

Cabinet

**Date & time**

Tuesday, 20 July
2021 at 2.00 pm

Place

Council Chamber
Woodhatch Place
11 Cockshot Hill
Reigate, Surrey
RH2 8EF

Contact

Vicky Hibbert or Huma
Younis
Tel 020 8541 9229 or
07866899016

Chief Executive

Joanna Killian



We're on Twitter:
@SCCdemocracy

vicky.hibbert@surreycc.gov.uk or
huma.younis@surreycc.gov.uk

Cabinet Members: Luke Bennett, Natalie Bramhall, Clare Curran, Matt Furniss, Marisa Heath, Sinead Mooney, Mark Nuti, Tim Oliver, Becky Rush and Denise Turner-Stewart

Deputy Cabinet Members: Maureen Attewell, Steve Bax, Kevin Deanus and Edward Hawkins

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This meeting will be held in public, however numbers will be limited in order to adhere to Covid-19 social distancing requirements. If you would like to attend, please contact Huma Younis on huma.younis@surreycc.gov.uk.

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

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING: 29 JUNE 2021

(Pages 1
- 12)

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 (14 July 2021).

b Public Questions

The deadline for public questions is seven days before the meeting (13 July 2021).

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 any other Committees of the Council.
- 6 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING** (Pages 13 - 18)
- To note any delegated decisions taken by the Leader, Deputy Leader, Cabinet Members, Strategic Investment Board and Committees in Common Sub-Committee since the last meeting of the Cabinet.
- 7 COVID-19 DELEGATED AND URGENT DECISIONS TAKEN** (Pages 19 - 24)
- To ensure transparency of decisions taken in response to Covid-19, Cabinet are asked to note the attached decisions taken since the last meeting.
- 8 COVID-19: SURREY COUNTY COUNCIL - UPDATE, REVIEW AND LESSONS LEARNED** (Pages 25 - 32)
- As we move into the final stage of the Government’s planned roadmap for easing lockdown restrictions, this report summarises the extent of the council’s response to date and highlights the lessons learned to date in doing so.
- (The decisions on this item can be called-in by the Resources and Performance Select Committee)*
- 9 REVISED MINERALS AND WASTE DEVELOPMENT SCHEME** (Pages 33 - 52)
- The purpose of this report is to present a revision of the Minerals and Waste Development Scheme (MWDS) in order to facilitate a delay to the commencement of the first consultation phase (Issues and Options) in the production of the new Surrey Minerals and Waste Local Plan (SMWLP). This delay will enable the Council to avoid consulting over the summer period during the ongoing pandemic, following the recent County Council elections. Cabinet is asked to agree the updated MWDS, which sets out a revised four-year timeframe in which it is intended that the new MWLP will be adopted.
- (The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*
- 10 RIVER THAMES SCHEME COLLABORATION AGREEMENT PRINCIPLES** (Pages 53 - 60)
- The purpose of this report is to outline the principles to be used in the development of the Collaboration Agreement between Surrey County Council and the Environment Agency and any additional associated contracts and agreements as may be required as a natural consequence of the completing the Collaboration Agreement.
- (The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

- 11 ACQUISITION OF LAND IN SUPPORT OF THE A320 ROAD IMPROVEMENT SCHEME** (Pages 61 - 74)
- The purpose of this report is to advise Cabinet that the design of the A320 HIF Scheme is currently being finalised and request Cabinet to resolve to make a compulsory purchase order to purchase the necessary third-party land for the A320 HIF Scheme, and to make and submit such Order to the Secretary of State for confirmation.
- (The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*
- 12 CLEANING CONSUMABLES CONTRACT** (Pages 75 - 84)
- To seek Approval to Procure a contract to enable the provision of cleaning consumables across Surrey County Council's facilities including care homes, schools, offices and libraries.
- (The decisions on this item can be called-in by the Resources and Performance Select Committee)*
- 13 JOINT WORKING ARRANGEMENTS FOR FINANCE SERVICES WITH TANDRIDGE DISTRICT COUNCIL** (Pages 85 - 110)
- The purpose of this report is to seek approval to Surrey County Council's continuing support for the finance partnership with Tandridge District Council, the Tandridge Finance Transformation Plan and the resources necessary from Surrey County Council officers to support its successful delivery within Tandridge District Council. Subject to this, to also approve the creation of a Joint Working Agreement following satisfactory negotiation of the detailed arrangements.
- (The decisions on this item can be called-in by the Resources and Performance Select Committee)*
- 14 2020/21 MONTH 2 (MAY) FINANCIAL REPORT** (Pages 111 - 118)
- This report provides details of the County Council's 2021/22 financial position as at 31st May 2021 (M2) for revenue and capital budgets, and the expected outlook for the remainder of the financial year.
- (The decisions on this item can be called-in by the Resources and Performance Select Committee)*
- 15 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

16 ACQUISITION OF LAND IN SUPPORT OF THE A320 ROAD IMPROVEMENT SCHEME

(Pages
119 -
132)

This Part 2 report 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)

17 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 12, July 2021

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

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

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

Thank you for your co-operation

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 29 JUNE 2021 AT 2.00 PM
AT COUNCIL CHAMBER WOODHATCH PLACE, 11 COCKSHOT HILL,
REIGATE, SURREY ,RH2 8EF.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

* = Present

*Tim Oliver (Chairman)	*Natalie Bramhall
*Clare Curran	*Matt Furniss
*Mark Nuti	*Denise Turner-Stewart
*Sinead Mooney	*Marisa Heath
*Becky Rush	*Luke Bennett

Deputy Cabinet Members:

*Steve Bax	*Kevin Deanus
*Edward Hawkins	*Maureen Attewell

The following Cabinet Member and Deputy Cabinet Members attended the meeting via Microsoft Teams and therefore could not vote on any items being discussed. Deputy Cabinet Members do not have voting rights.

*Steve Bax

Members in attendance:

Will Forster, Local Member for Woking South
Jonathan Essex, Local Member for (Redhill East)
Catherine Baart, Local Member for Earlswood and Reigate South
Liz Bowes, Chairman of the Children, Families, Lifelong Learning and Culture Select Committee
Nick Darby, Chairman of the Resources and Performance Select Committee

**PART ONE
IN PUBLIC**

113/21 APOLOGIES FOR ABSENCE [Item 1]

There were no apologies.

114/21 MINUTES OF PREVIOUS MEETING: 01 JUNE 2021 [Item 2]

The Minutes of the Cabinet meeting held on 01 June 2021 were approved as a correct record of the meeting.

115/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

116/21 PROCEDURAL MATTERS [Item 4]

116/21 MEMBERS' QUESTIONS [Item 4a]

There were three member questions. The questions and responses were published as a supplement to the agenda.

There was one supplementary question from Jonathan Essex who asked if the Cabinet Member could confirm if carbon reduction plans would be in place for the organisations that worked with the council and also if the carbon reduction targets of these organisations would match the targets in the council's climate change strategy. It was queried if the council would encourage SME's to register their climate commitment with the SME climate hub so these matched up with Surrey's climate change strategy.

The Deputy Leader and Cabinet Member for Finance and Resources stated that it was critical to incorporate carbon reduction plans in our procurement process and that she would provide a written response to the supplementary question asked.

117/21 PUBLIC QUESTIONS [Item 4b]

There were three public questions. The questions and responses were published as a supplement to the agenda.

There was one supplementary question from Ms Sally Blake who stated that she was pleased that the Council's policy on tree felling would be reviewed this year. Ms Blake stated that a large number of mature trees were felled in Albury, along both sides of the A25 below Newlands Corner, over a long stretch of road. It was queried why these trees had been felled as the stumps showed no signs of disease.

The Cabinet Member for Environment explained that she would need officers to look into this specific case but that trees were only felled with good reason. The Cabinet Member for Transport and Infrastructure added that trees close to the highways were only felled if there was a safety issue. A written response would be provided to Ms Blake.

118/21 PETITIONS [Item 4c]

There were none.

119/21 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

120/21 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

There were none.

121/21 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 6]

The Cabinet Member for Education and Learning explained that the decision taken was in relation to additional specialist school places for pupils with special educational needs and disabilities (SEND) at Clifton Hill school and Woodfield secondary school. Surrey's ambition was to ensure sufficient maintained placement availability for the cohort of children and young people who have SEND and need specialist placements, so that they are educated closer to home and are more connected to local communities and support services.

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.

122/21 COVID-19 DELEGATED AND URGENT DECISIONS TAKEN [Item 7]

There were none.

123/21 SURREY COUNTY COUNCIL STRATEGY AND DELIVERY - 2021 AND BEYOND [Item 8]

The item was introduced by the Leader who explained that extensive work had been undertaken to design a vision for Surrey and as a result a Community vision for Surrey in 2030 had been developed, prior to the pandemic. Since the pandemic, the council must revisit the impacts and effects on communities, localities and the economy. The report assesses the most likely medium-term future for Surrey and considers the role of the council in shaping and responding to this outlook, taking into account a range of factors. There were four key areas agreed by Full Council in October 2020 that the council would focus on including Growing a sustainable economy so everyone can benefit, Tackling health inequality, Enabling a greener future and Empowering communities. It was essential the council remained flexible and responsive to the changing needs and behaviours of communities and localities.

The Cabinet Member for Communities announced that the 'make it happen' campaign had been launched and the council wanted to engage with residents and listen to what communities were saying. The campaign would empower communities.

RESOLVED:

1. That Cabinet reaffirms and endorses the strategic direction of the Council, recognising the progress and achievements to date.

2. That Cabinet acknowledges the impact that Covid-19 has had on residents, communities and economy, and the changed context the Council now faces.
3. That Cabinet recognises the financial challenge that the organisation continues to face and endorses the twin-track approach to budget setting in the short and medium terms.
4. That the initial elements of a high-level strategic programme, to be developed further be approved to ensure the ambitions of the Community Vision 2030 and Organisation Strategy priorities are achieved.
5. That the indicative target operating model and workforce of the future for the Council, required to achieve our ambition and priority objectives be approved.

Reason for decision:

The challenges brought about by Covid-19 make it even more important that we achieve our ambitions to be an agile, flexible and responsive organisation that engages directly with communities and utilises innovations in digital and data to transform the way we design and deliver services.

Endorsing our current ambitions and strategic direction and setting out a high-level delivery programme for the medium term will help us to add more value, make greater impact and improve services so they deliver the best possible long-term outcomes for residents. As part of this, more radically transforming our organisation to reform its function, form, focus and culture will be key.

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

124/21 IMPROVING MENTAL HEALTH OUTCOMES, EXPERIENCES AND SERVICES IN SURREY [Item 9]

The Leader explained that a Mental Health Partnership Board which was chaired by Independent Chairman, Alan Downey had been set up with the purpose 'To bring together a range of partner organisations to oversee, govern and drive whole system transformation and improvement in mental health outcomes, experiences and services for children and adults living with mental ill-health in Surrey.' The final report from the board had been reviewed by various committees including the Health and Wellbeing Board. Recommendations in the report would be monitored by the delivery board and focus was on prevention and early intervention. Thanks was given to the Chairman of the Board and all those who had participated in the work of the board.

There was wide support from Cabinet on the report. The Cabinet Member for Adults stated that the board had undertaken a great piece of work and had identified priority areas to improve mental health and wellbeing. The improvement programme was special and would make tangible differences. Thanks was given to the Chairman of the board and all stakeholders involved with the work. The Cabinet Member for Children and Families added that the improvements in children's social care was interdependent on systemic transformation in emotional health and wellbeing services for children and young people. A new i-THRIVE model was in place and would focus on early intervention. The establishment of the board was welcomed.

RESOLVED:

1. That the work commissioned and undertaken by the Surrey Mental Health Partnership Board be acknowledged.
2. That the recommendations and implementation programme arising from that work, which will drive improvements across the mental health system are endorsed.
3. That the Council's role and contribution to emotional wellbeing and mental health outcomes, experiences and services in Surrey be acknowledged.

Reason for Decision:

Tackling health inequality is one of the Council's four strategic priorities. Poor mental health is a key factor in a range of conditions and personal situations, such as substance abuse, unemployment, poor physical health, that create and/or worsen health inequality. The mental health system in Surrey is under great stress and struggling to manage the demands made upon it. This report and its recommendations, the work to date and the work proposed are intended to support the mental health system deal with the immediate demands and pressures as well as building an effective and sustainable improvement programme.

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

125/21 CHILDREN'S IMPROVEMENT UPDATE [Item 10]

The Cabinet Member for Children and Families introduced the report explaining that the report provides an update on the improvement of Surrey's children's services, the impact of the COVID-19 pandemic on the improvement programme and a summary of the recent Ofsted Focused Visit (March 2021), including findings & feedback. Scrutiny of improvements being undertaken in the service is carried out regularly. The Chairman of the Children, Families, Lifelong Learning and Culture Select Committee spoke on the item stating that she supported the report and explained that the Select Committee worked openly and transparently with the service to ensure no stone was left unturned. There was no complacency and additional scrutiny would take place where needed.

The Cabinet Member for Education and Learning stated that the report highlights the robust systems we have in place for children missing from education and that are being home educated. Work had been done with school leaders to improve our school inclusion strategy and work was being undertaken to increase the number of school places and keep as many children and young people in school.

RESOLVED:

1. That Cabinet review the findings from the March 2021 Ofsted Focused Visit and the updated improvement plan and priorities as set out by children's services in response to the feedback received.

2. That Cabinet receive a further update on the progress made delivering the children's services 'Getting to Good' plan and the improvement priorities resulting from the Ofsted Focused Visit in early Autumn 2021.
3. That the cross-cutting approach on how 'getting to good' across the directorate be noted, which also includes services for children with additional needs (SEND) and services for children with emotional wellbeing or mental health issues (CAMHS), highlighting some key areas of focus; performance, retention, professional development, partnerships and finances.

Reason for Decision:

Children's services improvement is a high priority for the Council. It is important that Cabinet is aware of the evidence of progress made to improve services so far, as determined by both internal and external scrutiny and of the ongoing, ambitious and innovative improvement plan which is driven by a focus on improving outcomes for children and families and goes well beyond resolving only the issues highlighted by Ofsted, the Department for Education (DfE) and the Commissioner.

The routine national inspection activity resumes from May 2021 at which point Ofsted will begin a gradual restart of the Inspecting Local Authority Children's Services (ILACS) programme for local authority children's services. Although the timetable for inspection is not notified in advance, we are anticipating a full re-inspection of Surrey's children's services later in 2021 or early in 2022.

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

126/21 VARIATION TO ADMISSION ARRANGEMENTS FOR SURREY'S COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS FOR SEPTEMBER 2021 AND SEPTEMBER 2022 [Item 11]

The Cabinet Member for Education and Learning explained that the report details variations to admission arrangements for Surrey's community and voluntary controlled schools for September 2021 and September 2022. The variation would give top priority to children adopted from state care outside England, alongside looked after and other previously looked after children. It will ensure that children adopted from state care outside England are given the same priority for admission as children adopted from state care in England.

RESOLVED:

That Cabinet recommends that the County Council approves the admission arrangements for community and voluntary controlled schools and co-ordinated schemes.

1. That, subject to the new School Admissions Code coming into force on 1 September, the admission arrangements for community and voluntary controlled schools for 2021 and 2022 are varied to give top priority for children adopted from state care outside England,

alongside looked after children and other previously looked after children.

Reason for Decision:

- It will ensure the local authority complies with the new School Admissions Code that is due to come in to force on 1 September 2021.
- It will ensure that children adopted from state care outside England are given the same priority for admission as children adopted from state care in England.

127/21 SUPPORTED INDEPENDENT LIVING - FEASIBILITY STUDY [Item 12]

The report was introduced by the Cabinet Member for Economic Development and Property who explained that Cabinet was being asked to approve capital programme funding of £1.9m to carry out a feasibility study to progress supported independent living schemes for accommodation units at four identified sites in Surrey. Once approved the team would be able to develop business cases for each site. The Supported Independent Living programme aims to Empower Communities and Tackle Health Inequalities by increasing the number of working age adults with support needs living in supported independent living settings and reduce reliance on traditional residential care provision. The Chairman of the Resources and Performance joined the meeting and stated that he had no issues with the principle of supported independent living but there were some concerns around the financing of the feasibility study.

The Cabinet Member for Adults stated her support for the report and highlighted that it would allow the council to deliver on its promise to build affordable extra care and independent living units. The Cabinet Member would be looking forward to working with district and boroughs to deliver these schemes. The Deputy Cabinet Member for Land and Property voiced his support for the recommendations.

Recommendations 2 and 3 were agreed and Recommendation 1 would be discussed confidentially at Item 17.

RESOLVED:

1. That capital funding of £1.9m from the capital programme Medium Term Financial Strategy (MTFS) pipeline allocation for Supported Independent Living for a feasibility study to progress supported independent living accommodation schemes at four identified sites up to full planning applications be approved.
2. That procurement of appropriate supply chain partners for the delivery of all associated services required, in accordance with the Council's Procurement and Contract Standing Orders be approved.
3. Regarding the procurement of supply chain partners, that the Executive Director of Resources and the Director of Land and Property be authorised to award such contracts within the +/-5% budgetary tolerance level.

Reason for Decision:

The decisions recommended in this report will contribute to enabling the Council to:

- i. Meet the need, identified by the Council's Adult Social Care (ASC) team, for supported independent living accommodation units in the four identified sites.
- ii. Enable local residents with Learning Disabilities and/or autism to have their own accommodation to improve their independence and wellbeing.
- iii. Make an essential contribution towards the Council's strategic objective to tackle health inequality, in line with the 2030 Community Vision to ensure no-one is left behind.
- iv. Potentially release assets for alternative use or disposal, where identified as surplus to supported independent living requirements by the ASC team.

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

128/21 SURREY'S GREENER FUTURES CLIMATE CHANGE DELIVERY PLAN (CCDP) [Item 13]

The report was introduced by the Cabinet Member for Environment who explained that the report sets out the proposed approach and principles underpinning the first five-year Greener Futures Climate Change Delivery Plan and works towards the council becoming carbon neutral by 2050. The recommendations focus on agreeing the pivotal role of behaviour change in delivering the county's net zero targets and agreeing to continue to fully engage partners. A conscious effort had been taken to link up and communicate with partners and residents to ensure a clear 5 year plan. This plan requires input from residents and partners so it can be a plan for the whole of Surrey. Jonathan Essex spoke on the item stating that he hoped the Greener Future Board would engage with politicians across the party spectrum. The delay to the plan was welcomed and the member commented that he hoped the Greener Future Board would work with district and boroughs to come up with a plan to de-carbonise all buildings and homes in Surrey by 2035. The member felt there were many opportunities for the Greener Future Boards to deliver improvements.

The Leader stated that a delivery plan should not be rushed through and the summer would be spent consulting with residents and partners on a plan that was deliverable. It was also vital that the government did more to support the council and the right channels would be used to lobby government. Most importantly, the hearts and minds of residents needed to be won over to bring about change towards a greener future.

RESOLVED:

1. That the proposed approach and principles underpinning the development of the Greener Futures Climate Change Strategy Delivery Plan for achieving net zero 2050 be approved.

2. That Cabinet agree to continue to fully engage partners, in particular districts and boroughs, in developing and shaping the Plan.
3. That Cabinet agree the pivotal role of behaviour change in delivering the county's net zero targets and the outline approach for engaging and empowering communities to act.
4. That the crucial role that all partners must play in delivering and approving the establishment of a Greener Futures Board to provide countywide leadership to this agenda be agreed.
5. That the full county Greener Futures Climate Change Delivery Plan, the Council's own Net Zero Delivery Plan and a robust Greener Futures Finance Strategy be brought back to Cabinet in Autumn 2021.

Reason for Decision:

Having declared a climate emergency and published the Greener Futures Climate Change Strategy in 2020, it is now essential to have an evidence-based delivery plan that shows how Surrey's target of net zero by 2050 can be achieved.

Surrey County Council has a crucial role to play in delivering and driving this agenda and must ensure that the resources and levers that are within its control, and the influence that can be brought to bear, are utilised to maximum effect.

However, the Council is only one part of the solution, and ultimately all partners must play their part in the implementation of a jointly developed, owned and delivered plan, with a strong governance framework to provide strategic direction.

Most importantly, delivering the ambitions of the Greener Futures Climate Change Strategy will require a step change in how our communities live, work and play, and therefore the critical role of enabling residents and businesses to make more sustainable choices is highlighted as a major focus.

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

129/21 THE SURREY TRANSPORT PLAN (FOURTH EDITION) [Item 14]

The Cabinet Member for Transport and Infrastructure introduced the draft fourth edition of the Surrey Transport Plan and its emerging Delivery Programme. The Plan sets out the Council's transformational and ambitious roadmap to deliver the required carbon reduction targets set out in the Climate Change Strategy for the transport sector, whilst supporting the county's communities and economy to thrive. The Plan was a significant contributor to the Council's contribution to the delivery of the county's net zero carbon target of 2050. The Council had already undertaken informal consultation with key stakeholders in the development of the draft plan over recent months and a consultation with Statutory Consultees, Key Partners, Businesses, and residents is planned to take place from 5 July to 24 October 2021.

Catherine Baart spoke on the item and welcomed the draft plan and the increase in active travel arrangements. It was queried how the implementation

of 20mph zones could be sped up seeing as road speed limits were key in the draft plan. The Cabinet Member stated that joint and local committees were responsible for making decisions around road speed limits based on local residents priorities and this could take up to a year to implement.

RESOLVED:

1. That the evidence base and development of the first draft of the Surrey Transport Plan (4th edition) be noted.
2. That the draft fourth edition of the Surrey Transport Plan be approved and be put forward for statutory consultation between the 5 July 2021 and 24 October 2021, noting the following in particular:
 - a) The vision, objectives and outcomes.
 - b) The “Avoid / Shift / Improve” Framework.
 - c) The nine new policy areas identified.
 - d) The sustainable travel hierarchy and street’s family framework.
 - e) The four impact strategies to deliver the expected outcomes.
3. That the requirement to consider, as part of the Medium Term Financial Strategy (MTFS), additional investment into more sustainable transport infrastructure and/or to reprioritise existing capital commitments to deliver the ambitions of the new Surrey Transport Plan, pending initial feedback from the consultation be noted.
4. That the launch of the statutory consultation and delegate sign-off of consultation contents to the Cabinet Member for Transport and Infrastructure and Executive Director for Environment, Transport & Infrastructure be approved.
5. That the development of a programme to support delivery of the Surrey Transport Plan which will include a funding strategy and a set of Key Performance Indicators (KPIs) be approved. If required, projects and programmes will be brought back to Cabinet with costed delivery plans for future approval.

Reason for Decision:

Achieving the scale of carbon emissions reduction to deliver net zero carbon by 2050, requires a step change in how transport services and its infrastructure are planned, delivered, maintained, and used. This will need the Council, partner organisations, businesses, and all of Surrey’s residents to act now and work together to make changes in when, where, and how they choose to travel, including adopting digital opportunities. The plan sets out policies to support these changes by developing and enhancing safe, cleaner, greener ways of travelling and accessing services and opportunities. Behaviour change, innovation, and uptake of technology such as electric vehicles, will all be integral to meet the challenge of achieving the county’s target of net zero carbon by 2050. The plan also supports the importance of ensuring that our transport policies and networks enables a prosperous economy and healthier, better connected communities.

