financial support will be set to satisfy the permitted intensity of subsidy under State Aid regulations, to avoid distorting the market and to avoid unfair advantage to individual operators.

7. At this point in time the UK is expected to follow World Trade Organisation rules on State Aid after the end of the transition period for leaving the EU, replacing EU State Aid rules from 1 January 2021. Government is now formulating its own subsidy control regime and guidance for public authorities is expected before the end of the year. The scheme will adhere to appropriate legislation.

Proposed funding for bus operators

8. As noted above, the council's ambition is to have only ultra-low or zero emission buses operating in the county by 2030. This requires partnership working and investment with the industry. The bus element of the Surrey Ultra-Low and Zero Emission Scheme is £32.3m of capital funding, which will accelerate the introduction of such buses starting in the next twelve months, with additional supporting funding as set out below. The project will also support the enhanced working with the bus industry through quality bus partnerships. The scheme will enable bus operators to bid for the available funding to allow them to run ultra-low or zero emission vehicles instead of diesel vehicles. To support this investment, bus operators will be required to develop a comprehensive marketing and promotion package to attract passengers onto the bus services identified in their bids, recognising the joint investment to be made.
9. Discussions with operators have shown that they are extremely keen to work with the council on this project and to make substantial investment of their own. A joint programme had been planned to be delivered over two years, commencing 2020/21. However, Covid 19 has resulted in difficulties for bus operators to invest in new buses of any type in the short to medium term. This means that the bus industry investment will be committed as part of an extended scheme as the transport industry recovers.

Complementary bus priority measures

10. Experience demonstrates that while simply replacing diesel buses with ultra-low or zero emission buses will provide a limited increase in patronage, there are other complementary measures necessary to secure maximum impact. Therefore, to support the capital investment in ultra-low and zero emission buses, the council proposes to invest approximately £9m of capital in bus priority measures. This funding will be targeted at highway pinch points identified by the council and bus operators that will form part of the scheme. The aim of this complementary investment is to help buses operate more efficiently and to run to the published timetable, ensuring that the council can secure the most effective use of the new buses. This is important as reliability is a key determining factor of residents when choosing to use the bus, i.e. the bus arrives when it is supposed to. Linked to this, the council has been working with borough and district partners to develop a future programme of schemes and improvements as the current Local Enterprise Partnership (LEP) investment programmes move toward their final year. The aim is to ensure that the emerging new programme includes a similar level of investment to support buses through further priority measures and service quality enhancements as part of the new LEP investment programmes. The council will apply the same principle to the investment of any development-related funding when and where it becomes available.
11. As an example, a refresh of the Redhill / Reigate Bus Priority Study has already been commissioned. This is considering bus priority opportunities on the A23 between Redhill and Horley, including bus lanes and intelligent bus priority at traffic signals. In addition, a scheme has been developed to improve traffic flow at the A23/Three Arch

Road junction near East Surrey Hospital, a key bus congestion hot spot adjacent to one of Surrey's key hospitals.

Real Time Passenger Information (RTPI)

12. Complementary investment is proposed to further improve the council's electronic Real Time Passenger Information (RTPI) system. This will help residents make informed travel decisions, to make their journeys more sustainable and to support resilient and better-connected communities. Capital of £1.4m is proposed to be invested in RTPI, alongside £100k revenue funding derived from efficiency savings within the RTPI delivery contract to be derived over the three years commencing in 2020/21. This will provide more on-street information displays, enhanced access to information from mobile devices and an improvement in the quality of data that is received from the RTPI system.

Community Transport (CT)

13. It is proposed to assist the CT sector by allocating capital funding of up to £6.3m to support the introduction of over 50 new ultra-low or zero emission vehicles across Surrey. The county has a vibrant CT sector supporting our residents who cannot access mainstream public transport (buses and trains) so they may access key services, such as health care. Our programme focusses on CT providers including borough and district partner organisations currently delivering core services including Dial-A-Ride, with whom we also commission home to school, adult social care and health transport contracts.
14. It is proposed that a similar bidding mechanism will be adopted for capital funding for CT vehicles as that proposed for operators of buses on mainstream bus services. It is envisaged that bids would be for ultra-low or zero emission minibuses, with a capacity in the region of nine and sixteen seats.
15. Bids will be invited from all CT providers in the county, including from the borough and district councils that provide CT services using their in-house fleets.
16. In conjunction with the financial support element of the scheme, to improve rural mobility in Mole Valley District, a new Demand-Responsive Transport service accessible to all residents is proposed to be introduced, to supplement the normal bus network. The service would use three ultra-low emission vehicles and would have flexible booking options and longer hours of operation. An expression of interest including a bid for £0.660m for capital and revenue funding has been submitted to the Government's Rural Mobility Fund to support this project. Should this be successful, a more comprehensive four vehicle operation can be provided. Confirmation of selection for progression to the second stage bidding process is awaited from Government.
17. Our CT partners have provided clear indication that they are excited to work with the council in the provision of a new ultra-low and zero emission fleet, utilising their identified vehicle replacement capital funds for the next three years. At this stage we anticipate further partnership funding from the sector to be in excess of £1.2m.
18. Our investment in ultra-low and zero emission CT vehicles will assist in developing innovative integrated transport delivery options with partners such as those in public health. This is currently being explored with Surrey Heartlands Clinical Commissioning Group in relation to the Non-Emergency Patient Transport contract, looking to the

Surrey CT sector to deliver a more significant proportion of the contract. This will lead to enhanced co-ordination of transport using ultra-low emission vehicles, achieving climate change ambitions for both the council and the health sector.

The role of the operator

19. Across the whole programme for buses and CT, the specification of the vehicles will be drafted by the individual operators and CT providers in consultation with the council. This will ensure that the technologies selected can be embedded into the respective fleets and operational requirements and that the chosen solution is fully suited and sustainable for the routes to be served.
20. To ensure that best-value is secured for the council's investment, Officers will work with partnering operators to agree the vehicle procurement process, so that the agreed process is visible and understood, including evidence of value for money in the purchasing process and the agreed specification. This will be referenced in a formal legally binding agreement between the council and the respective operators.
21. The Council's financial support will cover an agreed proportion of the capital costs. This will be aligned to all relevant legislation and State Aid requirements.
22. Each operator will be responsible for rest-of-life costs, such as non-warranty maintenance and repair costs and other revenue-based operating costs such as consumables, fuel/power, insurance, staffing, licensing and other items.
23. The full details of the requirements will be set out in the Surrey Ultra-Low and Zero Emission Scheme.

CONSULTATION:

24. Bus and CT operators have been consulted as part of engagement for planning this project.

RISK MANAGEMENT AND IMPLICATIONS:

25. The Covid 19 pandemic inevitably creates risks to project delivery timelines. Vehicle manufacturing has been reduced or paused since March 2020, potentially resulting in longer than previously expected delivery of vehicles. Early specification and selection of supplier will allow clarity on timescales and unit costs.
26. Overall, the project can be scaled to keep within budget.
27. Ultra-low and zero emission bus technology is evolving and improving. At the time of order, the most efficient and sustainable options available will be specified to ensure operational reliability. Asset life for the buses is 15+ years and for the CT vehicles it is 10+ years.
28. The transport industry's ability to invest in the short term has been impacted by Covid 19. We have mitigated for this by extending the programme, enabling bus and CT partners to invest over a slightly longer timeframe.
29. A formal legal agreement will ensure that each operator will commit to ongoing revenue operating costs, so that the vehicles will be maintained and insured appropriately and that they will only be used for purposes agreed within accepted bids.

30. Engagement with partners will mitigate for any operational concerns and identify any planned changes to the route network.
31. A long-term reduction in bus patronage may occur after Covid 19 due to lifestyle changes, such as more agile working. This is unquantifiable at present and will depend on factors beyond the control of the council, including the continued development of Government restrictions in managing the spread of the virus.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

32. A summary of the financial investment proposed from the capital pipeline in the period 2020/21 to 2023/24 is shown in the table below. A more detailed quarterly financial profile will be produced once the scheme is live and after bids have been assessed. The detailed financial profile will take into account manufacturing lead times for the differing technologies of ultra-low and zero emission vehicles and the associated phased payment schedule to be agreed with the relevant manufactures.

Scheme Element	£m
Financial support for purchase of buses and charging facilities	32.3
Bus priority measures	9.0
Real Time information	1.4
Financial support for purchase of Community Transport vehicles and charging facilities	6.3
Total	49.0

33. Supporting investment from partners that will expand this scheme and enable a wider number of ultra-low and zero emission vehicles to be introduced into Surrey is a key part of a shared ambition. Council funding will support an agreed proportion of the cost difference between buying an ultra-low or zero emission bus and a conventional diesel-powered equivalent. The supporting investment to be made by bus and CT partners will be a requirement as part of bid submission and then assessment by the county council, ensuring that State Aid rules and appropriate legislation are adhered to. Operators will be responsible for rest-of-life costs including ongoing operating costs.
34. Whilst the detail of the Surrey Ultra-Low and Zero Emission Scheme is still being drafted, certain key principles will be enshrined within the scheme. These principles will protect the council's investment, seek to generate significant interest in the scheme, secure supporting investment from the bus industry and CT sector, whilst accelerating the introduction of ultra-low and zero emission vehicles into the county. They will also ensure State Aid compliance. Some of the principles that the scheme will likely encompass include:
 - a. The county council will own the capital assets secured by its investment, either in full or on a proportional basis as appropriate
 - b. A requirement for complementary funding from those bidding to the scheme at an appropriate level in order to secure county council investment through a competitive and transparent process
 - c. An agreement with partnering bus and CT operators as to the use of the ultra-low or zero emission buses, for example, on individual bus routes, within a defined area or

for specific purpose, thus preventing the investment being moved or used elsewhere that will not benefit our residents

- d. Partnering bus and CT operators being wholly responsible for rest-of-life costs, such as non-warranty maintenance and repair costs and other revenue-based operating costs such as consumables, fuel/power, insurance, staffing, licensing, plus other relevant items and costs
- e. Provision for the promotion and marketing of the investment and the services provided, with clear and appropriate references to the county council as a partner

Value for Money

- 35. The procurement process undertaken by operators will include benchmarking to ensure that best value for money is obtained.
- 36. The new fleet of vehicles will help realise cost efficiencies and reduce ongoing revenue costs across the transport that the funding recipients deliver for our residents.
- 37. Experience has shown that improvements introduced holistically contribute to patronage and revenue growth, leading to lower requirements for operating subsidy.

SECTION 151 OFFICER COMMENTARY

- 38. 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. The public health crisis has resulted in increased costs which may not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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.
- 39. The expenditure set out in this report is provided for in the council's approved capital programme, within the pipeline for future schemes, and ongoing operating costs will be met by bus operators. Value for money will be secured through working closely with bus industry partners and through council oversight of the procurement process.

LEGAL IMPLICATIONS – MONITORING OFFICER

- 40. The report sets out the key principles to be incorporated in the ultra-low and zero emission bus scheme to ensure the scheme is compliant with any rules regarding the way in which a local authority can assist in achieving the investment required in low emission vehicles and ensuring this does not distort the market in which transport providers operate. The Council has engaged specialist solicitors with experience of low emission bus schemes to assist in the project and the any changes to the "state aid" framework which might be made post 31st December will be accommodated in the arrangements.

EQUALITIES AND DIVERSITY

- 41. The recommendations in this report have no material impact on existing equalities policy and therefore a full equalities impact assessment is not deemed necessary.

42. It is anticipated that there will be no negative consequences as a result of this work programme. The acceleration of the introduction of ultra-low and zero emission vehicles onto a range of bus services and community transport services will have many positive consequences, increasing accessibility of services to all protected characteristics and enabling greater rural mobility in the county.
43. Focusing on implementing more sustainable transport options and assisting in achieving climate change targets will also provide all residents with a greener, more sustainable Surrey, increasing choice and future modal shift.
44. The additional investment in RTPI and bus priority measures will also ensure that greater accessibility to services is achieved for all protected characteristics.

OTHER IMPLICATIONS:

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No implications arising from this report
Environmental sustainability	The new buses and associated measures contribute to the strategic priorities in the 2030 vision. They will improve the public transport offer, helping to reduce car dependence, will promote accessibility, will assist with congestion reduction, will improve air quality and with other societal benefits
Public Health	Our residents, visitors and businesses will benefit from fewer harmful exhaust emissions, especially where air quality is poor

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

45. Carbon emissions resulting from transport are currently the highest source of emissions across all sectors at 46%, based on a 2019 baseline. It is predicted that under a business as usual scenario there would be no reduction in emissions but an approximate 1% growth by 2050.
46. The county roads carry about twice as much traffic than the average for the South East. Surrey's A Roads experience 66% more traffic than the national average. Increasing the patronage of public transport while at the same time reducing carbon emissions from bus services, is therefore vital for reducing Surrey's overall transport emissions and for meeting the council's target of being net zero carbon by 2050.
47. An Environmental Sustainability Assessment (ESA) is recommended if:
 - a. the subject is a matter which is at a scale that requires a Cabinet decision, according to the council's constitution; and the primary subject matter is:
 - i. Strategic plans/programme in ASC, CS&F, Communities or E&I

- ii. Property or land acquisition, development, management or disposal
 - iii. Construction or maintenance of infrastructure
 - iv. Provision of transport services
 - v. Purchasing or leasing mechanical equipment
 - vi. Purchasing or leasing electrical equipment including IT hardware
 - vii. Purchasing or leasing vehicle fleets is also expected
 - viii. Purchasing consumable materials
48. An Environmental Sustainability Assessment (ESA) is currently being developed for this project.
49. The environmental outcomes from this investment are positive, due to the anticipated reductions in carbon emissions and improvement in local air quality resulting from replacement of older and more-polluting diesel vehicles with ultra-low or zero emission vehicles.
50. The investment in complementary bus priority measures and RTPI is also expected to increase uptake in bus patronage, resulting in fewer journeys by car with additional environmental, social and economic benefits.
51. The ESA will include a calculation of the reduction in carbon emissions from these measures, set against a baseline calculation of the emissions produced from the vehicles which are due to be replaced. This data will be fed into the programme's carbon reporting mechanism and will be included in the service's KPIs and annual performance reporting.
52. Additional environmental benefits will also be assessed, including improvements in local air quality. This is monitored at a number of sites which will benefit from the cleaner vehicles. This data, which is recorded and reported by borough and district councils, can be used as a means of comparison.
53. The vehicles to be replaced will be cascaded elsewhere within the operator's network if they have less-polluting engines (Euro 5 or 6 rating) or sold by the operator.

PUBLIC HEALTH IMPLICATIONS

54. Air quality is key to the health of residents and ecosystems and improvements are vital for creating a greener future for Surrey. There are 26 Air Quality Management Areas (AQMAs) in Surrey where the current or future air quality is unlikely to meet national air quality objectives.
55. In the UK, air pollution is the largest environmental risk to public health. It can cause and worsen acute health conditions, particularly in society's most vulnerable populations. Long term exposure to air pollution can cause chronic conditions leading to reduced life expectancy. It is estimated that between 2017 and 2025, the total cost to the NHS and social care system of air pollutants will be £1.6 billion.

56. The main source of the pollutants is road traffic. The County Council as Highway Authority has a statutory duty to bring forward proposals in these areas to help improve air quality. Therefore, the county's residents, visitors and businesses will benefit from fewer harmful exhaust emissions as a result of the new vehicles to be purchased through this programme, especially where air quality is poor.

WHAT HAPPENS NEXT:

57. Subject to Cabinet approval, a Surrey Ultra-Low and Zero Emissions Scheme will be finalised, including a transparent evaluation process. This will be used as the mechanism for an open bidding opportunity for bus and CT operators in early 2021. Detailed vehicle specifications taking advantage of the latest technological developments will be drafted in conjunction with the successful bidders for the capital financial support award. Choice of manufacturer, final prices for benchmarking and delivery dates will be confirmed, before orders are placed.
58. It is envisaged that the new vehicles and complementary infrastructure will be delivered by 2022/23, subject to confirmation of suppliers' timescales.
59. Subject to Cabinet approval to move the programme forward, any required decisions on the detail of the Surrey Ultra-Low and Zero Emissions scheme, its development and implementation, once approved by the Capital Programme Panel, will be made under delegation by the Cabinet Member for Transport in consultation with the Executive Director, Environment, Transport & Infrastructure, the Executive Director of Resources and the Director of Law & Governance, including moving the required capital funding from the Capital Pipeline to the capital budget so that the programme can moved forward.
60. An all-member briefing seminar on ultra-low and zero emission buses will be held on 7 December 2020.

Contact officer: Paul Millin, Group Manager, Strategic Transport, Tel: 020 8541 9365

Consulted:

Cabinet Member for Transport

Local bus operators

Community transport operators

Sources/background papers

Funding applications to the Capital Programme Panel 24 June 2020 with options analysis.

SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2020****REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: RACHEL CROSSLEY, EXECUTIVE DIRECTOR FOR STRATEGY AND COMMISSIONING****SUBJECT: COVID-19 COMMUNITY IMPACT ASSESSMENT****ORGANISATION STRATEGY PRIORITY AREA: Tackling Health Inequality / Empowering Communities****SUMMARY OF ISSUE:**

COVID-19 has amplified the stark inequalities that persist in our society and we must do all that we can to support communities who have been disproportionately impacted.

The Covid-19 Community Impact Assessment (CIA) explores how communities across Surrey have been affected by the Covid-19 pandemic, what support communities need as the pandemic continues, and communities' priorities for recovery. Thousands of residents, people working in frontline services and partners have taken part. The research has brought us closer to residents at this crucial time and provides a strong understanding of local priorities.

Early findings have already been incorporated into parts of the council's strategic, financial and service planning, and now the research has concluded this should extend further across all areas of the council's work. This work is also informing healthcare partners and guiding their strategic prioritisation and service planning. The council will work with a range of partners who also have a role to play in responding to the research, as well as communities themselves, providing support and empowering them to tackle local issues where they can.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Note the findings from the Covid-19 Community Impact Assessment, summarised in Annex 1.
2. Consider how the findings from the Covid-19 Community Impact Assessment can best be incorporated into the council's strategic, financial and service planning and delivery.
3. Highlight areas or issues of interest and for future focus in terms of further research and analysis.

REASON FOR RECOMMENDATIONS:

Thousands of community members and people working in frontline services have taken part in the CIA through interviews, focus groups and surveys, and the findings are rooted in what they have told us. Further incorporating the CIA findings into the council's strategic and operational planning is an opportunity to embed community voices in our work, support

affected communities, build community resilience as the pandemic continues and support Surrey's recovery.

DETAILS:

Community Impact Assessment – Research Approach

1. The CIA is a suite of intelligence products that explore the health, social and economic impacts of the Covid-19 pandemic on communities across Surrey, what support communities need as the pandemic looks set to continue and communities' priorities for recovery.
2. The primary aims of the CIA are:
 - To enable partners to provide targeted support to communities impacted by Covid-19
 - To enable partners to act preventatively to mitigate future impacts
 - To better understand the experiences of residents to create resident led recommendations for improvements.
3. The CIA has been developed using a range of qualitative and quantitative research methods, designed to ensure that we have a comprehensive understanding of impact, and to capture the views and experiences of a wide range of residents. Thousands of residents, people working in frontline services and partners have taken part in the research starting in May of this year and concluding in October 2020.
4. The project involved conducting a survey of over 2,000 households in Surrey to provide a broad understanding of residents' experiences across a wide range of topics, oversampling on known low response groups to ensure robustness. Existing data sets on health, social and economic risks and outcomes were also analysed and mapped to understand the prevalence of certain vulnerabilities, and to identify local impacts.
5. In parallel, needs assessments were undertaken to understand the impact of Covid-19 on communities. A mixed method approach was utilised which involved conducting detailed interviews with residents who have been disproportionately affected by Covid-19, including those living in areas that have seen significant social and economic impacts, and people belonging to groups with pre-existing vulnerabilities or who have a high risk of mortality from the virus. To ensure robustness, data was gathered through interviews with community members and people working in local services. The qualitative findings were incorporated with quantitative data. These assessments provided insights into communities' experiences and recommendations for strategy and action.
6. The products that make up the CIA are:
 - Geographical Impact Assessment - Presents analysis of the impact of Covid-19 on local communities across health, economic and vulnerability dimensions. The analysis helps to identify which places in Surrey have been most affected by the pandemic and how.
 - Temperature Check Survey - Survey of over 2,000 households from across Surrey to understand their experiences of the pandemic and lockdown.

- Place Based Ethnography - Detailed research to understand the financial, emotional and community impacts of Covid-19 on individuals living in communities that have been most impacted.
 - Rapid Needs Assessments - 10 in-depth assessments of how vulnerable communities have been affected during Covid-19 and these communities' needs and priorities.
 - Local Recovery Index (LRI) - The LRI is a surveillance tool for monitoring how well Surrey is recovering from the pandemic. It looks at a range of indicators across three themes: economy, health and society.
7. The work has been guided by a steering group made up of representatives from county, district and borough councils, health partners, the police, the voluntary, community and faith sector (VCFS) and residents in Surrey. Organisations represented on the steering group include Surrey County Council, Surrey Heartlands CCG, Frimley ICS, North West Surrey ICP, Surrey Downs ICP, Surrey & Borders Partnership, Healthwatch, Surrey Voluntary Action, Surrey Coalition of Disabled People, Spelthorne Borough Council, Reigate & Banstead Borough Council and Surrey Police.
8. The full findings and more information on the research methodology of the CIA is available on Surrey-I, our data repository website, at the following link:
<https://www.surreyi.gov.uk/surrey-insights/>

Key Findings

9. A summary of key findings is in Annex 1. The research shows that Covid-19 has had a disproportionate impact on certain groups within Surrey, including people from Black, Asian and minority ethnic (BAME) backgrounds, people experiencing domestic abuse, people with mental health conditions and those in residential care. Specific places within Surrey also appear to have been impacted more than others, including areas in Spelthorne, Reigate & Banstead, Mole Valley and Waverley.
10. Various cross-cutting themes and impacts have emerged from the research. These include:
- Mental health – there have been significant emotional and mental health impacts felt by residents. Many residents have felt isolated and lonely, and others have suffered emotionally due to a deterioration in their personal financial situation. The mental health impacts have been felt most by younger people aged 16-34 and those living in low income households. 52% of those aged 16-25 say they felt lonelier due to lockdown, and 46% of those from low income households felt the same.
 - Vulnerable groups – groups with pre-existing vulnerabilities have been disproportionately impacted, including those with pre-existing mental health conditions, residents living in residential care homes, people experiencing domestic abuse and people from BAME communities. Common themes included feelings of isolation, exclusion, stigma and confusion around information, guidelines and accessing services. For example, in our temperature check survey 48% of BAME respondents were unaware of food banks compared to 19% of respondents overall.

- Finance – many households have felt a high financial and economic strain with over a third of households reporting a negative impact on their finances. The number of people claiming out of work benefits has increased nearly three-fold since the start of lockdown. There are also widespread concerns about the local economy and the demise of high streets.
- Neighbourliness – in urban and suburban areas there has been a greater feeling of neighbourliness and helping out between local people, with hyper-local networks forming, and a greater sense of community being developed. This was particularly reflected in the response from vulnerable communities.
- Information and guidance – many groups have found information and guidance (e.g. from government) about lockdown and the pandemic confusing. There is mistrust amongst many residents towards official communications and messaging. Vulnerable groups felt effective engagement and culturally appropriate communication was needed.
- Services – there have been many positive messages about local services and use and access during the pandemic. This includes health services such as telephone GP appointments, services for vulnerable people such as food and medication delivery, and the role of the VCFS. For example, over 90% of those who needed help getting food and medicine received support, showing that these services for vulnerable people were effective. However, for some vulnerable people, e.g. Gypsy, Roma and Traveller communities, access to some services was challenging although overcome by support from outreach teams.

11. As part of our ethnographic research we spent time with over twenty residents to deeply understand their experience of the pandemic and how it had affected them emotionally, financially and in terms of their community feeling. Using this research, we have developed resident profiles which are a rich source of insight that bring to life the experience of residents during this time. A sample of these can be found in Annex 1.

Responding to the Findings

12. On 27 October 2020, [Cabinet agreed](#) the content of the refreshed organisation strategy. The refreshed strategy has been informed by the themes in the CIA and emphasises four priority objectives as our new focus areas to deliver on our long-term aims:

- Growing a sustainable economy so everyone can benefit - support people and businesses across Surrey to grow during the economic recovery and re-prioritise infrastructure plans to adapt to the changing needs and demands of residents at a time of financial challenges.
- Tackling health inequality - drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents.
- Enabling a greener future - build on behaviour changes and lessons learnt during lockdown to further progress work to tackle environmental challenges, improve air quality and focus on green energy to make sure we achieve our 2030 net zero target.

- Empowering communities - reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while making it easier for everyone to play an active role in the decisions that will shape Surrey's future.

13. Overall, the research identifies a risk that inequality between communities is likely to increase as a result of Covid-19 and its likely long-term impacts. This is reflected in the refreshed organisation strategy, which reaffirms our commitment to 'no one left behind' as our single guiding principle. We have also identified data as a key enabler within the refreshed strategy to support us in our ambitions and the CIA demonstrates the importance of taking an insight-driven approach to strategic and operational planning and delivery to affect positive outcomes for residents.

14. The findings of the CIA will enable partners to target resources and support towards those communities where there has been the greatest impact, and which are most susceptible to falling behind. Over 200 stakeholders from different partners have been involved and consulted in developing the CIA to date, and we have been disseminating early findings at various partnership forums and will continue to do so now the research has concluded. The findings will allow partners to more effectively support communities during recovery and help tackle inequalities in Surrey.

CONSULTATION:

15. A wide range of partners and residents have been involved in the research and have been consulted in the development of the findings and recommendations. This includes:

- Over 2000 respondents to our temperature check survey
- Dozens of residents who have been involved in our qualitative research, including the Rapid Needs Assessment and the ethnographic research
- Front-line staff involved in providing care to vulnerable people from across councils, the NHS, community organisations and the voluntary sector
- Over 200 stakeholders consulted from across a range of partners and partnership forums including county and borough councils, health partners, the police, the voluntary, community and faith sector (VCFS).

RISK MANAGEMENT AND IMPLICATIONS:

16. The primary risk identified through the research is that the impacts of Covid-19 have been felt disproportionately by the most vulnerable groups in Surrey and it is likely that the pandemic will increase inequality between communities in the long term. Acting on the data and integrating it into our strategic plans is important to mitigating this risk and ensuring that nobody is left behind.

SECTION 151 OFFICER COMMENTARY

17. 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. The public health crisis has resulted in increased costs which are not fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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.

18. There are no direct financial implications of the Covid-19 CIA but using the evidence base will allow us to prioritise and ensure we are targeting resources most efficiently and effectively to improve outcomes for residents.

LEGAL IMPLICATIONS – MONITORING OFFICER

19. There are no significant legal implications raised in the report.

EQUALITIES AND DIVERSITY

20. The CIA provides a rich source of insight into how Covid-19 has impacted residents and communities in Surrey, with a particular focus on groups including people with disabilities, people with mental health conditions, homeless clients, older people who live alone, over 80s, carers, Gypsy, Roma and Traveller communities and residents from Black, Asian and minority ethnic (BAME) backgrounds.
21. Overall, the research identifies a risk that inequality between communities is likely to increase as a result of Covid-19 and its likely long-term impacts. The refreshed organisation strategy strengthens the council's commitment to equality, diversity and inclusion, with the guiding principle of leaving no-one behind at the heart of the strategy. Four equality objectives have been integrated into the strategy, around the economy, health, communities and workforce, which will enable us to prioritise activity to tackle inequality.

PUBLIC HEALTH IMPLICATIONS

22. The insights derived from the CIA products, particularly through the lens of Rapid Needs Assessments, highlight key priorities for focus, particularly in tackling health inequalities that Covid-19 has amplified in Surrey. Our joint efforts to support communities who have been disproportionately impacted remains at the forefront of public health action through targeted health protection, prevention and health promotion. Moreover, the CIA informs our wider partnership efforts across health and care to support targeted interventions and place-based health and wellbeing improvements.

WHAT HAPPENS NEXT:

23. The CIA has been published on Surrey-I, and a summary report disseminated to stakeholders that brings together the findings and recommendations across all the products. A communications campaign to disseminate the findings to internal stakeholders, members, partners and residents is underway. Various mediums will be used to ensure appropriateness of messaging for each audience. We will also be working with various teams and partners over the coming months to ensure that the findings and recommendations of the work lead to action on the ground.
24. It is expected that CIA will form the basis for the Joint Strategic Needs Assessment (JSNA), and a paper will be prepared in the next few months to take to the Health and Wellbeing Board outlining a proposal for how the JSNA will be completed.

Contact Officer:

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Consulted:

Cabinet

Corporate Leadership Team

Health and Wellbeing Board/Community Safety Board

Recovery Coordination Group

Surrey Heartlands Quality and Performance Board

Partners in the voluntary, community and faith sector

Annexes:

Annex 1 – Surrey Covid 19 Community Impact Assessment - Cabinet Presentation
November 2020

Sources/background papers:

Surrey County Council Organisation Strategy 2021 – 2026

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Surrey Covid-19 Community Impact Assessment

Page 115

Surrey County Council Cabinet
24 November 2020





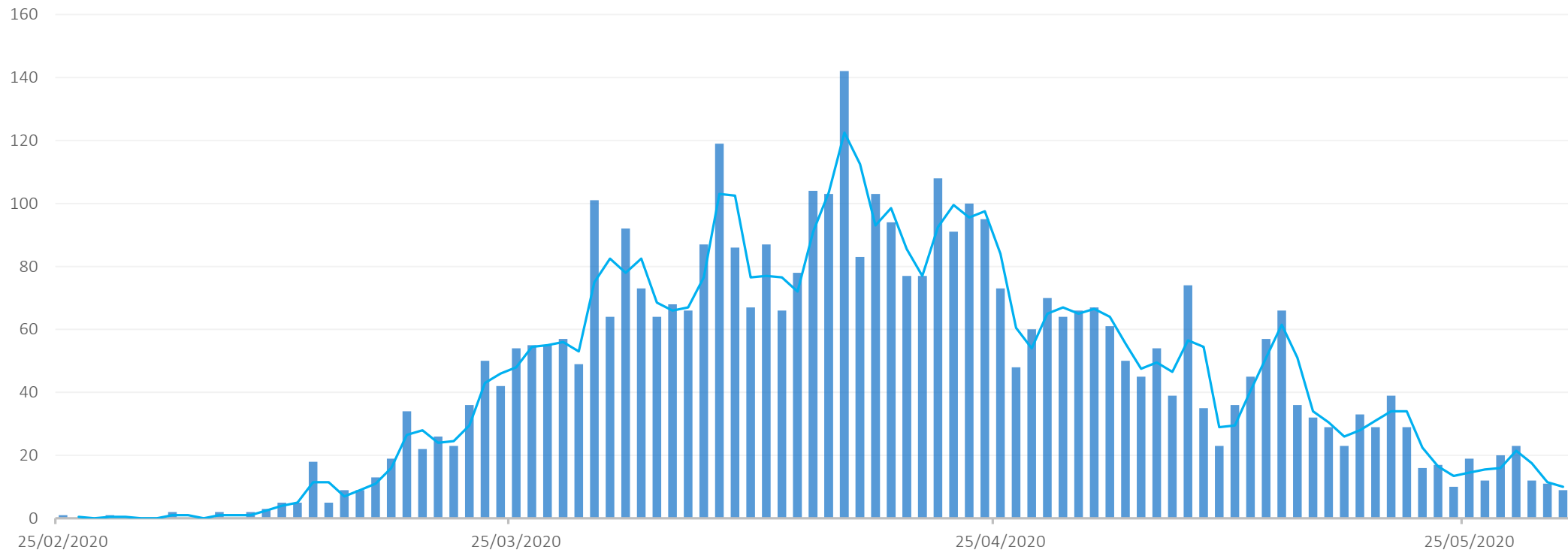
Part 1 – Lockdown

In March 2020 cases of Covid-19 started to rise in Surrey and government announced a national lockdown

Cases in Surrey started to rise from the beginning of March 2020. On 19 March, furlough began and on 23 March the Government announced a national lockdown.

Cases peaked in Surrey between April and May and started to fall towards the end of May.

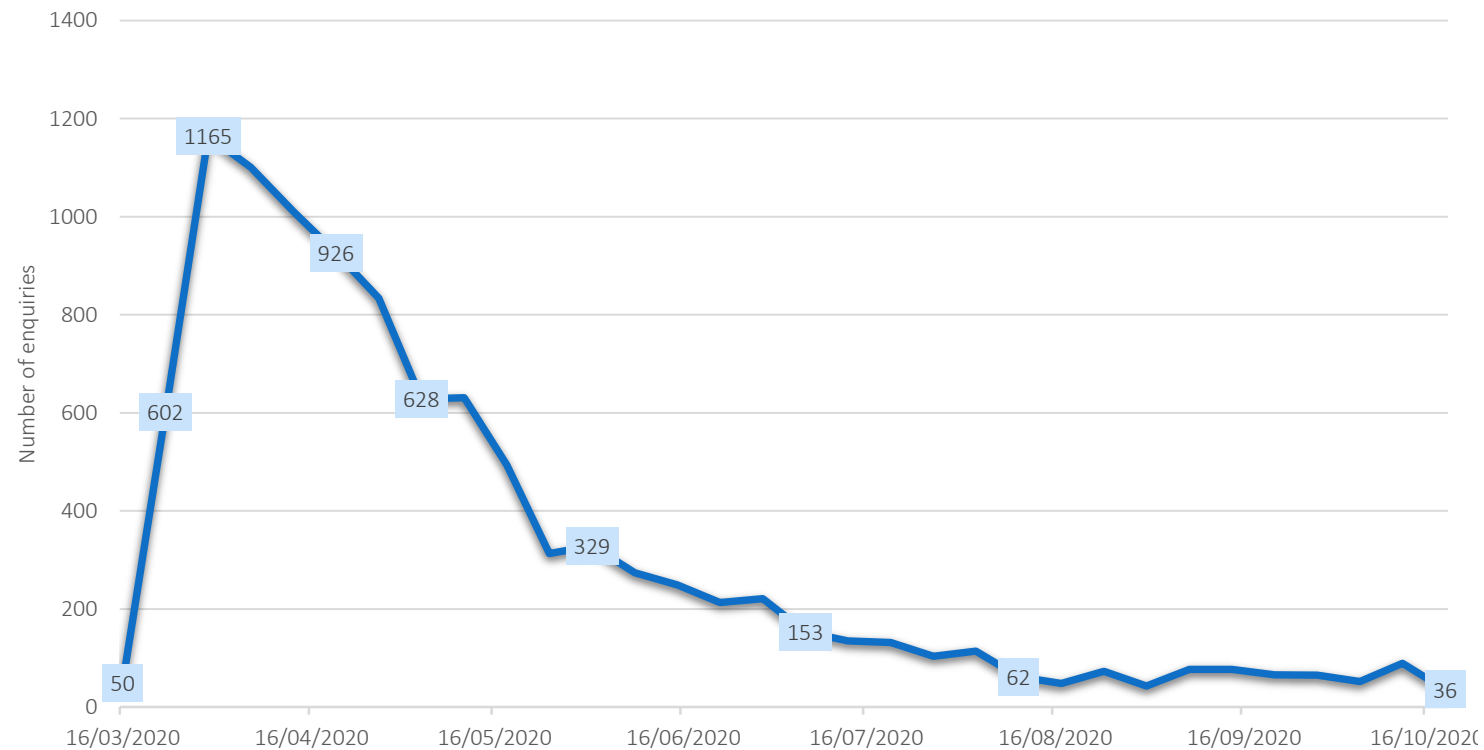
Number of new Covid-19 cases in Surrey



There was a greater need for support from vulnerable people

"Thank god for technology really, had I not had that technology, I think it would be a very sad place to be" - a shielding resident

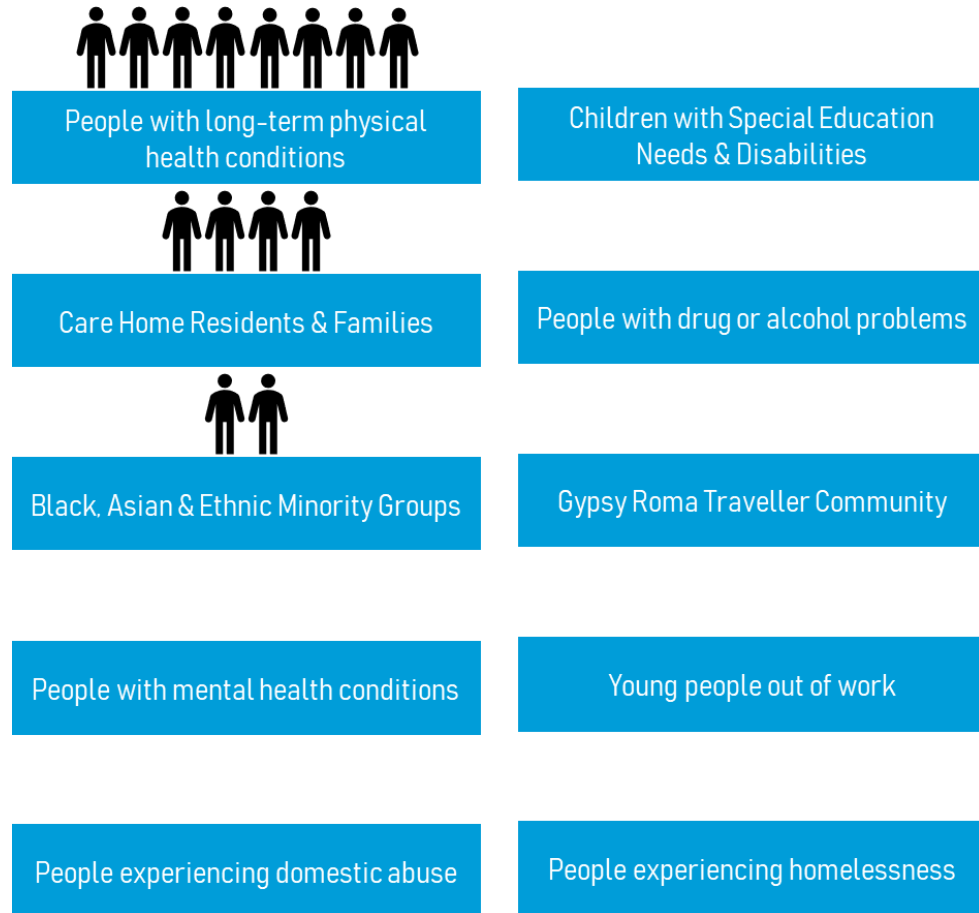
Community Helpline Enquiries



The council set up a Community Helpline to support residents during the pandemic.

There was high demand on the helpline during March and April, demonstrating the increased need for support from vulnerable residents.

And a greater risk of 'hidden harm' in our communities



It is likely that the pandemic has had a disproportionately negative impact on certain groups of residents.

We identified 10 vulnerable groups with pre-existing vulnerabilities or a greater risk of mortality from Covid-19.

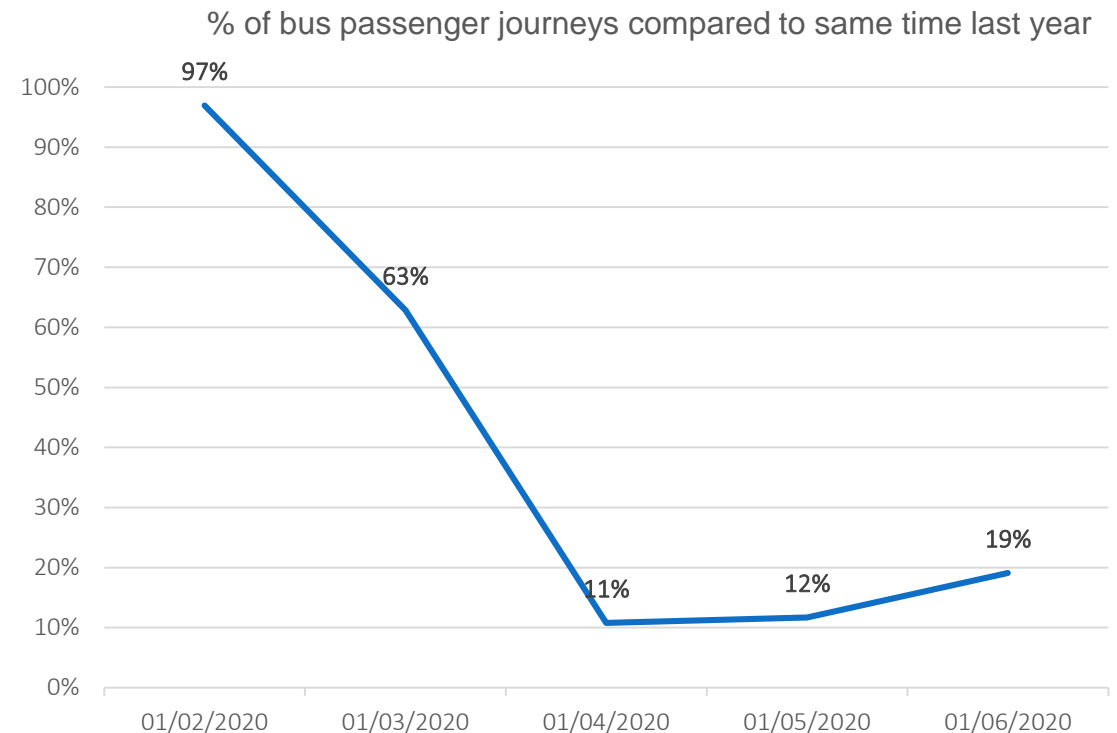
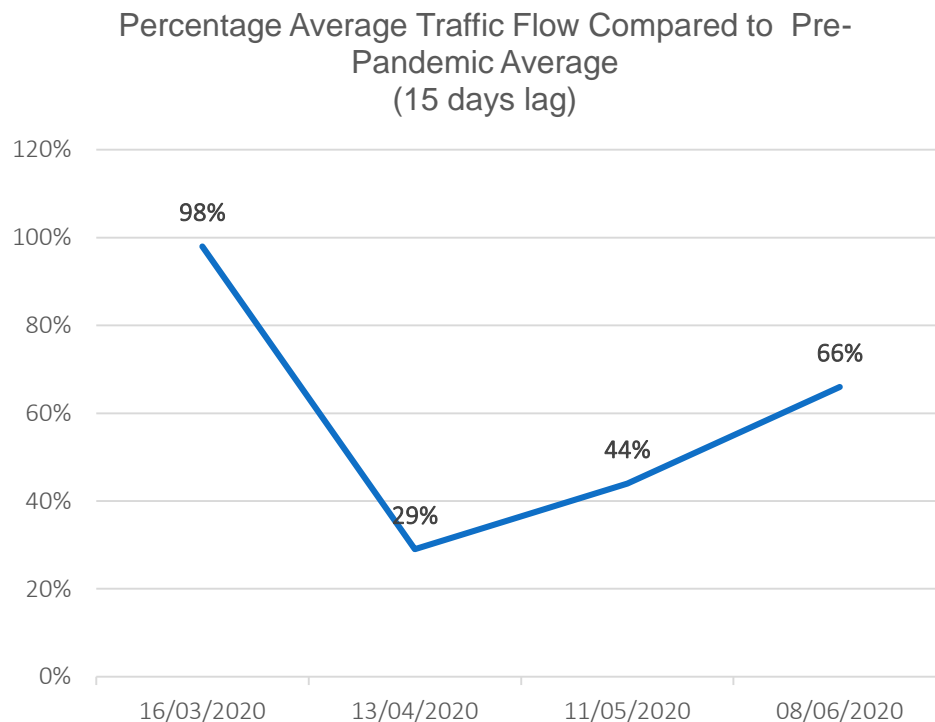
As part of our Community Impact Assessment, we have carried out a series of 'Rapid Needs Assessments' to understand the impact the pandemic has had on each of these groups.

