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Agenda and Reports
for the Budget meeting of
THE COUNTY COUNCIL
to be held on

9 FEBRUARY 2021

(i)

(ii)

Woodhatch Place
Reigate
Surrey

Monday, 1 February 2021

TO THE MEMBERS OF SURREY COUNTY COUNCIL

SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the Council to be held remotely via Microsoft Teams, on Tuesday, 9 February 2021, beginning at 10.00 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

JOANNA KILLIAN
Chief Executive

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

Please be aware that a link to view a live recording of the meeting will be available on the Council page on the Surrey County Council website.

This page can be accessed by following the link below:

<https://mycouncil.surreycc.gov.uk/ieListMeetings.aspx?CId=121&Year=0>

If you have any queries relating to accessing this agenda please email

amelia.christopher@surreycc.gov.uk

1 APOLOGIES FOR ABSENCE

The Chairman to report apologies for absence.

2 MINUTES

To confirm the minutes of the meeting of the Council held on 8 December 2020.

(Pages 7
- 38)

3 DECLARATIONS OF INTEREST

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

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

NOTES:

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

4 CHAIRMAN'S ANNOUNCEMENTS

Welcome everyone to today's Council Meeting - I hope you and your loved ones are all safe and well.

(Pages
39 - 40)

Welcome 2021

It is not the start of the year we had all hoped for but there is undeniably light at the end of the tunnel with vaccinations happening at pace. Please do continue to follow the guidance and we will all be with our friends and families once more. We are on the home stretch - stay strong and stay safe.

Queen's New Year Honours 2021

'Well done and a huge thank you' to all Surrey residents who were honoured. I would like to give a special mention to John Bangs who dedicated many of his 48 years' service to supporting and improving the lives of unpaid carers. John developed vital services providing practical and emotional support, which made a huge difference and positive impact on many young people's lives.

On behalf of Surrey, I would like to Congratulate John on his work being nationally recognised.

Please find the list of Surrey New Year Honours 2021 attached to the agenda.

Meeting Surrey Teams

I had the pleasure of joining several Surrey County Council team meetings to hear all about the impact Covid-19 has had on their work. It was an honour to gain an insight and hear what absolutely fantastic work is happening to support our residents. It just shows what can be done and I am immensely proud of the incredible input into the recovery of Surrey. I am looking forward to speaking with more teams in the near future. If you would like me or the Vice-Chairman to join your team meeting and hear about what you have been doing over the past year, please contact my office - chairmans.office@surreycc.gov.uk

Holocaust Memorial Day 2021

Sadly, this year we were unable to gather together to commemorate Holocaust Memorial Day and remember all those who perished so needlessly and so horrifically at the hands of Nazi Germany.

In place of our annual commemoration service, Ted Truscoe, a Holocaust survivor and former Surrey County Council employee who always speaks so movingly at our ceremonies, along with a message from me were uploaded to our Surrey web pages with information about the Holocaust and how Surrey helped Jewish refugees. The University of Surrey hosted an HMD event on YouTube, which I had the honour of speaking at.

When you can, please do take a moment to pause and reflect on the atrocities. It is so important that we remember and pledge to do our bit to ensure that such horrendous and unspeakable acts of violence never happen again.

Thank You

Once again, I would like to offer my heartfelt thanks to the fantastic people of this Council as they continue to do their utmost to serve and protect the residents of our county.

It has been a tough start to 2021 but our staff continue to put our residents at the heart and soul of all that they do. A huge and sincere 'thank you' to all our staff for the immeasurable difference you are making to so many lives. Please keep up the tremendous work!

5 2021/22 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2025/26 (Pages 41 - 280)

Council is asked to approve the 2021/22 Final Budget and Medium-Term Financial Strategy to 2025/26.

- Leader's Statement (Budget) - *to be appended to the minutes.*

6 CHANGES TO THE COUNTY COUNCIL'S CABINET PORTFOLIOS (Pages 281 - 282)

Recommendation:

Council is asked to note the updated Cabinet portfolios in the attached report.

7 MEMBERS' QUESTION TIME

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

(Note: Notice of questions in respect of the above item on the agenda must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on Wednesday 3 February 2021).

8 STATEMENTS BY MEMBERS

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

(Note: Notice of statements must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on Monday 8 February 2021).

9 AUDIT AND GOVERNANCE COMMITTEE - REVISED COUNCILLOR CODE OF CONDUCT (Pages 283 - 306)

That Council approves the Audit and Governance Committee's report of the Member Code of Conduct Working Group.

10 AUDIT AND GOVERNANCE COMMITTEE - COUNCIL EXECUTION OF CONTRACTS - PROCUREMENT RULES (Pages 307 - 314)

That Council approves the Audit and Governance Committee's report concerning the Council execution of contracts - changes to procurement rules.

11 REPORT OF THE CABINET (Pages 315 - 326)

To receive the report of the meetings of the Cabinet held on 15 December 2020 and 26 January 2021.

12 MINUTES OF CABINET MEETINGS (Pages 327 - 336)

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to Democratic Services by 12 noon on Monday 8 February 2021.

Minutes of Cabinet, 26 January 2021 – to follow

**MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD
REMOTELY ON MICROSOFT TEAMS ON 8 DECEMBER 2020
COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS
FOLLOWS:**

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

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

*absent

55/20 APOLOGIES FOR ABSENCE [ITEM 1]

Apologies were received from Mr Ellwood, Mr Kemp and Mr Mansfield.

56/20 MINUTES [ITEM 2]

The minutes of the meeting of the County Council held on 13 October 2020 were submitted and confirmed.

57/20 DECLARATIONS OF INTEREST [ITEM 3]

Dr Andrew Povey declared a non-pecuniary interest as he was a trustee for the Surrey Hills Society.

58/20 CHAIRMAN'S ANNOUNCEMENTS [ITEM 4]

The Chairman:

- Highlighted to Members that the Chairman's Announcements were located in the agenda front sheet.
- Invited Mr Chris Botten to say a few words regarding a former County Councillor, John Orrick, who sadly passed away last month.

Mr Chris Botten paid tribute to John Orrick, noting that:

- He served as the County Councillor for Caterham Hill for the previous two terms of office and he was a role model on how to be a local councillor truly dedicated to serving his residents and he would be missed.

59/20 LEADER'S STATEMENT [ITEM 5]

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

Members raised the following topics:

- Paid tribute to staff for their extraordinary efforts in spite of the challenging circumstances of the pandemic and that local solutions worked best.
- Noted that the announcement of the Spending Review 2020 came too late in the year for local government, it was a short-term one-year settlement which made future planning difficult.
- That local government was unloved and underfunded by central government, highlighting that there was no funding to address the issue of adult social care on a permanent basis and the Green Paper remained delayed.
- Noted that councils could increase Council Tax by 5% composed of 2% for general funds and a further 3% ring-fenced for adult social care; despite the difficulty for some in affording the current level of Council Tax and the public sector pay freeze.

- Queried how the shelving of plans to build Crossrail 2 due to the withdrawal of the Treasury's funding, would affect Surrey in the future.
- Asked the Leader to provide reassurance that the £42 million write-down of the Eco Park Shepperton investment was not a real loss and whether that cost would be recouped in full.
- Welcomed the Report of the Mental Health Task Group and the Mental Health Summit, that enthusiasm must be translated into real action with early intervention a priority.
- Noted the end of an era with the closure of County Hall and wished all a Happy Christmas and best wishes for 2021.
- Stressed major concerns including the challenging national funding picture, the large shortfall in adult social care and the effect of a no-deal Brexit on workforce sustainability.
- Paid tribute to teachers and headteachers in the county who were on the Covid-19 frontline.
- Emphasised the importance of the All-Age Autism Strategy rollout and called for a joint approach between Cabinet Members and the Adults and Health Select Committee, with input from Members; noting the positive collaboration with the London South Bank University.
- Noted disappointment that the recent consultation on Special Educational Needs and Disabilities (SEND) funding for 2021/22 was difficult to find.
- Welcomed the Leader's focus on addressing the challenges of poverty and the failure of Universal Credit to meet the needs of many families, urging that more needed to be done to address child poverty and engage with families to ensure that children would not go hungry over Christmas.
- Asked the Leader to confirm whether the Council had full sign-up from the health sector and schools on the Climate Change Strategy and if those partners were included in the delivery plan.
- Thanked the Leader for his wide-ranging statement on key focus areas and responsibilities that the Council continued to undertake despite Covid-19.
- That 2020 had been dominated by the challenges of Covid-19 and asked whether the Leader agreed that the vaccine rollout from Pfizer-BioNTech was a huge matter of national pride as the UK was the first in western world to have developed, fully tested and approved a vaccine in less than a year.
- Noted excitement on the move to a new headquarters back into Surrey, thanking the Leader and the Cabinet for their impetus.
- Requested that teachers and those in education had a higher priority in the vaccine rollout programme than what they appeared to have at present.
- That the Spending Review 2020 outlined the government's ambitious plans and hoped that Surrey would take advantage of the opportunities within the review such as the £4 billion Levelling Up Fund to invest in infrastructure and for Surrey to facilitate its own ambitious economic and green recovery.

60/20 MEMBERS' QUESTION TIME [ITEM 6]

Questions:

Notice of sixteen questions had been received. The questions and replies were published in a supplementary agenda on 7 December 2020.

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

(Q3) Mrs Tina Mountain noted the positive additional provision of Extra Care Housing in Epsom and Ewell by Surrey County Council, noting the inadequacy of local community provision and closure of the Wells Centre by the Borough Council. She asked the Cabinet Member for Adults and Health whether she agreed that the new provisions showed that the Council listened to its residents by providing for its elderly and vulnerable.

In response, the Cabinet Member for Adults and Health agreed with the importance of raising the profile of the work that Surrey County Council was doing on providing accommodation for the most vulnerable residents across the county. She would continue to ensure the delivery of a substantial amount of supported accommodation in Epsom and Ewell as it was an area of high demand.

(Q4) Mrs Clare Curran noted that the Community Impact Assessment (CIA) was a remarkable piece of work. One significant insight of the report was the impact of the pandemic on mental health and she asked whether the Leader could expand upon the way in which all providers were preparing to meet the inevitable surge in accessing mental health services.

The Leader of the Council recognised that there would be significant growth in the demand for mental health services over the coming months and years. He explained that early intervention was vital, the Council would be re-procuring the Child and Adolescent Mental Health Services (CAMHS) contract from next April which would bring greater capacity into the system and there would be a further rollout of mental health advisers in schools.

He noted the significant piece of work being undertaken by the mental health improvement board on mental health provision across the system and the further resources allocated to resolve the waiting list for mental health services, particularly on CAMHS. The Council and the system needed to continue to work together closely to address the provision of mental health services by ensuring adequate funding and capacity.

(Q5) Dr Peter Szanto asked the Cabinet Member for Transport on what else the Council was doing to support sustainable travel in addition to walking and cycling initiatives.

In response, the Cabinet Member for Transport explained that Cabinet in November had approved £49 million to accelerate the introduction of the Surrey Ultra-Low and Zero Emission Scheme, of that £32 million would be allocated to removing around eighty of the most polluting buses off Surrey's network, £6.3 million would be allocated to community transport and £9 million for bus priority measures which were essential to reduce private vehicle use and increase sustainable transport.

(Q6) Mr Mike Goodman asked if the Cabinet Member for Environment and Climate Change could explain how residents could apply for the grants listed in the response.

In response, the Cabinet Member for Environment and Climate Change noted that it was easy for residents to apply to the Green Jump Surrey Programme by contacting the delivery partner, Action Surrey, by telephone on 0800 783 2503 or via their website.

(Q7) Mr Tim Hall thanked the Cabinet Member for All-Age Learning for her reply and asked whether the food vouchers for free school meals for disadvantaged families would be distributed via schools, and he also asked how people could access the Surrey Crisis Fund.

Mrs Clare Curran noted that she had been doing her best to publicise the availability of the Surrey Crisis Fund in her division but commented that it was not clear in any of the publicity as to who families should turn to in the first place, so had pointed them in the direction of the Coronavirus helpline. She stressed that clarity was needed as many families were not used to approaching agencies and asking for help.

In response the Cabinet Member for All-Age Learning noted that the County Council did have a comprehensive plan to feed children over the Christmas school holidays. She noted that there was a delegated decision made on 30 November 2020 on the use of the Covid Winter Grant Scheme which was allocated to upper tier authorities for the purchase of food, paying utilities bills and essential supplies and the Scheme was not restricted to vulnerable households in receipt of benefits; as many families were in the system for first time. She explained that tranche one had been paid early in December, the second and third tranches of funding would follow once the data was analysed and could be then distributed to cover the period up to and including the Easter school holidays. She explained that partnership work was being undertaken in conjunction with the Surrey Local Resilience Forum, headteachers, school catering systems, as well as the Voluntary, Community and Faith Sector (VCFS) to develop the proposal.

The Cabinet Member for All-Age Learning clarified that the first port of call for struggling families was the Surrey Crisis Fund which could be contacted via telephone on 0300 200 1008 Monday-Friday 9am-5pm, it was also contactable online as well as through the Citizens' Advice Bureau.

She noted that school leaders and welfare leads considered that vouchers were an effective means of targeting food support during the school holidays and work was also being undertaken with foodbanks as well as district and borough colleagues. She noted that more work needed to be done with district and borough colleagues on the use of the allocated funding.

She concluded that other families who would not be targeted for extra support for children on free school meals could be targeted via the Surrey Crisis Fund and that data from early years providers identified low income families entitled to free education and childcare for two year olds and three and four year olds on pupil premium, enabling further support.

(Q9) Mrs Hazel Watson asked whether the Cabinet Member for Transport would inform himself on the funding allocated to Mole Valley's highways by looking at Mole Valley Local Committee's Highways Forward Programme 2021/22 – 2022/23; which showed the inadequate amount of funding available for road safety schemes including the twenty miles per hour speed limit scheme.

Mr Jonathan Essex noted that across the country around twenty million people lived in twenty miles per hour speed limit areas and he asked the Cabinet Member for Transport to confirm what the comparable figure was for Surrey. He also asked whether appropriate locations for twenty miles per hour speed limit schemes would extend beyond the individual sites listed in the response and into neighbourhood areas.

In response, the Cabinet Member for Transport explained that the budget noted in the question was what Mole Valley Local Committee had decided to allocate to locally approved highways schemes. As noted in the response, Mole Valley had a significant amount of funding and he had again increased the funding available to Local and Joint Committees - who were responsible for allocating that funding to their chosen priorities.

The Cabinet Member for Transport responded that there were twenty miles per hour speed limit schemes planned in neighbourhood areas such as Guildford, which was currently going through consultation. He fully supported twenty miles per hour speed limit schemes in neighbourhoods where appropriate such as around schools and high pedestrian areas, as opposed to a blanket scheme across the whole of the county.

(Q10) Mr Robert Evans noted that in the last ten years Surrey's population had risen by over 60,000 to nearly 1.2 million people which meant more homes, businesses and residents to protect. Over that same period one third or approximately two hundred full-time equivalent (FTE) firefighters in Surrey Fire and Rescue Service (SFRS) had been cut. He asked whether the Cabinet Member for Communities was concerned with the cuts and whether she blamed the Council or central government for those.

In response, the Cabinet Member for Communities explained that the State of Fire and Rescue - The Annual Assessment of Fire and Rescue Services in England by Her Majesty's Chief Inspector of Fire and Rescue Service, provided a rounded assessment of every Fire and Rescue Service in England with the inspections focussing on three pillars: effectiveness, efficiency, and people. Effectiveness concerned the operational service provided to the public including prevention, protection and response, efficiency concerned how well services provided value for money, allocated resources to match risk and collaborated with other emergency service partners and people concerned how services looked after their employees.

She explained that HMICFRS's assessments and inspections were designed to enable the public to see how each Fire and Rescue Service was performing across a number of key areas including changes over time, as opposed to focussing on the number of FTE firefighters employed which did not itself correlate to appliance availability. She noted that it was important to also look at the number of flexible part-time contracts and that the Fire Brigades Union had agreed to a reduction of crewing figures from five to four within that ten-year period. She explained that SFRS had built in resilience

for both large scale and long duration incidents and business continuity plans which ensured the deployment of staff into positions which they were able to deliver.

(Q11) Mrs Angela Goodwin asked whether the Leader would share the evidence that showed the difference that the Council's funding was making to reduce the demand for help for people being discharged from hospital, to support the rise of individuals suffering from domestic abuse as well as ensuring the safeguarding of vulnerable adults, and to address the increase in individuals seeking help due to the breakdown of unpaid carer arrangements.

In response, the Leader of the Council noted that he had given a full answer to the points raised in the original question and suggested that Mrs Goodwin may want to investigate the matter further through the Adults and Health Select Committee.

(Q12) Mr Jonathan Essex noted that the freedom of information (FOI) request within the original question stated that in January 2020 delays in achieving hot commissioning of the gasification facility and or full service commencement beyond March 2020 would unlikely be affordable by the Department for Environment, Food and Rural Affairs (Defra). He asked the Cabinet Member for Environment and Climate Change to confirm whether that position was still the case and if it was, what the cost implications were for the Council of going beyond that commissioning deadline.

In response the Cabinet Member for Environment and Climate Change noted that the information was confidential and was happy to share it with Mr Essex outside of the public domain.

(Q13) Mrs Hazel Watson noted that given the 'Climate Emergency' declared by the Council last year, would the Cabinet Member for Environment and Climate Change revisit the emails sent to her that showed that the officers from the Land and Property Service had already reviewed the site in Dorking that she was proposing for planting an urban forest as part of the Council's initiative to facilitate the planting of 1.2 million trees by 2030.

In response, the Cabinet Member for Environment and Climate Change found her original question disingenuous as she was not prepared to break lockdown to make the visit. The Miyawaki Forest principle that Mrs Watson requested needed more maintenance than a normal planted woodland. She noted that she would visit the site with officers in due course but could not guarantee that it would be brought forward as there were other suitable sites across the county.

(Q14) Mr Robert Evans asked whether the Leader was aware and or concerned that many councils seemed to be making it increasingly complicated to apply for postal votes for the upcoming 2021 local elections, especially for those without internet access.

Mrs Fiona White sought clarification on whether European Union citizens who were registered to vote in the UK would be able to take part in the 2021 local elections next May and to ensure that there was sufficient publicity if that was the case.

In response, the Leader of the Council noted that the Chief Executive of Runnymede Borough Council and Returning Officer was working closely with Surrey County Council's Chief Executive and Returning Officer for the 2021 local elections. He explained that preparations were underway to ensure that polling stations would be Covid-19 safe by assigning a marshal to every polling station, there would be adequate personal protective equipment (PPE) for polling staff and voters would be instructed to wear masks. He noted that he was not aware of extensive difficulties for people to register for postal votes which could be done online, by post or directly in local council offices; and was happy for Mr Robert Evans to provide him with specific instances of difficulties experienced.

The Leader of the Council referred Mrs White to the GOV.UK website concerning the requested information.

(Q15) Mr Jonathan Essex noted an incident concerning parking which could not be controlled due to double yellow not being enforced, he had shared a list of sites for the Cabinet Member for Transport to address. He asked the Cabinet Member for Transport to confirm that as his response indicated a safety-first approach, whether a missing sign at the entrance of a local twenty miles per hour speed limit area could be installed.

In response, the Cabinet Member for Transport would follow up the specific incidents that had been reported if Mr Essex could share the reference numbers.

(Q16) Mr Jonathan Essex asked the Cabinet Member for Transport to confirm whether the decisions on spending the capital budget to implement the Local Cycling and Walking Infrastructure Plans (LCWIPS) would be taken via the Local and Joint Committees or whether they would be taken centrally.

The Cabinet Member for Transport responded that next year's capital budget was a draft version at present. He noted that Surrey was successful as it had received the third highest award from the Government's Active Travel Fund. He noted that a number of the LCWIPS including Woking were going to be funded from that Fund. He explained that the money might be allocated centrally or via the Local and Joint Committees, but that the Local and Joint Committees would have full involvement in the process.

Cabinet Member Briefings:

These were also published in the supplementary agenda on 7 December 2020.

Members made the following comments:

Cabinet Member for Children, Young People and Families: on the Children's Single Point of Access (C-SPA), a Member noted that following the visit by the Children, Families, Lifelong Learning and Culture Select Committee to the C-SPA last year, she asked how it had been coping with the increased amount of contacts and referrals received during the Covid-19 pandemic.

In response, the Cabinet Member noted that in spite of Covid-19 the C-SPA had carried on with transformation improvement since the Select

Committee's visit by establishing a Learners Single Point of Access (L-SPA) which would co-locate with the C-SPA at Quadrant Court, Woking. Furthermore, she noted that concerning business as usual activity the C-SPA had experienced a thirty percent increase in calls compared to the same time last year - they were taking five hundred calls or one thousand three hundred emails weekly. Despite the increase, a 95% rate of answering calls within twenty seconds had been achieved and it continued to meet the two-day working average response rate for progressing contacts to social care or on to early help services even with the greater volumes. She summarised that in the last six months over five thousand five hundred assessments had been completed which was over one third greater than the same time last year and in 94% of those assessments those children were seen even during the early pandemic and PPE issues. She noted that caseloads had increased initially in some cases doubling but had reduced to around fifteen. It remained vital to ensure the wellbeing of staff with support from partners to reduce caseloads via triage. She thanked officers, the interim Director of Children's Services and the frontline team for their work and welcomed the select committee back for a future visit.

A Member noted the three district and borough councils in Surrey which did not support a unified care leaver offer and asked the Cabinet Member what Members and officers could do to encourage those outstanding councils to join the offer.

In response, the Cabinet Member noted the difficult 2018 Ofsted report on Children's Services and the voices of Surrey's young people in care and care leavers who received the unequal offer in different parts of the county. Since that inspection, colleagues across the county had been encouraged to support care leavers via a Council Tax exemption. She commended the work of the Member for Woking South who championed the matter, Woking Borough Council was the first in Surrey to agree the Council Tax exemption for care leavers until the age of twenty-five. She noted that in the last two years Surrey County Council had agreed to that exemption, with all but three district and borough councils following suit. She commented that it would be beneficial if those councils signed up to that exemption so that it could be reported for the next Ofsted inspection that Surrey had a standard offer for care leavers, ensuring the provision of the Council's corporate parenting responsibilities.

Deputy Cabinet Member - Support for the Leader: on libraries, a Member sought assurance that divisional Members would be actively involved regarding any changes to the library service over the coming year.

In response, the Deputy Cabinet Member assured Members that they would continue to be consulted on any future changes concerning local library service provision and was happy for Members to contact him discuss particular matters. He noted that as part of the empowering communities' transformation project including co-designing library spaces, there would be roadshows around the county.

Cabinet Member for All-Age Learning: provided more information in response to previous comments made by Members. Regarding the All-Age Autism Strategy she noted that the consultation closed on 21 September 2020, workshops were being run during December and that a children's partnership board had been established to ensure the involvement of

children and young people and would meet for the first time in January 2021. She was pleased to be taking the Autism Strategy forward as an all-age approach, recognising the diverse treatments and conditions within Surrey's SEND cohort and noted that the Council was planning additional specialist place provision and making capital investment in SEND education settings. She explained that as no new government funding for SEND had been allocated in the Spending Review 2020, she would continue to make representation to government for funding which reflected the increased demand and additional responsibilities for local authorities.

To the point made earlier on the consultation she noted that Cabinet received a report on 24 November 2020 on Surrey Schools and Early Years Funding 2021-22 and explained that Schools Forum was the body that made a number of decisions around the funding formula for the Dedicated Schools Grant (DSG) and the High Needs SEND block. The next meeting with the Schools Forum was scheduled for 10 December, and in January there would be further discussion on the best use of top-up funding and independent support for pupils, so that schools would have their own flexibility to address the needs rather than the current formulae where funding follows the child retrospectively. She noted that the Chairman of the Children, Families, Lifelong Learning and Culture Select Committee could look to bring consultation proposals on to the Select Committee's forward workstream. She provided assurance on the preparations that were underway as the allocated money from the funding formula would not apply until September 2021.

Cabinet Member for Resources: on the point that residents might expect a 4.99% increase in Council Tax which was composed of a 3% adult social care precept on top of a basic Council Tax increase of 1.99%; a Member sought clarification on the increase which was contrary to the Leader's comment in his statement noting that the increase would be well below 5%.

In response, the Cabinet Member explained that at the time of writing no decision had been made on the Council Tax increase, subsequently the Leader confirmed in his statement that the increase would be less than 5%.

Cabinet Member for Transport: on the number of requests received for highway tree planting, a Member welcomed that data but noted that it was the experience of many applicants in Epsom and Ewell for their request to be rejected, application fees cost £25 and were non-refundable. The Member asked the Cabinet Member to publish the total number of applications as well as the statistics on the number of successful and unsuccessful applications. He also asked whether the Cabinet Member had an annual target for the number of successful applications, both as a total number and as a percentage of the applications made.

In response, the Cabinet Member noted that the Council was proactive in facilitating the planting of 1.2 million trees led by the Cabinet Member for Environment and Climate Change, with many of those facilitated on Surrey's highways. He noted that he was happy to discuss the specific statistics requested in more detail with the Member outside of the meeting, as it appeared as though the statistics requested mixed the two different projects - one for residents concerning highway tree planting and one for the Council to facilitate the planting of 1.2 million trees in Surrey.

A Member noted the positive progress made on the conversion of streetlights to LED technology and asked the Cabinet Member if there were any plans to revisit the night-time switch off in certain roads, as a result of the reduction in electricity consumption.

In response, the Cabinet Member noted that there were no plans to revisit the night-time switch off as it reduced costs and carbon emissions.

Cabinet Member for Environment and Climate Change: on the Epsom Community Recycling Centre (CRC) trial which would come to an end at the end of the calendar year, a Member asked what the plans were beyond that from January next year.

In response, the Cabinet Member noted that the trial had been successful apart from a small number of residents that booked but did not arrive to deposit their rubbish. She explained that the trial was being reviewed and she would provide the Member with further detail as soon as possible as to whether it would continue.

61/20 STATEMENTS BY MEMBERS [ITEM 7]

Mr Eber Kington made a statement on a leaflet issued across Epsom and Ewell which angered residents as it attempted to deflect responsibility away from Surrey County Council and onto the Borough Council and local residents regarding the queues to the Epsom CRC. It was a shame as that error of judgement diverted positive comments away from the new booking system to the CRC which had reduced queuing.

62/20 ORIGINAL MOTIONS [ITEM 8]

Item 8 (i)

Under Standing Order 12.3 the Council agreed to debate this motion.

Under Standing Order 12.1 Mrs Fiona White moved:

This Council notes:

That it recognises that child poverty, especially child food poverty, is a systemic problem, not a temporary one which can be solved with short term measures.

It further recognises that the key objective that no-one is left behind must start with our youngest children.

It recognises too that breakfast clubs and other on-site initiatives delivered through schools make a huge difference not just to pupil wellbeing but also to the quality of learning and other outcomes.

Therefore resolves to:

1. Encourage all schools to set up breakfast clubs by making a one-off capital allocation to those schools which require it to amend premises or provide equipment, to enable schools to make breakfast provision

2. Ask officers to produce a report on child poverty in Surrey, so Council can fully understand the impact and scale of the problem
3. Consider setting aside in the next revenue budget sums to enable an action plan falling out of that report which could meaningfully address the impact of child poverty on learning and wellbeing and
4. Lobby government to consider reforms to the welfare system which address the fundamental causes of child poverty, such as the failures of the Universal Credit system and the inadequacy of the minimum wage.

Mrs White made the following points:

- That the purpose of her motion was clear, it was for the Council to recognise the issue of child poverty in Surrey and resolve to do something about it.
- That although Covid-19 had brought the issue of child poverty and free school meals into focus, child poverty had been a growing problem for a long time.
- That the numbers of people in Surrey claiming Universal Credit was rising.
- That the children's vision for Surrey was to deliver better opportunities of outcome for children and young people. Hungry children could not make the most of their education, so targeted action was needed to address the matter through the provision of breakfast clubs.
- That it was vital to accurately record the extent of child poverty in Surrey but to also provide action on the issue, unlike the amendment the motion was proactive through putting sums aside for an action plan before the next revenue budget was set.
- Recognised that the Council could not solve the issue of child poverty alone, the motion proposed that it lobby the government to consider reforms to the welfare system which did not adequately support families, noting the failings of the Universal Credit system and insufficient minimum wage.
- Supported the addition in the amendment to lobby government to continue to fund local government appropriately to mitigate the social effects of Covid-19.
- That overall, the amendment did not add much substance to the motion, it contained a lot of self-congratulatory wording and lost sight of the motion's simplicity which resolved to take positive action to address the issue.

The motion was formally seconded by Mr Will Forster, who made the following comments:

- Noted that the motion was uncontroversial so he hoped that Members would support it.
- That the principles and actions were self-evident, ending child poverty and feeding children were moral imperatives and must be a priority for the Council.
- Stressed that by ensuring every child was well fed, children could get the most out of their education and school breakfast clubs were an important enabler.

- That children had a multitude of stresses in their lives so called for the Council to take one of those worries away from them so they could fulfil their potential.

Mrs Mary Lewis moved an amendment which had been published in the supplementary agenda, which was formally seconded by Mrs Julie Iles.

The amendment was as follows (with additional words in bold/underlined and deletions crossed through):

This Council notes:

That it recognises that child poverty, especially child food poverty, **including food, fuel, digital, housing and transport poverty which impact the whole family**, is a systemic problem, not a temporary one which can be solved with short term measures.

It further recognises that the key objective that no-one is left behind must start with our youngest children.

It recognises ~~too that breakfast clubs and other on-site initiatives delivered through schools make a huge difference not just to pupil wellbeing but also to the quality of learning and other outcomes.~~ **that system-wide initiatives delivered through early years settings, schools, health settings, family centres and elsewhere make a huge difference not just to child wellbeing but also to the quality of learning and other outcomes.**

Therefore resolves to:

- ~~1. Encourage all schools to set up breakfast clubs by making a one-off capital allocation to those schools which require it to amend premises or provide equipment, to enable schools to make breakfast provision-~~
2. Ask officers to produce a report on child poverty in Surrey **to assess data from the Community Impact Assessment and on-going work with the DWP, Citizens' Advice Bureau, Surrey Welfare Rights Unit and the Community Foundation for Surrey to produce a report on poverty in Surrey, so Council can fully understand the complexity, scale and impact on children of poverty in Surrey, including the wider cohort of families now experiencing poverty.**
- ~~3. Consider setting aside in the next revenue budget sums to enable an action plan falling out of that report which could meaningfully address the impact of child poverty on learning and wellbeing and-~~
4. Lobby government to consider reforms to the welfare system which address the fundamental causes of child poverty, such as the failures of the Universal Credit system and the inadequacy of the minimum wage **to continue to fund local government appropriately to mitigate the social effects of Covid-19, especially those affecting children and families.**
5. **Support the work of the One Surrey Growth Board in seeking to support post-Covid economic recovery and to provide the quality jobs and training that can offer a long- term solution to the issue.**

6. **Support the new Executive Director of Children, Families, Lifelong Learning and Culture to lead a Council wide response to the report on child poverty in Surrey and to address the issue of poor outcomes for children from disadvantaged backgrounds, including working with schools to provide an Inclusive curriculum that supports the most disadvantaged and developing the Helping Families Early initiative with partners, built on the principle that 'everyone can do something'.**
7. **Support the Leader as Chair of the Health and Wellbeing Board to continue its work in addressing and prioritising this issue.**
8. **Support the First 1000 Days initiative with Health/County Council integrated commissioning to improve life chances of babies and young children (now in its second year).**
9. **Welcome the £2.2 million winter package funding received by Surrey CC from central government and the work being done with partners to use it to target support to those in most immediate need, alleviating food and fuel poverty.**

Mrs Lewis spoke to her amendment, making the following points:

- That as Cabinet Member for Children, Young People and Families she welcomed the sentiments made by the proposer and seconder of the motion.
- Noted deep concern on the effects of poverty on children and families in Surrey, agreeing with the proposer that the Council's guiding principle of no-one is left behind, must start with our youngest children.
- Noted the First 1000 Days initiative, emphasising that early development was a strong predictor of academic achievement - poverty affected babies in the womb through the mother's health.
- Stressed that the motion was too simplistic by only focussing on child food poverty and the quick fix of breakfast clubs. Child poverty was a complex issue not only composing of food poverty, but also fuel, housing, transport and digital poverty which all led to significant health inequalities in children which Covid-19 exacerbated.
- Explained that child poverty was a systemic issue which required a long-term system-wide partnership response, which the amendment outlined.
- That one positive of Covid-19 was the collation of a large amount of data on struggling individuals, families and communities collated in the CIA. Such data provided a tool for the Council, borough and district councils and partners including health colleagues to provide targeted support.
- Noted the vital work that the Deputy Chief Executive was leading with key partners to assess data from the CIA and key partners to provide a comprehensive report on child poverty.
- That the C-SPA had been working to address child poverty by contacting struggling families through community connectors such as family centres.

- That Covid-19 profoundly affected families' finances with further difficulties ahead. The work of the One Surrey Growth Board (OSGB) on economic recovery was key, as economic growth, facilitating skills training towards higher paid jobs and stable employment, were the only long-term solutions to family poverty and as a result, child poverty.
- That the amendment referenced many workstreams already underway in the county, to tackle systemic poverty.
- Asked Members to support the new Executive Director of Children, Families, Lifelong Learning and Culture to lead and promote a Council-wide partnership response to the report on child poverty, which links to the statutory duty under Section 10 of the Children Act 2004 to improve the wellbeing of children.
- Welcomed Surrey's £2.2 million allocation of the Covid Winter Grant Scheme from government and the immediate support that offered.

The motion was formally seconded by Mrs Iles, who made the following comments:

- Supported the proposer of the motion in raising awareness of child poverty but noted that the scope of that motion was too narrow, focussing solely on child food poverty and it did not recognise that a system-wide effort was required to address the issue.
- That it was important that the amended motion included the need to lobby government to continue to fund local government appropriately to mitigate the social effects of Covid-19.
- That the wording in the amendment was not self-congratulatory as it recognised the huge work already underway by the Council and its partners on addressing poverty.
- That the amendment's reference of the CIA, OSGB, Health and Wellbeing Board and First 1000 Days initiative, provided information on what the issues were and where they were appearing.
- That her earlier response to a Member question noting the Covid Winter Grant Scheme, demonstrated the power of a coordinated response with school leaders and partners.
- That as part of the above Scheme, food vouchers were effective in providing targeted food support during the school holidays, alongside the targeted provision of Christmas hampers to families such as in Chertsey via the food bank.
- That one workstream within the First 1000 Days initiative was the closing of the outcome gap to ensure that every child irrespective of background could reach their full potential. Poverty was a key driver of poorer development and outcomes in children on free school meals at the end of their reception year.
- Noted that she was proud of the work done to maintain early years funding and to support the supply chain especially those serving Surrey's most disadvantaged population areas - with evidence provided to the parliamentary team investigating the issue.
- That Cabinet received a report on 24 November 2020 on Surrey Schools and Early Years Funding 2021-22 which detailed an increase in all funding rates in the funding formulae and the increases in the funding rates of free school meals provision at early years.

- That work was underway in Surrey's Schools Alliance for Excellence network to address the outcome gap for the disadvantaged cohort and work was underway with sector leads and includes the Education Endowment Foundation to target outcomes at secondary school level, curriculum access and the rollout of an early literacy and language programme.
- Welcomed the arrival of the new Executive Director of Children, Families, Lifelong Learning and Culture to drive the system-wide focus on making sure that no-one is left behind and the tackling of economic and health inequalities.

Mrs White did not accept the amendment and she made the following comments:

- That she could not accept the amendment as the additional wording referred to business as usual without any real action.
- That the problem with the amendment was that it weakened the original motion - as resources were needed to address the issue - by deleting points one and three regarding a one-off capital allocation for breakfast clubs and setting aside sums for the next revenue budget.
- Regarding the deletion of point four on reforms to the welfare system, she noted that the issue of child poverty would never be addressed unless the benefits system was reformed, and the national minimum wage reflected the real cost of living.
- That it was vital to lobby the government to continue with the funding to mitigate the social effects of Covid-19, but there needed to be a permanent solution by providing adequate local government funding more generally.
- Pointed out that the Council and government were ruled by a political majority, so they were in a strong position to lead on the issue.
- That the Council should continue with its business as usual work, but she called on it to concentrate on the issue of child poverty.

Eleven Members spoke on the amendment and made the following comments:

- That the amendment was a disingenuous attempt to deflect attention away from the real initiative of providing breakfast clubs, the motion was not narrow in focus but was specific and proposed change.
- Whilst the motion noted the need for a one-off capital allocation to encourage all schools to set up breakfast clubs or to amend premises or provide new equipment; it did not take into account the ongoing costs required such as staffing so it was hoped that such funding would follow subsequently.
- Noted that the motion and supporting speakers made good points on calling for action on child food poverty, but that those suggestions such as having breakfast clubs in all schools were short-term and were not targeted at children and areas with the most need.
- That the amendment proposed long-term solutions to the systemic problem, a real solution to child food poverty was a thriving economy with more jobs. Covid-19 had significantly impacted the economy and it was an opportune time to support businesses to get back on

their feet and to get people back into secure and high-quality employment by providing skills training.

- Agreed that the original motion was too narrow in its solutions to a complex issue, noting that there was a large amount of work going on by the Council and partners with long-term strategies.
- That nutrition was important, but the issue of child poverty could only be solved by several different strategies as families all faced different problems.
- Stressed that early intervention, driving high quality early education and supporting parents into higher paid employment via educational training had vital roles in addressing child poverty and breaking the cycle of inequality.
- That the early years strategy helped to ensure that no-one would be left behind, the focus must be on inclusion to reach out to those families who had not come forward for support such as through encouraging deprived families to take up the funded early education for two-year-olds (FEET) entitlement. There was also a sustainability fund to support those early years settings to withstand the impact of Covid-19, targeted on settings serving population areas with the most disadvantaged families.
- That barriers must be broken down to enable families to better support themselves which in turn would address child poverty. Empowerment and education were key and the broad focus of the amendment sought to tackle the systemic problems around the issue.