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

130/21 2021/22 MONTH 1 (APRIL) FINANCIAL REPORT [Item 15]

The Deputy Leader and Cabinet Member for Finance and Resources introduced the report explaining that the report provides details of the County Council's 2021/22 financial position as at 30th April 2021 (M1), and the expected outlook for the remainder of the financial year. Directorates have identified net risks of £6.7m, consisting of risks quantified at £13.1m and opportunities of £6.4m. Where possible, Directorates will take action to mitigate these risks and maximise the opportunities available to offset them. The report also sets out proposed increases to Public Health's budget, funded by additional Public Health grant.

RESOLVED:

1. That the Council's forecast revenue and capital budget positions for the year be noted.
2. That the increase to Public Health's budget to fund PrEP (pre-exposure prophylaxis) medicine and other initiatives recommended by the Public Health Leadership Team and approved by the Executive Director of Resources be noted.

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]

131/21 EXCLUSION OF THE PUBLIC [Item 16]

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.

132/21 SUPPORTED INDEPENDENT LIVING - FEASIBILITY STUDY [Item 17]

The Cabinet Member for Economic Development and Property introduced a Part 2 report containing 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).

The Chairman of the Resources and Performance Select Committee was invited to speak on the item and asked some questions around the value for money element of the recommendations. There was a discussion around costings for the feasibility study. Recommendation 1 of the report was approved by Cabinet.

RESOLVED:

See Minute 127/21.

Reasons for Decisions:

See Minute 127/21.

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

133/21 PUBLICITY FOR PART 2 ITEMS [Item 18]

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

Meeting closed at 03:20pm

Chairman

SURREY COUNTY COUNCIL**CABINET****DATE:** 20 JULY 2021**REPORT OF:** N/A**LEAD OFFICER:** JOANNA KILLIAN, CHIEF EXECUTIVE**SUBJECT:** LEADER/DEPUTY LEADER/CABINET MEMBER/ STRATEGIC INVESTMENT BOARD AND COMMITTEES-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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Annex 1

CABINET MEMBER DECISIONS JULY 2021

6

CABINET MEMBER FOR EDUCATION & LEARNING DECISIONS

1. PROPOSED 6TH FORM CLOSURE AT THE PRIORY CHURCH OF ENGLAND (AIDED) SCHOOL, DORKING

(i) Details of decision

The Cabinet Member for Education and Learning determined the statutory notice published thereby bringing into effect the formal commencement of the proposals. The proposal was approved without modification.

(ii) Reasons for decision

Over the last seven years, The Priory Church of England (Aided) School has seen a decline in the number of students attending the sixth form provision at the school. The school has a capacity of 200 places for post-16 pupils and as of January 2021 school census, only had 45 pupils on roll. Low sixth form numbers place a considerable financial burden on the overall school budget. The provision is underutilised and not sustainable to operate, therefore the Governing Body proposed, in conjunction with Surrey County Council and the Diocese of Guildford, that the sixth form provision be removed from September 2022.

(Decision taken by the Cabinet Member for Education & Learning – 6 July 2021)

2. PROPOSAL TO LOWER THE AGE RANGE AT STAMFORD GREEN PRIMARY SCHOOL

(i) Details of decision

The Cabinet Member for Education and Learning determined the Statutory Notices approving the proposal without modifications to lower the age range at Stamford Green Primary School.

(ii) Reasons for decision

The nursery is currently meeting a need identified through the Surrey County Council Childcare Sufficiency assessment. The proposed change will incorporate the current nursery provision as part of the maintained school. This will enable the school to build on and strengthen the arrangements already in place and provide a joined-up approach for all children from 2 to 11 years old.

As nursery children will be on roll as part of the whole school, the systems and processes will be streamlined, enabling the school to deploy our resources across the nursery and school to ensure that every child realises their potential.

(Decision taken by the Cabinet Member for Education & Learning – 6 July 2021)

3. ADDITIONAL SPECIALIST SCHOOL PLACES FOR PUPILS WITH SPECIAL EDUCATIONAL NEEDS AND DISABILITIES

(i) Details of decision

The Cabinet Member for Education and Learning determined the statutory notices published for each of the 2 proposals below without modification, thereby bringing into effect the formal commencement of the proposals:

1. The Expansion of Freemantle's School, and
2. Creation of a SEN Unit at Chandlers Field Primary School.

(ii) Reasons for decision

Following the introduction of The Children and Families Act, 2014 and revised SEND Code of Practice in 2015, Surrey has seen the number of Education, Health and Care Plans (EHCPs) increase by between 11-18% each year, resulting in the projected demand for 5,100 specialist school places within the next 5 years.

The SEND Capital Programme's approved strategy will deliver the additional 1,600 specialist school places which will be phased in to close the gap between the planned places of 3,513 in 2021 and the total projected demand by approximately 2026.

This significant increase in demand for specialist provision has led to a historic over reliance on the independent school sector. Surrey's ambition is to ensure sufficient maintained placement availability for the cohort of children and young people who have SEND and need specialist placements so that they are educated closer to home and are more connected to local communities and support services.

The Cabinet Member for Education and Learning 's approvals and recommendations completes the statutory process in accordance with the relevant legislation to make appropriate changes to Surrey's specialist estate.

(Decision taken by the Cabinet Member for Education & Learning – 6 July 2021)

CABINET MEMBER FOR TRANSPORT & INFRASTRUCTURE DECISIONS

4. GUILDFORD QUALITY BUS CORRIDOR AND BUS LANE ENHANCEMENT - A320 WOKING ROAD

(i) Details of decision

That the proposed changes to the operational times of the bus lane in Woking Road, Guildford between the Stoughton Roundabout and Stoke Cross-roads be amended to operate all day, every day.

(ii) Reasons for decision

The Quality Bus Corridor Project three main objectives are:

- 1) Improved bus journey time reliability and punctuality
- 2) Increased levels of bus patronage
- 3) Reduced bus journey times

In addition, the bus lane provides a useful facility for cycles and will be available for longer periods of the day.

This will help us achieve our 2030 Community Vision objectives

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

(Decision taken by the Cabinet Member for Transport & Infrastructure – 6 July 2021)

CABINET MEMBER FOR EDUCATION & LEARNING DECISIONS

5. EXPANSION OF ST ANDREW'S CATHOLIC SCHOOL

(i) Details of decision

The Cabinet Member for Education and Learning determined the statutory notice published thereby bringing into effect the formal commencement of the proposal that St Andrew's Catholic School will enlarge to 1,200 places in national curriculum years 7 to 11 from September 2022. The proposal was agreed without modification.

(ii) Reasons for decision

The proposal supports and delivers the Authority's statutory obligation to provide sufficient school places to meet demand. The proposal responds to the increased demand for Catholic secondary places in the Leatherhead secondary planning area. St Andrew's Catholic School serves a large Catholic deanery and admits pupils from a wide area in accordance with its faith-based admissions criteria. The proposal also responds to the previous one-form entry expansion of St Peter's Catholic Primary School in Leatherhead in 2014 with the first cohort of additional pupils expected to feed into St Andrew's Catholic School from September 2021.

(Decision taken by the Cabinet Member for Education & Learning – 12 July 2021)

6. ADDITIONAL SPECIALIST SCHOOL PLACES FOR PUPILS WITH SPECIAL EDUCATIONAL NEEDS AND DISABILITIES

(i) Details of decision

The Cabinet Member for Education and Learning determined the statutory notices published for each of the two proposals below thereby bringing into effect the formal commencement of the proposals:

1. Removal of the boarding provision at Sunnydown School
2. Expansion of Philip Southcote School and Sixth Form and creation of Satellite Centres at Chertsey High School and Kings International College

(ii) Reasons for decision

Following the introduction of The Children and Families Act, 2014 and revised SEND Code of Practice in 2015, Surrey has seen the number of Education, Health and Care Plans (EHCPs) increase by between 11-18% each year, resulting in the projected demand for 5,100 specialist school places within the next 5 years.

The SEND Capital Programme's approved strategy will deliver the additional 1,600 specialist school places which will be phased in to close the gap between the planned places of 3,513 in 2021 and the total projected demand by approximately 2026.

This significant increase in demand for specialist provision has led to a historic over reliance on the independent school sector. Surrey's ambition is to ensure sufficient maintained placement availability for the cohort of children and young people who have SEND and need specialist placements, so that they are educated closer to home and are more connected to local communities and support services.

The Cabinet Member for Education and Learning's approvals and recommendations completes the statutory process in accordance with the relevant legislation to make appropriate changes to Surrey's specialist estate.

(Decision taken by the Cabinet Member for Education & Learning – 12 July 2021)

SURREY COUNTY COUNCIL**CABINET****DATE:** 20 JULY 2021**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

7

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:	Surrey County Council Response to Covid: COVID Local Support Grant
Divisions Affected:	All divisions
Key Decision:	Yes
Decision taken under delegation by virtue of:	Cabinet decision 31 March 2020 Min ref: 41/20

Summary

1. On 21 June 2021, the government announced a further extension of the COVID Local Support Grant (CLSG) to support vulnerable families. The extension covers the period 21 June to 30 September 2021, with a further £160m of support announced.
2. The COVID Winter Grant Scheme (CWGS), originally announced in November 2020, provided £170 million to councils to support those most in need across England with the cost of food, energy and water bills and other associated costs during the Coronavirus pandemic. The original scheme was due to end on the 31 March 2021, in February this was extended to the 16 April 2021, with further funding of £59m announced.
3. In April 2021 there was a second extension, providing a further £40m of support to 20 June 2021, reflecting the timing of planned further easing of lockdown restrictions as outlined in the Government’s roadmap in February. The grant was renamed the COVID Local Support Grant but maintained the same eligibility criteria and utilises the same reporting frameworks as the previous Winter Support Grant. This recent further extension continues this trend.
4. The £160m CLSG extension will be allocated to local authorities on the same basis as the previous CWGS, using the population of each authority weighted by a function of the English Index of Multiple Deprivation. Surrey County Council are due to receive £2,001,309.65. This is in addition to the £3.4m allocated in previous announcements. Funding is paid in instalments and is dependent on the Council returning reporting on how the funding is being spent, in line with specific grant conditions.
5. DWP guidance on the grant is summarised below:
 - At least 80% of the grant must be allocated to households with children; up to 20% may be allocated to households without children or individuals. Care leavers up to the age of 25 are not classified as children for the purposes of this grant.
 - At least 80% of the grant must be allocated for food or utility bills; up to 20% of the grant can be allocated for other financial needs.

6. Local authorities may determine the groups they consider most vulnerable and the thresholds for support, however feeding children is a key aim of the grant. The funding is not means tested.
7. Previous tranches have been used to provide support to the following:
 - Food vouchers to those eligible for Free School Meals over the Christmas, Easter, February half term and May half term holidays.
 - Food vouchers to 2, 3 and 4 year olds from low income families
 - Support to care leavers over the Christmas and Easter periods
 - Funding to meet increased demand experienced by the Council's Crisis Fund and to continue with the widened criteria implemented at the outset of the pandemic.
 - Financial contributions to a number of foodbanks experiencing increased demand as a result of the pandemic
 - Utility costs associated with Winter Cabins for the homeless
 - Financial contribution to VCF organisation providing equipment and clothes to babies, infants and school children.
8. This paper seeks approval for the allocation of the further extension funding of £2,001,309.65

Proposals:

9. There continues to be strong support from school leaders and welfare rights leads for food vouchers for children in receipt of benefit related free school meals. They considered these a very effective means of targeting and distributing food support for children in very financially vulnerable households during the school holidays.
10. In addition, for low income families with children in early years (2 years old receiving Funded Early Education Provision and 3 & 4 year olds on EY Pupil Premium) SCC holds data on these children and can target support via Early Years providers.
11. The previous support offered have provided vouchers to in excess of 20,000 children during the holiday periods. It is proposed that this additional funding is used to continue to offer this support over the upcoming summer holidays, with food vouchers of £90 per eligible child provided to cover the summer holiday period.
12. Recognising that there are other families who will not benefit from extra targeted support for children on FSM and that the Council continues to see increased demand and calls to the Crisis Fund. It is proposed that additional funding is provided to the Crisis Fund to manage this increased demand and continue with the widened criteria implemented at the outset of the pandemic.

Decision made

Decision made:

It was AGREED that the following allocations would be made from the extension to the COVID Local Support Grant announced in June 2021:

Children entitled to Free School Meals	£1.7m
Low income families with children in early years settings	£0.2m
Surrey Crisis Fund	£0.1m
	£2.0m

Reasons for Decision:
 To assist those most in need of assistance with the purchase of food and other essential items during the winter months, with a particular focus on families with children, in line with the DWP grant conditions.

Decision taken by:	Leigh Whitehouse – Executive Director for Resources Rachel Wardell – Executive Director for Children, Families & Lifelong Learning. Becky Rush – Cabinet Member for Finance and Resources Denise Turner-Stewart - Cabinet Member for Education & Learning
Decision taken on:	2 July 2021
To be implemented on:	One-off payments to be made to the organisations/individuals, as set out above.

Alternative options considered

The alternative is to not accept the funding allocation from DWP which would reduce the ability of the Council to support those in the County most in need, of assistance with the purchase of food and other essentials, particularly families with children.

A number of allocation mechanisms were considered, but the proposal above was deemed to provide the most impact and coverage across the County.

Summary of any financial implications

The DWP grant allocation amounts to £5.36m, including all extensions. This is due to be received by the Council in a number of tranches, dependent on the submission of accurate allocation management information. Allocations were made to organisation/individuals from December 2020 to June 2021, with further allocations due by 30 September in line with the grant extension conditions.

Declarations of conflicts of interest

None

Consultation/Process Followed

Decisions taken in consultation with colleagues in the LRF Welfare Cell, the Education Cell of school phase council headteachers, the Surrey Crisis Fund, Twelve15 (SCC school catering), Surrey Welfare Rights Unit, SCC finance, children’s services, the virtual school, adult social care, schools relationships service and EMT, and are based on the grant guidance issued by from DWP.

Background Documents	Exempt:
Cabinet report 31 st March 2020 setting out the council’s response to Covid-19 and regular COVID update reports to Cabinet throughout 2020 and into 2021.	

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SURREY COUNTY COUNCIL**CABINET****DATE: 20 JULY 2021****REPORT OF: TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: MICHAEL COUGHLIN, DEPUTY CHIEF EXECUTIVE****SUBJECT: COVID-19: SURREY COUNTY COUNCIL – UPDATE, REVIEW AND LESSONS LEARNED****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/EMPOWERING COMMUNITIES**

8

SUMMARY OF ISSUE:

Throughout the COVID-19 pandemic, Surrey County Council has taken a leading role in the ongoing local response; ensuring our residents are protected and well-supported throughout these unprecedented times. The pandemic continues to disproportionately impact communities across Surrey and responding to this effectively and helping communities to recover is critical to tackling health inequalities across the county.

As we move into the final stage of the Government's planned roadmap for easing restrictions, this report sets out the latest Public Health information about COVID-19 and updates Cabinet on the strategic and sensitive issues arising from the extensive response and recovery work going on across Surrey. In summarising the mission, scale and reach of the council's response to date, this report highlights key lessons learned over the course of the pandemic.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Acknowledges the impact that COVID-19 has had and continues to have on Surrey, its residents and economy and the services provided by the Council.
2. Notes and endorses the actions being delivered through Surrey's Local Outbreak Control Plan, including the vaccination roll out, and the ongoing support to vulnerable residents, including through the council's Community Helpline and the COVID-19 Winter Support Grant scheme.
3. Reviews and comments on the lessons learned derived from a review by the Surrey Local Resilience Forum and County Council on the response to and recovery from the COVID-19 pandemic

REASON FOR RECOMMENDATIONS:

The recommendations set out in this report ensure that the Cabinet are appraised of the scope, detail and learning from our response to and recovery from the COVID-19 pandemic to date.

DETAILS:

Public Health Update

COVID-19 Response – Spring 2021 Plan

1. On 22 February 2021, the Government published a four-step plan for easing national restrictions and thus ending the national lockdown. On 14 June 2021, the Government announced that step four would be delayed until 19 July, due to the prevalence of a more transmissible 'Delta' variant, resulting in a significant rise in COVID-19 case rates. This delay allowed for an acceleration of the vaccination programme, which remains an effective means of reducing hospitalisations and deaths for the virus.

COVID-19 Surveillance

2. The County Council's Public Health team continue to hold data surveillance meetings three times a week to ensure prompt action is taken in line with Surrey's Local Outbreak Control Plan. The [Weekly Coronavirus Full Summary Report](#) (published every Friday) and [Coronavirus Short Summary Report](#) (published Mondays, Wednesdays and Fridays) provide regular updates on COVID-19 rates in Surrey. Data published on 23 June 2021, at the time of writing, indicates that between 14 June 2021 and 20 June 2021, 62.3 cases per 100,000 population were recorded in Surrey. This rate is lower when compared with England, 103.1 per 100,000 population.

Local Outbreak Control Plan

3. Surrey's [Local Outbreak Control Plan](#) has been updated and re-published to reflect the COVID-19 Response – Spring 2021 plan and the revised COVID-19 Contain Framework, as well as local progress and developments. The following actions aligned to the plan which have recently taken place include:
 - **Testing**
Full details on COVID-19 testing in Surrey are available [here](#). There is also a new [NHS webpage](#) for COVID-19 testing.
 - **Symptomatic Testing**
Anyone with symptoms of COVID-19 (fever, new continuous cough, loss of sense of taste or smell) can access [PCR testing](#) at regional testing sites, local testing sites, mobile testing units or through home delivery. The Surrey Testing Cell continues to assist with the provision of PCR testing upon request for specific priority groups if needed. [GPs](#) and [children's homes](#) continue to be able to order PCR testing kits if needed.
 - **Symptom-free Testing**
All adults and secondary age school children are recommended to use rapid lateral flow testing twice weekly. Plans for the extension of the local authority led Targeted Community Testing programme in Surrey were submitted to the Department of Health and Social Care (DHSC) on 23 June 2021. This re-submission is for the period of July to September 2021, but it is expected that the community testing programme will be extended until at least March 2022 with three-monthly re-submissions to the DHSC. Local authorities have been asked to focus on testing methods that best reach underrepresented and disproportionately impacted individuals and communities.
 - **Surge Testing**
On 18 June 2021, the Surrey Local Resilience Forum (SLRF) commenced surge testing in Banstead, Walton-on-the-hill, Tattenham Corner and Reigate town centre, with the official 'surge' period (i.e. sequencing of all PCR test results from within these

areas) continuing until 9 July 2021. This programme identified an increasing proportion of identified cases as the Delta variant, which is more transmissible than the Alpha (Kent) strain and may also be associated with an increased risk of hospitalisation for those who have not been fully vaccinated. The Surrey County Council (SCC) Public Health team will continue to work with Public Health England (PHE) to assist in the investigation and management of variants under investigation (VUI) and variants of concern (VOC) as required, with the support of the SLRF.

- **Local Contact Tracing**

Between 3 June and 9 June 2021, the national and local contact tracing teams combined in England reached 92% of cases. Between 7 June and 13 June 2021, Surrey's Local Contact Tracing team contacted 98% of cases demonstrating that Surrey are continuing to reach more cases than the national average. The Environmental Health Officers in Surrey continue to support with face to face contact tracing for those cases that cannot be reached by telephone.

- **Schools**

Surrey County Council's Public Health and Education teams continue to provide support to education settings across Surrey. COVID-19 mitigation measures are well established in Surrey's education settings, and twice weekly symptom-free testing continues to be strongly encouraged for those eligible as well as vaccinations for staff who are eligible. In response to increasing cases within the 11-16 age group, schools have been asked by Public Health England to advise contacts of PCR positive cases, to have a PCR test themselves. National guidance and advice from local expert partners are communicated regularly and planning for end of term remains a focus, particularly transition days for year six.

- **Care Homes**

The Care Homes COVID-19 Outbreak Oversight Group continues to meet fortnightly to provide oversight of current COVID-19 outbreaks in care homes and co-ordination of system response in line with national guidance. In the event of an outbreak in a care home, window and pod visits do not now necessarily need to stop. The isolation period for a home has been reduced from 28 days to 14 days from the last positive or suspected case unless specific variants of concern have been identified when it will be extended to 28 days. From 22 June 2021, new residents admitted from the community do not need to self-isolate if they satisfy the specified requirements. Self-isolation for staff has changed from 14 days to 10 days, in line with national policy.

- **Managed Quarantine Service (MQS)**

Currently there are two hotels in Surrey under the [Managed Quarantine Service](#) (MQS) which is delivered by DHSC. Public Health and Emergency Planning colleagues are working with the DHSC and partner agencies including NHS and D&Bs to implement the MQS for anyone who has travelled from, or passed through, a country on the '[red list](#)'.

- **Community (COVID) Champions**

The Community (COVID) Champions programme continues to be delivered in nine out of eleven boroughs and districts within Surrey (planning is underway to develop a scheme in Woking). The role of Community (COVID) Champions is to share accurate, reliable, and current information on COVID-19 among their local communities. SCC Public Health team continues to produce a weekly briefing which covers local/national data and guidance, testing and vaccinations, and current COVID-19 related public health topics. The briefing is sent to the Community (COVID) Champions Coordinators in the local borough/district, who then circulate it to the champions to cascade on to their networks and local communities. Regular borough/district led webinars are held, in order allow champions to feedback any intelligence or insights they have about the

local community. SCC Public Health team are in the process of planning phase two of the programme.

COVID-19 Vaccination Roll-out

4. Full details on the COVID-19 vaccinations in Surrey are available in the [Weekly Coronavirus Full Summary Report](#) (pages 56-65). NHS England data on daily and weekly uptake of vaccinations can be found [here](#).

- **Surrey Heartlands**

Between 8 December 2020 and 13 June 2021 (data published 17 June), Surrey Heartlands Health and Care Partnership delivered a total of 1,160,015 COVID-19 vaccinations, of which 684,350 were first doses. As at 13 June 2021, 76% of the adult population (18 years and over) had received a first dose and 53% had received a second dose.

- **Frimley**

Between 8 December 2020 and 13 June 2021 (data published 17 June), Frimley Health and Care ICS administered a total of 800,491 COVID-19 vaccinations, of which 472,936 were first doses. Vaccination of cohorts 5-9 was completed by the target date of 15 April 2021, with the offer of vaccination made to everyone in these groups, and an overall uptake percentage of 81%. The offer of vaccination remains open to anyone in Cohorts 1-9 who has yet to take it up, and sites are redoubling efforts to attract remaining people in these cohorts.

The Council's COVID-19 Ops Group

5. The SCC COVID-19 Ops Group was established from 16th March 2020, in advance of the major incident being declared by the Surrey Local Resilience Forum (SLRF) on 19th March 2020. A project management office was established to provide rigorous project management and executive support to the Ops Group chairperson. The group was initially chaired by Ruth Hutchinson (Director of Public Health), before Rachel Crossley (then Director of Strategic Commissioning) assume chairing responsibilities from April 2020 until October 2020. Katie Stewart (Executive Director for Environment Transport and Infrastructure and Corporate Lead for SCC Corporate Resilience) took over as chair of the Ops Group from October 2020 until June 2021.
6. Throughout its operation, the Ops Group met to monitor key activity, actions, and risks to support the Response. An Ops Group Brief was established to ensure key stakeholders, including the Corporate Leadership Team (CLT), members and partners, were kept up to date with all relevant information and data, including the number of COVID-19 cases. Services also fed into a reporting tool to highlight any issues, escalations, and top line updates to help inform decision-making at Ops Group and CLT.
7. As a result of the Government's three tier system coming into force from 14th October, followed by a second full national lockdown on 5th November 2020, Ops Group led a key exercise in November 2020 to review the delivery of service activities. This helped understand service capacity, the implications on service delivery and whether any modifications were needed.
8. The third national lockdown on 6th January 2021 led to CLT and Cabinet focus resource on providing support to SCC critical services, as well as to the SLRF SCG key priorities, to protect the NHS and support mass vaccination and community testing programmes. To this end, Ops Group identified what services could slow, reduce, or pause some workstreams, in order to divert resource and informed stakeholders of potential impacts and risks. This work was then presented to CLT and Cabinet for a formal decision week commencing 11th January 2021.