The icons represent the increased mortality risk of each group. For example people with long term health conditions have an 8 times higher risk of dying from Covid-19 that those without long term health conditions.

Lockdown led to a decrease in mobility and economic activity

"It was like a ghost town. Literally like a ghost town" - Woman from Waverley

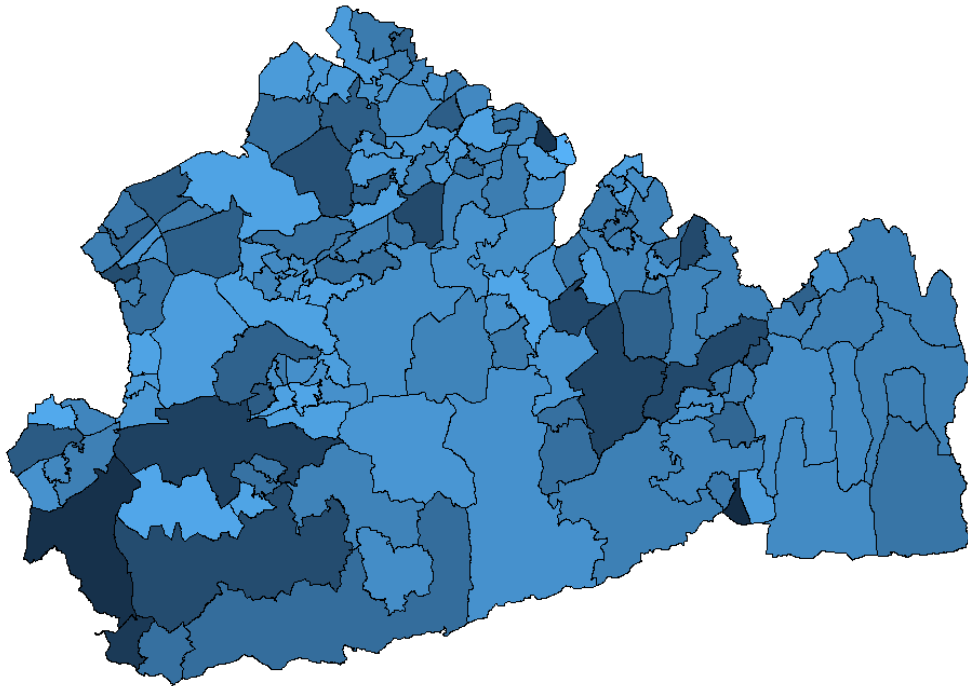
As a result of lockdown, travel across the county reduced. At its lowest, traffic flow was less than 30% of its pre-pandemic average while the number of bus passenger journeys fell as low as 11% of the number from the same time last year. The reduced levels of mobility are likely to have negatively impacted the local economy.



Part 2 – The Impact

The health impacts have been felt the most in areas with higher numbers of over 80s and care homes

Map of Surrey showing the distribution of the Health Impact Score across MSOAs (a darker shade of blue indicates a higher score, meaning the area is more impacted)



We mapped the health impacts of Covid-19 by combining data on Covid cases, deaths and care home outbreaks.

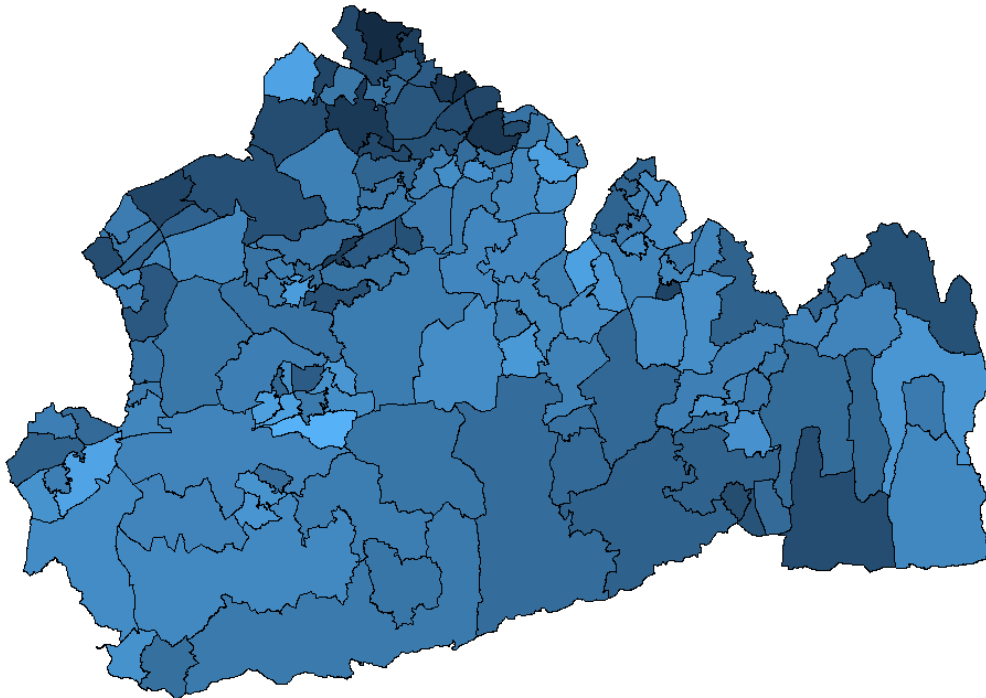
The top 5 most impacted areas in the health dimension were:

- Banstead (Reigate & Banstead)
- Horley Central (Reigate & Banstead)
- Leatherhead South & Ashted South (Mole Valley)
- Haslemere West (Waverley)
- Hindhead, Beacon Hill & Frensham (Waverley)

The economic impacts have been felt the most in areas with a higher reliance on certain industries such as aviation

"I fear the end is not near when it comes to this...especially in the airline industry" - Customer service manager at Heathrow Airport

Map of Surrey showing the distribution of the Economic Impact Score across MSOAs (a darker shade of blue indicates a higher score, meaning the area is more impacted)



We mapped the economic impacts of Covid-19 by combining data on estimated workers furloughed and increases in the claimant count.

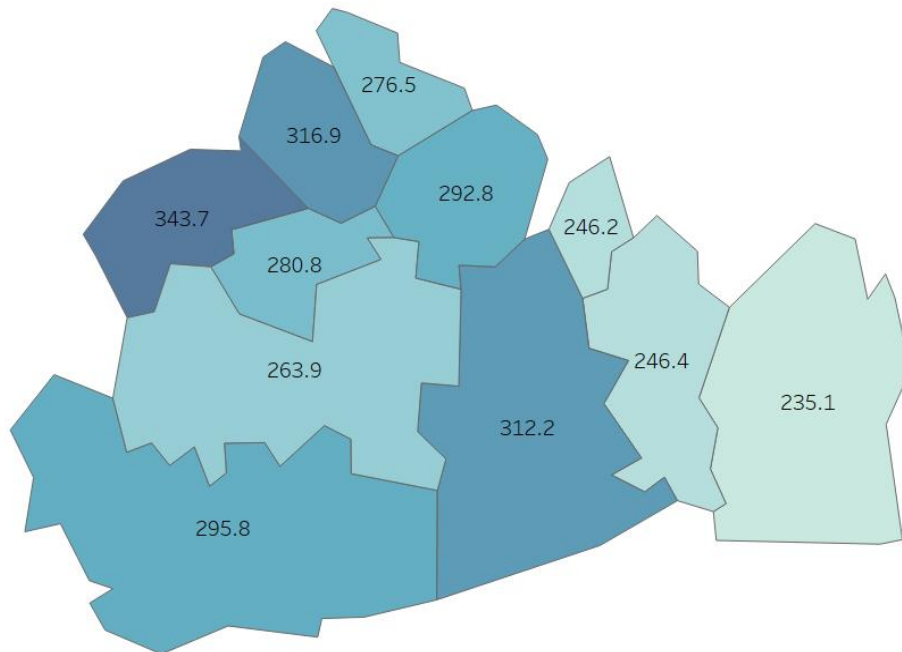
The top 5 most impacted areas in the economic dimension were:

- Walton North & Molesey Heath (Elmbridge)
- Stanwell North & Stanwell Moor (Spelthorne)
- Bagshot (Surrey Heath)
- Warlingham East & Tatsfield (Tandridge)
- Tattenham South (Reigate & Banstead)

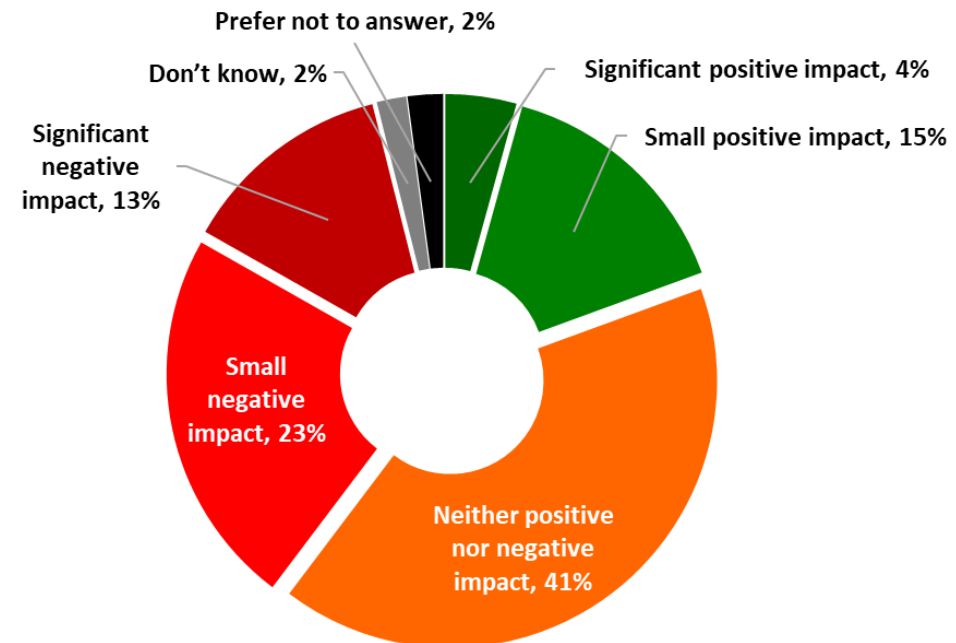
Residents who aren't used to needing support started to struggle

The number of people claiming Universal Credit or Job Seeker's Allowance increased by over 300% in some areas of Surrey. Through our temperature check survey and ethnographic research we learnt that many residents were seeking financial support for the first time due to Covid-19.

% change in Claimant Count June 2019 to June 2020 (a darker shade of blue indicates a higher % increase in claimant count)



What impact has the coronavirus crisis had on the income of your household, if any?

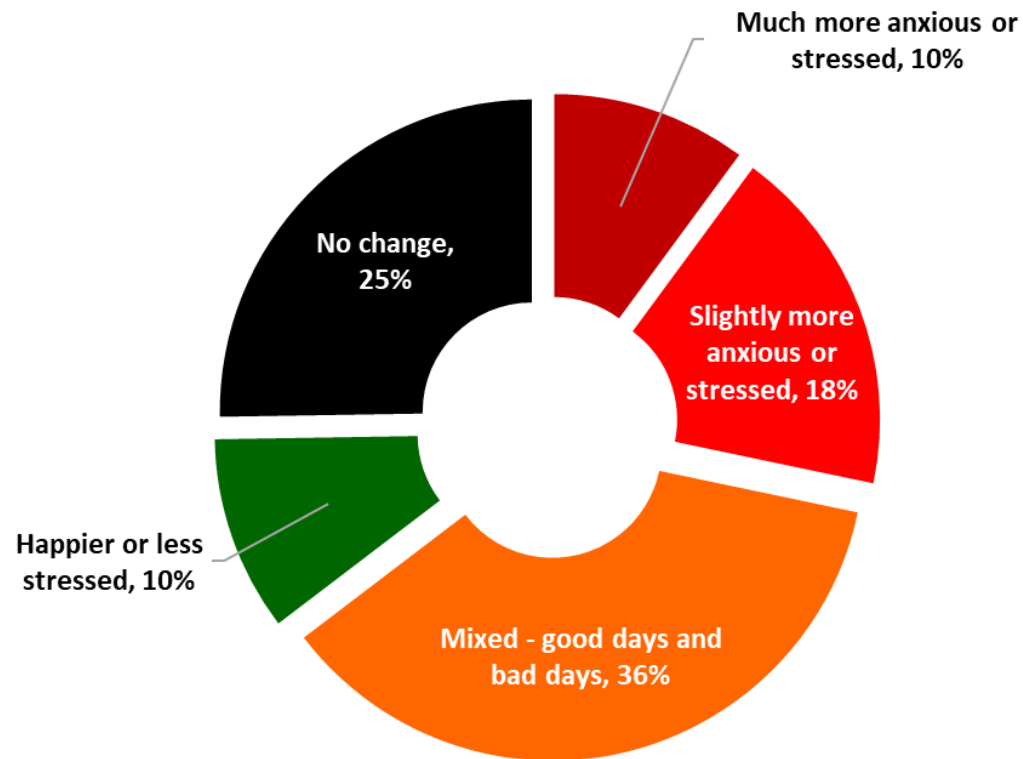


Lockdown has impacted many residents' mental health

"I found Covid-19 really stressful, I broke down in front of my Mum and said I don't want to live anymore" -

Woman from Spelthorne

How do you feel the lockdown has affected your mental wellbeing?



Our research has shown that impacts on people's mental health have been very significant, with 75% of residents telling us that lockdown has affected their mental wellbeing in some way.

Loneliness was a common impact, particularly amongst those aged 16-34 and those with low household incomes of less than £25k.

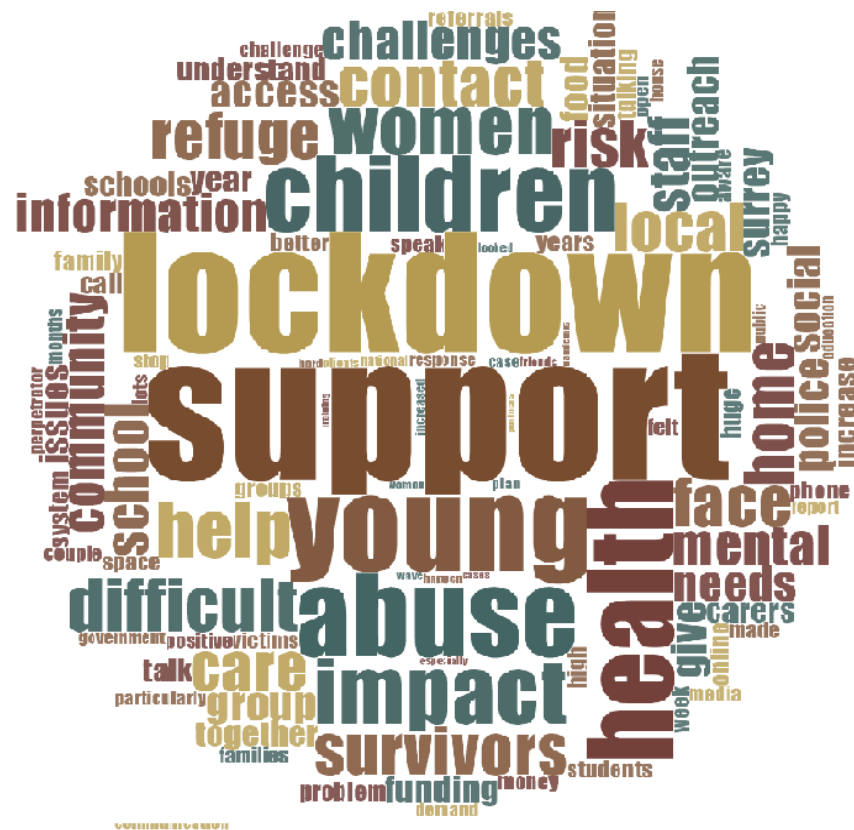
52% of those aged 16-25 say they felt more lonely due to lockdown, and 46% of those from low income households felt the same.

Exacerbated impact on people experiencing domestic abuse

"You know the lockdown was an absolute joy to them, because they had to keep their victim in the house. No one was seeing the broken bones and the black eyes and you know, so, absolutely perfect for perpetrator of domestic abuse to have a lockdown." - Service Provider

Key findings from speaking to people supporting victims of domestic abuse were:

- Lockdown has exacerbated pre-existing abuse
- Impact of closure of schools further exposed children
- Impact of financial stresses and pre-existing control of victim's finances.
- Long-term physical and mental impact of lockdown
- Mental health of children returning to school - disclosures
- Awareness raising so public can report incidents
- Increase opportunities for silent/digital reporting
- Cement multi-agency partnerships and arrangements
- Funding and sustainability
- Training (remote) - agencies and school staff

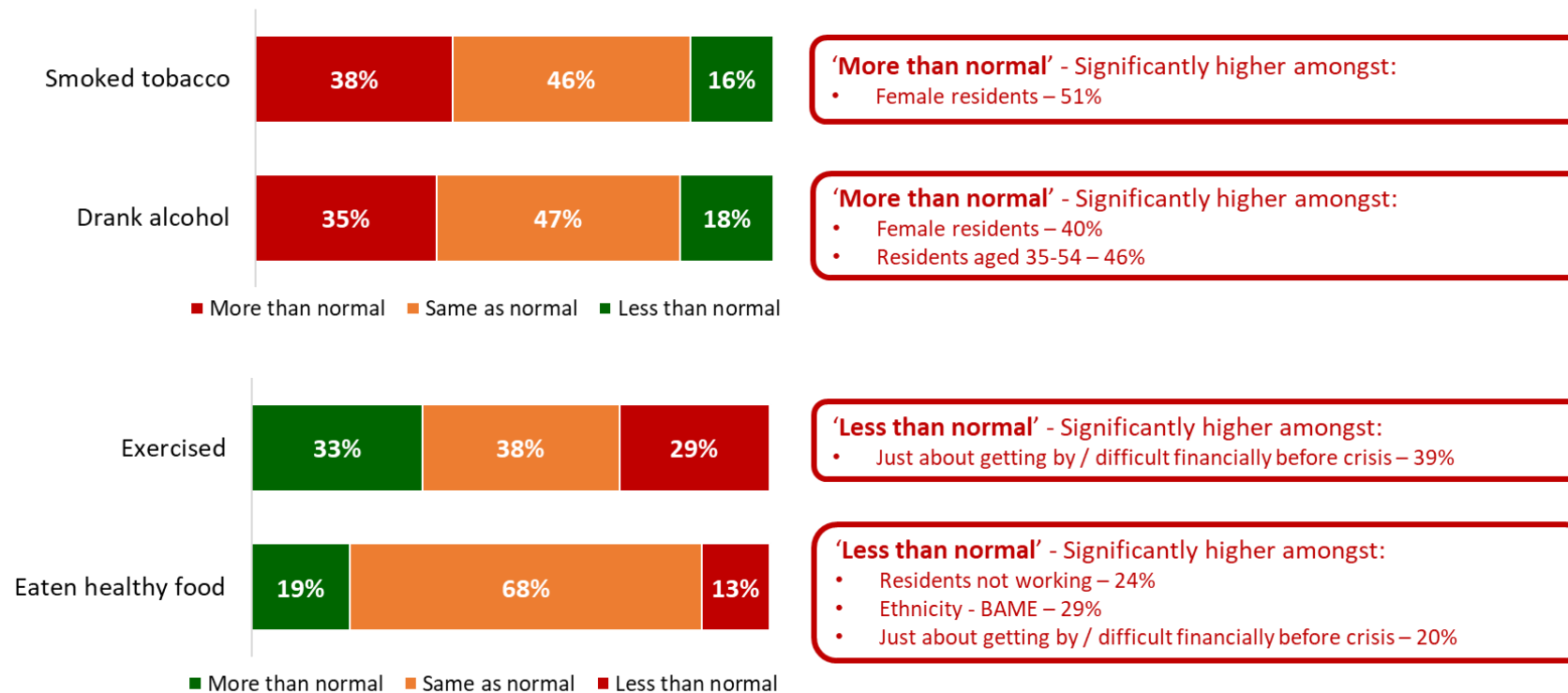


More people are participating in unhealthy behaviours

"I cope with the stress by eating, smoking and drinking really" - Man from Spelthorne

There has been an increase in unhealthy behaviours such as smoking and drinking since the start of lockdown. 38% of residents say they have smoked more than usual and 35% say they have drunk more than usual.

Since the start of lockdown, have you..? Excluding 'Not applicable'



People from Black, Asian and Minority Ethnic (BAME) communities have struggled to access support

“It was lockdown mixed with Black Lives Matter that made me realise that I don’t fit in here” – Woman from Ashted



Key findings from speaking to people from BAME communities were:

- Increased experience of racism and discrimination
- Lack of clear communication of guidelines
- Confusion about accessing care and support
- Lack of access to financial support. Job security at risk if absences
- Practicing effective social distancing a challenge, families live in overcrowded housing and/or multigenerational households.
- Need for a closer partnership working to build trust with BAME communities.
- Fund and develop culturally appropriate communication materials through trusted channels
- Improving access to testing and PPE to protect the frontline workers

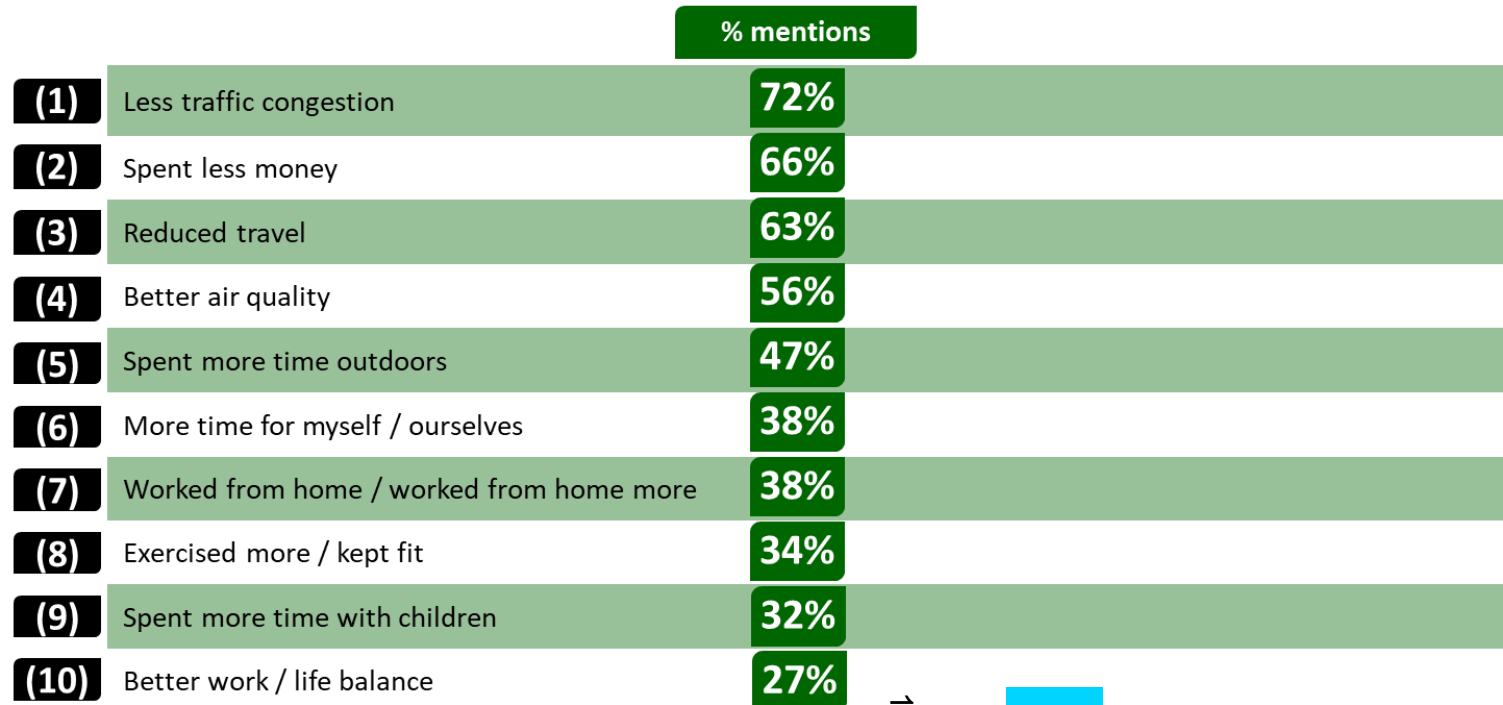
But there have also been some positive impacts from the pandemic

“The wildlife came alive when Gatwick closed” - Woman from Horley

There have also been some positive changes as a result of Covid-19. An increase in time spent outdoors and reductions in travel and air pollution are examples of this, which support our Greener Futures priorities. This provides an opportunity to encourage residents to maintain these behaviours and sustain the positive changes.

Partnerships have also strengthened between service providers, community and voluntary care sectors, transcending perceived or existing barriers.

What positive changes, if any, have come out of the current situation during lockdown for you and your family?





Part 3 – A Partnership Response

Partners across Surrey quickly responded

SURREY'S RESPONSE

In Surrey, the Local Resilience Forum has been responsible for coordinating the response to COVID-19 and the national lockdown. This is jointly led by Surrey County Council, Surrey Police and Surrey Fire & Rescue

Service, and involves many partners across the county.

We have been working together, with a common purpose – to protect our health services and save lives. **We have:**



Handled over **10,000** calls into the Surrey community helpline

Made direct contact with **39,793** vulnerable and shielding residents, including over **30,000** calls and over **5,000** welfare visits



Opened a new community hospital in just **35 days**



Had around **250,000** views of Surrey County Council's Coronavirus web pages



Worked with **276** Voluntary, Community and Faith based groups across Surrey

Delivered **1,830** food boxes



Sourced, sorted and delivered over **7 million** items of PPE to the front line



Helped coordinate over **10,000** registered volunteers delivering support in the community



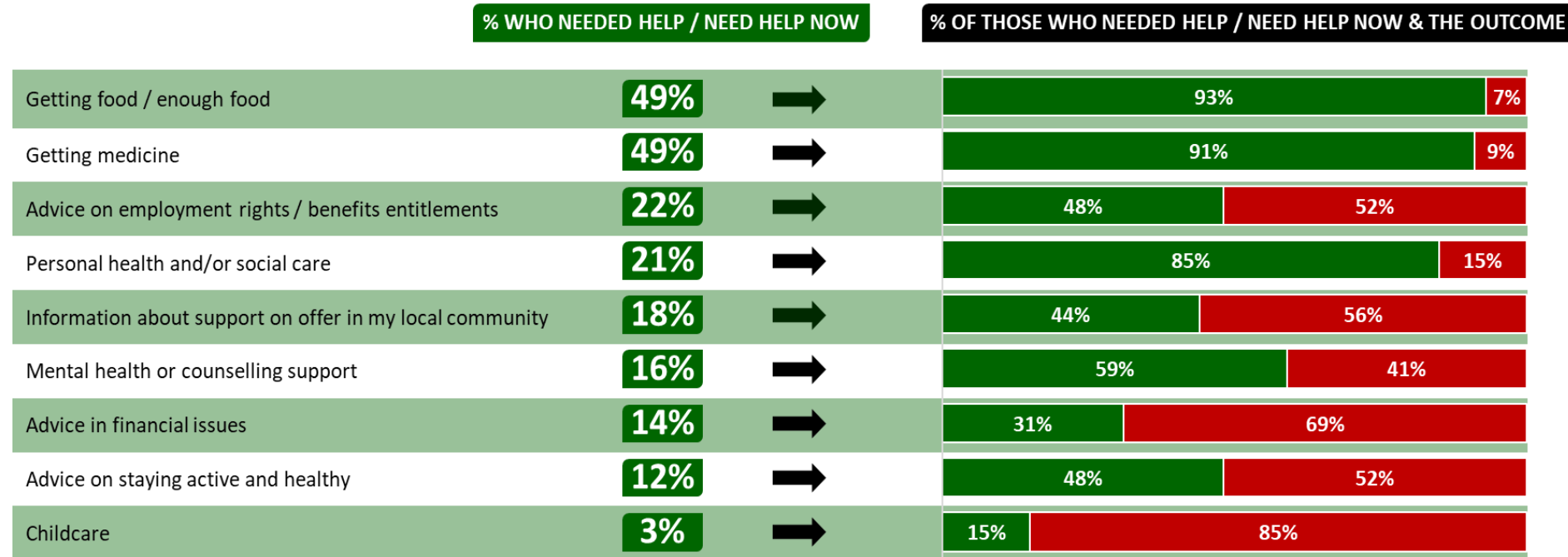
Established **3** temporary mortuary sites to ease pressure on hospitals

The majority of vulnerable people received the support they needed

Over 90% of those who needed help getting food and medicine received support, showing that these services for vulnerable people were effective.

There was quick adaptation to virtual working for a number of services, including outreach to support homelessness and those experiencing domestic abuse.

As a result of the coronavirus crisis, what level of support, if any have you needed for each of the following? (Excluding Not Applicable)



■ Received / receiving it ■ Did not receive it / am not receiving it

Base: all answering (circa 486)

And there has been a greater sense of community and 'neighbourliness'

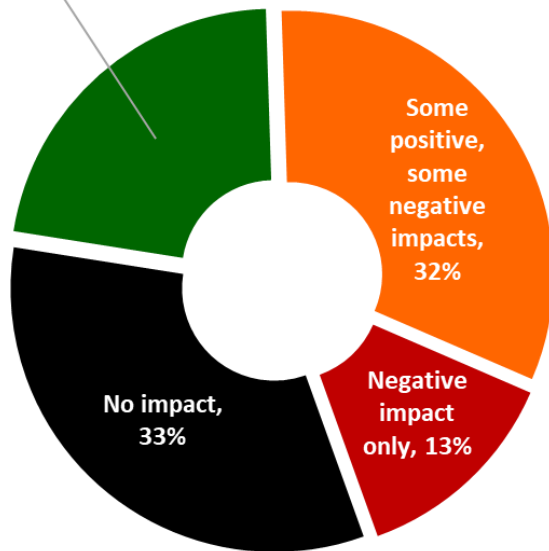
"It was our son's birthday on VE day. All the neighbours came round with cards for him. It was special, probably his best birthday ever" - Woman from Spelthorne

Many residents felt a heightened sense of neighbourliness in their areas. 54% reported a positive impact of some sort on their connection to the local community, and 55% helped out their neighbours during the pandemic. This greater sense of community cohesion can be built on through our Empowering Communities programme and Local Community Networks.

The 'everyone in' initiative resulted in unprecedented levels of engagement and stability for people experiencing homelessness.

How has the coronavirus crisis impacted your household in terms of your connection to your local community?
Excluding 'Not applicable'

Positive impact only, 22%



Have you experienced any of the following local community / neighbourhood activities during the coronavirus crisis?



But some groups have felt excluded or stigmatised

Through our Rapid Needs Assessments we have identified several themes showing how vulnerable groups have been impacted by the pandemic. These highlight the risk of increased marginalisation and exclusion of vulnerable groups.

Information - The language of information and guidelines has been confusing for some groups and caused an increased sense of mistrust towards government and mainstream media

Exclusion - Many of the groups we have spoken to have felt excluded, from services (Gypsy, Roma and Traveler communities), access to transport (shielded individuals), digitally and in terms of language (BAME, Residential care)

Isolation - Lockdown has left many individuals feeling isolated and cut off from friends, family and their local community. This includes domestic abuse survivors, dementia patients, individuals in residential care, individuals shielding and newly unemployed people.

Stigma - There is greater stigma felt by some groups, for example around perceptions of mental health and stereotypes of vulnerability. We have heard concerns around stigma from shielded individuals, people in residential homes and people from BAME communities.

Rigidity of Regulations - The regulations that have been imposed have often caused unintended harm, for example decline of dementia patients, decline of mental health, decline of chronic conditions, impact on individuals with SEND and people using lockdown as a tool for domestic abuse.

There are gaps in service provision for some types of need

"I just want my knee surgery to be sorted out so I can get on with day-to-day life" - Woman from Frensham, Waverley

Services with a greater demand tend to have been more accessible, but services with a lower demand have been harder to access, for example employment and befriending services.

As a result of the coronavirus crisis, what level of support, if any have you needed for each of the following? (Excluding Not Applicable)



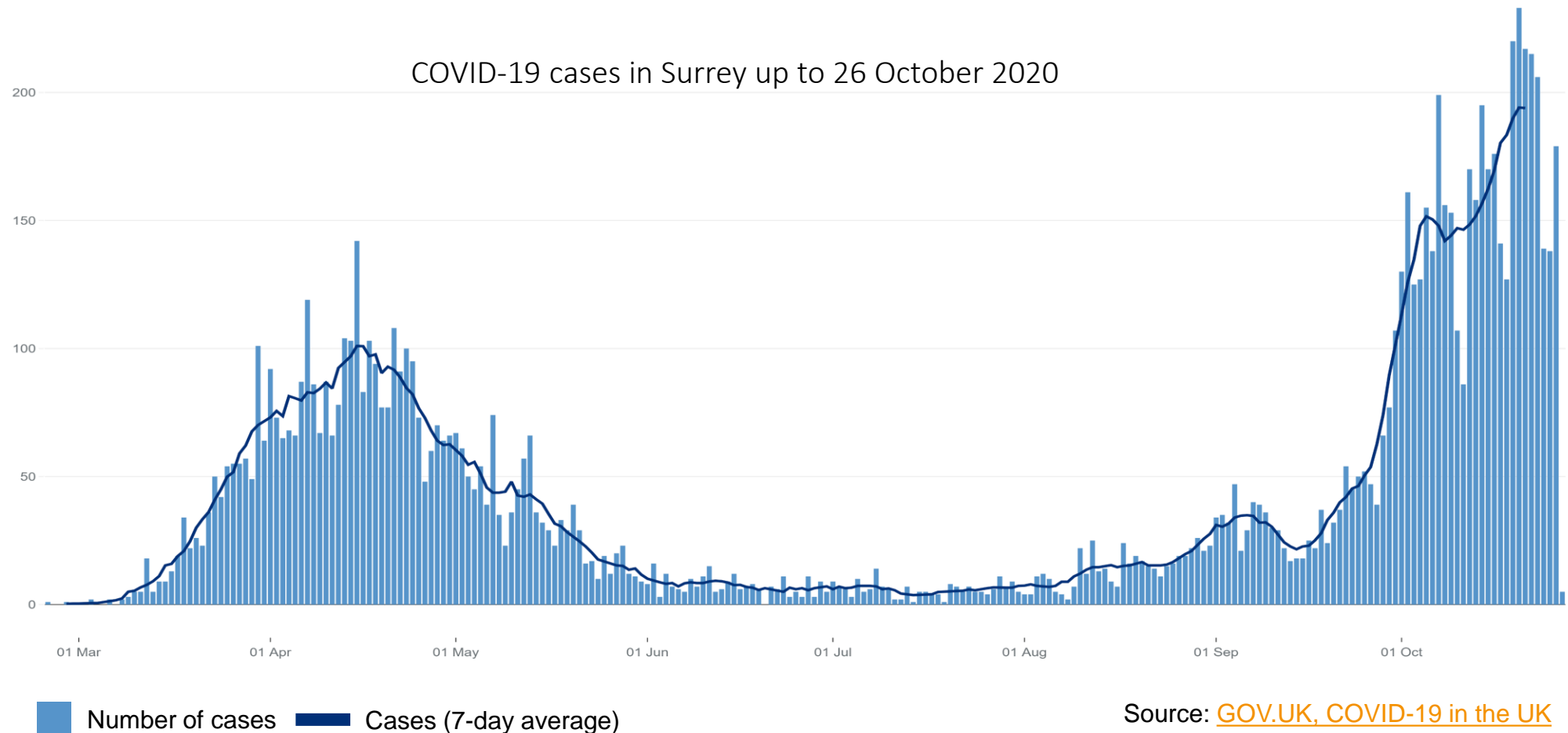
And residents have found information around guidelines and rules confusing

- Only four in ten residents believed they had received the right amount of information and guidance from government with just over a third believing they had received too little.
- Our ethnographic research revealed that although residents were aware of grants available for businesses from district and borough councils, many were uncertain of how to obtain this sort of financial support or lacked awareness as to what they may be eligible for.
- Confusion around accessing support was likely exacerbated by the fact that many people suddenly required support services which they had never needed before.
- Our Rapid Needs Assessments were powerful in conveying the impact of not understanding guidance or being able to access support (financial and social) on vulnerable communities.

Part 4 – The Second Wave

Cases have started to rise again

The number of Covid-19 cases began to rise again in Surrey in September, taking the total to 10,550 cases since the start of the pandemic. As we enter the second wave we will use the findings from the Community Impact Assessment to inform our response.

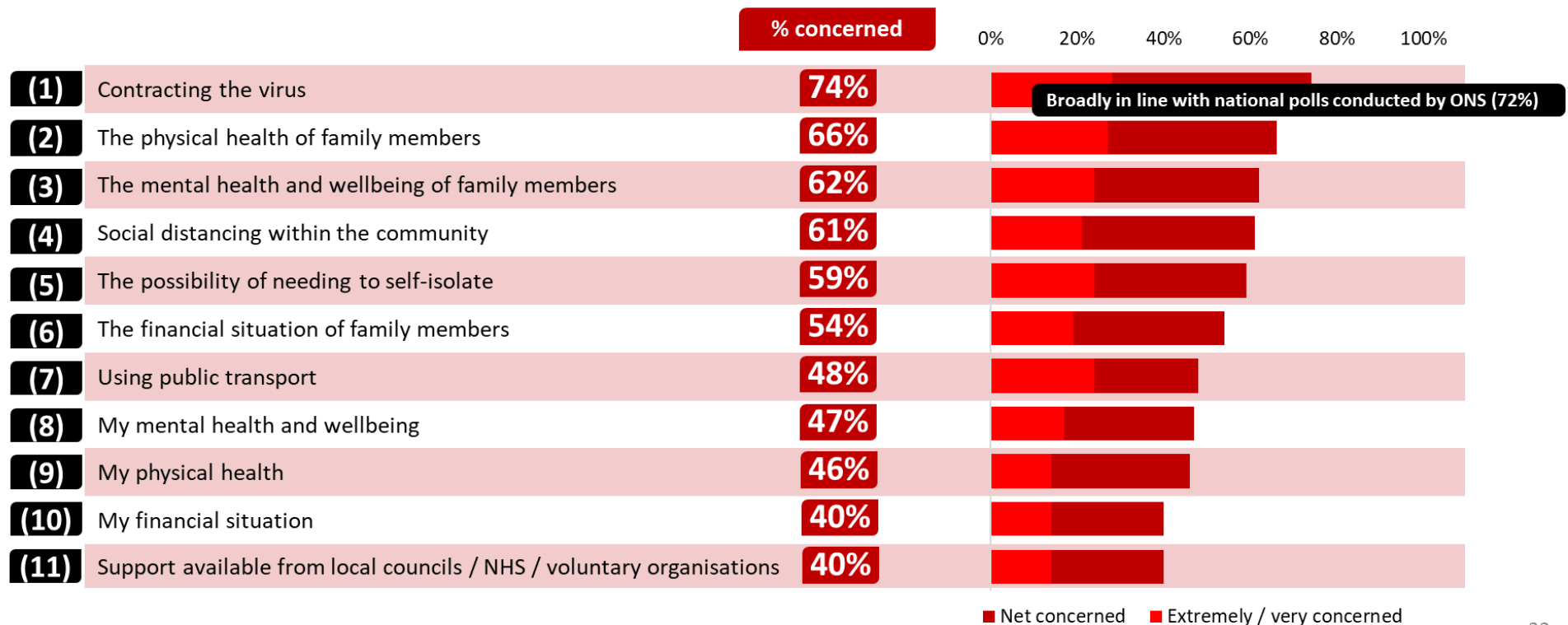


Many residents still have concerns for themselves, family and friends

Many residents are concerned about the future, in particular the physical and mental health of themselves and family members. Many are also concerned about their financial situation and the finances of loved ones.

Communities that have been disproportionately impacted by Covid-19 are concerned about the long term impact on their health and well being.

To what extent are you concerned about any of the following over the next six months?