Mr MacLeod left the meeting at 11.58 am

- That although the amendment provided a more systematic approach, he supported the motion as there was nothing wrong with it. He called for cross-party cooperation on the issue of child poverty, whilst continuing with the work underway by the Council on the different strands of poverty.
- That a systemic approach needed focus as well as vision with action on the ground, agreeing with the focus on early intervention but noted that the Council had shut many Sure Start children's centres and therefore breakfast clubs could be an alternative initiative that could make a difference by maximising the educational potential of all children in Surrey.
- Noted caution on the previous comments that a strong economy was a solution to poverty, due to the uncertainty around Brexit.
- That it appeared as though there was a lack of information for families and individuals needing help and requested that a summary of contact details for key organisations and partners which offered support be provided.
- That the amendment recognised that struggling families often did not have one crisis such as child food poverty, but also faced fuel, digital, housing and transport poverty affecting the whole family.
- That breakfast clubs only worked during school hours and for those aged five and upwards, they were one initiative within a patchwork of multi-agency approaches to the systemic issue of poverty.

Mr MacLeod re-joined the meeting at 12.07 pm

- Supported the amendment as the motion was too narrow in focus, it did not take into account the efforts being made to address the wider problem of poverty, poor nutrition for children was one symptom of that overall problem.
- That the amendment would strengthen the motion if it did not delete the elements that were key to making a difference through immediate action, such as setting aside sums in the next revenue budget to enable an action plan from the report requested on child poverty, lobbying the government to consider reforming the welfare system, or the provision of breakfast clubs.
- Noted concern that while many elements of the amendment were commendable and should be pursued by the Council, the longer term and broader objectives lost sight of the motion's simplicity and immediate call for action that was achievable in a reasonable time frame.
- Noted the condescending comments made by some Members against the motion with arguments deflecting from the issue of child poverty by noting that a thriving economy was the solution to poverty.

The Chairman asked Mrs Lewis, as proposer of the amendment to conclude the debate:

- She noted that a system-wide patchwork approach with partners was key to address the systemic issue of poverty, noting narrow past failed initiatives such as Every Child Matters which was well-funded and supported but the attainment gap did not change, and the initiative to boost the uptake of free schools meals which was underclaimed due to the fear of stigmatisation.
- Similarly the focus on providing breakfast clubs and child poverty was too narrow and so the focus must be on the wide-ranging practical measures already underway with partners.

The amendment was put to the vote with 54 Members voting For, 20 voting Against and 1 Abstention.

Therefore the amendment was carried and became the substantive motion.

The substantive motion was put to the vote with 71 Members voting For, 0 voting Against and 4 Abstentions.

Therefore it was **RESOLVED** that:

This Council notes:

That it recognises that child poverty, including food, fuel, digital, housing and transport poverty which impact the whole family, is a systemic problem, not a temporary one which can be solved with short term measures.

It further recognises that the key objective that no-one is left behind must start with our youngest children.

It recognises that system-wide initiatives delivered through early years settings, schools, health settings, family centres and elsewhere make a huge difference

not just to child wellbeing but also to the quality of learning and other outcomes.

Therefore resolves to:

1. Ask officers to assess data from the Community Impact Assessment and on-going work with the DWP, Citizens' Advice Bureau, Surrey Welfare Rights Unit and the Community Foundation for Surrey to produce a report on poverty in Surrey, so Council can fully understand the complexity, scale and impact on children of poverty in Surrey, including the wider cohort of families now experiencing poverty.
2. Lobby government to continue to fund local government appropriately to mitigate the social effects of Covid-19, especially those affecting children and families.
3. Support the work of the One Surrey Growth Board in seeking to support post-Covid economic recovery and to provide the quality jobs and training that can offer a long- term solution to the issue.
4. Support the new Executive Director of Children, Families, Lifelong Learning and Culture to lead a Council wide response to the report on child poverty in Surrey and to address the issue of poor outcomes for children from disadvantaged backgrounds, including working with schools to provide an Inclusive curriculum that supports the most disadvantaged and developing the Helping Families Early initiative with partners, built on the principle that 'everyone can do something'.
5. Support the Leader as Chair of the Health and Wellbeing Board to continue its work in addressing and prioritising this issue.
6. Support the First 1000 Days initiative with Health/County Council integrated commissioning to improve life chances of babies and young children (now in its second year).
7. Welcome the £2.2 million winter package funding received by Surrey CC from central government and the work being done with partners to use it to target support to those in most immediate need, alleviating food and fuel poverty.

63/20 ORGANISATION STRATEGY 2021 - 2026 [ITEM 9]

The Leader of the Council introduced the report. He noted that it built upon the Council's Community Vision for Surrey 2030 through the guiding principle of tackling inequality and ensuring no-one is left behind. He explained that the refreshed Organisation Strategy was a framework for all key initiatives and workstreams in the county, such as the Community Impact Assessment (CIA) and the Surrey 2030 Economic Strategy Statement. He encouraged all to read the CIA which included a wealth of data on communities and highlighted the disproportionate impact of Covid-19 on different communities in Surrey. He noted the work of the Surrey Future Economic Commission which looked at the state of Surrey's economy and how to support it going forward, which fed into the Surrey 2030 Economic Strategy Statement. He noted that there were four key

priorities in the refreshed Organisation Strategy, underpinned by six key enablers to continue to transform the Council.

A Member noted that many of the initiatives and priorities within the refreshed Organisational Strategy were commendable but aspirational and hoped they could be achieved in the near future in order to make a real difference to Surrey's residents. He noted that the CIA was an excellent comprehensive assessment with a real focus on mental health. He highlighted that he had a dilemma on the overall Strategy and its focus on efficiencies, as to whether they would transform residents' experiences or whether they were cuts. He stressed the need for the Strategy to address and focus on: inadequate government funding, the growing demand for services for children and young people with SEND, ensuring affordable housing, reducing homelessness and rough sleeping, facilitating the planting of 1.2 million trees by 2030, improving Children's Services, Adult Social Care and the fire service (SFRS) despite the major reforms achieved a few years ago, the maintenance of Surrey's highway network, working more effectively with partners to develop existing infrastructure such as community facilities and delivering services together.

In response, the Leader of the Council noted that the Council was focussed on transforming the way in which its services were delivered through measurable outcomes. The CIA would provide an effective evidence base to measure those outcomes and the refreshed Organisation Strategy was not aspirational but underpinned the work that the Council was continuing to do.

RESOLVED:

That Council approved the Surrey County Council Organisation Strategy 2021 – 2026, which sets out how the council will work with residents and partners to contribute to the achievement of the Community Vision for Surrey in 2030. It sets out priority areas the council will focus on over the next five years.

64/20 ADOPTION OF THE SURREY WASTE LOCAL PLAN [ITEM 10]

The Leader of the Council introduced the report.

The Cabinet Member for Environment and Climate Change provided a summary of the Surrey Waste Local Plan. She noted that the Council had a statutory requirement to produce local plans for minerals and waste to ensure there was sufficient capacity and to review and update those plans where necessary every five years. The existing Plan was last adopted in 2008, if the Council did not adopt the updated Plan, she noted that it would be increasingly difficult to defend planning decisions and enforcement action taken on the basis of the policies in the existing Plan, potentially resulting in unwanted speculative waste development and the regularisation of unauthorised waste activity.

She explained that the review of the Surrey Waste Local Plan commenced in 2016 with a consultation on issues and options between September-November 2016, there was a further consultation on the draft plan between November 2017-February 2018, during January-February 2019 there was

another consultation on the submission of the plan and a final consultation on the main modifications in January-February 2020. Throughout those four rounds of public consultation, views on the Plan were sought from residents, businesses and other stakeholders. She noted that Members had been kept updated and engaged throughout the process via reports to the Cabinet, the Communities, Environment and Highways Select Committee, the Planning and Regulatory Committee, the member reference group, and an all Member briefing during the consultation on the submission of the plan. District and borough council officers and Members were engaged in the process through a round of workshops in 2018/19 and Statements of Common Ground were signed between Surrey County Council and all eleven district and borough councils in September 2019.

The Plan presented to Council for adoption included modifications and was found sound in May 2020 by an independent planning inspector following an examination in public in September 2019 and it met all the statutory requirements. She explained that the new Plan had fewer allocated sites than the existing Plan with some sites having been removed completely. She noted that there was only one new site which was at Lambs Business Park in South Godstone, that Trumps Farm was now allocated solely for a household waste Dry Mixed Recyclables (DMR) plant, that Weylands Treatment Works had additional protections for residents in respect of Heavy Goods Vehicles (HGV) routing that was absent from the existing Plan. She added that there were a number of existing industrial estates referred to in the Plan as Industrial Land Areas of Search (ILAS), those sites were not allocated in the new Plan but were identified as potential sites for small to medium scale waste uses subject to usual planning permission and that several of those sites already hosted a range of waste uses.

Looking to the future, she noted that the Council was progressing a joint Minerals and Waste Local Plan to address the increasing synergies between the two. She added that many other County Councils had joint plans and the joint plan was expected to go out to consultation in Summer 2021. She stressed that it was important that in the interim the new Plan was adopted to ensure that the waste planning policies used to determine planning applications were up to date.

Members made the following comments:

- Thanked the Cabinet Member for Environment and Climate Change for her support in addressing her concerns concerning Weylands Treatment Works which had been a difficult site from its conception. She noted that in the existing Plan it was accepted as one of top sites where it could develop considerably and welcomed the revision in the new Plan which included a scheme for routing HGVs routing down new roads. However, she raised an objection to that part of the new Plan as she noted that the diverting of HGVs would not happen in reality and that a site that had no infrastructure would never expand to what would be required - so she would abstain from approving the recommendation.
- Noted that he was portfolio holder in 2016 when the Plan first started its process of revision and thanked those officers involved, the Planning department, as well as the contributions from

Members to develop the Plan. In time, he noted that it would help the Council's Climate Change strategy.

- Commended the new Plan to Council which had undergone extensive consultation and external assessment.
- Endorsed the concerns made by the Member regarding Weylands Treatment Works as the access route by HGV's went through his division.
- Thanked the Cabinet Member for Environment and Climate Change for listening to Members' concerns and hoped that the joint Minerals and Waste Local Plan would address difficulties such as the Weylands site.

RESOLVED:

That Council adopted the Surrey Waste Local Plan.

Rachael I Lake abstained from the vote.

65/20 SCRUTINY ANNUAL REPORT 2019/20 [ITEM 11]

The Leader of the Council introduced the report. He commended the hard work of the Council's Select Committees, the various task and finish groups and extensive work outside of committee meetings with over one hundred meetings in the past year, as well as the work of officers. He noted that the restructuring of the Council's scrutiny function through the establishment of the four Select Committees and task and finish groups had been effective in scrutinising Council policy before decisions were made by Cabinet. He encouraged Members to use the Select Committee process to provide constructive input into the formulation of Council policy.

The Chairman of the Select Committee Chairmen and Vice-Chairmen's Group thanked the Leader for the work he had done to support the development of scrutiny and the work on restructuring the scrutiny process initiated by the Chairman of the Communities, Environment and Highways Select Committee.

He thanked his fellow Select Committee Chairmen and Vice-Chairmen for their work and supported the Leader's call for more Members to be engaged in the scrutiny process and particularly in the task and finish groups. He emphasised that scrutiny was the foundation of democracy and was delighted that Council had made advances on scrutiny, he hoped that the effective arrangements would be continued.

The Chairman of the Communities, Environment and Highways Select Committee hoped that the report would command cross-party support which had been a key feature of the Select Committees since they were revitalised. He noted that effective structures and arrangements could be established, but what mattered for success in the scrutiny process was the contributions of Members in those roles. One advantage of the new system was the cross-party representation including the positions of Select Committee Chairmen and Vice-Chairmen and non-partisan collaboration within the Select Committees to hold executive to account. There was more work to be done, but he noted the significant progress made since last year. He paid credit to the Leader for his support and the realisation of his commitment that no significant proposals would go to Cabinet until they

went through the Select Committee system. He highlighted that a few years ago the activities of Select Committees focussed on noting actions and asking for periodic updates, since the restructure last year the change had been fundamental via the scrutiny of strategy, policy development and establishment of task and finish groups. The new scrutiny system had improved the governance of the Council by holding the Cabinet to account to the benefit of Surrey's residents.

RESOLVED:

That Council noted the contents of the Scrutiny Annual Report.

66/20 AUDIT AND GOVERNANCE COMMITTEE - REPORT OF THE GOVERNANCE REVIEW TASK GROUP [ITEM 12]

The Chairman of the Audit and Governance Committee introduced the report. He noted that the Governance Review Task Group took an open approach to interviewing a range of Members and officers to evaluate the effectiveness of the Council's scrutiny function. He noted that significant progress had been made on the Council's scrutiny function and welcomed the strong support from the Leader of the Council, Group Leaders and the Chief Executive.

He reported that scrutiny was now clearly valued by officers and Members than had been previously, in particular non-Cabinet Members realised that they had a significant opportunity to direct Council policy before final decisions were made by Cabinet.

He outlined one recommendation which was that there should be a standing agenda item on scrutiny at each Council meeting for Select Committee Chairmen to provide updates on the work of their Select Committees and for Members to ask questions.

RESOLVED:

That Council noted the report by the Audit and Governance Committee on 26 November 2020.

67/20 AUDIT AND GOVERNANCE COMMITTEE - REPORT OF THE MEMBER CODE OF CONDUCT WORKING GROUP [ITEM 13]

The Chairman of the Audit and Governance Committee introduced the report. He noted that the report was to some extent an interim position as the Local Government Association (LGA) was expected to publish its revised recommendations following consultation on the LGA Model Member Code of Conduct, which was not known at the time of the review. He anticipated that minor amendments would be brought forward to Council following the publication of the LGA's Model version.

RESOLVED:

That Council approved:

1. (a) The appointment of two Independent Persons.

1. (b) That Mr Akbar Khan and Philippa Harding be appointed as the two Independent Persons.
2. The revised Arrangements for Dealing with Allegations of Breaches of the Member Code of Conduct.

68/20 REPORT OF THE CABINET [ITEM 14]

The Leader presented the report of the Cabinet meetings held on 27 October 2020 and 24 November 2020.

Recommendations on Policy Framework Documents:

27 October 2020:

- A. Organisation Strategy Refresh [Agenda Item 9]
- B. Surrey Waste Local Plan: Adoption [Agenda Item 10]

Reports for Information/Discussion:

27 October 2020:

- C. Delivery of Care Leavers Accommodation, A Library and Family Centre in Caterham Hill
- D. Decision on the Route to Market for Two Extra Care Housing Schemes
- E. Prudential Ride London-Surrey

24 November 2020:

- F. 2021/22 Draft Budget and Medium-Term Financial Strategy
- G. Accelerating the Introduction of Ultra Low / Zero Emissions Buses and Community Transport Vehicles into Surrey
- H. Transformation of Accommodation Based Care and Support for Working Age Adults: Delivering Supported Independent Living Options
- I. Quarterly Report on Decisions Taken Under Special Urgency Arrangements: 13 October – 08 December 2020

RESOLVED:

1. That Council noted that there had been no urgent decisions in the last three months (quarter).
2. That the reports of the meetings of the Cabinet held on 27 October 2020 and 24 November 2020 be adopted.

69/20 MINUTES OF CABINET MEETINGS [ITEM 15]

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

The Chairman concluded the meeting with some closing remarks: he acknowledged the positive news of the Covid-19 vaccine rollout, wished farewell to County Hall and welcomed the move to the Council's new

headquarters in Woodhatch, Reigate and wished all a Happy Christmas and a Happy New Year.

[Meeting ended at: 13.10 pm]

Chairman

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Leader's Statement – County Council, 8 December 2020

Mr Chairman, Members, we come together, still virtually, still in the grip of a pandemic that began almost ten months ago, but with light visible at the end of the tunnel.

Without question this year has been a year like no other.

It has undoubtedly been challenging for everyone in different ways – restrictions on our freedoms, fundamental changes to our normal way of life, a lack of social contact.

For some it has been even more challenging, facing financial uncertainty, job insecurity, serious health problems and, of course, and the loss of friends and family.

The impact will be long lasting, and we have a big role to play in helping people, communities, and the County recover.

Throughout the multitude of challenges this year has thrown at us, Surrey has come together.

Our local communities have stepped up and shown remarkable generosity and care for their neighbours and those less fortunate.

Partners across Surrey have come together as the Local Resilience Forum to guide the county through these uncharted waters.

The County Council, the police, health services, Surrey Fire & Rescue, the districts and boroughs, the voluntary, community and faith sector, universities and schools, and thousands and thousands of volunteers.

Surrey's Public Health team has shown remarkable leadership right from the moment we had the first UK contracted case in February, through to being identified as one of the national leaders ahead of the Test and Trace rollout, and now to that daily scrutiny of local data to ensure the right decisions are made for our communities here in Surrey.

As a council we are well integrated with our NHS partners in the county and we will stand with them and support them as they embark on the herculean task of mass vaccination roll out.

I look forward to taking up that vaccine myself in due course in the new year, and in the meantime we must all play our part in helping dispel lies, conspiracy theories and misinformation to ensure our communities are protected and we can all return to our normal way of life as soon as possible.

Mr Chairman, I also want to take this opportunity to recognise the work of our staff through this most difficult of years.

As well as the remarkable work undertaken by our NHS colleagues nationally, we must pay tribute to our care workers here in Surrey. They have always had huge dedication to their work, but it has been highlighted this year even more so.

Selfless, caring, exceptionally skilled – these people really are the best of us.

Our key workers across the council have been incredible throughout this pandemic, working throughout lockdowns, redesigning services quickly to make them COVID secure and available to residents, and many volunteering to be redeployed in different roles wherever needed, be it handling calls on the community helpline to packing food boxes or go to our most vulnerable.

I hope they find time this Christmas to - at the very least – to switch off and reflect on the magnificent effort they've put in this year.

Mr Chairman, even though our primary focus throughout 2020 has been responding to this pandemic and protecting our residents, we have pressed ahead as a council in not only continuing to deliver the services our residents rely on but working hard to make sure they are better than ever.

We started this year with ambitious plans for the organisation and for Surrey as a place, and we've continued to pursue those ambitions throughout the year.

That has only been possible because our finances have remained strong thanks to our hard work over the last couple of years. That has meant we have been able to provide the financial bedrock for the Local Resilience Forum, and continue to deliver services to residents, with a balanced budget planned for 2021.

As you have already mentioned Chairman, we are moving the Council offices back into the County having secured an offer for the building and delivering on my pledge when I became leader to get our staff closer to the residents and communities we serve.

We've progressed with our transformation of Children's Services, which OFSTED have confirmed as having substantially improved. Further visits are planned next year which we are looking forward to with fresh impetus, with the arrival of Rachael Wardell as our new Executive Director, who I am sure will lead us to be even better.

We have progressed the Making Surrey Safer plan, bringing Surrey Fire & Rescue Service up to modern standards, working to prevent more incidents and respond to the challenges of today's society. Our first fire engine response times for critical emergencies is averaging 7 minutes and 55 seconds, well within the 10 minute response target.

We have also focussed on the Equality, Diversity and Inclusion agenda, particularly with our staff to ensure that we listen to the voices of people who have previously not been heard and putting this at the heart of our policy making.

Another thing I'm particularly proud of this year is the council's Climate Change strategy which we published in the summer, that will guide our work on tackling the climate emergency which I will go into more detail about that shortly. I very much hope that all of our partners, including the District and Borough Councils, will join us in promoting that strategy.

We have continued with our ambitious investment in our residents and our future, acting on the promises we made back in January when we announced our capital investment strategy and are progressing a number of initiatives including:

- **Your Fund Surrey** – with a £100m to strengthen communities and give residents more power and influence
- **Tackling climate change** and green infrastructure to deliver a greener and more sustainable future
- **Schools and SEND provision** by increasing school places, ensuring our children can overcome this year's disruption and get the best possible start in life closer to home, reducing the need to travel long distances.
- **Highways investment** of £114m this year on maintenance and improvements as well as promoting active travel to make getting around the county smoother
- **Flood alleviation** schemes across the County to protect tens of thousands of homes and businesses from further disaster and give future security and peace of mind

- **Extra Care sites** to ensure our elderly residents can keep independence for longer and grow old safely and with dignity.

Our ambitions for Surrey as a place have not dimmed. We're looking to the future and continuing that transformation as we head into 2021.

As I've already mentioned Mr Chairman, our collective hard work and dedication over the last two years to get our finances in order, mean we have been able to cope with the challenges that have come this year and are well placed going into an uncertain future.

A few years ago, a major unforeseen issue such as COVID may well have pushed Surrey to the brink, but thanks to the transformation undertaken in this organisation, we can continue to provide services and a better future for our residents.

Our ambitious programme of investing in our communities will continue, and has become even more important in ensuring they can thrive over the coming years of recovery.

I believe our residents can trust Surrey County Council to guide the county through these challenging times and deliver a brighter future.

We are now in our budget setting period. The draft budget went to Cabinet in November and we are asking residents for their thoughts and priorities via a survey, to engage them in the process and be wholly transparent as to how their money is spent.

We will continue to transform our services to ensure every efficiency can be made and every service is delivering the very best value for money.

It will be essential to continue that sound financial management in an uncertain, but undoubtedly challenging, medium term future as the country gets to grips with the longer-term effects of COVID and its economic impact and whilst we will need to increase council tax to fund our services, we will ensure that the increase is at the minimum level we require and well below the 5% we would be allowed to levy. This is not the time to add even more financial pressure on our residents.

As it has always been, the majority of our spending goes on protecting our most vulnerable residents, working to improve their quality of life and reduce inequality.

We spend more than £1m every single day on Adult Social Care and over £0.5m a day on Children's Services.

Most of our residents won't necessarily experience these services, but it is our duty to ensure our most vulnerable are looked after and we will continue to do that, while pressing government on sustainable ways to deliver that care.

Of course, we will continue to fund day to day spending on highways and transport, libraries, schools, waste disposal, community protection including the fire service, as well as the important governance and so-called 'back office' functions that help ensure services are delivered.

The work of the council over the coming year will be guided by our four key pillars of focus that every part of the organisation will be working to achieve.

These are:

Growing a sustainable economy so everyone can benefit

This focus is particularly critical as our county recovers from COVID.

Surrey's Community Impact Assessment report highlights how the economic impact has been felt most acutely in those areas with a higher reliance on certain industries, such as aviation.

The number of people claiming Universal Credit or Job Seeker's Allowance has increased by over 300% in some areas of Surrey.

We must support people and businesses across Surrey to grow again, and re-prioritise infrastructure plans to adapt to changing needs and demands.

If we can deliver the right conditions for our industries to grow – better connectivity, infrastructure, a better and more affordable place to live and work – the possibilities for our county are endless.

We are an ambitious organisation, for an ambitious county. We are making Surrey a county that is fit for the future.

The second priority area is:

Tackling health inequality

As already touched upon, we have a close and positive relationship with our NHS partners, particularly through Surrey Heartlands. We will continue our driving ambition to reduce health inequalities, particularly in life expectancy, and make sure nobody is left behind.

We can do this by accelerating health and social care integration, to reduce demand on services while improving health outcomes for residents as well as supporting a strong economy.

We must also increase our focus on addressing mental health. This year has brought into sharp focus the fragility of mental health for many more of our residents, and this is a key area of work for our Health & Wellbeing Board. We will build on the foundations of the recent mental health summit that the county convened and establish a mental health improvement board to ensure that we engage all partners in driving our prevention and early intervention agenda.

The third priority area is:

Enabling a greener future

This year we have published our Climate Change Strategy and our Tree Strategy side by side.

We are serious about tackling the Climate Emergency and our action over the last year in this area speaks for itself.

We acted quickly during the summer to harness the increase in active travel, making it safer and easier for people to walk or cycle in our town centres, and have recently been allocated even more funding to develop active travel schemes further.

Our infrastructure projects such as Farnham Town Centre are focussed on improving air quality and reducing polluting congestion.

We have begun our programme of replacing every single one of Surrey's streetlights in environmentally friendly LEDs.

And just last month we agreed a huge, almost £50m investment in ultra-low emission buses to help get people around this county in a clean and efficient way.

We are absolutely investing in a greener future.

Finally, Mr Chairman, but no less importantly, we are:

Engaging with our communities

This is something that I've been talking about since I had the privilege to become to become Leader of this council and has progressed further and faster in the last few months.

We want to reinvigorate our relationship with residents and make this part of the council's culture, build on the incredible partnership work we have seen at first hand during the pandemic and support our communities to tackle local issues, while making it easier for everyone to play an active role in the decisions that will shape Surrey's future

We've already started this in earnest.

It is really important that our residents have a clear and easily accessible route to influence policy making and decisions that affect them, beyond local government elections every four years.

Let's work together, strengthen our communities and create a better place to live.

Mr Chairman, I know that we have a brighter future ahead of us. We will overcome COVID, we will rise to the challenge of recovery and we will continue to make Surrey the best place to live, to work and to grow a business.

Merry Christmas and a Happy New Year to you all.

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Awards for Surrey residents - The New Year Honours List 2021

Dames Commander of the Order of the Bath

Mrs Lynn Owens

CBE

Paul Rimmer

Professor Raad Shakir

Professor Sembukuttiarachilage Silva

Keith weed

OBE

Cassandra Buchanan

John Hambly

John Lillywhite

Nicholas Morgan

Nina Wadia

MBE

Diana Britten

Susan Deaves

Jonathan Freeman

Peter Glover

John Godden

Ryan Kelley

Laura King

Ann Lovelace

Amanda Owen

Susan Owen-Weaver

Mohanned Quazi

Victoria Sellick

Christopher Smith

Andrew Taeë

Barry Underwood

MBE (Diplomatic Service)

Patricia Napier

BEM

Samira Ahmad

Jean Casha

Pamela Hypher

Louise Maltby

Emrys Owen

Sara Jane Robertson

Charito Ramono

Andrew Rowe



OFFICER REPORT TO COUNCIL

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

KEY ISSUE/DECISION:

The budget and MTFs proposals set out the Council's ambitious, sustainable and resilient medium-term financial plans. The budget for 2021/22 and the five-year strategy has been developed in an environment of unprecedented uncertainty; with the financial impact of Covid-19 developing on a daily basis. Nevertheless, the Council's resilience is improving, and we continue to make demonstrable improvements in our approach to planning, building and using the budget to deliver the Council's new priority objectives:

- **Growing a sustainable economy so everyone can benefit** – support people and businesses across Surrey to grow during the economic recovery and re-prioritise infrastructure plans to adapt to the changing needs and demands of residents;
- **Tackling health inequality** – Drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents;
- **Enabling a greener future** – Build on behaviour changes and lessons learnt during lockdown to further progress work to tackle environmental challenges, improve air quality and focus on green energy to make sure we achieve our net zero targets; and
- **Empowering communities** – Reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while making it easier for everyone to play an active role in decisions that will shape Surrey's future.

The 2021/22 budget has been developed through an integrated approach across the Council, based on a set of Core Planning Assumptions which set out likely changes to the environment in which we deliver our priorities. Ensuring that each aspect of planning for 2021/22 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the Covid-19 pandemic and wider pressures.

Continuing a trend set over several previous financial years, Local Government funding remains highly uncertain over the medium-term, with a number of factors likely to result in significant changes to our funding position beyond 2021/22.

Despite the longer-term uncertainty, the overall outlook for 2021/22 is one of stability, with the revenue budget growing overall by 3.6%. The budget also reconfirms and expands the commitment to an ambitious five-year capital programme that delivers corporate priorities, outcomes for residents and businesses and contributes to long-term delivery of efficient services. This will enable further transformation over the medium-term in a bid to overcome financial uncertainty and aimed at delivering the priorities for Surrey, as set out in the [Community Vision for Surrey in 2030](#) (the Vision).

This report is to enable Council to approve:

- The Revenue and Capital Budgets for 2021/22, including efficiency proposals;
- The Council Tax Precept level for 2021/22, including the precept due from each Surrey District and Borough;
- The Council's Flexible use of Capital Receipt Strategy, including the level of investment required to deliver the Transformation Programme and the move back into the County;
- The Council's Capital Programme for 2021/22-2025/26, which reconfirms significant investment in the community; including through a £100 million commitment to Your Fund Surrey; and
- The Council's Capital, Investment and Treasury Management Strategies, which provide an overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of our services.

In agreeing to the recommendations of the attached 2021/22 Final Budget Report and Medium-Term Financial Strategy to 2025/26, supported by Annexes, Cabinet was informed by public consultation and engagement exercises. The equality impact assessments flowing from this and implications on the budget are detailed and attached in **Annex J**. The decisions and the attached financial strategy support the achievement of the goals set out in the Vision and underpin the priorities set out in the Council's Organisation Strategy and refreshed Transformation Programme.

BACKGROUND:

The Council approved a budget on 4 February 2020 for 2020/21 that set a course which would deliver the Community Vision 2030 through stable revenue budgets and a wide-ranging capital programme.

Successive budgets have moved the Council away from use of reserves and other one-off measures and the 2021/22 budget continues this trend.

The current year's budget (for 2020/21) has proved resilient and deliverable in the face of the huge social and financial impact of Covid-19; visibly demonstrating the improved sustainability of the Council's finances.

In the light of continued uncertainty on the impact of Covid-19 and medium-term funding, a commitment to maintaining and growing the financial resilience of the organisation is as important as ever. The 2021/22 budget reconfirms the commitment to delivering the Transformation Programme to secure longer-term sustainability and effectiveness of services.

RECOMMENDATIONS:

Following the Cabinet Meeting on 26 January 2021, the recommendations to Council on 9 February 2021 are:

To note the following important features of the revenue and capital budget, and in line with Section 25 of the Local Government Act 2003:

1. The Executive Director of Resources' (Section 151 Officer) conclusion that estimates included in the Final Budget Report and Medium-Term Financial Strategy are sufficiently robust in setting the budget for 2021/22; and
2. That it is the view of the Executive Director of Resources (Section 151 Officer), that the level of reserves is adequate to meet the Council's needs for 2021/22. These reserves include the following amounts, (totalling £91.9m) set aside specifically to provide financial resilience:
 - a General Fund Balance of £24.2m;
 - a budget contingency of £20.4m with an estimated £33.4m brought forward;
 - a specific contingency for the impact of Covid-19 of £4.9m; and
 - a provision of £9m to meet risks in delivering the Dedicated Schools Grant – High Needs Block cost containment plan.

Proposed budget: Cabinet recommends that County Council approve the following Revenue and Capital budget decisions:

3. Approves the net revenue budget requirement be set at **£1,003.6 million** (net cost of services after service specific government grants) for 2021/22 (Annex B), subject to confirmation of the Final Local Government Financial Settlement;
4. Approves the total Council Tax funding requirement be set at **£777.6 million** for 2021/22. This is an increase of 2.49%, made up of an increase in the level of core Council Tax of 1.99% to cover core Council services and an increase of 0.5% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E);
5. Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in

core Council Tax is not such as to trigger a referendum (i.e. not greater than 2%);

6. Sets the Surrey County Council precept for Band D Council Tax at £1,549.08, which represents a 2.49% uplift. This is a rise of £0.72 a week from the 2020/21 precept of £1,511.46. This includes £139.01 for the Adult Social Care precept, which has increased by £7.55.
7. Agree to maintain the Council Tax rate set after the Final Local Government Finance Settlement;
8. The Council Tax for each category of dwelling as set out in the table below:

Valuation band	Core precept	ASC precept	Overall precept
A	£940.05	£92.67	£1,032.72
B	£1,096.72	£108.12	£1,204.84
C	£1,253.40	£123.56	£1,376.96
D	£1,410.07	£139.01	£1,549.08
E	£1,723.42	£169.90	£1,893.32
F	£2,036.77	£200.79	£2,237.56
G	£2,350.12	£231.68	£2,581.80
H	£2,820.14	£278.02	£3,098.16

9. The payment for each billing authority, including any balances on the Collection Fund, as set out in Annex E;
10. Delegate powers to the Leader and Executive Director of Resources (Section 151 Officer) to finalise budget proposals and recommendations to County Council, updated to take into account new information in the Final Local Government Finance Settlement;
11. The Flexible Use of Capital Receipts Strategy for 2021/22 to meet the statutory guidelines for the use of such receipts to fund transformation and the move back into the County (Annex F);
12. The Total Schools Budget of £537.3 million to meet the Council's statutory requirement on schools funding;
13. The overall indicative Budget Envelopes for Executive Directorates and individual services for the 2021/22 budget (Annex B); and
14. The total £1.905 billion proposed five-year Capital Programme (comprising £1,026.2m of budget and £879.2m pipeline) and approves the £184.9 million capital budget in 2021/22 (Annex C).

Capital and Investment Strategies: Cabinet recommends Council to approve the following:

15. The Capital and Investment Strategy (Annex G), which provides an overview of how risks associated with capital expenditure, financing,

treasury and commercial investments will be managed as well as how they contribute towards the delivery of services; and

16. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision (MRP) Policy) (Annex I)

SECTION 151 OFFICER COMMENTARY:

Continued Improvement, Increasing Resilience and a Coordinated Approach

The Council is under a legal obligation to set a balanced budget and Council Tax levels for the 2021/22 financial year. The setting of the budget is a decision reserved for County Council. Following consultation with Select Committees the final budget proposals are included in the 2021/22 Final Budget and Medium-Term Financial Strategy to 2025/26 and associated Annexes.

The successive budgets for 2019/20 and 2020/21 set the Council on a path towards continuing improvement in financial resilience; the need for which has been starkly demonstrated by the Covid-19 pandemic. The Council's current forecast revenue outturn position for 2020/21 at Month 8 is for a small deficit of £3.4m; 0.33% of the budget and prior to any use of contingency. It is expected that this deficit will be closed to arrive at a balanced position by the end of the year.

The budget for 2021/22 builds on this solid foundation; recognising the continuing pressures faced in delivering services in adults and children's social care, services to children with special educational needs and disability, and the ongoing impact of Covid-19.

We are in a position to once more set a budget which meets our hallmarks for a "good" budget (refer to paragraph 5.3 of the 2021/22 Final Budget and Medium-Term Financial Strategy to 2025/26). This budget continues the move away from the defensive short-term outlook that had typified the Council's financial plans for several years; driving a proactive, investment led approach to delivering for Surrey residents and to achieving medium-term sustainability. The budget reconfirms and expands the commitment to the Capital Programme and the ambition laid out within it.

The budget has been developed with a step-change in the level of coordination and integration with the Organisation Strategy, the Transformation Programme and the delivery of service strategies. This improvement will continue into the medium-term with further integration of financial and strategic planning; making clear how the money we spend is linked to the delivery of corporate priorities and the Community Vision 2030.

CIPFA Resilience Index

CIPFA's Financial Resilience Index aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience of an authority. Instead,

users of the index can undertake comparator analysis drawing their own conclusions.

The next release of the index, which considers the 2019/20 financial data, was due in December 2020. However, the main data source used to construct the index was delayed and not published at the time of writing.

As part of the Council's proactive approach to insight and intelligence, officers performed analysis of the publicly available provisional data, released in November. While there are limitations to the data, this provides the Council with early intelligence by which to measure progress, enabling conversations about resilience to take place without having to rely on the formal publication of the CIPFA tool.

The provisional data indicates that there has been considerable improvement between the 2018/19 and 2019/20 financial years. This is in line with expectations as more robust financial management arrangements have been put in place since 2018, an objective of which was to improve the Council's overall financial resilience.

The analysis indicates that the Council should retain its strong position on earmarked reserves and our scores have improved against the remaining two primary reserves indicators which focus on levels and changes in reserves. The Council's relative position when compared to all other County Councils shows improvement, most notably on the Level of Reserves indicator where the Council is expected to move from ranking 20 of 26, to ranking around mid-table. This improvement means that when the CIPFA index is released, we expect the Council to be positioned on the lower risk side of the index for all three reserves measures, possibly ranking within the top five on Reserves Sustainability and Change in Reserves. These measures cover the direction of travel for reserves, rather than the absolute value and so demonstrate that the Council is moving in the right direction; rather than in themselves being a commentary on reserves sufficiency. Although reserves are deemed sufficient for 2021/22, the uncertain funding position and level of efficiencies required over the MTFS mean that this improvement must continue.

Finance Improvement Programme

On the 23 June 2020, Cabinet considered a report formally closing down the Council's Finance Improvement Programme. A chapter that began with CIPFA's report on the Council's finances in 2018 was drawn to an end.

Recognition that the formal requirement for improvement had been successfully addressed does not deter from the need to aim for continual and further improvement across all aspects of Finance and financial management. To that end, the second phase of the Finance Improvement Plan (FIP2) was launched in August 2020.

FIP2 provides four key areas of improvement:

- **Process: Improved, faster, intuitive information** through the Digital, Business and Insights Programme;
- **Culture and Accountability: Good financial management is second nature** by strengthening and embedding budget accountability across the organisation;
- **People; Investing in skills and development** through continued development of the Finance Academy and building on behaviours, skills and knowledge across the Finance function; and
- **Insights; Greater strategic focus** by strengthening the ability of Finance teams to provide insightful advice, through access to tools learning and advice.

These workstreams are delivered across all parts of Finance and rely on maintaining and developing close working relationships and a partnership approach across the organisation. The planned improvements will help to ensure that the budget process and financial decisions continue to be driven by accurate and timely information and insightful advice.

Financial Management Model Code of Practice

CIPFA has developed the Financial Management Code (FM Code), 'designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.'

CIPFA expect the first full year of compliance with the FM Code to be 2021/22 however recognise that the Covid-19 crisis has seen local authorities and their finance teams placed under extreme pressure which is ongoing and are considering whether 'working towards' full implementation from 2022/23 might be appropriate. The ultimate decision will rest with MHCLG and an announcement is expected in the imminently.

Throughout 2020, in anticipation that the first full year of compliance was expected in 2021/22, officers have reviewed the guidance to determine where SCC meet the standards. This review has concluded that:

- the Council can demonstrate overall compliance with the standards;
- evidence could be strengthened for a small number of indicators; and
- there are several areas where, as a result of various changes over the past two years including the Finance Improvement Programme and the Finance Academy, the Council's arrangements exceed the standards.

We will use the findings to review areas where evidence of compliance requires strengthening and are in a position to be early adopters if the decision is made to delay the first full year of compliance.

Value for Money (VFM) Judgement

In the 2018/19 External Audit conclusion, Surrey County Council received a qualified VFM judgement due to its OFSTED rating and Financial Resilience (based on the 2018/19 financial year).

In November 2020 our external auditors, Grant Thornton, highlighted the significant progress we have made in improving the financial resilience of the organisation and the robustness of our budget process.

Our VfM conclusion has improved significantly from last year; with the qualification relating to financial resilience removed. This is a testament to the effectiveness of successive budgets; the Finance Improvement Programme and the concerted effort that goes into delivering both.

The OFSTED rating could not be resolved for the 2019/20 audit due to the impact of Covid-19 on scheduling a formal inspection, however Grant Thornton recognise that recent evaluation by OFSTED inspections found that substantial progress had been made.