9. The Ops Group focused on supporting the SLRF Community Testing and Mass Vaccination programmes, in the first few months of 2021. Working with service leads, it coordinated SCC staff lists to ensure that staff groups eligible for the vaccination, as per the prioritisation set by the Joint Committee on Vaccination and Immunisation, were provided the opportunity to receive it. A working group reporting into Ops Group was established to develop a council-wide offer for asymptomatic testing for SCC staff and guidance for services using this new capacity.
10. Risks were regularly monitored by the Ops Group, including adverse weather and the End of the EU Exit transition period (Brexit), under Operation Tarragon. Ops Group representatives were additionally involved in Operation Eagle, which was a surveillance exercise to monitor the impacts of a COVID-19 variant of concern (at that time the South African variant), by providing surge testing in specific areas of Woking and Egham.
11. Ops Group played a crucial role in monitoring the necessary datasets, including COVID cases, number of staff to be vaccinated= and occupancy data of SCC sites and offices. Data was shared weekly with Ops Group attendees and helped inform Ops Group as to the key issues to escalate to the SCG and CLT. This data is still reported on a weekly basis to ensure Ops Group are kept fully aware of any changes and impacts.
12. The SLRF SCG made the decision to stand down the COVID-19 major incident on 28th April 2021. In light of this, and in reviewing further the Government's Spring 2021 Roadmap, the role of Ops Group was amended to support the stand-down of the major incident and the key workstreams of PPE, Test and Trace and Death Management which have transitioned responsibility to within SCC. At present, the Ops Group is performing a monitoring function in terms of COVID-19, reviewing the most up to date data, as well as supporting new and more agile ways of working and access arrangements to the SCC estate where staff cannot work from home. The role of Ops Group and future governance arrangements are being considered as we enter a 'new normal' and supporting the Agile Office Programme.
13. In June 2020, a lessons learned exercise was completed by Ops Group to capture any learning at that time and understand what was working well and what could be improved during the period of Response. This also fed into the final lessons Learned Report and COVID-19 debrief programme, which was shared at the Corporate Resilience Group on 20th May 2021. Some of the key lessons learned identified include:
 - Establish governance, such as Ops Group, as early as reasonably practicable. The introduction of Ops Group became key in the response to the major incident, by allowing services to work together and share information in a collaborative manner. This structure should therefore be considered for any future incidents. It was also suggested to explore how decision making can be empowered at more levels so that not all decisions are required to be made by the CLT, with Ops Group acquiring some form of delegated authority.
 - There should be greater sharing of knowledge and processes between services in "peace time" to enable best practice, this should include business continuity plans. Consideration should also be given to organisation-wide contingency plans and plans that deal with prolonged incidents.
 - Establish a pool of resources whereby individuals are identified with the necessary skillset and ready to deploy as and when required. This process needs to be established formally within SCC, with CLT sign off. Transferable skills should be identified in peace time so suitable redeployment can happen at pace in a crisis. As part of any future redeployment and identification of resources, a decision must be based on a business critical need to reprioritise a particular team or function and open and honest dialogue is required with services providing any redeployees.

14. A full SLRF debrief programme for the COVID-19 response has been scheduled to understand what went well, what improvements could be made and highlight recommendations and actions to ensure lessons learned are taken forward. Between 20th May and 6th June 2021, the SLRF Cells were fully debriefed and the CMG and SCG sessions are scheduled for 2nd July and 9th July 2021 respectively, with a final report due later this summer. Final outputs from this debrief will be considered and any SCC related actions and recommendations will be shared with Ops Group and the Council's strategic Corporate Resilience Group (CRG) for ownership and responsibility going forward.

Recovery Update

15. The Recovery Coordinating Group (RCG), chaired by Surrey County Council's Deputy Chief Executive, was established on 6 April 2020 alongside the COVID-19 response with the aim of overseeing the restarting and restoring of essential services, ensuring the effective transition of services to business as usual, and capturing lessons learned. The RCG met weekly until August 2020 to oversee the majority of the restore and restart actions before moving to a monthly cycle. On 28 April 2021 the Surrey COVID-19 Major Incident and Strategic Coordinating Group was stood down and responsibility for overseeing the remaining responsibilities transition to business as usual was handed over to the RCG.

16. The RCG focussed on several recovery themes that did not fall under the responsibility of a single organisation. Each of these work areas was led by a partner agency:

- Surrey Heartlands, working with Frimley ICS, led work around health and social care and reported on issues including back log and hidden demand, digital appointments and increased need for mental health support.
- Economy and retail, led by Reigate and Banstead Borough Council focussed on monitoring trade on the high streets, tracking unemployment and furlough levels as well as the distribution of discretionary grants to local businesses.
- Place, led by Elmbridge Borough Council, initially oversaw the restarting of services following the first lockdown as well as homelessness before working closely with the economy and retail area around town centres and infrastructure. This area of work also provided assurance around travel and transport including bus and rail usage and encouraging active travel.
- Community, voluntary and faith sector recovery was led by Surrey Community Action and focussed on supporting the viability of the sector going forward as well as working to harness the increased amount of volunteering and enhanced community spirit developed as a result of the pandemic.

17. Theme leads provided regular updates giving the RCG the assurance it required to ensure services were restarting in a timely and safe manner whilst at the same time identifying longer terms actions to be taken forward by existing organisations and partnerships. This approach enabled cross cutting themes to be identified and addressed, whilst ensuring the most appropriate organisation/partnership took responsibility for progressing the action in the longer term within existing governance structures.

18. Whilst recognising that COVID-19 has had a profound impact on our health, economy and society some of the actions and processes put in place to support our residents have had a longer-term beneficial impact. The RCG worked hard to capture these with the aim of building forward better:

- The development of the Community Impact Assessment and Local Recovery Index to measure the impact that the pandemic has had on residents and the economy and to measure how Surrey is recovering from the pandemic will lead to a wider piece of work on a social progress index for the county led by the Health and Wellbeing Board.

- Improved digital solutions were accelerated across all sectors including the move to providing services online, digital self-help and signposting, as well as virtual working and online training. Aligned to this much work was carried out to improve access for those who were digitally excluded.
- The benefits of data sharing across organisation boundaries has been widely recognised and will be built on to better support vulnerable residents.
- Communication channels were enhanced enabling us to more effectively reach out to our more vulnerable communities.
- Relationships were built and stronger partnerships developed which led to enhanced collaborative working across the public and voluntary sector.
- Residents felt empowered to come together to support each other resulting in more resilient communities which can be further developed as part of Surrey County Council’s empowering communities work.
- The profile and interest in volunteering was greatly increased which is hoped will be sustained and further built on.
- There has been an increased use and appreciation of local green spaces, which has had a positive impact on health and wellbeing. Surrey has also been selected as one of seven ‘test and learn’ sites for green social prescribing which looks to provide wellbeing support through nature-based activities.
- There have been fundamental changes in working practices with many employees not returning to the office for more than 1-3 days per week, which will improve employees’ work/life balance, but will also have knock on impacts on the local economy and public transport patronage.
- Organisations’ business continuity and health and safety plans have been fully tested thereby providing the opportunity for them to be updated and amended where required.

19. Many areas of Surrey’s response and recovery work has been considered best practice by MHCLG and partners across the south east. Work is ongoing to share and further capture learning through the Surrey LRF debrief as well as through national research being carried out by Manchester University who are working with a number of local resilience forums across the country.

20. Following final reports and assurances from theme leads that all elements of work from both response and recovery have either stopped or transitioned to business as usual, the RCG stood down on 16 June 2021. Partners across Surrey have been reassured that partnership working will continue and have noted that stand up plans remain in place for new pressures. Going forward any partner can request either a cell stand up plan to be activated or a major incident declared should it be required if cases rise significantly.

RISK MANAGEMENT AND IMPLICATIONS:

21. 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

22. Although significant progress has been made over the last twelve months to improve the Council’s financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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.

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

LEGAL IMPLICATIONS – MONITORING OFFICER

24. 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.

EQUALITIES AND DIVERSITY

25. This report focuses on lessons learned from the response and recovery efforts from the COVID-19 pandemic. It highlights actions and processes that will enable the council and partners to better support residents who are more at risk of being left behind, including:

- Production of data and insight tools, such as the social progress index, which will shine a spotlight on inequalities across the county for partners to develop targeted responses to;
- Making improvements to support residents who are digitally excluded, such as some older people and some people on lower incomes;
- More data sharing between partners to provide coordinated support to some of Surrey’s most vulnerable residents;
- Tailoring our communications, and using the right channels, to ensure we can work with our partners to reach out and communicate with all residents;
- Strengthening of partnership working between the public, voluntary, community and faith sector and communities to develop a network of support for some of Surrey’s most vulnerable residents during the pandemic;
- Piloting of green social prescribing that has the potential to support some residents who are experiencing health inequalities to access green spaces and improve their overall health and wellbeing;
- Maintaining changes to working practices, such as increased home working, that provides some benefits for workers with additional demands at home, such as caring responsibilities.

26. We will continue to work with partners to apply these approaches and practices as Surrey emerges from the pandemic so we can build forward better by eliminating discrimination, enhancing equal opportunities and fostering good relations within and between local communities and organisations so no-one is left behind.

Contact Officer:

Vincent Anane-Nimoh, Cabinet Policy Manager, vincent.ananenimoh@surreycc.gov.uk

Consulted:

Corporate Leadership Team and other staff

SURREY COUNTY COUNCIL**CABINET****DATE: 20 JULY 2021**

REPORT OF CABINET MEMBER: **MATT FURNISS, CABINET MEMBER FOR TRANSPORT AND INFRASTRUCTURE**

LEAD OFFICER: **KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT & INFRASTRUCTURE**

SUBJECT: **REVISED MINERALS AND WASTE DEVELOPMENT SCHEME**

ORGANISATION STRATEGY PRIORITY AREA: **GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ ENABLING A GREENER FUTURE**

PURPOSE OF REPORT:

The purpose of this report is to present a revision of the Minerals and Waste Development Scheme (MWDS) in order to facilitate a delay to the commencement of the first consultation phase (Issues and Options) in the production of the new Surrey Minerals and Waste Local Plan (SMWLP). This delay will enable the Council to avoid consulting over the summer period, when it is likely that many residents may be taking the opportunity of the expected release of lockdown to go on holiday. The delay is expected to therefore, help to ensure greater engagement by residents in the consultation.

The timescales for the production of the SMWLP are not expected to be materially impacted due to the extension officers propose a modest amendment to the existing MWDS schedule. Officers anticipate an extension of some 4-months to be sufficient. Cabinet is asked to agree the updated MWDS, which sets out a revised four-year timeframe in which it is intended that the new MWLP will be adopted.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approves the proposed revised Minerals and Waste Development Scheme dated July 2021, which sets out an updated timetable in relation to the production of the 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. An update to the MWDS has been proposed by officers, which seeks to extend the production timeline for the new SMWLP. The extension of time will allow the first public consultation stage for the new SMWLP (Issues and Options) to commence in October 2021 (previously June 2021). This will allow consultation to commence after the summer, in the expectation that many residents may be taking the opportunity over the summer period to go on holiday. The delay will therefore enable the best possible reach of the consultation to residents.

DETAILS:

Introduction

1. Surrey County Council (SCC) is both the Mineral Planning Authority and the Waste Planning Authority. The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011 requires all minerals and waste planning authorities (MWPAs) to prepare and maintain a Minerals and Waste Development Scheme (MWDS), setting out what planning policy documents SCC 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, SCC are currently embarking on a plan-making process with a view to producing SCC's first joint Minerals and Waste Local Plan (SMWLP). This will include a full review of both the Surrey Minerals Plan 2011 (SMP) and the Surrey Waste Local Plan 2019 (SWP). The main factor driving the new approach is to capture the ever-increasing synergies and links between the two separate forms of development and 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 and the Government's increased emphasis on waste prevention.
3. As the minerals planning authority, the SCC is required to produce a local plan which sets out how mineral development will be managed in Surrey. The Council 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 SMP 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 also ensuring that mineral development does not have unacceptable adverse effects on communities or the environment.
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. A recent officer review concluded 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, SCC should produce an updated plan. Further, in producing the new joint SMWLP, a full review of the SWP will be carried out.
6. Updating both minerals and waste development plan policies through the making of a joint SMWLP will facilitate compliance with the statutory requirement to keep local plans up-to-date, provide for a development framework that encapsulates the similarities and overlaps between the two forms of development, and incorporates developing Government and County Council policy relating to climate change, biodiversity net gain, waste prevention, and the circular economy.

7. The process of producing a joint SMWLP is likely to take approximately 4 years. The key phases in the updated plan production timeline are set out below in **Figure 1**:

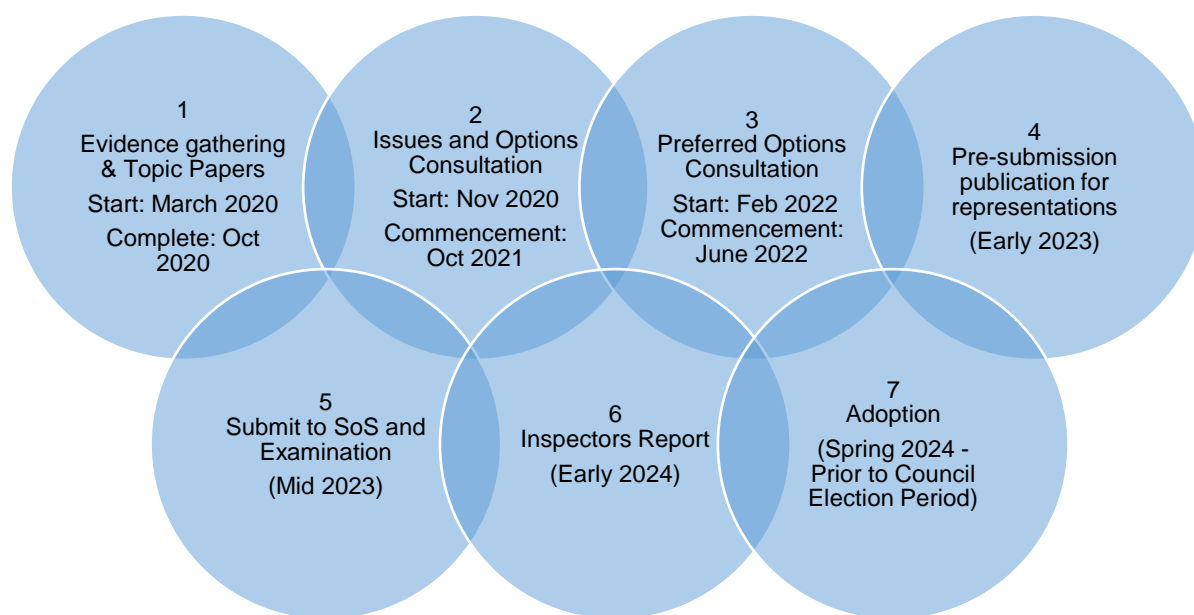


Figure 1 - Stages of preparing the joint Surrey Minerals and Waste Local Plan

8. At present, officers are in the process of finalising the consultation package for the Issues and Options phase. The Issues and Options consultation phase was due to commence in June 2021, but this timetable presents the challenge of trying to consult with residents and stakeholders over the summer period during the pandemic, which could negatively impact on the level of engagement that is possible. As such, in order to ensure the best possible reach and uptake of the consultation, it is proposed that the consultation phase be postponed to commence in October 2021.
9. Any revision to the timetable for consultation will require a revision to the MWDS as appended to this report at **Annex 1, Appendix 1**.

CONSULTATION:

10. In accordance with the regulations, the SMWLP will be subject to a comprehensive process of public consultation during its preparation. If Cabinet approve the recommended revision to the MWDS, the first opportunity for the public to engage in the process will be the Issues and Options Consultation scheduled to commence towards the end of October 2021.
11. The MWPA will engage constructively 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:

12. 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.

13. As the MWPA, the Council is managing this risk by being proactive in reviewing the development framework relating to both minerals and waste development to ensure that planning policy relating such 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 restoration, and sustainable waste management.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

14. There are no immediate additional costs associated with the production of the MWDS. The cost of reviewing the SMWLP itself will met from the existing service budget. In the event of a legal challenge the need for external legal advice could lead to a financial pressure, which will need to be managed within the wider Environment, Transport and Infrastructure Directorate budget envelope.
15. 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. As a result, an up to date plan will reduce the risks of appeals and legal challenges which can be costly for the SCC.

SECTION 151 OFFICER COMMENTARY

16. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain.
17. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium-term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade.
18. 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. There are no additional costs associated with the MWDS. The costs of updating the SMWLP is included in the Medium-Term Financial Strategy. As such, the Section 151 Officer supports the recommended approach.

LEGAL IMPLICATIONS – MONITORING OFFICER

19. SCC is the MWPA 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.
20. 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.
21. This revised MWDS is in accordance with the requirements of the Planning and Compulsory Purchase Act and will form the basis of the timetable to produce the new joint MWLP.

EQUALITIES AND DIVERSITY

22. 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.
23. 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.
24. The Statement of Community Involvement (SCI) that the MWPA is required to prepare and on which it is required to consult 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 and shape the plan-making process.

OTHER IMPLICATIONS:

25. 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	See section below
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.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

26. 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 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.
27. 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) it will 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.

28. 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.
29. 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 management of waste also has a clear impact on the environment. The development of a joint SMWLP presents opportunities to improve the contribution that the recycling of construction, demolition and excavation wastes can make to reducing demand for primary aggregate resources.
30. 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.
31. 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.

WHAT HAPPENS NEXT:

- A Member Engagement Strategy has been agreed and is now being implemented for the production of the SMWLP.
- The next stage of plan preparation process is to complete the Issues and Options consultation package and commence public consultation in October 2021. Prior to consultation commencing, a full internal review of the package will be carried out.
- It is proposed that the current MWDS be updated in accordance with **Annex 1**.

Contact Officer:

Caroline Smith, Planning Group Manager, 07968 832700

Dustin Lees, Minerals and Waste Policy Team Leader, 020 8541 7673

Ibrahim Mustafa, Principal Planning Policy Officer, 020 8541 7933

Annexes:

Annex 1: Updated Minerals and Waste Development Scheme (June 2021)

Annex 1

Surrey Minerals and Waste Development Scheme

June 2021



SURREY
COUNTY COUNCIL

How to contact us:

In writing:

Surrey County Council
Planning and Development Group
Environment and Infrastructure
Quadrant Court
35 Guildford Road, Woking
Surrey GU22 7QQ

By phone:

03456 009 009

Online:

Email: mdf@surreycc.gov.uk

www.surreycc.gov.uk

Surrey Minerals and Waste Development Framework

Minerals and Waste Development Scheme

Katie Stewart
Executive Director of Environment,
Transport and Infrastructure
Surrey County Council
Quadrant Court
35 Guildford Road, Woking
Surrey
GU22 7QQ

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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 2001).

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 Policies Map has been prepared for the:

- Surrey Waste Local Plan DPD
- 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 Development Framework

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>	<p>Adopted May 2008</p> <p>Amended by Order of the High Court on 5 March 2009</p>
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>	<p>Adopted July 2011</p> <p>Undergoing full review</p>
Minerals Site Restoration Supplementary Planning Document (SPD)	<p>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.</p>	<p>Adopted July 2011</p>
Aggregates Recycling Joint DPD (ARJDPD)	<p>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.</p>	<p>Adopted February 2013</p> <p>Undergoing full review</p>
Statement of Community Involvement (SCI)	<p>Sets the Council’s service level agreement with stakeholders and the community and their involvement in preparation of the Minerals and Waste Development Framework.</p>	<p>Agreed October 2019</p>
Annual Monitoring Reports (AMR) including an annual	<p>These reports measures performance of the Minerals and Waste Plans against their strategic objectives and Key Performance Indicators.</p>	<p>Published annually</p>

Document	Description	Status
Local Aggregates Assessment (LAA).		
Surrey Waste Local Plan (SWLP)	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.	Adopted December 2020 Undergoing full review

Appendix 2 – Minerals and Waste Development Framework



Appendix 3 – Review of Minerals and Waste Local Development Documents

Table 1 – 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: October 2021
		Preferred Options Consultation	Start: February 2022 Public Consultation: June 2022
		Pre-Submission for Representations	Early 2023
		Submission to SoS	Mid 2023
		Examination in Public	Mid/Late 2023
		Inspectors Report and Consultation on any modifications	Early 2024
		Adoption	Spring 2024 (Prior to Council Election Period)

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.	

SURREY COUNTY COUNCIL**CABINET****DATE: 20 JULY 2021****REPORT OF CABINET MEMBER: MARISA HEATH, CABINET MEMBER FOR ENVIRONMENT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT & INFRASTRUCTURE****SUBJECT: RIVER THAMES SCHEME COLLABORATION AGREEMENT PRINCIPLES****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / ENABLING A GREENER FUTURE****Purpose of the Report:**

In October 2019, Surrey County Council Cabinet approved a commitment of £237M contribution to the River Thames Scheme which is being developed and delivered in partnership with the Environment Agency (EA). The approval of the contribution was conditional on a legal agreement (also known as a “Collaboration Agreement”) being entered into by the Council and the EA that sets out the governance and financial arrangements for the delivery of the Scheme to its conclusion. The purpose of this report is to:

- Outline the principles to be used in the development of the Collaboration Agreement and any additional associated contracts and agreements as may be required as a natural consequence of the completing the Collaboration Agreement;
- Highlight the need for the delegation of specific authorities for decisions pertaining to the delivery of the Collaboration Agreement and the Scheme itself;
- Outline the high level proposed approach to governance of the delivery of the Scheme; and .
- Outline changes to the delegation of authority with respect to the decisions and actions relating to the Council’s regulatory and planning functions as it pertains to the River Thames Scheme to avoid perceived conflict of interest.

Recommendations:

It is recommended that Cabinet:

1. Approves the principles proposed for the development of the Collaboration Agreement.
2. Agrees the delegation of authority to the Executive Director for Environment, Transport and Infrastructure, in consultation with the Cabinet Member for Environment and the Executive Director of Resources, to enter into the collaboration agreement and to take such actions and decisions necessary to facilitate the delivery of the Scheme within the approved budget.
3. Recommends to Council that all decisions and actions relating to the Council’s regulatory and planning functions that pertain to the River Thames Scheme be delegated to the Director of Law and Governance in consultation with the Planning Group Manager.

Reason for Recommendations:

The River Thames Scheme Collaboration Agreement will provide a sound legal basis for partnership working between the EA and SCC to deliver the River Thames Scheme.

However, development of the Agreement will take some time and will not be complete until the end of the calendar year. As such, Cabinet approval of a set of Collaboration Agreement principles will provide political support and direction for the negotiation of the full legal agreement, ensuring that it will represent the Council's best interests.