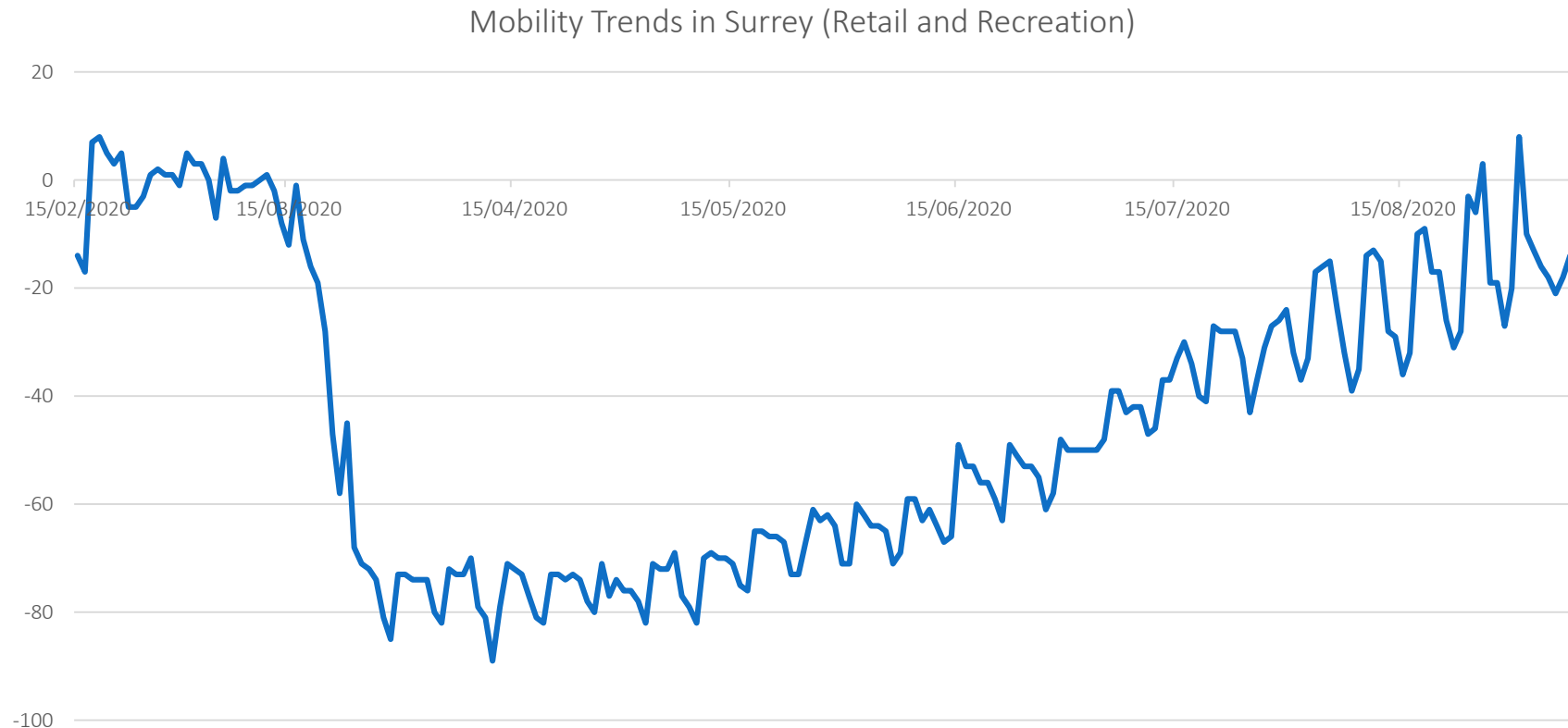
Base: all answering (2,118)



Part 5 – Looking to the Future

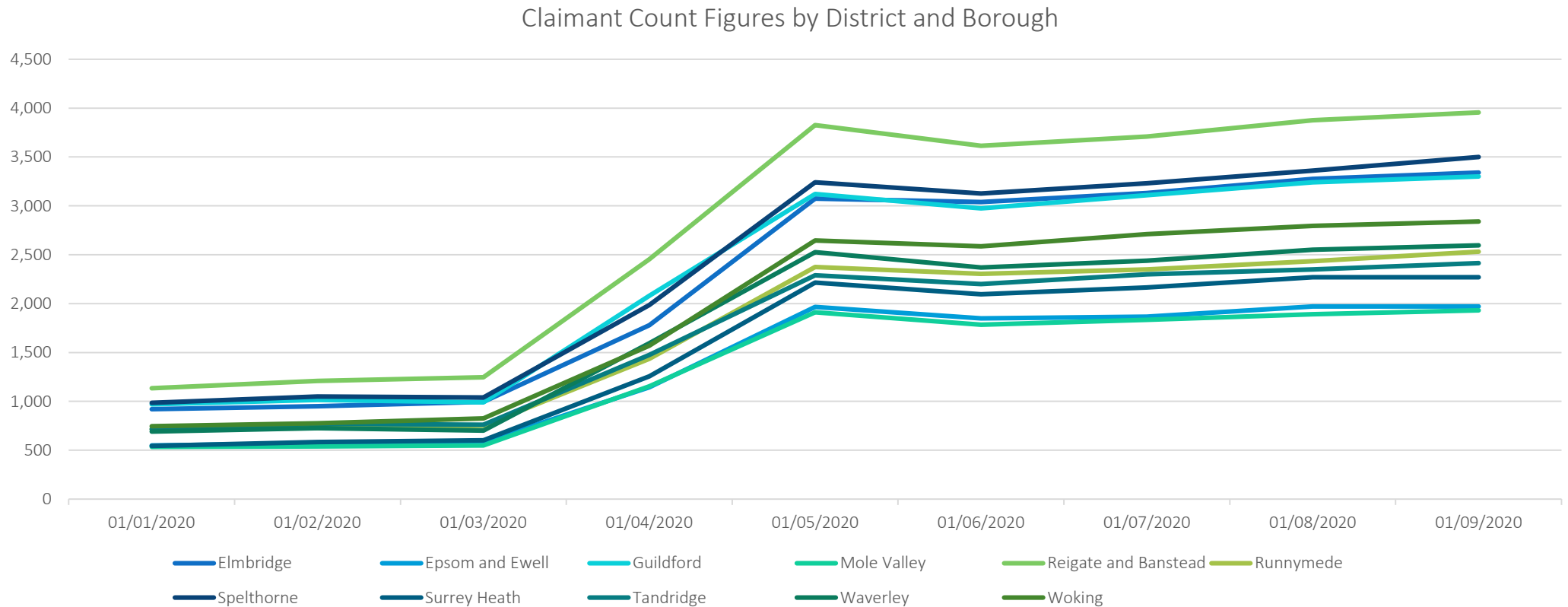
Local recovery efforts have started to show results

As lockdown eased, many residents started to return to their daily lives. For example mobility trends around retail and recreation activities have nearly returned to pre-pandemic levels.



But recovery is uneven across the county

The economic and financial impact on households has been uneven. For example, Reigate & Banstead, Spelthorne and Guildford have seen sharper increases in claimant count figures, and numbers continue to rise.

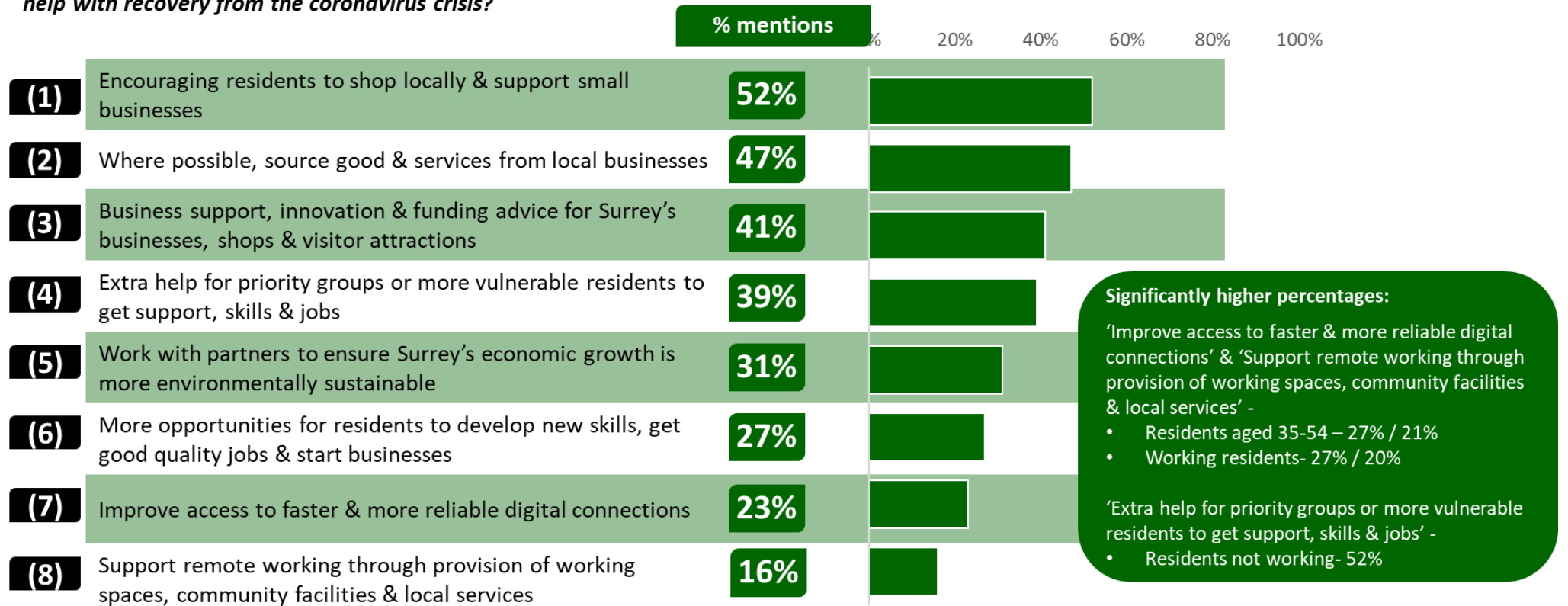


Residents have told us to focus on supporting local businesses and vulnerable people

“There are certain shops that are starting to close down. We’ve lost the shoe shop and the card shop” - Man from Spelthorne

Over half of residents believe that Surrey partners should focus on supporting local businesses over the coming year.

What should Surrey County Council and Surrey Heartlands Health and Care Partnership’s priorities focus on over the coming year to help with recovery from the coronavirus crisis?



Residents have told us to focus on supporting local businesses and vulnerable people

" We need to ensure that the foundations that have been laid remain and that they are not taken away. We need to ensure we have the financial stability to continue to support clients" - Outreach for homeless clients

Embed local models that enable flexible nuanced care for vulnerable people

Timely access to services and support , incl. networks and food charities

Facilitate wider service profile uptake through use of online outreach tools

Anti-discrimination and cultural awareness

Clear advice and support for financial, physical and mental health

Implement safeguarding and corporate parenting responsibilities

Further joined up, co-ordinated and sustainable support for the local agencies and organisations working with vulnerable communities






Reducing health inequalities

Effective, adapted, culturally appropriate and communication and engagement

Digital inclusion

Appendix 1 – Background to Our Community Impact Assessment

What is the CIA?

Product	Description
 Geographical impact assessment	Presents analysis of the impact of Covid-19 on local communities across health, economic and vulnerability dimensions. The analysis helps to identify which places in Surrey have been most affected by the pandemic and how.
 Local recovery index	The LRI is a surveillance tool for monitoring how well Surrey is recovering from the pandemic . It looks at a range of indicators across three themes; Economy, Health and Society.
 Temperature check survey	Survey of over 2,000 households from across Surrey to understand their experiences of the pandemic and lockdown.
 Community rapid needs assessments	10 in-depth assessments of how vulnerable communities have been affected during Covid-19 and these communities' needs and priorities.
 Place based ethnographic research	Detailed research to understand the financial, emotional and community impacts of Covid-19 on individuals living in communities that have been most impacted .

Where to find more information

The Community Impact Assessment will be published as part of our wider 'Evidence Base' about Surrey, our people and place.

The plan is to publish the data on Surrey-I, with a link through from the Surrey County Council website.

Surrey-I 'Covid-19 Impacts' Landing Page

Impact of Covid-19 on our Communities

The Community Impact Assessment (CIA) explores **health, social and economic impacts** of COVID-19 among communities across Surrey, **communities' priorities** for recovery, and **what support these communities might need** if there is another outbreak.

It aims to:

- Enable the council's partners to provide targeted support to communities impacted by COVID-19; and
- Enable the council and partners to act preventatively to mitigate future impacts.

The results can be split into 2 main areas:

- [People](#)
- [Places](#)

Product	Description
Geographical impact assessment	Presents analysis of the impact of COVID-19 on local communities across health, economic and vulnerability dimensions. The analysis helps to identify which places in Surrey have been most affected by the pandemic and how.
Recovery progress index	The RPI is a surveillance tool for monitoring how well Surrey is recovering from the pandemic . It looks at a range of indicators across five themes: Economy, Place,



Appendix 2 - Sample of Resident Profiles

Jodie

(we have replaced all residents' names)

Background

"It's a bit stuck-up here"

About



- Lives with her youngdaughters
- Her mother and siblings live nearby
- Her partner lives overseas
- Has a background in fashion design and recently been devoting more time to art and design

Place



- The area is expensive and she feels "it's a bit stuck-up here"
- She lives close to a nature reserve and goes on regular bike rides around nearby church and graveyard
- Ashtead feels safe and has good schools
- Feels the local population is overwhelmingly older and white. Being mixed race "you feel like you stand out"

Work



- Up until lockdown, she had been working as a TA at a local school
- She was initially put on furlough, but was then made redundant
- She is currently out of work and feels lost: "what do I do with myself?"
- Starting to apply for new roles and finding it difficult to find term-time jobs so she can care for her daughters

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Community



- Doesn't take part in community groups, but friendly with neighbors
- Active on local social media groups—whatsapp and facebook, but complains "here is the worst, just constant moaning"
- Received help from local churches during lockdown. They got in touch with her via her girls' school and delivered food parcels with activity sheets for the children too.
- She has received help with her housing, when a woman from the council came to give advice. But she feels in general with the council "you have to go to them to get information"

Jodie

Covid-19 Impact + Recovery

(we have replaced all residents' names)

"You don't know what you're going to be living on"

Physical



- Has suffered from migraines in the past, but these have eased in the last 6 months
- Has enjoyed regular bike rides and walks with her daughters
- Has found it hard being confined to the house. Worried about doing exercises for fear of disturbing downstairs neighbours: "you don't want to be in all day"

Emotional



- Covid-19 has affected her mood. She's thankful for video calls keeping her in contact with friends, family and her partner who lives in the US
- At the beginning of lockdown she felt herself "going into a real depression, but after about two weeks I started to feel, no it's fine"
- Focus on her children has
- Social confidence has suffered

Economic



- Lack of economic stability is stressful
- Furlough scheme did help but now she's out of work, she wants to know "when things are going to be stable again"
- With easing of lockdown and return to school, she has become aware of increased spending, paying for children's clubs and treats at the local café: "these things do add up every day"

Recovery



- Most of the local shops stayed open through lockdown, but she is concerned that economic impact will mean "they're going to end up closing"
- Is confused by media coverage and mixed messaging from the government: "they're scaremongering"
- The Black Lives Matter movement over the summer has made her increasingly aware of the lack diversity in the area, and hopes that this might change
- Lockdown has given her the opportunity to devote herself to her art and design work
- Using this time to reassess what she's like to do next: "using it to my advantage to just chill and relax"

Joel

Background

(we have replaced all residents' names)

“Will be years to make up the losses.”

About



- Married a short time, strong relationship
- Owns property and is renovating it to sell
- First Baby due soon
- Hobbies are countryside pursuits eg shooting and he volunteers on 2 country estates
- He has 2 dogs

Place



- He has lived in Shalford for several years, loves it there and thinks it is friendly
- He has lots of friends in Village and knows all his neighbours
- Socialises with others who attend shoots
- Hates the traffic - too busy
- Some Crime - had van stolen and tools stolen
- Wary of Traveller site in village

Work



- Owns and runs own small construction company which he has had for over 10 years
- Company director - paid low salary and dividends
- Has 4 sub- contactors
- Used Accountant to check if he qualified for help - but he didn't

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Community



- No personal knowledge of schemes or grants from council - only knows Planning Officer
- Would have liked council to suspend Council Tax, write to them 1-1
- Attended local VE party in Village and he uses local pub regularly
- He is friends with local business owners eg Cafe and Estate Agents, local shop and he helped Local shop and Cafe prepare for lockdown by installing screens for them early on

Joel

Covid-19 Impact + Recovery

(we have replaced all residents' names)

"The construction industry got no support"

Physical



- Drinks more now
- Did long walks with dogs
- Kept physically active working on own house
- Non-smoker

Emotional



- Hard not to be involved in Pregnancy e.g. no ante natal classes or hospital visits for him
- Tried to be rational about Covid-19 but is worried about financial impact for his business
- Missed the social side of village
- Feels let down by Government and System because he got nothing and could see others getting money

Economic



- All work stopped immediately. He can't work from home so he went from £6-£4k/month to zero
- Claimed Universal Credit
- Used personal savings and had to sell some things
- Took personal loans as he didn't qualify for Government schemes
- His wife paid for food

Recovery



- Nice to have baby to look forward to
- Mother in law terminally ill - been hard for wife and he's supporting her through this
- Work is picking up again now. He's planning to change some business practices eg.. invoice tighter and at shorter intervals
- They will finish renovating house then sell and move
- Will take them years to pay off debts both personal and business related

Aubrey

Background

(we have replaced all residents' names)

“We've always said, we're all doing this together”

About



- Lives with husband and 2 school aged children.
- She has no family in the area, but her husband's family are local and are very supportive (emotionally and financially)
- She is a keen reader and a budding author of fantasy romance novels

Place



- Moved to 2-bed council house a few years ago
- She thinks that Sheerwater is “not the kind of place you can let your kid play on the street” due to the amount of construction/demolition
- She is determined to move to a different area
- Doesn't take children to local playground due to anti-social behavior there

Work



- Works as a retail assistant
- On a zero-hour contract but usually works 20-30hrs a week around children's school
- Husband works casually as a labourer/ machine operator for an agency (earns £80-100 p/day)
- She earns £600-800 p/m. In good month she and husband bring in £1200 p/m (rent £400 p/m)

Community



- Doesn't engage with the local community, didn't hear of any community-help schemes in the area during Covid-19
- Her social ties are through online reading groups: " I say I don't have any friends, but I have a big book community kind of thing"
- Schools children outside of Sheerwater in Goldsworth Park and they take multiple (up to 8) buses a day getting to and from

Aubrey

Covid-19 Impact + Recovery

(we have replaced all residents' names)

“Prior to lockdown I never would have thought to write a book...I would never have had that time”

Physical



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- During lockdown she would do Joe Wickes workouts with the children in the mornings
- Took children out regularly for walks along the canal and their favourite park
- Struggled to keep kids off devices and games

Emotional



- Family have bonded during lockdown through movie nights, days in pyjamas, making TikToks
- She missed her "me-time" of walk along canal from school to work
- Writing a reprieve "that was my little Covid-19 escape"

Economic



- She was furloughed in March and returned in June. Her husband had no agency work March-September
- Applied for universal credit during lockdown, but payments are very unpredictable
- Receive extra help from husband's family-children get pocket money from grandparents, family are included in grandparents' weekly shops
- Very strict food budget-£2.50 a meal. Always get reduced items/ only buy meat joints as a treat. Harder during panic buying period

Recovery



- Lockdown gave family time to reassess career paths and objectives
- She is taking her writing seriously (she writes 7hrs a day 7pm-2am), and wants to work towards making this her career, but will continue working part-time until this is financially viable
- Son is receiving private tutoring (has a part scholarship so they pay £60 rather than £130 a month), which has given him support he needed especially through lockdown
- Ambitious for children, sees potential in son's talent for gaming to go into coding or software

SURREY COUNTY COUNCIL**CABINET**

DATE: 24 NOVEMBER 2020

REPORT OF: MRS SINEAD MOONEY, CABINET MEMBER FOR ADULTS AND PUBLIC HEALTH
MR MEL FEW, CABINET MEMBER FOR RESOURCES

LEAD OFFICER: SIMON WHITE, EXECUTIVE DIRECTOR FOR ADULT SOCIAL CARE
LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF RESOURCES

SUBJECT: TRANSFORMATION OF ACCOMMODATION BASED CARE AND SUPPORT FOR WORKING AGE ADULTS: DELIVERING SUPPORTED INDEPENDENT LIVING OPTIONS

ORGANISATION STRATEGY PRIORITY AREA: Empowering Communities

SUMMARY OF ISSUE:

A paper was brought to Cabinet in July 2019 setting out Adult Social Care's (ASC) Accommodation with Care and Support Strategy for Extra Care Housing for older people and supported independent living schemes for adults with a learning disability and/or autism¹.

Surrey County Council (SCC) has a strategic aim to Empower its Communities by increasing the number of working age adults with support needs living in supported independent living settings and reduce its reliance on traditional residential care provision. The Council will commission a greater number of a variety of supported independent living housing options so that appropriate housing is available to meet a range of needs where individuals have increased choice and control over the support they receive.

To achieve this aim, supported independent living accommodation will be delivered through a variety of mechanisms through SCC identified sites, through independent sector provision (both new and reprovisioned accommodation) and through partnership working with the district and borough councils.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approve the approach to delivering the published strategic aim of increasing the proportion of working age adults with support needs living in supported independent living settings.

¹<https://mycouncil.surreycc.gov.uk/documents/s57815/16.%20Accommodation%20with%20Care%20support%20Cabinet%20report%20July%202019.pdf>

2. Give in principle approval for the sites disclosed in Part 2 of this paper to be used to deliver new supported independent living accommodation. Business cases will be presented to Cabinet to confirm final approval for the development of these sites for independent living.

REASON FOR RECOMMENDATIONS:

3. The Council has published its strategic aim to reduce the number of people with a learning disability and/or autism in residential care by 40-50% over the next five years by expanding the development of supported independent living provision.
4. The Community Vision for Surrey 2030 states “*By 2030, Surrey will be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.*” One of the underpinning principles is that “*Everyone has a place they can call home, with appropriate housing for all*”. The development of supported independent living accommodation is central to this Vision being realised for working age adults in Surrey who are eligible for ASC. The provision of this accommodation alongside the commissioning of appropriate care and support will enable people to live as independently as possible and deliver positive outcomes to individuals and their families/carers.
5. The transformation of Surrey’s approach to providing accommodation with care and support is expected to generate significant efficiencies. Based on financial modelling to date £4.4m of efficiencies have been included in the 2021-26 MTFs, with the potential for greater efficiencies through completing all of the transfers to independent living planned.
6. Partnership with District and Borough Councils offers benefits to all parties. Some D&Bs have indicated that they might be able to help SCC secure housing options that are well placed, in locations that offer community inclusion and employment opportunities. They have also indicated that they are keen to release properties that are not well matched to their own client base but could be appropriate for ASC clients. This would be in exchange for other properties which are more appropriate to their client base.
7. Review of SCC’s current estate portfolio will allow us to re-use or optimise existing freehold assets, as well as the opportunity to co-locate with other Council services.

DETAILS:

Background: Principles of supported independent living

8. Access to appropriate housing for people with a learning disability and/or autism has long been identified as an issue. Valuing People, published by the Department of Health in 2001², noted that one of the key challenges for people with a learning disability and/or autism seeking to live as independently as possible is the limited housing options available and their lack of choice and control in regard to where they live and with whom.
9. This was highlighted again in the ‘Valuing People Now’ strategy published in 2009³ and this strategy and its associated Housing Delivery Plan placed a clear expectation

² <https://www.gov.uk/government/publications/valuing-people-a-new-strategy-for-learning-disability-for-the-21st-century>

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/215891/dh_122387.pdf

on local authorities that the number of people with a learning disability and/or autism living in residential care should reduce and a consequent increase in alternative housing options should be developed.

10. Supported independent living offers greater independence than residential care; individuals own or rent their home and can make choices regarding the support they get to live their lives and who they get it from. Some housing options are entirely self-contained, some offer shared living arrangements, and some are self-contained within clusters or schemes supporting up to six people. The diverse forms that the model takes facilitates personalised care, reflecting the level of need that individuals have. An overview of the key principles for supported independent living can be found in Annex 1.
11. A key aim of ASC's transformation programme is to shift away from institutionalised models of care, with a specific focus on expanding supported independent living care provision, re-settling individuals from residential care into various forms of supported independent living.
12. Much of the current ASC spend is on institutional forms of care such as residential and nursing care and Surrey performs within the lowest quartile nationally in relation to people with Learning Disabilities living in settled accommodation in their own home⁴. This reliance on residential and nursing care, which undermines individuals' choice and control and leads for many to high cost over provision, needs to be addressed going forward in order to ensure a sustainable and resilient budget that operates within available resources and focuses on more efficient and person-centred forms of care within the community.
13. To this aim, ASC's Accommodation with Care and Support Strategy, which was presented to Cabinet in July 2019, set out the ambition to reduce the number of people with a learning disability and/or autism in residential care by 40-50% over the next five years by expanding the development of supported independent living provision.

Delivery approaches overview

14. A needs analysis has been undertaken by Adult Social Care that highlights the highest areas of need for supported independent living accommodation⁵. The document is dynamic and will be updated on a regular basis. Alongside the needs analysis the commissioning process will need to consider the characteristics of areas within Surrey, the appropriateness for development of supported independent living given transport links, social inclusion (including employment) and the ongoing challenges in relation to the recruitment and retention of care and support staff. The impact of the availability of land and property will also need to be explored.
15. There are restrictions and best practice guidelines that must be adhered to in relation to the development of supported independent living accommodation. These are set out within the Care Quality Commission (CQC) guidance 'Registering the right support' and the NHS England plan 'Building the right support'. Critical to these guidelines is the requirement to ensure that such accommodation developments are small scale and domestic in nature and do not take on the look or feel of a campus.

Delivering supported independent living accommodation

16. It is estimated that over 500 new accommodation units will be required to enable individuals to move from residential care to supported independent living. In addition

⁴ Adults and Health Select Committee Report on learning disabilities and/or autism July 2020 <https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=790&MId=7284&Ver=4>

⁵ Drawn from the data available from LAS records.

to this, suitable accommodation options are required for young people who are transitioning to Adult Social Care. It is estimated that this will increase the numbers of units required to circa 850 over the five years of the programme.

17. The development of supported independent living is overseen by a sub-group of the Accommodation with Care and Support Programme Board, the Working Age Adults Commissioning Solutions Sub-Group. This is chaired by the Assistant Director Learning Disabilities, Autism & Transition, and scrutinises progress made within a number of workstreams.
- i. Deregistration of existing residential provision: several current providers have confirmed their interest in exploring the viability of re-purposing current stock – registered care homes - to create instead supported independent living accommodation. In most cases the buildings will need to be re-modelled to enable the different model of care required and in some cases the location might not be deemed to be suitable. However, it is estimated that this could yield up to 18% of the stock needed and given the scale of the programme required – over 500 new accommodation units within next 5 years – this workstream has an important role to play.
 - ii. Existing supported living capacity in Surrey: It is estimated that 18% of the stock required might be provided by bringing into use existing stock and through the development of new provision by the independent sector. A protocol has been developed to ensure that the practitioners are notified of ‘voids’ in a timely fashion. In some instances, practitioners will suggest that specific voids no longer offer appropriate accommodation for the cohort that are now open to the Central LD and Autism Team. A proportion of the capacity will be secured through the Shared Lives scheme.
 - iii. Redevelopment of SCC sites and/or acquisitions: 22% of the additional capacity needed is being sought from developments on sites that the Council currently own or will acquire to ensure delivery of the programme. The Council is undertaking a strategic review of its existing estate portfolio to identify opportunities for the development of supported independent living accommodation. This workstream is considered in more depth below.
 - iv. Market development: As outlined above, much of current provision is in registered care homes. A commissioning framework is being developed that will encourage providers already operating in Surrey to re-model their accommodation offer to provide an increased amount of supported independent living accommodation and will encourage providers not currently active in Surrey to enter the market and offer new accommodation. This will support workstream i and it can be expected to provide 24% of the new capacity needed.
 - v. Partnership with District and Borough Councils: It is estimated that 18% of the stock required might be provided by working in partnership with Districts and Boroughs. Further work to explore the potential delivery opportunities are underway with local officers. These include opportunity around high void units, old stock that requires refurbishment and previous sheltered housing accommodation that may become surplus due to the Extra Care workstream.
18. The contribution that each of the workstreams is anticipated to make to the overall programme is summarised in the table below.

Table one: Overview for delivery of 500 Supported Independent Living Units

Delivery Method	Delivered by	%
De-Register Existing Stock	Market	18%
Utilize existing stock	Market / SCC	18%
SCC Land and Property Estate	SCC	22%

Market development	Market	24%
Partnership with D&Bs	SCC / District and Boroughs	18%

SCC strategic review of estate portfolio

19. It has been estimated that 22% of the stock required is needed from sites that either the Council currently own or may acquire. The Council's high-level criteria for supported independent living (Annex 2) outlines the maximum site capacity for supported independent living developments.
20. The maximum supported independent living units per site is 25 units split over multiple blocks of accommodation, where site size allows. This is to ensure that any development reflects the best practice guidelines by CQC in their publications 'Registering the Right Support' and 'by NHS England in their publication 'Building the right support'. The Council is particularly mindful of the need to avoid developing large scale, campus like accommodation.
21. Given that the Council need to balance the requirements to adhere to small scale development for this cohort of people with securing best value for each site, alignment with other service needs and/or commercial opportunities will be reviewed on a site-by-site basis.
22. The types of capacity needed requires further refinement before proposals can be fully developed. As outlined above, ASC's needs analysis and the agreed Asset and Place Strategy 2019 will inform the development of any proposals.

CONSULTATION:

23. The Supported Independent Living Programme has been discussed with users, their carers, providers and practitioners. It has been well received with the cautionary note from a small number of users and carers that clients must continue to have access to the support and care they need. This concern is to be expected and can only be fully allayed once clients have successfully established themselves in their new home with a refreshed support package that provides greater choice and control. Engagement with clients and the families is helping to mitigate this and will continue throughout the Programme.
24. Senior officers from SCC's Property Services Team meet regularly with Senior Housing Officers from the D&Bs and have discussed the Supported Independent Living Programme. There have also been targeted discussions with the host D&Bs of each of the three sites involving Senior officers from SCC's Property Services Team and Senior Officers from ASC. These discussions have been positive and continue to shape the proposals as they develop. In advance of publishing this report a briefing note has been circulated to senior planning and housing officers in the district and borough councils. Briefing meetings will be arranged with the relevant district and borough ward councillors and senior officers.
25. Senior Officers from ASC have had informal conversations with CQC officers regarding the Programme and the approach taken to its delivery. Positive feedback was given, and regular contact will be maintained. This will mitigate against any future challenges and provide assurance to users, carers and providers.

RISK MANAGEMENT AND IMPLICATIONS:

Reputational

26. The transformation of SCC's care model, offering an appropriate mix of residential care and supported independent living is in line with best practice as outlined in paragraph 12. It can be expected therefore to enhance the Council's reputation.

Financial

27. Transfers of people currently placed in residential care homes to supported independent living settings may not generate the level of efficiencies that has currently been modelled. This could be the case due to the level of support that people require following the transfer to their new setting, this risk will be mitigated by the programme team carefully planning transfers and working with individuals and their representatives to ensure the new care setting are appropriate to meet people's needs.
28. An increase in design and build costs could have a negative impact on the financial model. It is proposed that the financial model is reviewed at set checkpoints in the delivery lifecycle, these being prior to planning submission, post build tenders and prior to first occupations.
29. A housing management provider will be sourced once the buildings are built. It will be their responsibility to ensure that rental allowances are claimed from the local strategic housing authority and take responsibility for maintenance and repairs. Different providers might be sourced for the different sites.
30. The ability of the Council to invest capital resources in the development of new supported independent living care settings will depend on how the financial position of the Council changes over the medium term. Financial viability benchmarks and drawdown of capital pipeline funding will be reviewed on a yearly basis by those with delegated authority.

Service delivery

31. There is a risk that sites cannot be identified or will not become available within the programme term. If a full review of both operational assets and non-operational assets does not identify any suitable sites for supported independent living, then acquisition of new sites will be reviewed and undertaken to ensure the transformation of SCC's model of care can be delivered.
32. The provision of care and support at any of the SCC developed supported independent living sites will be subject to either open procurement or a call off from an established framework. The procurement process will explicitly state key performance indicators that will facilitate the Council to secure high quality provision.
33. The relevant governance route for such a procurement will be followed including presenting a recommendation to the Surrey Wide Commissioning Committees in Common as appropriate.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

34. As set out earlier in the paper it is estimated that over 500 new units of supported independent living accommodation for people with disabilities will be required over the next five years. It is expected that most people that move into these units will do so from existing residential care placements that SCC is already funding. Financial modelling indicates that on average circa 21% of the net care package expenditure on an individual currently living in residential care home could be saved by a move to supported independent living. This incorporates both the initial saving at the point of

transfer that largely relates to accommodation costs and the potential for further care savings once the individuals settle into their new residence. It is important to note that cost changes will vary considerably from person to person based on each individual's personal circumstances. In some case costs could reduce by considerably more than 21% whereas in some cases costs of care could even increase due to the nature of support required to meet a person's needs, at least initially, following a move to a supported independent living setting.

35. ASC have initially identified over 420 people with a Learning Disability or Autism currently living in a residential care home who it is believed may benefit from a move to supported independent living. The Council currently spends £34.4m on the care and support for these people in residential care (incorporating contributions individuals have been financially assessed to pay towards their care). Applying the 21% average cost saving estimate, this would equate to annual efficiencies of £7.3m once all moves have been completed. At present £4.4m of efficiencies are proposed over the course of the 2021-26 Medium Term Financial Strategy (MTFS) representing the cost savings estimated for people whose level of need is considered likely to make a move to supported independent living most appropriate and effective.
36. In addition to the estimated cost reduction efficiencies, the expansion of supported independent living settings in Surrey should also avoid additional costs that would otherwise be incurred for young people who transition from children's and education services to Adult Social Care services. This is because availability of supported independent living settings can avoid more expensive residential care placements, and at the same time encourage social inclusion and make best use of community assets to reduce costs of care in the community through maximising people's independence.
37. A "move on" team has been created within ASC's Learning Disability and Autism service to ensure there are dedicated resources to effectively support individuals and their families through the process of moving from residential care homes to supported independent living settings. Investment from the Council's Transformation Fund has been approved to recruit social workers to this team.
38. As set out above, the delivery of the required number of new units will require a mixed approach. The majority of new units will be delivered by the market and through partnerships with District and Borough housing authorities. In addition, it is expected that SCC owned sites will be used to develop a proportion of the new units (currently estimated at around 100 of the 500 new units planned).
39. Where SCC sites are planned to be used for supported independent living, it is proposed that SCC will fund the development costs and SCC's Land & Property service will manage the delivery of the schemes. Control over the design and build will ensure that the design principles include the Council's 'Green agenda' as well as using a range of renewable energy options to help reduce future utilities costs. The application of a sound design methodology will result in lower future building maintenance costs. SCC's funding and management of the construction of supported independent living will also enable SCC to align this with the development of private housing on some sites.
40. The requirement for and use of SCC capital will continue to be reviewed as the programme progresses. Where it is proposed a SCC owned site is used for new supported independent living developments, a business case will be constructed to demonstrate that the care package efficiencies anticipated to be derived from the new settings will deliver a clear return on investment. All business cases will be considered by SCC's Capital Programme Panel, and subject to their endorsement will be put forward for formal approval by Cabinet. Capital funding as required for

each scheme where Cabinet approves the business case will then be added to the Capital programme.

41. An initial review of SCC's asset portfolio has identified 4 sites that are suitable for development for supported independent living in terms of their size and location. These sites are expected to deliver circa 85 supported independent living units. Details of these sites are set out in the Part 2 paper of this report due to their commercial sensitivity.

SECTION 151 OFFICER COMMENTARY

42. 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. The public health crisis has resulted in increased costs which may not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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.
43. In this context, the Section 151 Officer recognises the importance of the development of supported independent living accommodation for people with a Learning Disability or Autism to both maximise people's independence and wellbeing while at the same reducing and/or mitigating the cost of care funded by the Council. The care package efficiencies expected to be generated from the programme will be built into the Medium-Term Financial Strategy along with any capital investment approved for developments on SCC sites and the revenue implications of borrowing.
44. A clear business case approved by Cabinet that demonstrates SCC is making effective use of the land and a strong return on investment will be required before any supported independent living developments on SCC owned sites requiring capital investment can proceed.

LEGAL IMPLICATIONS – MONITORING OFFICER

45. The Council, subject to Cabinet approval, intends to deliver supported independent living accommodation through a variety of mechanisms including the use of Council identified sites, independent sector provision and working in partnership with district and borough councils. The Council is empowered under legislation to acquire, dispose of, develop and redevelop land which will facilitate delivery.
46. At this stage, four Council sites have been proposed for supported independent living accommodation, which are set out in the Part 2 paper. The Council as the owner of each site may dispose of or (re)develop the land. If proposals include a disposal (which would include a lease) of any of the land, the Council will need to show that it has obtained best value. This is a legal requirement under Section 123 of the Local Government Act 1972. To show best value, the Council may need to show that it has taken specialist (external) advice confirming that the disposal represented best value. Under Section 123(2) of the Local Government Act 1972 the Secretary of State's consent would be required before the Council could dispose of land at less than best value.
47. As site specific details including the route of delivery become available, it will be necessary to consider the applicable legislation and regulations for each site and any (further) consultations that may be required.

EQUALITIES AND DIVERSITY

48. An initial Equality Impact Assessment (EIA) is included as Annex 3. This considers the particular implications of the Supported Independent Living Programme of the Accommodation with Care and Support Strategy for people with one or more protected characteristics.
49. Positive impacts identified at this stage centre on:
- Residents' improved experience and outcomes
 - More people remaining independent within their own homes for longer
 - Accommodation that is fit for purpose
 - Accommodation that is fit for the future
 - Increased choice and control for individuals (and their carers/families).
50. There is further work to explore whether provision is sufficient for clients who require family sized accommodation.

OTHER IMPLICATIONS:

51. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below:

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	Set out below.
Environmental sustainability	Set out below.
Public Health	Set out below.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS

52. Improving the accommodation options available for people with care and support needs can be expected to have a positive impact, ensuring that vulnerable adults can live within safe, secure environments with appropriate care and support services designed around their needs and aspirations.
53. The effective management of Safeguarding and the requirements for reporting incidents will be specified in the contract with care providers.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

54. Supported independent living arrangements maximise on the value of accommodation being in close proximity to community facilities including public transport.
55. The Council will comply with best practice and any locally/nationally approved planning requirements.

PUBLIC HEALTH IMPLICATIONS

56. Supported independent living can positively impact on public health outcomes, including:
- increased wellbeing and reduced isolation and/or loneliness through social inclusion, active participation in community life and engagement in learning opportunities / pathways to employment⁶;
 - improved health outcomes resulting from improved contact with community health services.
 - improved wellbeing resulting increased independent living skills, e.g., financial management, exercising choice and control.

WHAT HAPPENS NEXT:

57. If Cabinet approve the recommendations in this paper, next steps will be:
- i. To continue, through the workstreams described above, to deliver Supported Independent Living accommodation and support individuals, as appropriate, to transfer smoothly into them from residential care.
 - ii. Ongoing refinement of ASC's needs analysis will be undertaken to verify the proportions of the types of accommodation required from new capacity
 - iii. ASC's financial modelling will be refined, and actual savings will be tracked throughout the lifecycle of the programme.
 - iv. Property Services will continue to review the suitability of all the sites owned by the Council for development of supported independent living accommodation as part of the Council's Asset and Place Strategy.
 - v. All proposals for the development of supported independent living accommodation will be considered against Property's financial model and if considered viable taken to Capital Programme Panel and Cabinet for approval

Contact Officer:

Simon Montgomery, Programme Manager, 020 8213 2745

Annexes

Annex 1 – The key principles of Supported Independent Living

Annex 2 – Site criteria for Supported Independent Living

Annex 3 – The Supported Independent Living Strategy Equality Impact Assessment
Part 2 Report

Sources/background papers

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

⁶ <https://www.mind.org.uk/media-a/5740/five-ways-to-wellbeing.pdf>

ANNEX 1 – THE KEY PRINCIPLES OF SUPPORTED INDEPENDENT LIVING

Supported Independent Living should:

- Enable people to remain in the same accommodation as their needs change
- Help people to self-care and promote independent living skills
- Foster links with the local community and enable people receiving services to access the wider community and play an active part in community life
- Be domestic in nature and not resemble institutional environments like residential care homes
- Provide a level of on-site support and care by staff which can scale to changing needs

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The following features are common to any Supported Independent Living setting:

- Independently accessed apartments or other dwellings – ‘own front door’
- Individuals will have a tenancy and be able to access housing benefits and be afforded housing rights
- Any personal care and support required by individuals is provided by a separately registered care agency which is registered by the Care Quality Commission
- Located in a sustainable location, close to the community and local amenities, e.g. shops, doctors, transport links and in areas where there is a sustainable workforce
- Technological infrastructure which helps people to maintain their independence, and which can be linked to assistive technology where needed

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ANNEX 2 - SITE CRITERIA FOR ADULT SOCIAL CARE SUPPORTED INDEPENDENT LIVING

Scheme	Supported Independent Living
Scale	Domestic housing a maximum of 6-8 units per scheme
Site topography	Appropriate access to local amenities and community facilities (e.g. shops, banks, cafes, libraries, leisure centres, public transport) Access to employment and training
Sustainability	Sufficient workforce in the vicinity to resource the service delivery
Planning	Cannot be in green belt unless the development is being promoted in the Local Plan. In line with planning policy at the local district and boroughs. Neighbours and adjoining uses. New large scale developments are not the preferred model.
Affordable units	Must be sufficiently financially viable to outweigh the opportunity cost of selling the land. Rents and service charges must fall within Local Housing Allowance limits.
Assets	Cost neutral in respect of the asset. Potential care savings must be greater than the opportunity cost of selling the land. If we provide financing of any kind we must be in the position whereby the total care savings outweigh the level of subsidy or grant value as well as the opportunity cost of the land. Alternatively, the agreement to fund must include a repayment plan.