S25 Report – Risks and Robustness of Reserves

The Council is required to maintain an adequate level of Reserves to deal with future forecast or unexpected pressures. We are not permitted to allow spend to exceed available resources which would result in an overall deficit after reserves. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of Reserves to meet estimated future spend when calculating the budget requirement. The attached Final Budget Report has been drafted on this basis.

The Council has set a balanced budget for 2021/22. Delivering the efficiency and transformation programmes is key to achieving the budget and to safeguarding the medium-term sustainability of the Council's finances. The contingency and earmarked reserves that we have set aside allow us to set ambitious efficiency targets within Directorate budget envelopes with the confidence that the risk of not achieving these targets can be managed from within contingencies.

Despite making good headway with building earmarked reserves, the uncertain impact of Covid-19 and the impact of insufficient Government grant to fund services for children with Special Educational Needs and/or Disabilities, make it as important as ever to continue to grow sustainability. Given the reduction in funding that the Council has experienced over recent years, retention of the Council's Reserves will be essential in order to mitigate risk, including future funding uncertainties.

The Council's earmarked reserves include the amounts detailed in Recommendation 2. On this basis, the Council's budget is considered to be robust.

A summary of Earmarked Reserves and the forecast on Reserves and Balances can be found in Annex D and detailed in Section 5.35 of the 2021/22 Final Budget Report.

Lead/Contact Officers:

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Sources/background papers:

- [2021/22 Final Budget and Medium-Term Strategy to 2025/26](#), Report to Cabinet 26 January 2021
- [Organisation Strategy 2021 - 2026](#), Report to Council 8th December 2020
- [A Community Vision for Surrey in 2030](#), Report to Council 9 October 2018
- [Provisional Local Government Finance Settlement 17 December 2020](#)

Annexes:

2021/22 Final Budget Report and Medium-Term Financial Strategy to 2025/26
Annex A – Pressures and Efficiencies 2021/22
Annex B – Detailed Revenue Budget 2021/22
Annex C – Capital Budget 2021/22-2025/26
Annex D – Projected Earmarked Reserves and Balances
Annex E – Council Tax Requirement
Annex F – Flexible Use of Capital Receipts
Annex G – Capital and Investment Strategy 2021/22
Annex H – Treasury Management Strategy Statement 2021/22
Annex I – Minimum Revenue Provision (MRP) Policy 2021/22
Annex J – Equalities Impact Assessment

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1. EXECUTIVE SUMMARY

1.1 The 2021/22 Final Budget Report and Medium-Term Financial Strategy (MTFS) to 2025/26 sets out Surrey County Council (SCC)'s ambitious, sustainable and resilient medium-term financial plans. The budget for 2021/22 and the five-year strategy has been developed in an environment of unprecedented uncertainty; with the financial impact of Covid-19 developing on a daily basis. Nevertheless, the Council's resilience is improving, and we continue to make demonstrable improvements in our approach to planning, building and using the budget to deliver the Council's new priority objectives:

PRIORITY OBJECTIVES			
 <p>Growing a sustainable economy so everyone can benefit Support people and businesses across Surrey to grow during the economic recovery and re-prioritise infrastructure plans to adapt to the changing needs and demands of residents at a time of financial challenges.</p>	 <p>Tackling health inequality Drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents</p>	 <p>Enabling a greener future Build on behaviour changes and lessons learnt during lockdown to further progress work to tackle environmental challenges, improve air quality and focus on green energy to make sure we achieve our net zero targets</p>	 <p>Empowering communities Reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while making it easier for everyone to play an active role in the decisions that will shape Surrey's future</p>

1.2 The 2021/22 budget has been developed through an integrated approach across Strategy, Transformation and Finance, based on a set of Core Planning Assumptions which set out likely changes to the environment in which we deliver our priorities. The integrated approach ensures that revenue budgets, capital investment and transformation plans are all aligned with each Directorate's service plans and the new Corporate Priorities of the organisation. Ensuring that each aspect of planning for 2021/22 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the Covid-19 pandemic and wider pressures.

1.3 Continuing a trend set over several previous financial years, Local Government funding remains highly uncertain over the medium-term, with a number of factors likely to result in significant changes to our funding position beyond 2021/22. These factors are set out in section 8 of this report and include in particular; the lack of a multi-year settlement, the uncertain timing and impact of the Government's fundamental review of funding and lack of clarity on the treatment of the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.

1.4 Despite the longer-term uncertainty, the overall outlook for 2021/22 is one of stability; with Directorate budget envelopes increasing from 2020/21 levels. There remain significant challenges in managing growth in demand (particularly in Children's and Adults' services), inflationary pressures and the ongoing impact of Covid-19 within those envelopes. In terms of living within the principles of a budget envelope approach, Directorates were tasked with identifying efficiencies to close their element of the overall budget gap. Where this has not been possible, additional funding has been identified and allocated.

1.5 The final budget for 2021/22 proposes total funding of £1,003.6m; a £35.2m (3.6%) increase from £968.4m in 2020/21. Included within this increase and offset by other factors (set out in section 8), c.£51.2m represents one-off Government funding for Covid-19 which does not

improve the medium-term position after 2021/22. Despite remaining uncertainty on council tax and business rate income, the budget for 2021/22 is now balanced. In order to achieve a balanced budget, a council tax increase of 1.99% and an Adult Social Care Precept of 0.5% are necessary.

- 1.6 The Capital Programme for 2021/22 to 2025/26 is set out in Section 6 and Annex C. This sets out a £1,905.5m programme; of which £1,026.2m represents confirmed budgets and £879.2m represents pipeline schemes identified for further development.
- 1.7 A Capital Budget of £184.9m has been set for 2021/22 as identified in Annex C. The development of the Capital Programme has been based around achieving Council priorities whilst maintaining borrowing costs at a sustainable and prudent level.
- 1.8 The key elements of this Budget and MTFS report include:
 - The refreshed Organisation Strategy (Section 2)
 - An update on our Transformation plans (Section 3)
 - Directorate Service Strategies aligned to both of the above (Section 4)
 - The Financial Strategy for 2021/22– incorporating both revenue and capital (Sections 5 and 6)
 - 2020/21 financial performance – revenue and capital (Section 7)
 - The medium-term financial outlook to 2025/26 (Section 8)
 - The schools budget (Section 9)
 - The results of our budget consultation (Section 10)
 - Budget Equality Impact Assessment (Section 11)
- 1.9 The Final Budget will be presented to Council for approval on 9 February 2021.

2. ORGANISATION STRATEGY 2021 – 2026

- 2.1 The Organisation Strategy sets out the Council’s contribution to achieving the aims and ambitions of the Community Vision 2030 (the 2030 Vision). The Covid-19 pandemic has fundamentally shifted the strategic context in which we are operating, with much ongoing uncertainty. While our data and insight show that the 2030 Vision remains the right destination, the way we get there needs to change to ensure we can support delivery of this and create better lives, a better place and a county where no-one is left behind.
- 2.2 Since launching the strategy in 2018, and refreshing it in December 2019, we have made significant progress towards achieving our ambitions for the county, and as a Council. Throughout this report there are examples of how our services are overcoming significant financial challenges and implementing transformation programmes to make residents’ lives better, while also achieving efficiencies. We have delivered major reforms to Children’s services, Adult Social Care and the Fire Service to embed a preventative approach and support Surrey residents’ independence. Through building stronger partnerships, we have been able to lead the way and innovate in health and social care integration, set bold shared commitments to tackle climate change, and strengthen local education and learning. Alongside this, we have improved our communication and engagement with residents to ensure our services reflect what they need and want.

- 2.3 This latest version of the organisation’s strategy, agreed by Council in December 2020, reflects the changes in the context and environment that the organisation is operating in. The strategy focusses on a smaller set of priority objectives to set out a clear strategic direction for the Council. It draws on the learning from the response to and recovery from Covid-19 as well as the work and successes of the past two years, all of which have enabled us to continue to provide high quality services at the same time as making efficiencies to ensure the financial sustainability of the Council.
- 2.4 We continue to face financial challenges alongside rising demand for services, a situation that has worsened as a result of Covid-19. Although we have received additional funding from Government, this falls short of what we require to meet the lost income and increased demand that has been brought about by Covid-19. Our focus on a smaller set of priorities will mean we can better align our resources and activity to delivering the outcomes that will make the most difference to the lives of residents, and ensure we are doing this in the most financially sustainable way. Success for the Council should be measured against the impact that we have made and making a positive difference for residents through our activity to deliver on our priority objectives.
- 2.5 The priority objectives in the strategy are based on extensive research and engagement that has taken place with residents, businesses and partners over the summer. This has enabled us to develop a robust evidence base to understand the impact of Covid-19, the challenges and opportunities for residents, and how the future priorities for the Council can be targeted at these. This evidence base includes the findings of a survey carried out with approximately 2,200 Surrey residents looking at behaviours, attitudes and opinions during the period of the pandemic and a comprehensive Community Impact Assessment (CIA).
- 2.6 To help us to continue to deliver the long-term aims for the county, the four priority objectives that form our new focus are:
- **Growing a sustainable economy so everyone can benefit** – support people and businesses across Surrey to grow during the economic recovery and re-prioritise infrastructure plans to adapt to the changing needs and demands of residents;
 - **Tackling health inequality** – Drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents;
 - **Enabling a greener future** – Build on behaviour changes and lessons learnt during lockdown to further progress work to tackle environmental challenges, improve air quality and focus on green energy to make sure we achieve our net zero targets; and
 - **Empowering communities** – Reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while making it easier for everyone to play an active role in decisions that will shape Surrey’s future.
- 2.7 We have reaffirmed our commitment to tackling inequality and ensuring no one is left behind in the county, making this the guiding principle for everything we do. Covid-19 has widened existing inequalities in the county, and we must tackle these so we can deliver the ambitions of the 2030 vision and make Surrey a county where everyone can achieve their

potential. To support this, the refreshed strategy sets four new equality objectives aiming to reduce health and economic inequalities.

- 2.8 As part of the commitment that no-one is left behind, there are a number of ongoing initiatives that are already having a positive impact. The most important of these is the relentless drive to improve outcomes for children and young people in the county which is being achieved through the continuing improvement and transformation journey within Children's Services, and this remains a key priority for the Council.
- 2.9 Transforming our organisation to reform its function, form, focus and culture is key to delivering the priority objectives set out in the strategy. It will enable us to add more value, make greater impact and improve services so they deliver the best possible long-term outcomes for residents. The current challenges of Covid-19 make it even more important that we achieve our ambitions to be an agile, flexible and responsive organisation that utilises innovations in digital and data to transform the way we design and deliver services. We want to improve the customer experience so that residents are more empowered and engaged, and build stronger partnerships with communities, partners and businesses so that we can better deliver on our shared ambitions.
- 2.10 Together these priority objectives and our transformation as an organisation will help us to meet more immediate challenges, enable us to more effectively prioritise our resources and activity and take advantage of opportunities that have emerged through the response to Covid-19.

3. TRANSFORMATION UPDATE

Background

- 3.1 The progress the Council has made in recent years has been underpinned by an ambitious and effective approach to transformation. Since its inception in 2018/19 the Transformation Programme has improved vital services for residents, introduced innovative new service models, built capacity and competency, and made a significant contribution to stabilising the Council's finances. This includes the achievement of £74m of ongoing efficiencies by the end of 2020/21 and containing costs in areas of growing demand, thereby ensuring we can operate within available resources and protect investments in key services.
- 3.2 Any large scale and dynamic change programme must continue to flex and adapt if it is to meet strategic objectives in an ever-changing operating environment. We therefore review and refresh the Transformation Programme annually, ensuring we continue to build on and improve what we do for our residents.
- 3.3 Linked to our commitment that no-one is left behind, there are a range of continuing transformation programmes that are specifically focused on improvements within our Children's and Adults' Services, these are already leading to better outcomes for children & young people, residents and service users. These programmes are complex and take time to deliver with many spanning multiple years, it is imperative we continue to drive delivery of these programmes through to completion as key priorities for the Council. We are committed to delivering long term, sustainable improvements in a range of service areas

including those such as the ongoing statutory improvement journey to modernise our Fire and Rescue and Coronial Services.

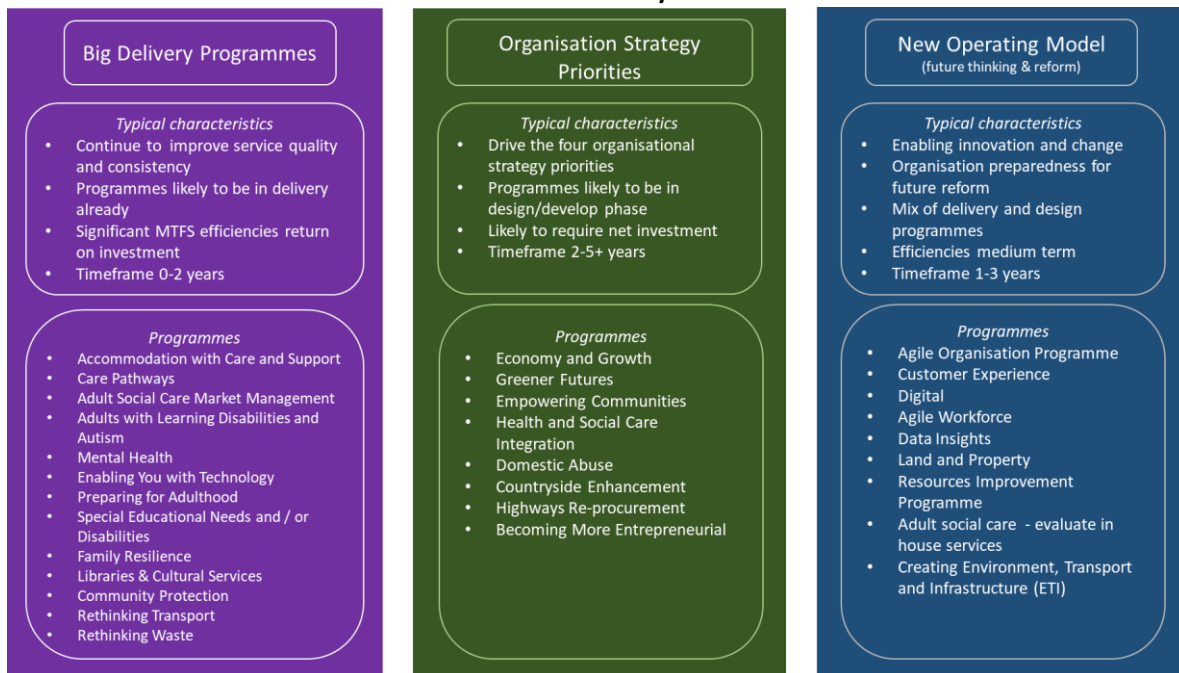
Future Transformation Strategy

- 3.4 As part of the integrated strategic planning process (as set out in sections 1 and 2 above) we reviewed the goals and focus of the Transformation Programme – to both inform our overall strategy for transformation over the medium-term and to refresh the specific content of the proposed programme for 2021/22.
- 3.5 First and foremost, the review confirmed that further significant improvements and transformational change is required over the medium-term in order to deliver the Council’s four priority objectives within available resources. Secondly, the focus of the Transformation Programme will need to continue to evolve over the coming years.
- 3.6 In the near-term and through 2021/22 the Transformation Programme will need to continue to drive key service improvements - raising performance and delivering significant efficiencies - and at the same time accelerate work to deliver the Council’s four priority objectives on health inequality, empowering communities, economic growth and a greener future.
- 3.7 In the medium-term the focus will need to shift towards driving the deeper more fundamental changes and reforms to public services that will be needed to deliver the 2030 vision in collaboration with our communities and partners, while also responding to what will be a challenging financial context. The initial foundations for such reforms and a new operating model for the Council will start to be laid in 2021/22 and will feature increasingly in the Transformation Programme for 2022/23 onwards.
- 3.8 Our strategy for future transformation is a crucial companion to the MTFs and will support delivery of the goals set out in the Council’s Organisation Strategy 2021-26 and the Surrey Health and Wellbeing Strategy.

The Refreshed Programme for 2021/22

- 3.9 Based on the integrated planning work and review of transformation strategy, the Transformation Programme for 2021/22 will focus on three key themes:
- Continuing to implement a range of large-scale delivery programmes to contribute to vital service improvements and financial sustainability;
 - Accelerating key programmes that directly support the Council’s four strategic priorities; and
 - Commencing several initiatives that will start to lay the foundations for future reforms to public services and a new operating model for the Council.

Three themed focus areas for transformation in 2021/22



3.10 The overall programme has been designed to deliver directly on the Council's key strategic ambitions and make a significant contribution to the efficiency and cost avoidance targets in the MTFs. For 2021/22 this includes £14.9m of recurring revenue efficiencies.

3.11 We are planning ahead and have also identified efficiencies through some projects that will be achieved in future years through to 2025/26. Adding these to the £14.9m efficiencies to be achieved in 2021/22 we expect, as a minimum, to deliver a total of £75.3m efficiencies through transformation projects between 2021/22 and 2025/26.

3.12 These identified transformation medium-term efficiencies should be considered the minimum level that will be achieved. A number of Transformation programmes - in particular those that will underpin the shift to a new operating model - will over the next year create proposals for improved productivity and efficiencies that will provide additional contributions from 2022/23 onwards to ensure the Council can deliver on its ambitions within a constrained medium-term funding envelope.

Transformation investment

3.13 To deliver all of the planned programmes and achieve the associated £75.3m recurring efficiencies, a one-off transformation investment requirement of £21.1m has been calculated. This is heavily front-loaded into 2021/22 with £19.5m required in 2021/22. Note that it is expected the investment requirements from 2022/23 onwards will increase as programmes spanning these financial years are progressed.

Table 1 – Investment required in 2021/22 for Transformation Programme

Investment Requirement	£m
Already committed/agreed in previous years	3.1
Requested carry forwards from 2020/21	2.1
New investment bids	14.3
Total	19.5

- 3.14 There is currently £14.8m of transformation funding available in 2021/22, £10m of which is built into the base revenue budget (as agreed in the 2020-25 MTFS), plus a current forecast underspend from 2020/21 of £4.8m. If all programmes were fully funded based on their estimated funding requirements, then a funding gap of £4.7m exists for 2021/22. Based on analysis and careful consideration of the operating context it is proposed that we resolve this by “over-programming” transformation funding for 2021/22 by this amount. This means we will proceed with all the programmes but track progress closely and take actions throughout the year to ensure that transformation is delivered within available funding.
- 3.15 This approach will enable the Council to progress all the priority programmes and create the best possible opportunity to deliver the full range of benefits and efficiencies, while maintaining sensible and prudent financial control. This also provides flexibility during the course of the year, in response to both our own progress and the developing financial context and organisational requirements.
- 3.16 The following key factors underpinned the decision to adopt this flexible approach:
- There is evidence from recent years of underspending against the investment bids and estimations for required transformation funding;
 - The proposed programme includes a number of projects in the earlier design phases when it is more difficult to estimate investment requirements precisely; and
 - The existing £10m per annum revenue provision in the MTFS is a static amount introduced last year to set a marker of what might be available and required in any year, rather than based on a more precise assessment of that coming year’s requirements for transformation.

Ensuring delivery

- 3.17 We will continue to use robust assurance mechanisms, co-ordinated through the Transformation Support Unit in collaboration with Finance, to track delivery of the programme and make any adjustments where required. Transformation governance arrangements are in place to oversee this including a Member Transformation Assurance Board (Chaired by the Leader of the Council) that meets monthly to help shape and review the overall portfolio of change, along with Select Committees continuing to inform and scrutinise programmes within their respective remits.

4. SERVICE STRATEGIES 2021-2026

- 4.1 Services are at the heart of Surrey’s Organisation Strategy and Transformation Plan. Strategies for each of the main Directorates and Service areas are summarised below, setting out their approach to delivering the best outcomes for residents whilst living within their budget envelopes.

ADULT SOCIAL CARE

- 4.2 Adult Social Care's (ASC) vision is ***"To promote people's independence and wellbeing, through personalised care and support that focuses upon their strengths, the outcomes they want to achieve and enables choice and control"***.
- 4.3 ASC provides advice and information, assessment, care and support services for people aged 18+ with Physical and Sensory Disabilities, Learning Disabilities and Autism, Mental Health needs and for frail Older People. ASC operates in a challenging environment with reductions in Government funding; an ageing population and growing numbers of young people moving into adulthood who need services; an increasingly fragile care market; and radical changes in national policy. Covid-19 has added another level of complexity, with ASC playing a crucial role in SCC's response to save lives, protect the National Health Service (NHS), ensure our residents are protected wherever possible and continue to deliver essential services.
- 4.4 ASC's 2021-26 MTFS seeks to build on and further progress the ambitious transformation programme that the service originally embarked upon in 2018. At its heart is the implementation of a new 'strength-based' framework that focuses on people's strengths to promote their independence. This has already enabled SCC to manage demand for ASC more efficiently and effectively and make a substantial contribution towards putting SCC in a more financially sustainable position.
- 4.5 The implementation of ASC's Transformation Programme has already delivered significant financial benefits. As a result of the actions taken by ASC's leadership team to control expenditure and begin to implement transformation plans, by 2019/20 net expenditure had only increased to £362.5m from the £359.4m spent in 2017/18. This was £48.9m less than the provisional (but unaffordable) budget for 2019/20 proposed in the 2018-21 MTFS. The 2020/21 budget planned for net expenditure of £372.1m. Excluding additional Covid-19 costs, the current outlook is that an underspend will be delivered in 2020/21. The number of people funded by ASC, particularly Older People, has sadly reduced due to Covid-19, but beyond this another year in which total net expenditure is likely to increase by 2% or less is evidence of the continued success of the actions ASC has put in place to effectively manage expenditure through transforming service delivery.
- 4.6 Based on SCC's current expected funding, ASC, like most services, has been asked to develop a financial strategy that holds expenditure in 2021/22 as close to ASC's current 2020/21 budget of £372.1m as possible. This is a very significant challenge in the context of the pressures ASC faces. Total pressures are budgeted at £16.9m in 2021/22, £98.1m for the whole 2021-26 MTFS period. The majority of the pressures relate to care package expenditure, which is not surprising given that almost 90% of ASC's gross expenditure relates to supporting people and their carers. The biggest pressures are care package price inflation (budgeted at £11.1m in 2021/22, £55.5m for 2021-26), and care package demand (budgeted at £7.3m in 2021/22, £32.9m for 2021-26).
- 4.7 ASC plans to deliver an ambitious programme of efficiencies in order to mitigate these pressures. These efficiencies take into account that Surrey remains a high spender on ASC per head of population compared to comparator authorities. £11.9m of efficiencies are budgeted

in 2021/22 and £31.3m over the whole 2021-26 MTFS period. More will be needed in the medium-term in particular.

- 4.8 The majority of ASC's efficiencies (£8.7m in 2021/22 and £28.2m over the whole 2021-26 MTFS period) are expected to be achieved through delivery of ASC's Transformation Programmes. These programmes focus on:
- **Transforming the care pathway**, including implementing a new discharge to assess model across all Surrey hospitals;
 - Developing new care settings in the community to enable a shift away from residential care through the **Accommodation with Care and Support** programme;
 - Changing models of care to focus on promoting independence through the **Learning Disabilities and Autism** programme;
 - Improving **market management**, including creating a central brokerage function and commissioning new frameworks for home-based care, Older People nursing & residential care and Learning Disabilities and Autism independent living;
 - Comprehensively **reviewing all care services delivered in-house by ASC** to determine the best way of delivering these services in the future;
 - Re-shaping service delivery and reviewing organisational structures through the **Mental Health Transformation** programme; and
 - Implementing a comprehensive new **Technology Enabled Care services** offer, which will be an essential enabler to the delivery of all of the above programmes and their efficiencies.
- 4.9 There are £3.2m of further efficiencies proposed in 2021/22 for resolution of Continuing Health Care disputes and the implementation of a new strategy for people with Physical or Sensory Disabilities that do not directly relate to ASC's Transformation Programmes.
- 4.10 Delivery of ASC's Transformation Programme is likely to involve SCC committing significant capital resources, both in terms of use of SCC owned land, that could potentially otherwise be sold or used for alternative purposes, and direct capital expenditure. Proposals for pipeline capital expenditure of c£83m for developing new affordable Extra Care provision for Older People and c£48m for developing new Independent Living provision for people with Learning Disabilities or Autism are being developed and have been included in the final MTFS. This represents the initial estimated capital investment that SCC may be required to contribute towards the development of 725 new affordable units of Extra Care and 500 units of independent living (noting that SCC will not lead on the funding and development of all these units). The pipeline funding will be drawn upon as required based on decisions made by Cabinet about proposed schemes on different sites. There will also be a need for continued capital investment in the care homes operated in-house by ASC and consideration of the long-term future of these sites which could have significant capital implications.
- 4.11 It is recognised that changes will not necessarily be welcomed, initially at least, by all. Some of ASC's important stakeholders including service users, care providers and NHS partners may challenge aspects of ASC's planned transformational changes. It will be important to remain cognisant of these challenges and respond to them in a considered manner. There is no question though that significant change does need to take place if spending on ASC is to be kept within what SCC can afford.

4.12 ASC's budgeted pressures and efficiencies mean that £5m more is planned to be spent in 2021/22 than the 2020/21 budget and the current budget proposals for the years beyond that to 2025/26 would currently require increased expenditure of £66.8m up to that point. ASC will seek to deliver an underspend above the current forecast in 2020/21 if at all possible and will also continue to review whether the current level of efficiencies budgeted in the years beyond 2021/22 could be extended. However, it is important to be clear that it will not be possible to offset all pricing and demand pressures indefinitely in the medium-term without potentially more serious societal impacts, or risk of being in breach of our statutory obligations. To avoid those negative impacts Surrey, like all local authorities, is reliant on the Government to safeguard social care in the long term by finally implementing the fundamental changes and investment to the social care system in England that have been promised for so long. Successive governments have repeatedly promised a Green Paper on ASC reform, but it is currently unclear when this will be brought forward.

PUBLIC HEALTH

4.13 SCC's Public Health (PH) service improves and protects the health and wellbeing of people living and working in Surrey. It achieves this by:

- Providing expert PH information and advice to ensure SCC's decision making is evidence based and cognisant of all relevant PH implications;
- Supporting people to make positive changes to improve their health and wellbeing throughout their life; and
- Protecting Surrey residents from communicable diseases and environmental hazards.

4.14 The PH service commissions a range of services centred on key PH priorities including:

- Healthy lifestyle services including stop smoking, weight management and mental health;
- 0-19 services including health visitors and school nurses;
- Substance misuse services relating to drugs and alcohol; and
- Sexual health services including contraception and genitourinary medicine (GUM).
- NHS health checks.

4.15 PH's priority focus in 2020 has of course been on supporting the containment and management of the Covid-19 pandemic. The PH service has mobilised its resources and expertise to ensure that accurate and up-to-date information about infection rates across the county along with intelligence on the wider impact of the pandemic is provided for decision makers, and has worked closely with SCC's Corporate Leadership Team (CLT) and Surrey's Local Resilience Forum (LRF) to advise on how the virus can be most effectively managed for staff, residents and the delivery of essential services. As part of this, SCC's PH service is leading on the deployment of the £3.4m of Test and Trace funding that Surrey has received, as well as the deployment of Contain Outbreak Management Fund (COMF) monies in consultation with partners, which is related to national lockdown in November 2020 and subsequent tier system introduced by Government. At the same time, the PH service continues to provide responses seven-days-a-week to local health protection queries and notifications of outbreaks from across the system whilst also ensuring the delivery of the majority of its core functions and commissioned services that are an integral part of the delivery of the local health and wellbeing strategy. These, it could be argued, are more important than ever, to maintain and improve people's health and wellbeing during these very

challenging times. The PH service is reviewing its priorities for 2021/22 and beyond in light of Covid-19.

- 4.16 Since transferring to SCC from the NHS in 2013/14, Surrey's PH service has had to operate in a very challenging financial environment. There have been three main financial challenges:
- Firstly, Surrey's PH funding is very low. Surrey's 2020/21 PH grant equated to £31.45 per head of population (the second lowest per head allocation in the country) compared to an England average of £57.82 per head;
 - Secondly, the Government has implemented a series of cuts to PH grant funding in recent years. When grant funding in 2013/14 is rebased to take account of additional responsibilities that have transferred to local authorities since the initial commissioning transfer, even when this year's increased funding is taken into account, Surrey's PH grant in 2020/21 is still 3% (£1.2m) lower than it was in 2013/14; and
 - Thirdly, like all Council provided services, Surrey's PH service has been impacted by the reductions to broader Central Government funding that SCC has suffered in recent years. An increasing proportion of the PH grant has been allocated to services delivered or commissioned by other parts of SCC that contribute to meeting PH outcomes. Currently £5.4m of Surrey's PH grant is budgeted to fund PH services delivered by other parts of SCC. This has required the PH service to make reductions to the services it directly commissions.
- 4.17 The combination of the above factors has meant Surrey's PH service has had to significantly reduce expenditure on the services it directly commissions in recent years. Between 2013/14 and 2019/20 expenditure on services directly commissioned by Surrey's PH service reduced by £9m (23%), when additional responsibilities that have transferred to PH in recent years are taken into account.
- 4.18 Surrey's PH grant was increased in 2020/21 by £2.4m. All local authorities have received increased funding in 2020/21, but the scale of increase has varied between authorities. Surrey was one of fourteen authorities to receive the highest 6.8% increase in PH grant funding from the Department of Health and Social Care (DHSC). It is assumed that this is in part in response to the representations that SCC has repeatedly made to Government in recent years about Surrey's very low level of PH funding.
- 4.19 PH were required to use £0.8m of the £2.4m increased 2020/21 funding to cover the cost of the Agenda for Change NHS pay award for contracted services where this applies. In light of the reductions in expenditure on PH directly commissioned services that have been necessitated by SCC's financial position, and the importance of PH services in the context of the Covid-19 pandemic, Cabinet has agreed that the full £1.6m remaining grant increase for 2020/21 should be allocated to the PH service for investment in additional PH service provision. A significant proportion of this increase is planned to be used to expand the provision of mental health and substance misuses services, which were already under pressure in Surrey prior to Covid-19 and have seen demand increase considerably in recent months.
- 4.20 PH's 2020/21 budget envelope has been increased by the £2.4m grant increase to £32.6m. No further changes to SCC's PH grant funding or the PH service's expenditure are budgeted. It is expected that the PH grant will remain ringfenced in 2021/22, but based on the Government's current proposals it would become un-ringfenced in 2022/23; our assumption of when the Government will introduce a new funding model nationwide. In light of the recognised importance of PH service provision, Cabinet has approved a carry forward from SCC's General

Fund to sustain increased investment in the additional services to be commissioned by Surrey's PH service until at least 2022/23. This will mean the PH service will have a stable budget for the next two years and will avoid a situation whereby service provision is increased in 2021/22, but is then potentially subject to reductions the year after.

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

CHILDREN, FAMILIES, LIFELONG LEARNING & CULTURE (CFLC)

- 4.22 Our purpose is to ensure that Surrey's children and families get the help and support they need at the right time, enabling children and young people to be safe and feel safe, healthy, have great education, skills and employment opportunities and make good choices about their wellbeing. Our ambition is that children and young people can live, learn and grow up locally. The directorate aims to work with all our multi-agency partners and in true partnership with children and families to provide them with access to a range of services that tackle inequalities in outcomes, support independence and enhance their lives.

- 4.23 The global Covid-19 pandemic has seen the communities that we live and work in change overnight and has required us to be resilient and adaptable in our approaches to working with people and the services that we provide.

- 4.24 We have seven strategic priorities alongside our ongoing, business as usual, responsibilities within the Directorate. These seven are:

- Response to the Covid-19 Pandemic;
- Starting well: first 1000 days;
- Children's Services Improvement;
- Special Educational Needs and Disabilities transformation for children with additional needs;
- Emotional Health and Wellbeing;
- Libraries and Cultural Services transformation; and
- Enabling our people, utilising our technology and embedding equality and diversity for all.

4.25 Special Education Needs and/or Disabilities Transformation

- In March 2019, Ofsted and the Care Quality Commission carried out a joint review of Surrey's progress in addressing weaknesses that were highlighted in a previous inspection of services for children with special educational needs and disabilities in 2016;
- The inspectors judged that the local area had made sufficient progress in four out of five areas of weakness, but that there was more to do. The partnership of SCC, Clinical Commissioning Groups (CCGs), educational settings and alternatives to education provision are working together with families, to transform services for children needing support, to help them reach their potential and lead more independent lives;

- The financial demands on the High Needs Block (HNB), which funds the majority of revenue aspects for Special Educational Needs and Disabilities, have continued to increase resulting in a forecast £32m overspend in 2020/21. In order to mitigate the risk associated with the HNB deficit, the Council is contributing £32m to an offsetting reserve out of its own resources. This represents an £8m additional contribution to the £24m budgeted in 2020/21. The £24m contribution was assumed to continue at the same level in the Draft Budget to Cabinet in November 2020. The ambition of the Transformation Programme is to bring this annual contribution down to a neutral position, before beginning to pay back the deficit. There remains some way to go to achieve this position. For 2021/22 there are £20m of efficiencies associated with the programme to maintain the current budgeted overspend position of £24m. The budget includes provision to increase the contribution by a further £9m, if necessary, to mitigate risks associated with delivering these efficiencies.
- As part of the Special Educational Needs and Disabilities transformation plan, on 29 September 2020, Cabinet approved the latest Capital Programme to develop local provision in order to meet demand. This includes an additional 213 places for the academic year 2021/22 providing more specialist school places in Surrey mainstream and special schools – so that children with additional needs could be placed closer to home;

4.26 Looked After Children

- The impact of Covid-19 has created additional pressure within Corporate Parenting and Family Resilience in responding to the level of referrals and providing the right support for Looked After Children. Managing the one-off pressure from increased Covid-19 referrals and the underlying growth in the numbers of children in our care we have seen over the past few years is being undertaken through a number of areas;
 - Using the Capital Programme to increase internal provision which is more cost effective than external providers; and
 - Transformation Programme helping to fund a number of areas such as No-Wrong Door, Mockingbird and the Family Safeguarding model. All of these will assist with both managing decisions around referrals about children and families into the system and ensuring resources are applied effectively

4.27 Integrated Commissioning

- Changes continue to be made to Integrated Children’s Commissioning that will strengthen the way we integrate, deliver and continue to develop our Integrated Care System (ICS) to improve outcomes for our residents. It aims to drive forward and support agile decision making and effective use of resources, with a key focus on self-care, prevention, early intervention and building resilience.
- The Emotional Wellbeing and Mental Health (EWMH) contract re-procurement is progressing to be implemented in April 2021 and will represent the first major piece of work undertaken as part of these new integrated commissioning arrangements. The budget includes additional investment of £3m representing SCC’s share of growth in the EWMH contract agreed in conjunction with Health.

4.28 CFLC continues to see significant cost pressures within placements for both Education (for children with additional needs) and Social Care (for children in our care). In both areas this is driven by a growth in demand and to a lesser extent increased unit costs. Expanding internal provision within the Council is part of the strategy for both Special Educational Needs and Disabilities and for children in our care. In-house placements are more cost effective whilst also enabling the Council to have greater contact and engagement with the Children. This approach is reflected in both the Special Educational Needs and Disabilities and Looked After Children Capital Programmes.

ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

4.29 Environment, Transport & Infrastructure (ETI) includes Highways & Transport, Environment, and Infrastructure Planning & Major Projects. ETI aims to **shape places, improve the environment** and reach **sustainability and climate change targets**. **Building resilience** in the Surrey community through provision of **transport and digital connectivity**, infrastructure, and services in a **flexible** way that puts our **customers first** and provides **excellent value** for taxpayer money. ETI aims to embrace **effective and genuine partnership working** with **residents, peers, and business to deliver outcomes**.

4.30 ETI's core purpose is:

- 1) Intelligence led strategic planning to deliver on a place of the future for the people of Surrey;
- 2) Delivering on Surrey's sustainability and climate ambitions, providing leadership to accelerate targets where possible and grow the green economy;
- 3) Improve the natural environment within Surrey and maximise the value of this resource to support health and economic outcomes;
- 4) Provide a seamless, safe, accessible transport network that promotes active travel;
- 5) Design and deliver innovative and future proofed transport networks;
- 6) Achieve financial sustainability and maximise opportunities to secure funding for partnerships and communities;
- 7) Support the provision of low impact and sustainable housing, commercial infrastructure, digital connectivity and community projects to build resilience and promote prosperity; and
- 8) Make it easy for residents and business to minimise resource usage and waste; and foster the circular economy.

4.31 ETI's five-year financial strategy reflects a number of factors including:

- delivering on the Organisational Strategy, in particular enabling a Greener Future as well as climate change (as per the Surrey Climate Change Strategy);
- responding to other priorities including a visitor-facing countryside service, major capital infrastructure delivery and placeshaping (as per the Surrey Place Ambition); as well as new legislation such as the Government's National Waste Strategy and the Environment Bill;
- Covid-19 is also impacting on services with new ways of working, travelling, and new expectations as a result of changing behaviour arising from lockdown. Impacts

include pressure on the bus industry, and increased waste volumes which are expected to continue into the medium term; and

- a significant proportion of the ETI revenue budget is linked to ongoing contracts, including highway maintenance, transport and waste management. The proposed financial strategy also therefore reflects inflationary increases to costs where necessary, as well as recent increases to waste management costs.

4.32 This has inevitably led to growth, which the Directorate continues to review and challenge. In addition, opportunities for efficiencies are being actively pursued, including energy savings arising from street lighting LED conversion, other highways efficiencies, additional opportunities for cost recovery and income, opportunities for better joint working with districts and boroughs on waste, and opportunities to reduce waste disposal costs.

4.33 The proposed ETI Capital Programme supports these objectives through continued investment in infrastructure, as set out in section 6. The Capital Budget totals £592.8m over the MTFS period and includes investment in highway maintenance (roads, bridges, etc), flood alleviation including the River Thames Scheme, ongoing conversion of streetlights to LED, the A320 North of Woking Housing Infrastructure Fund scheme, and public rights of way. The Capital Pipeline (comprised of schemes under development and subject to full business case approval) totals £424.2m over the period and includes major transport infrastructure improvements such as at Farnham and the A22, Local Enterprise Partnership schemes, cycling and walking improvements, and investment in energy efficiency and low carbon measures such as solar power and low emission vehicles.

COMMUNITY PROTECTION GROUP

4.34 Community Protection Group includes Surrey Fire & Rescue Service, Trading Standards, Emergency Management, Coroners, Health & Safety, Military Covenant and Resilience. At its core, the Group is positioned to work together to deliver against the Council's Organisation Strategy 2021-26 and the 2030 Community Vision.