The delegation of the approval of the final Collaboration Agreement as set out in the recommendations will ensure that SCC decision making is as agile as possible and does not hold up progress on the Scheme.

In addition, Cabinet has previously approved, on 26 January 2021, the need to develop an approach to separate the exercise of the Council's functions as (i) a joint applicant to the DCO and (ii) its regulatory functions as a local planning authority to avoid a perceived conflict of interest. The final recommendation above puts this into action.

Executive Summary

1. In October 2019, Surrey County Council (SCC) Cabinet approved investing £270M over 10 years to deliver the objectives of Surreys Local Flood Risk Management Strategy. £33M of that investment has been identified to address the impacts of flooding across the County. The remaining £237M is to be SCC's financial contribution to the River Thames Scheme – a major flood defences and wider environmental scheme which is being developed and delivered in partnership with the Environment Agency. Since that original decision, the scope of the Scheme has reduced with the removal of the Royal Borough of Windsor and Maidenhead Channel; however, the section of Scheme that is within Surrey and the benefits related to it remain the same. The Outline Business Case (OBC) for the Scheme was approved by HM Treasury on 4 June 2021.
2. Cabinet's approval of the SCC contribution to the Scheme was conditional on a legal agreement, also known as the "Collaboration Agreement," being entered into by SCC and the Environment Agency (EA) that will set out the respective governance and financial arrangements for the delivery of the Scheme to its conclusion.
3. The core principles on which it is proposed the Collaboration Agreement will be developed and the proposed process for its final agreement are outlined below. It is proposed that the final agreement of the Collaboration Agreement be delegated to the Executive Corporate Director for Environment, Transport and Highways in consultation with the Cabinet Member for Environment and the Executive Director for Resources.

Principles of the Collaboration Agreement (CA)

4. The principles of the Collaboration Agreement (CA) between the EA and SCC are designed to support sound and responsive decision making and will include:
 - **A recognition of the need to move forward at pace wherever possible:** This will mean including a clear timetable for development and implementation of the Scheme from now through to its construction;
 - **A 'one project team approach' between the Council and EA to delivery of the scheme:** The CA will set out clear roles, responsibilities and obligations of each party in respect of various aspects of the Scheme, and where appropriate, these activities will

be delivered through a joint team with a joint Executive Project Director and other supporting roles identified by the Council and EA and using project funding. Joint governance is being established to enable joint decisions within the scope of the project, including in progressing actions to develop and promote the development consent order (DCO), the asset strategy for the project, and the procurement strategy, amongst other aspects associated with delivery of the scheme;

- **A limitation of the Council's financial exposure:** The profile of the Council's spend will limit the Council's contribution to £25.08m up to Full Business Case, and the overall spend by the Council to the £237m agreed to by Cabinet in October 2019. Any cost overrun by the project requiring funding beyond the Council's agreed contribution would be subject to a further Cabinet decision and would only be considered after all other options to bring the cost of the project in scope were exhausted.
- **A recognition that there needs to be compliance with EA and SCC policy and procedures in delivery of the Scheme:** Whilst a joint approach will be taken to decisions needed to deliver the Scheme, it will be made clear in the CA that those decisions will need to comply with the Council's and/or EA's own policies and procedures as appropriate— for example, those relating to procurement, contracting, and employment. In addition, the Council's responsibilities as a highways authority are unaffected by the CA, and the normal policies that would apply to any project of this kind in respect of highways will continue and be unaffected by the CA.
- **Clear processes for dealing with dispute:** Whilst every effort will be made to ensure that disputes between the Council and EA are resolved consensually and through negotiation, there is always a possibility in any partnership that disputes arise that cannot be resolved. The CA will include a dispute resolution mechanism that will enable the Council and EA to handle disputes arising ;
- **A fair and equitable sharing of financial and contractual risk between the two parties,** pursuant to those various contractual agreements and appointments: The Council and EA have taken decisions as to their respective financial contributions, but the CA will need to clarify how risk is treated in respect of the project – both in terms of the use of any contingency but also any savings that may arise in respect of delivery of the project
- **Strong, responsive and agile governance:** Delivering in partnership effectively with the EA will require robust joint project governance, which will underpin and be covered by the CA. Further details of the proposed governance are covered in the next section.

Delegated Decision Making and Governance

5. In order to provide robust strategic oversight of the delivery of the scheme, it is proposed that a **Strategic Delivery Board (SDB)** be established jointly with the EA to be responsible for managing the delivery of the Scheme
6. Delegations of authority from SCC and EA will be directly to their own separate directors who will then be jointly responsible for the decision making by the SDB.
7. The SDB will be responsible for ensuring the delivery of the main objectives set for the project by the two organisations. It will also take decisions in respect of the project budget as necessary, provided the project budget remains within the funding envelope. Any further changes to the profile of spend would be subject to Cabinet approval.

8. The responsibilities of the SDB would include but are not limited to making decisions in respect of the following:
- the terms and extent of the proposed DCO and any land to be acquired as appropriate;
 -
 - engagement with the Project Sponsor Group (see below);
 - approval of the joint working group structure which will be required to support the SDB and the Project Director;
 - the appointment of a joint Executive Project Director for the Scheme
9. Along with the proposed SDB, there is already a **Project Sponsor Group** in place, which provides political leadership by partners to the Scheme. This Group, which is comprised of elected members and executive directors from all partners, will continue to operate. Underneath the Project Sponsor Group is the Programme Board which brings together the EA, SCC and district and borough partners at the delivery level.
10. In addition to the project governance, it is important that the Council ensures that its own governance is fit for purpose for delivery of the Scheme. Here it should be noted that the Council will have two roles in respect of the Scheme - (i) its role as a joint applicant to the DCO and (ii) its regulatory role as a local planning authority. In order to avoid a perceived conflict of interest between these roles, Cabinet has previously approved, on 26 January 2021, the need to separate the exercise of the Council's functions in respect of the Scheme between these two roles.
11. To enable this separation of functions, it is recommended that any decisions relating to the Council's regulatory role be delegated to the Director of Law and Governance. In addition, the officers working on the development and promotion of the Scheme itself will be managed separately from those responsible for discharging the Council's planning functions. A protocol establishing a "virtual ethical wall" between the two teams, and which makes clear that the team developing the scheme are treated as any client would normally be treated in respect of the county's planning function, will be put in place. The officers will be managed in a way that will avoid conflict of interest in carrying out their roles and responsibilities.
12. Once the project governance is in place SCC and the EA will work on further developing the design for the flood defences and wider environmental enhancements alongside drafting the Development Consent Order. Further consultation and engagement with residents and partners will begin later this year.

Consultation:

13. Discussions have taken place with senior officers at the EA regarding the approach to governance and risk sharing.
14. Officers from SCC's Finance and Legal teams have been consulted on the proposed principles. The Cabinet Member for Environment and the Cabinet Member for Highways and Infrastructure have also been consulted.

Risk Management and Implications:

15. There is a risk that the EA and its legal advisers don't agree to all or part of the CA principles, however this is being mitigated through ongoing discussions and sharing of the proposed 'principles' in advance of the submission of this report. Similarly, the length of

time to adopt the final CA could impact on aspects of the RTS programme that are due imminently such as contract drafting or preparation for stakeholder engagement. However, the ‘shadow’ governance already in place has enabled the scheme to progress well so far and therefore there is sufficient governance and process in place at this stage to continue making progress until the CA is formalised.

Financial and Value for Money Implications:

16. The contribution of £237M towards the River Thames Scheme was agreed by Cabinet in October 2019, subject to a legal agreement between SCC and the EA. The total cost of the scheme at OBC is £501m which includes 48% allocation for Optimism Bias and contingency.
17. The revised profile in Table 1 has been reported to the Capital Programme Panel as part of the review of the capital medium term financial strategy. This profile has been revised since the funding was originally agreed in order to minimise the financial exposure of the Council in the early part of the project and to reduce the Council’s borrowing costs which arise from its capital contribution.
18. The revised profile moves more of the Council’s spend into later years of the project, leading to a £130.0m reduction in the planned spend between 2020/21 and 2026/27 when compared to the Capital Programme approved by Council in February. This will produce a reduction in borrowing costs of circa £6.7m. The revised contribution profile and the benefit from re-phased borrowing and medium-term reduction in borrowing costs will be factored into the Medium-Term Financial Strategy refresh currently under way. Once the full contribution has been made, the subsequent annual borrowing costs will remain unchanged. As with all capital schemes, progress against spend will be reviewed and adjustment made as appropriate.

Table 1 – River Thames Scheme SCC Contributions Profile

20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
£2.58	£2.5	£4.0	£8.0	£8.0	£30.0	£50.0	£50.0	£50.0	£31.9	£236.98

19. Approval of the CA principles, delegation to the Director for Environment, Transport and Infrastructure and the establishment of the Strategic Delivery Board will ensure that SCC is at the core of the Scheme decision making and can ensure value for money for Surrey constituents.

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 beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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.

21. The Section 151 Officer supports the recommended approach. The Council's contribution of £237m is factored into its Medium-Term Financial Strategy, and the revised phasing of the contribution over the life of the scheme will be taken account of as the Strategy is refreshed. The Collaboration Agreement will set out how the parties will share risks and liabilities, including any additional costs as the scheme is delivered. The Scheme budget includes significant contingencies, however, should costs increase any change to the Council's contribution would be subject to normal decision-making processes. As with any capital scheme, if the Scheme does not proceed some or all the costs incurred may need to be treated as abortive costs and savings met from the revenue budget.

Legal Implications – Monitoring Officer:

22. The report sets out the financial and contractual requirements of the Collaboration Agreement and the need to manage SCCs risks and liabilities pursuant to that agreement and associated contracts which will follow the completion of the Collaboration Agreement. Cabinet has previously authorised the expenditure of £237m for the Scheme. An agreement with the EA is necessary to set out the parties' roles and responsibilities and SCC will have greater control and influence over the process by being a joint party to various relevant contractual agreements. The governance process set out in the report and the Scheme's Strategic Delivery Board will be key to controlling SCCs risks and liabilities.

23. There is no change to SCC's financial or reputational risks associated with the DCO and the associated contracts beyond those previously agreed by Cabinet in October 2019 and January 2021.

Equalities and Diversity:

24. As this paper is specifically seeking a decision on the principles of the Collaboration Agreement between SCC and the EA as Joint Applicants for the River Thames Scheme DCO, the decision does not directly affect the scope of the Scheme, and as such an Equalities Impact Assessment has not been completed.

25. An Equalities and Diversity Impact Assessment will be produced for the Scheme in accordance with the Equalities Act 2010 as part of the pre-application process and during the pre-application phase, the Joint Applicants will be required to undertake full and thorough consultation with stakeholders and the community.

Compliance against net-zero emissions target and future climate compatibility/resilience:

26. The flood management measures proposed by this scheme are very important to strengthen resilience of communities from the higher flooding risk due to climate change. The Carbon impacts of all the options have not been assessed prior to the preferred options being chosen. Construction phase is likely to generate greenhouse gas emissions resulting from embodied emissions in materials, waste generation, electricity, fuel usage for transportation but the scale of the impact is not yet well known. During Construction to create diversion channels, due to altering land use stored carbon may be released from tree cover, wetlands, and Peatlands along the corridor. Options to minimise carbon impacts will be considered at the detailed design stage.

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 this report.
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:

28. If Cabinet approves the principles of the Collaboration Agreement, the next steps are to finalise the Collaboration Agreement by end of calendar year 2021.
29. The Strategic Delivery Board will be established, and will set out to review and approve the terms of reference for the appointment of key personnel to manage the delivery of the Scheme, including the Executive Project Director; the Project Execution Plan; and start putting in place key contracts to develop and progress the Scheme.
30. Engagement and consultation with residents, groups and partner organisations will take place later this year.

Report Author:

Doug Hill, Flood and Climate Resilience Manager, 020 8213 2711

Carolyn McKenzie, Director for Environment, carolyn.mckenzie@surreycc.gov.uk

Consulted:

Environment Agency

Background papers:

[Surrey Flood Alleviation Programme – Joint applicant for the River Thames Scheme Development Consent Order](#)– SCC Cabinet 26 January 2021

[Funding Flood Risk Management in Surrey](#) – SCC Cabinet 29 October 2019

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SURREY COUNTY COUNCIL**CABINET****DATE: 20 JULY 2021****REPORT OF CABINET MEMBER: MATT FURNISS, CABINET MEMBER FOR TRANSPORT & INFRASTRUCTURE****LEAD OFFICER: KATIE STEWART – EXECUTIVE DIRECTOR OF ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE****SUBJECT: ACQUISITION OF LAND IN SUPPORT OF THE A320 ROAD IMPROVEMENT SCHEME****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT****Purpose of the Report:**

Following the September 2020 Cabinet decision to proceed with the A320 Housing Infrastructure Fund (HIF) Scheme the purpose of this report is to:

- advise Cabinet that the design of the A320 HIF Scheme is currently being finalised, thereby, enabling the Council to determine the third-party land requirements; and
- request Cabinet (in accordance with its previous resolution to proceed with land purchase through compulsory purchase) to resolve to make a compulsory purchase order to purchase the necessary third-party land for the A320 HIF Scheme, and to make and submit such Order to the Secretary of State for confirmation.

Recommendations:

It is hereby recommended that Cabinet:

1. Authorise the making of a compulsory purchase order (the Order) under the provisions of section 239 of the Highways Act 1980 to acquire the Order Land to facilitate the carrying out of the said Scheme, being satisfied that there is a compelling case in the public interest for the compulsory purchase of the Order Land to facilitate the carrying out of the A320 HIF Scheme.
2. Authorise the Executive Director of Environment, Transport and Infrastructure (in consultation with the Cabinet Member for Transport and Infrastructure) to settle the final extent, form and content of the Order and all associated documentation and take all action needed to pursue the Order and secure its confirmation.
3. Authorise the Director of Law and Governance (in consultation with the Cabinet Member for Transport and Infrastructure) to negotiate, agree land acquisition terms, and enter into agreements with interested parties, including agreements for the withdrawal of objections; to give undertakings not to enforce the Order on specific

terms; (where appropriate) to remove land or rights from the Order, or to request the modification of the Order by the Secretary of State.

4. Authorise the Director of Law and Governance (in consultation with the Cabinet Member for Transport and Infrastructure) to implement the Order powers following confirmation of the Order, including acquiring title to and/or possession of the land and paying compensation agreed or determined.
5. Authorise the Director of Law and Governance (in consultation with the Cabinet Member for Transport and Infrastructure) to enter into an agreement (or agreements) with Highways England under sections 6 and 8 of the Highways Act 1980:
6. Accept the delegation of the functions of Highways England with regard to the improvements to highways at M25 junction 11 including the making of the compulsory purchase order in respect of the Order Land at junction 11 (where the Council is not the highway authority).

Reason for Recommendations:

In September 2020 the Cabinet confirmed acceptance of the HIF funding award of £41.8 million (see [Cabinet Paper](#) at item 13).

As at the Cabinet decision date of September 2020 the Scheme had not been fully designed, thus the final land take was not known, and the Report anticipated that a further authority to pursue a compulsory purchase order would be sought from Cabinet. This paper seeks that further authority to make a Compulsory Purchase Order and to seek its confirmation by the Secretary of State.

The decision as recommended by this report will enable the Council with funding for its Infrastructure Fund Forward Funding scheme from the Ministry of Housing, Communities & Local Government (MHCLG) to construct the necessary infrastructure improvements described above. To facilitate such construction, it will be necessary to purchase additional land adjacent to the A320 public highway from third party landowners either by negotiation and voluntary agreements or by compulsory purchase.

Executive Summary:

Background

1. The A320 North of Woking is an arterial corridor south of Chertsey in Surrey connecting a number of villages, international business locations and a regional hospital. The A320 HIF Scheme comprises that part of the A320 between Ottershaw Village to the south and Chertsey to the north, with the addition of St. Peter's Way and M25 junction 11 (the Scheme). These roads currently suffer from significant congestion, and additionally this constraint is preventing new growth from housing sites that will feed on to the road and access the hospital, town and village centres and the Strategic Road Network.
2. In order to support sustainable growth in this area, highway capacity improvements are required to five road junctions, four of which are on the A320, and the other, the M25 junction 11 – and 4 associated link roads (sections off the A320). Highway capacity improvement will allow 11 Green Belt sites to be released for the development of over 3,000 new homes including over 1,000 affordable homes. The Runnymede Local Plan specifically acknowledges that the development of 11 proposed housing site allocations

along the A320 corridor are reliant specifically on the delivery of the mitigation proposed for the A320 corridor.

3. The Council in conjunction with Runnymede Borough Council (RBC) submitted a bid to the Government's Housing Infrastructure Fund (HIF) in March 2019 to facilitate these works to unlock the provision of over 3,000 additional homes allocated within the Runnymede Local Plan. The Ministry of Housing, Communities & Local Government (MHCLG) confirmed in March 2020 that the Council were to be awarded £41.8 million for the resulting A320 North of Woking scheme.
4. A flow-down agreement was put in place in September 2020 which set out the basis upon which the respective obligations and liabilities of the Council and RBC are to be managed in respect of the infrastructure works and housing outputs under the GDA.
5. As part of the decision it took in September 2020 to accept the HIF funding, Cabinet authorised officers to proceed to facilitate land purchase through compulsory purchase in the event that any initial attempts through direct negotiation prove to be unsuccessful, subject to the signing of the GDA by the Council.

Land Assembly

6. Since June 2020, the Council has been overseeing the design of the scheme layout. This process has identified over 25 privately owned plots of land, which will need to be purchased in order to help construct all the necessary infrastructure required for the A320 HIF Scheme improvements. This proposed acquisition includes land for carriageways, footpaths, drainage, landscaping, environmental mitigation, as well as contractor compounds and working sites.
7. Ardent has undertaken all necessary land referencing and affected landowners have since been notified by letter that the Council will need to acquire land affected by the scheme. They have since begun associated follow-up enquiries, title reviews, statutory undertaker searches and any special category land searches. This will culminate with the parcelling of the land, and the preparation of the schedule to the Order and the Order map. The process of initial land referencing, additional land referencing and 'refreshing' of land referencing will continue up to the point at which the CPO is made. The referencing will also need to be updated when the CPO is confirmed and before compulsory purchase notices are served. Ardent's appointment includes their acting on behalf of Surrey CC in order to negotiate the purchases of the various interests in and rights over the land as well as agreeing purchase values and compensation costs.
8. Negotiations with some landowners have commenced; negotiations to progress offers to purchase the various land interests will be made, followed by attempts to agree terms, in order to secure private treaty purchases. This process will continue with all landowners up to the conclusion of any public local inquiry.
9. In the event of failure of the current negotiated purchase process, CPO powers will be used. The Council possesses the requisite powers of compulsory purchase in respect of the A320 and St. Peter's Way; in addition, the Council will be authorised to exercise the requisite powers by Highways England in relation to M25 junction 11.

10. This paper seeks confirmation from the SCC Cabinet to authorise its use of compulsory purchase powers to acquire the land required for the A320 HIF Scheme; and authorisation from Cabinet to enter into a necessary agreement with Highways England to enable the Council to exercise compulsory purchase powers and undertake the necessary improvements in respect of that part of the Scheme at junction 11.
11. The Council have appointed Davitt Jones Bould solicitors (DJB) to advise and act on its behalf in dealing with the making of any necessary CPO. DJB have been instructed to prepare the Statement of Reasons in support of the CPO which is to be made under section 239 of the Highways Act 1980.
12. The Council are intending to make a single Order, to include all the land required for the A320 Scheme. This will comprise the body of the Order (containing the operative provisions); the Schedule to the Order (listing the various land interests and rights to be acquired); and the Order map.
13. If objections to the Order are made, and these cannot be resolved, then a public local inquiry will be arranged before an Inspector to consider these.
14. At the time of writing, discussions are still continuing with various interested parties in relation to the final road layout and design at Ottershaw.
15. Following the confirmation of the Order, the Council will wish to take possession of the Order Land at the earliest opportunity.
16. The Council believes that it will be able to secure possession of the Order land approximately four months after receiving the Secretary of State's confirmation of the Order. At this point, the Council will be able to make all of the land required for the A320 Scheme available to its Contractors in keeping with the scheme's delivery programme.

Business Case

17. The purchase of the land by the Council will relieve congestion and allow delivery of the HIF project as set out above.
18. The proposed lands take for the most part is linear to the route of the A320 and is required for road widening, junction improvements, highway infrastructure including SUDS and worksites. It will be necessary to acquire all interests and rights, which are necessary to construct and deliver the project.
19. Land take will be kept to a minimum to minimise landowner objection and cost of acquisition.
20. The circumstances where the Council will be required to purchase land will include:
 - Where the land will form part of the revised highway layout
 - Where owning land can be the most efficient way of safeguarding the access requirements for operations maintenance and construction; and/or
 - Where purchase is the most cost-effective way of compensating a landowner whose use of the land has been blighted by the proposed works.

Planning:

21. There is considered to be a compelling case in the public interest for the compulsory purchase of the Order Land under the provisions of section 239 (and related provisions) of the Highways Act 1980, in order to facilitate the carrying out of the Scheme; and such public interest justifies interfering with the rights of those having an interest in the land. For justification of making the Order please see Annex 1.

Consultation:

22. The Cabinet Papers of June and September 2020 were presented to Infrastructure Board, Capital Programme Panel (CPP) met with support. The project is already in the Capital Programme.
23. The divisional members, Cllr Jonathan Hulley and Cllr Scott Lewis has been consulted on the plans and supports the proposal.

Risk Management and Implications:

24. Risks associated with the HIF scheme and making of the CPO how they are mitigated are shown in Annex 2.

Financial and Value for Money Implications:

25. The capital cost of the delivery of the scheme up to a value of £41.8m will be met from the HIF scheme monies provided by Homes England and thus will be cost neutral to SCC. In addition to this funding a further £5.0m is available from developer S106 monies.
26. Land acquisition costs will be met from the £41.8m. Other associated acquisition costs will be funded in part from the £41.8m grant fund and in part from developer S106 contributions, dependent on the date of settlement. Costs claimed are expected to include temporary occupation, severance, disturbance, reinvestment, Stamp Duty Land Tax, Rights of Extinguishment, Basic Loss Payments, Occupiers payments and Claimants fees.
27. Where settlement of claims falls outside the window of the HIF funding grant then developer S106 contributions will be used.

Section 151 Officer Commentary:

28. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade.
29. 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 cost of purchasing land necessary for the A320 HIF scheme is expected to be met from Housing Infrastructure Fund grant. Should the overall cost of the scheme exceed available grant, additional costs are ultimately expected to be met from

developer receipts, as reported to Cabinet in September 2020. As such, the Section 151 Officer supports the recommended approach.

Legal Implications – Monitoring Officer:

30. In September 2020, Cabinet resolved if necessary, to proceed with land purchase for this scheme through compulsory purchase. Authority to pursue a Compulsory Purchase Order was resolved to be sought by a further report to the Cabinet Member should negotiations fail, and this report seeks that authority.
31. While negotiations will continue, powers are conferred on the County Council as highway authority to acquire land compulsorily or by agreement for the construction of roads or the improvement of highways. Any compulsory purchase order will be made under the powers in section 239 of the Highways Act 1980 in respect of the land required for the County's highways. Compulsory purchase of the land required for Highways England's slip roads on the M25 will be secured under the same legislation, and by the County Council being authorised by an agreement with Highways England pursuant to section 6 or 8 of the Highways Act 1980 which will allow the County to exercise Highways England's functions in respect of compulsory acquisition in respect of those works.
32. In order to secure the confirmation of any Compulsory Purchase Order, it must be established that there is no impediment to the scheme. While works on adjoining land proposed for improvement would benefit from permitted development rights afforded to the highway authority under Part 9, Class A of Schedule 2 of the Town and Country Planning (General Permitted Development) (England) Order 2015, other works will require planning permission following an application.