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Annex 3

EIA Title	Supported Independent Living Strategy			
Did you use the EIA Screening Tool? (Please tick or specify)	Yes (Please attach upon submission)		No	X

1. Explaining the matter being assessed

<p>What policy, function or service change are you assessing?</p>	<p>Now and in the coming years, Surrey County Council ('SCC') faces unprecedented challenges in meeting care and support needs in Surrey. The accommodation with care and support programme has been set up to respond to some of these challenges.</p> <p>There are particular financial and logistical challenges meeting the demand placed on the Learning Disability and Autism Service and Transition service. This is due to the following reasons:</p> <ul style="list-style-type: none"> • The number of adults with a learning disability and/or autism in Surrey is projected to rise in line with the general population. The 2017 Surrey Joint Strategic Needs Assessment estimated an increase of circa 10% over the next 10 years for this population group¹. • The JSNA currently indicates that the proportion of adults with a learning disability who live in their own home or with their family is 65.8%, compared with a national average of 76.2%. • There are currently insufficient supported accommodation options to improve local performance against this ASCOF target (1G). Additional capacity is required urgently to support adults with a learning disability and/or autism to live within their communities. • Surrey County Council (SCC) funds a much higher proportion of people with a learning disability and/or autism in residential care as opposed to supported living accommodation than most. Furthermore, there are growing numbers of young people with learning disabilities and/or autism who will need appropriate accommodation arranged as they transition from Children's Services to Adult Social Care (ASC). • In addition, recruitment and retention of suitably qualified care and support staff is problematic across the county and some of the existing independent living provision requires capital investment in order to ensure it is fit for the future. <p>This EIA assesses the independent living strategy for new and existing people with a learning disability and autism.</p>
<p>Why does this EIA need to be completed?</p>	<p>The Supported Independent Living Strategy signifies wide ranging changes to policy, function and services that affect our clients, their carers and SCC staff. Assessing the impact</p>

¹ <https://www.surreyi.gov.uk/jsna/>



	<p>of these changes on different ‘protected characteristic’ groups is an important part of our compliance with duties under the Equality Act 2010. It provides insight as to the particular impact on those people affected who have one or of the protected characteristics and supports the identification of how best to mitigate any potential negative impacts and enhance the positive impacts.</p>			
<p>Who is affected by the proposals outlined above?</p>	<p>The proposals will affect:</p> <ul style="list-style-type: none"> • People with an LD and/or Autism, aged 18+ years who services and their carers • ASC staff 			
<p>How does your service proposal support the outcomes in the Community Vision for Surrey 2030?</p>	<p>The Community Vision for 2030 promotes the independence of the individual in all scenarios and underpins the approach taken by ASC to the delivery of care and support. The Supported Independent Living Strategy seeks to ensure that adults with LD and/or Autism are supported to ‘<i>live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community</i>’. The Vision’s commitment that ‘<i>no one is left behind</i>’ has particular resonance for the target group of the strategy.</p> <p>The delivery of the Strategy examines how a number of the underpinning ambitions of the Vision will be achieved for adults with LD and/or Autism:</p> <ul style="list-style-type: none"> • <i>Everyone has a place they can call home, with appropriate housing for all</i> • <i>Everyone gets the health and social care support and information that they need at the right time and place</i> • <i>Everyone benefits from education, skills and employment opportunities that help them succeed in life</i> • <i>Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life</i> • <i>Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing</i> 			
<p>Are there any specific geographies in Surrey where this will make an impact? (Please tick or specify)</p>	<p>County Wide</p>	<p>X</p>	<p>Runnymede</p>	
	<p>Elmbridge</p>		<p>Spelthorne</p>	
	<p>Epsom and Ewell</p>		<p>Surrey Heath</p>	
	<p>Guildford</p>		<p>Tandridge</p>	
	<p>Mole Valley</p>		<p>Waverley</p>	
	<p>Reigate and Banstead</p>		<p>Woking</p>	
	<p>Not Applicable</p>			
	<p>County Divisions (please specify if appropriate):</p>			
<p>Briefly list what evidence you have gathered on the impact of your proposals?</p>	<p>Evidence has been gathered from a variety of sources including the Joint Strategic Needs Assessment (JSNA LD and Carers chapters), the LAS database, The Surrey Learning Disability Partnership Board, The Surrey Autism Partnership Board and reports and guidance published by other professional bodies such as NHS England and the Care Quality Commission.</p> <p>With reference to meeting the needs of the community overall, evidence suggests that individuals living</p>			

	<p>independently with support have better experiences and outcomes than in residential care settings. The NHS England plan 'Building the right support' sets out the need for an increase in appropriate community-based services to enable people with learning disabilities to live in their own homes.</p> <p>This EIA seeks to explore the differential impact on people with one or more of the protected characteristics. The characteristic that might lead to an individual experiencing less benefit is age – to date there has not been any other differential identified. It should be noted however that the intelligence regarding the demographics of the population is less robust than might be desired.</p>
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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?

Information from LAS (September 2020) indicates that there are 4179 adults with a learning disability and/or autism who are supported by Surrey County Council across a range of services. Of these 518 are over 65 years of age, 277 are aged between 60 and 64, 942 are aged between 45 and 59, 1593 are aged between 25 and 44 and 849 are aged between 18 and 24.

Information from LAS (September 2020) indicates that there are 1100 adults with a learning disability and/or autism living in a registered residential care or nursing home. Of these 275 are over 65 years of age, 129 are aged between 60 and 64, 345 are aged between 45 and 59, 300 are aged between 25 and 44 and 51 are aged between 18 and 24.

The initial focus of the work will be on individuals identified as having potential to move to independent living from registered care (resettlement) alongside ensuring that appropriate independent living options are available for young people coming from Children's Services into Transition and ASC.

We will also review the age of the cohort already in Supported Living which will show whether our current provision or practice seems to favour a particular age group – which we are keen to rectify. LAS data (September 2020) indicates that there are currently 1177 adults with a learning disability and/or autism living in Supported Living accommodation. The majority of these individuals are aged 18 to 54 (865 individuals/73% of the cohort).

The JSNA indicates that in England, females with a learning disability have an 18 year lower life expectancy than females in the general population, and males have a 14 year lower life expectancy. Although life expectancy for people with a learning disability in England has increased in recent years, the gap from the general population still exists.

Impacts (Please tick or specify)	Positive	X	Negative		Both
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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
- Older people with LD and/or autism may not be considered for	An age 'cut off' has been used to help identify those individuals who might benefit most from resettlement.	The age of individuals will be one factor that informs resettlement. However, individuals over 55 years of	This will be ongoing as the programme of	The LD&A operations team with lead the consideration of individuals' needs; the commissioning team will

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
resettlement or a move to independent living.	Individuals over 55 years of age have been excluded from the initial phase on the basis that the majority of these individuals will have lived in residential care for many years and they may not have developed the independent living skills needed to facilitate a move.	age will be considered on an ad hoc basis as part of the normal support plan review process and particularly where they are living in care home settings that may deregister.	resettlement is progress.	lead on ensuring greater diversity of options is available.
+ Residents will have increased choice with more accommodation options available to meet their age and care needs.	The Council's ambition is to develop a range of housing options (including shared and self-contained) across the county.	The age of individuals will be one factor that informs the resettlement of people who are used to living together. Ensure that an appropriate mix of accommodation is developed to cater for a range of needs.	This will be ongoing as the programme of resettlement is progress.	The LD&A operations teams will lead the consideration of individuals' needs; the commissioning team will lead on ensuring greater diversity of options is available.
+ Flexible care that can adapt to individual needs, enabling them to remain in Independent Living housing as they age and their care needs change.	Care packages can be better tailored to individual needs within independent living settings, with the provision of flexible personalised care and shared care. This will prevent the necessity for many individuals to move as they age.	The establishment of a flexible care and support commissioning offer to go alongside the provision of accommodation.	This will be ongoing as the programme of resettlement is progressed.	The LD&A operations teams will lead the consideration of individuals' needs; the commissioning team will lead on ensuring greater diversity of options is available.
+ Accommodation that offers longevity with	SCC developments will be newly built to a design standard that meets the needs	Clear design brief for SCC developments incorporating technologies. Clear	This will be ongoing as new	The Commissioning Team and Property Services.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
purpose-built buildings that are fit for the future.	of an aging population and enables future modification. SCC will work with the independent sector to ensure that any accommodation they develop is in the right location and will meet people's changing needs as they age. SCC will work with providers to assess the future viability of existing schemes. This will prevent the necessity for many individuals to move as they age.	expectations of the independent sector to ensure accommodation is fit for purpose and fit for the future.	housing options are delivered.	
+ Individuals will be able to live with age appropriate care and support near their families and friends and as part of the wider community, thus significantly reducing the risk of social isolation.	A significant proportion of people are currently placed out of county. The development of accommodation options in Surrey will enable people to live in closer proximity to family and friends without them also needing to move out of county.	This will benefit all age groups, but it might be expected that older individuals might have a reduced circle of support.	This will be on-going as the programme of resettlement is progressed.	The LD&A operations team will lead the consideration of individuals' needs; the commissioning team will lead on ensuring greater diversity of options is available.
+ Preventative approach, reducing risk of being admitted to hospital, or needing to stay longer than necessary.	Living independently allows greater scope for an individual to make choices and take risks. The risk of hospital admission from these settings may be higher if mitigations aren't in place and this will be most likely to affect those with greater needs and might	Work with care and support providers to ensure individuals are supported to make informed decisions and understand risk. Incorporate design measures and technologies into accommodation that reduce risk. Support will be	On-going for the lifespan on the Strategy.	The commissioning team will lead on work with providers and health commissioners; the LD&A operations team will lead the discussion with individuals and their families.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
	disproportionately affect older age-groups and they develop age related conditions as well as their LD / Autism.	personalised and will take account of individual needs and therefore age-related conditions.		

**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?**

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

Wider Learning Disabilities Service Review

The Learning Disabilities Service is currently under review and operational changes are being made to the delivery of its services. This will impact how individuals are placed in independent living accommodation. There is a specific team within the Learning Disabilities Service that is focusing on working with individuals that might be suitable for independent living. Commissioners and operational staff are working in partnership to ensure that independent living accommodation is suitable for residents and meets the needs and demands of individuals with learning disabilities and autism.

Strengths Based Practice

Adult Social Care is transforming how it delivers services in Surrey. It is employing a 'strengths based' approach which encourages individuals to focus upon their strengths, connect to your community and live as independently as possible. The Independent Living programme does promote a 'strengths based' approach to supporting individuals in their community, by providing them with suitable accommodation options outside of residential and institutional settings. The Independent Living programme will continue to be developed to support the ambitions of Adult Social Care's 'strengths based' working.

Asset and Place Strategy

Surrey County Council is currently reviewing its asset and property portfolio as part of its Asset and Place Strategy. As part of this strategy council owned sites will be identified that can be developed for independent living schemes. The independent living programme has provided Property Services with site criteria to support the identification of sites for independent living. Decisions on the disposal of sites for independent living are then agreed by the Capital Programme Board and Cabinet. The independent living programme will continue to work closely with colleagues in Property Services to ensure a pipeline of sites is maintained to support the delivery of the independent living strategy.

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

None Known

DISABILITY

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

All individuals affected by this strategy will have a disability and some may have multiple disabilities. The programme of work covers people with a learning disability and/or autism as their primary care need however some of these individuals may also have physical and sensory disabilities or mental health problems.

LAS data from September 2020 indicates that of the 4179 adults whose primary support need is learning disability:

- 18 are recorded as also having a formal dementia diagnosis
- 144 are recorded as also having a hearing impairment
- 159 are recorded as also having a visual impairment
- 46 are recorded as also having both a hearing and visual impairment
- 129 are recorded as also having a mental health condition and/or receiving mental health support
- 190 are recorded as also having a physical disability

JSNA – The prevalence of depression is slightly higher in adults with a learning disability in Surrey (13.2% v 11% nationally) and the prevalence of severe mental illness is much higher across all age groups (8% v 0.7%). After adjusting for differences in age and sex profile, adults with a GP recorded learning disability in Surrey are 8.4 times more likely to have a severe mental illness.

JSNA – The prevalence of epilepsy is significantly higher among those with a recorded learning disability in Surrey – 18.3% v 0.5% all ages.

Impacts (Please tick or specify)	Positive		Negative		Both	X
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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+ Residents will have increased choice with more accommodation options available to meet their care needs related to their disability.	The Council's ambition is to develop a range of housing options (including shared and self-contained) across the county. The new properties will lend	Not all accommodation will be fully accessible for wheelchair users as this would reduce the number of properties that could be provided. SCC will work to ensure that an appropriate mix	This will be on-going as new housing options are delivered.	The Commissioning Team and Property Services.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
	themselves to adjustment as needs change over time, this will prevent the necessity for many individuals to move as their needs change.	of accommodation is developed to cater for a range of needs.		
+ Evidence suggests residents in Independent Living accommodation have better experiences and outcomes than in residential care settings. Flexible care that can adapt to individual disability needs, enabling them to remain in Independent Living housing as their care needs change with complementary provision e.g. pathways to employment.	Care packages can be better tailored to individual needs within independent living settings, with the provision of shared care and flexible personalised care.	A specification is being developed for a new Framework for Supported Independent Living that will establish the quality standards that providers are expected to achieve. This will complement the provision of accommodation. The Commissioning Team are developing asset-based commissioning and pathways to employment to facilitate social inclusion.	This will be delivered throughout the lifespan of the Strategy.	The Commissioning Team
+ Individuals will receive high quality care and support, in an integrated way between health and social care to meet the needs of their disability.	JSNA – Some adults with a learning disability and/or autism will have additional health needs compared with other people. They are known to experience worse outcomes across several areas of health and wellbeing and often require reasonable adjustments to	Further work is planned with health commissioners to ensure that primary and secondary care providers (GPs, Dentists etc) are responsive and aware of their responsibilities.	This will be delivered throughout the lifespan of the Strategy.	The Commissioning Team

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
	enable them to access services. Providers will be expected to support people to access universal and specialist health services and to work with individuals to support them to have good physical and mental wellbeing.			
+ Individuals with more complex needs will be able to access more bespoke support locally.	Current contractual arrangements with care and support providers don't have sufficient provision for people with more complex needs and challenging behaviours.	The establishment of a flexible care and support commissioning offer catering for a range of needs to go alongside the provision of accommodation.	This will be delivered throughout the lifespan of the Strategy.	The Commissioning Team
+ Individuals will be able to live with appropriate care and support to meet the needs of their disability near their families and friends, continuing as part of their community in Surrey. Thus, significantly reducing the risk of social isolation.	A significant proportion of people are currently placed out of county. The development of accommodation options in Surrey will enable people to live in closer proximity to family and friends.	The LD&A ops teams will work with individuals to understand their family and support networks and their desire to move back to Surrey. This intelligence will support commissioning to further understand demand for accommodation on a D&B/locality basis.	This will be on-going as the programme of resettlement is progressed.	The LD&A operations teams will lead the consideration of individuals' needs; the commissioning team will lead on ensuring greater diversity of options is available.
+ Preventative approach, reducing risk of being admitted to hospital, or needing to stay longer than necessary.	Living independently allows greater scope for an individual to make choices and take risks. The risk of	Work with care and support providers to ensure individuals are supported to make informed decisions and understand risk.	On-going for the lifespan on the Strategy.	The commissioning team will lead on work with providers and health

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
	hospital admission from these settings may be higher if mitigations aren't in place and this will be most likely to affect those with greater needs and might disproportionately affect those with complex needs as well as their LD / Autism.	Incorporate design measures and technologies into accommodation that reduce risk. Support will be personalised and will take account of individual needs and therefore disability-related conditions.		commissioners; the LD&A operations teams will lead the discussion with individuals and their families.
<ul style="list-style-type: none"> - Individuals with disabilities and their families may experience uncertainty and anxiety with potential changes to the current service they receive. 	Feedback from individuals, families and carers highlights anxiety and nervousness about independent living with some unclear as to what is provided. There is a perception that individuals will be left without support.	Individuals, families and carers have been involved in co-designing the service specification. There will be continual dialogue with individuals and carers via the Surrey Learning Disability Partnership Board and Valuing People groups.	Engagement will be on-going as the programme of resettlement is progress.	The LD&A operations teams will lead the discussion with individuals and their families; the commissioning team will lead on ensuring greater diversity of options is available.
<ul style="list-style-type: none"> - People with particular disabilities who move from large residential college settings or residential care homes may feel isolated particularly if they are in self-contained accommodation. 	Feedback from individuals, families and carers highlights anxiety and nervousness about independent living with some unclear as to what is provided. There is a perception that individuals will be left without support.	Individuals, families and carers have been involved in co-designing the service specification. The provision of shared housing will enable people to live in a group setting if desired. In addition, care and support providers are expected to enable the individual to	Engagement will be on-going as the programme of resettlement is progress.	The LD&A operations teams will lead the discussion with individuals and their families; the commissioning team will lead on ensuring greater diversity of options is available.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
		participate in community life and build relationships. In addition, there will be continual dialogue with individuals and carers via the Surrey Learning Disability Partnership Board and Valuing People groups		
<ul style="list-style-type: none"> - People with disabilities may experience some disruption during any redevelopment and building work to expand the provision of Independent Living services, as some providers are looking to redevelop existing schemes to support a deregistration from care home status (to supported living). 	It is not envisaged that this will particularly affect any group more than another however, more detailed consideration would need to be given to people whose disability means they find it difficult to deal with change and experience high levels of anxiety (e.g. some people with autism who have set routines etc).	The process of redevelopment by external providers will be supported by commissioning teams. Residents will be decanted to alternative properties to avoid distress/anxiety wherever this is preferable. The LD&A ops teams will assist regarding individuals' plans.	This will be on-going as the programme of redevelopments is progressed.	The provider - external providers and In-house Service Delivery.
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of?</p> <p><i>If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.</i></p>				
<p>As per those identified for Age – Wider Learning Disabilities Review, Strength Based Approach and Asset and Place Strategy.</p>				

Gender Reassignment

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

No data available.

Impacts (Please tick or specify)	Positive		Negative		Both	X
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Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
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<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
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-/+There will be a mix of accommodation – some shared housing and some self-contained. There may be some reaction from individuals in shared accommodation if an individual chooses to undergo gender reassignment.	Accommodation will mostly be in the form of self-contained flats which will make it easier for people to express a desire for and to pursue gender reassignment should this be their choice. Shared accommodation will have communal facilities such as bathrooms and communal living rooms.	Support providers will be expected to provide opportunities and be responsive to the needs of transgender people. It is not anticipated that the risk of adverse reaction is any greater in supported living arrangements than in care homes.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.
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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?

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None Known

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

Identifies negative impacts that can't be mitigated, together with evidence.

Pregnancy and Maternity

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

No data available.

Impacts (Please tick or specify)	Positive		Negative	X	Both	
Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner		
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>		
-To date the accommodation identified as needed has been focused on individuals.		Further thought needs to be given to couples / families.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.		

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?

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

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

Identifies negative impacts that can't be mitigated, together with evidence.

None known

Race

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

LAS data (September 2020) indicates that the majority of the 4179 adults whose primary support need is a learning disability are White British (3651 individuals/87%). The remaining 13% of individuals include those from Asian, mixed ethnic backgrounds and Black, Chinese and Arabic backgrounds. This 13% also includes a proportion of individuals for whom race is not recorded.

Impacts (Please tick or specify)	Positive	X	Negative		Both	
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Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+Supported living facilitates greater independence, choice and control for people with different cultural/race needs than residential care.	Care packages within independent living settings can be better tailored to individual needs including ethnic and cultural needs through the provision of shared care alongside flexible personalised care.	The specification for the provision of care and support includes KPIs that require providers to offer support to everyone who is eligible regardless, but responsive to ethnicity and race and ensure that clients are supported to maintain practices central to their identification with a particular race or ethnicity (e.g. halal food). Contracts will be regularly monitored.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.

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?

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

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

Identifies negative impacts that can't be mitigated, together with evidence.

None known

Religion or belief including lack of belief

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

LAS data (September 2020) indicates that of the 4179 adults whose primary support need is a learning disability 1757 individuals identify themselves as Church of England (42%) and 759 individuals identify themselves as not having a belief or religion (18%). 30% of the 4179 individuals identify across a wide range of religious beliefs including Roman Catholic, Christian (incl. Greek Orthodox, Methodist and Pentecostal) Jewish, Baptist, Muslim, Islam and Hindu. In addition, there are a small proportion of people who declined to give this information (4%) and a further small proportion (6%) for whom this information is not recorded.

Impacts (Please tick or specify)	Positive	<input checked="" type="checkbox"/>	Negative		Both	
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Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+ Supported living facilitates greater independence, choice and control for people's religion/belief than residential care.	Care packages within independent living settings can be better tailored to individual needs including religious needs through the provision of shared care alongside flexible personalised care.	The specification for the provision of care and support includes KPIs that require providers to offer support to everyone including their religion or beliefs. In addition, they will be expected to encourage and support people to maintain practices associated with their religion and to access local faith groups as appropriate. Contracts will be regularly monitored.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.

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?

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

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

Identifies negative impacts that can't be mitigated, together with evidence.

None known

Sex

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

LAS data (September 2020) indicates that of the 4179 adults whose primary care need is a learning disability, 1685 (40%) are female and 2494 (60%) are male.

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	
<i>What impacts have you identified?</i>		<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>	
-/+No single sex accommodation is planned. There is no evidence to suggest this is a problem as the majority of the housing will be self-contained one bed flats: even within a scheme all individuals will have their own front door and staff will be present in communal area if needs require this.			Some accommodation provided by the independent sector is single sex and this will be prioritised for those individuals who require it.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.	

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?

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

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

Equality Impact Assessment

Identifies negative impacts that can't be mitigated, together with evidence.

None known

Sexual Orientation

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

LAS data (September 2020) indicates that information relating to Sexual Orientation is not well recorded. Information on Sexual Orientation is only available for 6% of the 4179 adults whose primary care need is a learning disability.

Impacts (Please tick or specify)	Positive	X	Negative		Both	
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Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+Independent Living accommodation will be managed appropriately and in line with all equalities legislation ensuring that all eligible people can access accommodation regardless of sexual orientation. +Independent Living may make it easier for individuals to express their sexual orientation	Independent Living is tenancy based and the individual's rights in relation to housing are protected under the Equalities Act 2010 (part 4).	The Independent Living Care and Support Specification requires providers to deliver services in compliance with equalities legislation, including to provide ready access to all who are eligible regardless of sexual orientation. Contracts will be regularly monitored. Each individual's support plan will be monitored to ensure quality and compliance.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.

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?

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

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

Identifies negative impacts that can't be mitigated, together with evidence.

None known

Marriage/Civil Partnerships

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

LAS data (September 2020) indicates that of the 4179 adults whose primary care need is a learning disability, the majority 3312 individuals/79% are single. A small number are either separated, divorced or widowed and a further small number are either married, in a civil partnership or co-habiting – however those who are married, in a civil partnership or co-habiting represent less than 2% of the total caseload. In addition, it is important to note that information relating to the marital or civil partnership status of 762 people (18%) was either not recorded or not known.

Impacts (Please tick or specify)	Positive		Negative	X	Both	
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Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
-Accommodation for couples is not planned. Much of the housing will be self-contained one bed flats: even within a scheme all individuals will have their own front door and staff will be present in communal area if needs require this.	The demand for accommodation to date has been for individuals.	Further thought needs to be given to couples / families.	On-going during the lifespan of the Strategy.	The commissioning team are leading on the specification; the LD&A ops teams will lead the discussion with individuals and their families as appropriate.

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?
If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

Any negative impacts that cannot be mitigated? Please identify impact and explain why
Identifies negative impacts that can't be mitigated, together with evidence.

None known

Carers

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

LAS data (September 2020) indicates that of the 4179 adults whose primary care need is a learning disability, 1874 (45%) are recorded as having a Carer. In addition, there are a small number are service users who are also recorded as having carer responsibilities.

JSNA (Carers Chapter) - Surrey has a higher number of carers of people with a learning disability than in other parts of the country, owing to the historically and disproportionately high learning disability population.

According to the 2011 Census and population projections (26), in 2016 there were predicted to be 1,400 adults in Surrey (aged 18-65) with a moderate or severe learning disability who are living with their parents. This suggests that they could be 'mutual carers' who are helping to care for parents so that both parents and adult offspring can remain living at home.

JSNA (LD Chapter) There is little accurate data available on carers by the condition of the person being cared for. Carers of people with a learning disability and/or autism will often have unique caring situations, and many will experience a lifetime of caring, and with people with learning disabilities living longer and fuller lives, the caring role has extended.

Impacts (Please tick or specify)	Positive		Negative		Both	X
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Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
-Carers may experience uncertainty and anxiety as a result of potential changes to the current services their cared for individual receives.	Feedback from individuals, families and carers highlights anxiety and nervousness about independent living with some unclear as to what is provided. In particular, there is a perception that individuals will be left without support.	Individuals, families and carers have been involved in co-designing the service specification. There will be continual dialogue with individuals and carers via the Surrey Learning Disability Partnership Board and Valuing People groups.	Engagement will be on-going as the programme of resettlement is progress	The LD&A ops teams will lead the discussion with individuals and their families; the commissioning team will lead on ensuring greater diversity of options is available.

Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+Increased choice of accommodation options across the county and closer to carers and families.	The availability of increased accommodation options will be beneficial for carers particularly those who want to support their cared for individual to live more independently.	Individuals, families and carers have been involved in co-designing the service specification. There will be continual dialogue with individuals and carers via the Surrey Learning Disability Partnership Board and Valuing People groups.	Engagement will be on-going as the programme of resettlement is progress	
-Carers/Families might feel that there is a requirement for more of their time and input during any transition from residential care to independent living.	Support from carers/families will be pivotal in helping people transition to more independent living	Commissioning and Ops will work with carers/families supporting both parties through the transition phase.	Engagement will be on-going as the programme of resettlement is progress	The ops teams will lead the discussion with individuals and their families; the commissioning team will lead on ensuring greater diversity of options is available.
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of?</p> <p><i>If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.</i></p>				
None known				
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p> <p><i>Identifies negative impacts that can't be mitigated, together with evidence.</i></p>				

Equality Impact Assessment

Impacts Identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified?</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
None known				

3. Staff

AGE

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

Please include data or evidence to detail how a policy/service/function change could impact on staff with this characteristic. Try and be as specific as possible.

The majority of residential and independent living services are commissioned from the independent sector however SCC ASC Service Delivery do provide a small volume of residential and supported living services for people with learning disabilities and therefore may be impacted by the Accommodation with Care and Support Strategy.

Impacts	Positive		Negative		Both	X
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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified? Add more rows if you need to</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+ Potential transformation of in-house residential services to independent living and any associated new working practices and/or re-deployment may create opportunities for staff of all ages to develop new skills and to take on new roles and responsibilities.		Ensure close alignment of the Accommodation with Care and Support Independent Living programme requirements with the review of In-House services. Ensure appropriate engagement and consultation with staff with HR and Trades Union support.	On-going during the lifespan of the Strategy.	The Commissioning Team alongside the AD for Service Delivery

**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?**

Equality Impact Assessment

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

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

Identifies negative impacts that can't be mitigated, together with evidence.

None known

DISABILITY

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

Please include data or evidence to detail how a policy/service/function change could impact on staff with this characteristic.

Try and be as specific as possible.

The majority of residential and independent living services are commissioned from the independent sector however SCC ASC Service Delivery do provide a small volume of residential and supported living services and therefore may be impacted by the Accommodation with Care and Support Strategy

Impacts	Positive		Negative		Both	X
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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified? Add more rows if you need to</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
+ Potential transformation of in-house residential services to independent living and any associated new working practices and/or re-deployment may create opportunities for all staff to develop		Ensure close alignment of the Accommodation with Care and Support Independent Living programme requirements with the review of In-House services.	On-going during the lifespan of the Strategy.	The Commissioning Team alongside the AD for Service Delivery

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<i>What impacts have you identified? Add more rows if you need to</i>	<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>	<i>Due date</i>	<i>Who is responsible for this?</i>
new skills and to take on new roles and responsibilities.		Ensure appropriate engagement and consultation with staff. with HR and Trades Union support.		
<p>-Changes to the physical configuration of services and/or any changes to location may mean that staff with disabilities find it more difficult to carry out their duties (e.g. they may have to travel further or support people to access the community).</p> <p>+Changes to the physical configuration of services and/or any changes to location may mean that staff with disabilities find it easier to carry out their duties eg lifts, more technology enabled care, more accessible accommodation</p>	New developments may not be in the same locations as existing schemes and may be configured differently.	<p>Ensure close alignment of the Accommodation with Care and Support Independent Living programme requirements with the review of In-House services.</p> <p>Ensure appropriate engagement and consultation with staff.</p>	On-going during the lifespan of the Strategy.	The Commissioning Team alongside the AD for Service Delivery
<p>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? <i>If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.</i></p>				
None known				
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why <i>Identifies negative impacts that can't be mitigated, together with evidence.</i></p>				
None known				

CARERS PROTECTED BY ASSOCIATION

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

Please include data or evidence to detail how a policy/service/function change could impact on staff with this characteristic.
Try and be as specific as possible.

The majority of residential and independent living services are commissioned from the independent sector however SCC ASC Service Delivery do provide a small volume of residential and supported living services and therefore may be impacted by the Accommodation with Care and Support Strategy.

Impacts	Positive		Negative		Both	X
Impacts identified		Supporting evidence	How will you maximise positive/minimise negative impacts?		When will this be implemented by?	Owner
<i>What impacts have you identified? Add more rows if you need to</i>		<i>What are you basing this on?</i>	<i>Actions to mitigate or enhance impacts</i>		<i>Due date</i>	<i>Who is responsible for this?</i>
-/+Changes to the physical configuration of services and/or any changes to location may mean that staff with caring responsibilities may find it more difficult to carry out their caring role and employment duties		New developments may not be in the same locations as existing schemes	Ensure close alignment of the Accommodation with Care and Support Independent Living programme requirements with the review of In-House services. Ensure appropriate engagement and consultation with staff with HR and Trades Union support.		On-going during the lifespan of the Strategy.	The Commissioning Team alongside the AD for Service Delivery

**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?**

If so, please detail your awareness of whether this will exacerbate impacts for those with protected characteristics and the mitigating actions that will be taken to limit the cumulative impacts of these changes.

None known

Any negative impacts that cannot be mitigated? Please identify impact and explain why
Identifies negative impacts that can't be mitigated, together with evidence.

None known

You will need to repeat the box below (copy and paste) for each of the protected characteristics likely to be impacted

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
<i>What changes have you made as a result of this EIA?</i>	<i>Why have these changes been made?</i>
Need for consideration of accommodation provision suitable for couples with protected characteristics wanting a relationship	

5. Recommendation

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

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

6a. Version Control

Version Number	Purpose/Change	Author	Date
1	First EDG	Anna Waterman	4 th Sep 20

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>Head of Service</i>	
	<i>Executive Director</i>	
	<i>Cabinet Member</i>	
	<i>Directorate Equality Group</i>	

EIA Author	
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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

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

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SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2020****REPORT OF: MRS NATALIE BRAMHALL, CABINET MEMBER FOR ENVIRONMENT AND CLIMATE CHANGE****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE****SUBJECT: REVISED MINERALS AND WASTE DEVELOPMENT SCHEME****ORGANISATION STRATEGY: Growing A Sustainable Economy So Everyone Can Benefit/ Enabling A Greener Future****PRIORITY AREA:****SUMMARY OF ISSUE:**

Surrey County Council is the Minerals and Waste Planning Authority for Surrey, and as such, is responsible for setting the local planning policy used in making decisions on planning applications relating to minerals and waste development in the county. Its role is to ensure that there is an adequate supply of minerals and facilities are in place to process waste; this role is essential to growing the economy of the County so that everyone can benefit.

The County Council is required to produce a 'Minerals and Waste Development Scheme' (known hereafter as 'MWDS' in this report) which sets out its planning policy documents in this area and its programme for revising these documents. A revision to the Scheme is required primarily for two separate reasons. The first, is that the Surrey Minerals Local Plan 2011 (known hereafter as the 'SMLP 2011' in this report) requires updating, and the MWDS sets out a programme for this process. The second reason is that Surrey County Council intends to produce a combined Surrey Minerals and Waste Local Plan (SMWLP). This moves away from the county's previous approach of producing separate Local Plans and helps to reflect the synergies between the two different sets of policies as the council undertakes future planning. Accordingly, this change of approach would also be set out within the updated MWDS.

Ensuring an adequate supply of minerals is necessary to support the construction industry and is an important contributor to the growth of a sustainable economy. The review outlined in the MWDS will ensure that the County Council's planning policies help to enable a greener future.

Cabinet is asked to agree the updated MWDS, which sets out a four year timeframe in which it is hoped to complete the new SMWLP. It should also be noted that the new SMWLP may be delivered earlier than the four years stipulated, as the current predicted four-year timeframe is a cautious one. Setting out a cautious four year timeframe has allowed various mechanisms to be built in so as to accommodate implications/risks associated with the current Corona Virus pandemic, such as staff members being redeployed into other roles away from their primary line of work, and other unforeseen delays.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. approves the proposed revised Minerals and Waste Development Scheme October 2020, which includes the intention to produce a joint Surrey Minerals and Waste Local Plan, as set out at **Annex 1**.

REASON FOR RECOMMENDATIONS:

It is a statutory requirement to produce the MWDS and to keep it up to date. The current SMLP was adopted in 2011 and the current Aggregates Recycling Joint DPD was adopted in 2013. Government expects that such plans are regularly reviewed and updated as necessary based on up to date evidence.

Additionally, in order to produce a new joint SMWLP, a review of the current Surrey Waste Local Plan would also need to be undertaken (alongside the planned review of the SMLP). This will help to reflect the synergies that exist between the two different sets of policies as the council undertakes future planning. Accordingly, this change of approach would also be set out within the updated MWDS.

DETAILS:

Introduction

1. Surrey County Council is both the Mineral Planning Authority (MPA) and the Waste Planning Authority (WPA). The Planning & Compulsory Purchase Act (2004) as amended by the Localism Act (2011) requires all minerals and waste planning authorities to prepare and maintain a Minerals and Waste Development Scheme (MWDS), setting out what planning policy documents the county council has adopted and when these documents will be reviewed.

Surrey Minerals & Waste Local Plan

2. In order to modernise its approach to policy planning going forward, Surrey County Council (SCC) will be producing a joint Surrey Minerals and Waste Local Plan (SMWLP). This will include a full review of both the current Surrey Minerals Local Plan (SMLP), and the Surrey Waste Local Plan (SWLP). The main factor driving the new approach is to capture the ever-increasing synergies and links between the two separate sets of policies. For example, this can be seen in the approaches to secondary aggregate recycling and mineral site restoration, and their links to Surrey's Climate Change Strategy.
3. As the MPA, the Council is required under the Planning and Compulsory Purchase Act 2004 to produce a local plan which sets out how mineral development will be managed in Surrey. The MPA uses the policies in its Minerals Local Plan to inform decisions on planning applications for development related to mineral operations and restoration.
4. The purpose of the SMLP is to help ensure that there is a sufficient supply of minerals to provide the infrastructure, buildings, energy and goods that the county and, indeed, the country needs. This will help to grow the economy so that everyone can benefit. Through the guidance of such policies, SCC provides the following: suitable sites for mineral extraction; the infrastructure to supply the county with both minerals from recycled material and imports from elsewhere in the country and also safeguards mineral operations and resources. All this needs to be done whilst ensuring mineral development does not have unacceptable adverse effects on

communities or the environment in order to help safeguard the creation of a greener future.

5. Government advice is that the policies in such plans should be reviewed to assess whether they need updating at least once every five years. The SMLP was assessed in December 2014 and found to be consistent with the then new NPPF. A more recent review has been undertaken, taking into account changed circumstances.
6. The SMLP and the Aggregates Recycling Joint DPD Review 2020 (included at **Annex 2**) concludes that the current plan remains a sound and up to date basis on which to determine planning applications but that given the changes in circumstances since the last review and, in particular national policy, the production of an updated plan should now be commenced.
7. Further, in order to produce the new joint Surrey Minerals and Waste Local Plan, a full review of the current Waste Local Plan will also be carried out. The SWLP is a sound plan on which to determine planning applications and, given the imminent adoption of the plan, it would ordinarily not be reviewed so soon. However, Cabinet have agreed that in order to bring both minerals and waste planning policies in line, it is necessary and appropriate to bring forward a review of the SWLP in order to produce a joint minerals and waste plan. This will also help to encapsulate the similarities and overlaps between the two and to incorporate developing Government and County Council policy such as the updated Waste Management Plan for England and the Climate Change Strategy.
8. The whole process of producing a SMWLP is likely to take approximately 4 years. The key stages are set out below in **Figure 1**:

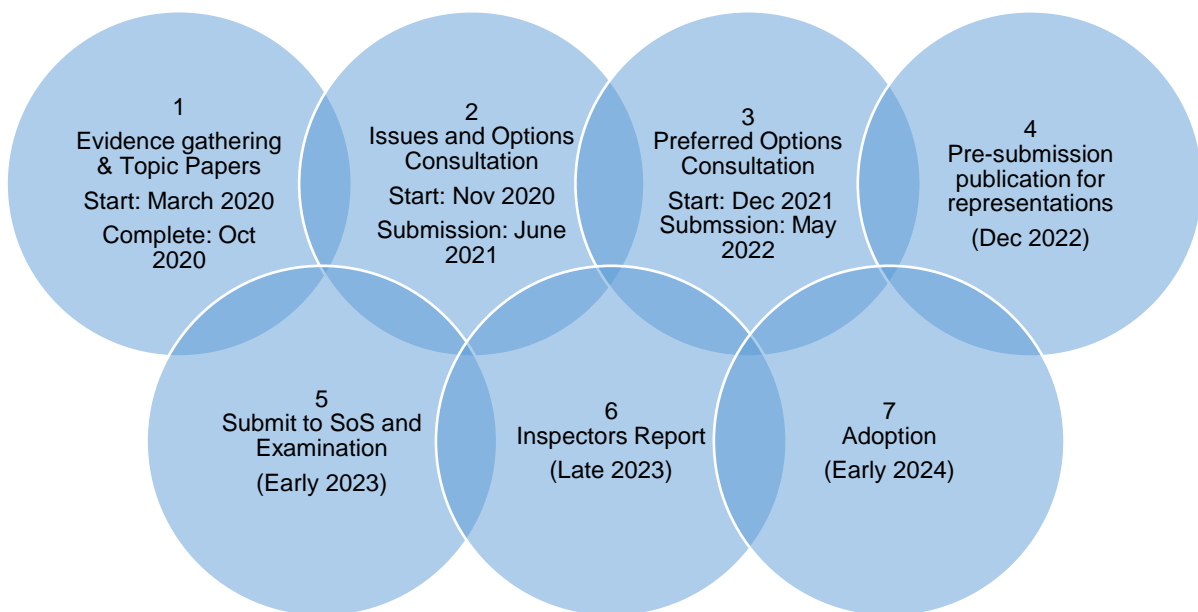


Figure 1 - Stages of preparing the new Surrey Minerals and Waste Local Plan

9. At present, officers are in the process of gathering evidence to be included in Topic Papers. The Topic Papers are background research documents which will help to underpin the new Plan. Completion of the Topic Papers is anticipated by the end of October 2020.

Member Engagement

10. The involvement of Members is critical to the success of this process. There is therefore a need to establish and agree upon how member engagement will take place throughout preparation of the plan. This will ensure that Members are kept informed at all stages of the plan's development.
11. Specifically, there is a need to set out when and how we will engage with Members, and which groups of members we will engage. The precise timings and scope of Member involvement will be agreed with the Cabinet Member, but it is intended that there will regular reporting via Cabinet and Select Committee updates and all Member briefings. Individual Members will be engaged early when there are potential sites identified in their areas.
12. A Member Reference Group (MRG) is to be created in order to provide input by acting as a 'critical friend' in the process of preparing the Plan and thereby engage at various stages of the Plan's preparation. The membership of this group is yet to be determined; however, it is likely to involve several nominees from the Select Committee and the Cabinet Member.

CONSULTATION:

13. In accordance with the regulations, the Plan will be subject to a comprehensive process of public consultation during its preparation. The first opportunity for the public to engage in the process will be the Issues and Options Consultation scheduled for June 2021.
14. The County Council will engage constructively and on an ongoing basis with a wide range of other partners and stakeholders during the preparation of the Plan. These include the district and borough councils in Surrey and other minerals and waste planning authorities.

RISK MANAGEMENT AND IMPLICATIONS:

15. It is important that SCC's minerals and waste plans remain effective and compliant with national legislation and policy. Failure to do so could lead to successful challenges to decisions on relevant planning applications and enforcement actions, whereby if they are overturned costs could potentially be awarded against SCC.
16. The Council is managing this risk by being proactive in reviewing the SMLP 2011 to ensure that planning policy concerning mineral development in Surrey remains up-to-date and compliant with national legislation and policy and takes account of the most recent local context affecting mineral working and future restoration operations. The new joint SMWLP will ensure that the waste element is also as up to date as it can be.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

17. There are no immediate additional costs associated with the production of the MWDS. The review of the SMWLP will initially be handled in house with costs met within the service.
18. However, there will be the need in the future for expertise from outside the Council and there will be costs associated with the public examination. Overall additional costs are anticipated to be of the order of £300,000 spread across the financial years 2020-24, which is a similar total to the review of the SWLP. In addition, there are

risks associated with potential legal challenges to the plan and the need for legal support from outside the County Council which means costs could be as high as £500,000 in total. Additional costs will need to be met from within the existing budget envelope.

19. However, once complete, the adoption of an up to date SMWLP will provide a level of ongoing certainty for minerals operators, waste management businesses and the public. An up to date plan will reduce the risks of appeals and legal challenges which can be costly for the County Council.