4.35 Partnership working is key to the success of the group, starting within SCC with Adults and Children's services, to help prioritise support to our most vulnerable residents. External partnerships with the District and Borough Councils will also be key around protecting people, places and premises, and enabling closer working with businesses to support the Surrey economy.

4.36 The Group's MTFS reflects:

- a cost review of the Coroners service, highlighting historic issues which need to be addressed. An external review of the service is under way, which amongst other things will confirm the preferred service model, which will result in budget growth;
- inflation, against pay and other costs; and
- the full year effect of the changes introduced in 2019/20 as part of Making Surrey Safer – Our Plan 2020-2023, which was approved by the Council in September 2019 following extensive consultation, and which sets out how we will deliver our prevention, protection and response activities and find better ways of working with partners, residents and businesses. The plan allows for a stronger focus on prevention and protection activities to meet the risk profile of Surrey, while

continuing to provide a strong, effective, and more efficient response to incidents. The plan is supported by investment in Fire vehicles and equipment.

- 4.37 Through the current Transformation Programme and the improved coordination of services within the Community Protection Group we will be in a perfect position to improve:
- the safety of vulnerable adults and children in their homes and neighbourhoods;
 - information and assistance available to the public around protecting themselves from risk, such as fire and rogue traders, and also enabling residents to be more resilient in order to help themselves and others in their communities; and
 - working with businesses around enabling greater understanding of risk, such as Health & Safety, and the impact that incidents and accidents can have on their operation.

RESOURCES

- 4.38 The Resources Directorate provides vital support services to the organisation. As the Council continues to drive forward its ambitious Transformation Programme to improve the services we provide to residents and its commitment to the 2030 vision, the Directorate is focused on ensuring that corporate support and enabling services are of the highest calibre. The 2021/22 budget for the Resources Directorate delivers net efficiencies of £0.8m, reducing the Directorate's budget requirement and enabling a redistribution of funding to other areas.
- 4.39 Covid-19 has shown how teams are responsive, adaptable and collaborative in tackling extreme challenges. In addition, the Orbis landscape is evolving, with a rebalancing of the twin priorities of efficiency through integration, and responsiveness to sovereign change requirements. The Directorate want to build on this, to provide the Council with a more joined up approach to support from back office functions, generating opportunities to realise better resident experience and efficiency through digital innovation.
- 4.40 Contributing to a Directorate improvement programme; a Team Charter has been developed which sets out the ambitions of the Directorate to be known for its consistent delivery of high quality, trusted advice and service and as a key enabler supporting the Council to achieve the best outcomes for local residents.
- 4.41 Our promise is that we will always be:
- **Solution oriented**, enabling Services to find and deliver what is best for Surrey;
 - **Proactive**, engaged in conversations from the outset and anticipating requirements wherever we can;
 - **Insightful**, relentlessly seeking to learn and apply best practice, matched to a sound understanding of the business;
 - **Focussed on user experience**, whether this requires strategic advice or resolution of an operational issue; and
 - **Highly efficient and effective** at providing all the functions we are responsible for.
- 4.42 Through this improvement programme the Directorate are looking to provide efficient services without reducing the service offer. Initially the programme will focus on quality of service delivery then in future years the emphasis will shift to home in on realising efficiencies, in conjunction with the implementation of the new ERP solution (Unit4 Business World) and the Agile Office Estate Strategy. This reflects the fact that whilst with new technology there

will be opportunities for efficiency, a bigger impact can be made by high quality services supporting the wider organisational Transformation Programme.

- 4.43 Covid-19 continues to impact on the services within the Directorate with pressures emerging relating to ongoing enhanced cleaning requirements within Council owned buildings, legal costs for increased Children's safeguarding demand and anticipated expected sustained loss of income from school meals, as a result of parental choice and changing school environments due to social distancing compliance. In addition, there are new expectations on the IT&D team as a result of changing behaviours arising from new ways of working experienced during lockdown.
- 4.44 In financial terms, the ambition is to stabilise the Directorate and ensure the sustainability and quality of service delivery. Despite this, efficiencies have been identified to more than offset emerging pressures. In the medium term the focus on realising efficiencies will be in conjunction with:
- the implementation of the new Unit4 ERP solution to help drive more streamlined and automated processes;
 - the Agile Office Estate Strategy realising efficiencies in the management of the Council's office estate;
 - a renewed focus for estate rationalisation to reduce revenue costs and increased impetus on using our asset base to generate sustained income;
 - driving a programme of digital transformation, improving data insight and enabling behavioural & process change; and
 - changes in culture and working practices, through adopting a Business Partnering Approach, to ensure that we work effectively across the organisation as trusted and insightful partners, enabling more efficient delivery of services while optimising our impact and generating better working relationships and outcomes within the services we support.

TRANSFORMATION, PARTNERSHIPS AND PROSPERITY (TPP)

- 4.45 The services of the Transformation, Partnership & Prosperity (TPP) Directorate are not currently consolidated within one Directorate; being distributed across several Directorates as part of an interim Leadership Structure. For budget planning purposes, these services are being treated as being consolidated and working to the TPP Directorate budget envelope.
- 4.46 These services provide resources, activities and expertise that are vital to drive forward, enable and support the Council to achieve the 2030 vision, the refreshed Organisation Strategy and financial objectives.
- 4.47 The critical contributions of the services within TPP have been especially highlighted by Covid-19 and will continue to have a crucial role over the coming year. Customer Services are supporting residents dealing with Covid-19 and vaccine enquiries, supporting vulnerable residents with guidance, advice and access to services and complementing the national contact tracing effort; the Insights, Analytics & Intelligence team are provided data and intelligence on the impact Covid-19 is having in our communities; Communications provide timely, accurate and reassuring messages and information across the county from an acknowledged authoritative and trustworthy source; HR&OD are supporting employees and

teams through the most challenging of times and Economic Development are working to support businesses and the Surrey economy, both in the short term and in setting out strategic goals, based on high quality research and evidence.

- 4.48 There is a need to further invest in these areas to deliver on the Council's recently confirmed ambitions, specifically;
- Economic recovery and growth, drawing on the findings of the Surrey Future Economy Commission and research by the University of Surrey. The budget includes £0.3m of additional investment in Economic Growth; and
 - Embedding and supporting community-focussed approaches into the way we work, (including Local Community Networks and Your Surrey Fund), our organisational culture and the services we provide.
- 4.49 Building on the strong partnership already in place with Community Foundation for Surrey (CFS) and the established precedent of creating match-funding arrangements with them to maximise value and impact for residents, it is proposed to transfer £0.5m of Covid-19 funds, granted by the Government to the County Council, to CFS. This funding will be used to enable voluntary and community groups to support our residents and communities to cope and recover from Covid-19 during 2021/22, ensuring that no one is left behind. In addition, it will be used to support initial start-up costs for new projects that have been brought forward through Your Fund Surrey and support the Council's four key strategic priorities. Grants will be matched 50:50 by CFS.
- 4.50 Financial efficiencies are being realised as Customer Services continue to extend the front-line customer service offer and implement digital enablers to support customers to successfully self-serve, reducing volumes and costs and enabling resources to be focused on priority areas.
- 4.51 In addition, financial efficiencies across the organisation are driven through the ambitious and forward-looking Transformation Programme, making a significant contribution to achieving the financial sustainability required, so that the Council can deliver priorities, resulting in better outcomes for Surrey residents.

5. FINANCIAL STRATEGY AND FINAL BUDGET 2021/22

Context

- 5.1 This section outlines our approach to setting the budget and MTFs, adopting best practice to drive improvements in process and outcomes. We commenced this journey last financial year having made a number of changes to ensure that we were completely aligned with characteristics of a 'good' budget. A refreshed self-assessment against these characteristics demonstrates that we have moved forward at pace and continue that work into 2021/22. The hallmarks of a good budget translate into the principles we adopt for our budget setting process. We also set out the second phase of the Finance Improvement Programme which strengthens our approach to financial decision making and budget accountability.
- 5.2 The outcome of the budget process for 2021/22 is outlined in the Revenue Budget Headlines section, below, supported by Annexes A and B which set out pressures and efficiencies for each Directorate and a detailed revenue budget. We conclude the section by reviewing our

approach to securing the financial resilience of the Council and our compliance with latest best practice in financial management.

Hallmarks of a Good Budget and Principles for Budget Setting

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

Table 2 – Self-assessment against the Hallmarks of building the Budget

Hallmark	Self-Assessment
<p>The budget has a medium-term focus which supports the Strategic Plan</p>	<ul style="list-style-type: none"> • The budget process has been coordinated across Directorate Leadership Teams, Strategy, Transformation and Finance; the integrated approach ensures that the budget is focussed on delivering Corporate priorities • Despite significant uncertainty in the financial planning environment and the unprecedented impact of Covid-19, our approach continues to focus on a five-year-medium term budget which bears the hallmarks of sustainability and avoids short-term measures or depletion of reserves
<p>Resources are focused on our vision and our priority outcomes</p>	<ul style="list-style-type: none"> • The budget is based on clear integration with the Organisation Strategy, the Transformation Programme and corporate priorities; developed in partnership across the organisation • The budget has been subject to numerous iterations through Cabinet and Corporate Leadership Team over the last nine months to balance the budget and clarify assumptions • The budget is based on the comprehensive application of a recognised framework (PESTLE – see para 5.12) to review the likely environment for budget setting and service delivery • The assessment led to the development of Core Planning Assumptions to provide a consistent framework for planning
<p>Budget not driven by short-term fixes and maintains financial stability</p>	<ul style="list-style-type: none"> • An integrated approach to transformation with a focus on efficiencies required over the medium term ensures that we are taking action now to secure a sustainable budget over the medium-term • Business cases are built around corporate priorities; focussing on benefits realisation and deliverability across transformation, invest to save and capital

	<ul style="list-style-type: none"> We aim to continue to build general fund reserves to meet general risks and specific pressures to ensure that our resilience as an organisation grows despite an increasingly volatile and uncertain external environment
The budget is transparent and well scrutinised	<ul style="list-style-type: none"> Workshops were held with Select Committees early in the budget process to set out the approach, covering the Core Planning Assumptions, the approach by services and funding projections. These continue throughout the budget setting process
The budget is integrated with the Capital Programme	<ul style="list-style-type: none"> Section 6 sets out the Capital Programme The Programme is developed alongside the revenue budget by Capital Programme Panel. We will continue to clearly demonstrate delivery of corporate and service priorities and set out the impact and linkages with the revenue budget The full borrowing costs of proposed Capital Programme are reflected in the revenue budget The full lifecycle costs of new investment are assessed to establish the long-term financial impact
The budget demonstrates how the Council has listened to consultation with local, people, staff and partners	<ul style="list-style-type: none"> Section 10 sets out our approach to consultation, in summary; We have engaged with residents over the summer to understand the impact of Covid-19 and their future priorities for the Council During November and December 2020, we engaged further with residents, businesses, districts and boroughs, other public service partners and the voluntary, community and faith sector to understand their views about the draft budget and whether we were prioritising our resources in the right places

Principles

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

5.5 The principles are:

- An integrated approach linking Organisation Strategy, Service and Transformation Programmes to the MTFS through cross-cutting business partnership;
- A balanced revenue budget with only targeted use of reserves and balances;
- Regular review of reserves to ensure appropriate coverage for emerging risk;
- Budget envelopes set for each Directorate to deliver services within available resources;
- Cost and demand pressures contained within budget envelopes;
- Robust efficiency plans which are owned, tracked and monitored;

- Managers accountable for their budgets;
- Scenario planning across pessimistic, optimistic and likely assumptions to set realistic boundaries on the likely operating environment; and
- Working with partners to create best value for residents.

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

- Developing and iterating five-year plans, integrated with transformation and capital investment across the Council;
- Continuing to adopt a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Directorate budget envelopes;
- Envelopes validated annually based on realistic assumptions;
- Evidence bases used to underpin all efficiency proposals;
- Assurance that all efficiencies, pressures and growth are managed within budget envelopes to deliver accountability for implementation;
- Pay and contract inflation allocated to Directorates to be managed within budget envelopes;
- A corporate transformation fund held centrally;
- Corporate risk provision/contingencies held centrally; and
- A corporate redundancy provision held centrally.

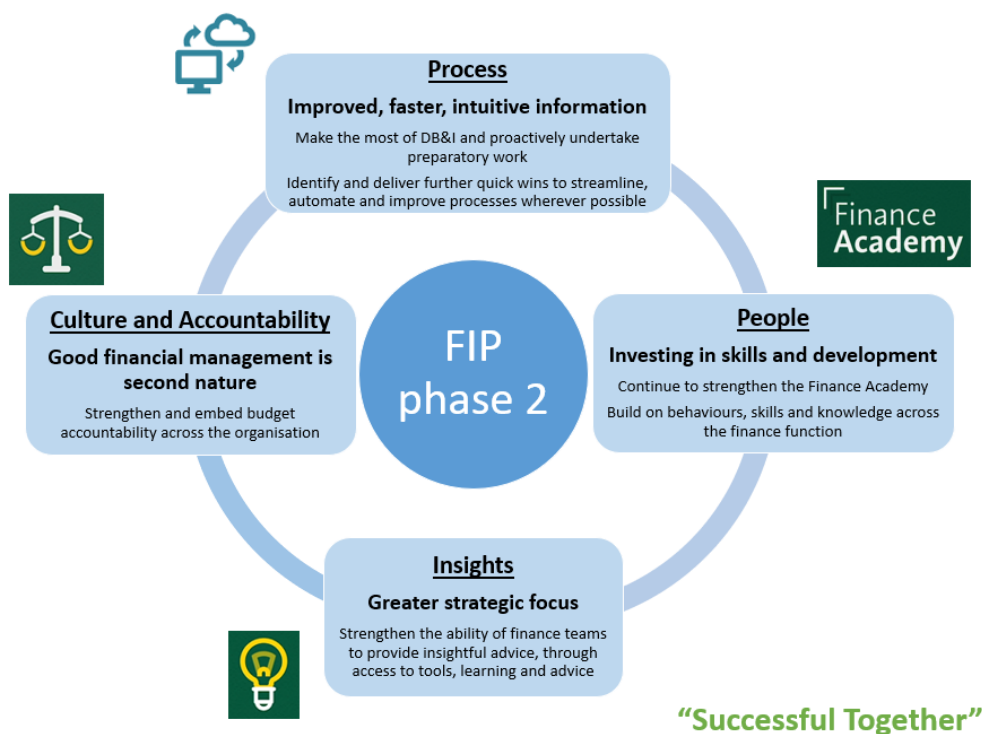
Finance Improvement Programme

5.7 On the 23 June 2020, Cabinet considered a report formally closing down the Council's Finance Improvement Programme. A chapter that began with CIPFA's report on the Council's finances in 2018 was drawn to an end.

5.8 Recognition that the formal requirement for improvement had been successfully addressed does not deter from the need to reject complacency and aim for continual and further improvement across all aspects of Finance and financial management. To that end, the second phase of the Finance Improvement Plan (FIP2) was launched in August 2020.

5.9 The graphic below sets out the four key areas of improvement which comprise FIP2. In the round, they set out a plan to: improve culture and financial accountability; provide greater strategic focus; improved, faster and more intuitive information; and to invest in the skills and development of Members and Officers charged with developing, delivering and managing the Council's budget, as well as within Finance.

5.10 These workstreams are delivered across all parts of Finance and rely on maintaining and developing close working relationships and a partnership approach across the organisation. The planned improvements will help to ensure that the budget process and financial decisions continue to be driven by accurate and timely information and insightful advice.



Revenue Budget Headlines

- 5.11 The 2021/22 Revenue budget is balanced. Development of the budget for 2021/22 was built around a set of Core Planning Assumptions which looked at pessimistic, optimistic and likely financial scenarios to set realistic limits on the range of potential outcomes.
- 5.12 The potential scenarios for service delivery and budget planning were modelled using the well-established ‘PESTLE+’ framework to build an expectation of future conditions by reference to the following factors:
- Political;
 - Economic;
 - Social;
 - Technological;
 - Legislative;
 - Environmental and Climate; plus
 - Health
- 5.13 An assessment of likely outcomes against each of the scenarios of this framework was used to develop the Core Planning Assumptions, against which the service strategies and the draft budget were developed. The 5-year MTFS is the result of costing the most likely scenario resulting from this framework.
- 5.14 Throughout the planning process, we have followed the budget envelope principle where Directorates are challenged with producing a budget that matches available funding. This entailed Directorates identifying efficiencies to offset pressures from demographic growth, inflation and new responsibilities.

5.15 The main changes from 2020/21 are:

- **An increased budget of £35.2m:**
- Total pressures of **£76.5m**, comprising:
 - Pay pressures of **£5.9m**;
 - Inflation of **£16.0m**;
 - Demand and other pressures of **£54.6m**; and
- Efficiencies of **£41.2m**

5.16 In setting the budget; pay, contract and price inflation has been calculated by Directorates, informed by Corporate assumptions. **These total £21.9m**. Pay inflation awarded to those earning £29,000 or less has been calculated and allocated to Directorates, in addition to other pay and recruitment pressures. Contract and price inflation have been set based on a blended assumption of RRI and CPI of 1.5%, with variations for specific contracts where appropriate. Inflation has been included in Directorate envelopes.

5.17 Directorate Pressures cover core pressures (inflation and demand), Covid-19 pressures and new investment in corporate priority areas. **These are summarised in the table, below, and total £54.6m**

Table 3 – Directorate Pressures by Category

Directorate	Core £m	CV-19 £m	New Investment in Priorities £m	Total Pressures £m
Adult Social Care	2.4	0.0	0.0	2.4
Public Health	0.0	0.0	0.0	0.0
Children, Families, Lifelong Learning and Culture	8.6	10.8	3.0	22.3
Environment, Transport and Infrastructure	2.5	2.5	0.9	5.9
Community Protection	1.0	0.0	0.0	1.0
Resources	1.1	1.1	0.1	2.3
TPP Services	0.1	0.6	0.5	1.2
Total Directorates	15.6	15.1	4.5	35.0
Central Income and Expenditure	14.7	4.9	0.0	19.6
Total Net Expenditure	30.3	20.0	4.5	54.6

5.18 The pressures in Central Income and Expenditure includes additional amounts for:

- £9.0m provision to increase the contribution to the High Needs Block Reserve to mitigate risks in delivering cost containment in CFLC; and
- £4.9m to mitigate potential Covid-19 pressures in excess of those included in Directorate envelopes

5.19 The efficiency programme totals **£41.2m**, similar in scale to the £38m target for 2020/21's budget. The efficiencies are set out in more detail in Annex A. The impact of efficiencies is factored into the Equality Impact Assessment, set out in section 11.

Revenue Budget Envelopes

5.20 The revenue budget envelopes for Directorates, Central Income and Expenditure and Funding are summarised in the table below. Overall, net expenditure has grown by £35.2m (3.6%):

- Pressures and Efficiencies are set out in further detail in **Annex A**.
- A breakdown of the 2021/22 budget by Directorates and Services can be found in **Annex B**.

Table 4 – Revenue Budget Envelopes

Directorate	Budget 2020/21 £m	Vire- ments and					Effic- iencies £m	Total Movement £m	Budget 2021/22 £m
		Funding Changes £m	Pay Pressures £m	Contract Inflation £m	Pressures £m				
Adult Social Care	372.1	0.0	3.4	11.1	2.4	(11.9)	5.0	377.1	
Public Health	30.2	2.4					2.4	32.6	
Children, Families, Lifelong Learning & Culture	244.4	0.7	1.9	1.9	22.3	(20.9)	5.9	250.4	
Environment, Transport & Infrastructure	133.6	1.1	0.1	1.9	5.9	(3.2)	5.7	139.4	
Community Protection Group	36.2	0.1	0.2	0.1	1.0	(0.5)	0.8	37.0	
Resources	66.2	0.2	0.3	1.0	2.3	(4.4)	(0.5)	65.6	
Transformation, Partnerships & Prosperity	17.4	(0.0)	0.1	0.1	1.2	(0.3)	1.0	18.3	
Subtotal Directorate Envelopes	900.1	4.5	5.9	16.0	35.0	(41.2)	20.3	920.4	
Central Income & Expenditure	68.3	(4.6)			19.6		15.0	83.2	
Total Net Expenditure	968.4	(0.0)	5.9	16.0	54.6	(41.2)	35.2	1,003.6	
Business Rates (inc. related grants)	(116.2)	5.9					5.9	(110.3)	
Grants (excl. Business Rates)	(88.3)	(59.0)					(59.0)	(147.3)	
General Council Tax (inc tax base change)	(694.3)	(13.8)					(13.8)	(708.1)	
Adult Social Care Precept (inc tax base change)	(66.6)	(3.2)					(3.2)	(69.8)	
Collection Fund (Surplus) / Deficit	(3.0)	34.9					34.9	31.9	
Total Funding	(968.4)	(35.2)	0.0	0.0	0.0	0.0	(35.2)	(1,003.6)	

The £35.2m increase in funding is set out below.

Funding

5.21 At the Spending Review 2020, the Government announced that core spending power for Local Government would rise by an estimated 4.5% (c£2.2billion) along with a package of measures to support Local Government in their response to Covid-19. The major features of the national announcements were:

- An additional three per cent precept to help fund pressures in social care;
- A new national £300m social care grant;
- Additional Covid-19 related funding from
 - o £1,550m grant for additional expenditure pressure;
 - o £762m fund to support irrecoverable loss of council tax and business rates revenues incurred in 2020/21;
 - o Sales, fees and charges (SFC) compensation scheme; which will be extended into the first three months of 2021/22; and
 - o £670m to fund council tax support through a Local Council Tax Support (LCTS) grant.

The announcement was high level, with further information to be released with the provisional Local Government Finance Settlement (LGFS).

5.22 The provisional LGFS was announced on 17 December 2020. The settlement resulted in an additional £21m of funding for SCC, of which £20m is the Council's share of the £1,550m grant for additional Covid-19 expenditure pressure and £1m is the Council's share of the new £300m social care grant.

- 5.23 Alongside the settlement MHCLG published a policy paper, seeking views on the package of measures to support Local Government in their response to Covid-19 (discussed above). The policy paper includes indicative allocations for the LCTS grant; with SCC's indicative allocation being £8.6m. The paper also includes technical details of how the fund to support irrecoverable loss of council tax and business rates revenue could work. Consideration of these measures has been built into the budget although it should be noted that they are not confirmed and, for the irrecoverable losses element, the actual allocation might not be confirmed until as late as January 2022.

Table 5: 2021/22 funding

	2020/21 £m	Change £m	2021/22 £m
Council Tax	760.9	16.7	777.6
Business Rates	116.2	(5.9)	110.3
Grant Funding	88.3	59.0	147.3
Funding before collection fund	965.4	69.8	1,035.2
CT collection fund	3.0	(11.9)	(8.9)
BR collection fund	0.0	(22.7)	(22.7)
Total Funding	968.4	35.2	1,003.6

Note: As at Month 8, the 2020/21 budget was £1,022.5m, having been amended for one-off budget resets to reflect Covid-19 related expenditure and funding.

Council tax funding £768.7m (Council tax £777.6m less collection fund deficit £8.9m)

- 5.24 The Provisional LGFS confirmed there will be a referendum principle of up to 2% for core council tax. For the ASC Precept, the Government is proposing an additional 3% on top of the core element, with the options to defer some or all of the flexibility for use in 2022/23.
- 5.25 In setting the budget the Council has built in a 1.99% increase in the core council tax. An increase of 0.5% in the ASC Precept is also proposed, which will be directed to ASC pressures. Taking these factors into account it is proposed to increase the council tax by 2.49% in 2021/22. This equates to an increase of £0.72 per Band D property per week.
- 5.26 In setting the tax base for future years the District and Borough Councils make allowances for growth in new properties, increases to reliefs, irrecoverable amounts and appeals. Going into next year, anticipated growth in base is lower than the other adjustments discussed above, resulting in a reduction to the tax base.
- 5.27 **Full details of the Council Tax Requirement and a breakdown of the tax base by Districts and Borough can be found in Annex E.**
- 5.28 The Council also needs to consider the potential surplus or deficit relating to actual collection of council tax when setting the budget. This is the difference between the *estimated* council tax collectable each year, and that collected. Earlier this year the Government announced that

repayment of collection fund deficits arising in 2020/21 will be spread over the next three years rather than the usual period of a year. The budget assumes a deficit of £8.9m. The actual deficit liability in 2021/22 is £3.9m with the £5.0m difference being transferred to reserves.

Table 6: Council Tax Requirement

Council Tax	2020/21	Change	2021/22
	£m	£m	£m
Core council tax	698.7	9.1	707.8
ASC Precept	66.6	3.2	69.8
Council tax requirement	765.3	12.3	777.6
Collection Fund surplus/deficit (-)	4.3	(8.2)	(3.9)
Transfer to (-)/from reserves	(5.7)	0.6	(5.0)
Council tax budget	763.9	4.7	768.7

Business Rates funding £87.6m (Business rates £110.3m less collection fund deficit £22.7m)

- 5.29 As part of the Spending Review, the Government confirmed there would be a freeze to the business rates multiplier to support businesses in the near-term, with compensation to local authorities for the freeze added to the grant for under-indexing the business rate multiplier. As such the business rates ‘top-up’ remains at the same level as 2020/21, £63.1m. The element of rates retained locally is budgeted at £47.3m, 10% lower than the income expected for 2020/21 prior to the outbreak of Covid-19. The reduction takes into consideration increases to reliefs (in particular Empty Property Relief), irrecoverable amounts and appeals.
- 5.30 As with council tax, the Council also needs to consider the potential surplus or deficit relating to the actual collection of business rates when setting the budget. The business rates collection fund deficit comprises of:
- An estimate on prior year deficit,
 - One third of the 2020/21 ‘spreadable’ deficit
 - c£19m relating to the Council’s share of Extended Retail Reliefs granted in 2020/21, the impact of which filters through the collection fund a year in arrears.
- 5.31 The Extended Retail Reliefs are fully compensated for by Central Government and a corresponding amount has been built in to grant funding to offset that element of the collection fund deficit.
- 5.32 Consideration for the 75% irrecoverable losses scheme (which will partially offset some of the deficit relating to 2020/21) has been built in to grant projections.

Table 7 Business rates funding

Business Rates	2020/21	Change	2021/22
	£m	£m	£m
Business Rates income	116.2	(5.9)	110.3
Collection Fund surplus/deficit (-)		(22.7)	(22.7)
Business rates budget	116.2	(28.6)	87.6

Grant funding £147.3m

- 5.33 All grant assumptions have been updated to reflect the information provided through the provisional LGFS as well as other proposals and publications.
- 5.34 In total grants have increased by £59m from 2020/21. The increase is broadly driven by:
- Covid-19 emergency funding*, **£20m**
 - Covid-19 Business rates extended retails discount* (relating to 2020/21 with a corresponding deficit to the business rates collection fund) budgeted at **£19.2m**
 - Covid-19 LCTS grant*, provisional allocation **£8.6m**
 - DSG (corporate allocation), **£5.1m**
 - Covid-19 local tax irrecoverable losses guarantee*, estimated at **£3.4m**
 - Public Health Grant, **£1.7m****
 - Social Care grant, **£1m**

**£51.2m of grants are one-off Covid-19 support and will not form part of funding in subsequent years*

*** Increase from 2020/21 budget assumptions; the actual grant for 2020/21 was increased by £1.7m; leading to no actual change in projected grant*

2021/22 Reserves and Risk Mitigation Strategy

- 5.35 The Council is required to maintain an adequate level of reserves to deal with future forecast or unexpected pressures. We are not permitted to allow spend to exceed available resources which would result in an overall deficit. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of reserves to meet estimated future spend when calculating the budget requirement.
- 5.36 Reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - A contingency to cushion the impact of unexpected events or emergencies; and
 - A means of building up funds (earmarked reserves) to meet known or predicted liabilities.
- A summary of earmarked reserves and the forecast of reserves and balances can be found in **Annex D**.
- 5.37 Given the reduction in funding that the Council has experienced over recent years, retention of the Council's reserves will be essential in order to mitigate risk, including future funding uncertainties, non-delivery of the Transformation Programme or other planned budget efficiencies.
- 5.38 The Council has traditionally maintained a low General Fund balance. Although there is no generally recognised official guidance on the level to be held, the level should be justifiable in the context of local and external economic factors, and that taxpayers' money should not be tied up unnecessarily. The Council's external auditor comments on the level of reserves as part of the annual audit of the Council's Accounts.
- 5.39 In recent years a General Fund balance of between 2.0% to 2.5% (£20.1m to £25.1m) of net budget has been maintained. The General Fund balance is low by comparison to other authorities and we have ambition to increase it over time. However, in building resilience to

address the level of risk we have focussed on building our earmarked reserves and contingencies.

- 5.40 As at 1st April 2020, £24.2m of General Fund was brought forward. This included a £2.8m increase approved as part of 2019/20 outturn. No application is planned to support the 2020/21 budget. The 2021/22 budget also assumes no use of reserves.
- 5.41 For 2021/22, in addition to the £24.2m General Fund balance, we have also allowed for a £20.4m contingency as part of budget setting. It is expected that the £33.4m of contingency in 2020/21 will not be required, giving a total contingency of £53.8m for 2021/22. The General Fund balance, in combination with the contingency (for general purpose use), will mean that there is £78m (7.8%) of cover to mitigate against future risk and uncertainties.
- 5.42 In addition, a £9.0m provision to increase the DSG High Needs Block reserve has been created to mitigate the risk of delivering efficiencies in CFLC, and £4.9m to mitigate the risk of Covid-19. The table below sets out planned contingencies:

Table 8: Contingencies held in 2021/22 Budget

Contingency	2021/22 Balance £m
General Fund	24.2
Contingency Brought Forward*	33.4
Base Budget Contingency	20.4
Subtotal General Congingencies	78.0
DSG HNB Reserve Provision	9.0
Covid-19 Reserve Provision	4.9
Overall Contingencies	91.9

*Assumes unused in 2020/21

- 5.43 As part of the budget setting process we set aside £21.9m for inflationary increases – both for pay and contract inflation. In order to de-risk the budget, we have applied the £21.9m to Directorate budget envelopes to cover these increases.
- 5.44 On the basis of the above the Section 151 Officer considers the 2021/22 Budget to be robust.

Financial Resilience

- 5.45 CIPFA’s Financial Resilience Index aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA’s own scoring, ranking or opinion on the financial resilience of an authority. Instead, users of the index can undertake comparator analysis drawing their own conclusions.
- 5.46 The next release of the index, which considers the 2019/20 financial data, was due in December 2020. However, the main data source used to construct the index will be published late and is not expected until the end of January. CIPFA are currently analysing the provisional data for 2019/20 in order to assess its completeness and consistency and to

consider if it could be used for the next iteration of the Resilience Index, or whether to wait until after the final data is available before updating the Resilience Index.

- 5.47 As part of the Council's proactive approach to insight and intelligence, officers performed analysis of the publicly available provisional data, released in November. While there are limitations to the data, this provides the Council with early intelligence by which to measure progress, enabling conversations about resilience to take place without having to rely on the formal publication of the CIPFA tool.
- 5.48 The provisional data indicates that there has been considerable improvement between the 2018/19 and 2019/20 financial years. This is in line with expectations as more robust financial management arrangements have been put in place since 2018, an objective of which was to improve the Council's overall financial resilience.
- 5.49 The officer analysis indicates that the Council should retain its strong position on earmarked reserves and our scores have improved against the remaining two primary reserves indicators which focus on levels and changes in reserves. The Council's relative position when compared to all other County Councils shows improvement, most notably on the Level of Reserves indicator where the Council is expected to move from ranking 20 of 26, to ranking around mid-table. This improvement means that when the CIPFA index is released, we expect the Council to be positioned on the lower risk side of the index for all three reserves measures, possibly ranking within the top five on Reserves Sustainability and Change in Reserves.
- 5.50 The Council's position on debt is expected to remain relatively unchanged, showing high levels of debt (higher risk on the indices) however presenting on the lower risk side when measuring interest payable as a percentage of Net Revenue Expenditure. In future we would not expect the position to improve for these indicators. The Council has taken the strategic decision to expand the Capital Programme and a consequence of that will be increased debt and borrowing. Consideration of financial resilience is built into the governance arrangement and a key part of the programme is to test the justification, affordability and prudence of plans to increase borrowing.
- 5.51 Considering other indicators
- Council tax ratio - the Council is expected to continue ranking highest (lowest risk) of all County authorities;
 - Social Care indicator - the Council's position is expected to have improved, shifting from the higher risk side of the index to the lower risk side; and
 - Sales, Fees and Charges ratio - this indicator cannot be validated from the available data however the Council has presented on the higher-risk side of the index previously and work to improve these results remains ongoing.
- 5.52 When considering sustainability and what the index tells us, there is the need to highlight that, whilst the CIPFA resilience index is a valuable tool for assessing financial resilience, there will be situations where decisions taken by the Council will adversely impact future results. For example, Earmarked Reserves will be drawn on for their intended function; consequently reducing current levels. Furthermore, debt levels will increase as a result of an

expanded Capital Programme. The Council has systems in place to ensure that informed decisions are taken, with consideration to the overall financial position of the authority.

FM Code of Practice

- 5.53 CIPFA has developed the Financial Management Code (FM Code), 'designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.'
- 5.54 CIPFA expect the first full year of compliance with the FM Code to be 2021/22 however recognise that the Covid-19 crisis has seen local authorities and their finance teams placed under extreme pressure which is ongoing and are considering whether 'working towards' full implementation from 2022/23 might be appropriate. The ultimate decision will rest with MHCLG and an announcement is expected in the imminent.
- 5.55 Throughout 2020, in anticipation that the first full year of compliance was expected in 2021/22, officers have reviewed the guidance to determine where SCC meet the standards. This review has concluded that:
- the Council can demonstrate overall compliance with the standards;
 - evidence could be strengthened for a small number of indicators; and
 - there are several areas where, as a result of various changes over the past two years including the Finance Improvement Programme and the Finance Academy, the Council's arrangements exceed the standards
- 5.56 Officers will use the findings to review areas where evidence of compliance requires strengthening and are in a position to be early adopters if the decision is made to delay the first full year of compliance.

Flexible Use of Capital Receipts Strategy

- 5.57 In the Spending Review 2015, the Chancellor of the Exchequer announced that to support Local Authorities in delivering more efficient and sustainable services, the Government will allow them to spend up to 100% of their capital receipts on the revenue costs of transformation projects.
- 5.58 Initially this flexibility on the use of capital receipts was limited to those received between 1 April 2016 and 31 March 2019. However, the 2018/19 LGFS extended these flexibilities for a further three years to March 2022.
- 5.59 To take advantage of this flexibility, Local Authorities are required to produce a strategy which discloses the individual projects that will be funded, or part funded, through flexible receipts; this must be approved by Council.
- 5.60 In February 2020, the Council approved the use of £11.5m capital receipts for the refreshed Transformation Programme; to be applied in 2020/21. From 2021/22, the costs of the programme are funded from a £10m revenue allocation; with the exception of existing capital receipt allocations carried forward from 2020/21. The commitment to end the reliance on capital receipts to fund transformation was set out in the 2020/21 budget approved by

Council in February 2020. The 2021/22 strategy therefore only includes use of capital receipts to fund rephased amounts rephased from 2020/21.

- 5.61 Whilst not part of the refreshed Transformation Programme, but part of the wider enabling projects to support the transformation agenda, the Moving Closer to Residents (MCTR) Project, was approved by Council in December 2019. In February 2020, £5.6m of capital receipts were allocated to fund revenue expenditure in the move back into the county. Although the means of achieving the move back into Surrey has changed significantly as a result of Covid-19, the purchase of Woodhatch Place and the Agile Office Programme, the transformational aims of the programme remain and a revenue allocation, funded from receipts is still necessary. The initial allocations were phased over the period to 2021/22 and the remaining £2.4m is still required to successfully complete the ambitions of moving the Council's civic heart back into the county and enable a more agile workforce.
- 5.62 This funding will be utilised to enable the decommissioning of County Hall, Kingston and the fit out of Woodhatch Place, Reigate as the new Civic Heart; enabling the Council to fulfil the long-term commitment to provide all public services from within the administrative boundary of Surrey for the first time in the organisation's history and realise efficiencies in the running cost of the office estate.
- 5.63 **Annex F** details the plans for the use of flexible receipts to deliver transformation over the medium-term, including the Agile Office Programme. Subject to agreement by Cabinet, The Flexible Use of Capital Receipts Strategy needs to be recommended to Full Council for approval.

6. CAPITAL PROGRAMME 2021/22 TO 2025/26

- 6.1 This section of the report provides an overview of the Capital Programme for 2021/22 to 2025/26 taking into account work that has been carried out by officers and Cabinet Members over the last 12 months.
- 6.2 The planning process to set the Capital Programme began earlier this year than it has done previously. This is part of a continuing improvement of capital planning which ensures that equal prominence is given to capital and revenue, with a fully integrated approach. During 2020, the officer-led Capital Programme Panel (CPP) ensured that the framework for setting the Capital Programme continues to focus on alignment with the four new corporate priorities (set out in the Organisation Strategy), outcomes for residents, deliverability and affordability.
- 6.3 The governance around the Capital Programme continues to be led by CPP and the three Strategic Capital Groups (SCGs) for Property, Infrastructure and IT. The SCGs are tasked with developing the Capital Programme based on an asset planning approach to ensure that affordable, value for money capital solutions are identified to meet the needs of residents.
- 6.4 For the 2020/21 to 2024/25 Capital Programme, we introduced the concept of a Capital Pipeline. This continues for the new MTFS period and allows us to reflect comprehensive and ambitious spending plans for the Council prior to full business cases being approved by CPP and Cabinet. The Capital Pipeline holds schemes in the early stage of development which are moved into the approved Capital Budget only when their benefits and deliverability are

adequately demonstrated to CPP and Cabinet. The borrowing costs for all schemes, including the pipeline, are factored into the revenue budget and are set out in section 6.25 below.