Environmental Impact Assessment:

33. The Town and Country Planning (Environmental Impact Assessment) Regulations 2017 require that development consent for projects which are likely to have significant effects on the environment should be granted only after an assessment of those effects. It is noted that the County has adopted an Environmental Impact Assessment (EIA) screening opinion which concludes that the project is not likely to have a significant effect on the environment and so EIA is not required.

Equalities and Diversity:

34. The Council is required to comply with its Public Sector Equality Duty (as set out in Section 149 of the Equality Act 2010). The decision to make the Order is one that this duty applies to and accordingly, the Council has commissioned the preparation of an Equalities Assessment (EqIA) to assess the potential impacts of the Scheme on groups with protected characteristics.
35. Officers are satisfied that the acquisition of the sites will have an overall positive impact on, businesses, health and emergency services, schools and residents with different protected characteristics. Reasoning is provided at Annex 3.

Human Rights Act 1998:

36. It is considered that the Scheme and the Order will not unduly infringe the rights of individuals which are provided by the European Convention on Human Rights. For detailed Human Rights assessment see Annex 4.

Greener Future Carbon Impacts:

- 37. The main sources of greenhouse gas emissions arising from the proposed scheme are the carbon emissions arising from the construction and operation of the new residential developments identified in the Runnymede Local Plan, which will be enabled following the proposed junction alterations, emissions associated with the highways works, and the changes in traffic patterns that result. The impacts of the new developments have not been calculated because it is too early in the process for emissions to be quantified. Options to mitigate carbon emissions and future-proof the development against the impacts of climate change will be considered as the plans for the development are progressed. The carbon impacts of the highway works have not been estimated but will be considered through the development of the procurement specification to undertake the works.
- 38. If the junctions are not improved, the carbon emissions associated with traffic within the modelled area, which covers the whole of Runnymede and a small buffer, is estimated to be 32,138,019 tonnes over a 60-year period commencing in 2023; on average, around 0.5M tonnes per year. Due to the alleviation of congestion in the area, undertaking the works is likely to result an emission reduction of less than 1% over the same time period. The proposed additional housing is likely to result in an increase in the amount of local traffic. The increase in carbon arising from the additional trips related to the new developments is estimated to be higher than the decrease ensuing from the highway improvements, resulting in the marginal increase of 0.01%.
- 39. Although the works are not in keeping with SCC’s net-zero greenhouse gas emission they are considered to be essential to alleviate the congestion in the area and facilitate the development of affordable housing. The associated active travel proposals to be implemented and constructed within the scheme are intended to promote and encourage cycling, walking and usage of public transport.

Other Implications:

- 40. 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	No significant implications arising from this report.
Environmental sustainability	No significant implications arising from this report, only benefits.
Public Health	No significant implications arising from this report.

What Happens Next:

- 41. The Council’s Solicitors will prepare the Compulsory Purchase Order. Ardent are instructed to continue to undertake due diligence and negotiate purchase of land. If land

purchase is not achieved through negotiation by the time the CPO is confirmed, land will be acquired under the CPO and terms of acquisition agreed subsequently.

Report Author: Michael Tye BSc, MRICS, Technical Valuation Manager, 07970 411115

Consulted:

The following officer were consulted during the preparation of the Cabinet Paper:
Lee Parker (Director – Infrastructure, Planning and Major Projects), Simon Duke (Infrastructure & Major Projects Group Manager), Nancy El-Shatoury (Principal Lawyer Legal & Environmental), Paul Miller (Project Manager), Caroline Smith Planning Group Manager, Ian Taylor (Highway Information & Business Support), Dr Jessica Salder (Principal Environmental Assessment Officer), Tony Orzieri (Strategic Finance Business Partner Community Protection, Environment Transport & Infrastructure), Mrs Dawn Horton-Baker (Development Management Team Planning Development Team)

The details of the Cabinet Paper and its recommendation have been presented to Cabinet member for Transport and Infrastructure, Cllr Matt Furniss and have been met with support.

Annexes:

Annex 1 Justification for the Order
Annex 2 Risk Management and Implications
Annex 3 Equalities and Diversity Reasoning
Annex 4 Human Rights Act 1998
Part 2 report

Sources/background papers:

[SCC Cabinet Minutes June 2020](#), Item 11

[SCC Cabinet Minutes September 2020](#), Item 13

ANNEX 1:

JUSTIFICATION FOR THE ORDER

1. The Runnymede Local Plan 2030 was adopted in July 2020. The Spatial Development Strategy in Policy SD1 of the Plan makes provision for 7507 additional dwellings, plus additional employment land, in the borough in the 10-year period to 2030. Growth will be directed to the larger, most sustainable settlements in the Borough and the new garden village at Longcross. Specific allocated sites are identified in Policy SD2. A number of these, around half of the total Plan housing allocation, are contingent on the delivery of infrastructure improvements on and around the A320. The timely delivery of the A320 scheme is essential to the delivery of the housing on these sites and is required to enable the implementation of the Runnymede Local Plan.
2. The National Planning Policy Framework 2019 requires Local Planning Authorities to identify sufficient land for housing, including specific sites. It also requires plans to be prepared with the active involvement of the local highway authority in order to ensure that strategies and investments for supporting sustainable transport and development patterns are aligned. In this case, the County and Runnymede Borough Councils are agreed that the A320 works are necessary for the delivery of a number of the sites that Runnymede require to meet their housing allocations. It is therefore considered that this proposal is in conformity with both the Runnymede Local Plan 2030 and the National Planning Policy Framework 2019.
3. Planning permission for the scheme is intended to be authorised partly by express planning permissions (in respect of which applications for planning permission are being sought separately from the Council) and partly by existing permitted development rights.
4. In relation to that part of the scheme comprising the junction works at the A320 Guildford Road/Green Lane and A320 Guildford Road/Holloway Hill, an application for planning permission has been submitted to the Council for an express planning permission and will be considered and determined separately by the Council's Planning and Regulatory Committee. A separate application for an express planning permission has also been submitted to the Council in respect of that part of the scheme comprising junction works at the A320 Guildford Road/Murray Road/Chobham Road junction, and again such application will be considered and determined separately by the Council by the same committee.
5. Section 55(1) of the Town and Country Planning Act 1990 provides the definition of development for the purpose of that Act. Subsection 55(2)(b) exempts certain operations from being categorised as development, namely 'the carrying out on land within the boundaries of a road by a highway authority of any works required for the maintenance or improvement of the road but, in the case of any such works which are not exclusively for the maintenance of the road, not including works which may have significant adverse effects on the environment' The effect of this provision is to authorise works on existing highways.
6. Additionally, the Town and Country Planning (General Permitted Development) (England) Order 2015 (the "GPDO") sets out, in Schedules 1 and 2, the developments for which planning permission is granted by the GDPO.
7. Class A of Part 9 of Schedule 2 to the GDPO provides that highway improvement works by any highway authority on land within the boundaries of a road, or on land

outside but adjoining the boundary of an existing highway, is permitted development. This provision authorises works on land adjoining the boundary of existing highways.

8. By a letter dated 22 April 2021 the Council has adopted a screening opinion to the effect that the A320 HIF scheme would not be EIA development.
9. By way of conclusion the public interest case for the compulsory purchase of the land referred to in this Report, derives from an identified need for improvements to the A320, St. Peter's Way and at M25 junction 11 of the M25: first, to address existing capacity issues on these roads and junctions; and secondly, to facilitate the implementation of the provision of new housing, which has been allocated for development by the Runnymede 2030 Local Plan, and which is constrained from development by the capacity limitations of the existing road network.
10. The Scheme will provide the following benefits:
 - i. improvements to the junctions and links within the Scheme will provide additional capacity, reduce travel time, and improve journey time reliability;
 - ii. improving the environment for, and encouraging forms of active travel; including by cyclists and pedestrians; through the provision of new cycle lanes, new and widened footways, and pedestrian crossing points;
 - iii. improved safety for all road users, including cyclists and pedestrians;
 - iv. facilitating the residential development of sites within Runnymede, which are allocated for development in the Runnymede 2030 Local Plan, but constrained from development by the capacity of the existing road network,
 - v. providing new sustainable drainage systems, which will provide greater resilience and protection against flooding; and
 - vi. minimising impacts on the natural environment, and optimising environmental mitigation, including re-planting.
11. There are no impediments to the making, or implementation, of the Order.
12. For all of these reasons, there is considered to be a compelling case in the public interest for the compulsory purchase of the Order Land under the provisions of section 239 (and related provisions) of the Highways Act 1980, in order to facilitate the carrying out of the Scheme; and such public interest justifies interfering with the rights of those having an interest in the land.
13. The Council appreciates that the compulsory purchase of land should be a measure of last resort. The Council has made efforts to acquire by agreement the necessary land required for the Scheme. Following the making of the Order, the Council will continue to engage with all those owners having an interest the land, in an effort to negotiate the acquisition of land by agreement."

ANNEX 2:

RISK MANAGEMENT AND IMPLICATIONS

1. Risks associated with the HIF scheme and making of the CPO and how they are mitigated are shown below.

Key Risks and Mitigation Summary			
	Risk Description	RAG	Mitigation Action/Strategy
1	Crown Interest – need consent of any Crown entity		Early engagement has commenced to get support of any Crown parties affected
2	Acquisition cost exceeding price estimate		Agents appointed to negotiate claims on SCC behalf and are reporting on any likely price estimate variation
3	Agreement to forward purchase sites not possible		SCC will rely on CPO
4	Requirement to pay compensation for depreciation in value by Injurious Affection/depreciation in value		Assessment and anticipation of such areas during land referencing and consideration of changes in design to exclude/reduce this possibility
5	Service of blight notice requiring SCC to acquire land earlier than anticipated		Ensure that Council authority is in place to deal with blight notices, and that a process is in place for dealing with these
6	Compulsory Purchase Order not made		A scheme cannot progress without Order being made. SCC are organised to apply for an Order and statement of case
7	Risk of claims being settled post closure of the HIF grant		The Council will engage with Homes England to agree a forward funding mechanism and to negotiate S106 developer contributions to mitigate funding shortfall
8	Requirement to purchase of additional Land		Assessment and anticipation of such areas during land referencing and consideration of changes in design to exclude/reduce the possibility of additional land costs

ANNEX 3:

EQUALITIES AND DIVERSITY

1. The Council is required to comply with its Public Sector Equality Duty (as set out in Section 149 of the Equality Act 2010). The decision to make the Order is one that this duty applies to and accordingly, the Council has commissioned the preparation of an Equalities Assessment (EqIA) to assess the potential impacts of the Scheme on groups with protected characteristics.
2. As indicated in the conclusions of the EqIA, Officers are satisfied that the acquisition of the sites will have an overall positive impact on, businesses, health and emergency services, schools and residents with different protected characteristics.
3. As a major transport scheme, this project can potentially contribute to many of the Community Vision goals:
 - Children and young people are safe and feel safe and confident – improvements to footways, cycleways and crossings should allow children in the area to travel more safely and independently. There are a number of schools in the vicinity of the works which need to be accessible for children and parents, particularly by walking and cycling: Salesian school – located on the A320 near Junction 6, an improved drop-off area at Salesian school reduces the need for school pupils to be dropped off in neighbouring streets Pycroft Grange primary school and Chertsey nursery school – located on Pycroft Road near Junction 1, Meath school – special needs school on Brox Road near Junction 10, Ottershaw C of E schools – primary schools near Junction 10.
 - Everyone benefits from education, skills and employment opportunities that help them succeed in life – reducing congestion and improving public transport and cycleways should allow more local people to safely use the transport network, and access employment opportunities.
 - Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing – improving footways, cycleways and the roadside environment should enable more walking and cycling activity in the area. New signalled toucan crossings should improve safety and journey opportunities for pedestrians with disabilities.
 - Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities – the scheme should significantly improve safety for pedestrians and cyclists and aims to maintain or improve biodiversity along the route. Upgraded footways and crossings, and more accessible bus stops, should improve travel opportunities for pregnant women and parents with young children.
 - Journeys across the county are easier, more predictable and safer – increasing network capacity will allow quicker, more predictable journeys, and the improved road infrastructure will be subject to thorough safety audits. Improvements to drainage will make the road network more resilient to flooding.
 - Everyone has a place they can call home, with appropriate housing for all – this scheme unlocks land for up to 3000 new homes in Runnymede.
 - Businesses in Surrey thrive – increasing network capacity will allow easier movement of people and goods.
 - Well-connected communities, with effective infrastructure, that grow sustainably – the scheme should improve connectivity in the area, with better provision for walking and cycling, and improved access to bus services.

ANNEX 4:

HUMAN RIGHTS ACT 1998

1. Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights. The parts of the Convention rights which should be considered in the course of the making of the Order and leading up to the confirmation of the Order are Article 1 of the First Protocol and Articles 6 and 8 of the Convention.
2. Article 1 of the First Protocol of the Convention provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions; and no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
3. The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest.
4. If confirmed by the Secretary of State, the Order will affect the Article 1 rights of the present freeholders, leaseholders/occupiers comprised within the Order Land. However, there will be no violation of those rights where the steps taken are in the public interest and are lawful, as is required by Article 1 of the First Protocol (above) and Article 8 of the Convention (below).
5. Article 6 of the Convention provides that in the determination of his civil rights and obligations everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.
6. All those affected by the Order will be notified of its making and have the opportunity to make objections to the Order and to be heard at a public inquiry before a decision is made on whether or not the Order should be confirmed by the Secretary of State. Those persons directly affected by the Order will also be entitled to compensation proportionate to any losses that they may incur as a result of any compulsory acquisition made pursuant to the Order. 29.
7. Article 8 of the Convention provides that:
 - (1) Everyone has the right to respect for his private and family life, his home and his correspondence.
 - (2) There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedom of others.

8. Article 8(1) is a qualified right and interference with it may be justified in appropriate cases by reference to Article 8(2). The scheme does not involve the acquisition of any building used for residential purposes.
9. If made, the Order will be made pursuant to section 239 (and associated provisions) of the Highways Act 1980 which authorises the Council to acquire land compulsorily subject to procedures laid down in the Acquisition of Land Act 1981. To justify interference with the above rights, the Council must consider that there is a compelling case in the public interest such that if the Order Land is acquired the public benefit will outweigh the private loss arising from that acquisition. Further, interference with Convention rights must be proportionate and justified in the public interest.
10. If made, the Order will be made pursuant to section 239 of the Highways Act 1980 which authorises the Council to acquire land compulsorily subject to procedures laid down in the Acquisition of Land Act 1981. To justify interference with the above rights, the Council must consider that there is a compelling case in the public interest such that if the Order Land is acquired the public benefit will outweigh the private loss arising from that acquisition. Further, interference with Convention rights must be proportionate and justified in the public interest.

In preparing this Report, Officers have carefully considered the balance to be struck between individual rights and the wider public interest and consider that, to the extent that the Order would affect those individual rights, the proposed interference with them would be in accordance with the law, necessary in the public interest and proportionate. Appropriate compensation will be made available to those entitled to claim it under the relevant provisions of the statutory Compensation Code.

11. It is therefore considered that the Scheme and the Order will not unduly infringe the rights of individuals which are provided by the European Convention on Human Rights.

SURREY COUNTY COUNCIL**CABINET****DATE: 20 JULY 2021****REPORT OF CABINET MEMBER: BECKY RUSH, DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RESOURCES****LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR - RESOURCES****SUBJECT: CLEANING CONSUMABLES CONTRACT****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT, TACKLING HEALTH INEQUALITY, ENABLING A GREENER FUTURE, EMPOWERING COMMUNITIES****Purpose of the Report:**

To seek Approval to Procure a contract to enable the provision of cleaning consumables across Surrey County Council's facilities including care homes, schools, offices and libraries.

The recommendations align to the Financial Management and Partnership key enablers within the organisation strategy which will support the council in delivering across all four of the priority objectives.

Recommendations:

It is recommended that Cabinet:

1. Grants Approval to Procure for a contract to enable the provision of cleaning consumables across Surrey County Council's care homes, schools, offices and libraries. A decision is required to add this procurement to the Annual Procurement Forward Plan (APFP) for 2021/22.
2. Delegates the authority for contract award decision to the Executive Director for Resources.

Reason for Recommendations:

- To comply with the Procurement and Contract Standing Orders agreed by the Council in May 2019.
- To provide Cabinet with strategic oversight of planned procurement projects for 2021/22.
- To secure fixed product and service pricing where possible, and economies of scale for a wide variety of products ordered frequently across multiple sites within Surrey.

Executive Summary:**Approval to Procure**

1. Under section 1.6 of the Procurement & Contract Standing Orders (PCSO), where the need arises during the year for procurement activity on contracts over the Regulatory Thresholds which have not been pre-approved through the APFP, then Approval to Procure must be sought by the Head of Service concerned before any

procurement activity may begin. The approved Approval to Procure form is included in Annex 1.

2. Final approval to commence a procurement process should be secured as follows:

Value over £1m: Head of Procurement (SCC), S151 Officer and Cabinet

Rationale for Procurement

3. Surrey County Council's care homes, schools, offices and libraries have the ability to purchase a broad range of cleaning and healthcare products including bleach, washing up liquid, toilet rolls, non-clinical PPE (gloves & masks) and dispensers with associated fitting and maintenance services. Generally, the orders are small but the number of purchasers and recent demand has significantly increased, due to the COVID-19 pandemic. Surrey County Council services collectively spent c£550k during 2020 through the current supplier catalogue, compared to c£400k the previous year.
4. Spend is incurred across the Council and funded from within service budgets. It is the relevant budget holder's responsibility to ensure that any expenditure on this contract is containable within their relevant budget envelope.
5. The current county-wide contract with Wightman and Parrish is coming to an end on 31st January 2022 and cannot be extended any further. Permission to procure a contract for up to 4 years at an estimated cost of £2.3m over the duration, is requested.

Consultation:

6. The Approval to Procure Form has been completed (Annex 1) and approved by the Head of Procurement and Executive Director of Resources and S151 Officer with support from the Principle Facilities Manager, Land & Property.

Risk Management and Implications:

7. Any risks identified will be managed through the procurement process.
8. The procurement process includes approvals before publication and again prior to contract award. Approvers include Finance, Legal, Facilities Management and Procurement.

Financial and Value for Money Implications:

9. The overall estimated value of the contract is £2,300,000, this is based on average historic spend over the past two years and a contingency in anticipation that costs may continue to be higher into the medium term as a result of ongoing implications of the pandemic. The actual expenditure incurred is dependent on demand, and individual orders are funded and managed by multiple revenue budgets across the Council's Directorates.
10. Further financial and Value for Money implications will be considered in the Procurement Report.
11. No further approval for the contract award is required provided that the outcome is within +/-5% of the budget agreed with Finance when each procurement begins.

12. Where the outcome is not within these budget parameters, this must be reported to and approved by the S151 Officer and Portfolio Holder, as required in table 2.7a of the Procurement and Contracts Standing Orders, in the case of overspend above 5%, or for information in the case of a saving greater than 5% being delivered. In the case of overspend the contract award must be put on hold pending appropriate approval.

Section 151 Officer Commentary:

13. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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.
14. The Section 151 Officer supports the approval to procure a contract to enable the provision of cleaning consumables across the Council's services. The budget for the costs relating to this contract will be funded from budgets across the Council's services and it is the responsibility of the relevant budget holder to ensure that there is sufficient budget available to fund the expenditure in their areas.

Legal Implications – Monitoring Officer:

15. Cabinet is being asked to give formal Approval to Procure for this project in accordance with Council's Procurement and Contract Standing Orders. In making this decision, Cabinet should be cognisant of its fiduciary duty to Surrey residents to ensure services are provided effectively while also maintaining a balanced budget.
16. Notwithstanding Cabinet giving Approval to Procure, officers will have to ensure that the Public Contracts Regulations 2015 are complied with in relation to any procurements undertaken. Furthermore, commissioners will need to be aware of the 'best value duty' under Section 3 of the Local Government Act 1999 and its requirements on them. It states that the Council "...must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."
17. The procurement is expected to be carried out using a compliant public sector framework and will be subject to the framework terms and conditions.
18. Where required Legal Services will provide support for reviewing the framework, drafting the contract and sealing the contract.

Equalities and Diversity:

19. An EIA is not required. The procurement does not have any direct impact on residents and staff with different protected characteristics.

Other Implications:

20. 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	No significant implications arising from this report
Environmental sustainability	<p>The Procurement process will attempt to identify areas where the product offering or service provision can become more environmentally sustainable.</p> <p>The Greener Futures Team has analysed the existing provision of products and using the Environmentally Extended Input-Output model estimate that the procurement could lead to indirect generation of greenhouse gas emissions estimated at 1,967 tonnes of carbon dioxide over the 4 year term. Procurement and Land and Property Contract Managers will use this estimate as a baseline to aid a reduction in emissions and investigate the use of more eco-friendly products and service structure through the procurement and on-going supplier management stages.</p>
Public Health	No significant implications arising from this report

Social Value – The procurement process will investigate the potential for local work experience and apprenticeship opportunities.

What Happens Next:

21. The timetable for implementation is as follows:

Action	Date
Cabinet decision to add the procurement to the Annual Procurement Forward Plan 2021/22	20 July 2021
Access framework	August 2021
Award the contract	November 2021
Service go live	1st February 2022

Timescales allow 2 months for contract mobilisation should the procurement result in a change of supplier.

Report Author: Kelly Duffus, Strategic Procurement Manager IT & Corporate

Consulted:

Liz Hart, Principle Facilities Manager, Land & Property

Anna Kwiatkowska, Head of Procurement

Nikki O'Connor, Strategic Finance Business Partner

Nick Marco-Wadley Land & Property Contracts Team Manager

Ross Griffiths, Land & Property Contracts Officer

Ania Wroblewska, Procurement Specialist

Zoe Cathrall Land & Property Senior Contracts Officer

Libby Ellis, Facilities Team Leader, Land & Property

Tammy Hughes, Resource Manager, Service Delivery, Health, Wellbeing and Adult Social Care

Alan Conway, Supply Manager, Surrey Fire & Rescue Service

David Matthey, Operational Support Lead Officer, Surrey Fire & Rescue Service

Simon Harding Service Manager, Surrey Libraries

Sam Ayling, Senior District Catering Manager, Twelve15 Catering for schools

Annexes:

Annex 1 – Approval to Procure

Sources/background papers:

None

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Approval to Procure



Note: This form is to be completed by the Service Lead for the proposed project, in consultation with Procurement.