SECTION 151 OFFICER COMMENTARY

20. 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. The public health crisis has resulted in increased costs which are not fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which central and local funding sources might be affected from next year onward, our working assumption is that financial resources will continue to be constrained, as they have 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. The Section 151 Officer supports the recommended approach, the costs of which will be managed within the Council's Medium Term Financial Strategy.

LEGAL IMPLICATIONS – MONITORING OFFICER

21. SCC is the MPA for Surrey. It is required by the Planning and Compulsory Purchase Act 2004 (as amended) to prepare development plan documents and other documents that provide the framework for delivering mineral planning policy in Surrey.
22. The Act also requires every planning authority to prepare a development scheme which sets out the programme for the preparation of development plan documents and a Statement of Community Involvement which sets out communities will be involved in the preparation of planning policy.
23. This revised Minerals and Waste Development scheme is in accordance with the requirements of the Planning and Compulsory Purchase Act and will form the basis of the timetable for the production of the new joint SMWLP.

EQUALITIES AND DIVERSITY

24. Plan preparation involves several stages of public engagement and consultation, which provides the MWPA with opportunities to seek the views of the Surrey public on the matters that are to be covered by the new plan, and on detailed policies and sites that are to be allocated or otherwise identified for development.
25. An Equalities & Diversity Impact Assessment (EqIA) will be produced in accordance with the requirements of the Equalities Act 2010 as part of the new Plan preparation process.
26. The Statement of Community Involvement (SCI) that the MWPA is required to prepare and consult on as part of the Plan preparation process will also help to ensure that the widest possible cross-section of Surrey residents have the opportunity to engage with the Plan during its development.

OTHER IMPLICATIONS:

27. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from the development and implementation of the new MWLP
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from the development and implementation of the new MWLP
Environmental sustainability	<p>Mineral resources are finite and non-renewable, and their extraction will inevitably result in their consumption for the purposes of economic growth and development. The development of a joint MWLP presents opportunities to improve the contribution that the recycling of construction, demolition and excavation wastes can make to reducing demand for primary aggregate resources.</p> <p>The wastes arising from the activities of communities and businesses located in Surrey require appropriate management, to reduce demand for primary natural resources through recycling, recovery and reuse, and to ensure that where disposal is unavoidable that it is done in a manner that minimises the potential for harmful impacts on the environment and communities.</p> <p>The restoration of former mineral workings has scope to contribute to the goal of biodiversity net gain, through the provision of new or enhanced areas of semi-natural habitat, potentially contributing to wider networks of green or blue infrastructure. The restoration of minerals sites also presents opportunities to integrate flood alleviation measures, to address the impacts of a changing climate, and for the planting of trees and other vegetation which can support climate change mitigation through carbon sequestration.</p>
Public Health	The potential implications of minerals and waste development for the

	health and wellbeing of host communities will be assessed during the plan-making process. The need to safeguard host communities from potential health effects will be reflected in the priorities and policies of the plan.
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ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

28. Under the current plan-making process, the preparation of a new Local Plan is subject to a number of requirements for statutory or technical assessment as a matter of law or national policy. As a matter of domestic law, the development of a new Local Plan must be informed by a Sustainability Appraisal (SA), which should seek to integrate the requirement for Strategic Environmental Assessment (SEA) set out in European law. The SA/SEA process enables those preparing the Plan to identify potentially significant impacts on the environment and wider sustainability issues, and to adjust the Plan so that such impacts are avoided, mitigated or compensated for.
29. Where the proposed SMWLP could give rise to likely significant effects on sites of European importance for nature conservation (i.e. Special Protection Areas or SPAs, or Special Areas of Conservation, or SACs) the Local Plan will also have to be subject to Habitat Regulations Assessment during its preparation. A Local Plan may only proceed to adoption where it can be concluded that its implementation would not give rise to significant impacts, alone or in-combination with other plans, programmes or projects, on the identified sites of European importance for nature conservation.
30. As a matter of national policy, all Local Plans must be subject to Strategic Flood Risk Assessment (SFRA) during their preparation, to ensure that the development proposed would not be at significant risk of flooding, and would not result in flood risks changing significantly elsewhere in the affected area.

WHAT HAPPENS NEXT:

31. It is proposed that the current MWDS be updated in accordance with **Annex 1**.
32. The next stage of plan preparation process is to complete the evidence gathering stage as set out in paragraph 9 above.
33. A timeline has been completed for the production of the topic papers, which will directly feed into the wider SMWLP preparation timeline. Each topic Paper will be subject to internal consultation and review during their production. The topic papers will not be subject to external consultation, but will form the basis of the Issues & Options report that is to be subject to wider consultation in June 2021, including with the Surrey public, as the first formal stage in the preparation of the new plan.
34. It is anticipated that the Topic Paper production process will be completed by the end of October 2020. The potential for that process to be slightly delayed due to the ongoing coronavirus pandemic cannot be ruled out, but the Council will seek to minimise any slippage if that arises.

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Annexes:

Annex 1: Updated Minerals and Waste Development Scheme (October 2020)

Annex 2: Updated Review of the Surrey Minerals Plan 2011 and the Aggregates Recycling
DPD 2013

Surrey Minerals and Waste Development Scheme

November 2020

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Surrey Minerals and Waste Development Framework

Minerals and Waste Development Scheme

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1 Introduction

- 1.1.1. The Local Planning Authority is required to produce a Local Development Scheme.¹ Surrey County Council is the Minerals and Waste Planning Authority and has produced a Minerals and Waste Development Scheme (MWDS) for Surrey.
- 1.1.2 The MWDS is a public statement identifying which local development documents will be produced and when they will be reviewed. The MWDS will be made available publicly on the Surrey County Council website and will be kept up-to-date.
- 1.1.3 The MWDS:
- Provides a brief description of the adopted minerals and waste local plans and the relationship between them.
 - Sets out the planned timetable for reviewing the joint development plan document and the key milestones in the process.
 - Indicates which supplementary planning guidance will continue to be used as a material consideration in determining planning applications.
 - Indicates how Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) and Habitat Regulations Assessment (HRA) are integrated into the preparation of the Minerals and Waste Development Framework (MWDF).

¹ Under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011).

2 Minerals and Waste Development Framework

2.1 Content of the Minerals and Waste Development Framework

2.1.1. The minerals and waste development framework for Surrey consists of a number of local development documents:

- Surrey Waste Local Plan (SWP)
- Surrey Minerals Plan (SMP)
- Minerals Site Restoration Supplementary Planning Document (SPD)
- Aggregates Recycling Joint DPD (ARJDPD)
- Statement of Community Involvement (SCI)
- Annual Monitoring Reports (AMR) including an annual Local Aggregates Assessment (LAA)

2.1.2 A full description of each document and details of adoption are provided in Appendix 1. The relationship between the documents that make up the Minerals and Waste Local Development Framework is illustrated in Appendix 2.

2.1.3 In addition to the document listed above reference is also made in Appendix 1 and Appendix 2 to the new Surrey Waste Local Plan (SWLP), which was found sound in May 2020 and is scheduled for adoption in December 2020. Upon adoption the SWLP will replace the SWP in the Surrey Minerals and Waste Development Framework.

2.1.4 Although currently separate publications, it is intended that when reviewed the SWLP and SMP will be combined in one consolidated document.

3 Arrangements for Review

3.1 Monitoring

- 3.1.1. An AMR is prepared as part of the framework documentation. Part of the role of the AMR will be to monitor implementation of the MWDS. This Includes:
- Reporting on the progress made and whether the authority has met targets and milestones
 - Where the authority has or will not meet targets, the reasons behind this and what steps will be taken to address these problems.
 - Monitor the extent to which policies in the MWDF are being implemented and any policy areas where change is needed.
 - Identify any significant changes to the evidence base which might affect the targets or policies in adopted plans.
- 3.1.2. The authority will also carry out any surveys and produce an LAA to monitor the supply of aggregates. Recognising the role that the authority has in planning for a steady and adequate supply of minerals (NPPF, Paragraph 146).
- 3.1.3. All minerals and waste local development documents are complete and have been adopted. Information on how and when minerals and waste local development documents will be reviewed is provided in Appendix 3. The authority will indicate if it is necessary to amend the LDS in the light of any assessment or ongoing monitoring.

4 Other documents and guidance

4.1 Minerals and Waste Submission Proposals Maps

4.1.1 A Proposals Map has been prepared for the:

- Surrey Waste Plan Core Strategy
- Surrey Minerals Plan Core Strategy
- Surrey Minerals Plan Primary Aggregates DPD
- Aggregates Recycling Joint DPD

4.1.2 These maps will be updated annually by the authority and maintained on the Surrey County Council webpages.

4.2 Minerals and Waste Planning Annual Monitoring Report

4.2.1 Authorities are required to prepare an AMR to assess the implementation of the LDS and the extent to which policies in Local Plans are being achieved. The Surrey AMR monitors the indicators and targets in the adopted minerals and waste development documents.

4.2.2 The AMR will contain the relevant information required under the regulations², and an annual Local Aggregates Assessment. Recent reports will be available on the Surrey County Council webpages.

4.3 Statement of Community Involvement

4.3.1 The Statement of Community Involvement (SCI) sets out how local communities and stakeholders will be involved in the preparation of the Minerals and Waste Development Framework and in the consideration of planning applications and the steps that the authority will take to facilitate this.

4.4 Supplementary Planning Documents

4.4.1 Supplementary Planning Documents (SPDs) are intended to expand upon policy or provide further detail to policies in development plan documents. Restoration of mineral workings is covered in the *Minerals Site Restoration SPD* which was formally adopted in July 2011.

4.4.2 The Minerals Site Restoration SPD document sets out best practice in restoration techniques and presents indicative restoration schemes for all of the preferred areas for working of primary aggregates and silica sand as identified in the Surrey Minerals Plan and is kept under review.

² The Town and County Planning (Local Planning)(England) Regulations 2012

5 Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA) and Habitat Regulations Assessment (HRA)

5.1 Sustainability Appraisal and Strategic Environmental Assessment

- 5.1.1 The new Minerals and Waste Local Plan will be subject to the requirements for Sustainability Appraisal³ (SA) and Strategic Environmental Assessment⁴ (SEA) as part of the plan preparation process. The adopted Surrey Waste Plan and the adopted Surrey Minerals Plan were both subject to SA and SEA as part of their preparation, as was the new Surrey Waste Local Plan which is awaiting adoption. SPDs are not subject to the requirement for SA but may need to undergo SEA. The SEA of the Surrey Minerals Plan took account of the Restoration SPD, as a key means of enabling the timely restoration of minerals sites.
- 5.1.2 The SA and SEA for the new joint Surrey Minerals and Waste Local Plan will form a key part of the plan preparation process. Recommendations arising from the SA and SEA will feed into the plan preparation process and will help to guide the development of the policies and proposals set out in the new plan.
- 5.1.3 In practice the SA and SEA processes are combined, and the findings and recommendations set out in a single report and accompanying non-technical summary.

5.2 Habitat Regulations Assessment

- 5.2.1 The new Minerals and Waste Local Plan will be subject to the requirement⁵ for Habitat Regulations Assessment (HRA) as part of the plan preparation process. The HRA process is specifically concerned with the likely significant effects of the proposed plan on sites of European importance for nature conservation.
- 5.2.2 There are four Special Protection Areas (SPAs) and three Special Areas of Conservation (SACs) located wholly or partly within Surrey. Consequently in order to adopt the new Minerals and Waste Local Plan the MWPA will need to be able to prove that implementation of the plan, alone and in combination with other plans and projects, will not have significant impacts on the ecological integrity of the SPAs and SACs within and close to the county. The HRA is the mechanism by which the MWPA will meet that obligation.

³ Under section 19(5) of the Planning & Compulsory Purchase Act 2004.

⁴ The Environmental Assessment of Plans & Programmes Regulations 2004.

⁵ Regulation 63 of the Conservation of Habitats & Species Regulations 2017 (as amended)

APPENDIX 1 – Existing Minerals and Waste Development Framework

Table 1 Profiles of Minerals and Waste Local Development Documents

Document	Description	Status
Surrey Waste Plan (SWP)	<p>Core Strategy: Sets out the authority's vision, objectives and waste development spatial strategy for Surrey and provides the policy framework for development management</p> <p>Waste Development: Policy framework to address need for waste facilities and identification of sites for such facilities</p> <p>Development Control Policies: Policy framework for the consideration of planning applications for waste development in Surrey</p>	Adopted May 2008 Amended by Order of the High Court on 5 March 2009
Surrey Minerals Plan (SMP)	<p>Core Strategy: Sets out the vision, objectives and spatial strategy for mineral development to 2026 incorporating specific policies on silica sand, brick clay and oil and gas, together with generic policies to determine planning applications for mineral development.</p> <p>Primary Aggregates: Policy framework to address the need for and provision of sharp sand, gravel and soft sand in Surrey. The document identifies preferred areas to meet need for aggregates and contains policies for controlling primary aggregate extraction.</p>	Adopted July 2011 Undergoing full review
Minerals Site Restoration Supplementary Planning Document (SPD)	The purpose of the SPD is to set out the County Council's vision of how existing and proposed mineral workings should be restored in Surrey during the period to 2026.	Adopted July 2011
Aggregates Recycling Joint DPD (ARJDPD)	Aggregates Recycling Joint Development Plan Document: Sets out delivery of the visions and aims of the Surrey Minerals and Waste Plans for aggregates recycling. The document identifies sites to meet the targets set out in the Surrey Minerals Plan.	Adopted February 2013 Undergoing full review
Statement of Community Involvement (SCI)	Sets the Council's service level agreement with stakeholders and the community and their involvement in preparation of the Minerals and Waste Development Framework.	Agreed October 2019
Annual Monitoring Reports (AMR) including an annual Local Aggregates Assessment (LAA).	These reports measures performance of the Minerals and Waste Plans against their strategic objectives and Key Performance Indicators.	Published annually
<i>Surrey Waste Local Plan (SWLP)</i>	<i>Sets out the authority's vision, objectives and waste development spatial strategy for Surrey and provides the policy framework for development management. Land suitable for waste development is identified under Policy 10 and specific site allocations are made under Policy 11a and Policy 11b.</i>	<i>Adoption pending – scheduled for December 2020</i>

APPENDIX 2 – Minerals and Waste Development Framework



APPENDIX 3 – Review of Minerals and Waste Local Development Documents

Table 2 Profiles of Minerals and Waste Local Plan Documents

Document	Trigger for Review	Timetable for Review (if applicable)	
		Stage	Timescale
Joint Surrey Minerals and Waste Local Plan (SMWP)	<p>Following the a ‘Review of the Surrey Minerals Plan 2011 and the Aggregates Recycling DPD 2013’ it was found that both require updating. That assessment sets out in full the reasoning behind why a full review is required. However, in short it was concluded that the Surrey Minerals Plan contains policies that no longer fully reflect current planning and environmental policy, and therefore should be replaced by a new Surrey Minerals Local Plan. It is important that Surrey County Council’s minerals and waste plans remain effective and compliant with national legislation and policy.</p> <p>The current Surrey Waste Plan was adopted in 2008 and requires updating. The new Surrey Waste Local Plan was found sound in May 2020 following Examination in Public, and is awaiting adoption which is scheduled for December 2020. There is a growing overlap between minerals and waste planning, particularly in respect of the role that the recycling of construction, demolition and excavation wastes can play in providing substitute materials for primary aggregate minerals.</p> <p>Officers are of the view that now would be an appropriate time to move away from our previous approach of two separate plans and to produce a single combined Minerals and Waste Local Plan. Bringing both elements together will allow us to reflect on and address overlaps in issues, policy and approach as we plan for the future.</p>	Issues and Options Consultation	Start: November 2020 Public Consultation: June 2021
		Preferred Options Consultation	Start: December 2021 Public Consultation: May 2022
		Pre-Submission for Representations	December 2022
		Submission to SoS	Early 2023
		Examination in Public	Summer 2023
		Inspectors Report and Consultation on any modifications	Late 2023
		Adoption	Early 2024

Document	Trigger for Review	Timetable for Review (if applicable)	
		Stage	Timescale
Aggregates Recycling Joint DPD (ARJDPD)	The Aggregates Recycling Joint DPD was adopted in 2013, and is concerned specifically with the production of secondary and recycle aggregate as a substitute for primary aggregate minerals. The review of the adopted SMP and the AR JDPD (see Annex 2) concluded that both documents required updating. The review of the policies and approach set out in the AR JDPD will be rolled into the production of the new combined Minerals and Waste Local Plan.	Some aspects were updated as part of the new SWLP. However, a complete review is required alongside the new joint SMWLP. The timetable for this review will be the same as for the SMWLP.	
Statement of Community Involvement (SCI)	The AMR will identify when a review is required, based on changes to legislation or relevant government guidance.	An update to this was agreed in October 2019. This can once again be looked at for update as part of the new joint SMWLP.	

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Evaluation of the Conformity of
the Surrey Minerals Plan with the
National Planning Policy
Framework (NPPF) (February
2019 version)

Review of Minerals & Waste Development Scheme 2020

Annex 2: Evaluation of the Conformity of the Surrey Minerals Plan with the National Planning Policy Framework (NPPF) (February 2019 version)

1. The Surrey Minerals Plan (SMP) comprises:
 - The Minerals Plan Core Strategy Development Plan Document (DPD), 2011;
 - The Primary Aggregates DPD, 2011;
 - The Aggregates Recycling Joint DPD, 2013.
2. This document evaluates the conformity of the adopted SMP with the current version of the National Planning Policy Framework (NPPF), which was published in February 2019. The adopted Core Strategy DPD and Primary Aggregates DPD were developed, examined and adopted at a time when national planning policy was set out in Planning Policy Statements (PPS), Minerals Policy Statements (MPS), Planning Practice Guidance (PPG), and Minerals Planning Guidance (MPG).
3. The Aggregates Recycling Joint DPD was developed under the auspices of national planning policy in the form of PPS and PPG, but the first version of the NPPF was published in 2012, during the course of the examination of the DPD.

The Minerals Plan Core Strategy (adopted 19 July 2011)

4. The Core Strategy sets out the vision, objectives and spatial strategy for mineral development to 2026 incorporating specific policies on silica sand, brick clay and oil and gas, together with generic development control policies. It also identifies preferred areas and areas of search for silica sand and brick clay extraction. The proposals map identifies Mineral Safeguarding Areas, preferred areas and areas of search.
5. Public hearings for the Core Strategy and Primary Aggregates DPDs were held between October 2010 and January 2011. The inspector's report¹ concluded that: *"The Surrey Minerals Plan Core Strategy DPD provides an appropriate basis for the planning of the County over the next 15 years. The Council has sufficient evidence to support the strategy and can show that it has a reasonable chance of being delivered."*

¹ See Inspector's report on the examination into the Surrey Minerals Plan Core Strategy DPD, 23 May 2011.

The Primary Aggregates DPD (adopted 19 July 2011)

6. The Primary Aggregates DPD sets out the policy framework to address the need for provision of sharp sand, gravel and soft sand in Surrey. It also identifies preferred areas to meet the need for primary aggregates, which are shown on the proposals map, and contains policies for controlling primary aggregate extraction.
7. The Inspector's report² concluded that: *"The Surrey Minerals Plan Primary Aggregates Development Plan Document provides an appropriate basis for the planning of the County over the next 15 years. The Council has sufficient evidence to support the preferred areas identified and can show, in almost all cases, that they have a reasonable chance of being delivered."*

The Aggregates Recycling Joint DPD (adopted 12 February 2013)

8. The Aggregates Recycling Joint DPD sets out proposals with regard to the provision of aggregate recycling facilities across the county for the period up to 2026. It lists existing temporary and permanent aggregates recycling facilities and identifies potential new sites.
9. The NPPF was published during the course of the public examination (March – June 2012). The council prepared a supplementary self-assessment³ of the consistency of the plan with the NPPF (2012) in response to the Inspector's request for such an evaluation. A new policy, numbered AR1, which makes explicit the presumption in favour of sustainable development was included in the DPD as a main modification to ensure conformity with the NPPF 2012.
10. The Inspector concluded that the Plan was "sound" in accordance with the NPPF and that it therefore provides an appropriate basis for the planning of aggregate recycling development within the county over the subsequent 14 year period.

Framework for the evaluation of conformity

11. The current version of the NPPF, published in February 2019, includes aspects of minerals policy previously set out in Minerals Policy Statements and more specific technical advice in Minerals Planning Guidance. The NPPF 2019 also sets out policy across a range of other areas that are

² See Inspector's report of the examination into the Surrey Minerals Plan Primary Aggregates DPD, 23 May 2011.

³ See Aggregates Recycling Joint Development Plan Document. Assessment of compliance with the National Planning Policy Framework, August 2012

relevant to minerals planning and development in Surrey, including the protection of communities and the environment from harmful impacts and the promotion of economic growth and development.

12. The evaluation set out in the following table (Table 1) is based on Part 2 (Local Plan Form & Content) of the Planning Advisory Service (PAS) Local Plan Route Mapper Tool Kit, published in October 2019. The evaluation has been tailored to reflect the focus of the Surrey Minerals Plan, and consequently questions relating to matters that do not fall within the scope of the MWPAs planning powers (e.g. housing, changes to Green Belt boundaries, etc.) have been excluded from the evaluation.
13. Paragraph 35 (pp.11-10) of the NPPF 2019 set out the following key criteria against which the soundness of a Plan is to be judged. The evaluation set out in the following table includes reflection on the extent to which the current SMP can be considered to still satisfy those core soundness requirements.
 - **Positively prepared** – Does the Plan provide a strategy able to meet the objectively assessed needs of the area, developed in agreement with other authorities, and consistent with the goal of achieving sustainable development. See Table 1, Part A.
 - **Justified** – Does the Plan set out an appropriate strategy for the area and topics of concern, taking into account reasonable alternatives, and is it based on proportionate evidence. See Table 1, Part B.
 - **Effective** – Is the Plan deliverable, and does it make provision for joint working on cross-boundary matters. See Table 1, Part C.
 - **Consistent with national policy** – Does the Plan enable the delivery of sustainable development in accordance with the policies set out in the current version of the NPPF. See Table 1, Part D.

Summary of the key findings of the evaluation & recommendation

14. Overall the adopted Surrey Minerals Plan remains broadly in conformity with the planning policy principles set out in the NPPF. However, much of the land identified in the Plan for primary aggregate working has gained planning permission over the period since adoption of the Plan, and the MWPA is approaching the point at which additional reserves will need to be identified to meet anticipated demand for concreting aggregate and soft sand over the next 15 years. In addition, national policy on matters of community and environmental protection has developed further since adoption of the Plan in 2011 (e.g. the incoming requirement for development to deliver biodiversity net gain, the UK Government commitment to achieve net zero emissions by

2050, etc.), and there is consequently a need to review and update the approach set out in the adopted Plan.

15. A comprehensive review of the Surrey Minerals Plan development plan documents is proposed as part of the review of the Minerals & Waste Development Scheme 2020. The review of minerals planning policy in Surrey will be paired with an immediate review of the strategy and policies set out in the Surrey Waste Local Plan, culminating in the preparation of a combined Minerals & Waste Local Plan for submission

Table 1: Evaluation of the adopted Surrey Minerals Plan – Soundness & Conformity with the NPPF 2019

Has the Plan been Positively Prepared?	
Part A Providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs, and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development. [NPPF 2019, paragraph 35(a), p.12]	
Conformity Question	Evidence
<p><i>A1: Does the Plan provide a positive vision for the future; a framework for addressing needs & other economic, social & environmental policies</i></p>	<p>Surrey has been a significant source of land-won primary aggregates for many years and remains a net exporter of primary sand and gravel. However, due to environmental considerations (principally landscape and nature conservation designations), maintaining production of concreting aggregate at past sales levels was not considered to be a sustainable prospect beyond the plan period (i.e. up to 2026), a position confirmed by the Minerals Plan Inspector. The adopted SMP makes provision (Policy MA1, <u>Primary Aggregates DPD</u>) for land won primary aggregates sufficient to continue to supply demand in Surrey and surrounding areas until 2026 (based on average sales from the last 10 years) but towards and beyond this date it is likely that reserves will come close to exhaustion. The criteria based Policy MC11 (<u>Core Strategy DPD</u>) introduces flexibility to the Plan by allowing other sites for sand and gravel extraction to come forward where appropriate, whilst policies MA2 and MA3 (Primary Aggregates DPD) provide certainty as to the locations in which concreting aggregate extraction would be expected to come forward over the Plan period. Policies MC8 and MC9 (Core Strategy DPD) provide a degree of certainty as to the locations in which silica sand and brick clay would be extracted over the Plan period, and a degree of certainty as to the MWPAs ability to provide the required landbanks for those mineral resources.</p> <p>The <u>Aggregates Recycling Joint DPD</u> makes provision for an increase in the production of recycled aggregates in the County to meet the production targets set out in Policy MC5 of the Core Strategy DPD through the allocation of a small number of sites for development as permanent or temporary facilities (Policies AR2 and AR3). Policy AR4 makes provision for the potential development of aggregate recycling facilities on land other than that identified under Policies AR2 and AR3.</p>
<p><i>A2: Does the Plan contribute to the achievement of sustainable development / apply the presumption in favour of sustainable development?</i></p>	<p>The <u>Core Strategy DPD</u> and the <u>Primary Aggregates DPD</u> were adopted prior to the introduction of the presumption in favour of sustainable development, which was first set out explicitly in the 2012 version of the NPPF. The consistent supply of mineral resources is necessary to support the economy, which is addressed through policies MC6 through MC13, and policy MC16 of the Core Strategy DPD and policies MA1 through MA3 of the Primary Aggregates DPD. The Core Strategy DPD also contains policies that promote the efficient use of mineral resources (MC4) and the production of recycled and secondary aggregate as an alternative to primary aggregate resources (MC5), which seek to reduce demand on non-renewable natural resources and improve the materials efficiency of the economy. Policies MC14 and MC15 in the Core Strategy DPD provide for the protection of communities and the environment from the adverse impacts of mineral working and associated development, and policies MC17 and MC18 provide for the timely restoration of former mineral workings to forms of afteruse that are beneficial to the host communities.</p> <p>The <u>Aggregates Recycling Joint DPD</u> includes a policy (AR1) which explicitly sets out the presumption in favour of sustainable development and the steps that the MWPA would take to ensure that development permitted under the DPD contributes to that goal.</p>

Table 1: Evaluation of the adopted Surrey Minerals Plan – Soundness & Conformity with the NPPF 2019

Is the Plan justified?	
Part B An appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence. [NPPF 2019, paragraph 35(b), p.12]	
Conformity Question	Evidence
<p><i>B1: Is the strategy appropriate for the Plan area?</i></p> <p><i>B2: Is the adopted strategy still supported by the available evidence?</i></p>	<p><u>Mineral Extraction</u>: The spatial strategy options for the SMP, with reference to the extraction of mineral resources, were constrained by geology and geography, and by the economic viability of resources in terms of the costs associated with extraction. The distribution of allocated sites (Preferred Areas) set out in the adopted SMP reflected the extent of potentially recoverable reserves at that point in time. The situation has changed over the lifetime of the current Plan, with planning permission granted for the extraction of concreting aggregate in respect of five of the Preferred Areas listed under Policy MA2 (Primary Aggregates DPD) and applications submitted in respect of a further two Preferred Areas, and planning permission granted for soft sand extraction in respect of the one Preferred Area listed under Policy MA3 (Primary Aggregates DPD). For silica sand, covered by Policy MC8 (Core Strategy DPD), planning permission has been granted for extraction from part of the Preferred Area identified under that policy, and an application has been submitted for further working from another part of the identified Preferred Area. For brick clay, covered by Policy MC9 (Core Strategy), an application has been submitted for brick clay extraction from the areas of search identified at Ewhurst Brickworks near Walliswood, applications have not been made in respect of any of the other three areas of search for brick clay identified in the adopted Plan.</p> <p><u>Aggregate Recycling</u>: The spatial strategy for aggregate recycling facilities was partly informed by the site allocations made in the adopted Surrey Waste Plan and Preferred Areas identified in the adopted Surrey Minerals Plan Core Strategy DPD.</p> <p>Replacement of the Surrey Waste Plan by the Surrey Waste Local Plan (WLP) would alter the allocation status of four of the sites currently identified under paragraph 50 of the Aggregates Recycling Joint DPD as potentially suitable for the development of aggregates recycling facilities, which would mean that they would no longer be viable options for such development, and the one site identified in paragraph 50 of the Aggregates Recycling Joint DPD that would still be allocated in the Surrey WLP would be allocated for a specific use (dry mixed household waste recycling) which would also rule it out as a location for aggregate recycling.</p> <p>Of the three Preferred Areas for concreting aggregate extraction also identified as potentially suitable locations for aggregate recycling under Policy AR3 of the Aggregates Recycling Joint DPD, none have been granted planning permission for mineral working and an application for extraction has been made in respect of only one site (Preferred Area D, Milton Park Farm at Egham).</p> <p>Of the three sites allocated for the development of temporary or permanent aggregate recycling facilities under Policy AR2 of the Aggregates Recycling Joint DPD, only one has been the subject of a planning application for such activity. Whilst planning permission was granted for the development of a facility at the Salfords Depot site in Salfords near Redhill to process incinerator bottom ash (IBA) and to produce secondary and recycled aggregate that permission has not been implemented.</p>

Table 1: Evaluation of the adopted Surrey Minerals Plan – Soundness & Conformity with the NPPF 2019

Is the Plan effective?	
Part C Deliverable over the Plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground. [NPPF 2019, paragraph 35(c), p.12]	
Conformity Question	Evidence
<p><i>C1. Does the plan continue to provide a framework for the delivery of a sustainable supply of minerals?</i></p>	<p><u>Mineral Extraction</u>: The spatial strategy options for the SMP, with reference to the extraction of mineral resources, were constrained by geology and geography, and by the economic viability of resources in terms of the costs associated with extraction. The distribution of allocated sites (Preferred Areas) set out in the adopted SMP reflected the extent of potentially recoverable reserves at that point in time. The situation has changed over the lifetime of the current Plan, with planning permission granted for the extraction of concreting aggregate in respect of five of the Preferred Areas listed under Policy MA2 (Primary Aggregates DPD) and applications submitted in respect of a further two Preferred Areas, and planning permission granted for soft sand extraction in respect of the one Preferred Area listed under Policy MA3 (Primary Aggregates DPD). For silica sand, covered by Policy MC8 (Core Strategy DPD), planning permission has been granted for extraction from part of the Preferred Area identified under that policy, and an application has been submitted for further working from another part of the identified Preferred Area. For brick clay, covered by Policy MC9 (Core Strategy), an application has been submitted for brick clay extraction from the areas of search identified at Ewhurst Brickworks near Walliswood, applications have not been made in respect of any of the other three areas of search for brick clay identified in the adopted Plan.</p> <p><u>Aggregate Recycling</u>: The spatial strategy for aggregate recycling facilities was partly informed by the site allocations made in the adopted Surrey Waste Plan and Preferred Areas identified in the adopted Surrey Minerals Plan Core Strategy DPD.</p> <p>Replacement of the Surrey Waste Plan by the Surrey Waste Local Plan (WLP) would alter the allocation status of four of the sites currently identified under paragraph 50 of the Aggregates Recycling Joint DPD as potentially suitable for the development of aggregates recycling facilities, which would mean that they would no longer be viable options for such development, and the one site identified in paragraph 50 of the Aggregates Recycling Joint DPD that would still be allocated in the Surrey WLP would be allocated for a specific use (dry mixed household waste recycling) which would also rule it out as a location for aggregate recycling.</p> <p>Of the three Preferred Areas for concreting aggregate extraction also identified as potentially suitable locations for aggregate recycling under Policy AR3 of the Aggregates Recycling Joint DPD, none have been granted planning permission for mineral working and an application for extraction has been made in respect of only one site (Preferred Area D, Milton Park Farm at Egham).</p> <p>Of the three sites allocated for the development of temporary or permanent aggregate recycling facilities under Policy AR2 of the Aggregates Recycling Joint DPD, only one has been the subject of a planning application for such activity. Whilst planning permission was granted for the development of a facility at the Salfords Depot site in Salfords near Redhill to process incinerator bottom ash (IBA) and to produce secondary and recycled aggregate that permission has not been implemented.</p>

Table 1: Evaluation of the adopted Surrey Minerals Plan – Soundness & Conformity with the NPPF 2019

Part D Is the Plan consistent with national policy? Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Facilitating the Sustainable Use of Minerals (NPPF 2019, Chapter 17, paragraphs 203-211, pp.58-61)	
<i>D1. Provide for the extraction of mineral resources of local & national importance</i>	<p>The adopted Surrey Minerals Plan Core Strategy DPD and Primary Aggregates DPD provide for the extraction of a range of mineral resources within Surrey, including primary aggregate (sharp sand and gravel; soft sand), silica sand, brick clay, and oil and gas. Policy MC7 (Core Strategy DPD) provides for the maintenance of a landbank of 7 years supply of aggregate minerals, covering concreting aggregate (sharp sand and gravel) and soft sand, which is consistent with the requirement set out in paragraph 207(f) (p.60) of the NPPF 2019. That policy commitment is implemented through the identification of Preferred Areas for aggregate mineral working, listed under Policy MA2 (Concreting Aggregate) and Policy MA3 (Soft Sand) in the Primary Aggregate DPD. Planning permission has been granted for the extraction of concreting aggregate at five of the Preferred Areas listed under Policy MA2 and applications have been submitted in respect of a further two Preferred Areas, with planning permission granted for soft sand extraction at the one Preferred Area listed under Policy MA3.</p> <p>For silica sand Policy MC8 (Core Strategy DPD) commits to the maintenance of a landbank of at least 10 years supply, which is consistent with the requirement set out for industrial minerals in footnote 68 to paragraph 208(c) (p.60) of the NPPF 2019. Planning permission has been granted for extraction from part of the Preferred Area identified under that policy, and a further application has been recently submitted for further working from another part of the identified Preferred Area.</p> <p>For brick clay Policy MC9 (Core Strategy) commits to the maintenance of a landbank of at least 25 years supply, which is consistent with the requirement set out for industrial minerals in footnote 68 to paragraph 208(c) (p.60) of the NPPF 2019. An application has been submitted for brick clay extraction from the areas of search identified at Ewhurst Brickworks near Walliswood. No applications have been made in respect of any of the other three areas of search for brick clay identified in the adopted Plan.</p>
<i>D2. Take account of the contribution that substitute or secondary & recycled materials & minerals waste would make to the supply of materials, before considering extraction of primary materials.</i>	<p>Policy MC4 (Efficient Use of Mineral Resources) and Policy MC5 (Recycled & Secondary Aggregates) in the Core Strategy DPD make provision for the production and use of recycled and secondary aggregates as a substitute for primary aggregate resources. Policy MC5 sets targets for recycled and secondary aggregate minerals production of 0.8 million tonnes per year by 2016, and at least 0.9 million tonnes per year by 2026.</p> <p>The Aggregates Recycling Joint DPD seeks to support the delivery of sufficient secondary and recycled aggregate production capacity through the identification of areas of land suitable for the development of permanent or temporary aggregate recycling facilities. However, as noted in C1 above, many of the sites allocated or otherwise identified in the Aggregates Recycling Joint DPD have not come forward for development as secondary and recycled aggregate production facilities, which brings the appropriateness of those allocations into question.</p>

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Part D Is the Plan consistent with national policy?	
Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Facilitating the Sustainable Use of Minerals (NPPF 2019, Chapter 17, paragraphs 203-211, pp.58-61)	
<i>D3. Safeguard mineral resources by defining Mineral Safeguarding Areas.</i>	Policy MC6 in the Core Strategy DPD sets out the MWPA's policy approach with respect to the identification and protection of Minerals Safeguarding Areas (MSAs). The Policy requires the eleven Local Planning Authorities in Surrey to include the MSAs on their Local Plan proposals maps and to consult the MWPA where development proposals could affect land within an MSA.
<i>D4. Encourage the prior extraction of minerals, where practical & environmentally feasible, if it is necessary for non-mineral development to take place.</i>	Objective 2.3 of the Core Strategy DPD (p.13) seeks to safeguard the supply of minerals by “ensuring prior extraction of mineral resources, where possible, if land is to be sterilised by other development”. That commitment is re-iterated in paragraph 5.4 (p.29) of the supporting text to Policy MC6, which states that “The MPA will treat prior working as an important objective when consulted on development within a minerals safeguarding area which would otherwise result in sterilisation of the resource.”.
<i>D5. Safeguard existing, planned & potential sites for: the bulk transport, handling and processing of minerals, the manufacture of concrete & concrete products & the handling, processing & distribution of substitute, recycled & secondary aggregate material.</i>	<p>Policy MC16 (Rail Aggregate Depots) in the Core Strategy DPD provides for the safeguarding of the two existing rail heads in Surrey, at Salfords and Woking, which in combination with other rail depots in the surrounding area (including London) provide sufficient capacity to handle anticipated imports over the Plan period (up to 2026). Policy MC16 also makes provision for the development of new depots, where the need for such facilities can be demonstrated.</p> <p>Policy MC6 (Safeguarding Mineral Resources & Development) in the Core Strategy DPD provides for the safeguarding of sites that are used, or are proposed for use, as recycled and secondary aggregate production facilities. The majority of mineral workings in Surrey are situated on land located within the Green Belt, which makes the permanent retention of recycled and secondary aggregate production facilities following the completion of mineral working challenging, as such facilities would potentially conflict with the openness of the Green Belt. Planning permissions for aggregate recycling facilities on minerals sites are therefore usually conditioned to require the removal of all plant and associated hard standings. Similarly, concrete batching plants and facilities for the manufacture of coating materials are not considered appropriate in the Green Belt, and where such facilities have been permitted (e.g. mortar batching plants associated with soft sand quarries) the permissions have been temporary and tied with the timeframe for restoration of the host quarry.</p>
<i>D6. Set out criteria or requirements to ensure that permitted & proposed operations do not have unacceptable adverse impacts on the natural & historic environment or human health</i>	Policy MC14 (Reducing the adverse impacts of Minerals Development) and Policy MC15 (Transport for Minerals) in the Core Strategy DPD address the matter of the potential harmful effects of minerals working and associated development on host communities and the natural and historic environments. Key development criteria are also identified for each of the Preferred Areas for mineral working identified in the Primary Aggregates DPD and the Core Strategy DPD, which provide specific guidance on the matters to be addressed for each allocated site.

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Part D Is the Plan consistent with national policy?	
Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Facilitating the Sustainable Use of Minerals (NPPF 2019, Chapter 17, paragraphs 203-211, pp.58-61)	
<i>D7. Recognise that some noisy short-term activities, otherwise unacceptable, are unavoidable to facilitate minerals extraction</i>	Policy MC14(i) in the Core Strategy DPD makes provision for the assessment of the noise impacts associated with proposals for mineral working and associated development as part of the development management process. The potential for some stages of the minerals extraction process to generate significant noise disturbance is acknowledged in paragraph 6.8 (p.40) of the supporting text to Policy MC14.
<i>D8. Ensure that worked land is reclaimed at the earliest opportunity, taking account of aviation safety, & that high-quality restoration & aftercare of mineral sites takes place.</i>	Policy MC17 (Restoring Mineral Workings) and Policy MC18 (Restoration & Enhancement) in the Core Strategy DPD set out the key principles that underpin the MWPA approach to the restoration of former mineral workings. A high standard of restoration and aftercare is required, with restoration to be completed at the earliest opportunity, and to be undertaken in a progressive manner where appropriate. Further detailed guidance on the process of mineral site restoration is provided in the Restoration SPD. Updating would provide an opportunity to provide clearer guidance on the relationship between mineral site restoration and the provision of biodiversity net gain, and the mitigation of the impacts and causes of climate change.
<i>D9. When planning for on-shore oil & gas development, including unconventional hydrocarbons, clearly distinguish between the three phases of development (exploration, appraisal & production) & address constraints on production & processing within areas that are licensed for oil & gas exploration or production;</i>	Policy MC12 (Oil & Gas Development) in the Core Strategy DPD covers onshore conventional oil and gas development, and makes reference to the three phases of on-shore oil and gas development, with some further discussion set out in paragraphs 5.37 to 5.39 (pp.37) of the supporting text to Policy MC12. The policy would benefit from being updated in light of the increased interest and scrutiny that hydrocarbon development applications have attracted in recent years, and the changes made to the NPPF following the High Court judgement in Stephenson v. SoS MHCLG [2019] EWHC 519 (Admin) (quashing of paragraph 209a). Over the Plan period the MWPA has received and determined applications relating to all phases of hydrocarbon development in respect of conventional hydrocarbons. Policy MC13 makes provision for underground gas storage where capacity and geological circumstances are proven to be suitable for such use, and requires that such development only be permitted where it can be proved that there would be no significant adverse impacts on the environment. Over the Plan period no applications have been received relating to the proposed underground storage of gas in previously exploited geological structures.
<i>D10. Encourage underground gas & carbon storage & associated infrastructure if local geological circumstances indicate its feasibility</i>	Unconventional gas and oil (shale gas and shale oil) have emerged as potentially significant sources of hydrocarbon energy supply since the adoption of the Plan. Policy MC12 in the Core Strategy DPD does not include specific reference to the issue of the potential for shale oil associated with the Weald Basin in Surrey, and that deficiency would need to be addressed in the review of the Plan. There is evidence, from the operation of the permitted unconventional hydrocarbon well-site at Preese Hall in Lancashire, that hydraulic fracturing to release shale gas or oil causes small magnitude tremors. Given recent seismic activity in Surrey (the Newdigate sequence of tremors which occurred over 2018 and 2019, attributed by the British Geological Survey to natural causes) the extent to which it would be feasible to safely explore and exploit unconventional hydrocarbon resources within the county is open to question.