- 6.5 An external review by PwC of the revised capital governance and approach to budget setting has provided assurance that the process reflects best practice. The recommendations from the review have provided a path to stronger governance consistent with the ongoing goal of adopting streamlined, fit-for-purpose processes. Many of the recommendations have already been implemented. This will continue throughout 2021/22 as we seek to drive continuous improvement
- 6.6 Key improvements that have been implemented to-date include:
- Capital governance structures, panel attendees and terms of reference finalised, including SCGs and CPP;
 - The introduction of monthly budget-profiling and monitoring of year-to-date spend against realistic plans;
 - Expenditure forecasts reviewed in detail each month, with proactive plans developed to mitigate slippage;
 - Introduction of outcome-based reporting; focusing on key deliverables alongside forecast spend;
 - Linking proposals (new and existing) to corporate priorities and efficient use of assets;
 - Improved collaboration between budget holders and Finance Business Partners for the development and costing of business cases;
 - Increased focus on risk assessment at CPP for the overall programme informed by SCGs, including improved risk assessment at business case stage; and
 - Application of the budget envelope approach to capital ensuring that the Capital Programme is deliverable without exceeding the borrowing costs already assumed in the MTFS. Next year we will be building on this further and making more explicit the revenue impact of capital investment decisions on Directorate budget envelopes.
- 6.7 Further development is required to implement the remaining recommendations of the PwC review. Work is currently underway to improve and align business case development across the SCGs, CPP and Cabinet to ensure that robust and consistent information is provided to decision makers.
- 6.8 The Council is developing its project management capacity to enable the timely production of robust business cases for pipeline projects and to accelerate the conversion of approved business cases to project delivery.
- 6.9 The changes in structure, governance and processes from 2020/21 in capital budget setting, monitoring and delivery have been embedded as business as usual. These changes have ensured that plans are iterated throughout the year to reflect strong governance and control of the Capital Programme, maximise funding available and delivering outcomes within the financial constraints and risk appetite of the Council.
- 6.10 Over the Summer, spending plans were iterated and the SCGs came forward with a refreshed set of proposals; some of which require further scrutiny and benefits testing before they are included in the Capital Pipeline. The latest iteration of the Capital Programme is set out in the sections below.

Capital Programme – MTFS Budget and Pipeline Summary

6.11 The Capital Programme is set out in Annex C. The programme has increased from £1,447.4m in the MTFS approved by Council in February 2020 to £1,905.5m set out in this MTFS. The revised Capital Programme is split between approved Capital Budget of £1,026.2m and Capital Pipeline of £879.2m which includes a £100m allocation for Your Fund Surrey (YFS). New or expanded schemes include:

- £139m for Farnham infrastructure projects
- £48m for Independent Living
- £83m for Extra Care Housing
- £9m allocations for Climate Change schemes

These schemes are held in the Capital Pipeline and will be subject to rigorous scrutiny before they become part of the approved budget.






2021/22 Capital Budget and MTFS to 2025/26

6.12 A total of £1,026.2m of schemes are included in the Capital Budget over the MTFS (i.e. excluding Capital Pipeline amounts). Business cases for these well-developed schemes have been prepared and subjected to appropriate testing and scrutiny before being approved. The schemes will be monitored during the year for cost control, deliverability and to ensure budget estimates remain realistic over the period of the Capital Programme. This is particularly important considering the potential impact of Covid-19 on deliverability. The table below shows a breakdown of budget schemes into the three SCGs over the MTFS period:

Table 9: MTFS Indicative Capital Budget by Strategic Capital Group

Strategic Capital Group	2021/22 (£m)	Total MTFS (£m)
Infrastructure	95.6	610.0
Property	74.9	382.6
IT	14.4	33.6
Total MTFS Capital Programme	184.9	1,026.2

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

- 
- £235m - River Thames Scheme (£183m over the MTFS period)
 - £18m – Wider Flood Alleviation Schemes
- 
- £122m - Schools Basic Need
 - £74m - Special Educational Needs and Disabilities Strategy
- 
- £146m – Maintenance of Schools and other County Buildings
 - £200m - Highway Maintenance
 - £49m - Bridge and Structures Maintenance
 - £15m - Local Highways Schemes
- 
- £46m – Housing Infrastructure Fund - A320 Scheme
- 

2021/22 Capital Budget

6.14 The 2021/22 Capital Budget stands at £184.9m, representing an ambitious programme of investment across a number of priority areas. SCGs have provided assurance over the feasibility of delivering to budget, and the budget is similar in scale to the level of delivery forecast in 2020/21 (despite the ongoing challenge of Covid-19).

6.15 Successful delivery of the 2021/22 budget is a key part of ensuring the overall Capital Programme remains on course. The focus of work to provide assurance on delivery in 2021/22 will be on the schemes that comprise the majority of the total budget. The following ten schemes account for £137m, or 74% of the 2021/22 budget:

Infrastructure

- £49m – Highways, Bridges and Structures Maintenance
- £8m - Street Lighting LED Conversion
- £7m - Local Enterprise Partnerships Funded Schemes

Property

- £15m - Schools Basic Need
- £14m - Capital Maintenance Schools
- £11m - Special Educational Needs and Disabilities Strategy
- £12m - Capital Maintenance of County buildings
- £8m - Relocation/upgrade of SFRS functions at Wray Park
- £4m – Accommodation for Looked after Children

IT

- £9m - Digital Business & Insights Programme - ERP Replacement

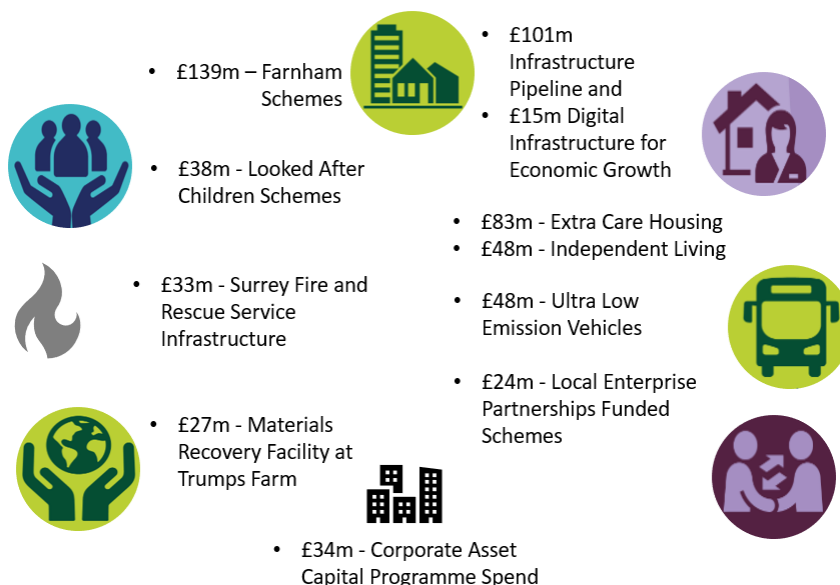
Capital Pipeline Schemes

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

Table 10: MTFS Indicative Capital Pipeline by Strategic Capital Group

Strategic Capital Group	MTFS (£m)
Infrastructure	424.2
Property	339.2
IT	15.8
SCG MTFS Capital Pipeline	779.2
Your Fund Surrey (YFS)	100.0
Total MTFS Capital Pipeline	879.2

- 6.17 Several projects are being explored to deliver on our climate change responsibilities and to create a greener future for residents with c.£105m in the pipeline.
- 6.18 In addition to these, the Council is committed to continue working with partners to unlock opportunities across the County with £240m in pipeline for large scale infrastructure projects to significantly improve transport links, unlock housing development for District and Borough Council partners and to regenerate towns and local economies.
- 6.19 The Council is also developing more programmes to support Surrey’s most vulnerable residents, with c£170m in pipeline for accommodation for looked after children and housing for independent living and extra care.
- 6.20 The largest schemes based on estimated spend over the MTFS period (76% of Pipeline spend), are shown below:



- 6.21 Pipeline proposals are subject to ongoing development, scrutiny and challenge by the SCGs and CPP to ensure feasibility and deliverability before being approved and confirmed into the Capital Budget.

Your Fund Surrey

- 6.22 Your Fund Surrey (YFS), (formerly known as the Community Projects Fund), is a five year £100m capital fund announced by the Council in its 2020/21 Budget and MTFS. The broad timeline for the YFS launch begins with a digital campaign to promote the fund. The fund will open for applications in February 2021 with the first award to successful applicants expected in late May 2021. The fund will run from 2021/22 to 2025/26 with £20m available each year over the period (with flexibility to re-phase where necessary). YFS is a key part of the programme to achieve the Council's priority objective of empowering communities to be able to tackle local issues and support one another. The fund aims to bring community-led place-making or place-improving projects to life at a scale to make a significant impact and deliver a real legacy in communities.
- 6.23 Decision making and governance will include scalable measures that reflect the scope of the bids to ensure a streamlined process. The YFS Panel will provide recommendations to a two-tier delegated authority to approve bids and transfer appropriate amounts to the approved capital budget for successful applicants. The proposed delegated authority is as follows
- Projects between £10K and £1m – delegated to the appropriate Executive Director in consultation with the relevant Cabinet Member(s)
 - Projects over £1m – decision taken by Cabinet
- 6.24 The YFS panel will include the Executive Director of Resources or their nominated officer(s). All applications will be reviewed to ensure that proposals meet with agreed criteria and are financially robust and sustainable.

Costs and Benefits of the Capital Programme

- 6.25 Annex C sets out proposed funding for the Capital Programme, including planned borrowing of £1,145.0m. Capital spending plans will lead to an increase in borrowing costs over the MTFS period from £35m in 2020/21 (funding existing borrowing) to £74m by 2025/26. In net terms (after capital investment income) borrowing costs grow from £13m in 2020/21 to £52m in 2025/26.
- 6.26 To finalise the Capital Programme, SCGs and CPP were tasked with ensuring that the Capital Programme was deliverable within the MTFS budget envelope for financing costs. This included testing new Pipeline schemes to justify the affordability and prudence of plans to increase borrowing. The results of this work have been reflected in the Final Budget and in the Treasury Management Strategy (Annex H) and associated prudential indicators.
- 6.27 The direct investment return from capital assets represents only a small part of the revenue benefit of the Capital Programme. Some of the largest capital schemes (across Capital Budget and Pipeline) play a significant part in contributing to a sustainable revenue budget alongside delivering Corporate Priorities. In particular, the following headline schemes (which represent almost 50% of the total Capital Programme) all have a long-term positive impact on funding, efficiency delivery or income generation.

- Schemes designed to **grow a sustainable economy and secure a greener future** will ultimately benefit council tax and business rates income; generating more funding through increased economic activity:
 - Surrey Flood Alleviation - £253m (of which £200m in the period to 2025/26)
 - Farnham Projects - £139m
 - Infrastructure Pipeline - £101m
 - Ultra-Low Emission Vehicles - £48m
 - Housing Infrastructure Fund – A320 Scheme - £46m
 - LEPs Schemes - £31m
 - Digital Infrastructure (Economic Growth) £15m

- Schemes that feature a significant **efficiency delivery or income generation element**
 - Extra Care Housing - £83m
 - Independent Living - £48m
 - Special Educational Needs and Disabilities Capital Programme - £74m
 - Corporate Asset Capital Programme - £34m
 - Materials Recovery Facility at Trumps Farm - £27m

6.28 The revenue benefit of economic growth schemes is not always directly quantifiable, however investment which either safeguards existing homes and businesses or unlocks the potential to grow the economy further plays a significant part in securing long-term growth of council tax and business rate income.

7. FINANCIAL PERFORMANCE 2020/21

- 7.1 Understanding performance against the current year's budget is a key part of ensuring that the underlying Directorate budgets are sustainable and a prudent basis on which to build the new budget. This section presents highlights from the Month 8 (November) Financial Report, presented to Cabinet on 26 January 2020.
- 7.2 **Revenue:** Against a full-year budget at Month 8 of £1,022.5m; the current forecast is for an overspend of £3.4m. This primarily relates to an increased deficit in the DSG High Needs Block in Children, Families and Lifelong Learning (CFL) of £8.8m; offset by net underspends in other areas. The 2021/22 budget includes provision for a £9m increase in the contribution to the HNB reserve to mitigate the risk that the pressure cannot be contained at the expected level of deficit in 2021/22.
- 7.3 **Capital:** The Council approved a capital budget for 2020/21 of £175.7m in February 2020. This has been restated to £226.3m to recognising the impact of Covid-19 and the inclusion of the acquisition and associated costs of the strategic acquisition of the Woodhatch Place site in Reigate. Against the revised budget, forecast capital spend is £226.9m; an increase of £0.6m across the SCGs.
- 7.4 The 2020/21 expected forecast outturn for both revenue and capital (coupled with the appropriate mitigation of those pressures in 2021/22) give us confidence that the underlying budget is realistic and deliverable; providing a solid base on which to build the 2021/22

budget. Where Directorate variances identified at Month 8 are forecast to have an ongoing effect, these are built into the budget for 2021/22.

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

MTFS Funding Projection

8.1 Planning over the medium-term presents several challenges:

- **Comprehensive Spending Review (CSR)** - a multi-year spending review did not materialise in 2019/20 or 2020/21, resulting in single-year settlements for Local Government. This means that since 2019 councils have had the difficult task of setting strategic plans over the medium-term, with little certainty about the funding available over the period. This does not provide a foundation for efficient planning.
- **Funding Reform** – Earlier in the year the Government announced that they would not be proceeding with the implementation of the Review of Relative Needs and Resources (formerly the Fair Funding Review) and 75% business rates retention in 2021/22. The announcement did not provide a revised date for implementation and the reliance on local taxes as key components of reform introduces new issues in the wake of Covid-19.

The timing of the reform is crucial to financial planning, not least because officers anticipate the outcome will result in a reduction to the Council's baseline funding level (via the business rates system). As it stands, no progress has been made during this financial year therefore it is difficult to quantify the extent of the reductions or when they will take effect. The MTFS assumes that reform will be implemented for financial year 2022/23.

- **Council tax volatility** – the Council's main funding source is council tax. This year, council tax funds 78% of net revenue expenditure. The impact of the actions taken to reduce the spread of Covid-19 and the subsequent recession has inevitably resulted in financial hardship for many households and an increase in the number of residents requiring local council tax support.

8.2 Considering the wider economic environment, public sector net borrowing (the deficit) and public sector debt have reached record levels this year. A consequence of this (with or without funding reform) is likely to be a reduction to the funding available for distribution to Local Government over the medium and longer-term.

8.3 Over the course of this year, horizon scanning, intelligence gathering, and sector engagement have been undertaken to a much greater extent than would normally be required. Various scenarios have been modelled and this medium-term outlook is considered to provide a realistic overall funding position, in the context of the planning challenges set out above.

8.4 A fundamental assumption in these plans is that funding reform is implemented in April 2022, at which point the Council sees funding retained through the business rates system gradually reduce as the Council's 'relative need' as determined by the Government is largely offset by its 'relative resources'; i.e. the level of council tax the Council can raise offsets its share of needs-based funding.

8.5 Looking ahead to 2022/23 and beyond:

- After accounting for depressed council tax growth which gradually starts to rebuild over the medium-term, reductions driven by funding reform exceed council tax growth by an average of c£12m per year;
- Of the £147.3m grant funding budgeted for 2021/22:
 - £60m is expected to be 'rolled-in' to the Fair Funding Review (Public Health Grant of £38m and Social Care funding of £22m)
 - £51.2m represents one-off Covid-19 support (discussed in section 5.34)
 - £8.7m ceases when business rates baselines are reset (£6m compensation for the multiplier cap and £2.7m other S31 business rates reliefs and exceptions);
- This brings grant funding to c£25m in 2022/23 and 2023/24 after which point the Private Finance Initiative relating to Waste comes to an end and reduces grant funding by a further c£10m; and
- After accounting for the 2021/22 collection fund deficit 'spreadable' element we expect that the reduced tax base in 2021/22 should not result in further material deficits arising on either collection fund.

8.6 The factors set out above contribute to a total reduction in anticipated funding of £52.0m from £968.4m in 2020/21 to £916.4m in 2025/26.

Table 11: Projected Funding over the MTFS

	2020/21	2021/22	2021/22 rebase*	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m	£m
Council Tax	760.9	777.6	777.6	788.0	807.7	832.1	859.6
Business Rates	116.2	110.3	179.0	152.1	120.2	83.3	43.4
Grant Funding	88.3	147.3	78.6	26.4	25.6	14.6	14.4
Funding before collection fund	965.4	1,035.2	1,035.2	966.6	953.6	930.0	917.5
CT collection fund	3.0	(8.9)	(8.9)	1.6	(1.8)	0.5	0.5
BR collection fund	0.0	(22.7)	(22.7)	(0.7)	(1.4)	(1.6)	(1.6)
Total funding	968.4	1,003.6	1,003.6	967.5	950.4	928.9	916.4
Year on year change		35.2	35.2	(36.1)	(17.0)	(21.5)	(12.5)

*2021/22 rebased to allow comparisons against 2022/23, when funding reform has been built into assumptions

MTFS Pressures and Efficiencies

8.7 As part of costing the Core Planning Assumptions, Directorates were tasked with quantifying pressures and efficiencies over the five-year period. These are set out in detail in Annex A.

8.8 In total, Directorates have identified pressures of £239.5m and efficiencies of £113.5m; a net increase of £126.0m. When added to the anticipated £52m reduction in funding, an indicative MTFS gap of £178.0m needs to be addressed by 2025/26.

Table 12: Projected pressures, efficiencies and gap over the MTFS

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Brought forward budget	968.4	1,003.6	1,014.4	1,037.1	1,063.3	
Pressures	76.5	36.3	43.4	40.7	42.6	239.5
Identified efficiencies	(41.2)	(25.4)	(20.6)	(14.5)	(11.6)	(113.5)
Total budget requirement	1,003.6	1,014.4	1,037.1	1,063.3	1,094.3	
(Growth) / Reduction in funding	(35.2)	36.1	17.0	21.5	12.5	52.0
Reductions still to find	(0.0)	47.1	39.7	47.7	43.4	178.0

- 8.9 Given the high level of uncertainty associated with the Government funding review and future Directorate pressures, these estimates will be revised in each successive financial year, with funding envelopes determined for individual Directorates when estimates are more certain.

9. DEDICATED SCHOOLS GRANT (DSG)

Schools Budget

- 9.1 The Council is required by law formally to approve the Total Schools Budget, which comprises: Dedicated Schools Grant funding, post 16 grant funding and any legally relevant council tax related funding. This budget is used to fund schools' delegated and devolved expenditure and other maintained schools' expenditure, nursery education provided by state schools and private providers plus expenditure on a range of school support services specified in legislation. The Total Schools Budget excludes most funding allocated to individual academy schools
- 9.2 The Total Schools Budget is a significant element of the proposed total budget for the CFLC Directorate. Table 13 outlines the proposed Total Schools Budget for 2020/21 of £537.3m, comprising:
- £507.2m Dedicated Schools Grant (DSG) plus a planned overspend of £24m; and
 - £6.1m Education and Skills Funding Agency (ESFA) sixth form grants

Table 13 - Analysis of Total Schools Budget for 2021/22

Schools Budgets	Schools and nurseries delegated budgets £m	Centrally managed budgets £m	Total £m
DSG 2021/22	379.7	127.5	507.2
Planned overspend		24.0	24.0
Total DSG	379.7	151.5	531.2
ESFA sixth form grant	6.1		6.1
Total Schools Budget	385.8	151.5	537.3

- 9.3 For this purpose centrally managed services include the costs of:
- Placements for pupils with special educational needs in non-maintained special schools and independent schools;
 - Funding of state maintained special schools and SEN centres, other than place funding
 - Part of the cost of alternative education (including part of the cost of pupil referral units);
 - Additional support to pupils with special educational needs; and

- A range of other support services including school admissions.
- Funding for private nursery providers counts as delegated.
- 9.4 Schools are funded through a formula based on pupil numbers and ages with weightings for special educational needs and deprivation. Cabinet considered and agreed a detailed report on the 2021/22 funding formula on 24 November 2020. The funding rates for schools for 2021/22 will be dependent on the outcome of the Council's appeal to the Secretary of State to transfer £3.4m of school funding to high needs and subject to amendment by the Cabinet Member and Director of Education, Lifelong learning and Culture when all funding data for schools is known.
- 9.5 Schools will also receive pupil premium funding, based on the number of:
- Pupils on free school meals at some time in the past six years;
 - Looked after children;
 - Children adopted from care;
 - Pupils from service families (or who qualified as service children within the last six years, or in receipt of a war pension).
- 9.6 Schools also receive a range of other grants for example to support infant free school meals and physical education and sport in primary schools.

High Needs Block (HNB)

- 9.7 The HNB is an element of DSG used to support children with additional needs. Since changes in legislation around Local Authorities responsibilities were made in 2014, the rate of increase in demand has significantly outstripped increases in funding causing significant financial pressures in this area. The current position is set out in section 4.25.
- 9.8 During 2020/21 further legislative changes prevented deficits within the DSG HNB to be funded directly from the General Fund. However, the deficit must still be held as a negative reserve on the Council's balance sheet. This therefore needs to be considered alongside the Council's longer-term financial stability.
- 9.9 In order to best mitigate this liability, since 2019/20 the Council has been making a contribution from the General Fund to a matching reserve which offsets the deficit on the HNB. The planned £24m overspend in 2021/22 will be matched by a contribution of £24m to the reserve from the General Fund. The budget includes an allowance to increase this contribution by a further £9m if necessary.
- 9.10 The Council is continuing its transformation programme to reduce the financial pressure in this area but also is lobbying in conjunction with other authorities across the country that greater funding is required in this area.

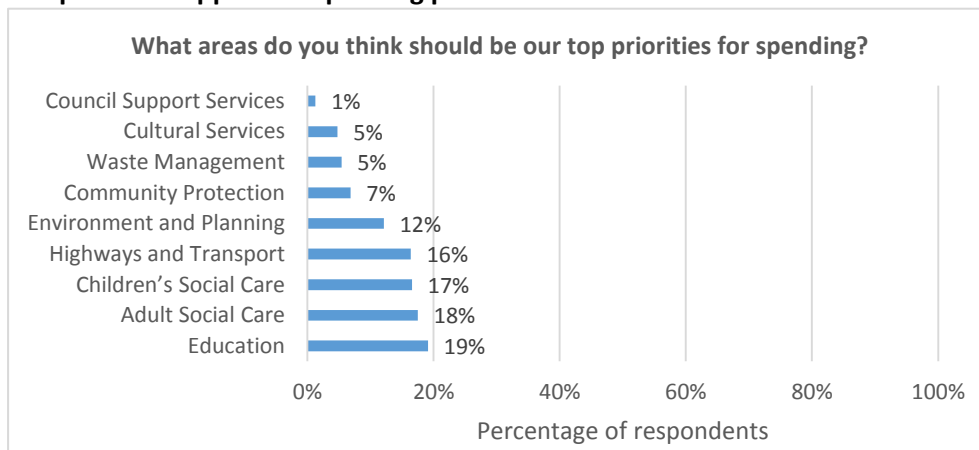
10. ENGAGEMENT AND CONSULTATION

- 10.1 The proposals set out in this budget report are based on significant engagement with residents, partners and businesses over the last two years with the insight from this engagement informing a robust evidence base underpinning the Organisation Strategy and MTFS.
- 10.2 This includes engagement with residents over the summer specifically to understand the impact of Covid-19 and their future priorities for the Council. As part of this we

commissioned a statistically significant temperature check survey with approximately 2,200 Surrey residents looking at behaviours, attitudes and opinions during the period of the pandemic and a comprehensive Community Impact Assessment to fully understand the initial impact of Covid-19 on Surrey's communities, particularly for vulnerable populations and places.

- 10.3 The results of the survey highlighted that during the pandemic some residents, in particular those that have had to shield, have felt disconnected from their local community and there has been a significant impact on mental health & wellbeing. There was a reported impact on access to healthcare services, with significantly lower levels of use of out of hours GPs, mental health services and services for carers. Respondents also highlighted the importance of their support networks, including family, friends and neighbours as well as the services they have received during the crisis. The survey showed that resident support for local businesses is strong and that local recovery can be encouraged through innovation, support and funding.
- 10.4 The Community Impact Assessment (CIA) identified the health, social and economic impacts of Covid-19 among communities across Surrey and has helped further shape the refreshed Organisation Strategy. The findings from the CIA expand on the results of the temperature check survey, highlighting the negative impact that lockdown has had on mental health, as well as health inequalities with Covid-19 having a greater impact on certain groups, such as those that are vulnerable or from black and minority ethnic communities. The CIA has also highlighted the issue of overlapping vulnerabilities and complexity of cases, for example the interrelated nature of domestic abuse, homelessness and substance misuse.
- 10.5 To build on the research undertaken during the summer to understand resident's current concerns and priorities for the future, the Leader and Chief Executive held virtual resident roadshows in December to share details about the budget and listen to residents about their priorities. We have also engaged with residents and local partners such as Districts and Borough Councils, Health, Police and the voluntary, community and faith sector (VCFS) organisations to discuss the draft budget. An online budget survey for residents was also conducted which asked for their views on whether the Council should maintain, increase, or decrease budgets across a range of service areas. Due to the small number of respondents (213) the findings should be considered alongside other sources of resident insight. The following messages came through in the budget survey:
- When asked what the Council's priorities for spending should be, respondents highlighted Education, Adult Social Care and Children's Social care as their top three priority areas (see table below), which is broadly consistent with the findings of the budget survey last year; and
 - Respondents were asked if they had suggestions for how the Council's budget should be spent. Common suggestions were to spend money more efficiently and in joined up ways within the county. One respondent suggested 'consulting with the public more, using low costs methods (not expensive agencies) to see what could be provided more efficiently locally'. Another respondent also suggested increasing the efficiency of services and said they would 'like to see more digitalisation of Council services to make them as efficient as possible'.

Respondent support for spending priorities



11. EQUALITIES AND DIVERSITY

- 11.1 In approving the Budget and the Council Tax Precept, the Cabinet and Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010.
- 11.2 A high-level Equality Impact Assessment (EIA) of the revenue efficiencies proposals has been undertaken and is set out in **Annex J**. In addition, full EIAs relating to specific efficiency proposals are included which reflect their advanced stage of development and will have notable day-to-day impacts for residents. Further EIAs will be undertaken where appropriate before individual proposals are implemented. In considering the proposals in this report, Cabinet Members are required to have 'due regard' to the objectives set out in section 149 of the Equality Act 2010, i.e. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it (the Public Sector Equality Duty).
- 11.3 The Equality Act 2010 ('the EA') provides that a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
 - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics set out in the EA are as follows:
 - Age
 - Disability
 - Gender Reassignment
 - Pregnancy/ maternity
 - Race
 - Religion or Belief
 - Sex
 - Sexual Orientation
 - Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.

Prior to making a decision as to which efficiency proposals should be agreed, Cabinet must have due regard to the Equality Duty contained in Section 149 of the EA.

- 11.4 Having 'due regard' does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Cabinet understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative, course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question and should be proportionate.
- 11.5 The public sector equality duty set out in the EA is a continuing one, and it will therefore be necessary to monitor the effects of decisions and policies, not only during their formulation, but also after implementation.
- 11.6 The three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations.
- 11.7 EIAs are carried out to identify any adverse impacts that may arise as a result of the proposals for those with protected characteristics and to identify appropriate mitigations. Members must read the full version of the EIAs and take their findings into consideration when determining these proposals.

Annex A: Pressures and Efficiencies

SUMMARY

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	968.4	1,003.6	1,014.5	1,037.2	1,063.4	

Pressures

Directorate	Net Pressure					
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Adult Social Care	16.9	20.8	22.4	18.8	19.2	98.1
Public Health	0.0	0.0	0.0	0.0	0.0	0.0
Children, Families, Lifelong Learning and Culture	26.1	6.1	6.8	6.3	5.6	50.9
Environment, Transport and Infrastructure	7.8	2.7	3.5	3.3	3.2	20.6
Community Protection Group	1.2	1.1	1.1	1.0	1.1	5.5
Resources	3.6	1.4	2.1	2.1	2.2	11.3
Transformation, Partnerships and Prosperity	1.3	(0.1)	0.4	0.4	0.4	2.4
Central Income and Expenditure	19.6	4.2	7.2	8.8	10.9	50.7
Total Pressures	76.5	36.3	43.4	40.7	42.6	239.5

Efficiencies

Directorate	Efficiency					
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Adult Social Care	11.9	8.4	5.6	4.0	1.4	31.3
Public Health	0.0	0.0	0.0	0.0	0.0	0.0
Children, Families, Lifelong Learning and Culture	20.9	11.4	11.0	9.9	9.5	62.7
Environment, Transport and Infrastructure	3.2	2.6	0.9	0.2	0.1	7.0
Community Protection Group	0.5	0.0	0.0	0.0	0.0	0.5
Resources	4.4	2.8	2.9	0.0	0.0	10.1
Transformation, Partnerships and Prosperity	0.3	0.3	0.2	0.4	0.6	1.8
Central Income and Expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Total Efficiencies	41.2	25.4	20.6	14.5	11.6	113.5

Indicative Budget Requirement	1,003.6	1,014.5	1,037.2	1,063.4	1,094.4	
Indicative funding increase / (reduction)*	35.2	(36.1)	(17.0)	(21.5)	(12.5)	(52.0)
Reductions still to find	0.0	47.1	39.7	47.7	43.4	178.0

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

ADULT SOCIAL CARE

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	372.1	377.1	389.5	406.3	421.1	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Permanent effect of care package spending changes in 2020/21	The full year effect of changes to care package spending in 2020/21 that is estimated to carry forward into 2021/22	(0.9)					(0.9)
Staffing pressures	New unsocial hours policy, pay inflation (including incremental pay progression), budget adjustment given that the current rate of pay is above the 2020/21 budget and other staffing changes	3.4	1.6	1.7	1.8	1.9	10.4
Price inflation	Budgeted inflationary pressures for care packages and wider contracts & grants estimated to be necessary to maintain quality and sufficient capacity of service provision	11.1	10.0	11.6	11.2	11.6	55.5
Demand Pressures	The cost of young people transitioning from Children's, Families and Learning services and wider demographic pressures related to growing numbers of people who are expected to require care and support funded by the Council	7.3	7.1	7.0	5.8	5.7	32.9
Increased core Better Care Fund income for Adult Social Care	Increases to ASC's income from Surrey's Better Care Fund above the 2020/21 base budget	(4.0)					(4.0)
Liberty Protection Safeguards	An estimate of the pressure that may be incurred when this new legislation comes into effect from April 2022. There is a risk that the pressure could be significantly higher than currently reflected		2.1	2.1			4.2
Total Pressures		16.9	20.8	22.4	18.8	19.2	98.1

Efficiencies

Efficiency	Description	Efficiency					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Older People care packages	Planned to be achieved through transforming the care pathway including embedding discharge to assess; improving purchasing of nursing & residential care beds and home care packages; and in the medium term through review of in-house services and the development of new affordable Extra Care Housing for Older People	4.4	4.3	4.0	3.5	1.4	17.6
Physical & Sensory Disability 25+ care packages	Planned to be achieved through developing and implementing a new strategy for people with Physical & Sensory Disabilities, transforming the care pathway and resolving disputes about people's eligibility for Continuing Health Care	0.8	0.2	0.0	0.0	0.0	1.0
Learning Disability 25+ & Transition care packages	Planned to be achieved through commissioning the development of new independent living accommodation, and moving people based on their assessed needs from residential care to independent living; reducing expenditure on traditional institutionalised day care services and the associated transport and instead investing in employment support and travel training; transforming the care pathway; and resolving disputes about people's eligibility for Continuing Health Care	6.5	3.9	1.6	0.5	0.0	12.5
Mental Health care packages	Planned to be achieved by mitigating a third of budgeted demand pressures for Mental Health care packages through the delivery of the Mental Health Transformation programme	0.2	0.0	0.0	0.0	0.0	0.2
Total Efficiencies		11.9	8.4	5.6	4.0	1.4	31.3

Indicative Budget Requirement	377.1	389.5	406.3	421.1	438.9
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CHILDREN, FAMILIES, LIFELONG LEARNING AND CULTURE (CFLC) (1 of 2)

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	245.1	250.4	245.1	240.9	237.2	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	Expected inflationary increase in contract costs	1.9	2.0	2.1	2.2	2.2	10.4
Pay inflation	New unsocial hours policy, pay inflation (excluding incremental pay progression), and other staffing changes	1.9	2.3	2.5	2.6	2.7	12.1
Increase in Social Care referrals (CV-19 related)	Expected impact of CV-19 on Looked After Children cost. Residential, fostering and supported accommodation placement costs relating to both external and in-house provision are expected to increase and then gradually reduce again in future years	7.6	(1.8)	(1.4)	(1.0)	(0.7)	2.6
Underlying growth in Looked After Children	Increase in cost expected due to 4% annual growth in numbers seen over recent years (pre-COVID)	2.6	2.7	2.7	2.7	1.4	12.1
Permanent impact of overspends identified in 2020/21	Systemic overspend on Looked After Children placement budgets	2.9	0.0	0.0	0.0	0.0	2.9
At risk efficiencies	Reversal of unachieved efficiencies relating to Health income for 2020/21 and future years	3.0	1.0	1.0	0.0	0.0	5.0
Lost Culture Income (CV-19 related)	Review of Cultural services budget in light of lost income from COVID-19. This pressure is offset by an efficiency so represents the need to either return income to pre-COVID levels or make reductions in expenditure to reflect the new ongoing levels of income	3.1	0.0	0.0	0.0	0.0	3.1
Emotional Wellbeing and Mental Health Procurement	Share of growth agreed in conjunction with CCGs during the commissioning of the new EWMH contract from 2021/22 onwards	3.0	0.0	0.0	0.0	0.0	3.0
Joint commissioning staff costs	Additional staffing budget required following a review of the joint commissioning hub	0.1	0.0	0.0	0.0	0.0	0.1
Existing MTFS Pressures	Existing MTFS Pressures	0.0	(0.2)	(0.2)	(0.2)	0.0	(0.5)
	Total Pressures	26.1	6.1	6.8	6.3	5.6	50.9

CHILDREN, FAMILIES, LIFELONG LEARNING AND CULTURE (CFLC) (2 of 2)

Efficiencies

Efficiency	Description	Efficiency					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Existing MTFs efficiencies – Health integration, Libraries and reunification project	Continuation of efficiencies for Libraries, Health Integration and reunification of Children with their families	1.8	1.8	1.5	0.3	0.0	5.3
DSG High Needs Block reduction to General Fund reserve contribution	Cost containment activity required to deliver £24m overspend position, assuming the assumptions on growth remain the same. This includes the Capital programme, banding review, promoting independence pathways for post 16 and other proposals	0.0	5.3	5.3	5.3	5.3	21.1
Increase vacancy factor in non social work roles	Increase the vacancy factor to 4% for all non-social worker roles	1.3	0.0	0.0	0.0	0.0	1.3
Efficiency and accuracy improvements from introduction of new IT systems	Improvement and automation of finance systems in future years expected to generate efficiencies through reduced duplication, better data intelligence and more efficient processes	0.0	0.2	0.2	0.2	0.0	0.5
Transport policy and new route procurement process	Further reduce expenditure on Transport through use of the Dynamic Purchasing System and impact of the new policies brought into place in Dec 2019	3.0	1.4	1.4	1.5	1.5	8.8
ELLC efficiencies, reallocation of work to reduce expenditure and reduction in school redundancy payments	Current underspends within ELLC are contributing towards reducing the impact of the HNB overspend. Review which of these may be possible to roll forward and remove permanently from the budget	0.5	0.0	0.0	0.0	0.0	0.5
Reduction in travel allowances spend	Following the changes in working patterns during the year and move towards agile there is an intention to reduce the level of travel within the directorate. This would be through a combination of more in county placed children and more digital and remote working of staff. Need to also consider against the schemes in place for staff being relocated from County Hall	0.5	0.0	0.0	0.0	0.0	0.5
Quality and Performance efficiencies	No change in 2021/22; likely to be from staffing changes thereafter	0.0	0.2	0.0	0.0	0.0	0.2
Reductions to 20-21 in-year overspend to reduce future year impact	Offsets the current £2.9m overspend on Looked After Children placements. This recognises that as well as managing the future demand and cost growth in this area the in-year overspend would remain a pressure	1.0	0.0	0.0	0.0	0.0	1.0
Inflation containment / commissioning savings	Review of contracts coming up for re-procurement to determine opportunities to reduce inflationary increases	0.5	0.0	0.0	0.0	0.0	0.5
KLOE opportunities such as S20 charges, digital and business support	Further opportunities from the Key Lines of Enquiry (KLOE)	0.5	0.0	0.0	0.0	0.0	0.5
Impact of new practice models on Looked After Children numbers	Offsets against 4% annual growth in numbers seen over recent years. Policies implemented such as New practice model, Capital programme, One front door, Mockingbird etc. This is intended to then reduce the level of referrals requiring intervention	1.0	2.6	2.7	2.7	2.7	11.8
Mitigation of one off growth in CSC referrals from COVID-19	This reflects the intention/need to manage the increase in demand without increasing costs. This will be a combination of the new practice models mentioned above but will need to go further	7.6	0.0	0.0	0.0	0.0	7.6
Actions required to offset lost CV-19 cultural income	Review of Cultural services budget in light of lost income from COVID-19. This efficiency offsets a pressure so represents the need to either return income to pre-Covid levels or make reductions in expenditure to reflect the new ongoing levels of income	3.1	0.0	0.0	0.0	0.0	3.1
Total Efficiencies*		20.9	11.4	11.0	9.9	9.5	62.7

Indicative Budget Requirement	250.4	245.1	240.9	237.2	233.3
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*The CFLC efficiency figure represents General Fund efficiencies; in addition, the Directorate need to deliver £20.0m of DSG efficiencies to balance the High Needs Block pressures. This brings the total efficiency requirement for CFLC to £40.9m

ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE (ETI)

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	132.8	137.4	137.6	140.2	143.3	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	Inflation on contract spend assuming a base rate of 1.5% RPIx in most cases	1.9	2.9	2.9	3.0	3.1	13.7
Pay inflation	Expected inflationary increase in salary costs	0.1	0.5	0.5	0.5	0.6	2.2
Waste volume (CV-19 related)	Reflecting a sustained increase in home-working	0.8	0.0	0.0	(0.4)	(0.4)	0.1
Waste prices	Increased cost of disposing of waste due to market capacity and value of recyclable materials	1.4	0.0	0.0	0.0	0.0	1.4
Waste contract re-procurement	The current waste contract ends in 2024, and arrangements will need to be reprocured	0.0	0.0	0.0	0.1	(0.1)	0.0
Public Rights of Way	Investment in rights of way maintenance	0.1	0.3	0.0	0.0	0.0	0.4
Climate Change Agenda	Staffing and associated costs	0.3	0.1	0.0	0.0	0.0	0.4
Planning and Major Projects	Staffing and associated costs	0.2	0.0	0.0	0.0	0.0	0.2
Placemaking	Establish Placemaking team to maximize funding and inward investment opportunities and support development of local centres	0.3	0.0	0.0	0.0	0.0	0.3
Local Bus Service subsidies (CV-19 related)	Short term support to contracted bus operators to enable services to continue with reduced passengers/fares, while future options are considered	1.7	(1.7)	0.0	0.0	0.0	0.0
Additional Highways & Transport resource	Bringing structures inspection back in-house (longer term efficiency), additional resource to deliver LTP and active travel, dedicated highways contract manager	0.4	0.2	0.0	0.0	0.0	0.6
Maintaining new active travel infrastructure to heightened design standards	Changes to government design standards for cycleways and increasing options requiring higher levels of maintenance to maintain safety for vulnerable users	0.0	0.1	0.1	0.1	0.1	0.3
Increased mitigation for severe weather and ecological threats (incl roads/footways & trees)	Including gritting, increased gully cleaning at hotspots, additional road repairs after flooding, removal of diseased trees	0.0	0.2	0.0	0.0	0.0	0.2
Network management	Reversal of 2020/21 efficiency, which assumed changes to local committees	0.7	0.0	0.0	0.0	0.0	0.7
Other pressures		0.0	0.2	0.0	0.0	0.0	0.3
Total Pressures		7.8	2.7	3.5	3.3	3.2	20.6