Department/Directorate:	BSD - ITD	EGC - Property
Service:	Corporate Services	
Authority	SCC	
Project Sponsor:	Liz Hart, Principle Facilities Manager Land & Property	
Project/Contract Name:	Cleaning Consumables Contract (T1427)	
Procurement contact:	Kelly Duffus, Strategic Procurement Manager IT & Corporate	
Project Complexity	E	

Aggregate Contract Value (including extensions)	<p>Estimated cumulative spend of £2.3M over the next 4 years (inc. contingency).</p> <p>Recent spend has increased dramatically due to increase in demand and pricing of cleaning products and associated PPE due to the COVID-19 pandemic. We believe these prices are more stable now and will look to control pricing where possible in the new contract.</p> <table border="1"> <thead> <tr> <th></th> <th>Catering £000</th> <th>Non-catering £000</th> <th>TOTAL £000</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>156</td> <td>254</td> <td>410</td> </tr> <tr> <td>2020</td> <td>95</td> <td>440</td> <td>535</td> </tr> </tbody> </table>		Catering £000	Non-catering £000	TOTAL £000	2019	156	254	410	2020	95	440	535
	Catering £000	Non-catering £000	TOTAL £000										
2019	156	254	410										
2020	95	440	535										
Confirm this above value has been agreed in the budget?	PO numbers raised against budget codes for the individual facilities. Orders placed through SAP SRM system.												
Is the funding capital, revenue or grant?	Revenue												
Current contract end date (if applicable)	Extension until 31 st December 2021 is underway												
Any option to extend an existing contract?	We hope to procure a new contract whilst the extension of the current contract is in place.												
Procurement activity required (extension, renewal, replacement, other – must specify)	New tender												
Expected Start Date for Procurement	04/01/2021												
Required Transition/mobilisation months required	TBC												
Expected Start Date for new	01/01/2022												

contract/extension/arrangement					
Income generating?		No			
Key Project: If yes please tick the relevant fields	Yes	Strategic importance	<input type="checkbox"/>	Savings above £500k	<input type="checkbox"/>
		High reputational risk	<input checked="" type="checkbox"/>	Delivered this financial year	<input checked="" type="checkbox"/>
		Attracts significant resource	<input type="checkbox"/>		

County wide project

Contract Description and Rationale for new procurement activity

Cleaning Materials and Janitorial Supplies

SCC care homes, schools, offices and libraries have the ability to purchase a broad range of cleaning products covering everything from bleach, washing up liquid, toilet rolls and hand sanitiser to non-clinic PPE (gloves & masks). Generally the orders are small but the number of purchasers and current demand due to the COVID-19 pandemic means we are now spending around £550K per year through this catalogue.

Explain why this was not on the Procurement Forward Plan

The Procurement team were led to believe that the West Sussex framework that facilitated the current supplier arrangement was due to be extended for a further year. Unfortunately, West Sussex Procurement Department informed us that they were not able to offer a further year so a short-term contract, direct with the incumbent supplier (Wightman & Parrish) has been established whilst a procurement for a new contract is underway.

The Wightman and Parrish catalogue of goods and services supports over 300 sites across multiple directorates so co-ordinating their requirements, budgets and the tender evaluation will be challenging and take time. Efforts to co-ordinate the relevant stakeholders and assess routes to market is already underway. On-going contract management from Nicholas Marco-Wadey and Ross Griffiths has been established.


Describe the expected benefits of the project (cash savings/cost avoidance/social value)

- Quick and easy way to purchase small volumes of stock
- Unified pricing
- Another mechanism from which staff could access stock during times of peak demand e.g. sanitiser, bleach, gloves, masks. The Local Government Resilience group remains the primary source for PPE for Surrey staff.

Form Completed by:	Kelly Duffus, Strategic Procurement Manager IT & Corporate	01/04/2021
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Approval required for all projects:


Approved by Head of Procurement:	Anna Kwiatkowska	18/5/21
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		 RE_ A2P - Cleaning Consumables - longer
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Approval required for ESCC projects:

ESCC Chief Officer Approval:	{name}	{date}
Lead Member input is required at Route to Market stage and approval at Contract Award stage: Yes/No		

Approval required for SCC projects:

SCC only: Approved by Executive Director (in consultation with Portfolio Holder):	Leigh Whitehouse	18/5/21  RE_ A2P - Cleaning Consumables - longer
SCC only: Approved by S151 Officer:		
SCC only: Approved by Cabinet (if over £1m):	Pending	Pending

12

Both approvals required if project is across the two authorities.

Note: Once complete, this form should be returned to the Procurement Contact, who will forward it to the Procurement PMO for resource allocation

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SURREY COUNTY COUNCIL**CABINET****DATE: 20 JULY 2021****REPORT OF CABINET MEMBER: BECKY RUSH, DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RESOURCES****LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR, RESOURCES****SUBJECT: JOINT WORKING ARRANGEMENTS FOR FINANCE SERVICES WITH TANDRIDGE DISTRICT COUNCIL****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES****Purpose of the Report:**

Surrey County Council ('SCC') has been providing support to Tandridge District Council ('TDC') through the part-time secondment of its Director of Corporate Finance to act as the Tandridge s151 officer, as well as a full-time secondment of a finance business partner post since August 2020.

At the TDC Strategy & Resources Committee on 25th March SCC presented a proposal to broaden this arrangement into the provision of a more comprehensive package of finance support covering both the finance service and financial management more generally within TDC, including the development and delivery of a Transformation programme (Tandridge Finance Transformation, 'TFT').

This was formally approved at the meeting and subsequently officers from SCC have developed a new model for the TDC finance function, a roadmap, an investment business case for the TFT programme and an associated Joint Working Agreement for Finance Services which would provide the legal basis for the partnership between SCC and TDC.

This was presented to TDC senior Members and Officers on 17th June and received their support to go forward for formal endorsement at the Strategy & Resources Committee on 6th July.

The purpose of this report is to seek approval to SCC's continuing support for the finance partnership with TDC, the TFT Plan and the resources necessary from SCC officers to support its successful delivery within TDC. Subject to this, to also approve the creation of a Joint Working Agreement following satisfactory negotiation of the detailed arrangements.

Recommendations:

It is recommended that Cabinet:

1. Approve the continued development of the Finance Services partnership with Tandridge DC through the development and delivery of the Tandridge Finance Transformation Programme.

2. Approve the commitment of the necessary SCC officer time to support the successful delivery of the TFT plan within TDC.
3. Approve the development of a Joint Working Agreement with TDC and delegate its final approval to the Executive Director, Resources, subject to the satisfactory negotiation of the details of the working arrangements.

Reason for Recommendations:

TDC faces challenges both in terms of needing to improve its financial health and the capacity and capability of the finance function. SCC has been providing support to the TDC finance function since August 2020 during which time formative progress has been made. There is now a need to broaden the scope of the work to ensure that the changes identified as necessary (both within the TDC finance function and more widely across TDC) can be delivered.

A transformation plan ('TFT') has been developed which identifies a new operating model for the TDC finance function and includes a business case for the necessary investment to support the delivery of the TFT plan. This plan will involve the commitment of officer time from SCC to ensure its successful delivery. A Joint Working Agreement will provide the formal legal basis for the governance of the partnership and clarify the expectations of both Parties.

The development of the finance partnership with TDC supports the delivery of one of the SCC key objectives which is to develop Stronger Partnerships with other public services.

The successful delivery of the TFT plan will assist TDC to emerge with a stronger underlying financial position and a finance function which is capable of sustaining this over the longer term.

Executive Summary:

Background

1. At the TDC Strategy and Resources Committee meeting on 25th March it was agreed to proceed to an agreement with SCC to provide TDC with a comprehensive finance function incorporating the s151 role, leadership and management of a full range of financial functions and the development and delivery of the TFT Plan.

It was also agreed to establish a small TDC Member and Officer Reference Group (MRG) to monitor progress with delivery of the TFT plan. The MRG is made up of the TDC Group leaders, the Chair of Strategy and Resources, the Chief Executive, the Executive Head of Corporate Services, the Head of Legal Services and Monitoring Officer, the Chief Finance Officer and the TFT Programme Manager.

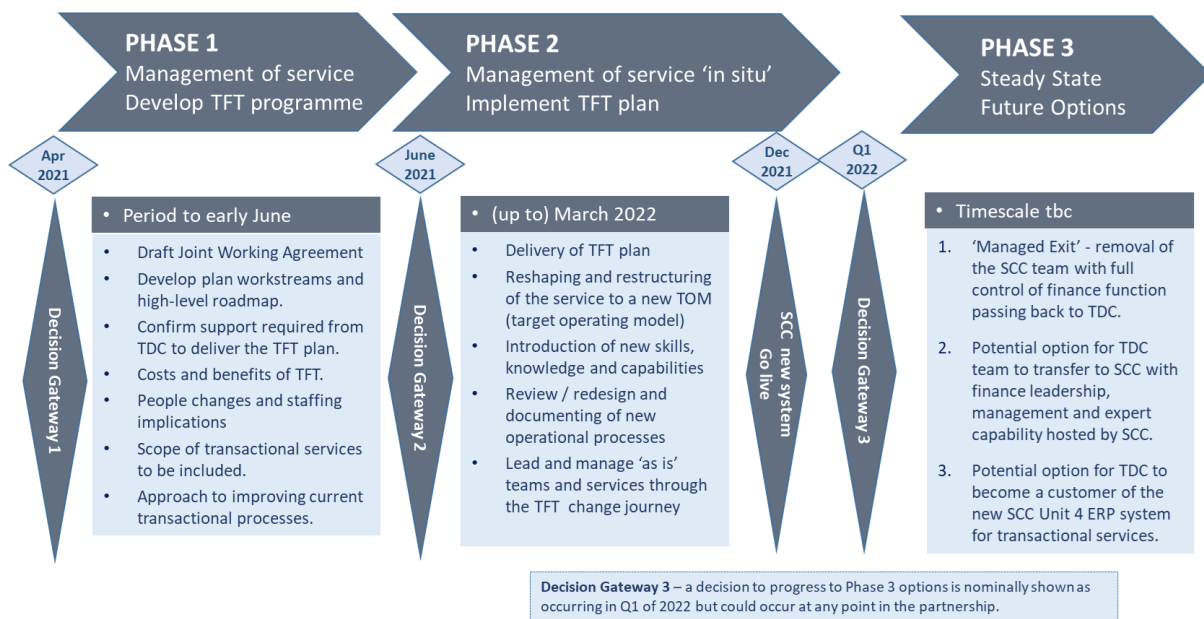
2. SCC have set out a 3-phase approach to developing the partnership as shown in the diagram below:
 - **Phase 1:** Initial due diligence leading to a formal agreement between SCC and TDC.
 - **Phase 2:** Tandridge Finance Transformation (up to March 2022) - this phase will enable the restructuring of the finance function, improvement of key processes, development of business partnering and strengthening of budget accountability. During this period, staff will remain on TDC employment contracts, and any

restructuring undertaken will be in accordance with TDC change management procedures.

- **Phase 3:** Ongoing operation - this will be a “steady state”; there will be strategic choices for TDC to make about the future basis of employment of finance staff; and around access to SCC’s new financial systems.

It is at this point that SCC and TDC could consider the option of a ‘managed exit’ which would see the removal of the SCC team over a period of time with full control of the finance function passing back to TDC.

Overall phased approach to developing the partnership



3. Decision gateways

The SCC proposal includes 3 Gateway decision points at each of which either SCC or TDC could decide to continue, pause or stop with no additional commitment beyond that already made at each Phase.

Gateway 1 - to decide whether to undertake a period of due diligence during which SCC would develop the TFT plan.

Gateway 2 - to decide whether to proceed with the delivery of the TFT plan once the costs and implications are known.

Gateway 3 – to decide whether to progress with any of the future options identified in Phase 3, which could involve a longer-term service agreement with SCC or a managed exit. This gateway is shown as occurring in Q1 of 2022 but could occur at any point during Phase 2.

4. **Phase 1**, the initial due diligence phase, has been completed and a number of areas for improvement have been identified within the TDC finance function itself, within Exchequer Services and within the financial management of TDC more widely. The detailed findings are included within the Annex to this report.

This phase has involved extensive engagement with TDC staff with their insights being used to inform the priorities for change within the TFT plan.

SCC presented their findings, proposals and recommendations to the TDC MRG on 17th June. At this meeting, the MRG noted the progress with developing the TFT plan, the development of a new operating model for the finance function and the drafting of a Joint Working Agreement to provide a legal basis for the partnership going forward.

These proposals identify investments from TDC which are considered necessary to transform the finance function, develop a strong culture of financial management and accountability across TDC and deliver a transformation in the Exchequer Services function.

The MRG agreed to recommend the proposals in full, including the necessary investments, for formal approval by the TDC Strategy and Resources Committee on 6th July.

It was also agreed to request authorisation for the TDC Chief Executive to approve the Joint Working Agreement and the final detailed operating model with SCC, following further detailed discussion and consultation with Group Leaders and the Chair of Strategy & Resources Committee.

A report has been prepared for consideration by the TDC Committee and is attached as an Annex to this report. A verbal update on the decision of the TDC Committee and any further relevant issues arising will also be given at Cabinet on 20th July.

Provided the TDC report is approved and SCC Cabinet give their approval to this report, the TFT programme would move into Phase 2.

Implications of the partnership and TFT plan for Surrey County Council

5. **Phase 2** - it is important to note that in proceeding to Phase 2, SCC will not be taking on responsibility for the underlying financial position of TDC. Nor will SCC be taking over control of the TDC finance function.

The model proposed by SCC envisages a relationship whereby TDC are 'buying-in' support from SCC employees to help them reach and sustain a stable and healthy financial position. As part of this SCC will be committing to providing TDC with finance leadership, management oversight, support and guidance along with a transformation roadmap (the TFT plan) which is central to sustaining the financial recovery of TDC.

SCC are not however taking on responsibility for that being achieved. Responsibility for the actions necessary to achieve its successful delivery and any necessary investments will continue to rest with TDC.

6. **New Finance Operating Model**

The proposal from SCC includes a re-shaped finance operating model and staffing structure for TDC which addresses areas where the team lacks capacity and capability and is in need of leadership and development.

This structure aligns with the SCC finance function structure and is made up of a blend of Tandridge directly employed staff and senior members of the SCC finance team who will provide management oversight and (in some cases) direct delivery of services.

At the core of the model is a strengthening and investment in the in-house TDC directly employed finance team.

As part of this new operating model SCC will take on management oversight of areas of TDC Corporate Finance including:

- Budget preparation and monitoring
- Closure of accounts
- External Audit engagement
- Capital Programme management
- Treasury management
- Corporate returns
- Fees and Charges
- Collection Fund

SCC will in addition also provide best practice and development support to the Finance Business Partner & Exchequer functions.

This will provide TDC with resilience and access to expertise in relevant corporate finance fields, guidance, support and mentoring for service facing business partners and release capacity to support transformation and service development.

In practice this means that several members of the SCC Finance team (including Business Operations) will be spending a proportion of their time working for TDC going forward and acting under a formal s113 agreement.

7. **Development and delivery of the TFT programme**

Under the JWA, SCC will support TDC through the development and delivery of the TFT programme. This programme sets out 5 workstreams which taken together will transform the finance function and the role of finance within TDC. The overriding purpose of each is set out below:

a) **New Finance Model**

A right-sized, re-shaped and strengthened model and staffing structure. This is a blend of TDC directly employed staff and senior members of the SCC finance team who will provide management oversight, best practice guidance and where applicable direct delivery of services.

b) **SCC transition**

A transitioning in of the SCC finance team to provide management oversight, best practice guidance and (in some cases) take on delivery of services to TDC.

c) **Organisational Development**

Strengthened overall financial management, increased budget holder ownership and accountability, increased grip over and adherence to key corporate processes and controls across TDC, allowing better identification and management of financial risks.

d) **Exchequer Transformation**

A transformed Exchequer function with a reshaped team, a new set of business rules and controls, a refined set of documented processes with clear ownership and performance metrics underpinned by an optimised use of the core financial systems.

e) **Deliver the Budget**

This workstream will ensure a continuing focus on delivering the 2021/22 budget and the savings required to ensure a robust future financial position is established going forward.

8. **Mutual expectations**

The JWA sets out the expectation that the agreed TFT programme of work is to be fully supported by each of the Parties and that they will seek to bring their respective skills, abilities and resources together to ensure that the benefits identified are delivered in line with the programme. It also includes the provision for corrective action where the time spent on the TFT programme is not in line with the benefits being achieved.

It is important to note that, as part of this, SCC is agreeing to devote an appropriate amount of officer time to the development and delivery of the TFT programme of work for example by providing Programme Management and additional senior finance business partner support to the delivery of the improvements necessary.

The JWA includes the mutual expectation that the investment of SCC officer time is provided to TDC on the understanding that:

- a) TDC remains fully engaged with and committed to delivering the benefits identified in the TFT programme of work.
- b) TDC is willing and able to fund additional direct costs which are directly attributable to and associated with the delivery of identified benefits within the programme of work (such as the investments identified above).

A record of the costs associated with developing and delivering the TFT programme of work will be monitored and managed through the TFT Programme Board. This will include both direct costs and officer time where this is devoted to working specifically and solely on TFT activities.

Where, in the assessment of the TFT Programme Board, the mutual expectations set out above are not being met or the time being expended is not proportionate to the benefits being realised through the TFT Programme, the Board will take corrective action to address this and report those actions to the Member Reference Group (MRG).

These actions may include (but are not limited to) a review of the scope of the TFT programme and/or a reduction in the officer time allocated to it.

9. **Service Charge**

In respect of the above, SCC will levy a Service Charge on TDC. This is intended to reflect and be directly linked to an apportionment of the estimated amount of SCC staff time devoted to providing the necessary management oversight, leadership, support and any other identified services.

The Service Charge will be set at a level intended to recover the relevant proportion of direct staff costs for each member of staff plus a 5% overhead recovery to reflect directly attributable overheads.

The estimated amount of officer time anticipated to be spent on TDC activities varies with the Chief Finance Officer (s151 role) set at 50% and other roles typically set at c10%.

The overall estimated level of the Service Charge from SCC is £155k per annum which is intended to start from 1st October. The Service Charge will change annually (up or down) directly in line with any change to the direct costs of employment (ie annual pay awards, NI or pensions contributions changes).

Any other proposed changes (up or down) to the Service Charge will come into effect only following due consideration through the Annual Review and following the appropriate internal governance for each of the Councils.

Any additional costs or savings which flow directly from the work will be directly attributable to the relevant Council receiving the benefit of the work undertaken. Where savings identified are attributable to both Councils (for example in a shared contracting arrangement), the basis of any saving share or cost attribution will be agreed in advance.

10. **Joint Working Agreement (JWA)**

It is proposed to put in place a JWA to act as the legal basis for the partnership. An initial draft of the JWA has been produced and this will be further developed between the Councils and ready for formal approval by the end of July.

Key elements of the JWA will include:

- a) Aims and Objectives of the Finance partnership
- b) Financial Protocol
 - TDC to fund the cost of implementing the new finance operating model
 - SCC to recover its costs via a Service Charge linked to the officer staff time involved
- c) Mutual expectations
 - SCC will commit officer time to support the development and delivery of TFT;
 - TDC will commit officer time and fund any direct costs of TFT;
 - TDC will commit to support the successful delivery of TFT
- d) HR protocol
 - SCC staff time will be shared with TDC under a s113 agreement
 - TDC and SCC staff will each remain subject to their employing Council rules
- e) Provision for Annual Review

There is provision within the JWA for the arrangement to be formally and jointly reviewed on an annual basis to ensure it continues to meet the needs of both Councils.

- f) Provision for Conflicts, Disputes and Termination

There is provision within the JWA to manage the resolution of disputes through mediation and to allow for termination of the arrangement following a twelve-month notice period (or sooner by mutual agreement).

In circumstances of a material breach by either party that cannot be remedied, three months' notice of termination can be given (by either Council).

Consultation:

11. Formal consultation has been undertaken with TDC senior Members and Officers through the MRG (membership as above) to seek their views and to inform the drafting of this report.
12. Additional engagement has been undertaken with senior officers, staff conference and the TDC finance team as part of the due diligence phase and development of the proposals.
13. The SCC Cabinet Member has been kept fully informed and engaged in the development of the SCC proposals and plans.
14. A briefing has been arranged with the Chair of the Resources and Performance Select Committee and any comments arising from that discussion will be added into the final report.

Risk Management and Implications:

15. Officers have identified several risks and issues which apply to the TFT programme and the partnership between the Councils. The key risks that relate specifically to SCC are the first and last of those in the table below:

Description of risk / issue	Overall approach to addressing risk / issue
Reputational damage if the partnership doesn't work out as both councils hope and which leads to a break up of the partnership.	Manage progression of the partnership through gateways. Ensure that decision making is transparent. Deliver identified benefits of the programme. Engage with and inform key stakeholders to maintain confidence.
The New Finance Model and associated costs of change may be too expensive for TDC to support	Seek to contain the costs of the new Finance model as far as possible.
The Exchequer Services Change Plan may be too expensive for TDC to support (and/or the business case is rejected).	Make the benefits case clear and identify sources of funding from with TDC (explore use of flexible capital receipts).
Some TDC finance staff may respond negatively to proposed changes to the finance function.	Develop ways to involve the TDC finance team in the TFT programme. Identify and manage risk areas of activity in transition to the new Finance Model.
SCC officers are perceived as investing too much time and effort into Tandridge at the expense of other activities and SCC is perceived to suffer as a result.	Manage the amount of officer time invested through the TFT Programme Board. Establish a clear set of mutual expectations between TDC and SCC in the Joint Working Agreement (JWA).

- i) Reputational damage should the partnership fail to achieve the desired ambitions for it. It is important to note that SCC will not be taking on responsibility for the financial position of TDC. Responsibility for the actions necessary to achieve the successful delivery of the TFT programme and any required investments will continue to rest with TDC. The progression of the partnership will be managed through formal gateways and TFT programme governance. If the partnership is not achieving the objectives set there is provision in the JWA for termination by one or other Council.

- ii) SCC officers invest too much time on TDC activities at the expense of SCC objectives and priorities. SCC officers believe that there is adequate capacity built into their existing teams to manage the amount of staff time anticipated without any detriment to SCC. This will be closely monitored through the TFT programme governance.

These and the other risks identified will be actively managed by the Programme Manager and TFT Programme Board during the development of the partnership and the delivery of the TFT programme.

Financial and Value for Money Implications:

16. The JWA includes a Financial protocol which sets out the arrangements for the recovery of SCC costs for services provided to TDC and how these are to be agreed between the Parties. The expectation is that this will generate a revenue to SCC of c£155k per annum which will be used to offset the costs of officer time spent on TDC activities.

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 beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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. The Section 151 Officer is fully supportive of the approach outlined and notes that the TFT plan is central to sustaining the financial recovery of Tandridge District Council by supporting the strengthening of financial management capability and capacity across the Council, significant enhancements to its core processes, tighter financial control and the use of systems.
19. It is also recognised that the amount of time spent by officers from the SCC Finance team will need to be managed to ensure that this remains proportionate both to the costs recovered by SCC and the benefits achieved and that this does not prevent the achievement of other SCC priorities.

Legal Implications – Monitoring Officer:

20. The proposed legal relationship between the Authorities is described above. Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided for by the agreement, of officers employed by the former. Officers placed at the disposal of the "borrowing" authority are treated as an officer of that authority for the purposes of all their statutory functions whilst remaining an employee of the "lending authority" for employment law purposes. The nature of section 113 means that no direct EU procurement issues arise in relation to the proposed agreements.

Equalities and Diversity:

21. It is not foreseen that there are any direct equality implications because of the recommendations in this Report. Options will be rigorously assessed as the TFT plan progresses.