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Part D Is the Plan consistent with national policy?	
Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Promoting Sustainable Transport (NPPF 2019, Chapter 9, paragraphs 102-111, pp.30-32)	
<i>D17. Address the potential impacts of development on transport networks.</i>	Surrey currently imports crushed rock and some marine aggregates by rail at two depots, which are safeguarded under Policy MC16 (Rail Aggregate Depots) of the Core Strategy DPD. A 2009 regional study (<i>Aggregate Wharves & Rail Depots in South East England</i>) identified a number of potential future depot sites, none of which were located within Surrey, which support the MWPA position at the time that there was no significant need for additional depots in the county. The adopted Minerals Plan (Policy MC16 in the Core Strategy DPD) does not prevent industry from bringing forward proposals for new depots if appropriate sites can be identified and the need for the new facility can be justified.
<i>D18. Promote the use of sustainable transport options.</i>	
<i>D19. Take account of the environmental impacts of traffic & transport infrastructure use, incl. opportunities to avoid or mitigate adverse impacts & realise environmental net gains.</i>	
Protecting Green Belt Land (NPPF 2019, Chapter 13, paragraphs 133-147, pp.40-43)	
<i>D20. Plan positively to enhance the beneficial use of the Green Belt, such as opportunities to, provide access; outdoor sport & recreation; retain & enhance landscapes, visual amenity & biodiversity; or to improve damaged & derelict land.</i>	Policy MC3 (Spatial Strategy – Mineral Development in the Green Belt) in the Core Strategy DPD sets out the MWPA policy position on mineral working and associated development in the Metropolitan Green Belt. Given that 73% of the county of Surrey is currently designated as Green Belt, including much of the land within which the county's reserves of potentially viable mineral resources are found, the question of the protection of the Green Belt is a key consideration for the MWPA. For the forthcoming Plan period the limited extent of remaining workable reserves of concreting aggregate is likely to result in greater reliance on recycled and secondary aggregate, and may create a need for permanent facilities for the production of such materials (historically such facilities have been located on mineral sites on a temporary basis). The MWPA's approach to minerals related development in the Green Belt may therefore require review and reconsideration.
Meeting the Challenge of Climate Change, Flooding & Coastal Change (NPPF 2019, Chapter 14, paragraphs 148-169, pp.44-48)	
<i>D21. Take a proactive approach to mitigating & adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity & landscapes, & the risk of overheating from rising temperature.</i>	The adopted Surrey Minerals Plan does not include a policy that deal specifically and exclusively with the question on the impacts of mineral extraction and associated development on the causes of climate change, or on the opportunities that may arise to address the impacts of change, although the matter is discussed to some extent in paragraphs 1.40 to 1.45 (p.8) of the Core Strategy DPD. Reference is made in Policy MC18 (Restoration & Enhancement) of the Core Strategy DPD to the potential for mineral site restoration to present opportunities for climate change mitigation, such as additional flood alleviation capacity. In light of the UK Government commitment to achieve net zero emissions by 2050 the MWPA's approach to the climate change impacts and opportunities associated with the activities of the minerals industry may require review and reconsideration.

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Part D Is the Plan consistent with national policy?	
Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Meeting the Challenge of Climate Change, Flooding & Coastal Change (NPPF 2019, Chapter 14, paragraphs 148-169, pp.44-48)	
<i>D22. Support appropriate measures to ensure the future resilience of communities & infrastructure to climate change impacts.</i>	Reference is made in Policy MC18 (Restoration & Enhancement) of the Core Strategy DPD to the potential for mineral site restoration to present opportunities for climate change mitigation, such as additional flood alleviation capacity. In light of the UK Government commitment to achieve net zero emissions by 2050 the MWPA's approach to the climate change impacts and opportunities associated with the activities of the minerals industry may require review and reconsideration.
<i>D23. Strategic policies should manage flood risk from all sources.</i>	Clause (ii) of Policy MC14 (Reducing the adverse impacts of minerals development) in the Core Strategy DPD provides specific guidance on the approach that is to be taken with reference to the assessment of the potential impacts of mineral extraction and related development on flood risk from all sources, and on the management of minerals site drainage. Where specific site allocations are affected by significant flood risk that fact is reflected in the key development criteria set out in the Primary Aggregates DPD or the Core Strategy DPD.
Conserving & Enhancing the Natural Environment (NPPF 2019, Chapter 15, paragraphs 170-183, pp.49-53)	
<i>D24. Contribute to & enhance the natural & local environment by protecting & enhancing valued landscapes, sites of biodiversity or geological value & soils, recognising the intrinsic character & beauty of the countryside, & the wider benefits from natural capital & ecosystem services.</i>	<p>Policy MC2 (Spatial Strategy – Protection of key environmental interests in Surrey) in the Core Strategy DPD provides for the protection of a range of high level nature conservation and landscape designations – including SPAs, SACs, Ramsar Sites, SSSIs and AONBs – from the potentially adverse impacts of mineral working and associated development.</p> <p>Clauses (iii) and (iv) of Policy MC14 (Reducing the adverse impacts of minerals development) in the Core Strategy DPD provide for the protection of the landscape and of the natural environment, biodiversity and geological conservation interests from the potentially adverse impacts of mineral extraction and associated development.</p> <p>Policy MC18 (Restoration & Enhancement) in the Core Strategy DPD recognises the opportunities that mineral site restoration can present in terms of the enhancement of the landscape and of biodiversity interest (e.g. through the creation and ongoing management of new areas of semi-natural habitat), and for the creation of wider ranging green or wildlife corridors through the adoption of a coordinated approach with other nearby development proposals.</p>
<i>D25. Distinguish between the hierarchy of international, national & locally designated sites, take a strategic approach to maintaining & enhancing networks of habitats & green infrastructure, & plan for the enhancement of natural capital at a catchment or landscape scale across local authority boundaries.</i>	<p>Where specific site allocations coincide with land of biodiversity interest or landscape value, including designated sites, that fact is reflected in the key development criteria set out in the Primary Aggregates DPD or the Core Strategy DPD.</p> <p>There is scope to further develop the opportunities for biodiversity and landscape enhancement presented by mineral site restoration, particularly in the former case within the context of the incoming requirement for development to demonstrate biodiversity net gain. There is also scope to develop an approach to minerals (and waste) planning in Surrey that more explicitly recognises the effects that such development can have on ecosystem services within the county and further afield, and the implications of such development for the county's natural capital.</p>

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Part D Is the Plan consistent with national policy? Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Conserving & Enhancing the Natural Environment (NPPF 2019, Chapter 15, paragraphs 170-183, pp.49-53)	
<p><i>D26. Identify, map & safeguard components of local wildlife-rich habitats & wider ecological networks, promote the conservation, restoration & enhancement of priority habitats, ecological networks & the protection & recovery of priority species, & identify & pursue opportunities for securing measurable net gains for biodiversity.</i></p>	<p>Policy MC18 (Restoration & Enhancement) in the Core Strategy DPD recognises the opportunities that mineral site restoration can present in terms of the enhancement of biodiversity interest (e.g. through the creation and ongoing management of new areas of semi-natural habitat), and for the creation of wider ranging green or wildlife corridors through the adoption of a coordinated approach with other nearby development proposals.</p> <p>There is scope to further develop the opportunities for biodiversity enhancement presented by mineral site restoration, particularly within the context of the incoming requirement for development to demonstrate biodiversity net gain. There is also scope to develop an approach to minerals (and waste) planning in Surrey that more explicitly recognises the effects that such development can have on ecosystem services within the county and further afield, and the implications of such development for the county's natural capital.</p>
<p><i>D27. Ensure that a site is suitable for its proposed use taking account of ground conditions, any risks arising from land instability & contamination, and the likely effects of pollution on health, living conditions & the natural environment.</i></p>	<p>Clause (vii) of Policy MC14 (Reducing the adverse impacts of minerals development) in the Core Strategy DPD provides guidance on the approach that is to be taken with reference to the assessment of the potential impacts of mineral extraction and related development on the quality and integrity of land and soil resources, and on the stability of land.</p> <p>Policy MC17 (Restoring Mineral Workings) in the Core Strategy DPD requires that land affected by mineral working be restored to a standard that enables an appropriate afteruse.</p>
<p><i>D28. Sustain & contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas & Clean Air Zones, and the cumulative impacts from individual sites in local areas.</i></p>	<p>Clause (i) of Policy MC14 (Reducing the adverse impacts of minerals development) in the Core Strategy DPD provides guidance on the approach that is to be taken with reference to the assessment of the potential impacts of mineral extraction and related development on local air quality with respect to emissions of dust and fumes, including from traffic. Where specific site allocations are situated in areas that are subject to designation as AQMAs that fact is reflected in the key development criteria set out in the Primary Aggregates DPD or the Core Strategy DPD.</p> <p>The adoption of the Plan predates proposals for the designation Clean Air Zones, and the relationship of allocated sites to designated AQMAs is likely to have changed in the period since the Plan was adopted. The question of impacts on air quality should be revisited and a clearer policy approach set out in the new Plan.</p>

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Part D Is the Plan consistent with national policy?	
Enabling the delivery of sustainable development in accordance with the policies in this Framework. [NPPF 2019, paragraph 35(d), p.12]	
Conformity Question	Evidence
Conserving & Enhancing the Historic Environment (NPPF 2019, Chapter 16, paragraphs 184-202, pp.54-57)	
<i>D29. Contribute to & enhance the historic environment by protecting & enhancing valued historic landscapes, sites of archaeological value, & built heritage assets.</i>	Policy MC2 (Spatial Strategy – Protection of key environmental interests in Surrey) in the Core Strategy DPD provides for the protection of a range of high level heritage designations – including Scheduled Monuments Listed Buildings and Registered Parks & Gardens of Special Historic Interest – from the potentially adverse impacts of mineral working and associated development. The policy also provides for the protection of national and local designated landscapes, including AONBs and the Surrey AGLV, which have an important contribution to make to the protection of heritage in terms of both known assets and those that have yet to be discovered, and their contexts and settings.
<i>D30. Plans should distinguish between the hierarchy of international, national & locally designated sites, take a strategic approach to maintaining & enhancing heritage assets.</i>	Clauses (iii) and (v) of Policy MC14 (Reducing the adverse impacts of minerals development) in the Core Strategy DPD provides for the protection of the landscape and the historic environment from the potentially adverse impacts of mineral extraction and associated development.
<i>D31. Identify, map & safeguard heritage & archaeological assets, promote the conservation, restoration & enhancement of such assets & their contexts & settings.</i>	Where specific site allocations coincide with land of landscape value or with land or other assets (e.g. buildings, structures, etc.) of heritage interest, including designated sites and features, that fact is reflected in the key development criteria set out in the Primary Aggregates DPD or the Core Strategy DPD. Over the period since adoption of the Plan (in 2011) the policy approach to the protection of heritage assets and interests has typically functioned well, and has enabled the MWPA to take account of the implications of minerals development for such assets and interests in the decision making process. However, in light of proposed changes to the planning system there is scope to examine how best to ensure that heritage assets continue to receive a high level of protection going forward.

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SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2020****REPORT OF: MR MATT FURNISS, CABINET MEMBER FOR TRANSPORT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR ENVIRONMENT,
TRANSPORT AND INFRASTRUCTURE****SUBJECT: BLACKWATER VALLEY HOT SPOTS LEP HIGHWAY IMPROVEMENT
SCHEME****ORGANISATION****STRATEGY****PRIORITY AREA:****Growing A Sustainable Economy So Everyone Can Benefit**

15

SUMMARY OF ISSUE:

In 2016, Guildford Borough Council (GBC) secured funding from Enterprise M3 Local Economic Partnership (EM3 LEP) to deliver highway improvements tackling congestion hotspots to support their Local Plan. The improvements are proposed for two junctions, namely the A31 j/w A331 and the A323 j/w A324.

GBC progressed the two schemes and have managed the project from initiation until July of this year. In July, the Borough Council asked the County Council to step in to deliver the schemes on behalf of GBC. This agreement was made based on the best-known cost estimates provided by GBC at that time. Following a review by County Council officers, the cost estimates have been revised, resulting in the potential for up to a £3.179m funding shortfall.

However, the project is considered a priority for Guildford, as the improvements to these junctions will help businesses and residents travel more predictably, supporting economic activity.

This report seeks to explain the background to the scheme and commit the County Council to underwrite the funding shortfall whilst negotiating further funding from GBC.

RECOMMENDATIONS:

It is recommended that:

1. Officers are instructed to work with the EM3 LEP to review the delivery programme in order to minimise financial risk to the County Council;
2. The County Council and GBC engage in active conversations about financial contributions;
3. Approval is given to proceed on the basis of the funding strategy set out in paragraph 15, with the final agreement of funding terms delegated to the Executive Director Environment, Transport and Infrastructure, in consultation with the Executive Director of Resources and the Cabinet Member for Highways.

4. The Executive Director for Environment, Transport & Infrastructure, in consultation with the Cabinet Member for Highways be authorised to agree any additional funding agreements and authorise both the A31 j/w A331 and the A323 j/w A324 schemes be further developed and constructed by the County Council on behalf of GBC.

REASON FOR RECOMMENDATIONS:

The proposed junction improvements will improve road conditions for vulnerable road users, increase highway capacity and support GBC's local plan. To deliver these improvements, the County Council needs to secure additional capital funding to cover the current project funding gap.

DETAILS:

Background

1. In 2016, Guildford Borough Council (GBC) commissioned a study and subsequent design to consider "hot spots" that had been identified in their Local Plan. A "hotspot" is a junction that has insufficient capacity for the volume of traffic using it and has an adverse impact on the efficiency of the highway network in a wider area. It was determined by the Borough Council that improvements to these junctions would aid delivery of housing.
2. The project tackles congestion hotspots at two locations.
 - a. **A331 junction with A31:** This junction is located at the southern end of the Blackwater Valley. It involves the construction of a slip lane for vehicles travelling southbound on the A331, wishing to travel eastbound on the A31 (removing the need for them to use the roundabout). The roundabout will be part signalised and incorporates improved facilities for pedestrians and cyclists, thus supporting vulnerable road users.
 - b. **A323 junction with A324:** Improving the junction of the A323 / A324 by upgrading the traffic signals, improving pedestrian facilities and the construction of an extra lane on the A323 heading eastbound towards the junction.
3. Initially the project was costed at £3.96m by GBC, of which GBC secured a commitment of 50% funding to the project (or £1.98m) from the EM3 Local Enterprise Partnership (LEP). Originally, the project was to be fully commissioned and delivered by GBC, with the County Council undertaking an approval role similar to that provided for S278 works. As such, the feasibility, options analysis and subsequent detailed design produced in the development of the project were commissioned by GBC via their appointed Highway Consultant, Mott McDonald Ltd. As GBC was leading delivery of the project at the time, the delivery arm of the County Council had limited input to this initial development of the project.
4. However, in July 2020, GBC asked the County Council to step in to deliver the project. This was agreed by the Deputy Leader and the EM3 LEP (part funders). There were two conditions of this agreement:
 - a. that SCC would review the design and cost estimates for the project to ensure the project was designed to a deliverable standard; and
 - b. that the County Council and GBC would split any costs above the EM3 LEP funding on a 50:50 basis, with GBC's liability capped at £741,688. At the time, the County Council's commitment was estimated at up to £741,688 – but as

the County was to deliver the scheme, there would be the opportunity to reduce this risk. This agreement was made on the assumption that the further scheme costs would only be £2,162,196, (a figure which included approximately £660k of optimism bias / contingency). GBC had already claimed for costs of £252k and estimated a further £89k needed from the project budget. Hence these costs of £341k added to the estimated figure of £2,162,196 to complete the works, meant that the estimate was significantly lower than the original budget of £3.98m. With this budget including a LEP contribution of up to £1.98m, the risk was deemed to be low. These estimates were provided by GBC's engineering consultant.

5. Since that agreement was made, issues have arisen on which Cabinet decision is required. The scheme costs have been reviewed and as a result, the cost of the project has risen and there is now a funding gap associated with the project. County Council engineers have had the opportunity to review the designs and the estimated construction costs in conjunction with our highway delivery partner Kier. Our analysis estimates a total scheme cost of £5.022m – £1.062m above the original estimated £3.98m budget and approximately twice what the total costs were projected to be in July. The increase has arisen because the review identified cost rates for work were too low, there was an insufficient allowance for utility diversions, ground investigation and the cost of resurfacing both junctions was not included in the original estimate.
6. As explained above, the Borough Council are already committed to contributing up to a further £741,688 to the Hotspots project. As the construction costs figures have increased from the estimates originally provided, this is a lower sum than would have been acceptable if accurate and detailed costings had been known at that time.
7. The other factor is the delivery timescale for the project. There is a requirement to spend at least £1.48m in 2020/21 from the total £1.98m EM3 LEP allocation, with a maximum carry forward (£0.5m) of the remaining funding into 2021/22. This is because Government has set specific requirements on Local Growth Fund spending in individual financial years, so flexibility is not wholly within EM3 LEP's control. The EM3 LEP may be able to flex further depending on the performance and spend profile of other schemes elsewhere in their overall programme during the current financial year. However, the existing agreement with the EM3 LEP means that with the work completed to date (GBC monies already or to be claimed against the scheme from the EM3 LEP), coupled with our forecast construction programme gives a 2020/21 total spend profile of £601k. If the EM3 LEP is not able to agree a carry forward of funds over and above the £500k already in place, it will result in a return of approximately £879k of funding in 2020/21 to EM3 LEP (i.e. £1.48m 20/21 funding minus the £601k forecast spend).
8. The EM3 LEP has been asked if they can both increase their contribution and enable a full carry forward of their existing commitment into the next financial year. GBC have been asked to increase their contribution to the scheme they instigated. A decision of both requests is awaited.
9. In summary, the total cost is estimated to be £5.022m. The maximum potential liability for the County Council is £3.179m. This may be reduced if GBC increase their contribution and / or the EM3 LEP can allocate additional funds or amend their timeframe.

The full business case behind the project has been assessed by the County Council's Capital Programme Panel and is considered robust. The headline numbers are summarised in **Annex 1**.

CONSULTATION:

10. General scheme consultation has been undertaken by GBC. In addition to this, the County Council will ensure impacted residents and road users are advised of any disruption and that it is properly managed.
11. The Deputy Leader was involved in the original agreement with GBC in July 2020, and the Cabinet Member for Highways has been briefed on the amended position.

RISK MANAGEMENT AND IMPLICATIONS:

12. The potential funding commitment explained is an estimate based on a worst case scenario. This would be where there is no increase in funding from GBC or the EM3 LEP, the EM3 LEP is unable to amend their timeframe for spending funds and all of the contingency in the project (£970k) is needed.
13. Further public consultation will be needed. There is the risk that there may be local objections to both the changes and the disruption generated whilst the works are being undertaken. This could impact on delivery.
14. Some highway trees will need to be removed. The County Council is committed to planting more trees in appropriate locations, but there is the potential this will be seen negatively by some residents. This will be managed through effective communication with local residents and stakeholders.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

15. The estimated cost is set out in paragraphs 3 to 9 above. The final cost will be subject to further design and procurement processes, and as such an appropriate risk allowance is included. There is currently a funding shortfall of up to £3.179m across 2020-22. The County Council and GBC are engaged in active conversations about financial contributions. Discussions are also being held with the EM3 LEP to identify additional funding, or flexibility in how existing funding is applied, in order to allow the scheme to proceed. If the funding shortfall cannot be met then the existing Environment, Transport & Infrastructure capital programme will need to be reviewed and reprioritised in order to determine whether there is sufficient funding for the scheme to proceed.
16. As noted above, the headline numbers for the scheme are summarised in **Annex 1**, which also references potential S106 contributions that may become available to support the delivery of the Hotspots scheme. At present none of the potential S106 contributions have been received. The vast majority are likely to be received well after scheme construction is completed, so for reasons of relative uncertainty the potential S106 contributions have been excluded from the potential sources of scheme funding. Should the S106 contributions be received in the future, they could be applied retrospectively to works already completed assuming the scheme is delivered.
17. If approved, the scheme will be delivered in a cost-effective manner and every effort made to minimise risk to the County Council.

SECTION 151 OFFICER COMMENTARY

18. 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. The

public health crisis has resulted in increased costs which may not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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. The Section 151 Officer supports the proposed funding strategy set out in paragraph 15.

LEGAL IMPLICATIONS – MONITORING OFFICER

- 19. As Highway Authority seeking to carry out the highway works the subject of this report, the County Council can look to the general power of improvement at section 62 of the Highways Act 1980 whereby any authority may carry out works for improvement of the highway on highways maintainable by them at the public expense.
- 20. In order to formalise the financial arrangements between the County Council and Guildford Borough Council it may be advisable to enter into a legal contribution agreement.

EQUALITIES AND DIVERSITY

- 21. The recommendations in this report have no material impact on existing equality policy and therefore a full equalities assessment was not deemed necessary.
- 22. Before any changes are made on the highway, relevant and proportionate consultation will be carried out with users and interested parties.

WHAT HAPPENS NEXT:

- Confirmation will be sought on funding contributions from both the EM3 LEP and Guildford Borough Council.
- If the recommendations are agreed, both junctions will be constructed before the end of 21/22

Contact Officer:

Richard Bolton, Group Manager – Local Highway Services, Tel: 020 8541 7140

Consulted:

Matt Furniss, Cabinet Member for Highways
 Paul Millin, Group Manager – Strategic Transport
 Lucy Monie, Director for Highways & Transport
 Katie Steward, Executive Director for Environment, Transport & Infrastructure
 Tony Orzieri, Strategic Finance Business Partner
 Nancy El-Shatoury, Principal Lawyer

Annexes:

Annex 1 – Outline Business Case

Sources/background papers:

None

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Annex 1 – Estimated scheme costs and funding

A331 Hot Spots Project	2020/21	2021/22	Total
Scheme Costs			
A331 / A31 Scheme Delivery Cost	£260,000	£3,695,000	£3,955,000
A323 / A324 Scheme Delivery Costs		£426,000	£426,000
GBC – development costs	£341,000		£341,000
High Friction HRA (worst case)		£300,000	£300,000
Total costs	£601,000	£4,421,000	£5,022,000
Scheme Funding			
EM3 LEP Funding	£601,000	£500,000	£1,101,000
GBC Funding		£741,688	£741,688
Total Funding	£601,000	£1,241,688	£1,842,688
Funding Gap	£0	£3,179,312	£3,179,312
S106 contributions not included above that will become available			
Land adjacent to Grange Farm 14/P/02398		Funds requested	£44,000
Manor Farm 16/P/00222		Post construction	£75,000
Manor Farm 16/P/00222		Post construction	£175,000
Land adjacent The Granary 17/P/00529		Post construction	£75,000
Total			£369,000

Notes:

Original GBC capital cost estimate for junction improvements was £2.2m
GBC contribution currently capped at £741,688, although a further GBC contribution is under consideration

LEP funding of £1.98m agreed, however due to time constraints only £1.1m is expected to be utilised. Further Flexibility in respect of the remaining £879, 000 is being investigated.

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SURREY COUNTY COUNCIL**CABINET****DATE:** 24 NOVEMBER 2020**REPORT OF:** MRS JULIE ILES, CABINET MEMBER FOR ALL-AGE LEARNING**LEAD OFFICER:** LIZ MILLS, DIRECTOR- EDUCATION, LEARNING & CULTURE**SUBJECT:** SURREY SCHOOLS & EARLY YEARS FUNDING 2021-22**ORGANISATION STRATEGY PRIORITY AREA:** Growing A Sustainable Economy So Everyone Can Benefit

16

SUMMARY OF ISSUE:

The funding of all Surrey schools (including academies) and of the free entitlement to early years nursery provision are provided from the council's allocation of Dedicated Schools Grant (DSG). Each local authority is required to consult on and maintain local formula arrangements to allocate DSG to mainstream schools and early years providers.

This report sets out the recommended funding formula for Surrey mainstream schools in 2021/22 and also proposes the principles to be adopted in the funding of early years in 2021/22.

Despite increases in government funding for children and young people with special educational needs and disabilities (SEND), increasing pressures in this area have necessitated a request for support from the Schools funding block. This request was not supported by the Schools Forum and the Cabinet is asked to consider an appeal to the Secretary of State.

This report proposes funding arrangements for schools so relates to the organisation strategy to grow a sustainable economy.

RECOMMENDATIONS:

It is recommended that Cabinet approve the proposals set out in Annex 4, namely that:

1. An appeal be lodged with the Secretary of State for Education to overturn the decision of the Schools Forum and permit the transfer of 0.5% of the Schools Block (estimated at £3.4m) to support High Needs SEND;
2. The council implement the DfE's recommended Minimum Per Pupil Level in full;
3. The Schools Forum's formula recommendations for Schools and Early Years funding as set out in Annex 4 be approved;

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4. Authority is delegated to the Director of Education, Lifelong Learning & Culture in consultation with the Cabinet Member for All-Age Learning to approve amendments to the schools and early years additional SEN funding, following further consultation with schools in November and discussion with schools forum in December;
 5. Authority is delegated to the Director of Education, Lifelong Learning & Culture in consultation with the Cabinet Member for All-Age Learning to approve amendments to the funding rates in the schools and early years formulae as appropriate following receipt of the DSG settlement and DfE pupil data in December 2020. This is to ensure that total allocations to schools under this formula remain affordable within the council's DSG settlement.

REASON FOR RECOMMENDATIONS:

To comply with DfE regulations requiring formal council approval of the local funding formula for Surrey's primary and secondary schools.

DETAILS:

BACKGROUND

1. Dedicated Schools Grant (DSG) funding is provided to the LA in four blocks covering:
 - Schools
 - Schools' Central Services
 - High Needs: special educational needs and disabilities (SEND)
 - Early Years

The services provided within these blocks and indicative 2021/22 funding are summarised below, where published. Final funding allocations for 2021/22 will be published in December 2020 and will take into account pupil number changes between October 2019 and October 2020.

- a) **Schools** £717.9m (*indicative based on October 2019 pupil numbers*)

The Schools block provides the funding for all Surrey's mainstream schools, including academies. Individual schools' budgets are allocated on the basis of a formula currently determined locally, albeit within Department for Education (DfE) parameters.

The DfE is phasing in a national funding formula (NFF) for schools. Local authorities are asked to manage this transition by adjusting their own local formulae in the direction of the NFF. In 2020/21, Surrey's formula factors are close to the NFF. The main exception was that the lump sums were set slightly higher than the NFF and the basic entitlement rates correspondingly lower, to offer a little protection to small schools.

b) **Schools' Central Services** £5.9m (*indicative*)

This block funds local authorities for their strategic Education responsibilities for all schools (including academies). These responsibilities include whole service planning and leadership, school admissions, management of the capital programme, education welfare, and management of schools' formula funding.

c) **High Needs SEND** £175.2m (*indicative*)

The High Needs block funds pupils with special educational needs and disabilities (SEND). It funds Surrey's special schools, SEND centres in mainstream schools, pupil referral units (PRUs), post 16 SEND provision and education to those pupils with complex or severe needs requiring support in a non-maintained or independent special school (NMI). It provides additional funding to primary and secondary schools for pupils with Education Health Care Plans (EHCPs). It also funds specialist support services (e.g. physical and sensory support, speech & language therapies).

Continuing pressures in Surrey's High Needs block have necessitated transfers from both the Early Years and Schools blocks in recent years. Annex 1 sets out the movements between blocks in previous years. The current forecast is for an in year overspend against the High Needs block of £32m in 2020/21. Despite an estimated increase of £15m in High Needs block DSG from 2020/21 to 2021/22, the cumulative deficit on the High Needs block is projected to be £104m by March 2022. Therefore, the authority is proposing a transfer from schools block to high needs block in 21/22.

d) **Early Years** £77.3m (2020/21 estimate)

The Early Years block funds nursery education for two, three and four year olds in maintained schools, maintained nurseries, academies and private, voluntary and independent (PVI) settings. Funding for three – four year olds is expected to be £72.6m in 2020/21, with £4.7m provided for two year olds.

Focus of this report

2. This report concentrates on Cabinet decisions relating to schools funding and early years. It does not address pupil premium or sixth form funding as these are central government allocations, distributed to schools via formula mechanisms determined by the DfE. Budgets for services funded by the High Needs and Central Schools Services blocks are subject to a separate Cabinet Report in line with the council's budgeting process.

Schools Forum

3. The Schools Forum is a statutory body which must be consulted on the allocation of DSG. Membership is prescribed by regulations, and comprises head teachers, governors, academy representatives and 'non-school' representatives from Early Years providers, diocesan bodies, teaching unions, post-16 providers and SEND representatives (Family Voice in Surrey). The Forum has a largely consultative role but has decision making powers in specific areas, including the transfer of funding from the Schools block. Forum members can vote only on issues impacting on their sector. For example, academies cannot vote on issues relating to maintained schools only.

SCHOOLS FUNDING

4. All mainstream schools (maintained schools and academies) are funded from the DSG. Funding is allocated to Surrey schools using a local formula that is reviewed annually by the council. Annex 2 details the funding allocated to each funding factor in 2020/21.
5. In 2021/22 the DfE is increasing schools funding nationally by £2.2bn, of which £730m is for SEND and the remainder for mainstream schools. This is the second year of a three year increase in schools funding announced in late August 2019. Minimum per pupil funding levels (MPPL) are being increased from £3,750 per primary pupil to £4,180 and from £5,000 per secondary pupil to £5,415 in 2021/22. These minimum funding levels are mandatory at local level, although the government has consulted on circumstances in which the Secretary of State may allow the per pupil levels to be reduced. This is estimated to mean an increase, to Surrey, of £22.3m in NFF schools funding and £12.7m in high needs block funding in 2021/22, before the impact of changes in pupil numbers. The remaining increase in schools block (£31.8m) and high needs block (£2.6m) is due to the assimilation of teachers' pay and pension grants, which were previously paid separately but which will now be included in DSG and NFF.
6. A change in policy from the DfE no longer allows LAs to meet overspends on DSG budgets from the General Fund. In Surrey this currently affects the high needs block as this has a cumulative and annual deficit. This change increases the pressure to reduce the high needs overspend within DSG. The SEND transformation programme aims to reduce costs whilst providing excellent SEND services. The programme has achieved efficiencies of £8m in 2020/21, with continued action to reduce costs in future years. In order to ensure stability of the Council's balance sheet, the High Needs block deficit is matched by a General Fund reserve.
7. The DfE is continuing to phase in a National Funding Formula (NFF) to replace the individual school funding formulae of 149 local authorities. The government has recently restated its intention to move to a "hard" national funding formula for schools, meaning no local discretion over formula factors.
8. Local authorities are expected to manage a smooth transition to the NFF that avoids unnecessary turbulence at individual school level by amending their local formula over time.

Consultation with Surrey schools on Changes from April 2021

9. In July 2020, the DfE published its NFF funding rates and provisional allocations for 2021/22. During September 2020 all Surrey primary and secondary schools (including academies) were consulted on a number of options for the 2021/22 local schools funding formula.
10. The key issues for schools to consider were:
 - i. The local schools' funding formula - including consideration of the local authority's request to transfer 0.5% of the total Schools budget (£3.4m) to support pressures in High Needs SEND budgets (the Schools Forum and Secretary of State refused a request for transfer of a similar amount in 2020/21).

- ii. De-delegated services: the services for which maintained schools would consider an automatic deduction from their school's budget

A. The local schools' funding formula

- 11. Schools were consulted on a number of proposed changes to the local formula. Annex 3 summarises the responses of schools and the Schools Forum to the consultation.
- 12. The Schools Forum rejected the proposed transfer of £3.4m from schools budget to high needs (SEND) budget (14 voted not to support the transfer and 7 supported the transfer, similar ratio to the 29.6% of schools which supported the transfer). It should be noted that the transfer would affect around 60% of schools in order to maintain the minimum per pupil level at the value specified by the government. This is because 35% of schools (accounting for 40% of the budget) are expected to be funded at this level. It is only the schools which are funded above this level that can see a lower increase in funding if there is a transfer of funds to high needs block.

Other Schools Funding issues

- 13 Schools' views were sought on a number of other issues as follows:

- a) Minimum Funding Guarantee (MFG).

The MFG protects schools that might otherwise see a fall in average funding per pupil and can be set at a range between +0.5% and + 2.0% by local authorities in 2021/22 (2020/21: 0.5% to +1.84%). In 2020/21 Surrey adopted a 2.34% MFG (which required special approval from the Secretary of State) reflecting special circumstances in that year. Schools were again asked for their preferred option and this was an MFG of 2% (the maximum permitted) or 1.44% if there was a transfer to high needs block (the highest affordable in those circumstances).

- b) Adoption of NFF funding rates

In 2020/21 Surrey formula funding rates were set 0.7% above NFF rates (except that the lump sum was set slightly higher and the basic entitlement slightly lower) Schools supported keeping funding rates in line with the NFF, apart from the lump sum.

- c) Ceiling on per pupil gains

The local authority is allowed to impose a ceiling on per pupil funding gains, so that schools which would see large per pupil gains do not see those gains in full. In 2020/21, unusually, Surrey did not need to use such a ceiling. Schools supported the use of a ceiling in 2021/22 if it was necessary in order to manage cost increases due to an increase in the number of children attracting deprivation and additional needs funding.

- d) Level of the lump sum

In 2020/21 Surrey increased the lump sum factor for both primary and secondary schools by 4%, in line with the national increase in funding rates, even though Surrey's lump sum was already higher than the NFF lump sum. The LA proposed, and schools supported, a 3% increase in

lump sums in 2021/22. This is the only tool available to support small schools, except for the few small enough and remote enough to qualify for sparsity funding

e) Other changes

A few minor changes were proposed including:

- Measures to mitigate the loss of part of the former “combined services” funding stream, (a funding strand being reduced by the DfE, which was previously delegated to schools over and above the NFF).
- Taking funding for rents and split sites outside the calculation of minimum funding guarantee (which allows funding to be better matched to changing need).

14. Annex 4 summarises the recommendations to the Cabinet. Decisions made by the Schools Forum – some of which are subject to appeal by the local authority – are listed in Annex 5. The Surrey schools funding formula factors and their proposed provisional values are set out in Annex 6.

B. De-delegated services

15. The Schools Forum can agree on behalf of all Surrey maintained primary and secondary schools to automatically deduct funding from individual schools budgets to provide specific services. These include behaviour support, Capita SIMS licences, free school meals eligibility checking and the maintaining of central funds to support school improvement and exceptional expenditure in primary schools. Prior to this decision – which must be made annually – all schools are consulted. All such proposals received majority support from schools and were agreed by the Schools Forum. The outcome of schools’ responses and the Forum’s decisions are summarised in Annex 3. De-delegation arrangements are not permitted to be introduced for academies or special schools.

EARLY YEARS

16. Local authorities receive funding (currently estimated to be £72.6m in 2020/21) from the DfE for free nursery entitlement for three and four year olds through the Early Years block of the DSG. The DfE funds local authorities for three and four year olds on the basis of an hourly rate and requires local authorities to fund providers via a formula. The council consulted providers during September on changes to early years funding for 2021/22.
17. DfE has not yet announced the hourly rates which it will pay to LAs for early years provision in 2021/22. This is expected in the spending review, an update will be provided at the meeting, if available.
18. Early years providers must be funded on a termly count whereas the DfE funds local authorities using the average of successive January counts (i.e. annual counts). Thus the termly variation in take-up is a budget risk and a contingency is maintained for this purpose. Following a review of this contingency, it is estimated that up to £1m can be released annually to allow an increase in the hourly provider rate for three and four year olds. This proposal was supported by the sector and by the schools forum.

19. Local authorities can retain up to 5% of the Early Years funding for 3-4 year olds centrally in 2021/22 (the same level as retained by Surrey in 2020/21) if approved by the Schools Forum.; The remainder must be passed on to individual providers. Following general support from the sector, the Forum has agreed that in 2021/22 the local authority could retain 5% of the Early Years grant for 3-4 year olds to manage the sector and support providers which includes a sum to continue a separate SEN inclusion fund for two year olds.
20. Following majority support from early years providers in the September funding consultation, Schools Forum also supported an increase in all funding rates in the early years funding formula in line with whatever percentage increase is provided by the DfE. This covers basic hourly rates for three and four year olds and the hourly supplement for deprivation for three and four year olds.
- Additionally, funding rates for free meals provision for eligible children in maintained and academy nurseries will be increased from £2.35 to £2.44 (in line with estimated current costs).
21. There is a separate DfE grant allocation for two year olds. The council has funded providers for two year olds at the DfE hourly rate. It is recommended that the rate paid to providers increases in 2021/22 in line with any increase in DfE funding rates.

Fine-tuning of schools' and early years formulae following DSG settlement

22. At this stage, proposed formula values can only be provisional as DSG funding will be based on pupil numbers and characteristics data collected in the October 2020 pupil census – data which is unavailable to local authorities until mid December 2020. The DfE therefore enables local authorities to fine-tune our proposed formula values by 21st January 2021, to ensure the formula is affordable within the funding settlement. In particular there is a risk that the current situation will mean an increase in the number of pupils qualifying for deprivation funding.
23. Fine-tuning of the formulae at that time will be considered by the Director of Education, Lifelong Learning & Culture in consultation with the Cabinet Member for All-Age Learning.

<u>CONSULTATION:</u>

24. Following receipt of the DfE's updated guidance and illustrative funding in late July 2020, a Schools Funding Consultation paper was distributed to all schools in early September detailing options for the funding of Surrey schools in 2021/22. A total of 139 schools submitted responses by the deadline, representing 35% of schools. Schools' collective responses and comments were discussed at the Surrey Schools Forum on 1 October when recommendations / decisions were made. These are set out in this report.
25. A separate consultation was undertaken with Early Years providers. Responses were received from 53 Early Years providers with majority support for all proposals. Accordingly they are all recommended by Schools Forum for approval by Cabinet.

RISK MANAGEMENT AND IMPLICATIONS:

26. Schools are funded by DSG. Primary and Secondary schools are funded from the Schools block within DSG, with the High Needs block funding special schools. The proposals in this report recognise continuing demographic and inflationary pressures in the High Needs block and the SEND Transformation Programme, developed to address these issues, gained widespread support from schools when first proposed in 2018.
27. A request to schools to transfer £3.4m from the Schools budget to High Needs SEND was refused by the Schools Forum. Subject to the approval of Cabinet, the local authority is to appeal to the Secretary of State to overrule that decision. Should the appeal not be upheld the future high needs block overspend will increase further.
28. Schools' financial challenges and reduced funding to local authorities to intervene in weak schools are creating risks as deficits on schools obliged to convert to academy status remain with the council.

Financial and Value for Money Implications

29. The latest 2020/21 High Need Block (HNB) DSG forecast is an overspend of £31.4m. This will lead to a £80.2m cumulative HNB DSG overspend at the end of the year.
30. The SEND transformation programme is working to contain the 2021/22 annual overspend to the 2020/21 planned level of £24m. This is ambitious since the demand for services is currently growing by 11%. Growth plus this year's additional overspend of £7.5m is estimated at £36.3m which is partly offset by the additional 2021/22 estimated HNB DSG of £15m. Therefore savings of £21.3m would be required to contain the overspend to £24m. The cumulative deficit at 31 March 2022 would still be extremely high at £104m. Therefore the authority is proposing an appeal to the Secretary of State to transfer £3.4m from schools block DSG to HNB DSG in 2021/22.
31. Schools are expected to operate within the funding provided. Where an individual maintained school faces financial problems, the local authority can approve a licensed deficit and will expect the school to develop a recovery plan for repayment in a specified term – usually from one to three years. If a maintained school became financially unviable then the council would be required to step in to address issues. This could involve a review of the school's management and/or a review of wider educational provision in the area. Schools are subject to regular monitoring and the local funding formula is reviewed on an annual basis to assess scope for potential amendments within DfE controls.
32. As at 1 October 2020, a total of 177 schools have converted to academy status (123 primary, 42 secondary and 12 special) and there are seven free schools in Surrey. Responsibility for the financial viability of academies and free schools lies with the Government's Education & Skills Funding Agency (ESFA) rather than the county council.

Section 151 Officer Commentary

33. 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. The public health crisis has resulted in increased costs which may

not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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 proposals within this report. The outcome will be factored into the Medium-Term Financial Strategy in particular in relation to the proposed transfer from the schools block to the high needs block as the cost of SEND remains one of the most significant financial pressures for the Council.

Legal Implications – Monitoring Officer

- 34. There is uncertainty due to the unknown outcome of an appeal to the Secretary of State. If the appeal is unsuccessful, any steps to achieve remedial savings to avoid future high needs block overspend are likely to require public consultation. These steps would also require cabinet approval unless authority to approve these has been delegated to the Director of Education, Lifelong Learning & Culture and the Cabinet Member.
- 35. There is a clear expectation in public law that the Cabinet should give due regard to the responses to the consultation before considering the recommendations put before Cabinet. The responses to the consultation will need to be conscientiously taken into account when Cabinet makes any future decision.
- 36. The best value duty is contained in s3 of the Local Government Act 1999 as a result of which the Council is under a duty to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The relevant guidance states that Councils should consider overall value, including economic, environmental and social value when reviewing service provision.
- 37. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.

Equalities and Diversity

- 38. Equality Impact Assessments (EIA) have been completed and set out in Annex 7.

Other Implications:

- 39. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	Additional funding is provided to all schools with looked after children.

	Funding levels are to be maintained in 2021/22.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Environmental sustainability	No significant implications arising from this report
Public Health	No significant implications arising from this report.

WHAT HAPPENS NEXT:

The next steps are as follows:

Schools' Funding Formula

40. Should the Cabinet approve the action, the local authority will apply to the Secretary of State to overrule the Forum's refusal to transfer 0.5% of the Schools budget (£3.4m) to support High Needs SEND. A provisional application has been submitted, in order to meet the DfE deadline of 20 November. A response is expected prior to the DfE's deadline for submission of schools' budgets of 21st January 2020.
41. The DfE will provide local authorities with updated pupil data at school level during December 2020 and confirm the council's DSG funding. The council may then make fine-tuning adjustments to its schools' funding formula to ensure it is deliverable within the updated funding, by 21st January 2021.
42. Surrey maintained schools will receive their individual schools budgets from the council by the end of February 2021. Academies will be notified of their funding separately by the Education and Skills Funding Agency (ESFA). This will be based on the council's funding formula.

Early Years funding formula

43. If approved by the Cabinet, the hourly rates will be subject to fine-tuning if necessary following receipt of census data and published by 31 March 2021.