Efficiencies

Efficiency	Description	Efficiency					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Food waste and dry mixed recycling	Increased capture of food waste and reduced contamination of recycling	0.4	0.2				0.6
Review waste & recycling financial arrangements.	Review existing arrangements	0.5					0.5
Improvements at Community Recycling Centres	Continued growth in reuse shops, reduced trade waste	0.1		0.1			0.2
Energy savings from streetlighting LED conversion	Energy saving from ongoing conversion of street lights	1.1	1.1	0.3	0.0	0.0	2.5
Bus lane enforcement	Expansion of current measures	0.2	0.2	0.1	0.0	0.0	0.5
Commercialisation	Options to be investigated	0.1	0.1	0.0	0.0	0.0	0.2
Review on street parking	Review existing arrangements	0.1	0.1	0.1	0.1	0.1	0.5
Capitalisation of highway repairs	Increased capitalisation of structures and network resilience costs	0.3	0.0	0.0	0.0	0.0	0.3
Reduced highways insurance claims	Reflecting investment in highways and reducing claims	0.3	0.0	0.0	0.0	0.0	0.3
Street lighting contract refinancing	Ongoing impact of improved financing terms	0.1	0.0	0.0	0.0	0.0	0.1
Countryside estate efficiencies and cost recovery	Recovering costs from grants, income and capital improvements	0.2	0.0	0.1	0.0	0.0	0.3
Infrastructure and Planning efficiencies	Income and efficiencies within Planning and Infrastructure	0.1	0.0	0.0	0.0	0.0	0.1
Efficiencies starting in future years	Efficiencies in future years including highway enforcement and innovation	0.0	0.8	0.2	0.0	0.0	1.0
Total Efficiencies		3.2	2.6	0.9	0.2	0.1	7.0

Indicative Budget Requirement	137.4	137.6	140.2	143.3	146.3
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COMMUNITY PROTECTION GROUP

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	36.3	37.0	38.1	39.1	40.2	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	Inflation on equipment and supplies, vehicle costs, etc	0.1	0.1	0.1	0.1	0.1	0.5
Pay inflation	Expected inflationary increase in salary costs	0.2	0.9	0.9	0.9	1.0	3.8
Coroner underlying cost pressure	Additional costs relating to hospital, pathology and other fees, and staffing costs, which in previous years have led to a budget pressure	0.8	0.0	(0.1)	0.0	0.0	0.7
Coroner reduced funding from Surrey Police	Reduction in funding from Surrey Police agreed when Coronial staff transferred into SCC	0.1	0.1	0.1	0.0	0.0	0.4
Mortuary operating costs	Service costs associated with operating a mortuary post-Covid-19, pending the development of a longer term solution	0.1					0.1
Total Pressures		1.2	1.1	1.1	1.0	1.1	5.5

Efficiencies

Efficiency	Description	Efficiency					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Fire & Rescue transformation	Full year effect of transformation implemented in 2020/21, including collaboration and modernisation in response to the recommendations of HMICFRS	0.5	0.0	0.0	0.0	0.0	0.5
Total Efficiencies		0.5	0.0	0.0	0.0	0.0	0.5
Indicative Budget Requirement		37.0	38.1	39.1	40.2	41.3	

RESOURCES

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	66.6	65.8	64.5	63.6	65.7	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	Expected inflationary increase in contract costs	1.0	1.5	1.5	1.5	1.6	7.1
Pay inflation	Expected inflationary increase in salary costs	0.3	0.5	0.5	0.6	0.6	2.5
Income loss from School Meals (CV-19 related)	Sustained impact of social distancing and parent confidence on income from school meals	0.5	(0.5)	0.0	0.0	0.0	0.0
Business Operations - administration of Crisis Fund	Ongoing impact of unachievable efficiencies in 2020/21	0.1	0.0	0.0	0.0	0.0	
IT&D Digital & agile working costs	Ongoing implications of increased agile working and digital strategy	0.3	0.0	0.0	0.0	0.0	0.3
Loss of income from Data Centre	Loss of income from Data Centre as customers move to Software-as-a-Service (SaaS)	0.0	0.2	0.0	0.0	0.0	0.3
Cleaning if operational buildings (CV-19 related)	Sustained need for enhanced cleaning and social distancing measures in operational buildings	0.3	0.0	0.0	0.0	0.0	0.3
Legal services - CV-19 related	Increased numbers of Children's Safeguarding cases experienced	0.3	(0.3)	0.0	0.0	0.0	0.0
Legal services - strength the team and reduce external fee costs	Ongoing pressures relating to Children's caseloads and property transactions	0.2	0.0	0.0	0.0	0.0	0.2
Land & Property - temporary mortuary	Running costs of medium term solution to mortuary provision	0.4					
Democratic Services - election costs	Annual contribution to election costs	0.4	0.0	0.0	0.0	0.0	0.4
Total Pressures		3.6	1.4	2.1	2.1	2.2	10.9

Efficiencies

Efficiency	Description	Efficiency					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Land & Property efficiencies	Efficiencies to be realised from property rationalisation, reduction in leased properties, focus on reducing utility costs and capitalisation of project staff costs where appropriate	3.0	0.0	0.0	0.0	0.0	3.0
IT&D efficiencies	Service-wide review and realignment, recognising implications of agile and digital transformation funding	0.8	0.0	0.0	0.0	0.0	0.8
Orbis business plan efficiencies	SCC share of efficiencies within IT&D, Business Operations and Procurement, contained within the Orbis Business plan	0.6	0.0	0.0	0.0	0.0	0.6
IT&D - ERP licence costs	Impact of new ERP implementation on running and licence costs	0.0	0.1	0.2	0.0	0.0	0.3
Efficiencies realised from the DBI programme	Improved process as a result of the go-live of the new ERP resulting in efficiencies across the Directorate	0.0	1.0	1.0	0.0	0.0	2.0
Agile Office Estate efficiencies	Reduced running costs of the office portfolio as a result of implementing the Agile Office Estate Strategy	0.0	1.7	1.7	0.0	0.0	3.4
Total Efficiencies		4.4	2.8	2.9	0.0	0.0	10.1
Indicative Budget Requirement		65.8	64.5	63.6	65.7	67.8	

TRANSFORMATION, PARTNERSHIPS AND PROSPERITY

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	17.4	18.4	18.1	18.2	18.2	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Price inflation	Expected inflationary increase in contract costs	0.1	0.1	0.1	0.1	0.1	0.6
Pay inflation	Expected inflationary increase in salary costs	0.1	0.2	0.2	0.2	0.3	1.0
Communications (CV-19 related pressures)	Continued requirement for additional communications to residents, staff and local businesses on COVID related information	0.1	(0.1)	0.0	0.0	0.0	0.0
Communications Team	Strengthen the team to support increased in-house communication activity	0.1	0.0	0.0	0.0	0.0	0.0
Economic Development Team	Strengthen the team to develop and implement Economic Growth plan in line with Council ambitions	0.3	0.2	0.0	0.0	0.0	0.5
Administration of Your Fund Surrey (Community Projects Fund)	Establish team to administer the newly created Your Fund Surrey processes	0.2	0.0	0.0	0.0	0.0	0.2
Covid-19 funding to Community Foundation for Surrey	Allocation of Covid-19 funds to enable Community Foundation for Surrey (CFS) to support residents and communities to cope and recover from Covid and to support initial start-up costs for Your Fund Surrey projects. CFS will match fund the allocation, providing £1m of total benefit	0.5	(0.5)	0.0	0.0	0.0	0.0
Total Pressures		1.3	(0.1)	0.4	0.4	0.4	2.1

Efficiencies

Efficiency	Description	Efficiency					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Customer services channel shift	Achievement of 20/21 efficiencies and gradual transition towards further online channels. Onboarding of Special Educational Needs and Disabilities, engagement to gain political support for channel shift (for highways/registrars) and reviewing output of digital pilots during 21/22	0.2	0.0	0.0	0.0	0.0	0.2
HR&OD Recruitment costs	Efficiencies through reduced use of agencies for procuring recruitment resources	0.1					0.1
Insight, Analytics & Intelligence	Healthwatch contract efficiencies	0.0	0.0				0.1
HR&OD income generation opportunity	Anticipated additional income through pro-active trading of HR functions with schools	0.0	0.1	0.2	0.4	0.6	1.2
DB&I related efficiencies	Implementation of new processes as a result of the go-live of the new ERP system, realises efficiencies with HR&OD	0.0	0.2	0.0	0.0	0.0	0.2
Total Efficiencies		0.3	0.3	0.2	0.4	0.6	1.8
Indicative Budget Requirement		18.4	18.1	18.2	18.2	18.0	

CENTRAL INCOME AND EXPENDITURE

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Brought forward budget	63.7	83.2	87.4	94.6	103.4	

Pressures

Pressure	Description	Net Pressure					Total £m
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
Corporate Charges and Levies adjustments	Net adjustments on Corporate Charges, including Primary Pension Contribution rate and on the Environment Agency Levy	0.6					0.6
Capital Programme financing costs	Minimum Revenue Provision (MRP) and Interest Payable costs increasing over the MTFS period	2.6	9.1	7.2	8.8	10.9	38.6
Remove capital receipt funding for transformation	Transformation becomes fully-funded from revenue	2.5					2.5
DSG High Needs Block Reserve	Additional contribution to reserve to mitigate the risk of further overspend on the DSG High Needs Block	9.0					9.0
CV-19 Reserve	Creation of a reserve to mitigate the risk of further CV-19 financial impact, in addition to the amounts currently identified in Directorates	4.9	(4.9)				0.0
Total Pressures		19.6	4.2	7.2	8.8	10.9	50.7
Indicative Budget Requirement		83.2	87.4	94.6	103.4	114.3	

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Our Council

2021/22 Subjective Budget

2020/21 Budget Book £m	Directorate	Lead	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
372.1	Adult Social Care	Simon White	84.7	420.4	505.1	(115.3)	(12.7)	377.1
30.2	Public Health	Rachel Crossley	3.4	29.2	32.6	0.0	0.0	32.6
244.4	Children, Families, Lifelong Learning and Culture	Rachael Wardell	129.8	701.0	830.9	(31.4)	(549.1)	250.4
133.6	Environment, Transport, & Infrastructure	Katie Stewart	24.7	131.6	156.4	(15.3)	(1.7)	139.4
36.2	Community Protection Group	Steve Owen-Hughes	39.0	5.2	44.2	(4.2)	(3.0)	37.0
66.2	Resources	Leigh Whitehouse	34.4	68.0	102.3	(0.1)	(36.6)	65.6
17.4	Transformation, Partnerships and Prosperity	TBC	13.4	5.5	19.0	(0.1)	(0.5)	18.3
68.3	Central Income & Expenditure	Leigh Whitehouse	0.0	105.1	105.1	(21.9)	0.0	83.2
968.4	Total - Our Council		329.5	1,466.0	1,795.6	(188.3)	(603.6)	1,003.6
	Central funding:							
(763.9)	Council tax					(768.7)		(768.7)
(116.2)	Business Rates					(87.6)		(87.6)
(88.2)	Central Government Grants						(147.3)	(147.3)
(0.0)	Total - Our Council		329.5	1,466.0	1,795.6	(1,044.6)	(750.9)	0.0

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Directorate	2020/21 Virements and Other Adjustments £m	Base Budget £m	Pay and Price Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
372.1	Adult Social Care	0.0	372.1	14.5	2.4	(11.9)	377.1
30.2	Public Health	2.4	32.6	0.0	0.0	0.0	32.6
244.4	Children, Families, Lifelong Learning and Culture	0.7	245.1	3.8	22.3	(20.9)	250.4
133.6	Environment, Transport, & Infrastructure	1.1	134.8	1.9	5.9	(3.2)	139.4
36.2	Community Protection Group	0.1	36.3	0.2	1.0	(0.5)	37.0
66.2	Resources	0.2	66.4	1.3	2.3	(4.4)	65.6
17.4	Transformation, Partnerships and Prosperity	(0.0)	17.3	0.1	1.2	(0.3)	18.3
68.3	Central Income & expenditure	(4.6)	63.7	0.0	19.6	0.0	83.2
968.4	Total - Our Council	(0.0)	968.4	21.9	54.6	(41.2)	1,003.6

Adult Social Care

Executive Director: Simon White

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
372.1	Adult Social Care	84.7	420.4	505.1	(115.3)	(12.7)	377.1
372.1	Total - Adult Social Care	84.7	420.4	505.1	(115.3)	(12.7)	377.1

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
372.1	Adult Social Care	0.0	372.1	14.5	2.4	(11.9)	377.1
372.1	Total - Adult Social Care	0.0	372.1	14.5	2.4	(11.9)	377.1

Public Health

Executive Director: Rachel Crossley

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
30.2	Public Health	3.4	29.2	32.6	0.0	0.0	32.6
30.2	Total - Public Health	3.4	29.2	32.6	0.0	0.0	32.6

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
30.2	Public Health	2.4	32.6				32.6
30.2	Total - Public Health	2.4	32.6	0.0	0.0	0.0	32.6

Children, Families, Lifelong Learning and Culture

Executive Director: Rachael Wardell

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
41.5	Family Resilience	24.0	20.8	44.9	(1.3)	(2.7)	40.8
55.8	Education, Lifelong Learning & Culture	53.3	175.2	228.5	(22.1)	(153.4)	53.0
45.3	Commissioning	11.6	118.4	130.0	(2.0)	(74.3)	53.7
9.1	Quality & Performance	7.8	1.6	9.4	(0.7)	(0.5)	8.2
91.7	Corporate Parenting	31.7	71.9	103.6	(4.8)	(9.1)	89.7
1.1	Directorate Wide Savings	1.4	4.0	5.4	(0.5)	0.0	4.9
244.4	Total - Children, Families, Lifelong Learning and Culture	129.8	391.9	521.8	(31.4)	(240.0)	250.4
0.0	Delegated Schools		309.1	309.1		(309.1)	0.0
244.4	Total - Children, Families, Lifelong Learning and Culture	129.8	701.0	830.9	(31.4)	(549.1)	250.4

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book	Service	2020/21 Virements and Other Adjustments	2020/21 Budget	Inflation	Pressures	Efficiencies *	21/22 Budget
£m		£m	£m	£m	£m	£m	£m
41.5	Family Resilience	(0.9)	40.6	0.2	0.3	(0.2)	40.8
55.8	Education, Lifelong Learning & Culture	(1.0)	54.8	0.2	3.3	(5.4)	53.0
45.3	Commissioning	5.6	50.9	1.4	6.1	(4.6)	53.7
9.1	Quality Assurance	(0.9)	8.2	0.0	0.1	(0.1)	8.2
91.7	Corporate Parenting	(2.0)	89.7	0.5	0.0	(0.5)	89.7
1.1	Directorate Wide	(0.1)	1.0	1.5	12.6	(10.1)	5.0
244.4	Total - Children, Learning, Families and Culture	0.7	245.1	3.8	22.3	(20.9)	250.4
0.0	Delegated Schools	0.0	0.0		0.0		0.0
244.4	Total - Children, Families, Lifelong Learning and Culture	0.7	245.1	3.8	22.3	(20.9)	250.4

* The CFLC efficiency figure represents General Fund efficiencies; in addition the Directorate need to deliver £20.0m of DSG efficiencies to balance the High Needs Block pressures. This brings the total efficiency requirement for CFLC to £40.9m

Environment, Transport, & Infrastructure

Executive Director: Katie Stewart

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
62.9	Highways & Transport	17.2	59.8	76.9	(11.0)	(1.5)	64.4
68.8	Environment	2.5	71.4	74.0	(2.1)	(0.2)	71.7
2.0	Infrastructure Planning & Major Projects	4.6	0.5	5.1	(2.2)	0.0	2.9
(0.1)	Leadership Office	0.4	(0.1)	0.4	0.0	0.0	0.4
133.6	Total - Environment, Transport, & Infrastructure	24.7	131.6	156.4	(15.3)	(1.7)	139.4

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
62.9	Highways & Transport	(0.1)	62.7	0.9	2.8	(2.0)	64.4
68.8	Environment	0.4	69.2	1.0	2.7	(1.2)	71.7
2.0	Infrastructure Planning & Major Projects	0.5	2.5	0.0	0.5	(0.1)	2.9
(0.1)	Leadership Office	0.4	0.4	0.0	0.0	0.0	0.4
133.6	Total - Environment, Transport, & Infrastructure	1.1	134.8	1.9	5.9	(3.2)	139.4

Community Protection Group

Director (Community Protection & Emergencies): Steve Owen-Hughes

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
31.4	Fire and Rescue	33.2	3.0	36.2	(1.8)	(3.0)	31.4
2.0	Coroner	1.6	1.7	3.3	(0.2)		3.1
1.8	Trading Standards	3.5	0.5	4.0	(2.2)		1.8
0.3	Chief of Staff			0.0			0.0
0.5	Emergency Management	0.5	0.0	0.5	0.0		0.5
0.1	Health and Safety	0.1	0.0	0.1			0.1
0.1	Armed Forces and Resilience	0.1	0.0	0.1			0.1
36.2	Total - Community Protection Group	39.0	5.2	44.2	(4.2)	(3.0)	37.0

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
31.4	Fire and Rescue	0.3	31.7	0.2		(0.5)	31.4
2.0	Coroner	0.1	2.1	0.0	1.0		3.1
1.8	Trading Standards		1.8				1.8
0.3	Chief of Staff	(0.3)	0.0				0.0
0.5	Emergency Management	0.0	0.5				0.5
0.1	Health and Safety		0.1				0.1
0.1	Armed Forces and Resilience		0.1				0.1
36.2	Total - Community Protection Group	0.1	36.3	0.2	1.0	(0.5)	37.0

Resources

Executive Director: Leigh Whitehouse

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
5.8	Finance	5.2	2.8	7.9	0.0	(2.0)	5.9
4.1	Legal Services	3.7	1.4	5.1	0.0	(0.4)	4.7
3.2	Democratic Services	1.5	2.3	3.8	(0.1)	(0.2)	3.6
27.1	Property	10.2	24.2	34.4	0.0	(9.5)	25.0
10.7	Information Technology & Digital	1.1	10.2	11.3	0.0	(0.7)	10.6
(0.3)	Business Operations	0.2	(0.5)	(0.3)	0.0	0.0	(0.3)
17.2	Joint Operating Budget ORBIS	0.0	16.5	16.5	0.0	0.0	16.5
(1.7)	Twelve15	12.1	10.6	22.7	0.0	(23.8)	(1.1)
0.0	Executive Director of Resources	0.4	(0.0)	0.4	0.0	(0.1)	0.3
0.0	DB&I	0.0	0.5	0.5	0.0	0.0	0.5
66.2	Total - Resources	34.4	68.0	102.3	(0.1)	(36.6)	65.6

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
5.8	Finance	0.0	5.8	0.0			5.9
4.1	Legal Services		4.1	0.1	0.5		4.7
3.2	Democratic Services		3.2	0.0	0.4		3.6
27.1	Property	(0.3)	26.8	0.4	0.7	(3.0)	25.0
10.7	Information Technology & Digital		10.7	0.4	0.3	(0.8)	10.6
(0.3)	Business Operations		(0.3)	0.0	0.1		(0.3)
17.2	Joint Operating Budget ORBIS	(0.3)	16.9	0.3		(0.6)	16.5
(1.7)	Twelve15		(1.7)		0.5		(1.3)
0.0	Executive Director of Resources	0.3	0.3	0.0			0.3
0.0	DB&I	0.5	0.5				0.5
66.2	Total - Resources	0.2	66.4	1.3	2.3	(4.4)	65.6

Transformation, Partnerships and Prosperity

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
6.6	Human Resources & Organisational Development	4.2	2.4	6.5			6.5
1.8	Insight, Analytics & Intelligence	1.2	1.3	2.5		(0.5)	2.0
1.4	Community Partnership	1.0	1.0	2.0			2.0
2.9	Customer Services	2.8	0.1	2.9	(0.1)		2.7
1.6	Strategic Leadership	1.5	0.0	1.5			1.5
1.4	Communications	1.4	0.3	1.7			1.7
0.8	Economic Growth	0.7	0.4	1.1			1.1
0.8	Transformation Support Unit	0.8	0.0	0.8			0.8
17.4	Total - Transformation, Partnerships and Prosperity	13.4	5.5	19.0	(0.1)	(0.5)	18.3

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
6.595	Human Resources & Organisational Development		6.6	0.0		(0.1)	6.5
1.832	Insight, Analytics & Intelligence	0.2	2.0	0.0		(0.0)	2.0
1.438	Community Partnership	(0.1)	1.3	0.0	0.7		2.0
2.917	Customer Services		2.9	0.0		(0.2)	2.7
1.593	Strategic Leadership	(0.1)	1.5	0.0			1.5
1.442	Communications		1.4	0.0	0.2		1.7
0.787	Economic Growth		0.8	0.0	0.3		1.1
0.778	Transformation Support Unit		0.8	0.0			0.8
17.4	Total - Transformation, Partnerships and Prosperity	(0.0)	17.3	0.1	1.2	(0.3)	18.3

Central Income & Expenditure

Executive Director: Leigh Whitehouse

2021/22 Subjective Budget

2020/21 Budget Book £m	Service	Employee Cost £m	Non Employee Cost £m	Gross Exp £m	Income £m	Government Grants £m	21/22 Budget £m
68.3	Central Income & Expenditure		105.1	105.1	(21.9)		83.2
68.3	Total - Central Income & Expenditure	0.0	105.1	105.1	(21.9)	0.0	83.2

Budget movements from 2020/21 Budget to 2021/22 Budget

2020/21 Budget Book £m	Service	2020/21 Virements and Other Adjustments £m	2020/21 Budget £m	Inflation £m	Pressures £m	Efficiencies £m	21/22 Budget £m
68.3	Central Income & Expenditure	(4.6)	63.7	0.0	19.6		83.2
68.3	Total - Central Income & Expenditure	(4.6)	63.7	0.0	19.6	0.0	83.2

Annex C: Capital Programme 2021/22 to 2025/26

Project	Programme or Individual Project	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	TOTAL £m
Surrey Flood Alleviation - River Thames	Project	2.5	10.0	60.0	60.0	50.0	182.5
Surrey Flood Alleviation - Wider Schemes	Programme	3.0	3.7	3.7	3.7	3.7	17.8
Highway Maintenance	Programme	40.0	40.0	40.0	40.0	40.0	200.0
Bridge/Structures Maintenance	Programme	8.6	10.2	10.2	10.2	10.2	49.2
A320 North of Woking and Junction 11 of M25	Project	3.0	15.0	27.7	-	-	45.7
Local Highways Schemes	Programme	3.1	3.0	3.0	3.0	3.0	15.1
Traffic signals	Programme	2.9	2.9	2.9	2.9	2.9	14.6
Street Lighting LED Conversion	Project	7.6	4.8	-	-	-	12.4
Illuminated Street Furniture	Programme	3.5	1.9	1.9	1.9	0.5	9.7
Flooding & drainage	Programme	1.7	1.7	1.7	1.7	1.7	8.5
Safety Barriers	Programme	1.3	1.5	1.5	1.5	1.5	7.3
Local Enterprise Partnerships Funded Schemes	Programme	7.3	-	-	-	-	7.3
External funding	Programme	1.2	1.2	1.2	1.2	1.2	6.0
Drainage Asset Capital Maintenance/Improvements	Programme	1.0	1.0	1.0	1.0	1.0	5.0
Highway Maintenance - Signs	Programme	0.4	0.4	0.4	0.4	0.4	2.0
Road Safety Schemes	Programme	0.2	0.2	0.2	0.2	0.2	1.0
Replacement Vehicles	Programme	0.2	0.2	0.2	0.2	0.2	0.8
Surrey Quality Bus Corridor Improvement	Project	0.3	0.3	-	-	-	0.6
Other - (Grant Funded Speed Cameras, ANPR at CRCs, Traffic System)	Project	0.5	0.1	-	-	-	0.6
Real Time Traffic Monitoring (Traffic Studies)	Programme	0.5	-	-	-	-	0.5
Smallfield Safety Scheme (CIL)	Project	0.3	-	-	-	-	0.3
Road Safety - Surrey Police funded digital cameras	Programme	0.2	-	-	-	-	0.2
LEP Funded Schemes Electric Vehicle Charging Point Pilot Study	Project	0.1	-	-	-	-	0.1
Superfast Broadband	Project	0.1	-	-	-	-	0.1
Highways and Transport Total		89.5	98.0	155.5	127.8	116.4	587.3
Public Rights of Way	Programme	1.0	0.7	0.7	0.7	0.7	4.0
Basingstoke Canal	Programme	0.2	0.2	0.2	0.1	0.1	0.7
Improving Access to the Countryside	Project	0.4	0.0	0.0	0.0	0.0	0.5
Closed landfill sites	Programme	0.1	0.1	0.1	0.1	0.1	0.3
Environment Total		1.7	1.0	1.0	0.9	0.9	5.5
Surrey Fire - Purchase of New Fire Engines & Equipment	Programme	4.0	3.6	3.5	1.7	2.1	14.9
Making Surrey Safer – Our Plan 2020-2023	Project	0.3	0.5	0.5	0.5	0.5	2.1
Fire-Emergency Services Network	Project	0.2	-	-	-	-	0.2
Surrey Fire & Rescue Service Total		4.4	4.1	4.0	2.2	2.5	17.2
INFRASTRUCTURE TOTAL		95.6	103.1	160.5	131.0	119.9	610.0

Project	Programme or Individual Project	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	TOTAL £m
Schools Basic Need	Programme	15.2	27.7	44.7	31.2	3.0	121.8
Recurring Capital Maintenance Schools	Programme	13.5	15.0	15.5	15.5	14.5	74.0
Special Educational Needs and Disabilities Strategy	Programme	10.5	22.6	29.6	11.2	-	73.9
Priority Schools Building Programme 2	Project	1.2	-	-	-	-	1.2
Recurring Capital Maintenance Corporate	Programme	12.0	14.5	15.0	15.0	15.0	71.5
Relocation/upgrade of SFRS functions at Wray Park	Project	8.0	6.7	-	-	-	14.7
Looked After Children (LAC) Schemes	Programme	4.0	0.8	-	-	-	4.8
Fire Risk Assessments	Programme	1.5	1.0	0.8	0.6	0.6	4.5
Winter Maintenance Depot (Salt Barns)	Project	3.2	-	-	-	-	3.2
Agile Office / Moving Closer to Residents	Project	1.1	-	-	-	-	1.1
Fire Station Reconfiguration	Project	0.7	-	-	-	-	0.7
Henley Fort	Project	0.6	-	-	-	-	0.6
Gypsy Sites	Project	0.4	-	-	-	-	0.4
Woking Library	Project	0.1	-	-	-	-	0.1
Resources Total		72.0	88.3	105.6	73.5	33.1	372.5
Adaptions For CWD	Programme	0.5	0.3	0.3	0.3	-	1.5
Foster carer grants	Programme	0.2	0.2	0.2	0.2	-	0.8
School Kitchens	Project	0.3	-	-	-	-	0.3
Children Services Total		1.0	0.5	0.5	0.5	-	2.7
Adults Capital Equipment	Programme	1.5	1.5	1.5	1.5	-	6.0
Major Adaptions	Programme	0.3	0.3	0.3	0.3	-	1.2
In house capital improvement scheme	Programme	0.1	0.1	0.1	-	-	0.3
Adult Social Care Total		1.9	1.9	1.9	1.8	-	7.5
PROPERTY TOTAL		74.9	90.7	108.0	75.8	33.1	382.6
IT&D Hardware	Programme	1.2	1.0	3.0	5.6	1.2	12.1
Digital Business & Insights Programme - ERP Replacement	Programme	9.2	-	-	-	-	9.2
IT&D Infrastructure	Project	0.7	1.4	1.1	2.0	1.0	6.2
Telephones UNICORN network (BT)	Programme	2.5	0.2	0.1	0.1	0.1	3.1
Agile Workforce - Transformation	Project	-	-	1.9	-	-	1.9
Education Management System	Project	0.8	-	-	-	-	0.8
Data Centre Replacement	Project	0.1	0.0	0.1	0.1	0.1	0.4
IT TOTAL		14.4	2.7	6.2	7.9	2.4	33.6
TOTAL BUDGET		184.9	196.5	274.7	214.7	155.4	1,026.2
Your Fund Surrey		20.0	20.0	20.0	20.0	20.0	100.0
Pipeline		122.6	213.6	170.4	135.6	137.0	779.2
TOTAL CAPITAL PROGRAMME		327.6	430.1	465.1	370.2	312.5	1,905.5

Capital Programme – Financing 2021/22 to 2025/26

Funding Source	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	TOTAL £m
Grant / Contribution	109.5	115.1	166.1	133.1	127.5	651.3
Receipts	75.4	-	-	-	-	75.4
Revenue	6.4	8.7	6.9	6.4	5.4	33.7
Borrowing	136.3	306.3	292.2	230.7	179.5	1,145.0
TOTAL FUNDING	327.6	430.1	465.1	370.2	312.5	1,905.5

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

Note: Each allocation has been categorised as a programme - where future amounts will be revisited throughout the MTFs, or an individual project - where although the forecast may change, commitment to delivery would only be reviewed by exception.

Capital Programme: Outcome Delivery

Capital Budget	MTFS Total £m	Key Outcomes	Priority Objectives and Contribution to Vision 2030													
			Growing a sustainable economy so everyone can benefit	Tackling health inequality	Enabling a greener future	Empowering Communities	Children & young people are safe & feel confident	Everyone benefits from education, skills & employment that help them to succeed in life	Everyone lives healthy, active & fulfilling lives & makes good choices about their wellbeing	Everyone gets the health & social care support & information they need at the right time & place	Communities are welcoming & supporting especially of those most in need & people feel able to contribute to community life	Residents live in clean, safe & green communities where people & organisations embrace their environmental responsibilities	Journeys across the county are easier, more predictable & safer	Businesses thrive in Surrey	Everyone has a place they can call home with appropriate housing for all	Well connected communities with effective infrastructure that grow sustainably
Highway Maintenance	200.0	Improvement in the condition of roads, footways and cycleways	●		●									●		
Bridges and other maintenance	92.4	Improvement in the condition of bridges, structures and other highways infrastructure	●		●									●		
Local Highways Schemes	15.1	Provides for locally determined priorities for highways investment	●		●									●		
A320 North of Woking and Junction 11 of M25	45.7	Strategic infrastructure improvement to enable the delivery of new housing and alleviate congestion	●											●	●	●
Surrey Flood Alleviation - River Thames and Wider Schemes	200.3	Flood alleviation programme for the River Thames and across the county to safeguard homes and businesses	●		●	●			●				●	●	●	●
Schools Basic Need	121.8	Provision of school places to meet rising pupil numbers			●		●	●								●
Recurring Capital Maintenance of Schools	74.0	Maintenance of schools to enable continued safe provision of education			●		●	●								●
Special Educational Need and / or Disability Strategy	73.9	Provides spaces for children with Special Education Needs and / or Disabilities; part of the CFLC efficiency programme			●		●	●								●
Recurring Capital Maintenance of Property	71.5	Maintains Council assets in a cost-effective and safe way	Contributes to the transformation of the Council, the delivery of efficiency in the revenue budget and the delivery of Council priority objectives													
Infrastructure, hardware and Agile Workforce transformation	23.3	Enables the delivery of council services through agile and fit-for-purpose technology	Contributes to the transformation of the Council, the delivery of efficiency in the revenue budget and the delivery of Council priority objectives													
Other schemes	108.3															
Total Capital Budget	1,026.2															

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Projected Earmarked Reserves and Balances 31 March 2021

The Council holds a number of Earmarked Reserves for various purposes, which are listed below:

- i) **Budget Equalisation Reserve:** This reserve was set up to support future years' revenue budgets from unapplied income and budget carry forwards.
- ii) **Business Rate Appeals Reserve:** As part of the localisation of business rates the Council is liable to refund business rate payers for its share of business rates if it is determined that a rate payer has been overcharged rates. This reserve will be used to fund any successful appeals.
- iii) **Economic Prosperity Reserve:** This reserve is to allay the risks of erosion in the Council's tax base due to the impact of the localisation of Council tax benefit and provide for investment in the local economy.
- iv) **Revolving Investment & Infrastructure Fund:** This Fund was established in the 2013-18 Medium-Term Financial Strategy in order to provide for the revenue costs of funding infrastructure and investment initiatives that will deliver efficiencies and enhance income in the longer-term.
- v) **Insurance Reserve:** This reserve holds the balance resulting from a temporary surplus or deficit on the Council's self-insurance fund and is assessed by an actuary for the possible liabilities the Council may face. It specifically holds £4.2m to cover potential losses from the financial failure of Municipal Mutual Insurance (MMI) in 1992. The company had limited funds to meet its liabilities, consequently, future claims against policy years covered by MMI may not be fully paid, so would be funded from this reserve. The balance on this reserve represents the latest assessed possible liability.
- vi) **Investment Renewals Reserve:** Enables investment in service developments. The reserve makes loans to services for invest to save projects, which may be repayable. The recovery of the loan is tailored to the requirements of each business case, which is subject to robust challenge before approval as a part of the Council's governance arrangements.
- vii) **Capital Investment Reserve:** To fund revenue costs to pump-prime capital investment.
- viii) **Eco Park Sinking Fund:** To smooth the impact of the compressed distribution of the contract costs and re-profiling of the PFI credits.
- ix) **Equipment Replacement Reserve:** Enables services to set aside revenue budgets to meet future replacement costs of large equipment items. Services make annual revenue contributions to the reserve and make withdrawals to fund purchases. This reserve is being phased out over the medium-term to ensure consistency in the application of revenue funds for capital across the Council.
- x) **Street Lighting PFI Fund:** This reserve holds the balance of the street lighting PFI grant income over and above that used to finance the PFI to date. The balance in this reserve will be used in future years when the expenditure in year will exceed the grant income due to be received in the same year.

- xi) Transformation Reserve:** This was established to pump-prime projects that required upfront expenditure to deliver service re-design, critical to the Council.
- xii) Interest Rate Reserve:** This reserve is to enable the Council to fund its Capital Programme from borrowing in the event of an unexpected change in interest rates or other borrowing conditions.
- xiii) CFLC Inspection and System Improvements:** This reserve is to fund additional costs in preparation for the OFSTED re-inspection as well as reviewing and renewal of the monitoring and recording case system for children social care services funded from a review of the revenue unapplied grants
- xiv) COVID-19 Emergency Fund:** This is an ringfenced government grant money to support Surrey County Council to fund the loss of income and extra costs associated with the pandemic.
- xv) DSG & Schools Balances:** This represents unapplied revenue resources accumulated by maintained schools with delegated spending authority. The balance is controlled by schools and is not available to the Council for other purposes. The reserve has also been set aside to fund the deficit on the DSG High Needs Block, in the very unlikely situation it has to be resourced.
- xvi) Revenue Grants Unapplied:** This reserve holds grants from central government which have been held in reserve as expenditure in relation to the grant has yet to be incurred.

Forecast use of Earmarked Reserves & Balances: The Earmarked Reserves position presented below reflects the estimated closing balance for 2020/21 and hence the total reserves available for the financial year 2021/22.

	Opening Balance 1 April 2020 £m	Forecast Movement £m	Forecast Balance at 31 March 2021 £m
Budget Equalisation	44.4	21.7	66.1
Business Rate Appeals	28.6		28.6
Economic Prosperity	11.7		11.7
Revolving Investment & Infrastructure Fund	11.1		11.1
Insurance	10.7		10.7
Investment Renewals	5.2		5.2
Capital Investment Reserve	5.0		5.0
Eco Park Sinking Fund	27.7		27.7
Equipment Replacement	3.9		3.9
Streetlighting PFI Fund	2.5		2.5
Transformation Reserve	1.8		1.8
Interest Rate Reserve	1.0		1.0
CFLC Inspection and System Improvements	1.3		1.3
COVID-19 Emergency Fund	24.2	(14.3)	9.9
Earmarked Reserves	179.1	7.4	186.5
Schools Balances	40.8		40.8
DSG High Needs Deficit	(48.6)	(31.6)	(80.2)
DSG High Needs Block Offset	48.6	31.6	80.2
SEND & School Balances	40.8	0.0	40.8
Revenue Grants Carried Forward	23.4		23.4
Total Earmarked Reserves	243.3	7.4	250.7
General Fund Balance	24.2	0.0	24.2

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Council Tax Requirement

1. In January 2021, the District and Borough Councils informed Surrey County Council of the Council Tax base for 2021/22. The tax base provided is presented as the number of Band D equivalent properties. The total tax base for 2021/22 is 501,947.2; a decrease of 0.9% from 2020/21. This information was received ahead of the legislative deadline of 31 January 2021.
2. At the same time, the District and Borough Councils provided estimates of the Council Tax Collection Fund balance. As a result of pressures associated with the Covid-19 pandemic, the collection fund is in deficit. The Government has amended legislation to require authorities to spread the estimated deficit relating to 2020/21 over three years from 2021/22 to 2023/24. The total Collection Fund deficit after spreading the 2020/21 liability is £3,854,453.21.
3. Each year the Council must decide if its proposed Council Tax increase is excessive. If deemed excessive, a referendum must be held. This decision must be made in accordance with a set of principles determined by the Secretary of State (SoS), referred to as the referendum principle.
4. Since 2016/17, authorities with social care responsibilities have been allowed additional flexibility on their core Council Tax referendum principle so long as the additional money raised is used entirely for adult social care services. This is referred to as the Adult Social Care (ASC) precept.
5. In December 2020 the SoS for Housing Communities and Local Government, The Rt Hon Robert Jenrick, set a core Council Tax referendum principle of up to 2% and set out flexibilities for authorities to set an ASC precept of 3% on top of the core element. In recognition that local authorities might not want to take up the ASC precept flexibility in full, some or all of the 3% increase can be deferred for use in 2022/23.
6. Increases in the core Council Tax and ASC precept are calculated based on the full Council Tax precept for the preceding year.
7. Council is asked to approve the increase to core Council Tax by 1.99% and the ASC precept by 0.5%; an overall increase of 2.49%, for 2021/22. The Council Tax precept is the Council Tax requirement divided by the tax base.