Other Implications:

22. 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	None identified
Safeguarding responsibilities for vulnerable children and adults	None identified
Environmental sustainability	None identified
Public Health	None identified

What Happens Next:

23. Next steps following approval of this Report are as follows:
- a. Finalisation of the Joint Working Agreement between the Councils (to be completed by the end of July).
 - b. Further detailed due diligence and planning by SCC officers (to be completed by the end of September) in preparation for taking on financial management responsibilities from 1st October (or as agreed).
 - c. Delivery of the programme of work set out in the TDT plan (to be completed by the end of March 2022).

Report Author: Ricky Fuller, TFT Programme Manager, 07811 759679.

Consulted:

Consultation has been undertaken with:

- TDC senior Members and Officers as set out above.
- SCC senior Officers
- SCC Cabinet Member
- Other TDC and SCC officers as part of the due diligence phase.

Annexes:

Annex 1- Joint Working Arrangements for Finance Services - Report to the TDC Strategy & Resources Committee of 6th July 2021.

Sources/background papers:

Report to TDC Strategy & Resources Committee, 25th March 2021.

SCC Finance Support Proposal to TDC, 8th March 2021 (published in the above Report).

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Finance – Joint Working Arrangements for Finance Services

Strategy & Resources Committee – 6th July 2021

Report of: David Ford, Chief Executive

Purpose: For Decision

Publication Status: Unrestricted

Wards affected: All

Executive Summary

At the Strategy and Resources Committee meeting on 25th March it was agreed to proceed with an agreement with Surrey County Council ('SCC') in which it would provide Tandridge District Council ('TDC') with a comprehensive finance function comprising s151 role and leadership and management of a full range of financial functions, and support TDC through the Tandridge Finance Transformation Plan ('TFT').

It was further agreed to establish a small Member and Officer Reference Group ('MRG') to monitor progress with the TFT Plan.

The initial due diligence phase has been completed and SCC presented their proposals and recommendations to the MRG on 17th June. The MRG noted the progress with developing the TFT Plan, the development of a new operating model for the finance function and the drafting of a Joint Working Agreement to provide a legal basis for the partnership going forward.

These proposals include investments which are considered necessary to transform the finance function, develop a strong culture of financial management and accountability across TDC and deliver a transformation in the Exchequer Services function.

In summary these are:

- (a) implement a strengthened operating model for Finance composed of a blended structure between TDC directly employed staff and SCC management oversight, support and guidance. This model would require a recurring investment of (up to) **£76k per annum in a full year from 2022/23 (c£27k for 2021/22)** funded as part of the Councils revenue budget, and
- (b) **a one-off investment of £80k** required to support the delivery of two of the key workstreams within the plan; £30k for the role of Finance Transformation Lead and £50k to fund the Exchequer Services change team. Funding would be sought from the use of the Council's flexible capital receipts following consideration at Full Council on 20th July.

Other staffing costs of change (including any potential redundancy or recruitment costs) resulting from the implementation of the new Target Operating Model will also need to be met by TDC. These costs will be identified once the new structure has been determined and will be agreed with the MRG.

Having considered the above proposals, the MRG agreed that the recommendation be brought to this Committee for approval.

This report supports the Council's priority of:

Building a better Council – making the Council financially sustainable and providing residents with the best possible services.

Contact Officer: David Ford, Chief Executive – dford@tandridge.gov.uk

Recommendation to Committee

That the Committee agrees:

1. To support the one-off investment of £80k required to develop and deliver two of the key workstreams within the TFT plan
2. To recommend that this investment is met through the use of the Council's flexible capital receipts following consideration at Full Council on 20th July.
3. To support the case to strengthen the finance function within the Council and the additional investment required of (up to) £76k in the 2022/23 financial year (and a potential part-year impact in 2021/22 of c£27k).
4. To authorise the Chief Executive to complete the Joint Working Agreement and the final detailed operating model with SCC, following further detailed discussion and consultation with Group Leaders and the Chair of Strategy & Resources Committee.

Reason for Recommendation

The Council has received and considered the Tandridge Finance Transformation Plan from SCC.

The TFT Plan is central to sustaining the financial recovery of the Council and the objective of putting our finances onto a significantly more robust and sustainable footing. The investment identified will support the strengthening of financial management capability and capacity across the Council and significant enhancements to core processes and the use of systems. Without this investment these and other key benefits to the Council cannot be delivered.

Background

- 1 At the Strategy and Resources Committee meeting on 25th March it was agreed to proceed with an agreement with SCC in which it provides TDC with a comprehensive finance function comprising the s151 role and leadership and management of a full range of financial functions, and supports TDC through the TFT Plan.

It was further agreed to establish a small Member and Officer Reference Group ('MRG') to monitor progress with the TFT Plan. The MRG is made up of the Group leaders, the Chair of Strategy and Resources, the Chief Executive, the Executive Head of Corporate Resources, Head

of Legal Services and Monitoring Officer, Chief Finance Officer and the TFT Programme Manager.

- 2 SCC have set out a 3-phase approach to developing the partnership between the Councils:
- **Phase 1:** Initial due diligence leading to a formal agreement between the Councils.
 - **Phase 2:** Tandridge Finance Transformation (up to March 2022) - this phase will enable the restructuring of the finance function, improvement of key processes, development of business partnering and strengthening of budget accountability. During this period, staff will remain on TDC employment contracts, and any restructuring undertaken will be in accordance with TDC change management procedures.
 - **Phase 3:** Ongoing operation - this will be a “steady state”; there will be strategic choices for TDC to make about the future basis of employment of finance staff; and around access to SCC’s new financial systems.

It is also at this point that both Councils could consider the option of a ‘managed exit’ which would see the removal of the SCC team over a period of time with full control of the finance function passing back to TDC.

Findings and Summary of Proposal

- 3 **Phase 1**, the initial due diligence phase, has been completed and a summary of the findings from the due diligence phase and the proposed actions to address these are included below.

Finance function (Corporate Finance & Business Partnering)

Area of focus	Areas identified and explored during due diligence	Proposed deliverables in TFT plan
Business Partnering	A lack of capacity and resilience in the finance business partner team. An in depth functional review identified a shortfall of c1.5 FTE against a recurring requirement with multiple SPOFs (single points of failure).	A reshaped and strengthened finance function which strengthens capability and delivers more management capacity, resilience and access to specialist expertise. This will be aligned to the SCC model to provide access to development opportunities aligned to the SCC Finance Academy and will provide a solid basis for a high performing finance function over the long term without the need for interim support. Training and support on Business Partnering knowledge, skills and behaviours through SCC Finance Academy.
	A lack of clarity in the roles & responsibilities in the finance business partner team; roles have evolved in an ad hoc way with out-of-date job descriptions combined with a lack of professional development.	
	A short term approach to planning & decision making, characterised by firefighting and interim solutions at the expense of taking a longer term view.	
Budget management	Inappropriately defined budget management responsibilities.	Creation of the Service Engagement Board to act as the interface for the development of a Partnership Agreement setting out mutual expectations and a framework which defines the roles & responsibilities of budget holders within services and the finance team. A training and upskilling programme for budget managers linked to the Surrey Finance Academy.
	Budget managers placing too much reliance on the finance team, lacking the skills, knowledge and ownership of budgets. The finance team spending too much time undertaking non value adding tasks.	
Business Rules	Business rules are in need of review (eg Financial Regulations are out of date and not at standard required) to ensure that they address the key controls required and are adhered to by the council officers.	The Exchequer change team will review and refine current business rules and processes and liaise with the Transformation lead to ensure that these will be included in the Partnership Agreement. Compliance with the rules will be managed through the Stakeholder Engagement Board.
Financial Controls	Some evidence of controls not operating effectively or not operating at all.	
Finance system (Agresso)	Patchy use of the Agresso system to support budget management underpinned by a lack of training & understanding	This will be explored by the change team reviewing business rules and processes, through the Agresso healthcheck and through the development of the Partnership Agreement.

Exchequer Services

(Transactional Services including, Accounts Payable and Receivable and Sundry Debt)

Area	Areas identified and explored during due diligence	Proposed deliverables in TFT plan
Exchequer Services	Poorly defined roles and responsibilities. Random allocation of duties as posts have been deleted leading to little clarity as to who has overall responsibility for what function	Roles and responsibilities will be defined around the core processes with clear ownership and accountability for service performance.
Processes	Lack of any documented processes. No overall ownership of end-to-end processes or measurement of process effectiveness / performance metrics. The overall process ownership and links between the process elements of paying invoices, raising invoices for services delivered, cash collection and bank reconciliation have become fragmented following the separation of finance and need to be recreated.	Processes will be mapped, improvement opportunities identified and delivered, metrics created and ownership of overall process effectiveness assigned.
Systems and Processes	Inefficient and complex separate bank reconciliation system.	A review of current systems and processes will be undertaken early on in the change phase with improvements identified and proposed.
	Limited audit assurance.	Healthcheck review will address weaknesses identified in internal audit reviews to provide full assurance.
Systems	Lack of capacity and capability to make best use of the Council's Agresso financial system. No staff resource with responsibility for the Agresso system, combined with a loss of knowledge as to how the systems operate. Lack of user documentation as to how to use the system.	System capabilities will be reviewed identifying changes and training needs required to make effective use of the systems capabilities. System to be documented with user manuals available to staff who need them including data flows and functional responsibilities.
	Lack of integration of key systems, delays in implementation and expected benefits not achieved. Lack of an overview as to how transactional systems operate and integrate with finance systems (eg the housing management system Orchard) leading to the use of the system not being maximised.	The initial scope of the programme is limited to getting the best from the Agresso finance system. The wider systems scope would be considered as part of any Phase 3.

SCC presented their findings, proposals and recommendations to the MRG on 17th June. A summary of the presentation is included in this report.

At this meeting, the MRG noted the progress with developing the TFT Plan, the development of a new operating model for the finance function and the drafting of a Joint Working Agreement to provide a legal basis for the partnership going forward and agreed to recommend the proposals included for approval by the Strategy and Resources Committee.

- 4 It was noted that going forward, the direction and development of the shared finance function will be guided by an overall mission and a set of guiding principles taken together.

Guiding principles - for the finance function

- **Stability** – provides TDC with a long-term stable finance function
- **Resilience** – able to withstand pressures and demands placed upon it
- **Expertise** – provides TDC with access to specialist expertise in key areas
- **Partnership oriented** – a strong focus on partnering with TDC services and working effectively across both councils to make best use of the experience and expertise of both
- **High performing** – provides a basis & environment for the team to perform at a high level

Guiding principles – the role of finance within the Council

- **Trusted** – services trust the advice of the service to inform their plans
- **Proactive & insightful** – proactively supports services in their plans rather than 'firefighting'

- **Leads a culture of strong financial management and accountability** – is at the heart of leading the development of strong financial management in the council
- **Locally owned** – recognised as Tandridge ‘owned’

Overall Mission

To blend the skills, experience and expertise of the Surrey and Tandridge teams into a high performing, resilient, finance function for the Council.

To build a trusted, proactive and insightful Finance Service which is at the heart of a strong culture of financial management, accountability and evidence-based decision making across the Council.

To improve our processes and use our systems more effectively to increase efficiency, free up capacity and strengthen controls

5 **TFT Programme Workstreams**

The TFT plan sets out 5 workstreams which taken together will transform the finance function and the role of finance within the Council. The overriding purpose of each workstream is set out below.

a) **New Finance Model**

A right-sized, re-shaped and strengthened model and staffing structure. This is a blend of TDC directly employed staff and senior members of the SCC finance team who will provide management oversight, best practice guidance and if applicable direct delivery of services.

b) **SCC transition**

A transition of the SCC finance team to provide management oversight, best practice guidance and (in some cases) take on delivery of services to TDC.

c) **Organisational Development**

Strengthened overall financial management, increased budget holder ownership and accountability and increased grip over and adherence to key corporate processes and controls across the wider Council, allowing better identification and management of financial risks.

d) **Exchequer Transformation**

A transformed Exchequer function with a reshaped team, a new set of business rules and controls which are operating effectively, a refined set of documented processes with clear ownership and performance metrics underpinned by an optimised use of the core financial systems resulting in a reduction of manual workarounds.

e) **Deliver the Budget**

This workstream will ensure a continuing focus on delivering the 2021/22 budget and the savings required to ensure a robust future financial position is established going forward, whilst incorporating any key outcomes of the Grant Thornton forensic review.

6 **TFT Programme Roadmaps**

Each of these workstreams is underpinned by a roadmap of activities as summarised in the graphics below.

Figure 1 – Finance Roadmap – Corporate Finance & Business Partnering

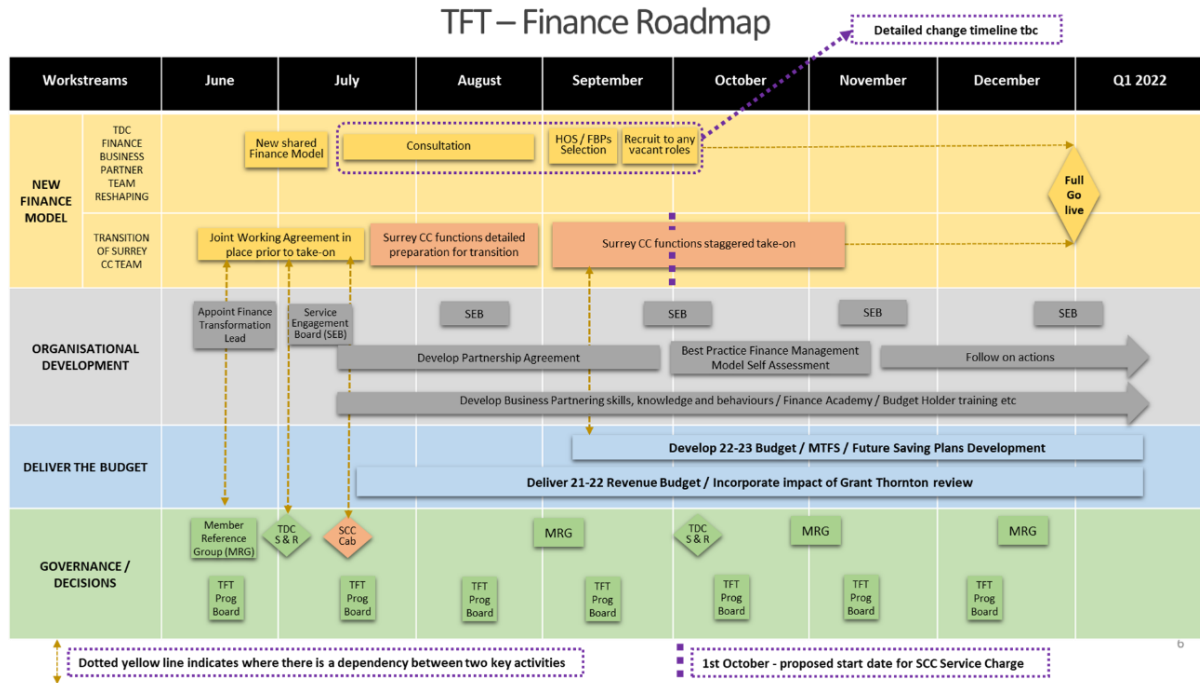
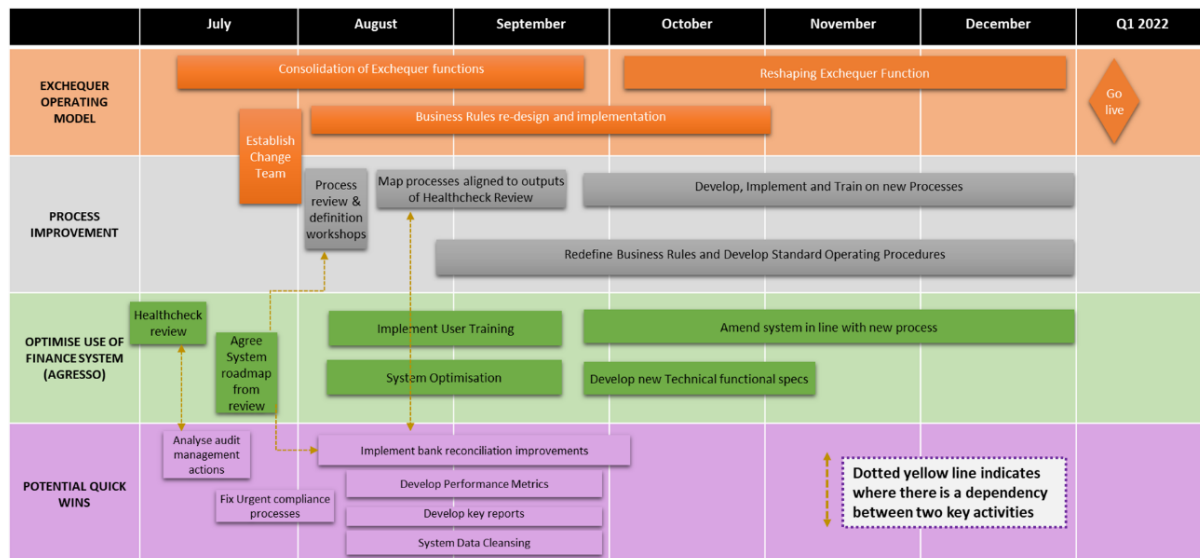


Figure 2 – Exchequer Services Roadmap

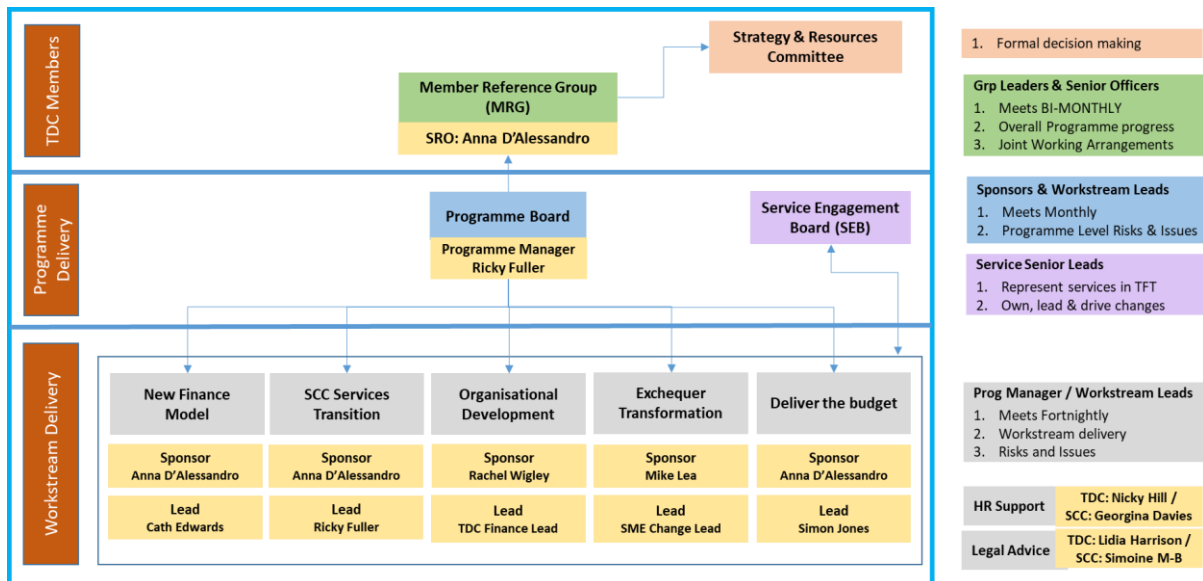


7 **Programme Governance**

The TFT programme will be managed as shown in the chart below with progress monitored through the MRG and formal decisions taken through the Strategy and Resources Committee.

The plan delivery will be managed through a Programme Board and Programme Manager with each of the 5 workstreams having a sponsor and lead officer.

Engagement with the Council Services will be managed through a Service Engagement Board, chaired by Alison Boote. The role of this Board will be to own, drive and lead the changes necessary within services to deliver the plan.



8 Costs of the New Finance Model

To address the issues identified in the due diligence phase (and those previously identified in the LGA Review in December), it will be necessary to invest in strengthening the finance team. These investments are never easy particularly when they do not deliver a direct improvement to front-line services. Continuing on 'as is' however is not considered an option nor sustainable in the medium term and will expose the Council to further risk going forward.

The new model involves a change to most of the existing team roles to align to the SCC finance structure (Corporate Finance / Business Partnering). This will allow the shared SCC team to provide a more effective management oversight, guidance and support to the TDC team whilst ensuring that the main service provision is retained within TDC.

The balance of directly employed and shared staff and the investment proposed is set out in the table below.

FTE / Full Year effect	2021-22 Budget	2021-22 Forecast		Diff vs budget 2021-22	NEW MODEL		Full Yr diff vs budget 2022-23	
						full year cost		
Directly employed staff	£561,800	10.1	£587,000		11.3	£629,000	1.2	£67,200
Shared staff	£146,000	2.0	£148,000		2.2	£155,000	0.2	£9,000
Total Finance	£707,800	12.1	£735,000	£27,200	13.5	£784,000	1.4	£76,200

Whilst costs are indicative and based on a working draft of the model, they are not expected to increase further. Any cost increase will be mutually agreed as part of the annual review process and governed through the Joint Working Agreement. Costs assume that the new model goes fully live from 1st Jan 2022.

It is important to note that as part of the transition to a new model there is the possibility that additional one-off staff related costs will be incurred arising from various sources; these could for example include staff redundancies if the required skills cannot be met and there is not

the potential for upskilling, training costs if a suitable role is identified as part of a redeployment opportunity or recruitment costs for new staff members. These costs will only become apparent as the model is implemented but further consideration will be given as to whether a provision should be added into the final business case as the model is finalised.

The impact in 2021/22 is an increase of c£27k vs the current 2021/22 budget due to the part year effect of the new model. These costs include an allowance for funding the Finance Transformation Lead role which, as noted elsewhere in this report, will be the subject of a bid to fund from flexible capital receipts. If this bid is accepted this would bring the budget position back into line in 2021/22.

The full year impact of the new model will be an increase of (up to) £76k per annum in the 2022-23 financial year against the current budget. This increase is driven by an increase in the capacity in the team of 1.2 FTE in the TDC directly employed staff. of 1.2 FTE (one additional Business Partner role vs current)

9 **One-off investments required to deliver the TFT plan**

Delivery of the TFT plan will require two additional one-off investments **totalling £80k**.

Finance Transformation Lead – this role is pivotal to the development and delivery of the Organisational Development workstream of the Plan. The role is estimated at 0.5 FTE and has been offered as a development opportunity to the TDC finance team. The **cost of £30k** is to allow for backfilling for the successful candidate.

The benefits of this investment will be felt in a strengthened approach to financial management across the Council; whilst there is no immediate offsetting saving it is reasonable to anticipate that an equivalent offsetting saving will be found in the 2022-23 financial year from within the wider council services going forward.

Exchequer Services Change Team – Exchequer services is the place where the day to day Council processes and controls over what the Council buys through to the payment of suppliers (P2P) and invoicing for services provides through to the collection of income and debt management are managed. This also covers the management of the banking function and operation of procurement cards. Note, this does not include the Revenues and Benefits function.

A best practice service would operate within a clear set of business rules, supported by efficient processes and delivered through well administered finance systems which ideally talk to each other. Underpinning that would be performance metrics and clear roles and responsibilities with officers of the council knowing the rules and adhering to them.

A number of areas for improvement, some urgent, were identified in the due diligence phase from a range of sources including internal audit and other reports and are included in the graphic under item 4. Resolving these issues is not a quick fix and will require an investment in a small but expert change team along with technical support to provide user training and amendments required to the finance system.