Contact Officer:

Liz Mills, - Director, Education, Lifelong Learning & Culture Tel: 020 8541 9907

Consulted:

Leigh Whitehouse, Executive Director of Resources

The Surrey Schools Forum

All Surrey schools – via the Schools Funding Reform Consultation, issued September 2020

All Surrey early years providers (for the early years funding changes)

Annexes:

- Annex 1 Movement between DSG blocks
- Annex 2 Allocation of Schools Funding Across Formula Factors
- Annex 3 Surrey Schools' Funding Consultation September 2020
- Annex 4 Recommendations to Surrey County Council Cabinet
- Annex 5 Schools Forum Decisions
- Annex 6 Proposed Surrey Schools Funding Formula Factors 2021/22
- Annex 7 Equalities Impact Assessment

Sources/background papers:

- The National Funding Formula for Schools and High Needs. Policy document. Department for Education, Sept 2017
- The National Funding Formula for Schools and High Needs 2021/22. Department for Education, July 2020
- 2021/22 Schools revenue funding. Operational Guide. DfE July 2020.
- The School & Early Years Finance (England) Regulations 2020
- The Education Act 2002
- The Education Act 2011
- The Schools Standards & Framework Act 1998
- Schools' Funding Consultation: Proposals for Changes in 2021/22 Surrey County Council, September 2020
- Early Years Entitlements: Local Authority Funding of Providers, Operational Guide 2018-19, Department for Education November 2017
- The Dedicated Schools Grant conditions of grant, DfE January 2020

MOVEMENTS BETWEEN DSG BLOCKS

The table below shows funding transfers from Schools and Early Years blocks to support growing pressures in the High Needs SEND block in the last seven years.

Budgeted transfers

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£m	£m	£m	£m	£m	£m	£m
From Schools block		10.0	11.3		0	3.1	0	24.4
Less technical adjustment ¹	-0.9	-0.9	-0.9				0	-2.7
Total Schools block	-0.9	9.1	10.4	0	0	3.1	0	21.7
From Early Years	5.5							5.5
Net budgeted transfers	4.6	9.1	10.4	0	0	3.1	0	27.2

Transfers of year-end net surplus

From Schools block			0.3	4.6	0	0	0	4.9
From Early Years Less EY overspend funded by council	1.1	1.7	-1.4	1.3	0	0	0	2.7
Net transfers of year end surplus	1.1	1.7	-1.1	5.9	0	0	0	7.6

Total transfers (net)	5.7	10.8	9.3	5.9	0	3.1	0	34.8
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This represents a total transfer to High Needs SEND from Schools and Early Years blocks of £34.8m during the last seven years, split as follows:

	£
Schools	26.6m
Early Years	<u>8.2m</u>
Total	34.8m

¹ The technical adjustment recognises the increase in ISPSB threshold from £4,400 to £6,000. Both budget and costs became part of the Schools Block rather than High Needs but the DfE blocks were not adjusted. This amendment is necessary to reconcile to DfE figures.

ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS

The table below lists the funding allocated to the schools funding formula factors in 2020/21 and the recommended allocations for 2021/22 based on Oct 2019 pupil numbers and characteristics

The final column shows the impact of a transfer of £3.4m to the High Needs SEND, should that be approved by the Secretary of State.

	Allocated to Surrey schools	Recommended Allocation to Surrey schools	
	2020/21	2021/22	
	£m	If no transfer is made to High Needs SEND	If £3.4m is transferred to High Needs SEND
		£m	£m
Basic Entitlement	524.5	570.2	564.3
Deprivation funding	28	28.2	27.9
Lump sum (flat rate)	44.5	45.8	45.4
Low prior attainment (SEND indicator)	42.8	43.9	43.4
Looked after children	0.1	0.1	0.1
English as an Additional Language	5.6	5.7	5.6
Split site funding	0.6	0.6	0.6
Rates, rent and other premises factors	6.3	6.4	6.4
Pupil mobility	0.3	0.3	0.3
Sparsity (new factor)	0.1	0.1	0.1
Additional funding to reach minimum per pupil level (MPPL) (new factor)	3.1	8.7	11.8
Minimum Funding Guarantee	4.5	4.4	5.1
Ceiling deduction	0	0	0.0
Total	660.4	714.4*	711.0
Teachers' pay and pension grants (est)	32.3	0	0
Growing schools		4.2	4.2
Less combined services		--0.7	-0.7
NFF schools block		717.9	714.6

Note: teachers' pay and pension grants were paid separately in 2020/21 but will be included in the formula factors in 2021/22.

SURREY SCHOOLS' FUNDING CONSULTATION

September 2020

139 Surrey schools responded to the consultation by the deadline, comprising 35.4% of all schools. Not all schools responded to every question.

The views of schools and the recommendations of Schools Forum are set out below.

Where the Schools Forum has decision making powers, this is indicated by 'D'.

Schools expressing no views are excluded.

Those question numbers asking for comments only are excluded from this summary table. A summary of comments will be made available to Cabinet members.

		Schools' views Yes	No	Schools Forum recommendation / decision (D)	Officer Recommendation to Cabinet
7	If there is a transfer to high needs block: Do you support an MFG of 1.43% (the highest then possible?) Or 1.1%?	67		yes	yes
a		57		no	no
b	Do you agree that a ceiling on per pupil gains should be used only if necessary to maintain the proposed MFG and funding rates?	108	12	yes	yes
8	If there is not a transfer of funds from schools to high needs block do you agree that the MFG should be set at 2% (the highest permissible)? Or do you think 1.5% is more appropriate?	104		yes	yes
4		20		No	No
b	Do you agree that a ceiling on per pupil gains should be used only if necessary to maintain the proposed MFG and funding rates?	106	13	yes	yes
9	Do you support an increase in lump sum?				
a	If there is a transfer of funds to the high needs block?	94	26	yes	yes
b	If there is no transfer to the high needs block?	89	30	yes	yes
10	Do you agree that notional SEN funding rates should be increased in line with formula funding rates?	88	45	yes	yes
11	Do you agree that we should continue to provide formula funding for looked after children?	131	1	Yes	Yes
12	Do you agree that the former combined services funding in schools' budgets should be reduced in line with the reduction in DfE funding (approx 20%)	110	5	Yes	Yes

13	Do you agree that rent funding should be taken outside the MFG calculation?	95	0	Yes	Yes
14	Do you agree that split site funding should be taken outside the MFG calculation?	87	2	Yes	yes
15	Do you agree that part of the surplus on schools contingency should be refunded to maintained primary schools?	95	6	Yes	yes
16	De-Delegation of funds from maintained schools' budgets Do you support...?: <u>Primary schools only:</u> a) Behaviour support b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking f) Primary school specific contingency g) Additional school improvement h) Traveller support <u>Secondary schools only:</u> b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking	48 58 48 54 59 55 55 42 6 5 4 6	12 5 8 3 3 7 8 12 0 1 2 0	yes(D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes(D) Yes (D) Yes (D) Yes (D)	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes
20	Do you support the transfer of 0.5% of schools block funding to the high needs block?	40	95	No(D)	Appeal

The Forum's recommendations and decisions are consistent with the majority response from schools for all proposals.

RECOMMENDATIONS TO CABINET

1. That the Cabinet approve the following formula recommendations from the Schools Forum:

Schools Formula Funding

- a) The minimum funding guarantee (MFG) for schools should be set at 2% (the maximum possible) if there is no transfer of funds to high needs block or at 1.43% (the maximum then affordable) if there is such a transfer.
- b) Formula funding factor rates should increase by 2.3% (or 1.4% if there is a transfer of funding to high needs block).
- c) That lump sum funding should be increased by 3% (if no transfer to high needs block) or 2.1% (if there is a transfer).
- d) That a ceiling (maximum limit) on per pupil funding gains is used only if necessary to deliver the above increases.
- e) £0.2m from the surplus on the de-delegated primary schools' contingency should be distributed to primary schools reflecting the origin of the funds.
- f) That technical changes be implemented to remove from schools' budgets the £0.2m of former "combined services" funding being withdrawn by the DfE.
- g) We continue to provide formula funding for looked after children, even though this is no longer part of the NFF.
- h) That funding for rents and for split site costs should be taken outside the minimum funding guarantee calculation (which means that funding can follow changes in schools' circumstances without being restricted by the minimum funding guarantee).
- i) That notional SEN funding rates (which are a guide to the amount of budget schools should spend on SEN) should increase in line with the increase in funding formula factors.

Early Years Funding

- j) Hourly funding for individual Early Years providers for two, three and four year olds, including for deprivation, should increase by the same percentage as the early years DSG funding rates.
- j) that there should be a further increase of up to 8p/hr in hourly rates for three and four year olds, subject to affordability.
- k) The SEN Inclusion Fund to provide additional funding to providers for 3-4 year olds with SEND should be maintained at £3.4m.
- l) that funding for free meals provision in maintained and academy nurseries should be increased from £2.35/day to £2.44/day to be in line with estimated cost of funding for free meals.

SCHOOLS FORUM DECISIONS

At its meeting on 1 October 2020, the Schools Forum made the following decisions:

Schools Funding

- 1 That approval is not granted to the council to transfer 0.5% of the Schools' Budget (£3.4m) to support growing pressures in the High Needs SEND block.

The Cabinet is recommended to seek the approval of the Secretary of State to overturn this decision.

2. That specific services are approved for automatic de-delegation from maintained primary and secondary schools' budgets.

Early Years

4. That the local authority may retain 5% (currently estimated at £3.6m) of the Early Years Dedicated Schools Grant for 3-4 year olds to manage the sector, support providers and secure the supply of places; and to continue the SEND inclusion fund for 2 year olds.

EARLY YEARS FORMULA CONSULTATION

September 2020

There were 79 responses: 53 from private providers and 26 from maintained schools and academies with nursery classes (including three maintained nursery schools)

Question	Yes	No	Yes	No
Increase in hourly provider funding rates proportionate to increase in DFE funding rates to Surrey?	75	2	94.9%	2.5%
Further increase of (up to) 8p/hr (for 3-4 year olds), if affordable?	76	2	96.2%	2.5%
Maintain inclusion fund (distributed as early intervention funding) at same level as in 2020/21?	57	16	72%	20%
Continue to provide inclusion fund, distributed as early intervention funding, for two year olds?	66	3	83.50%	3.80%
Maintain 5% of funding for 3-4 year olds to fund centrally provided services to support early years providers	50	17	63.30%	21.50%
Increase funding rate for free meals in maintained/academy nurseries from £2.35/meal to £2.44	60	1	75.90%	1.30%

Note: percentages shown are percentages of those providers offering an answer to the question. They do not add up to 100% because some providers selected “no views”.

PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2021/22

The table lists the proposed values of the Surrey formula factors for 2021/22, with and without a transfer of funds to the high needs block: These will require review in December when October pupil numbers and characteristics are known.

	2020/21 Values		2021/22 Provisional Values (assuming block tfr)		2021/22 Provisional Values (no block tfr)	
	Primary £	Second' y £	Primary £	Second' y £	Primar y £	Second' y £
Basic entitlement per pupil						
• Key stages 1 & 2	3,040.30	-	3,271.01	-	3,304.1	-
• Key stage 3	-	4,272.57	-	4,609.96	0	4,660.51
• Key stage 4	-	4,851.32	-	5,196.36	-	5,253.47
Deprivation:				482.16		
Per pupil on free schl meals	479.13	479.13	482.16		487.55	487.55
Per "Ever 6" FSM pupil	621.41	867.76	622.67	880.46	629.42	890.32
Per pupil in IDACI band F ¹	225.30	319.42	226.78	324.93	229.30	328.57
Per pupil in IDACI band E	268.22	431.22	274.24	434.99	277.29	439.86
Per pupil in IDACI band D	402.33	569.64	432.46	607.94	437.27	614.74
Per pupil in IDACI band C	434.51	617.55	469.38	660.35	474.60	667.74
Per pupil in IDACI band B	466.70	665.46	501.02	712.75	506.60	720.73
Per pupil in IDACI band A	643.72	894.38	653.97	906.66	661.24	916.81
Lump sum per school	123,638	129,837	126,290	132,622	127,347	133,732
Low prior attainment:						
Per low attainer based on Foundation Stage Profile	1,133.95		1,147.74		1160.59	
Per secondary pupil scoring below level 4 in either maths or English or both at key stage 2		1,714.23		1,739.96		1,759.43
Per Looked After Child	396	396	396	396	396	396
English as an Additional Language:						
Per pupil with EAL in school system less than 3 years	569.64	1533.23	576.49	1556.53	582.94	1573.95
Pupil mobility:						
Per mobile child above 6% of roll	932.00	1331.00	943.35	1352.13	953.91	1367,27
Sparsity lump sum	27,683	71,976	47,168	73,372	47,695	74,193
Minimum per pupil funding level	3,750	5,000	4,180	5,415	4,180	5,415

Notes

1 *IDACI Income deprivation affecting children index (Bands defined by DfE)*

In addition, schools will also receive funding for rates at actual costs. A small minority of schools will also receive funding for split sites or exceptional rents. These are calculated individually for each school, based on actual costs.

The provisional amounts above are likely to require amendment once the outcome of the October 2020 pupil census is known in December, to ensure they are still affordable within the available funding.

EIA Title: Schools Funding Formula 2021/22: Impact of proposed level of minimum funding guarantee and lump sum

Question	Answer
Did you use the EIA Screening Tool? (Delete as applicable)	No

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1. Explaining the matter being assessed

Question	Answer
What policy, function or service change are you assessing?	Schools funding formula 2021/22 The specific proposals considered here are (a) to set the level of the minimum funding guarantee, for schools where the average increase in funding per pupil from 2020/21 to 2021/22 is small, at the highest affordable level, (b) to make a small increase in the level of the lump sum
Why does this EIA need to be completed?	The level of the minimum funding guarantee (the minimum average increase in funding per pupil) and of the lump sum are two of the most important variables in the schools funding formula, which determines the level of funding allocated to individual primary and secondary schools. Neither is directly linked to the incidence of protected characteristics but it is possible that choices on the level of either could have a disproportionate impact on schools with a high incidence of pupils in protected groups. Legally management of budget shares is delegated to individual schools. Thus it is for individual schools to decide how to deploy their resources and in so doing to have regards to the needs of protected groups. But in allocating funds to schools we recognise that their spending decisions are affected by the total funding available.
Who is affected by the proposals outlined above?	Schools and pupils and staff in schools. The proposals will affect the level of funding of individual schools

Equality Impact Assessment

Question	Answer
<p>How does your service proposal support the outcomes in the Community Vision for Surrey 2030?</p>	<p>Everyone benefits from education, skills and employment opportunities which help them succeed in life</p>
<p>Are there any specific geographies in Surrey where this will make an impact? (Delete the ones that don't apply)</p>	<ul style="list-style-type: none"> • County-wide
<p>Briefly list what evidence you have gathered on the impact of your proposals</p>	<p>We have estimated funding allocations at individual school level using a range of scenarios and have compared them with data on incidence of ethnic minorities (as a proxy for race), children with special educational needs and disabilities (as a proxy for disability) and pupils eligible for free school meals (as a proxy for deprivation). The data which we have used is largely taken from the school census or from DfE data sets eg workforce census. We do not have data on the incidence in schools of most of the other protected characteristics.</p> <p>We have consulted all individual mainstream schools via a consultation paper available on Surrey Says and we provided illustrations of impact to individual schools.</p>

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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

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Both of these proposals affect children between the ages of 4-16 only. The funding can only be spent on this age group.
Impacts (Delete as applicable)	Neither

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
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	There are other issues within the schools funding formula (eg transfer of funds to support SEN) but as above they will only affect children aged 4-16

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	N/a

Equality Impact Assessment

Disability

Question	Answer				
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>We do not hold data on disability as such for school children. We have considered data on special educational needs as the nearest proxy we hold Data on the impact of the two proposals on schools with different levels of SEND is summarised below.</p>				
	<p>Proportion of schools receiving additional funding under the minimum funding guarantee in 2020/21</p>				
		Primary	Secondary		
	all schools	15.10%	10.71%		
	Above average for EHCPs	22.15%	10.71%		
	Above upper quartile for EHCPs	28.00%	14.29%		
	Top10% for EHCPs	28.95%	28.57%		
	Above average for %SEN	26.85%	17.86%		
	Above upper quartile for %SEN	34.67%	21.43%		
	Top10% for %SEN	50.00%	28.57%		
	<p>This suggests that a higher proportion of schools with high levels of SEND benefit from the minimum funding guarantee and therefore will benefit from the proposal to set the minimum funding guarantee at the highest affordable level.</p>				
	(No transfer to high needs)		(With transfer to high needs)		
% gaining from lump sum increase	Primary	Secondary	Primary	Secondary	
all schools	34.34%	21.43%	27.27%	12.50%	
Above average for EHCPs	25.68%	35.71%	20.27%	17.86%	
Above upper quartile for EHCPs	25.68%	57.14%	18.92%	28.57%	
Above average for %SEN	29.05%	39.29%	23.65%	25.00%	
Above upper quartile for %SEN	22.97%	64.29%	17.57%	35.71%	

Question	Answer
	<p>This data shows that in general schools with a high incidence of SEN benefit less than others from an increase in the lump sum. However, this has to be considered against the need to maintain the viability of small schools. An increase in the lump sum is the only way in which the council can assist small schools within the constraints of the schools funding legislation. The increase proposed is similar to the increase proposed for other formula factors, it is just that it maintains the Surrey lump sum at a higher level than would be provided under the national funding formula. Maintaining the viability of small schools will maintain opportunities for children with SEND and disabilities to be educated locally. There is also a legal presumption against the closure of rural schools.</p>
<p>Impacts (Delete as applicable)</p>	<p>Proposed changes to minimum funding guarantee are in general beneficial to schools with high incidence of SEND. Proposed changes to the lump sum are not.</p>

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
As above	As above	Negative impacts will be accepted given the need to maintain the viability of small schools and the limited tools available for this purpose within the funding legislation.	n/a	N/a

Question	Answer
<p>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</p>	<p>The proposals to transfer funding from schools to high needs SEND block will also tend to have an adverse impact on schools with a high incidence of SEND.</p>

Equality Impact Assessment

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	As above there may be negative impacts at school level It will be for individual schools to avoid negative impacts on individuals.

Gender reassignment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not available for school pupils
Impacts (Delete as applicable)	Unknown

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
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	N/a.

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	N/a

Pregnancy /maternity

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	N/a (school pupils)
Impacts (Delete as applicable)	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Equality Impact Assessment

Question	Answer
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	N/a.

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	N/a

Race including ethnic or national origins, colour or nationality

Question	Answer																											
What information (data) do you have on affected service users/residents with this characteristic?	<p>The table below shows the proportion of schools receiving additional funding under the Minimum Funding Guarantee</p> <table border="1"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>All schools</td> <td>15.10%</td> <td>10.71%</td> </tr> <tr> <td>Schools with:</td> <td></td> <td></td> </tr> <tr> <td> above average non British</td> <td>20.81%</td> <td>10.71%</td> </tr> <tr> <td> above upper quartile non British</td> <td>21.33%</td> <td>21.43%</td> </tr> <tr> <td> top 10% non British</td> <td>23.68%</td> <td>28.57%</td> </tr> <tr> <td> Above average non white</td> <td>20.81%</td> <td>10.71%</td> </tr> <tr> <td> Above upper quartile non white</td> <td>22.67%</td> <td>21.43%</td> </tr> <tr> <td> Top10% for non white</td> <td>26.32%</td> <td>28.57%</td> </tr> </tbody> </table> <p>The table shows that the proportion of schools with above average incidence of non British and non white ethnicity benefiting from the minimum funding guarantee is higher than the proportion of all schools thus benefiting.</p> <p>The table below shows the proportion of schools gaining funding from an increase in lump sum, with and without a transfer of funding to the high needs (SEND) block.</p>		Primary	Secondary	All schools	15.10%	10.71%	Schools with:			above average non British	20.81%	10.71%	above upper quartile non British	21.33%	21.43%	top 10% non British	23.68%	28.57%	Above average non white	20.81%	10.71%	Above upper quartile non white	22.67%	21.43%	Top10% for non white	26.32%	28.57%
		Primary	Secondary																									
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Above upper quartile non white	22.67%	21.43%																										
Top10% for non white	26.32%	28.57%																										

Question	Answer				
	% gaining from lump sum	(No transfer to high needs)		(With transfer to high needs)	
		Primary	Secondary	Primary	Secondary
Impacts (Delete as applicable)	Proposed changes to minimum funding guarantee are in general beneficial to schools with higher incidence of ethnic minorities (on the basis of available data) whereas proposed increases to the level of lump sum are not.				

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
As above	As above	It is proposed that the possible negative impacts are accepted in view of the need to maintain the viability of small schools		

Equality Impact Assessment

Question	Answer
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	N/a

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	As above

Religion including belief or lack of belief

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Data not held for school pupils
Impacts (Delete as applicable)	Not known

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
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	n/a.

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	n/a.

Sex

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	While we have data on the sex of school pupils it is not a factor we are allowed to use for funding purposes. As such it has not been considered further.
Impacts (Delete as applicable)	N/a

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Equality Impact Assessment

Question	Answer
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	N/a.

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	N/a

Sexual orientation

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Unlikely to be of significant relevance to school pupils
Impacts (Delete as applicable)	N/a

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
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	n/a.

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	n/a

Marriage/civil partnership

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Not relevant as proposals only concern school pupils
Impacts (Delete as applicable)	N/a

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
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Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
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		n/a		

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	n/a

Carers (protected by association)

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	While some school pupils will be carers we do not have any data on how many there are
Impacts (Delete as applicable)	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	N/a

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	N/a

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Economic deprivation

Question	Answer															
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>The table below shows that in general schools with high incidence of deprivation are more likely to be on minimum funding guarantee and thus to benefit from a higher level of minimum funding guarantee.</p> <table border="1"> <thead> <tr> <th><u>MFG</u></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>15.10%</td> <td>10.71%</td> </tr> <tr> <td>Above average FSM deprivn</td> <td>28.86%</td> <td>17.86%</td> </tr> <tr> <td>Above upper quartile FSM deprivn</td> <td>50.67%</td> <td>28.57%</td> </tr> <tr> <td>top 10% deprivation</td> <td>68.42%</td> <td>42.86%</td> </tr> </tbody> </table> <p>The table below shows the proportion of schools with high incidence of economic deprivation which would benefit from an increase in the lump sum, both with and without a transfer of funds to the high needs block. In this case the proportion of high deprivation primary schools gaining Is lower than the proportion of all</p>	<u>MFG</u>	Primary	Secondary	all schools	15.10%	10.71%	Above average FSM deprivn	28.86%	17.86%	Above upper quartile FSM deprivn	50.67%	28.57%	top 10% deprivation	68.42%	42.86%
<u>MFG</u>	Primary	Secondary														
all schools	15.10%	10.71%														
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Above upper quartile FSM deprivn	50.67%	28.57%														
top 10% deprivation	68.42%	42.86%														

Equality Impact Assessment

Question	Answer																														
	<p>primary schools gaining, but the reverse applies to secondary schools. This reflects the fact that a number of smaller secondary schools have relatively high incidence of deprivation.</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">(No transfer to high needs)</th> <th colspan="2">(With transfer to high needs)</th> </tr> <tr> <th></th> <th>Primary</th> <th>Secondary</th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td><u>% of schools gaining from lump sum protection)</u></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>all schools</td> <td>34.34%</td> <td>21.43%</td> <td>27.27%</td> <td>12.50%</td> </tr> <tr> <td>Above average for deprivation</td> <td>27.03%</td> <td>35.71%</td> <td>22.30%</td> <td>17.86%</td> </tr> <tr> <td>Above upper quartile for deprivation</td> <td>16.22%</td> <td>42.86%</td> <td>14.86%</td> <td>21.43%</td> </tr> </tbody> </table>		(No transfer to high needs)		(With transfer to high needs)			Primary	Secondary	Primary	Secondary	<u>% of schools gaining from lump sum protection)</u>					all schools	34.34%	21.43%	27.27%	12.50%	Above average for deprivation	27.03%	35.71%	22.30%	17.86%	Above upper quartile for deprivation	16.22%	42.86%	14.86%	21.43%
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Above average for deprivation	27.03%	35.71%	22.30%	17.86%																											
Above upper quartile for deprivation	16.22%	42.86%	14.86%	21.43%																											
Impacts (Delete as applicable)	Again the proposal to set the minimum funding guarantee as high as possible is generally beneficial to schools with above average incidence of deprivation. The proposal to increase the lump sum is relatively beneficial to deprived secondary schools, but not to deprived primary schools																														

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Inconclusive	As above	Negative impacts will need to be accepted in order to assist small schools	N/a	N/a

Question	Answer
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	The proposed transfer of funding from schools to high needs block will in general have a negative impact on schools with a high incidence of economic deprivation.

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	As above

Equality Impact Assessment

3. Staff

Age

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies (which may disproportionately affect staff in some age groups eg recent starters) and the distribution of funding may affect which, and how many, schools will be affected. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify: insufficient data	N/a	n/a	n/a	n/a

Disability

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held centrally for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify -insufficient data held	N/a	N/a	n/a	n/a

Gender reassignment

Equality Impact Assessment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is no reason to think that staff with this protected characteristic will be disproportionately affected by the proposals, although it would be for individual schools to ensure that specific individuals were not disadvantaged..

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify-insufficient data	N/a	n/a	n/a	

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Pregnancy/maternity

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Insufficient data to identify impact	N/a	n/a	n/a	n/a

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Race, including ethnicity or national origin, colour or nationality

Equality Impact Assessment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Limited data is available for school staff from the workforce census

Question	Answer																																	
<p>Impacts (Delete as applicable)</p>	<p>There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.</p> <p>The table below shows that schools benefiting from the minimum funding guarantee in 2020/21 generally had a higher incidence of ethnic minority staff than those which did not benefit</p> <table border="1" data-bbox="560 430 1456 877"> <thead> <tr> <th colspan="3">Proportion of schools on minimum funding guarantee in 2020/21</th> </tr> <tr> <th></th> <th>primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>All schools</td> <td>15.10%</td> <td>10.71%</td> </tr> <tr> <td>Schools with</td> <td></td> <td></td> </tr> <tr> <td>Above average incidence of ethnic minority teachers</td> <td>16.78%</td> <td>17.86%</td> </tr> <tr> <td>Above upper quartile incidence of ethnic minority teachers</td> <td>22.67%</td> <td>14.29%</td> </tr> <tr> <td>Above average incidence of ethnic minority support staff</td> <td>15.44%</td> <td>14.29%</td> </tr> <tr> <td>Above upper quartile incidence of ethnic minority support staff</td> <td>20.00%</td> <td>14.29%</td> </tr> </tbody> </table>	Proportion of schools on minimum funding guarantee in 2020/21				primary	Secondary	All schools	15.10%	10.71%	Schools with			Above average incidence of ethnic minority teachers	16.78%	17.86%	Above upper quartile incidence of ethnic minority teachers	22.67%	14.29%	Above average incidence of ethnic minority support staff	15.44%	14.29%	Above upper quartile incidence of ethnic minority support staff	20.00%	14.29%									
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<p>The table below shows that the impact on schools with higher incidence of ethnic minority staff of increasing the lump sum is inconclusive.</p> <table border="1" data-bbox="560 973 1702 1340"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Without transfer to high needs block</th> <th colspan="2">With transfer to high needs block</th> </tr> <tr> <th>primary</th> <th>secondary</th> <th>primary</th> <th>secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>34.23%</td> <td>21.43%</td> <td>27.18%</td> <td>12.50%</td> </tr> <tr> <td>Above average for ethnic minority teachers</td> <td>37.58%</td> <td>14.29%</td> <td>32.89%</td> <td>7.14%</td> </tr> <tr> <td>Above upper quartile for ethnic min teachers</td> <td>37.33%</td> <td>28.57%</td> <td>29.33%</td> <td>14.29%</td> </tr> <tr> <td>Above average for ethnic minority support staff</td> <td>26.17%</td> <td>17.86%</td> <td>22.82%</td> <td>7.14%</td> </tr> <tr> <td>Above upper quartile for ethnic min support staff</td> <td>26.67%</td> <td>21.43%</td> <td>24.00%</td> <td>14.29%</td> </tr> </tbody> </table>		Without transfer to high needs block		With transfer to high needs block		primary	secondary	primary	secondary	all schools	34.23%	21.43%	27.18%	12.50%	Above average for ethnic minority teachers	37.58%	14.29%	32.89%	7.14%	Above upper quartile for ethnic min teachers	37.33%	28.57%	29.33%	14.29%	Above average for ethnic minority support staff	26.17%	17.86%	22.82%	7.14%	Above upper quartile for ethnic min support staff	26.67%	21.43%	24.00%	14.29%
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Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
What impacts have you identified?	The proposal is generally beneficial to those schools with high incidence of this particular protected group	n/a	n/a	n/a

Question	Answer
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	n/a

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	n/a

Religion or belief, including lack of belief

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	n/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify as no data held	n/a	n/a	n/a	n/a

Sex

Equality Impact Assessment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Insufficient data	n/a	n/a	n/a	n/a

Sexual Orientation

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify impact as no data is available	n/a	n/a	n/a	n/a

Marriage and civil partnerships

Equality Impact Assessment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify as insufficient data held	n/a	n/a	n/a	n/a

Carers (protected by association)

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify specific impacts as no data is held	m/a	n/a	n/a	n/a

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Socio-economic disadvantage

Equality Impact Assessment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
Impacts (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Insufficient data held	N/a	n/a	n/a	n/a

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
None yet	

5. Recommendation

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

Outcome Number	Description	Tick
Outcome One	No major change to the policy/service/function required.	
Outcome Two	Adjust the policy/service/function to remove barriers identified by the EIA or better advance equality. Are you satisfied that the proposed adjustments will remove the barriers you identified?	
Outcome Three	Continue the policy/service/function despite potential for negative impact or missed opportunities to advance equality identified. You will need to make sure the EIA clearly sets out the justifications for continuing with it. You need to consider whether there are: <ul style="list-style-type: none"> • Sufficient plans to stop or minimise the negative impact • Mitigating actions for any remaining negative impacts plans to monitor the actual impact. 	x
Outcome Four	Stop and rethink the policy when the EIA shows actual or potential unlawful discrimination (For guidance on what is unlawful discrimination, refer to the Equality and Human Rights Commission's guidance and Codes of Practice on the Equality Act concerning employment, goods and services and equal pay).	

Equality Impact Assessment

Question	Answer
Confirmation and explanation of recommended outcome	This EIA considers two linked decisions. Neither has a direct impact on services to individual pupils but both will have an indirect impact based on the overall budget allocated to the school. The proposed changes to the level of the minimum funding guarantee are in general beneficial to those schools with a high incidence of those protected groups for which data is available. The proposed increase in lump sum is generally not beneficial to such schools, but is still recommended as it is the only mechanism available within the available funding formula factors, to support small schools.

Equality Impact Assessment

6a. Version control

Version Number	Purpose/Change	Author	Date
0.1	Original	David Green	29 Oct 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

Approved by*	Date approved
Head of Service	
Executive Director	
Cabinet Member	
Directorate Equality Group	

EIA Author	
------------	--

*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
David Green	Senior Finance Business Partner	Surrey County Council (Resources)	Author

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

Tel: 03456 009 009

Textphone (via Text Relay): 18001 03456 009 009

SMS: 07860 053 465

Email: contactcentre@surreycc.gov.uk

EIA Title Schools funding 2021/22 Impact of transferring £3.4m from schools block to high needs block to fund services for children with special educational needs

Question	Answer
Did you use the EIA Screening Tool? (Delete as applicable)	No

1. Explaining the matter being assessed

Question	Answer
What policy, function or service change are you assessing?	<p>A transfer of £3.4m from schools to high needs SEND is proposed in order to reduce the projected cumulative overspend on special educational needs and disabilities (SEND) This means that the increase in funding distributed to schools in 2021/22 would be £3.4m smaller than it would otherwise be (perhaps £18.4m, compared to an increase of £21.8m if no transfer was made to high needs/SEND We are looking at the impact of the £3.4m transfer and at whether the impact of not receiving the £3.4m at school level disadvantages protected groups relative to the school population as a whole.</p> <p>The decision is for one year only and will be reviewed as a matter of course prior to 2022/23 although it is possible that a similar proposal will be made in respect of 2022/23.</p> <p>The council anticipates an £80m cumulative overspend on high needs at the end of 2020/21 and is required to plan to eliminate this overspend over the next few years. Not making the transfer would extend the length of time taken to repay the deficit. The transfer would help to ensure the 2021/22 deficit is contained to £24m and no further call on the general fund is required.</p>
Why does this EIA need to be completed?	<p>The distribution of funding between schools must be based on a formula and related criteria. The amount distributed and the way in which it is distributed could have a differential impact on protected groups The service is statutory and there are statutory constraints on the way in which schools funding is distributed, which preclude direct recognition of most protected groups in funding.</p> <p>Possible impact on disability/race/deprivation for pupils, age/sex/race for staff.</p>

Equality Impact Assessment

Question	Answer
<p>Who is affected by the proposals outlined above?</p>	<p>For the purposes of this EIA there are two categories of staff and pupils, those funded by the high needs block and those funded by the schools block. Only the impact of those funded by the schools block has been considered here. The equalities impact of proposals for changes in high needs block spending will be considered separately.</p>
<p>How does your service proposal support the outcomes in the Community Vision for Surrey 2030?</p>	<p>Everyone benefits from education, skills and employment opportunities that help them succeed in life.</p>
<p>Are there any specific geographies in Surrey where this will make an impact? (Delete the ones that don't apply)</p>	<ul style="list-style-type: none"> • County-wide

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Equality Impact Assessment

Question	Answer
Briefly list what evidence you have gathered on the impact of your proposals	<p>We have looked at funding guidance and regulations from the department for education (DFE) and at the data which we have on schools. We consulted all Surrey state maintained schools and also consulted the Schools Forum, which is a statutory consultative body largely made up of representatives of schools. Neither the majority of the schools community nor the Schools Forum supported these proposals in consultation, although none raised specific equalities issues in their responses (except for arguing that if individual schools received less core funding they would have to reduce support to children with SEND).</p> <p>The equalities impact of the proposal needs to be seen in the context of Department for Education expectations that funding of schools converges on the DfE's national funding formula, and their requirement that overspends against the Dedicated Schools Grant are recovered from the Dedicated Schools Grant over a period acceptable to the DfE. The council can no longer supplement the high needs block from outside the DSG without specific DfE approval.</p> <p>All mainstream schools will still receive a minimum increase of at least 1.4% per pupil (subject to certain technical exceptions) So the issue is how additional funding is allocated, rather than whether existing funding is reduced.</p> <p>Ultimately individual schools decide how they spend their budgets and will be responsible for ensuring that any negative impact on those with protected characteristics is minimised.</p>

2. Service Users / Residents

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

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

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.

Equality Impact Assessment

Age

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This proposal only concerns funding of education for children aged 4-16 (schools) and 0-25 (high needs)
Impacts (Delete as applicable)	N/a in total outside above age range

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Disability

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	We don't have direct data on incidence of disability in schools. The nearest we have is evidence on incidence of SEN and on children with Education Health Care Plans while ultimately it is for individual schools to decide how to spend their funding, we would have cause for concern if a proposed funding change had a disproportionate impact on schools with high levels of SEND. Our modelling shows that the proportion of primary schools with high incidence of SEN or of "high need" pupils, facing losses in excess of 0.9% of budget under the proposals is less than the corresponding proportion of primary schools as a whole (please see table at end of this section and annex 6 of schools funding consultation paper) although the reverse applies in secondary schools. The proportion of schools with the highest incidence of EHCPs seeing overall losses of less than 0.9% exceeds the proportion of schools as a whole. Note that a "loss" is relative It is actually a smaller increase than if the proposal was not implemented. Therefore we conclude that there is no clear impact on schools with a high incidence of disability.

Question	Answer
Impacts (Delete as applicable)	Inconclusive

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
The relative impact on schools with a high incidence of pupils in protected groups is mixed	Data from school census and funding modelling	Minimising negative impacts on protected groups will be a matter for individual schools	Ongoing	Issue for individual schools
Question		Answer		
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		The accompanying proposal for an increase in lump sum funding may have a negative effect on schools with high incidence of SEND		

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	N/a

Gender reassignment

Equality Impact Assessment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	No data is available on the incidence of this characteristic within Surrey schools.
Impacts (Delete as applicable)	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
No data available	n/a	n/a	n/a	n/a

Question	Answer
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	None known

Pregnancy/maternity

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This is not considered to be a major issue for schools funding
Impacts (Delete as applicable)	n/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Data not available	n/a	n/a	n/a	n/a

Question	Answer
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	None known as group not identified for funding purposes

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	n/a

Equality Impact Assessment

Race, including ethnic or national origins, colour or nationality

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	We don't have direct data on incidence of race in schools but we can extract data on ethnicity from the school census as a proxy. Again ultimately it is for individual schools to decide how to spend their funding, although we would have cause for concern if a proposed funding change had a disproportionate impact on schools with high levels of ethnic minorities for this purpose we have looked at incidence of non British and non white ethnicity Our modelling shows that the proportion of primary and secondary schools with high incidence of either, facing losses, or large losses, under the proposals is less than the corresponding proportion of primary and secondary schools as a whole Note that a "loss" is relative It is actually a smaller increase than if the proposal was not implemented.
Impacts (Delete as applicable)	Not disproportionately negative The majority of mainstream schools will receive less funding under these proposals. The issue under consideration is whether schools with a high incidence of protected groups are relative losers and the data suggests that schools with high proportions of ethnic minorities are not.

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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
No differential negative impact	School census data (see end of section 2)	n/a	n/a	n/a

Question	Answer
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	The separate proposal to increase the value of the schools lump sum (in order to support small schools) has a marginally negative impact on schools with high incidence of this protected group.

Question	Age
Any negative impacts that cannot be mitigated? Please identify impact and explain why	No

Religion and belief, including lack of belief

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	No data is available on this characteristic for school pupils
Impacts (Delete as applicable)	Unknown

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
No impact identified as no data available	n/a	n/a	n.a	n/a

Equality Impact Assessment

Sex

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Not analysed Schools funding does not and cannot discriminate by sex/gender.
Impacts (Delete as applicable)	Not known

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None, see above	n/a	n/a	n/a	n/a

Sexual orientation

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>No data is held on this characteristic for school pupils.</p>
<p>Impacts (Unknown as no data)</p>	<p>n/a</p>

Marriage/civil partnerships

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>Unlikely to be a significant issue as we are considering the impact on pupils of the distribution of funding to schools</p>
<p>Impacts (Delete as applicable)</p>	<p>n/a</p>

Equality Impact Assessment

Carers (protected by association)

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	We have no data on the number of school pupils who are carers
Impacts (Delete as applicable)	N/a

Socio economic deprivation

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	We have looked at the incidence of pupils on free school meals at school level as a proxy for economic deprivation. For primary schools, the proportion of schools with above average incidence of free school meals seeing large losses (up to 0.9% of budget) under these proposals is below the proportion of schools as a whole seeing large losses. The reverse is true for secondary schools. The proportion of schools with above average incidence of free school meals seeing losses at all exceeds the proportion of all schools facing losses.
Impacts (Delete as applicable)	We concluded that the relative impact on schools with high incidence of protected groups is inconclusive.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Inconclusive	Data on incidence of pupils entitled to free school meals	No further action proposed	N/a	N/a

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<p>The proposed increase in lump sum funding is disadvantageous to schools with a high incidence of deprivation</p>

Question	Age
<p>Any negative impacts that cannot be mitigated?</p> <p>Please identify impact and explain why</p>	<p>N/a</p>

Equality Impact Assessment

Key data table for section 2: impact on customers/residents

The table shows the impact of the proposal on typical schools if it is implemented using the council's preferred method which is to have the highest possible minimum funding guarantee consistent with the transfer. In general a higher minimum funding guarantee benefits schools with higher incidence of deprivation, SEND and ethnic minorities among pupils.

	Primary >0.1%	Primary >0.5%	Primary >0.9%	Secondary >0.1%	Secondary >0.5%	Secondary >0.9%
Reduction in Budget (as % of budget without transfer)						
% of schools seeing specified reduction or more						
Of all schools	63.3%	50.8%	32.3%	80.4%	75.0%	46.4%
Of schools with						
above average non British	60.8%	48.0%	27.0%	78.6%	71.4%	39.3%
above upper quartile non British	63.5%	47.3%	25.7%	71.4%	57.1%	14.3%
Above average non white	58.8%	47.3%	24.3%	82.1%	75.0%	39.3%
Above upper quartile non white	59.5%	47.3%	23.0%	71.4%	64.3%	21.4%
Above average for EHCPs	63.5%	50.7%	26.3%	89.3%	85.7%	64.3%
Above upper quartile for EHCPs	77.0%	62.2%	28.4%	85.7%	85.7%	57.1%
Above average for %SEN	75.7%	60.1%	31.8%	100.0%	96.4%	60.7%
Above upper quartile for %SEN	81.1%	66.2%	28.4%	100.0%	100.0%	64.3%
Above average for %FSM	76.3%	59.5%	31.1%	100.0%	100.0%	60.7%
Above upper quartile for %FSM	93.2%	70.3%	28.4%	100.0%	100.0%	57.1%

3. Staff

The data which we hold on characteristics of school staff is limited, not least because many schools are academies, whose staff are not local authority employees. We have looked at the DfE workforce census data but the only data which appears usable for this purpose is ethnicity; data on age and gender is provided but is substantially incomplete and data for most of the other categories is not held.