Table 1 – Council Tax Requirement

(Income)/Expenditure	£
Gross expenditure	1,795,597,253.21
Other income	791,948,828.63
Budgeted revenue expenditure	1,003,648,424.58
Contributions to/(from) reserves and balances	5,041,927.12
Business rates income	(47,258,184.60)
Business rates top-up	(63,088,453.73)
Business rates collection fund	22,652,576.15
Other Government grants	(147,294,374.15)
Council tax collection fund balance	3,854,453.21
Council tax requirement	777,556,368.57

8. The tax base is the number of Band D equivalent properties for precepting purposes. The tax base for 2021/22 is as follows, showing a decrease of 0.9% from 2020/21:

Table 2 – 2021/22 Tax base

Billing Authority	No. of Band D equivalent properties		Change
	2021/22	2020/21 equivalent	
Elmbridge	64,518.0	65,228.00	(1.1%)
Epsom & Ewell	33,149.6	33,019.91	0.4%
Guildford	57,159.4	57,645.39	(0.8%)
Mole Valley	40,759.0	40,883.00	(0.3%)
Reigate & Banstead	60,720.0	61,128.80	(0.7%)
Runnymede	33,404.0	34,099.24	(2.0%)
Spelthorne	39,016.3	40,085.00	(2.7%)
Surrey Heath	38,810.6	38,525.86	0.7%
Tandridge	38,454.5	38,646.10	(0.5%)
Waverley	55,612.8	55,467.10	0.3%
Woking	40,343.0	41,579.79	(3.0%)
Total	501,947.2	506,308.19	(0.9%)

9. The Council is required to provide separately information on the amount by which Council Tax is raised in order to fund Adult Social Care services. The Band D Council Tax precept for 2021/22 is calculated as follows:

Table 3 – Band D precept

Council Tax Precept	CTR ÷ tax base	Level
Core precept	$707,780,688.30 \div 501,947.2$	= £1,410.07
Adult Social Care precept	$69,775,680.27 \div 501,947.2$	= £139.01*
Council tax precept	$777,556,368.57 \div 501,947.2$	= £1549.08

*The amount charged for the ASC precept is the sum of the ASC precept increases since 2016/17.

10. The proposed increase is not considered excessive in accordance with the set of principles determined by the SoS.

Table 4 – Increase in Council Tax

Band D	A 2020/21	B 2021/22	C Base to measure increase	D Increase (B-A) ÷ C	Referendum Principle
Core precept	£1,380.00	£1,410.07	£1,511.46	1.99%	up to 2%
ASC precept	£131.46	£139.01	£1,511.46	0.50%	3% on top of the core principle
Council tax precept	£1,511.46	£1,549.08	£1,511.46	2.49%	up to 5%

11. The proposals result in an overall increase of £37.62 per annum, £0.72 per week, for a Band D dwelling.
12. Surrey County Council's level of Council Tax for each category of dwelling in its area will be as follows:

Table 5 - Council Tax by valuation band

Valuation band	Core precept	ASC precept	Overall precept
A	£940.05	£92.67	£1,032.72
B	£1,096.72	£108.12	£1,204.84
C	£1,253.40	£123.56	£1,376.96
D	£1,410.07	£139.01	£1,549.08
E	£1,723.42	£169.90	£1,893.32
F	£2,036.77	£200.79	£2,237.56
G	£2,350.12	£231.68	£2,581.80
H	£2,820.14	£278.02	£3,098.16

13. The payment for each billing authority including any surplus or deficit balances on the Collection Fund will be as follows.

Table 6 – Payment for each billing authority

Billing Authority	Payment
Elmbridge	98,962,280.96
Epsom & Ewell	51,305,356.59
Guildford	88,763,027.35
Mole Valley	62,702,915.72
Reigate & Banstead	93,719,517.40
Runnymede	52,975,431.44
Spelthorne	59,076,413.00
Surrey Heath	58,916,307.30
Tandridge	59,373,973.86
Waverley	85,560,894.22
Woking	62,345,797.52
Total*	773,701,915.36

** Includes council tax collection fund balances*

14. The billing authority payments are to be made in ten equal instalments on the following dates:

Table 7 – Payment dates

Payment dates	
19/04/2021	11/10/2021
24/05/2021	19/11/2021
28/06/2021	07/01/2022
26/07/2021	18/02/2022
10/09/2021	16/03/2022

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Flexible Use of Capital Receipts

This annex sets out the Transformation Programmes which may require flexible use of capital receipts as part of rephasing allocations originally agreed by Council in February 2020.

Big Delivery Programmes

Programme Name	Programme Summary	Investment (£m)	Efficiencies (£m)
Accommodation with Care and Support	Increase the availability of different types of accommodation with care and support to provide residents with improved quality of life and a greater sense of independence.	£0.8	£5.7
Care Pathways	A front door where people are supported quickly, discharge to assess is embedded and reablement provides short term interventions for all – strengthened by a skilled workforce and community prevention.	£0.9	£7.2
Adult Social Care (ASC) Market Management	Strengthen market management and placements across ASC so that it is intelligent and co-ordinated, resulting in increased cost predictability and value for money, with stronger relationships.	£0.2	£5.3
Adults with Learning Disabilities and Autism	Increase independent living for adults with learning disabilities and autism and improve access to care and support, employment, life skills and friendship groups.	£0.9	£5.1
Integrating Adult Mental Health	Improve mental health and care by combining services and integrating the approach to mental health with physical health and social wellbeing. Establish a strengths-based approach that promotes independence.	£0.1	£0.2
Enabling You with Technology	Develop a universal digital telehealth and technology enabled care offer for people with eligible social care needs and self-funding Surrey residents, including a responder service.	£0.3	tbc
Preparing for Adulthood	Develop an enhanced Transitions service and pathways, so that young people between the ages of 16 and 25 are supported effectively and develop independence in preparation for adulthood.	£0.8	tbc

Big Delivery Programmes (continued)

Programme Name	Programme Summary	Investment (£m)	Efficiencies (£m)
Special Educational Needs and / or Disabilities	Strengthen the partnership system across health, local authorities and education to provide a financially-sustainable service and ensure children with special educational needs and disabilities receive high-quality support.	£2.0	£29.9
Placement Value and Outcomes / Family Resilience	Increase the provision of local, in-county support for young people with special educational needs and disabilities to improve outcomes and provide value for money.	£2.4	£11.8
Libraries and Cultural Services	Deliver a broad range of modern library and cultural services, reducing net cost and increasing impact. Modern libraries will be centred around wellbeing, with libraries as social hubs, cultural centres, learning hubs and economic enablers.	£0.7	£1.7
Community Protection	Transform community protection services so they better protect residents, provide value for money and focus on prevention.	£0.9	£0.5
Rethinking Transport	Develop an improved, more accessible and environmentally sustainable transport network by reducing journeys, increasing use of public and active transport modes, and developing a zero emission vehicle option.	£0.7	£1.0
Rethinking Waste	Create new infrastructure and working collaboratively with districts and boroughs to make efficiencies and reduce the production of waste, maximise recycling and reuse and minimise the use of landfill.	£0.3	£0.5
Total		£11.0	£68.9

Organisational Strategy Priorities

Programme	Programme Summary	Investment (£m)	Efficiencies (£m)
Economy and Growth	Secure Surrey's position as an economic leader by working alongside all partners to shape and achieve "good growth" for Surrey; creating great places for people to live, work, learn and enjoy.	£0.2	n/a
Greener Futures	Deliver a number of projects to achieve the council's vision of being a zero carbon and resilient county by 2050. Initiatives include education, encouraging sustainable planning & development and supporting an environmentally friendly economy.	£0.6	n/a
Empowering Communities	Empower communities by handing more powers and resources directly to them, designing the services we provide locally with them, and making it easier for everyone to play an active role in the decisions that will shape Surrey's future.	£0.4	n/a
Health and Social Care Integration	Transform health and social care so people can fulfil their potential, lead healthy lives and have good mental health and emotional wellbeing.	£1.2	tbc
Becoming More Entrepreneurial	Equip the council to be more creative, innovative, and entrepreneurial to help protect and invest in vital services by making better use of our assets, opening up new services to residents, ensuring good value for taxpayers and sustainable services for future generations to use.	£0.3	£1.4
Domestic Abuse	Transform our domestic abuse system through an integrated delivery model with partners to deliver the best outcomes for those affected by domestic abuse.	£0.5	n/a
Countryside Enhancement	Realise the commercial potential for the countryside estate in order to make it financially sustainable and encourage residents to use our open spaces more regularly.	£0.4	£0.1
Highways Re-procurement	Find the right contract partner to support the council's strategic ambitions in areas such as Climate Change, Digital Connectivity and Social Value Contribution as well as drive innovation and improvement in delivery of services for residents.	£0.2	n/a
Total		£3.8	£1.5

New Operating Model (future reform)

Programme	Programme Summary	Investment (£m)	Efficiencies (£m)
Agile Organisation Programme	Create the framework and structure necessary for realising the council's ambitions of becoming a truly agile organisation, including a move to a new Civic Heart in Surrey.	n/a#	n/a
Customer Experience	Make people's experience of dealing with the council quicker, easier and better by shaping a new relationship with our customers, managing their enquiries in a more efficient, proactive and connected way and increasing our use of digital self-serve technologies.	£0.6	£0.2
Digital	Realise the council's ambitious digital strategy by transforming how our organisation operates, interacts with customers and delivers services to meet the demands and needs of a digital society.	£2.3	tbc
Agile Workforce	Equip staff to work flexibly and almost anywhere constraints which will in turn maximise efficient use of the council's property portfolio and reducing unproductive time for all employees.	£2.1	tbc
Data Insights	Improve data collation and analysis across the organisation in order to improve service design and delivery and improve outcomes for residents.	£0.4	n/a
Land and Property	Improving the effectiveness, efficiency and commercialisation of the Land and Property function to ensure it supports service delivery to residents and organisational objectives for the council.	£0.5	tbc
Resources Improvement Prog.	Drive improvements to ways of working and embed a business partnering culture across the resources directorate.	£0	n/a
Evaluate In-House Services (ASC)	Evaluate the future of in-house provision in line with the council's strategy for accommodation with care and support, better meeting needs, complexity and improving value for money.	£0.3	£4.6
Creating ETI	Reimagine and transform the ETI (Environment, Transport and Infrastructure) directorate so that it encompasses the vision, outcomes, culture and capabilities that enable the delivery of the council's place ambitions.	£0.1	n/a
Total		£6.3m	£4.8m

This programme is not funded through Transformation Programme but is part of the Flexible Use of Capital Receipts Strategy

Notes

1. The investment and efficiency figures stated relate specifically to allocations of transformation funding and the efficiencies linked to this from 2021/22-2025/26 - in some cases there will be additional investments (including capital) and efficiencies related to these areas of work as set out in the Medium Term Financial Strategy
2. Those programmes with “tbc” for efficiencies are expected to identify future efficiency proposals as they progress through the year. Those programmes with “n/a” for efficiencies will be delivering priority outcomes and / or supporting cost containment and other listed efficiencies (rather than delivering specific additional direct efficiencies)
3. The Moving Closer to Residents (MCTR) Project, was approved by Council in December 2019. In February 2020, £5.6m of capital receipts were allocated to fund revenue expenditure in the move back into the county. Although the means of achieving the move back into Surrey has changed significantly as a result of the Covid-19 pandemic, the purchase of Woodhatch Place and the Agile Office Programme, the transformational aims of the programme remain and a revenue allocation, funded from receipts is still necessary. The initial allocations were phased over the period to 2021/22 and the remaining £2.4m is still required to successfully complete the ambitions of moving the Council’s civic heart back into the county and enable a more agile workforce.

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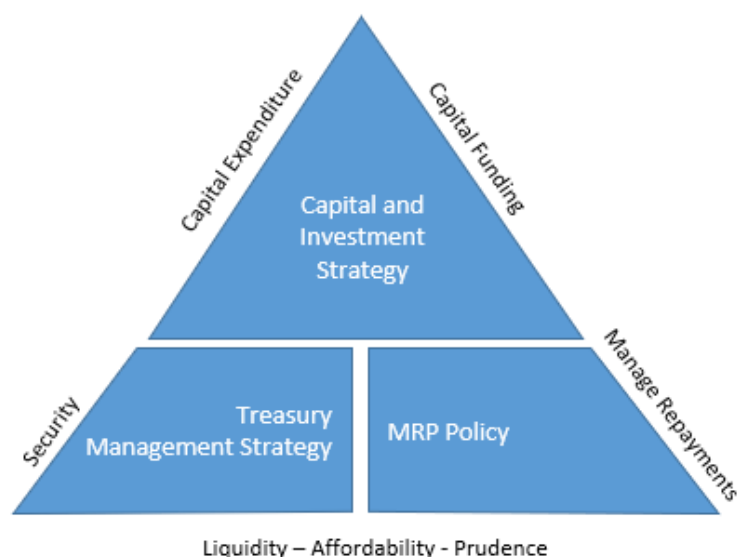
Capital and Investment Strategy 2021/22

Introduction

1. The Capital and Investment Strategy provides an overview of the two main components of capital planning;
 - the Capital Programme; supporting Corporate and Directorate priorities; and
 - the Capital Investment Programme; generating income and supporting economic growth.

This report sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

2. The strategy sets out a clear picture of the ambition of the Council regarding capital expenditure and investment plans within the financial constraints, risk appetite and regulatory framework that the Council operates.
3. The overall Capital and Investment Strategy can be broken down into separate key elements that set out the Council's approach to capital, investment and treasury management:
 - a. Capital Overview - asset management, capital expenditure planning, risk management and long-term sustainability of capital expenditure plans
 - b. Investment Overview – setting out investment plans focusing on the approach to service and commercially led investment;
 - c. The Treasury Management Strategy Statement (TMSS) – setting out how we borrow and invest to support our capital financing requirement (Annex H)
 - d. The Minimum Revenue Provision (MRP) Policy – setting out how we repay capital borrowing (Annex I)



4. This Annex covers the first two of these elements in detail. Our approach to Treasury Management is set out in Annex H and our policy on the repayment of debt is set out in the MRP Policy (Annex I):

5. Decisions made this year on capital, investment and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
6. Our strategy will:
 - Ensure that capital expenditure contributes to the achievement of the Organisation Strategy;
 - Set a Capital Programme which is affordable and sustainable;
 - Maximise the use of the Council's assets;
 - Provide a clear framework for decision making and prioritisation relating to capital expenditure; and
 - Establish a corporate approach to the review of asset utilisation.

The strategy covers distinct, but inter-related elements of capital and investment activity as follows:

7. **Capital Expenditure and Financing:** The Council incurs two types of capital expenditure, (the service delivery Capital Programme and Capital Investment Programme). The strategy covers both aspects; setting out the Council's capital expenditure and financing plans over the medium-term. It provides an overview of the governance arrangements for approval and monitoring of expenditure and, in relation to commercial investment activities, sets out the due diligence process and the Council's risk appetite in respect of these, including proportionality in respect of overall resources.
8. The section includes a projection of the Council's capital financing requirement and how this will be funded and repaid. It links to the Council's borrowing strategy and sets out the Council's policy to meet its statutory duty to make an annual revenue provision for the repayment of debt, detailed in the MRP Policy (Annex I).
9. **Prudential Indicators:** Local Authority borrowing is governed by CIPFA's Prudential Code, which requires Local Authorities to set indicators which ensure that the level of borrowing is affordable, prudent and sustainable. Key indicators relating to borrowing levels are monitored throughout the year by the Audit & Governance Committee and can be found in Annex H; in the Prudential Indicators section of the TMSS.
10. **Treasury Management Investments** provides an overview of the Council's approach to the management of investments and cash flows. Further details on this are contained in the TMSS (Annex H).
11. **Use of capital resources for revenue purposes** provides a summary of the Council's plans to utilise the Government's flexibilities to use capital receipts to finance the costs of its transformation plans. These are further detailed in the Council's Flexible Use of Capital Receipts policy (Annex F).

12. **Commercial and Economic Growth Investments** providing an overview of the capital assets that are held primarily for commercial purposes or to support economic growth in Surrey.
13. **Knowledge & Skills** summarises the knowledge and skills available to the Council to support it in its decision making in these areas.

Capital Expenditure and Financing

14. Capital expenditure refers to Local Authority spending on assets such as infrastructure, property or vehicles that will be used for more than one year. In Local Government this includes spending on assets owned by other bodies and loans and grants to other bodies, enabling them to buy assets.
15. In 2021/22, the Council has a total capital expenditure requirement of £345m as summarised in Table 1. Of this, £185m will form the Capital Budget and £143m comprises the Capital Pipeline; schemes that represent the capital ambitions of the Council but are subsequent to further detailed business cases and Member approval. In addition, the Council is planning to spend £16m on its programme of existing economic growth and investment assets.

Table 1 - Estimates of Capital Expenditure

	2019/20 actual £m	2020/21 forecast £m	2021/22 budget £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m	Total budget £m
Capital Programme - Budget	142	226	185	197	275	215	155	1,026
Capital Programme - Pipeline	0	0	143	234	190	156	157	879
Sub-total Capital Programme	142	226	328	430	465	370	312	1,905
Capital investment in existing assets	1	13	3	6	5	8	8	29
New growth and service led investments in Surrey	0	0	15	12	9	0	0	36
Sub-total Investment Strategy	1	13	17	18	14	8	8	65
TOTAL	143	240	345	448	479	378	320	1,970

16. Our medium-term approach to financial planning means we can deliver an ambitious Capital Programme of c£1.9bn over the next 5 years, if all Pipeline proposals are approved. The revenue implications of this proposed programme are integrated and factored into the financial planning over the Medium-Term Financial Strategy (MTFS) period.
17. In developing the capital expenditure estimates, we have ensured that borrowing costs remain in line with the revenue budget envelopes set out in the 2021/22 Budget and MTFS. This has been achieved through a combination of refining the borrowing requirement for Pipeline schemes and through identifying a number of schemes that will generate income sufficient to cover their borrowing costs.

18. Planned capital investment will ensure:
- The development of a greener future. We are developing a number of capital propositions to deliver this, such as solar farms, electric charging points, low emission buses and vehicles;
 - A reconfirmed commitment to Surrey's future and that of its residents through significant investment in flood alleviation works. This will secure the homes of Surrey residents through a once in a generation opportunity to build flood defences to avoid the terrible impact we saw on people's lives in 2014; the scheme will also provide for new country parks and green space;
 - Significant investment in our Community – in our towns and high streets with £100m available over the next 5 years through the Your Fund Surrey scheme;
 - Significant investment in Farnham town centre and surrounding infrastructure;
 - We look after our vulnerable older adults through building Extra Care and Independent Living accommodation, where residents can live independently for longer and integrate into the community;
 - We create additional local Special Educational Needs & Disabilities places – a key part in containing costs within the revenue budget;
 - We ensure schools have the capacity to provide a rich education with Schools Basic Needs funding;
 - Significant investment in our road infrastructure; and
 - Acceleration of our Property Rationalisation Programme and Agile Corporate Estate Programme.
19. We want to invest in measures that help people lead more independent and fulfilling lives, harnessing the power and abilities that lie with families, communities and the latest digital technology. As a result, the Council leadership will focus on driving improvements rather than just focussing on balancing the budget.

Governance

20. Capital projects are subject to a rigorous governance process to ensure they are aligned with the Council's priorities:
- **Growing a sustainable economy so everyone can benefit;**
 - **Tackling health inequality;**
 - **Enabling a greener future; and**
 - **Empowering communities.**
21. Fundamentally, they are approved on the principles of value for money, affordability and deliverability. Projects need to demonstrate value for money and that they are capable of being delivered within expected timescales. Strategic Capital Groups (SCGs) for Infrastructure, Property and IT develop projects throughout the budget setting process which are scrutinised and approved by Capital Programme Panel; a group of officers from across the organisation, including the Council's Section 151 Officer/Deputy S151 and senior service representatives. Projects approved by Capital Programme Panel (CPP) are then included in the budget when approved by Cabinet and Council.

Capital Funding

22. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiatives). The planned financing of the above expenditure is as follows:

Table 2 - Capital Financing

	2019/20 actual £m	2020/21 forecast £m	2021/22 budget £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m	Total budget £m
Grants and Contributions	81	81	110	115	166	133	128	652
Revenue budgets	2	8	6	9	7	6	5	33
Capital receipts	7	22	75	0	0	0	0	75
Borrowing	53	129	153	324	306	239	187	1,210
TOTAL	143	240	345	448	479	378	320	1,970

- Additional borrowing of £152m for 2021/22 consists of £136m to fund the Capital Programme (detailed in the Capital Budget) and £16m to fund commercial investment expenditure (Table 1).
 - This table shows the planned usage of capital receipts for capital expenditure, including the application of amounts received in previous years. It does not include the use of capital receipts for transformation. To ensure a prudent estimate of borrowing, our planned overall usage of receipts is less than estimated income (shown in Table 5). This will be reviewed throughout the MTFS period.
23. Capital receipts used for financing across the MTFS are based on receipts from assets already sold, and a prudent estimate of future receipts based on a planned disposal programme. This will be revisited regularly as the property estate rationalisation plans are finalised.
24. Borrowing is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts to repay debt (as opposed to fund new expenditure) are as follows:

Table 3 - Repayment of Debt Finance

	2019/20 actual £m	2020/21 forecast £m	2021/22 budget £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
MRP	19	22	26	30	38	46	53
Capital Receipts	0	0	0	0	0	0	0

25. The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure on service delivery and on investments and reduces with MRP and capital receipts used to replace

debt. The CFR is expected to increase by £157m during 2021/22. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4 - Prudential Indicator: Estimates of Capital Financing Requirement

As at 31 st March	2019/20 actual £m	2020/21 forecast £m	2021/22 budget £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Capital Programme	804	889	1,047	1,324	1,578	1,751	1,878
Investment Programme	448	452	446	442	438	437	435
TOTAL CFR	1,252	1,341	1,493	1,766	2,016	2,188	2,313

26. Our capital plans lead to a significant increase in the estimated CFR over the five-year period. The revenue implications of this are set out in the TMSS (Annex H); in sections 34 to 37.
27. **Asset management:** To ensure that capital assets continue to be of long-term use, the Council has an Asset and Place Strategy. This sets out the Council's approach to the strategic management of its assets, how it will support service delivery and provide the Council with income and how it will be used to promote growth and place shaping within Surrey and deliver the Community.
28. **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22.
29. In the Spending Review 2015, the Chancellor of the Exchequer announced that to support Local Authorities to deliver more efficient and sustainable services, the Government will allow Local Authorities to spend up to 100% of their capital receipts from the sale of non-housing assets on revenue costs incurred to generate ongoing revenue efficiency, to reduce costs and / or transform service delivery in a way that reduces costs or demand for services in future years. This flexibility relates to expenditure which is properly incurred for the financial years that begin on 1 April from 2016 to 2021.
30. Local Authorities are only able to use capital receipts in the years in which this flexibility is offered. In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice. The Flexible use of Capital Receipts Strategy is included in the 2021/22 Final Budget Report and Medium-Term Financial Strategy to 2025/26, which shows how the flexibilities are proposed to be utilised.
31. Repayments of capital grants, loans and investments also generate capital receipts, but none are currently assumed in the current MTFS period. The Council plans to receive £100m of capital receipts in 2020/21 and the coming financial years as follows.

Table 5 - Capital Receipts Receivable

	2019/20 actual £m	2020/21 forecast £m	2021/22 budget £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Asset sales	21	55	1	18	18	8	0

Treasury Management

32. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing. The diagram below illustrates the daily balancing act in the pursuit of optimum performance:



33. The Treasury Management Strategy in Annex H provides more detail in relation to the borrowing strategy and prudential indicators. Key areas are summarised below:

- **Borrowing strategy** – the key aim is to maximise internal borrowing and use short-term borrowing to manage cash flow shortfalls. To achieve this, we need to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.
- **Budget setting** - for the purpose of setting the MTFs budget on borrowing and borrowing costs, average interest rates have been set at 0.5% for short term loans and 1.5% for long term loans (based on advice from our Treasury Management advisor Arlingclose).

- **External Borrowing and investments** - on 31 March 2020 the Council held £675m borrowing (£436m of long-term borrowing and £239m short-term borrowing) and £32m of cash investments. By 30th November 2020, this changed to £425m of long-term borrowing, £171m of short-term borrowing and £10m of investments.
- **Treasury Investment Strategy** - due to the continuation of the strategy to maximise internal borrowing and use short-term borrowing to manage cash flow shortfalls, investment levels are expected to remain low during 2021/22. The Council's policy on treasury investments is to prioritise security and liquidity over yield; to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested in low risk institutions (such as other Local Authorities). Longer term investments are placed more widely to balance the risk of loss against the risk of receiving returns below inflation. Further details on treasury investments are in the Treasury Management Strategy.
- **Risk management:** The effective management and control of risk are prime objectives of the Council's treasury management activities. The Treasury Management Strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the Treasury Management Strategy approved by Council. Regular reports on treasury management activity are presented to the Audit and Governance Committee. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

Revenue Budget Implications

34. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. This is referred to as net financing costs and is compared to the net revenue stream i.e. the amount funded from council tax, business rates and general government grants.

Table 6 - Proportion of net financing costs to net revenue stream

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
Ratio of Net Financing Costs to Net Revenue Stream	1.4%	1.4%	1.6%	2.2%	3.7%	4.9%	5.7%

35. The proportion of net finance cost to net revenue budget increases with increased borrowing over the MTFs period due to the expanded capital programme relative to the revenue budget. Increased borrowing costs are partially offset through schemes enabling delivery of revenue efficiencies, cost containment or income generation. Current projections show that borrowing

cost will be contained within the central income and expenditure budget for net finance cost. The full revenue implications are set out in the TMSS (Annex H); in sections 34 to 37.

36. **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred over the MTFS will extend for up to 50 years into the future. The Executive Director of Resources (Section 151 Officer) is satisfied that the proposed Capital Programme is prudent, affordable and sustainable because it remains proportional to the Council's overall revenue budget. The programme also contains significant elements which are intended to contain future revenue spend, for example through demand management in Adult Social Care, and Special Educational Needs and Disabilities school placements, which reduce the net impact of capital financing costs on the revenue budget.

Investment Overview

37. In addition to service-led capital expenditure, the Council has invested its money for a further three broad purposes:
- As a result of surplus cash from its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments);
 - To support local public services by setting up, lending to or buying shares in other organisations (**service investments**); and
 - To earn investment income (known as **commercial investments** where this is the main purpose).
38. The remainder of the Capital and Investment strategy focuses on the second and third of the above categories, the first being set out in the Treasury Management Strategy (Annex H). The Council complies with all the requirements of statutory guidance issued by the Government in January 2018.
39. The Investment Strategy feeds into and is interrelated to the Treasury Management Strategy and Minimum Revenue Provision (MRP) Policy (Annex H and I respectively)

Service Investments: Loans

40. **Overview:** The Council lends money to its subsidiaries and other organisations to support local public services and stimulate local economic growth. Subsidiaries of this nature include:
- a. Hendeca Group Ltd (formerly S.E. Business Services Ltd) – a Local Authority Trading Company (LATC) wholly owned by the Council for the provision of business services.
 - b. Surrey Choices Ltd – a LATC, wholly owned by the Council to deliver day services and community support options for people with disabilities and older people.
41. **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk and ensure that total exposure to service loans remains prudent, decisions on service loans are made in the context

of their value, the stability of the counterparty and an assessment of the risk of default. The current value of service loans is set out as follows:

Table 7 - Loans for service purposes in £ millions

Category of borrower	31.3.2020 actual		
	Balance owing	Loss allowance	Net figure in Accounts
	£m	£m	£m
Subsidiaries	3	-	3

42. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's Statement of Accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum advanced and has appropriate credit control arrangements in place to recover overdue repayments. In the case of our service loans, these allowances are nil.
43. **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding service loans by reference to their financial position, past experience and other factors. We wholly own our subsidiaries for service purposes and so their financial position is subject to the same rigour and control as that of the Council.

Commercial Investments: Property

44. **Overview:** The Council holds investments in local commercial property; office space, leisure and retail, with the intention of supporting Surrey's economy and generating a surplus that will be spent on local public services. The table below shows the value of our investments by main category, including those under construction where the ultimate use is to be determined.

Table 8 - Property held for investment purposes in £ millions

Property	Actual	31.3.2020 actual	
	Purchase cost £m	Gains or (losses) £m	Closing Value £m
Office	117	12	129
Retail	6	- 2	4
Leisure	1	-	1
TOTAL	124	10	134

45. **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
46. A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. The Council holds investment properties for long-term rental income, and short-term fluctuation in investment values can be expected. Our investment properties operate in a challenging commercial environment, with particular pressure on retail. Should the 2021/22 year-end

Accounts preparation and audit process value these properties below their purchase cost, we will take mitigating actions to protect the capital invested, such as exploring alternate uses where appropriate.

Commercial Investment – Equity Investments and Loans

47. **Overview:** The Council fully owns Halsey Garton Ltd which has a portfolio of national investment properties used to generate a return to the Council. The financial return takes the form of interest on the outstanding loan and dividend payments. The value of our investment in Halsey Garton Ltd as at 31st March 2020 is set out below.

Table 9 - Equity and Loans to Halsey Garton Ltd in £ millions

Category of Investment	31.3.2020 actual		
	Balance outstanding	Loss allowance	Net figure in Accounts
	£m	£m	£m
Equity Shares	93	-	93
Loans	234	(1)	233

48. Accounting standards require the Council to set aside loss allowance for investments, reflecting an assessment of risk. The figures in the Council’s Statement of Accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum advanced and has appropriate credit control arrangements in place to recover overdue repayments.
49. **Security:** The value of property owned by Halsey Garton Ltd at 31st March 2020 was assessed as being £61m lower than cost, representing an 19% reduction, largely due to pressures on the retail environment. This trend has continued over the last two financial years and as a result, our MRP policy has been updated. This will include a statement to regularly review the value of assets to the outstanding loan profile to determine whether principal repayment is required for prudent provision to repay the Capital Financing Requirement over asset life (more information is available in the MRP policy statement in Annex I). Halsey Garton is holding the assets for long-term rental income and short-term variations in fair value do not currently affect the value of the Council’s investment.
50. Surrey County Council also holds shares of £0.5m in the UK Municipal Bonds Agency (UKMBA) whose aim is to reduce the long-term borrowing costs of Local Authorities who join together to issue local authority bonds. The Council does not currently have a bond-issue with UKMBA but is taking regular advice from its Treasury advisors, Arlingclose on the most appropriate source of finance for its long-term capital spending plans.

Risk Assessment and Liquidity

51. **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property or subsidiary investments through a thorough analysis of the market and economic

conditions using external advisors where necessary. Separately, the Council has a comprehensive risk management strategy to mitigate risks of over-spend or income shortfalls to the base budget position.

52. **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The Council is not reliant on investments in property to maintain its liquidity and manages liquidity through other investments and borrowing. The Council has Reserves and Contingencies to maintain stability over a period of inadequate returns from its investment portfolio.

Loan Commitments and Financial Guarantees

53. Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
54. We do not currently extend financial guarantees to other organisations, however if we chose to be part of a bond issue with UKMBA, we would be liable for defaults of other Local Authorities in proportion to our share of the total amount of the bond. It is highly unlikely that another Local Authority would default in this way and so the risk is theoretical rather than a practical reality.

Proportionality

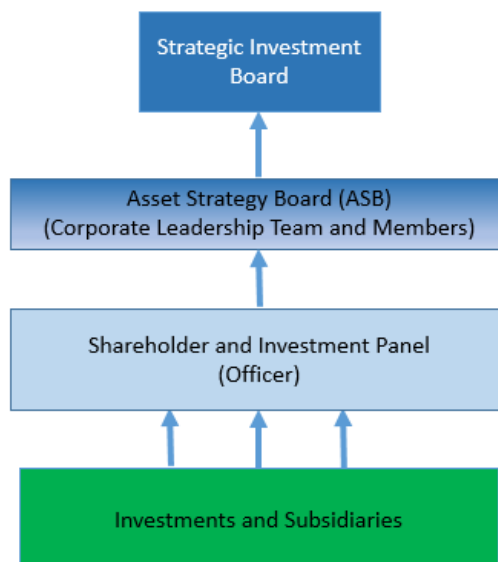
55. The Council’s revenue budget includes an element of profit generating investment activity to support services. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the MTFs. Investment activity is forecast to remain at approximately 1.5% of the Council’s gross spend over the medium-term. Should we fail to achieve the expected net profit, the Council would manage the impact on budget through use of Contingency in the current financial year and a re-assessment of efficiency plans for the remainder of the medium-term.

Table 10 - Proportionality of Investments

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
Gross service expenditure (£m)	1,362.9	1,431.6	1,486.5	1,471.4	1,461.8	1,446.7	1,441.9
Investment income (£m)	23.8	20.4	21.4	21.4	21.4	21.4	21.4
Proportion	1.75%	1.42%	1.44%	1.45%	1.46%	1.48%	1.48%

Corporate Governance

56. Commercial investments are taken through a rigorous Officer and Member led process to ensure that decisions are taken with an adequate level of scrutiny. The diagram, below, shows the governance groups charged with delivering commercial investments:



Investment Indicators

57. The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
58. **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Table 11 - Total investment exposure in £millions

Total investment exposure	31.03.2020	31.03.2021	31.03.2022
	Actual £m	Forecast £m	Forecast £m
Treasury management investments	32	60	60
Service investments: Loans	3	3	3
Commercial and Economic Growth investments: Property	134	147	163
Commercial investments: Loans	233	233	233
Commercial investments: Shares	93	93	93
TOTAL INVESTMENTS	495	536	552

59. **How investments are funded:** Government guidance states that our indicators should include an analysis of how investments are funded. Councils, including SCC, do not generally associate borrowing with individual assets, since we borrow as required to fund the whole portfolio of capital spend. However, the following investments could be described as being funded from capital sources, including borrowing and receipts. The remainder of the Council's investments are funded by Usable Reserves and income received in advance of expenditure.

Table 12 - Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2020	31.03.2021	31.03.2022
	Actual £m	Forecast £m	Forecast £m
Commercial and Economic Growth investments: Property	134	147	163
Commercial investments: Loans	233	233	233
Commercial investments: Shares	93	93	93
TOTAL FUNDED FROM CAPITAL SOURCES	460	473	489

60. **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex Local Government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 13 - Investment rate of return (net of all costs)

Investments net rate of return	2019/20	2020/21	2021/22	2021/22
	Actual £m	Forecast £m	Forecast £m	Forecast %
Service investments	0.6	0.4	0.4	13%
Commercial investments: Property	7.3	7.3	6.1	4%
Commercial investments: Shares and Loans	15.9	12.7	14.9	5%
ALL INVESTMENTS	23.8	20.4	21.4	4%

Knowledge and Skills

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

62. All officers involved in the treasury and investment management function have access to relevant technical guidance and training to enable them to acquire and maintain the appropriate level of expertise, knowledge and skills to undertake the duties and responsibilities allocated to them. The Council currently employs treasury management advisers and seeks external legal and property related advice and due diligence as required. The Council's investment Strategy is supported by guidance from our advisors, CBRE. The Council's Treasury Management and borrowing strategies are supported by guidance from our advisors, Arlingclose. Both are on hand to guide key decisions and provide proactive advice in response to emerging market trends.
63. Those charged with governance (Members of the Audit and Governance Committee and the Resources and Performance Overview Select Committee) recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The Section 151 Officer will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.
64. The Orbis partnership enables the creation and development of specialist resources. Centres of Expertise have been established for key areas of finance, and central teams of pooled expertise have been created to provide robust services which are resilient to meet the changing service needs of partners.
65. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

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Treasury Management Strategy Statement 2021/22

Introduction

1. Treasury management at Surrey County Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.
2. In addition, the Ministry of Housing, Communities and Local Government (MHCLG) issued revised Statutory Guidance on Local Government Investment in February 2018.
3. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. A full set of Prudential Indicators and Treasury Indicators are set out in Annex 1.
4. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
5. Investments held for service purposes or for commercial return and economic growth are considered in the Capital and Investment Strategy. Therefore, the investment element of this strategy relates solely to cash holdings as part of the daily treasury management activities. Our approach to borrowing, as set out in this strategy, covers borrowing for all purposes.
6. Managing the cost of the Council's borrowing is at the heart of the strategy and we work proactively with our Treasury Management advisor, Arlingclose on a six-weekly basis, to ensure that our approach represents the best balance between minimising cost and managing the risk of interest rate changes. The six weekly meetings coincide with Bank of England Monetary Policy Committee meetings however our strategy is under constant review throughout the year and we can call on Arlingclose's expertise whenever required.
7. The Treasury Management Strategy is supported by four annexes:
 - I. Prudential indicators – a Code requirement which supports our approach to borrowing, managing risk and highlighting our capital financing requirement.
 - II. Detailed external context – a detailed summary from Arlingclose of the current and future economic climate, risks and opportunities along with detailed interest rate forecasts.
 - III. Investment & Debt Portfolio Position as at 31 March 2020 – to highlight the range of debt and investments from the prior year audited accounts.
 - IV. Glossary of Terms

External Context

8. **Economic background:** The impact on the UK from Covid-19, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.
9. The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a Covid-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.
10. **Credit outlook:** After spiking in late March as Covid-19 became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around Covid-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years. The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic. Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.
11. **Interest rate forecast:** The Council's treasury management adviser, Arlingclose, is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.
12. Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

13. Gilt yields are expected to remain very low in the medium-term while short-term yields are likely to remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.5% and 0.75% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Annex 2 below.

14. For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 0.05%, and that new long-term loans will be borrowed at an average rate of 1.5%. In practice, the Council uses a combination of short-term borrowing with an average rate assumption of 0.5% and long-term borrowing at 1.5%, meaning there is built in prudence in the budget for finance costs.

Local Context:

15. On 31 March 2020 the Council held £675m borrowing (£436m of long-term borrowing and £239m short-term borrowing) and £32m of cash investments. **By 30th November 2020, this changed to £425m of long-term borrowing, £171m of short-term borrowing and £10m of investments.**
16. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. Internal borrowing allows the Council to utilise its internal cash balances (i.e. working capital and reserves) which are not required in the short to medium-term in order to reduce risk and keep interest costs low. Forecast changes in these sums are shown in the balance sheet analysis in Table 1 below.