We estimate the **costs of the change team at £50k** and that the transformation will take up to 6 months with some roles required for a part of that period as set out in the table below.

Change role	Days per Wk	Rate per wk	Weeks	Total
SME Change Lead	2.5	£756	24	£18,144
Process / Business Analyst	4.0	£840	10	£8,400
Project Support	2.0	£294	24	£7,056
Data cleansing	2.0	£294	8	£2,352
Agresso Technical support		£0		£14,048
Total investment				£50,000

Key benefits

The investment will deliver a number of key benefits to the council some of which will be cashable and others will avoid costs going forward and/or release time and capacity across the Council. Typical benefits will include:

- Improved controls across the council
- Reduction in 'wasted' effort in manual workarounds / admin etc
- Reduced compliance risk
- Improved use of finance system capabilities
- Cashable benefits – for example:
 - Reduction in duplicate payments
 - Reduction in overpayments
 - Improved debt recovery

It is difficult to be precise about the cashable benefits at this stage without further detailed analysis but an initial analysis of overpayments, duplicate payments and the aged debt profile suggest that a minimum expectation is that the up-front £50k investment will be recovered within the first two years based on directly cashable elements alone. This is likely to be much sooner. Actual benefits achieved will be tracked through as part of the plan delivery. More details of the initial analysis are included in Annex 1.

10 Risks and Issues

Key risks and issues are set out in the table below, along with the approach to their mitigation.

Description of risk / issue	Overall approach to addressing risk / issue
Reputational damage if the partnership doesn't work out as both councils hope and which leads to a break up of the partnership.	Manage progression of the partnership through gateways. Ensure that decision making is transparent. Deliver identified benefits of the programme. Engage with and inform key stakeholders to maintain confidence.
The New Finance Model and associated costs of change may be too expensive for TDC to support	Seek to contain the costs of the new Finance model as far as possible.
The Exchequer Services Change Plan may be too expensive for TDC to support (and/or the business case is rejected).	Make the benefits case clear and identify sources of funding from with TDC (explore use of flexible capital receipts).
Some TDC finance staff may respond negatively to proposed changes to the finance function.	Develop ways to involve the TDC finance team in the TFT programme. Identify and manage risk areas of activity in transition to the new Finance Model.
SCC officers are perceived as investing too much time and effort into Tandridge at the expense of other activities and SCC is perceived to suffer as a result.	Manage the amount of officer time invested through the TFT Programme Board. Establish a clear set of mutual expectations between TDC and SCC in the Joint Working Agreement (JWA).

11 Joint Working Agreement (JWA)

The importance of underpinning the partnership with a robust agreement was identified in Committee report of 25th March. It is therefore proposed to put in place a JWA to act as the legal basis for the partnership. An initial draft of the JWA has been produced and it is intended that this will be further developed between the two Councils and ready for formal approval by the end of July.

Key elements of the JWA will include:

- a) Aims and Objectives of the Finance partnership
- b) Financial Protocol
 - TDC funds the cost of implementing the New Model
 - SCC recovers its costs via a Service Charge linked to the staff time involved
- c) Mutual expectations
 - SCC will commit officer time to support the development and delivery of TFT;
 - TDC will commit officer time and fund any direct costs of TFT;
 - TDC will commit to support the successful delivery of TFT
- d) HR protocol
 - SCC shared under a s113 agreement to allow them to work for TDC
 - TDC and SCC staff remain subject to employing council rules
- e) Provision for Annual Review
- f) Conflicts, Disputes and Termination

Annex 1 - Exchequer Services – initial benefits analysis

Category of Benefit	Current Issues	Benefit Type	Is this Cashable?	One-off saving	Recurring	Payback (months)
Core process improvement	<p>1) Late payments to suppliers which puts the Council at risk of late payments fines - TDC audit report shows 3 of the 25 invoices reviewed were not paid in 30 days and instead were 86,107 & 121 days after the invoice dates.</p> <p>2) Overpayments and duplicate payments - incorrect rates charged on invoices corresponding with the rates agreed within the approved schedule of fee and charges – TDC audit report shows 6 of the 25 in the sample did not match in 2019/2020. Supplier credit balances where payments have been reversed or backdated and the supplier account holds a credit. Currently no regular reporting to ensure any untaken credit is recovered. Indicative findings suggest a minimum one off saving of between £10k to £20k in clawback with a similar value in cost avoidance going forward once controls are in place.</p> <p>3) Debt management - weak control of the debt book causing legal chasing and court costs. The required timetable for producing reminder letters is not consistently followed. Keeping up to date and cleaner records with a more focused effort will result in less debt being written off. Total aged debt > 30 days = £1.25m. Reasonable to assume a minimum 1% improvement in aged debt collection (£12.5k)</p> <p>5) Supplier credit balances where payments have been reversed or backdated and the supplier account holds a credit. Currently no regular reporting to ensure any untaken credit is recovered.</p>	Financial	Yes	£10k	£22.5K	21
Process Improvement	<p>1) Reliant on other teams for key functions such as HMRC & HSBC.</p> <p>2) Lack of process notes opens risk to different ways of doing the same thing. Accounts Receivable are working round this by developing their own individual guidance notes.</p> <p>3) No overall ownership of end-to-end processes or measurement of process effectiveness / performance metrics.</p> <p>4) The Council currently accepts cash and cheques directly which most authorities have moved away from both for cost and security reasons.</p>	Tangible	No			
Strengthened Controls	<p>1) Limited audit assurance- audit report identified significant weakness in the framework of internal control and compliance with the framework.</p> <p>2) No defined and agreed debt recovery policy to promote a consistent approach in the collection of money owed to the Council. The current recovery policy is date March 2017 and does not reflect the limits included in the Financial Regulations for the writing off of debts, with an additional limit of up to £1,000 for the Exchequer Services Manager.</p> <p>3) No management reports in relation to the Accounts Receivable process e.g. aged debt, suppressed debt or overpayments.</p>	Tangible	tbd			
Fraud Mitigation	<p>1) Unclear segregation of duties, Account Receivable employees have access to carry out all activities which leads to potential fraudulent activity. Fraudulent activity previously occurred in Council Tax at TDC.</p> <p>2) Currently have the ability to transfer income from the suspense account as authorisation is not required and there is no formal procedure in place which sets out role and responsibilities for this process.</p> <p>3) Lack of appropriate evidence in place to support payments – on investigation 3 out of 10 payments reviewed did not have a supporting TDC Creditor Payment Form.</p> <p>4) Invoices raised in advance of the purchase order- 5 out of 25 payments reviewed in audit report for Accounts Payable</p> <p>5) Audit report identified 4 members of staff who had left the authority during 2019 and their Agresso accounts were not terminated promptly after their leaving date.</p>	Tangible	tbd	tbd		

Other Options Considered

In line with the approach set out, it is for the Committee to determine whether it wishes to support the proposals and linked investments received from SCC as part of Gateway 1. In the event that individual investments within the proposal are not supported the associated benefits linked to that investment will not be deliverable and that element of the proposal would be removed. In the event that the entire proposal is not supported, a further options appraisal would need to be undertaken to determine the way forward.

Consultation

Discussion has been undertaken with the MRG (Group leaders, the Chair of Strategy and Resources, the Chief Executive, Head of Legal Services, Chief Finance Officer) to seek their views and to inform the drafting of this report. Engagement with Members, senior officers, staff conference and the TDC finance team has been undertaken as part of the due diligence phase and development of the proposals.

Key Implications

Comments of the Chief Finance Officer

The Chief Finance Officer is fully supportive of the approach conducted in terms of the business case and timelines presented in this report. The TFT plan is central to sustaining the financial recovery of the Council and the objective of putting our finances onto a significantly more robust and sustainable footing. The investment identified will support the strengthening of financial management capability and capacity across the Council, significant enhancements to core processes, tighter financial control and the use of systems. Without this investment these and other key benefits to the Council cannot be delivered.

Comments of the Head of Legal Services

The decisions to enter into joint arrangements regarding the in-house Finance function, and the subsequent performance of this arrangement has been formally agreed by each council.

The arrangements for a joint arrangement can take a number of forms. In this instance, it is proposed that both councils enter into a Joint Working Agreement under sections 101, 102, 111, 112 and 113 of the Local Government Act 1972 and s.9EA of the Local Government Act 2000 and the Regulations made under these Acts (to include but not limited to the Local Authority (Arrangement for the Discharge of Functions) (England) Regulations 2012), together with the general power within section 2 of the Local Government Act 2000 and the supporting provisions within section 111 of the Local Government Act 1972.

As agreed by Members at their meeting of the 25th March, a termination provision was to be incorporated in such an agreement. This is carefully addressed in the draft agreement allowing for the agreed termination of the joint service arrangement with a twelve month notice period and that in circumstances of a material breach that cannot be remedied, three months' notice is to be given.

The agreement also includes a sensible (both in process and time frame) provision for the resolution of disputes. It is clear from the agreement that it is the intention to facilitate a fair and balanced arrangement which works well for both sides and is open to discussion and review.

Equality

It is not foreseen that there are any direct equality implications as a result of the recommendations in this Report. Options will be rigorously assessed as the TFT plan progresses.

Climate Change

There are no significant environmental / sustainability implications associated with this report.

Background Papers

Report to Strategy & Resources Committee, 25th March 2021.

LGA Capacity Review, December 2020

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SURREY COUNTY COUNCIL

CABINET

DATE: 20 JULY 2021



14

REPORT OF CABINET MEMBER: BECKY RUSH, DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RESOURCES

LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR RESOURCES

SUBJECT: 2021/22 MONTH 2 (MAY) FINANCIAL REPORT

ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES

Purpose of the Report:

This report provides details of the County Council's 2021/22 financial position as at 31st May 2021 (M2) for revenue and capital budgets, and the expected outlook for the remainder of the financial year.

Key Messages – Revenue

- **At M2, the Council is forecasting a full year £15.9m deficit**, against the budget approved by Council in February 2021. The details are shown in Annex 1 and summarised in Table 1.
- At M2, contingencies built into the 2021/22 budget exceed the forecast deficit and so a balanced outturn is expected. However, it is still the expectation that Directorates manage the overspend within their budget envelopes.

Key Messages – Capital

- The Council approved a capital budget for 2021/22 of £184.9m in February 2021
- The M2 capital forecast shows forecast spend of **£184.2m and net reduction of £0.7m**. The forecast will continue to be reviewed monthly. Details are set out in table 3

Recommendations:

It is recommended that Cabinet:

1. Note the Council's forecast revenue and capital budget positions for the year.
2. Agree the carry forward of two amounts within the DSG schools block totalling £183k into 2021/22.

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.

Revenue Budget:

1. At M2, the Council is forecasting a full year £10.9m deficit, with an additional £5.0m contribution to the Dedicated Schools Grant (DSG) High Needs Block (HNB) offset reserve, against the £1,003.6m budget approved by Council in February 2021.
2. Table 1 below shows the forecast revenue budget outturn for the year by service.

Table 1 - Summary revenue budget forecast variances as at 31st May 2021

Directorate	2021/22 YTD M2 £m	2021/22 Outturn Forecast at M2 £m	Annual Budget £m	Forecast Variance £m
Adult Social Care	64.3	384.2	377.7	6.5
Public Health	(27.2)	32.6	32.6	0.0
Children, Families & Lifelong Learning	91.8	223.8	219.6	4.2
Environment, Transport & Infrastructure	15.6	135.0	135.0	(0.0)
Community Protection	7.1	37.8	37.6	0.2
Community & Transformation	1.6	11.7	11.8	(0.0)
Transformation, Partnership & Prosperity Other	2.7	13.3	13.3	0.0
Resources	16.3	64.6	64.6	0.0
Central Income & Expenditure	15.5	87.6	87.6	0.0
Total before DSG High Needs Block Offset	187.8	990.8	979.8	10.9
DSG High Needs Block Offset	0.0	28.8	23.8	5.0
Total Budget Envelopes	187.8	1,019.6	1,003.6	15.9
Central Funding	(212.1)	(1,003.6)	(1,003.6)	0.0
Overall after central funding	(24.4)	15.9	0.0	15.9

Note: Numbers have been rounded which might cause a difference.

3. The deficit is £15.9m. This predominantly consists of:
 - **Adult Social Care:** The £6.5m forecast overspend is a result of a significant increase in care package commitments from March to May, particularly for Older People. The reasons for the increase are being analysed and the Adults Leadership Team are considering means by which the forecast overspend could be mitigated and reduced in the remainder of the year.
 - **Children, Families and Lifelong Learning:** The £4.2m forecast overspend is mainly due to staffing pressures. £2.4m of this is within the Area Team and Children with Disabilities (CWD) teams due to the level of agency workers. There are £0.9m of other staffing pressures spread across the Directorate. CWD Care budgets are also forecast to overspend by £0.4m due to current levels of demand. The balance of £0.5m relates to efficiencies which are not expected to be delivered, based on the M2 review. Opportunities to mitigate the position are being reviewed.

- **Community Protection:** The overall overspend of £0.2m consists of a shortfall in Trading Standards income following the end of a contract (£0.1m) and various cost pressures in Coroners (£0.1m).
- **DSG High Needs Block:** An increase in the required contribution to the offset reserve from £23.8m to £28.8m due to cost containment measures currently being insufficient to hold the contribution to £23.8m.

DSG update

4. The table below shows the projected forecast year end outturn for the HNB at M2. To date the forecast is within the budgeted overspend and contingency.

Table 2 DSG HNB Summary

2021/22 DSG HNB Summary	
	£m
DSG High Needs Block Grant (exc Academies)	157.3
Forecast outturn	186.1
Deficit/(surplus)	28.9
Budgeted overspend	(23.8)
Deficit/(surplus)	5.0
High Needs Block contingency budget	9.0
Remaining contingency budget after deficit	4.0

5. To achieve a budgeted overspend of £23.8m requires £28m of cost containment. Of this, £17m has already been delivered however £5m remains at risk. Officers are continuing to work on management actions to mitigate this deficit.
6. At the beginning of the year a potential £13m of additional risks were identified based on potential increases in demand and patterns seen in previous years. The risk has reduced to £11.4m due to effective demand management. The service is working to mitigate these risks and the position will be monitored throughout the year.
7. Within the de-delegated schools block outturn of 20/21 there were underspends on the primary intervention (£131k) and Union facilities (£52k) budgets. Where required for the primary intervention funding, Schools forum has recommended they are carried forward into the 21/22 budget as part of the de-delegated budgets and associated funding formula calculations. The Union facilities budget is also to be carried forward into 21/22.

Covid-19 update

8. At M2 Directorates are forecasting a gross impact from Covid-19 of £61.4m. This is offset by £41.4m of specific grant funding, leaving a net balance of £20m to be managed.

9. The Directorates are expecting to absorb £17.3m of the impact within their budget envelopes, including £15.1m of Covid-19 specific amounts allocated in the 2021/22 budget.
10. A balance of £2.7m is therefore currently flagged as a risk against the £11m Covid-19 reserve. Individual decisions to approve the use of the reserve may be taken in specific or urgent circumstances.
11. In exceptional circumstances, it will be necessary to obtain approval for specific actions in direct response to Covid-19 to be funded from the reserve. This is likely to be the case where an immediate response is required, and it is clear that the impact cannot be mitigated within existing Directorate budgets. In these cases, the delegated decision process will be followed in consultation with the Executive Director for Resources.

Capital Budget

12. Where individual programmes cannot be delivered to budget, acceleration of other schemes will be considered as mitigation, where appropriate. The capital programme will be revised after quarter 1 to ensure that it is reflective of the 2021/22 capital budget.
13. In February 2021, Council approved a capital budget of £184.9m. At M2, forecasts show a net reduction of £0.7m.
14. Table 3 below, provides a summary of the forecast full-year outturn at M2 at £184.2m

Table 3 - Summary capital budget

Strategic Capital Groups	Outturn Forecast at M2 £m	Annual Budget £m	Forecast Variance £m
Property			
Property Schemes	66.3	72.0	(5.7)
ASC Schemes	1.7	1.9	(0.2)
CFL Schemes	1.2	1.8	(0.5)
Property Total	69.2	75.7	(6.5)
Infrastructure			
Highways and Transport	85.0	81.0	4.1
Infrastructure and Major Projects	5.7	5.5	0.2
Environment	4.4	4.7	(0.3)
Community Protection	4.3	4.4	(0.2)
Infrastructure Total	99.3	95.6	3.8
IT			
IT Service Schemes	15.6	13.7	2.0
IT Total	15.6	13.7	2.0
Total	184.2	184.9	(0.7)

15. The **net reduction of £0.7m** consists of:

- **Property £5.7m reduction.** This slippage relates to Wray Park (£7.5m) and Winter Depots (£2.7m). Additional complexity within the schemes is causing delay to delivery. There are minor variances across other schemes totalling £1.6m. These reductions are offset by total pipeline conversion schemes of £6.1m relating to Woodhatch master planning (£2.1m), Bookham Youth Centre (£2m) and Extra Care Housing (£2m).
- **Infrastructure £1.3m increase.** Reprofiling of the Housing Infrastructure Fund (HIF) A320 scheme and Flood Alleviation works has resulted in reductions of £0.8m and £0.7m respectively. To offset this slippage there have been additions to the forecast for
 - Countryside Visitor Improvement plan £0.3m
 - Highways and Transport increases of £4.1m relating to grant funded active travel schemes and other minor variances
 - Infrastructure and Major Projects increases of £1m as the Farnham Quick-Wins scheme is added to the programme.
- **IT increase of £2.0m** from carry forwards for Agile Workforce of £0.9m and Malware projects of £0.9m.

Consultation:

16. Executive Directors and Cabinet Members have confirmed the forecast outturns for their revenue and capital budgets

Risk Management and Implications:

17. 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 Corporate 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:

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

Section 151 Officer Commentary:

19. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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.

20. The Council has a duty to ensure its expenditure does not exceed the resources available. 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:

21. 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.
22. 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:

23. 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.
24. 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.

Report Author:

Leigh Whitehouse, Executive Director of Resources, leigh.whitehouse@surreycc.gov.uk

Consulted:

Cabinet, Executive Directors, Heads of Service

Annex:

Annex 1 – Forecast revenue budget as at 31 May 2021.

Annex 1
Forecast revenue budget as at 31 May 2021

Service	Cabinet Member	Year to date Budget	Year to date Actual	Year to date variance	Full Year Gross budget	Full year net budget	Full Year net forecast	Full year net forecast variance
		£m	£m	£m	£m	£m	£m	£m
Education & Lifelong Learning	D Turner-Stewart	7.6	46.3	38.7	174.6	22.4	22.4	(0.0)
Corporate Parenting	C Curran	16.1	8.6	(7.5)	108.7	96.6	97.3	0.7
Family Resilience	C Curran	9.2	4.7	(4.5)	43.5	40.0	42.5	2.5
Quality & Performance	C Curran	1.4	1.3	(0.1)	10.2	8.4	8.6	0.1
Directorate wide savings	C Curran	8.2	30.9	22.7	130.5	52.0	53.0	1.0
Children, Families, Learning		42.5	91.8	49.3	467.6	219.6	223.8	4.2
Public Health	S Mooney/L Bennett	1.1	(27.2)	(28.2)	32.6	32.6	32.6	0.0
Adult Social Care	S Mooney	62.9	64.3	1.4	505.5	377.7	384.2	6.5
Highways & Transport	M Furniss	9.7	7.4	(2.3)	70.9	58.3	58.3	0.0
Environment	M Heath	12.3	7.5	(4.7)	75.9	73.5	73.5	(0.0)
Infrastructure Planning & Major Projects	M Furniss	0.5	0.6	0.1	5.2	2.8	2.8	(0.0)
Leadership Team (ETI)	M Furniss /N Bramhall	0.1	0.1	(0.0)	0.4	0.4	0.4	(0.0)
Environment, Transport & Infrastructure		22.5	15.6	(6.9)	152.4	135.0	135.0	(0.0)
Fire and Rescue	M Nuti /K Deanus	5.3	5.9	0.7	36.0	31.6	31.6	0.0
Trading Standards	M Nuti	0.3	0.4	0.0	4.0	1.9	2.0	0.1
Chief of Staff	D Turner-Stewart	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emergency Management	D Turner-Stewart	0.1	0.1	(0.0)	0.5	0.5	0.5	(0.0)
Coroner	L Bennett	0.5	0.6	0.1	3.3	3.1	3.2	0.1
Health & Safety	M Nuti	0.1	0.1	(0.0)	0.7	0.5	0.5	(0.0)
Armed Forces and Resilience	M Nuti	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Community Protection		6.3	7.1	0.8	44.6	37.6	37.8	0.2
Human Resources & Organisational	T Oliver	1.1	0.9	(0.2)	6.5	6.5	6.5	0.0
Communications	T Oliver	0.3	0.3	0.0	1.7	1.7	1.7	0.0
Strategic Leadership	T Oliver	0.2	0.2	(0.0)	1.5	1.5	1.5	0.0
Economic Growth	N Bramhall	0.2	0.1	(0.1)	1.1	1.1	1.1	0.0
Insight, Analytics & Intelligence	B Rush	1.2	1.2	(0.0)	3.0	2.5	2.5	(0.0)
Transformation, Partnership &		3.0	2.7	(0.2)	13.8	13.3	13.3	0.0
Transformation Support Unit	T Oliver	0.1	0.1	0.0	0.8	0.8	0.8	0.0
Customer Services	M Nuti	0.5	0.4	(0.1)	2.9	2.7	2.6	(0.1)
Community Partnerships	M Nuti	0.2	0.2	(0.0)	1.5	1.5	1.5	(0.0)
Libraries, Registrars & Culture	M Nuti	1.1	0.9	(0.2)	17.3	6.7	6.8	0.1
Community & Transformation		1.9	1.6	(0.3)	22.5	11.8	11.7	(0.0)
Joint Operating Budget ORBIS	B Rush	2.8	6.5	3.7	16.9	16.9	16.9	0.0
Land & Property	N Bramhall	3.8	4.3	0.5	33.9	23.9	23.9	0.0
Information Technology & Digital	B Rush	1.7	1.7	(0.1)	11.2	10.5	10.5	0.0
Finance	B Rush	0.9	0.5	(0.4)	11.3	5.6	5.6	(0.0)
Legal Services	B Rush	0.8	0.8	0.1	5.1	4.7	4.7	(0.0)
Democratic Services	B Rush	0.6	1.8	1.2	3.8	3.6	3.6	(0.0)
Business Operations	B Rush	(0.1)	(0.1)	(0.0)	(0.3)	(0.3)	(0.2)	0.1
Resources Leadership	B Rush	0.1	0.5	0.4	0.9	0.8	0.9	0.0
Twelve15	B Rush	0.1	0.1	0.1	20.4	(1.1)	(1.1)	(0.0)
Resources		10.8	16.3	5.5	103.3	64.6	64.6	0.0
Corporate Expenditure	B Rush	3.7	15.5	11.8	115.6	87.6	87.6	0.0
Total before DSG High Needs Block Offset		154.6	187.8	33.2	1,457.9	979.8	990.8	10.9
DSG High Needs Block Offset		0.0	0.0	0.0	23.8	23.8	28.8	5.0
Total Budget Envelopes		154.6	187.8	33.2	1,481.7	1,003.6	1,019.6	15.9
Central funding		(220.7)	(212.1)	8.5	0.0	(1,003.6)	(1,003.6)	0.0
Total Net revenue expenditure including DSG HNB		(66.1)	(24.4)	41.7	1,481.7	0.0	15.9	15.9

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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