Staff ethnicity

Question	Answer																																																	
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>We have looked at published data from the Dfe’s workforce census, see below.</p> <table border="1" data-bbox="649 715 2186 1187"> <thead> <tr> <th></th> <th colspan="3">Primary Lose >0.1% of budget</th> <th colspan="3">Secondary Lose >0.1% of budget</th> </tr> <tr> <th></th> <th>Lose>0.5% of budget</th> <th>Lose>0.9% of budget</th> <th>Lose>0.5% of budget</th> <th>Lose>0.9% of budget</th> <th>Lose>0.5% of budget</th> <th>Lose>0.9% of budget</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>63.42%</td> <td>51.01%</td> <td>32.21%</td> <td>80.36%</td> <td>75.00%</td> <td>46.43%</td> </tr> <tr> <td>Above avg for ethnic minority teachers</td> <td>67.11%</td> <td>60.40%</td> <td>38.26%</td> <td>85.71%</td> <td>78.57%</td> <td>46.43%</td> </tr> <tr> <td>Above upper quartile for ethnic minority teachers</td> <td>74.67%</td> <td>66.67%</td> <td>37.33%</td> <td>92.86%</td> <td>92.86%</td> <td>57.14%</td> </tr> <tr> <td>Above avg for ethnic minority support staff</td> <td>55.03%</td> <td>45.64%</td> <td>27.52%</td> <td>82.14%</td> <td>75.00%</td> <td>35.71%</td> </tr> <tr> <td>Above upper quartile for ethnic minority support staff</td> <td>57.33%</td> <td>46.67%</td> <td>25.33%</td> <td>71.43%</td> <td>64.29%</td> <td>35.71%</td> </tr> </tbody> </table> <p>The data shows no clear evidence that schools employing a higher proportion of ethnic minority staff lose funding, or are large losers, under the proposals.</p>		Primary Lose >0.1% of budget			Secondary Lose >0.1% of budget				Lose>0.5% of budget	Lose>0.9% of budget	Lose>0.5% of budget	Lose>0.9% of budget	Lose>0.5% of budget	Lose>0.9% of budget	all schools	63.42%	51.01%	32.21%	80.36%	75.00%	46.43%	Above avg for ethnic minority teachers	67.11%	60.40%	38.26%	85.71%	78.57%	46.43%	Above upper quartile for ethnic minority teachers	74.67%	66.67%	37.33%	92.86%	92.86%	57.14%	Above avg for ethnic minority support staff	55.03%	45.64%	27.52%	82.14%	75.00%	35.71%	Above upper quartile for ethnic minority support staff	57.33%	46.67%	25.33%	71.43%	64.29%	35.71%
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<p>Impacts (Delete as applicable)</p>	<p>The distribution of funding between schools may affect the scope for promotion or the need for redundancy in individual schools. It is always the responsibility of school management to ensure that protected groups are treated fairly when considering either issue. The available data indicates that the method of distributing funding does not disadvantage schools with higher incidence of staff in this particular priority group..</p>																																																	

Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
No negative impact identified	N/a	n/a	n/a	n/a

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
We have not made any changes as a result of this EIA. The proposed transfer of funds to the high needs block is needed in view of the huge cumulative overspend on that budget and we believe that the proposed combination of formula factors offers the best balance between minimising the impact on protected groups, maintaining financial stability of a range of schools and converging on the national funding formula.	None made. Alternative methods of distribution of funding which still released £3.4m for transfer to high needs block were considered but they would have had a less favourable impact on protected groups.

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5. Recommendation

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

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

Question	Answer
Confirmation and explanation of recommended outcome	Given that the likely High Needs deficit would increase from £24m to £27m if this transfer is not made and that there is no clear impact on schools with a high incidence of disability nor disproportionately negative impact on schools with high proportions of ethnic minorities. It is recommended that a disapplication is made to transfer £3.4m from the Schools to High Needs Block in 2021/22.

6a. Version control

Version Number	Purpose/Change	Author	Date
0.1		David Green	31 Oct 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

Approved by*	Date approved
Head of Service	
Executive Director	
Cabinet Member	
Directorate Equality Group	

EIA Author	
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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
David Green	Senior Finance Business Partner	Surrey CC-Resources	Author

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

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DRAFT EQUALITIES REVIEW

MINOR SCHOOLS FUNDING CHANGES PROPOSED FOR 2021/22

Changes to the definition of notional SEND funding

Notional SEN funding is part of the school's budget share, i.e. it is funding which the school is expected to spend on SEN. The proposal is that the notional SEN funding per pupil should increase in line with the general increase in the value of funding factors within the funding formula, in effect that the amount which a school should be expected to find from its budget to fund SEN should increase as its budget increases.

For most schools this should be beneficial to pupils with SEN. However, for a small number of schools the change may mean a reduced entitlement to additional SEN funding. These schools generally have above average incidence of EHCPs, but schools with above average incidence of ethnic minority pupils or staff or of deprived pupils are not disproportionately affected. We recommend that the proposal is implemented on the basis that it is a reasonable and proportionate response to recent changes in mainstream schools funding.

Reduction in delegated former combined services funding for local confederations and for additional school improvement work.

This funding was part of a historic funding allocation from DfE which DfE is currently reducing by 20% each year and which does not form part of the government's national schools funding formula. Therefore in the longer term schools will lose it. The actual basis of distribution was determined by Surrey as a mixture of pupil numbers and deprivation funding and the proposal is that all factors used to distribute the historic funding are scaled down equally. The planned reduction is £173,920 of which £63,072 is in deprivation funding and the remainder distributed based on pupil numbers. The proposed reduction is proportionate to the way in which the total funding is currently allocated.

The alternative would be for Surrey to preserve this funding stream and to make reductions elsewhere in the funding formula in order to make the £173,920 saving required. But this would involve moving away from the government's national funding formula, which can only be a short term measure.

Ultimately it will be for individual schools to determine how these reductions are managed in such a way as not to disadvantage groups with protected characteristics.

A quick analysis of available data suggests that

*schools with high incidence of ethnic minorities lose no more than others

*schools with high incidence of SEN lose no more than others

*schools with above average deprivation lose more than others (which is to be expected given that some of the existing funding is distributed using indicators of deprivation). But the average difference is around £1.30 per pupil. It is considered that this is acceptable given that in the medium term this funding will have to be removed anyway as part of the introduction of the national funding formula, although it should be noted that there will be a cumulative impact of successive annual reductions.

We do not have data on the incidence of other protected characteristics in schools.

Changes to funding for eligible rents and to split site funding

This proposal is that funding for eligible premises rents and for additional costs of schools using two or more sites should be excluded from the minimum funding guarantee calculation (which requires a minimum increase in average funding for every school). It recognises that both costs are largely fixed costs arising from historical factors, and is largely aimed at two categories of school:

- Schools where part of the accommodation is rented and there is a large increase in rent: the variation allows this increase to be funded without counting towards the minimum increase, ie schools would see the rent increase over and above the minimum increase;
- Schools where a second site is closed, so that funding for the second site can be removed without being protected by the minimum per pupil increase.

In either case there would be a change in fixed costs, unrelated to pupil numbers or characteristics, and the impact of the proposed change would be that the fixed cost funding could be amended without being offset by other changes.

There are six schools funded for rent and nine funded for split sites. They have a range of characteristics and of incidence of identifiable protected groups. The proposed variation could affect several schools or none in any year and we do not at present know whether it will apply to any school in 2021/22. The overall effect of this proposal on other schools is also likely to be small because the net change in funding due to the variation (which would be given to or taken from other schools) is likely to be small.

As such, we don't think this proposal has a significant identifiable impact on protected groups.

Refund of part of surplus primary school contingency

The proposal is that part of the accumulated surplus on the school specific contingency is refunded to primary schools on the basis of a sum per pupil. The funding for the contingency was initially deducted from schools as a sum per pupil, so the method of refund and the original method of deduction are the same. As such we think the impact on protected groups, taking both stages together, is minimal.

NOTE: These changes are being made in within the context of a national schools funding formula, in which funding is allocated to schools using a small number of factors defined by the DfE. DfE expects local authorities' formulae to move towards its national formula over the next few years and thus the issue of whether additional funding should be targeted on protected groups has not been considered.

Where the proposal is for a continuation of funding arrangements agreed for 2020/21 (but the arrangements require annual approval either legally or by local custom and practice) no further equalities review has been undertaken. This applies to funding for looked after children and de-delegation of funding.

31 Oct 2020

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SURREY COUNTY COUNCIL**CABINET****DATE:** 24 NOVEMBER 2020**REPORT OF:** MR TIM OLIVER, LEADER OF THE COUNCIL**LEAD OFFICER:** KATIE STEWART, EXECUTIVE DIRECTOR, ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE**SUBJECT:** UPDATE – WASTE PFI CONTRACT**ORGANISATION STRATEGY PRIORITY AREA:** Enabling A Greener Future

17

SUMMARY OF ISSUE:

Surrey County Council's waste management contractor, Suez, is currently in the process of building an Eco Park at Charlton Lane in Shepperton. The Eco Park comprises a recyclable bulking facility, an anaerobic digestion plant and a gasification plant.

This report updates on the latest progress in respect of the delivery of the Eco Park, and a review which has been undertaken of the Council's contractual position. There is a Part 2 report for this item that provides detail which contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. note the contents of this report and that a review of the current waste PFI contract has been undertaken.

REASON FOR RECOMMENDATIONS:

Given the Council's statutory responsibility as a Waste Disposal Authority, its waste PFI contract plays a critical role in the authority delivering a sustainable approach to managing waste on behalf of the county. Whilst the provision of a number of the services in the contract are on track, the delays to the delivery of the Anaerobic Digester (AD) and the gasifier have prompted the Council to review its contractual position and to explore what remedies it may have in the resolution of the issues arising.

DETAILS:

1. The Council's waste PFI contract provides for the delivery a number of services that support the Council's statutory responsibility as a waste disposal authority. That contract also provides for the delivery of several facilities for processing waste at its Eco Park in Shepperton. These facilities include a

recyclable bulking facility which has been completed, as well as an Anaerobic Digester and gasifier which have not yet been delivered. In fact, the construction programme for the AD and gasifier has been significantly delayed.

2. Council officers have been closely monitoring the delivery of the contract, and as part of that, the construction programme for the facilities at the Eco Park, engaging on a regular basis with Suez and their sub-contractor, M & W, who are constructing the facilities. This engagement has been undertaken alongside the Independent Certifier, who is appointed to provide assurance to the key stakeholders that the works identified in the PFI contract are being completed in accordance with the standards, specification and schedule as provided within the contract documents.
3. Given the now significant delays in the delivery of both the AD and the gasifier, the Cabinet Member for Environment and Climate Change and the Leader, with the Executive Director for Environment Transport and Infrastructure, recently commissioned a review of the contract with the Council's legal and financial advisers with the specific aim of identifying what remedies are available to resolve the issues arising from the delays experienced on both of these facilities. Discussions continue with Suez on this matter. The contents of that review are commercial in confidence as it relates to the contract, and are therefore contained in a Part 2 report on this agenda.

CONSULTATION:

4. Residents in the area have been engaged at points over the programme for constructing the Eco Park through a Resident Liaison Forum.

RISK MANAGEMENT AND IMPLICATIONS:

5. As with any contract delivering large scale infrastructure of the nature that is envisaged at the Eco Park, there are a number of risks associated with its achievement. Critical to the management of these risks is robust monitoring of contract milestones and taking action where such milestones are missed. The report considered at Part 2 sets out a review of the contract in light of expected milestones and identifies actions for the Council to take in protecting its interests accordingly.

Financial and Value for Money Implications

6. The ongoing delay in completion of the Eco Park has a number of financial consequences for the Council. The Council will not start to pay for the AD and gasifier until those facilities are completed and have passed acceptance testing.
7. The Council receives Waste Infrastructure Grant worth a total of £205m over the life of the contract, of which £63m is yet to be received. The level of this grant has been reprofiled due to concerns associated with the delay to the Eco Park; however, the grant is expected to be reinstated if the Eco Park infrastructure is delivered. Taking these complications and the possible scenarios into account, there is continued dialogue with Defra to understand the impact upon the PFI grant once the Council reaches a resolved position.

8. The detailed financial implications of the Council's contract strategy are contained in the Part 2 report for this item.

Section 151 Officer Commentary

9. The Council is continuing to take appropriate action and advice in order to protect its interests in relation to the Waste PFI contract. The delay to the construction of the Eco Park is not currently resulting in an additional cost to the Council. However, as the delay continues, the risks associated with the contract are increasing.

Legal Implications – Monitoring Officer

10. The Council is continuing to work closely with and receive advice from its specialist external legal advisers in order to take appropriate action to protect its interests and reach an acceptable negotiated solution on disputed issues. The key aspects of latest advice and proposals are set out in the Part 2 report. Its contents are privileged and confidential.

Equalities and Diversity

11. There has been no material change to the Equality and Diversity implications set out in the Cabinet paper of 28 April 2015.

Other Implications:

12. There has been no material change to the implications set out in the Cabinet Paper of 28 April 2015.

Environmental sustainability implications

13. There has been no material change to the Environmental Sustainability implications set out in the Cabinet Paper of 28 April 2015.

Public Health implications

14. There has been no material change to the Public Health implications set out in the Cabinet Paper of 28 April 2015.

WHAT HAPPENS NEXT:

15. The Council will conclude its review of the contract and take appropriate actions to protect its interests.
-

Contact Officer: Frank Smith, Commercial Programme Director, 07916 225227

Annexes: Part 2 Report

Consulted:

Legal

Finance

Leader

Cabinet Member, Environment

Director for Environment

SURREY COUNTY COUNCIL

CABINET

DATE: 24 NOVEMBER 2020

REPORT OF: MR MEL FEW, CABINET MEMBER FOR RESOURCES

LEAD OFFICER: EXECUTIVE DIRECTOR RESOURCES (S151 OFFICER)

SUBJECT: 2020/21 MONTH 6 (SEPTEMBER) FINANCIAL REPORT

ORGANISATION GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/
 STRATEGY TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING
 PRIORITY AREA: COMMUNITIES



SUMMARY OF ISSUE:

This report provides details of the County Council's 2020/21 financial position as at 30th September 2020 (M6) for revenue and capital budgets and the projected outlook for the financial year.

The Budget Monitoring report supports all four priorities objectives; transparently reporting on how we spend our money in the most efficient and effective ways; to deliver the greatest impact on improving people's quality of life and ensure we provide the best value for money to our residents.

Also within the report, there is information and a recommendation on the Leader's initiative to reallocate SCC's share of increased council tax funding that directly results from changes in Empty Homes policies.

Key Messages – Revenue

- The forecasts at Month 6 have been used to reassess the 2020/21 budget envelopes in light of the additional costs and lost income related to CV-19. Allocating budget to Directorates to balance CV-19 pressures is a key part of reasserting budget accountability and ensuring that robust principles of budget management can continue to be applied across the organisation. Details of the proposed budget reset (funded from the CV-19 reserve) are set out in **Para 3-8. The proposed revenue budget baseline is now £1,021.6m.**
- As at September 2020 (M6) the Council is forecasting a full year **£3.5m** business as usual overspend against the proposed budget baseline of £1,021.6m; an improvement of £1.2m from M5 (after taking account of the CV-19 budget reset). The **details are shown in Annex 1 and summarised in Table 1.** There remains significant uncertainty in the 2020/21 forecast which will be kept under close review.
- Each quarter, key Balance Sheet indicators are reported; these are set out in **Annex 2.**

Key Messages – Capital

- The Council approved a capital budget for 2020/21 of £175.7m in February 2020. This has been restated to £226.3m to reflect a reset of the budget based on the M5

forecasts to recognise the impact of CV-19 and the inclusion of the acquisition and associated costs of the Woodhatch site.

- Against the restated budget, forecast capital spend is £226.8m; an increase of £0.5m across Strategic Capital Groups, details of which are set out in Table 3.

Key Messages – Empty property proposal

- In an initiative to reduce the number of empty properties throughout the County, the Council has proposed to reallocate its share of increased council tax funding that directly results from changes in Empty Homes policies. Under this commitment the districts and boroughs (D&Bs) will be allocated funding if agreed conditions are met. The scheme is available for any change to Empty Home policies that have become effective since April 2019. (Para 13 -15 & Annex 3).

RECOMMENDATIONS:

It is recommended that Cabinet:

1. note the Council's forecast revenue and capital budget positions for the year;
2. approve the reset of the 2020/21 revenue budget envelopes to reflect the additional costs and lost income related to CV-19 (Para 3 - 8);
3. approve an allocation of £1.6m to the Public Health service to invest in additional service provision. This allocates the final element of a £2.4m increase in Surrey's Public Health grant in 2020/21, further to the £0.8m increase in Public Health funding included in the June 2020 Cabinet report. (Para 9 -12);
4. approve a carry forward for the remainder of the £1.6m allocated to the Public Health service which is not spent on additional service provision in the remainder of 2020/21. This is to secure funding for the additional services commissioned in 2022/23, when (based on the government's current proposals for overhauling local government funding) the Public Health grant is assumed to become un-ringfenced. (Para 9 -12) ; and
5. approve the Empty property proposal (para 17-19 & Annex 3).

REASON FOR RECOMMENDATIONS:

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

DETAILS:

Revenue Budget

1. As stated, the current forecast for the year is a deficit of £3.5m against the budget of £1,021.6m. Table 1 below shows the forecast revenue position by Directorate.

Table 1 - Summary revenue budget forecast variances as at 30 September 2020

Directorate	20/21 outturn forecast at M6 £m	Annual Budget £m	Forecast Variance £m	Change in forecast since last month £m
Adult Social Care	380.8	382.7	(1.9)	(1.8)
Public Health	31.1	31.3	(0.2)	0.0
Children, Families & Lifelong Learning	210.1	199.9	10.2	0.2
Environment, Transport & Infrastructure	136.4	134.2	2.2	0.0
Community Protection	37.6	36.8	0.8	0.1
Community & Transformation	15.1	15.6	(0.5)	0.0
Strategy & Commissioning	54.7	55.7	(1.0)	0.0
HR & Communications	8.5	8.4	0.0	(0.0)
Deputy CEX	2.3	2.3	0.0	0.0
Resources	74.0	73.5	0.5	0.2
Central Income & Expenditure	79.3	81.3	(2.0)	0.0
Directorate Budget Envelopes	1,029.8	1,021.6	8.2	(1.2)
Central Funding	(1,026.3)	(1,021.6)	(4.7)	0.0
Overall after central funding	3.5	(0.0)	3.5	(1.2)

Note: Numbers have been rounded which might cause a difference. The table reflects the revised organisational structure

2. The main drivers of the deficit of £3.5m are £13.7m in additional costs offset by underspends and other efficiencies of £10.3m as set out below:

Additional costs of £13.7m:

- **£10.2m - Children, Families and Lifelong Learning (CFL)** – made up of £11.2m from increased corporate parenting costs, Care Leavers and SEND caseload increasing placement costs, and £1.3m for staffing in Corporate Parenting and Family Resilience due to agency staff covering permanent roles.

The overspend is partly offset by £1.7m additional asylum seeker grant income and £0.5m for staffing underspends.

Included in the CFL position is a £7.6m variance on the contribution to the offsetting reserve to match the overspend on the Dedicated Schools Grant (DSG) High Needs Block (HNB), which is projected to be a £31.6m overspend (of which £24m was anticipated in the budget). The variance is due to increased placement costs and support packages which had previously been highlighted as a risk. The start of the new school year has clarified the current position in terms of transfers and work is ongoing to mitigate and reduce this overspend as far as possible.

- **£2.2m Environment, Transport and Infrastructure** – £2.7m from increased waste costs and £0.7m non achievement of prior year efficiencies. Offset by £0.2m Highways and Transport underspends and £1.0m management action, plans being developed.
- **£0.8m Community Protection Group** - related to Coroner service £0.8m including increased fees and the cost of managing a backlog of cases.
- **£0.5m Resources** - Legal services (£0.3m) due to staffing and additional external fees and Land & Property (£0.2m) mainly due to staffing overspends, partially

offset by underspends on utilities and printing costs while administrative offices are under-utilised due to CV-19.

Offset by £10.3m of underspends and efficiencies

- **£1.9m Adult Social Care (ASC) - £7.8m underspend** due to: 2020/21 care package commitments based on active cases at the end of September being lower than budget (£4.7m), holding the majority of ASC's investment fund to cover expected care package pressures (£1.2m), additional Better Care Fund income (£0.8m), and forecast underspends against ASC's staffing budget (£0.6m) and other budgets (£0.5m); offset by a £6.0m forecast increase in Older People care package expenditure in the remainder of the year as some care packages following hospital discharge transfer from temporary NHS CV-19 funding to become ASC funding responsibility.
- **£0.2m Public Health** – largely due to reduced activity for general health checks and sexual health clinics due to CV-19.
- **£1.0m Strategy & Commissioning** – £2.0m non achievement of joint placement reviews with health efficiency, offset by £3.0m Home to School Transport underspend due to the reduction of journeys during school closures.
- **£0.5m Community & Transformation** - reduced expenditure in libraries as a result of the current closure and mitigating action.
- **£2.0m Central Income & Expenditure** – a recent actuarial review and changing the payment profile has reduced secondary employer's pension contributions.
- **£4.7m Central Funding** - latest estimates of grant funding exceed budget.

CV-19 update and reset of the 2020/21 revenue budget envelopes

3. The CV-19 forecast has been reviewed throughout the year, resulting in periodic re-alignment of the budget to reflect updated Government funding and the latest forecast of CV-19 costs and lost income. The proposed budget reset neutralises the CV-19 forecast variance. As CV-19 funding and costs remain volatile, resetting the CV-19 budget ensures that the Council is focussed on achieving a sustainable financial position for business as usual activities.
4. In September, the first CV-19 Income Compensation Scheme (ICS) return for £4.6m was submitted. Further claims are likely to follow and the total amount due for the year will be confirmed by a reconciliation and audit at the end of the year. In addition, tranche 4 of the Government's emergency CV-19 funding was announced on 22nd October, with Surrey's allocation at £5.3m.
5. Directorates have undertaken a comprehensive review of the CV-19 forecasts for M6. The additional Government grant and expected ICS funding give us confidence to propose a £1.9m reset of the revenue budget to neutralise the impact of CV-19 on Directorate budget envelopes (**Table 2**).

Table 2 – Revenue proposed budget reset across the directorates

Directorate	Proposed budget			
	CV-19 £m	BAU £m	Overall £m	Adjusted by: £m
Adult Social Care	10.6	372.1	382.7	(2.6)
Public Health	0.3	31.0	31.3	0.2
Children, Families & Lifelong Learning	17.0	182.9	199.9	4.9
Environment, Transport & Infrastructure	6.3	127.9	134.2	2.1
Community Protection	0.5	36.3	36.8	0.2
Community & Transformation	0.1	15.5	15.6	0.1
Strategy & Commissioning	1.0	54.7	55.7	0.1
HR & Communications	0.4	8.0	8.4	0.0
Deputy CEX	0.0	2.3	2.3	0.0
Resources	7.0	66.5	73.5	(1.4)
Central Income & Expenditure	9.5	71.9	81.3	(1.7)
Directorate Budget Envelopes	52.5	969.1	1,021.6	1.9
Central Funding	(52.5)	(969.1)	(1,021.6)	(1.9)
Overall after central funding	0.0	0.0	0.0	0.0

6. At M6 and before the budget reset, the net CV-19 forecast deficit was £1.9m against the 2020/21 budget baseline of £50.6m. The net deficit of £1.9m can be funded from £1.9m held within CV-19 reserve, therefore the total CV-19 position consists of:

- Total costs, lost income and unachievable efficiency savings of **£78.0m**
- Funded through:
 - £53.4m of general Government CV-19 funding (of which £0.9m used in 2019/20) leaving **£52.5m in the 2020/21 budget**
 - **£25.5m** of specific Government CV-19 relating to Infection Control, Test and Trace funding and grants for active travel and bus services.

7. Receipts from the ICS (£4.6m) expected later in the year and the fourth tranche of CV-19 emergency funding (£5.3m) will supplement the CV-19 reserve. As the situation is still developing, management are keeping the situation under close review throughout the remainder of the year.

8. The forecast review improved the CV-19 position between M5 and M6 by £2.4m. This relates to; reassessment of commercial income, care package volumes and clarified funding responsibility, re-evaluation of costs of reopening buildings and Twelve15 income, offset by extra pressures within CFL and ETI.

Allocation of Public Health grant increase

9. The first 2020/21 budget monitoring report to Cabinet in June 2020 outlined that Surrey's Public Health (PH) grant had been increased by £2.4m in 2020/21 and explained that £0.8m of this grant increase was required to fund PH contractual costs associated with the NHS Agenda for Change pay award. The allocation of £0.8m of the £2.4m grant increase to the PH service budget was therefore approved in June.

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10. Since June discussions have taken place about how to utilise the remaining £1.6m of the 2020/21 PH grant increase. The PH service have drawn up proposals to invest in additional PH service provision. Informed by the Public Health England prioritisation tool, these will focus on enhancing and adding to provision in such areas as mental health and suicide prevention, health visiting, substance and alcohol misuse services as well as development of a more holistic integrated healthy lifestyle service. Such development work will enable improved service delivery to meet Surrey's health and wellbeing priorities and also ensure the PH service is able to effectively manage and respond to the longer term impacts of the CV-19 pandemic that are described in the recently published community impact assessment. Cabinet is now being asked to approve the allocation of the remaining £1.6m grant increase to the Public Health service budget. Subject to Cabinet approval, the Public Health service will then begin to set up contractual arrangements for the additional services to be funded by the £1.6m of increased grant funding.
 11. The time needed to commission these services appropriately means that it is not possible for the service to ensure this significant amount of the money is spent in the most effective way on the additional directly commissioned services in the remaining 4 months of 2020/21. Therefore, any of the £1.6m not spent on additional services directly commissioned by PH will be used to fund existing services delivered by other parts of the Council in 2020/21 that achieve wider public health outcomes. This will mean that Surrey's 2020/21 PH grant will be fully and effectively spent.
 12. The government's current proposals for funding reform lead us to assume that the PH grant will become un-ringfenced in 2022/23 and rolled into general local authority funding. In order to give the PH service relative funding stability for the next two years, Cabinet is asked to approve a carry forward from the Council's General Fund equivalent to however much of the £1.6m allocated to the PH service it is not possible to spend on additional service provision in the remainder of 2020/21. This is to avoid or limit a scenario whereby the PH service invests in additional service provision in 2021/22 only to then have to reduce these services the year after due to funding reductions. This will enable longer term planning for PH service delivery. The carry forward will have no impact on the Council's 2020/21 budget outturn. The intention is to hold the funding until 2022/23 and only draw it down if required based on PH funding changes up to 2022/23.

Capital Budget

13. In February 2020, Council approved a capital budget of £175.7m. This was restated to £230.1m at M4 to reflect the purchase of and other costs relating to the Woodhatch site in Reigate. Subsequently, at M6 the budget has been reset based on M5 forecasts to acknowledge the impact CV-19 has had on capital projects, including delays and higher costs to comply with new guidelines. **The budget now stands at £226.3m, a reduction of £3.8m to M5.** The budget reset provides a stable baseline against which to monitor spend over the remaining months.
14. Table 3, below, provides a summary of the forecast full-year outturn at M6; against the revised budget, forecast capital spend is £226.8m, an increase of £0.5m to budget.

Table 3 - Capital Programme Forecast at M6

	Restated Budget	Forecast outturn at M6	M6 Reported Variance
	£m	£m	£m
Strategic Capital Groups			
Property			
Property Schemes	118.7	118.1	(0.6)
ASC Schemes	1.9	1.7	(0.2)
CFLC Schemes	0.6	0.5	(0.0)
Property Total	121.2	120.3	(0.9)
Infrastructure			
Highways and Transport	83.6	85.0	1.4
Environment	2.0	2.0	0.0
Community Protection	3.8	3.8	0.0
Infrastructure Total	89.3	90.7	1.4
IT			
IT Service Schemes	15.4	15.4	0.0
CFLC - EMS	0.3	0.3	0.0
IT Total	15.7	15.7	0.0
Total	226.3	226.8	0.5

15. The increase in forecast primarily relates to Bridge Strengthening within Highways and Transport with an increase of £1.6m due to the delay of two schemes from March 2020. These schemes have incurred higher costs due to CV-19 and from design changes. The increase is funded by a transfer from a structures amount in the pipeline. Infrastructure budget and forecast includes the agreed £6m accelerated spend in Highways Maintenance.
16. Offsetting the increase, Property Strategic Capital Group forecast reduced spend of £0.9m, related to a reprofiling of Fire Risk Assessments £0.8m, PRU schemes £0.3m, Henley Fort £0.6m and a decrease of £0.2m Adult Social Care major adaptations. This is offset by accelerated delivery in PSBP2 school projects of £1m.

Empty property proposal

17. The council would like to see the level of empty properties throughout the County reduce. Under the proposal District and Borough Councils (D&Bs) will continue to determine their own policies, with any policy changes that become effective from April 2019 onwards qualifying for reimbursement of SCC's share of additional funding. It is anticipated that this offer will result in a reduction to the number of empty properties.
18. The reimbursement should not be funding existing initiatives/projects but can be used to extend existing initiatives/projects. The reallocation can be used to directly support a County initiative/specific project such as work that supports homelessness reduction, addresses climate change commitments, or rethinks local transport delivery. As such, the proposed use of funding will form part of the application process.
19. The council has undertaken an engagement process with all the D&Bs which has resulted in the design of the application form and process. Several D&Bs are in a position to submit application(s) relating to the financial year(s) 2019/20 and 2020/21 (Annex 3).

CONSULTATION:

20. Executive Directors and Cabinet Members have confirmed the forecast outturns for their revenue and capital budgets.

RISK MANAGEMENT AND IMPLICATIONS:

21. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the Leadership Risk Register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the Medium-Term Financial Strategy. 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:

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

SECTION 151 OFFICER COMMENTARY

23. The Council has a duty to ensure its expenditure does not exceed resources available. 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. The public health crisis has resulted in increased costs which may not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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. Within this context the Council will continue to develop and implement plans to ensure the delivery of services are contained within resources.
24. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

LEGAL IMPLICATIONS – MONITORING OFFICER

25. 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.
26. 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

27. 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.
28. 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:

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 – Forecast revenue budget as at 30 September 2020.

Annex 2 – Balance Sheet indicators as at 30 September 2020.

Annex 3 – Proposed Empty Homes Policy.

Detailed Revenue Budget by Service – 30 September 2020

Service	Cabinet Member	Prior year to date actual £m	Year to date budget £m	Year to date actual £m	Year to date variance £m	Full year gross budget £m	Full year net budget £m	Full year net forecast £m	Full year net forecast variance £m
Delegated Schools	J Iles	(0.0)	(0.0)	0.0	0.0	294.7	(0.0)	0.0	0.0
Education, Lifelong Learning & Culture	J Iles	37.2	36.9	34.4	(2.5)	214.2	50.1	57.0	7.0
Family Resilience	M Lewis	48.5	45.5	44.0	(1.5)	103.6	89.7	92.1	2.3
Corporate Parenting	M Lewis	18.7	21.8	20.9	(0.9)	44.9	40.6	41.8	1.2
Quality & Performance	M Lewis / J Iles	3.9	4.5	4.1	(0.4)	10.9	8.9	8.6	(0.3)
Directorate wide savings	M Lewis / J Iles	0.2	0.7	3.4	2.7	4.9	10.6	10.8	0.1
Children, Families, Learning		108.4	109.3	106.8	(2.5)	673.1	199.9	210.2	10.3
Public Health	S Mooney	13.7	13.7	10.2	(3.5)	31.1	31.3	31.1	(0.2)
Adult Social Care	S Mooney	182.0	199.2	197.2	(2.0)	533.3	382.7	380.8	(1.9)
Highways & Transport	M Furniss	28.0	26.1	25.5	(0.6)	69.2	58.5	58.3	(0.2)
Environment	N Bramhall	27.4	35.5	38.0	2.5	75.4	71.7	74.6	2.9
Leadership Team (ETI)	M Furniss /N Bramhall	0.4	(0.0)	0.4	0.4	(0.1)	(0.1)	(0.6)	(0.5)
ETI CV-19	M Furniss /N Bramhall	0.0	2.1	1.1	(1.0)	4.2	4.1	4.1	0.0
Environment, Transport & Infrastructure		55.8	63.6	65.0	1.3	148.8	134.2	136.4	2.2
Fire and Rescue	D Turner-Stewart	15.9	15.8	15.6	(0.2)	36.4	31.7	31.7	(0.0)
Trading Standards	D Turner-Stewart	0.9	1.0	1.0	0.0	4.0	1.9	1.9	0.0
Chief of Staff	D Turner-Stewart	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emergency Management	D Turner-Stewart	0.2	0.3	0.3	(0.0)	0.5	0.5	0.5	(0.0)
Coroner	D Turner-Stewart	1.1	0.9	1.4	0.6	2.5	2.1	2.9	0.8
Health & Safety	D Turner-Stewart	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0
CP CV-19	D Turner-Stewart	0.0	0.1	0.6	0.5	0.3	0.5	0.5	0.0
Armed Forces and Resilience	D Turner-Stewart	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Community Protection		18.2	18.1	19.0	0.9	43.8	36.8	37.6	0.8
Human Resources & Organisational Development	Z Grant-Duff	1.4	3.3	2.8	(0.5)	6.6	6.6	6.6	0.0
Communications	Z Grant-Duff	0.6	0.7	0.7	(0.0)	1.4	1.4	1.5	0.0
HR & Comm CV-19	Z Grant-Duff	0.0	0.1	0.1	0.0	0.4	0.4	0.4	0.0
HR & Communications		2.0	4.1	3.6	(0.5)	8.4	8.4	8.5	0.0
Transformation Support Unit	T Oliver	0.0	0.4	0.5	0.1	0.8	0.8	0.8	(0.0)
Customer Services	Z Grant-Duff	1.4	1.5	1.3	(0.1)	3.1	2.9	2.8	(0.1)
Community Partnerships	Z Grant-Duff	0.4	0.4	0.3	(0.1)	1.3	1.3	1.3	(0.0)
Libraries, Registrars & Culture	J Iles	0.0	6.3	5.2	(1.1)	16.5	10.2	9.8	(0.4)
C&T CV-19	T Oliver / J Iles	0.0	0.2	0.2	0.0	0.3	0.4	0.4	0.0
Community & Transformation		1.8	8.7	7.5	(1.2)	21.9	15.6	15.1	(0.5)
Strategic Commissioning	M Lewis / J Iles	4.6	25.6	21.1	(4.5)	130.5	52.0	51.1	(0.9)
Insight, Analytics & Intelligence	Z Grant-Duff	1.3	1.5	1.3	(0.2)	2.8	2.0	1.9	(0.1)
S&C CV-19	J Iles / Z Grant-Duff	0.0	0.7	0.6	(0.1)	0.7	1.6	1.6	0.0
Strategy & Commissioning		5.9	27.8	23.0	(4.8)	133.9	55.7	54.7	(1.0)
Strategic Leadership	T Oliver	0.5	1.9	1.8	(0.1)	2.8	1.5	1.5	0.0
Economic Growth	C Kemp	0.3	0.4	0.3	(0.1)	0.8	0.8	0.8	(0.0)
DCEX CV-19	C Kemp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deputy CEX		0.8	2.2	2.1	(0.2)	3.6	2.3	2.3	0.0
Joint Operating Budget ORBIS	M Few	15.9	8.6	9.6	1.1	17.2	17.6	17.6	0.0
Land & Property	M Few	8.5	12.2	13.5	1.3	36.3	27.1	27.2	0.1
Information Technology & Digital	M Few	4.4	5.4	5.2	(0.2)	11.4	10.7	10.7	(0.0)
Finance	M Few	0.7	2.8	2.9	0.1	7.6	5.5	5.6	0.1
Legal Services	M Few	2.1	2.1	2.4	0.3	4.6	4.1	4.4	0.3
Democratic Services	M Few	1.6	1.6	1.6	(0.0)	3.5	3.2	3.2	(0.0)
Business Operations	M Few	(0.1)	(0.2)	(0.1)	0.0	(0.3)	(0.3)	(0.2)	0.1
Resources Leadership	M Few	0.0	1.8	0.6	(1.2)	1.3	0.7	0.8	0.0
Twelve15	M Few	0.0	4.2	3.8	(0.4)	18.2	2.2	2.1	(0.1)
Resources CV-19	M Few / Z Grant-Duff	0.0	0.7	0.5	(0.3)	7.3	2.6	2.6	0.0
Resources		33.2	39.2	40.0	0.8	106.9	73.5	74.0	0.5
Corporate Expenditure	M Few	17.2	31.4	32.9	1.5	94.4	81.3	79.3	(2.0)
Total services' revenue expenditure		439.0	517.5	507.3	(10.2)	1,799.3	1,021.6	1,029.8	8.1
Central funding		(353.0)	(442.5)	(534.3)	(91.8)	0.0	(1,021.6)	(1,026.3)	(4.7)
Total Net revenue expenditure		86.0	75.0	(27.0)	(102.0)	1,799.3	(0.0)	3.5	3.5

Balance Sheet Indicators

Debt

- During the three months to 30 September 2020, the Council raised invoices totalling £103.7m. Last quarter, the gross debt outstanding on these invoices was £44.2m, representing an increase of £7.7m from quarter 1. The majority of the increase relates to invoices raised to Clinical Commissioning Groups for agreed funding contributions. This debt is not old (the vast majority is less than 3 months old) and there is very high confidence that this newer debt will be paid. At year-end 2019/20 gross debt outstanding was £49.4m. Table 1 below shows the age profile of the debts as at 30th September 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 30 September 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	2.6	6.6	4.0	5.6	18.8	16.2
Care debt – secured	0.1	3.1	2.5	4.4	10.1	10.0
Total care debt	2.7	9.7	6.5	10.0	28.8	26.1
Schools, colleges and nurseries	0.7	1.2	0.1	0.0	2.0	1.2
Clinical commissioning groups	5.7	5.8	0.6	0.1	12.3	6.6
Other local authorities	0.9	0.5	0.1	0.0	1.5	0.6
General debt	5.6	1.1	0.4	0.4	7.5	1.8
Total non-care debt	12.9	8.7	1.1	0.5	23.2	10.3
Total debt	15.6	18.3	7.6	10.5	52.0	36.4

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

Treasury Management

- 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 £434.9m and has not increased this year.
- As at 30 September 2020, the weighted average interest rate of the Council's long term debt portfolio is 3.84%. 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 below shows a net £38m decrease in the Council's short term borrowing activity since 30 June 2020.

Table 2: Short term borrowing as at 30 September 2020

	£m
Debt outstanding as at 30 June 2020	281
Loans raised	181
Loans repaid	-219
Current balance as at 30 September 2020	243

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

4. The weighted average interest rate of the Council's short term external debt is 0.21% at 30 September 2020.

Investments

5. The Council's average daily level of investments has been £66.6m during 2020/21, compared to an average of £28m during 2019/20. This reflects the Council's strategic policy to maintain sufficient liquidity during this time and continue to borrow over shorter periods when appropriate the current Bank of England (BoE) base rate is 0.10% with no significant increases forecasted for at least 2 years. 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 2020/21 due to the lower cash balances held and the need to maintain high liquidity.
6. **Table 3** shows the weighted average return on all investments the Council received in the quarter to 30 September 2020 is 0.31%. This compares to a 0.10% average Bank of England (BoE) base rate for the same period.

Table 3: Weighted average return on investments compared to Bank of England (BoE) base rate.

	Average BoE Base Rate	Weighted return on investments
21 quarter 2	0.10%	0.14%
21 quarter 1	0.10%	0.31%
20 quarter 4	0.61%	0.63%
20 quarter 3	0.75%	0.68%
20 quarter 2	0.75%	0.70%
20 quarter 1	0.75%	0.75%
19 total	0.67%	0.56%

Note: All numbers in all tables have been rounded - which may cause a casting difference

Proposed Empty Property Policy

Details

Since April 2013, local authorities have had the discretion to charge between 50% and 100% council tax on properties which are unoccupied and substantially unfurnished (empty property relief) and are able to charge a premium of up to 50% on properties which have been unoccupied and substantially unfurnished for two years or more (empty property premiums).

With effect from the 2019-20 financial year, more extensive powers were introduced in relation to empty property premiums. This allows for maximum additional rates of:

- 100% extra (for properties empty for 2-5 years)
- 200% extra (for properties empty for 5-10 years) [commencing in 2020]
- 300% extra (for properties empty for 10+ years) [commencing in 2021]

The additional income generated, and the cost of the scheme to the Council, will depend on the number of D&Bs that implement a policy change and how that change compares to the preceding policy. Qualifying D&Bs will be required to provide the financial information associated with the change in policy via their S151 officer, supported by evidence. Analysis undertaken for the purpose of this proposal indicates that:

- Council tax relief - the cost for the financial year commencing April 2019 could have been c£2.4m if all authorities adopted a change in policy from April 2019. In practice, three authorities implemented a change and we estimated this would cost around £0.8m
- Empty property premium - the potential cost for the financial year commencing April 2019 could have been c£0.8m if all authorities adopted a change in policy from April 2019. In practice, five authorities implemented a change and we estimated this would cost around £0.4m

When setting the budget for 2020/21, our contribution to reserves included an allocation of funding set aside for re-imbusement relating to this proposal. Early intelligence indicates that the funding set aside should be sufficient to cover any re-imburements due for the first two years of the scheme, i.e. for policy changes effective April 2019 and April 2020. The budget setting process for 2021/22 onwards has commenced and the estimated costs of the scheme in future years will form part of that process.

Proposed Approvals process

All applications will be reviewed for assurance that the proposal supports a County initiative and that the reimbursement value is evidenced.

Applications <£100k

Approval will be granted by SCC's S151 officer in consultation with the Executive Director responsible for the service that the proposal aligns with.

Applications between £100k and 500k

Approval will be granted by SCC's S151 officer in consultation with the Executive Director and Cabinet Member responsible for the service that the proposal aligns with.

Applications >£500k

In addition to review by SCC's S151 officer in consultation with the relevant Executive Director and Cabinet Member, applications in excess of £500k will be taken to Cabinet for formal ratification before being approved.

Award of reimbursement

Once the application has successfully passed through the approvals process the County Council will communicate straightforward governance arrangements that will be conditional as part of the reimbursement. This is to ensure the funding goes towards its intended use and could include evidencing the commencement of the initiative, and basic reporting on the achievement of key milestones and intended outcomes.

Duration

The initiative will be ongoing, subject to annual review.

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