Table 1 - Balance sheet summary and forecast

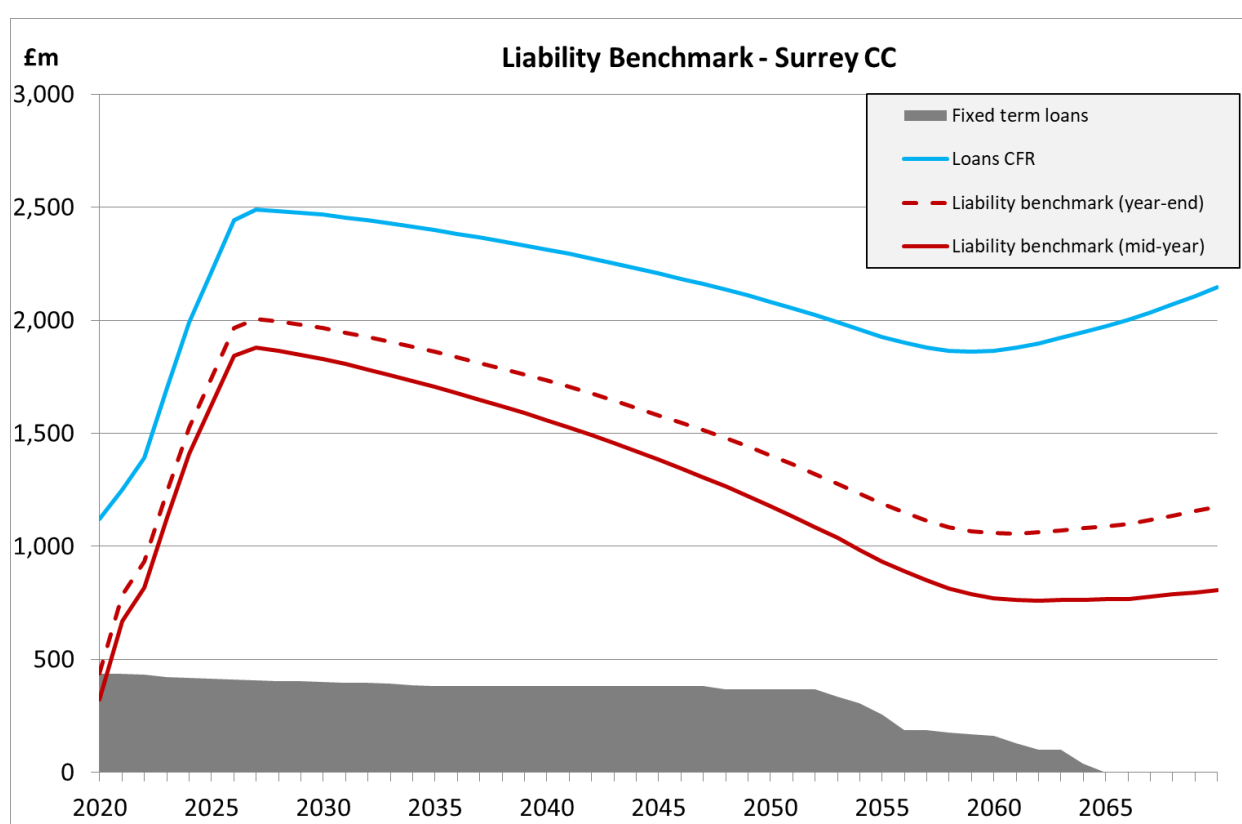
	31.3.20 Actual £m	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
General Fund CFR	1,252	1,341	1,493	1,766	2,016	2,188	2,313
Less: PFI and lease liabilities	(132)	(115)	(137)	(116)	(98)	(77)	(68)
Net CFR (underlying need to borrow)	1,120	1,226	1,356	1,650	1,918	2,111	2,245
Less: External borrowing (long term)	(443)	(442)	(439)	(426)	(423)	(420)	(417)
Internal borrowing (based on projection of level of reserves, balances and working capital)	(438)	(466)	(458)	(457)	(463)	(469)	(475)
Projected additional external borrowing requirement	239	318	459	767	1,032	1,222	1,353

17. The Council has an increasing CFR over the period to 31 March 2026, due to the proposed Capital Programme and approved investment strategy projects. The maximisation of internal borrowing leads

to a borrowing requirement above the Council's ability to utilise its internal resources to fund this capital expenditure. It will therefore be required to raise additional external borrowing over the forecast period.

18. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation across the medium-term.
19. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the Council's projected treasury management position over the next 50 years.

Graph 1: Liability benchmark



20. The long-term liability benchmark assumes:

- Capital expenditure funded by borrowing as per the 2021-26 Capital Programme
- Projects included in the Capital Programme (Budget and Pipeline) and approved investment strategy spend are included
- Minimum Revenue Provision (MRP) on new capital expenditure is based on the existing MRP policy
- Reserves and Balances are based on proposed and approved use over the life of the Medium-term Financial Plan (MTFS) and increase by inflation thereafter.

21. As illustrated in the graph above, the difference between the CFR (underlying need to borrow) and actual external borrowing is funded from Reserves and Balances (internal borrowing). The current strategy to internally borrow continues to support the Council's financial position in the short to medium-term.
22. As shown, the Council's current debt portfolio is long dated and there are no significant repayments until the 2050s.

Borrowing Strategy

23. The Council is projected to have £760m of borrowing as at the end of March 2021, an increase of £78m from 31 March 2020. Long term borrowing will remain unchanged.
24. **Objectives:** The Council's main objective when borrowing money is to strike an appropriate balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.
25. **Strategy:** The Council is facing unprecedented financial pressures, principally driven by rising need for services from residents and continuing reductions in government funding. Given these pressures, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, the Council continues to maximise the use of internal resources (internal borrowing) and borrowing short-term to fund the additional requirement based on cash flow forecasts.
26. By doing so, the Council is able to suppress net borrowing costs (despite foregone investment income) and reduce market and credit risk in the investment portfolio. However, short-term borrowing does increase the Council's exposure to changes in interest rates as when short-term loans mature, they may need to be replaced at a higher rate of interest. The level of internal / short-term borrowing will be reviewed on a regular basis, taking account of the overall cash position and market forecasts. Arlingclose will assist in this review with 'cost of carry' and breakeven analysis, which will support decisions on whether to take additional longer-term external borrowing at fixed rates in 2021/22, with a view to keeping future interest costs low.
27. Alternatively, the Council may arrange forward starting loans where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost without suffering a cost of carry in the intervening period.
28. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's Public Works Loan Board (PWLB);
 - any institution approved for investments (see below);
 - banks or building societies authorised to operate in the UK;
 - UK Local Authorities;
 - UK public and private sector pension funds (except the Surrey Pension Fund);
 - capital market bond investors; and

- UK Municipal Bonds Agency plc and other special purpose companies created to enable Local Authority bond issues.

29. The Council has previously raised the majority of its long-term borrowing from the PWLB. For short-term borrowing, the Council has, and will continue, to use other sources of finance, such as loans from other Local Authorities, pension funds and other public bodies as these are often available at more favourable rates. These short-term loans leave the Council exposed to the risk of interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

30. Treasury have recently closed a consultation on changes to the terms and conditions of their lending through PWLB. The revised approach to lending has resulted in a significant reduction in interest rates (currently 1.47% for a 40-year loan) however Local Authorities will no longer be able to access PWLB lending if they pursue 'debt-for-yield' (commercial investment) acquisitions. The Council's Treasury Management Strategy assumes that capital plans will remain compliant with new PWLB terms and conditions and that we will therefore retain access to the lending facility.

31. **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative (PFI)
- sale and leaseback

All such sources of finance are subject to a robust options appraisal.

32. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to Local Authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow through the Agency will therefore be the subject of a separate report. Our current strategy is in favour of PWLB borrowing for long term debt due to ease of access to borrowing and low rates, however this is periodically reviewed with Arlingclose and when a decision for increased long term borrowing is made all options will be scrutinised.

33. **Debt rescheduling:** The PWLB allows Local Authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost efficiency or a reduction in risk. Arlingclose have advised against the early repayment of long-term debt with regards to PWLB loans from analysis of early repayment penalties against finance cost savings.

Borrowing Costs

34. Gross borrowing costs include interest payable and the statutory charge on the general fund for MRP. The borrowing costs associated with the 2021/22 to 2025/26 Capital Programme increase from £35m in 2020/21 to £74m by 2025/26. In net terms (after capital investment income) the costs grow from £13m in 2020/21 to £52m in 2025/26.
35. Section 17 of Annex 1 shows the ratio of gross borrowing costs against the net revenue stream (the amount funded from council tax, business rates and general government grants). Gross borrowing costs as a proportion of net revenue stream increases over the MTFs period from 3.2% in 2020/21 to 8.1% in 2025/26.
36. However, gross borrowing costs are offset by interest and investment income delivered by capital investments. Section 18 of Annex 1 shows net borrowing costs against the net revenue stream at 5.7% in 2025/26. Offsetting the increase in borrowing costs; many of the capital schemes are crucial to delivering revenue efficiencies, cost containment or income generation. After accounting for interest, investment and rental income to be generated by pipeline projects, net borrowing costs are projected to be contained within the budget envelope for the MTFs period.
37. The Council's projected borrowing costs can be compared to similar authorities, where like-for-like information is published. The projected borrowing costs for SCC will remain close to the benchmarked average of 7% by the end of the MTFs period. The Council will continue to benchmark borrowing costs as a percentage to the net revenue budget as indicator of the prudence and sustainability of the Capital Programme.

Treasury Investment Strategy

38. The Council holds invested funds representing income received in advance of expenditure plus reserves. For the first half of 2020/21, the Council held average balances of £67m, compared to with £42m for the equivalent period in 2019/20. The average return for the first half of 2020/21 was 0.23%. Cash balances are expected to remain low during 2020/21 and over the MTFs.
39. **Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
40. **Negative interest rates:** Covid-19 has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by

reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

41. **Strategy:** Due to the continuation of the strategy to maximise internal borrowing and use short-term borrowing to manage cash flow shortfalls, investment levels are expected to remain low during 2021/22. The majority of the Council's surplus cash continues to be invested in money market funds and short-term unsecured bank deposits. Money Market Funds offer same-day liquidity, very low or no volatility and also ensure diversification to reduce the security risk of holding the majority of cash deposits with a limited number of UK banks.
42. While the Council's investment balances remain low (less than £100m), Money Market Funds and short-term bank deposits will be utilised, with a cash limit per counterparty/fund of £25m. If the economic situation changes, which results in a decision to undertake additional borrowing, resulting in higher cash balances, other investment counterparties may be considered and the counterparty limits set out below would apply.
43. **Business models:** Under the new International Financial Reporting Standard (IFRS 9) standard, the accounting for certain investments depends on the Council's "business model" for managing them. The new standard requires entities to account for expected credit losses in a timely manner; from the moment when financial instruments are first identified. These investments will continue to be accounted for at amortised cost.
44. **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in Table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

45. **Table 2 - Approved investment counterparties and limits**

Credit rating	Banks unsecured	Banks secured	Government*
UK Govt	n/a	n/a	£ Unlimited 50 years
AAA	£10m 5 years	£20m 20 years	n/a
AA+	£10m 5 years	£20m 10 years	n/a
AA	£10m 4 years	£20m 5 years	n/a
AA-	£10m 3 years	£20m 4 years	n/a
A+	£10m 2 years	£20m 3 years	n/a
A	£10m 13 months	£20m 2 years	n/a

A-	£10m 6 months	£20m 13 months	n/a
None	£1m 6 months	n/a	n/a
Pooled Funds	£25m per fund		

* UK Local Authorities

This table must be read in conjunction with the notes below.

46. **Minimum credit rating:** Treasury investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
47. **Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
48. **Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
49. **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and Local Authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
50. **Pooled funds:** Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

51. **Bond, equity and property funds** offer enhanced returns over the longer term, but are more volatile in the short-term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
52. **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB - and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1m. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity. The Council's bank, HSBC, has a credit rating of AA-.
53. **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
54. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
55. **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis. No investments will be made with an organisation if there are substantive doubts about its credit quality.
56. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills or with other Local Authorities.

57. **Investment limits:** The Council's revenue reserves and balances available to cover investment losses are forecast to be approximately £78m on 31st March 2021. In order that no more than 30% of available reserves will be put at risk in the case of a single default, the maximum that will be invested with any one organisation (other than the UK Government) will be £20m and the limit for any one pooled fund will be £25m.

Table 3 - Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£20m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£20m per group
Any group of pooled funds under the same management (including Money Market Funds)	£25m per manager
Money Market Funds (Total)	Unlimited*
Unsecured investments with Building Societies	£10m in total

*The total cash limit on Money Market Funds (MMFs) (previously set at £150m) has been removed as it can, in some circumstances, create more risk than it prevents. There are rare occasions when cash balances exceed £150m and MMFs are, on balance, the most effective place to hold the balances. This decision has been made after advice and consultation with Arlingclose.

58. **Liquidity management:** The Council uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

Treasury Management Indicators

59. The Council measures and manages its exposures to treasury management risks using the following indicators.
60. **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	60%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%

5 years and within 10 years	75%	0%
10 years and above	100%	25%

61. Time periods start on the first day of each financial year. The maturity date of borrowing is the date of the loans are due to be repaid.
62. **Principal sums invested for periods longer than 1 year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£40m	£20m	£10m

Other Items

63. There are a number of additional items that the Council is obliged by CIPFA and MHCLG to include in its treasury management strategy.
64. **Policy on the use of Financial Derivatives:** Local Authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over Local Authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
65. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
66. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
67. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

68. **Treasury Management Advice:** Surrey County Council has appointed Arlingclose Limited as Treasury management advisers and receives specific advice on investments, debt and capital finance matters.
69. **Treasury Management Training:** Member and Officer training needs are assessed regularly as part of the staff appraisal process. Additional training will be provided as and when there is a change in roles and responsibilities. The Council also benefits from the Orbis partnership Centre of Expertise, which provides a robust Treasury team providing day to day treasury management operational activities to Surrey County Council, Brighton & Hove City Council and East Sussex County Council.

Financial Implications

70. The budget for investment income in 2021/22 is £30,000, based on an average investment portfolio of £60m at an interest rate of 0.05%. The budget for debt interest paid in 2021/22 is £17.7m, which is based on a mix of short-term borrowing and the existing long-term fixed rate debt portfolio.
71. The CIPFA Code does not prescribe any particular treasury management strategy for Local Authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Prudential and Treasury Indicators 2020/21

1. The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of Local Authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.
2. The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice.

Estimates of capital expenditure

3. The Council's planned capital expenditure and financing is summarised in table 1. This prudential indicator is a summary of the Council's annual capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Projected	← ----- Estimated ----- →				
	£m	£m	£m	£m	£m	£m	£m
Capital programme expenditure	142	226	328	430	465	370	312
Approved investment strategy spend	1	13	17	18	14	8	8
Financed By:							
- Government grants and third party contributions	81	81	109	115	166	133	128
- Capital Receipts	7	22	75	0	0	0	0
- Revenue and reserves	2	8	6	9	7	6	5
Net financing need for the year*	53	128	155	324	306	239	187

*Capital expenditure to be met by borrowing

The Council's borrowing need (the capital financing requirement)

4. Table 2 sets out the Council's estimated capital financing requirement (CFR). The CFR represents capital expenditure funded by external debt and internal borrowing and not by capital receipts, revenue contributions, capital grants or third party contributions at the time of spending. The CFR therefore measures a Council's underlying need to borrow for a capital purpose. Any capital expenditure which has not been funded from locally determined resources will increase the CFR. The CFR will reduce by the Minimum Revenue Provision (MRP).
5. The MRP is a statutory annual revenue charge which reduces the borrowing need in a similar way to paying principal off a household mortgage.

6. The CFR includes any other long-term liabilities, e.g. PFI schemes, finance leases. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes and they therefore do not form part of the Council's underlying need to borrow.
7. The CFR is increasing over the MTFS period which results in an increase in external debt (after we have maximised internal borrowing) and therefore an increase in the revenue cost of borrowing. This is reflected in an increased Operational Boundary and Authorised Limit as shown in Tables 4 and 5. Table 6 - Ratio of financing costs to net revenue stream, shows that the revenue cost of debt is an increasing but relatively low proportion of our overall budget. The impact of funding the Capital Programme is built into the revenue budget and MTFS.

Table 2: Capital Financing Requirement (CFR)							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Projected	← ----- Estimated ----- →				
	£m	£m	£m	£m	£m	£m	£m
Opening CFR	1,235	1,252	1,341	1,493	1,766	2,016	2,188
Movements:							
- Minimum revenue provision	(19)	(22)	(26)	(30)	(38)	(46)	(53)
- Application of capital receipts to repay opening CFR	0	0	0	0	0	0	0
- PFI & finance leases	(17)	(17)	22	(21)	(18)	(21)	(9)
- Net financing need	53	128	155	324	306	239	187
	17	89	152	274	250	172	125
Closing CFR	1,252	1,341	1,493	1,766	2,016	2,188	2,313

*includes the addition to fixed assets on the balance sheet under PFI

Gross borrowing and the capital financing requirement

8. In order to ensure that over the medium-term borrowing will only be for a capital purpose, the Council should ensure that its debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next 2 financial years. This allows some flexibility for early borrowing in advance of need, but ensures that borrowing is not undertaken for revenue purposes. This is a key indicator of prudence.

Table 3: Gross Borrowing Requirement							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Projected	← ----- Estimated ----- →				
	£m	£m	£m	£m	£m	£m	£m
Gross Borrowing	682	760	898	1,193	1,455	1,642	1,770
CFR	1,252	1,341	1,493	1,766	2,016	2,188	2,313

9. Total debt is expected to remain below the CFR during the forecast period.

The Council's operational boundary for external debt

10. Table 4 sets out the Council's operational boundary. The operational boundary is an indicator against which to monitor its external debt position. It is based on the Council's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the CFR and cash flow requirements and is a key management tool for in-year monitoring.
11. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. Other long-term liabilities comprise finance lease, PFIs and other liabilities that are not borrowing but form part of the Council's debt position.
12. The operational boundary is not a limit and actual borrowing could vary around this boundary for short periods during the year. It should act as an indicator to ensure the authorised limit is not breached. The operational boundary increases over the MTFS period to reflect an increasing underlying need to borrow linked to the Capital Programme. We monitor against the indicator throughout the year.

Table 4: Operational Boundary							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Agreed	Agreed	← ----- Estimated ----- →				
	£m	£m	£m	£m	£m	£m	£m
Borrowing	966	1,087	1,298	1,613	1,885	2,072	2,200
Other long term liabilities	143	115	137	116	98	77	68
Total	1,109	1,202	1,435	1,729	1,983	2,149	2,268
Estimated external debt	682	760	898	1,193	1,455	1,642	1,770

The Council's authorised limit for external debt

13. Table 5 sets out the Council's authorised limit for external debt. This key prudential indicator represents a control on the maximum level of borrowing. It is a statutory limit determined under section 3(1) of the Local Government Act 2003 and represents a limit beyond which external debt is prohibited. It is the maximum amount of debt that the Council can legally owe.
14. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised since the introduction of the Prudential Code.
15. The Authorised limit provides headroom over and above the operational boundary for unusual cash movements and potential additional borrowing to meet the ambitions of the Council in respect of its investment strategy.
16. As with the operational boundary, the limit separately identifies borrowing from other long-term liabilities such as finance leases and PFIs. The authorised limit increases over the MTFS period to reflect an increasing underlying need to borrow linked to the Capital Programme.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Agreed	Agreed	← ----- Estimated ----- →				
	£m	£m	£m	£m	£m	£m	£m
Borrowing	1,553	1,587	1,798	2,113	2,385	2,572	2,700
Other long term liabilities	143	115	137	116	98	77	68
Total	1,696	1,702	1,935	2,229	2,483	2,649	2,768
Estimated external debt	682	760	898	1,193	1,455	1,642	1,770

Estimated ratio of gross financing costs to net revenue stream

17. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Projected	← ----- Estimated ----- →				
Ratio of Financing Costs to Net Revenue Stream	2.45%	3.18%	3.90%	4.53%	5.90%	7.05%	8.09%

Estimated ratio of net financing costs to net revenue stream

18. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet net financing costs (net of investment income).

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Projected	← ----- Estimated ----- →				
Ratio of Net Financing Costs to Net Revenue Stream	1.43%	1.35%	1.59%	2.23%	3.65%	4.87%	5.70%

19. The revenue implications of potential, yet to be identified, investment opportunities that meet the Council's long-term capital strategy criteria, will be funded from the investment returns of such investments. If there is a delay in the realisation of sufficient returns then costs will be funded from the Council's Revolving Infrastructure & Investment Fund reserve.

Treasury Indicators:

20. Principal sums invested for periods longer than a year (including shares, which is the only remaining limit for non-specified investment)

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£40m	£20m	£10m

Refinancing risk - Maturity structure of borrowing

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	60%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	25%

Arlingclose Economic & Interest Rate Forecast

External Context

Economic background: The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a Covid-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

Credit outlook: After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around Covid-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

Underlying assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.

- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market r.													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Artingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80% PWLB HRA Rate = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Investment & Debt Portfolio Position as at 31 March 2020

	Actual Portfolio £m	Interest Rate %
External borrowing:		
Public Works Loan Board	426	3.84
Market	10	5.00
Local Authorities	239	1.03
Total external borrowing	675	
Other long-term liabilities:		
Private Finance Initiative	134	
Total other long-term liabilities	134	
Total gross external debt	809	
Treasury investments:		
Banks & building societies (unsecured)	-	
Government (incl. Local Authorities)	-	
Money Market Funds	32	0.42
Total treasury investments	32	
Net debt	777	

Glossary of Terms

CCLA – Churches, Charities and Local Authorities

CFR – Capital Financing Requirement

CIPFA – Chartered Institute of Public Finance Accountancy

CPI – Consumer Price Index

DMO – Debt Management Office

DMADF – Debt Management Account Deposit Facility

ECB – European Central Bank

GDP – Gross Domestic Product

MHCLG – Ministry of Housing, Communities and Local Government

MiFID - Markets in Financial Instruments Directive

MMF – Money Market Fund

MPC – Monetary Policy Committee

MRP – Minimum Revenue Provision

PWLB – Public Works Loan Board

TMSS – Treasury Management Strategy Statement

Annual Minimum Revenue Provision (MRP) Policy Statement 2021/22

1. The Council is required by statute to make a prudent provision for the repayment of its debt. It is also required to 'have regard' to guidance on how to calculate this provision, issued by the Ministry for Housing, Communities and Local Government (MHCLG). The Council has assessed the Minimum Revenue Provision and are satisfied that the guidelines for their annual amount of MRP, set out within this policy statement, will result in their making a prudent provision.
2. Where capital expenditure was incurred before 1 April 2008, the guidance suggests writing down the remaining Capital Financing Requirement by providing MRP of 4% per annum. The Council agreed in 2016/17 to write this amount off over the next 50 years, resulting in the whole balance being provided for over a finite period and far sooner than under the 4% reducing balance method.
3. As suggested in the guidance, for capital expenditure incurred on or after 1 April 2008 and funded through borrowing, the Council will calculate MRP by charging expenditure over the expected useful life of the relevant assets, on an annuity basis. MRP will be first charged in the year following the date that an asset becomes operational.
4. For the following types of capital expenditure, the Council has determined that an alternative methodology for determining the annual MRP charge should be adopted:
 - For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability, or over the life of the asset.
 - Where loans are made to other bodies for their capital expenditure, and are to be repaid under separate arrangements, no MRP will be charged. The capital receipts generated by the repayment of those loans will be set aside to repay the debt. Where the Council makes capital loans, the counterparty will hold an asset funded by that loan. In some circumstances, revaluation loss may cause the value of the counterparty's asset to fall below the outstanding loan; limiting the counterparty's ability to repay their capital debt. In circumstances such as these, the repayment profile of the loan will be reviewed to determine whether principal repayment is required over the asset's life. This will ensure prudent provision is made to repay the Capital Financing Requirement over the asset's life.
 - In order to better match MRP to the period of time that the assets are expected to generate a benefit to the Council, MRP for investment properties purchases will be based on an estimated useful life of 50 years, on an annuity basis. This is in recognition that these assets are held for income generation purposes and that the Council holds a saleable asset, the capital receipt from which will be used to repay any outstanding debt when sold.
 - The Council will determine MRP on equity investments based on a 20 year life. However, for equity investments in asset backed companies, a 50 year life will be assumed to match the Council's policy for investment assets.
5. The Council reserves the right to determine alternative MRP approaches in particular cases, in the interests of making prudent provision, where this is material, taking account of local circumstances, including specific project timetables and revenue-earning profiles.
6. Each year a new MRP statement will be presented.

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Surrey County Council Budget 2021/22 – Equality Impact Assessment Summary Report

1. This report summarises potential equality impacts on residents and Surrey County Council staff arising from proposed efficiencies that will improve services for residents and support the council to realise a sustainable budget for the 2021/22 financial year. It also includes mitigating actions to maximise any positive impacts and minimise any adverse ones.
2. This report is a summary document only and is not intended to support a decision to change or reduce a particular service. The Equality Impact Assessments (EQIAs) appended to this report, with one exception, have already been used by Cabinet, or individual Cabinet Members, to take decisions previously. They have been updated with new information which the Cabinet should note so that it can continue paying due regard to their statutory responsibilities under the Equality Act 2010.
3. This paper should be read in conjunction with a number of appendices, including the appended EQIAs and the 2021/22 Final Budget and Medium-Term Financial Strategy 2020/21 – 2024/25 and the Cabinet report of 26 January 2021. The information in this report will support Members to pay due regard to the equality implications of the proposed budget for 2021/22.

Summary

4. In December 2020, Council adopted a refreshed Organisation Strategy 2021-2026 that set out a single guiding principle for everything we do – tackling inequality to focus on ensuring no-one is left behind. This means every pound spent by the council needs to be used as efficiently as possible, so we can concentrate our resources on supporting some of Surrey's most vulnerable residents.
5. Given the scale and complexity of change required to deliver better outcomes while balancing our budget, the council's efficiency proposals for 2021/22 have been analysed to understand positive and negative impacts on residents from protected groups, particularly where they may be impacted by multiple efficiency proposals. The following groups have been identified:
 - Older adults, adults of all ages with physical, mental and learning disabilities and their carers;
 - Children and young people, including those with special educational needs and disabilities, and their families
6. Some efficiency proposals will lead to more positive outcomes for some of Surrey's residents. For example, improved practice to support looked after children will support them and their families to have better outcomes, as well as improving the efficiency of services. Changes in practice in Adult Social Care will also lead to better outcomes, such as greater involvement of disabled people, and their carers, in their own planning and care, leading to greater choice and independence.
7. Some efficiency proposals are in a formative stage, and as proposals are finalised, the specific equality impacts will be considered by the relevant Cabinet Member and Executive Director before any final decisions are made.

Our Duties

8. There are no legal requirements to carry out an EQIA on the council's budget; however it is important for us to identify and consider the equality implications of our budget decisions on our residents.
9. This analysis also supports Cabinet with meeting its statutory duty to pay due regard to equality issues. When approving financial plans, Members must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires them to have due regard to the need to:
 - 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.
10. Members are also required to comply with Section 11 of the Children Act 2004, which places a duty on the council to ensure service functions, and those contracted out to others, are discharged having regard to the need to safeguard and promote the welfare of children.
11. Cabinet must read each individual EQIA (listed in Paragraph 17) in full and take their findings into consideration when determining whether to agree the 2021/22 efficiency proposals. Having 'due regard' requires Members to understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making decisions. In addition, consideration of equality is an ongoing process and should use evidence from consultation and engagement activity and other data sources where appropriate.
12. 'Due regard' also means that consideration given to equality matters should be appropriate in the context of the decision being taken. This means Members should weigh up equality implications against any other relevant factors in the decision-making process. In this case the most significant other matters are:
 - a. the statutory requirement to set a balanced budget;
 - b. the ambitions the council has for Surrey as a place, which are set out in the [Community Vision for Surrey in 2030](#) and the Organisation Strategy 2021-2026;
 - c. and the [demographic pressures](#) facing the council's services that include a rising population with projected increases in the number of older residents and children and young people. Increases in these age groups are placing, and will continue to place, additional demands and pressures on adult and children's social care services and local schools.

Surrey County Council Efficiency Proposals 2021/22 – Individual Equality Impact Assessments

13. Officers have reviewed all efficiencies proposed for 2021/22 to determine which proposals require EQIAs and which do not. For those changes where residents are most likely to see differences in the way services are delivered, and where the equality implications are well defined at the time of setting the budget, individual EQIAs are included in **Appendices A – C** (pages 8 – 102). These reflect the current position on EQIAs Cabinet has previously taken decisions on. Other proposals, where such implications will only be understood at a later date will be required to prepare EQIAs before formal decisions are taken by the relevant

Cabinet Member and Executive Director in respect of these efficiencies.

14. There are three EQIAs appended to assist Cabinet and Council to give due regard to the proposals outlined in the budget. Three of these have been reviewed by Cabinet to inform decision-making previously and have been updated to provide a current position for Members. EQIAs appended are:
 - Adult Social Care Transformational Efficiencies EQIA (updated from the version presented to Cabinet 28 January 2020)
 - Making Surrey Safer – Phase 2 (Surrey Fire and Rescue Service) EQIA (updated from the version to Cabinet 24 September 2019)
 - Home to School Transport Policy EQIA (agreed by the Cabinet Member for All-Age Learning on 31 January 2020)
15. Some efficiencies within the 2021/22 budget will not have any direct effect on residents or service delivery (such as budget adjustments and removal of vacant posts), and therefore are not considered within this report.
16. The following section assesses the council's proposed efficiencies for 2021/22 in a cross-cutting way and considers the cumulative impact of some of these changes.

Surrey County Council Efficiency Proposals 2021/22 – Cumulative Impact

17. Analysis of the EQIAs shows that the groups with the potential to be affected by multiple changes proposed in the efficiencies package for 2021/22 are:
 - Older adults, adults of all ages with physical, mental and learning disabilities and their carers;
 - Children and young people, including those with special educational needs and disabilities, and their families

This analysis is based on the information contained in the EQIAs in Appendices A – C (pages 8 – 102).

Older adults, adults of all ages with physical, mental and learning disabilities and their carers

18. There are many positive **changes to Adult Social Care (ASC) services** for older and disabled adults of all ages in Surrey. They will be encouraged to explore what care and support family, friends and local communities can provide to meet their needs. Changes will also benefit disabled service users, by involving them more closely in the planning and delivery of their care and giving them more choice, control and independence, such as increasing the number of disabled service users receiving direct payments and more support from family, friends and local communities.
19. Carers will also benefit. Direct payments will offer carers more choice and support options as well as an increase in home adaptations and Technology Enabled Care that will enable more families to look after their family member at home.
20. However, there may be some negative impacts for some residents and their carers. Some decisions on placements for older and disabled people that are offered at a distance may lead to concerns from their family and networks about needing to travel to new care placements, and how care provided by family, friends and community networks can be quality assured for safeguarding purposes. Increased demand for services may also place voluntary, community and faith sector (VCFS) organisations we work with under further pressure, potentially risking their sustainability and gaps in services for some of Surrey's

most vulnerable residents.

21. Carers may also be concerned about what these changes mean for them and the people they care for and their wellbeing. They may feel obligated to take on more of a caring role, which could lead to issues in work-life balance if they are employed or have a more detrimental impact on their health if they are an older carer.
22. Older and disabled residents based in the Egham, Painshill and Banstead fire station service areas may also be concerned about changes to fire cover as part of the **Making Surrey Safer Phase Two changes**. Losing night cover from the affected stations and the implications of this were discussed during planning stages and risks mitigated through prevention and protection work.

Children and young people, including those with special educational needs and disabilities (SEND), and families

23. Efficiencies will continue to be delivered in 2021/22 through **changes to our Home to School Transport Policy**, which were agreed in January 2020. We ceased transport provision for children under the age of five to infant and primary school, who would have been eligible when they turned five years old; for children aged eight where they have been living more than two miles, but less than three, from their nearest school; and travel assistance for young people aged 17 to 18 to school or college.
24. These changes have positive and negative impacts for these young people and their families. For children aged under five and young people entering post-16 education, these changes were anticipated to incentivise families to find local education provision for them, leading to less distance to travel and with strengthened local support networks.
25. Negative impacts identified include that for some children aged 4, who will not necessarily start Reception class at the start of the academic year, possibly facing delayed access to education and be destabilising for Reception classes where children join during the academic year. Officers have also identified that some pre-school children could be restricted from accessing early intervention education placements where transport is a barrier.
26. Some young people entering post-16 education could be dissuaded from taking up a place if it was over a long distance, leading to reduced choice in educational establishments and opportunities.
27. Independent Travel Training for children and young people with SEND was introduced to support them using public transport safely on their own, strengthening their independence, and opening up a wider range of education and employment opportunities. However, some of their families are likely to remain concerned about their safety in using public transport and collection points, as well as their ability to manage unplanned circumstances.
28. We have put mitigations in place to manage these impacts, such as ongoing communication with affected families, working with schools and families to identify alternative travel arrangements to access their placements, strengthening the supply of local education provision through our placement strategy and continuing to offer independent travel training for children and young people with SEND.
29. Where necessary, travel assistance applications will be considered. Discretionary awards may be provided for children and young people on a case-by-case basis, depending on their specific needs or circumstances. For children and young people with SEND travelling independently, we will work with them to assess suitable collection points.

Surrey County Council Efficiency Proposals – Other Impacts

30. We will continue to change the way residents are able to contact the council and access some of its services. The **Customer Experience transformation** project will continue into 2021/22 to promote more digital and self-service options for customers and provide a single front door so access to council services is consistent and cost effective. The EQIA carried out for last year's budget remains valid as the people most likely to be affected by these changes are those with low levels of digital skills and people whose first language is one other than English, and have limited abilities to read or speak the language. The contact centre will continue to provide support for customers less able to use digital self-service channels over the telephone, and a telephone interpretation service would be offered to customers who need it.
31. An efficiency proposal for **on street parking charges** will also have equality implications. They are intended to (and do) improve access to local shops and businesses for residents (customers) by improving compliance with parking regulations and freeing up more parking space (increasing turnover). However, local traders and business owners are often most opposed to parking charges, and there are potential impacts from their introduction for some residents, for example, accessibility of pay and display machines for disabled residents (although not those with a blue badge). It is also recognised that some residents on lower incomes may be disadvantaged by these proposals. We will need to work with partners, such as district and borough councils, to identify locations and a full EQIA will be presented to Cabinet for a final decision later in the year when there is a fully developed proposal.
32. There are both transformation and capital funded projects underway to **make improvements to the countryside estate**, with £200,000 of efficiencies set to be delivered in 2021/22. Our aim is to broaden the visitor profile to our countryside sites by putting in facilities and information in place, such as Information Boards and play facilities, that increase accessibility and improve their experience. An early assessment suggests there will be positive impacts for children, young people and their families, people with disabilities and carers that support older and disabled residents. A full EQIA will be completed once the research elements to develop these initiatives is completed in February 2021. This will be considered by the Cabinet Member for Environment and Climate Change and the Director for Environment.
33. The **arrangements for Looked After Children (LAC)** as part of the wider Family Resilience Programme continue to ensure that all children with protected characteristics receive the right help at the right time as part of the continuing drive to improve services for children, young people and their families. We are strengthening our in-house foster care provision using practice approaches that enhance our support to foster carers and children, and so further improve stability and outcomes for our children in care. In parallel there is a renewed focus on utilising practice approaches to support children remaining in their families and for those already in our care, to achieve their reunification with their family where it is appropriate to do so.
34. A number of measures are being planned to contain costs related to the **Dedicated Schools Grant High Needs Block**. Some of these measures may impact residents and staff, and so as details are developed, EQIAs will be completed as appropriate. We are also considering options for introducing **charging for some of our processes within Children's Services**. As the details of these policies are developed, we will undertake full equality analysis ahead of introducing any changes.

35. There are also plans to bring in measures to **compensate for loss of income for Libraries, Registrations and Cultural Services**. COVID-19 has had a significant impact on the income of Libraries, Registration and Cultural Services. This has been outside the control of these services because the closure or partial closure of these services has been in response to changes in legislation introduced because of the Government's work to control the spread of the pandemic.

Each service within this Group is working on income recovery plans that will be finalised later in the year. They are about re-starting fees and charges, predominantly in the Library service, that were suspended because of the limitations on service delivery because of the pandemic. We recognise that some residents on lower incomes may be disadvantaged by this re-introduction of fees and charges, so we will ensure enough notice is given about the change and work to publicise the change in an effective and timely manner.

We will remind residents that overdue charges are not payable on children's or young adult books borrowed on early years', children's or young adult's tickets; promote the Open Ticket Adult is for anyone over 18 with a short or long-term medical condition that reduces library overdue charges by 50%; and encourage people to renew their books on-line to stop them becoming overdue and attracting charges.

36. As we move to delivering our **Libraries & Cultural Services Transformation Programme**, it is anticipated there will be equality implications. Officers will complete an EQIA for the transformation programme that will cover the following projects:

- Property;
- Workforce Development and Remodelling;
- Co-design;
- Technology and Operations

37. These specific projects/workstreams have been identified as having the potential to both positively and negatively impact residents with one or more of the protected characteristics. Officers will regularly review and update both the over-arching and individual EQIAs to reflect the proposals that are developed and refined over the course of the programme.

Mitigations

38. Services have developed a range of mitigating actions that seek to offset impacts of efficiency proposals on residents and staff with protected characteristics. Further details on specific mitigating activities can be read in the EQIAs appended to this report.
39. In general terms, the council's approach to mitigating impacts has been, or will be as strategic principles are developed into more formative proposals, to adopt one or more of the following:
- a. Putting service users and staff at the heart of service re-design, using co-design, consultation and engagement methods to produce services that are responsive and focus on supporting people that need them most. This means bringing together the right people early in the process to understand the issues and then deciding what can be done collectively to improve outcomes.
 - b. Investing in preventative activity to help enable better outcomes earlier and avoiding having to resource high-cost intensive activity that leads to greater pressures on our budget.

- c. Undertaking ongoing evaluation of the impacts of changes to services so we can build further evidence, and update our EQIAs, on who is affected by them, to refine and strengthen the mitigations that are in place and to document and respond to unforeseen negative impacts.
- d. Providing tailored information to service users that are impacted negatively by efficiency proposals so they can draw on their own resources or seek further support either from the council or partner organisations.
- e. Increasing opportunities for residents to access council services in new and easier formats, such as through the use of digital technologies. Additional support will be provided for residents who may need help to adapt to the new formats, such as some older or disabled people.
- f. Ensuring any changes to staffing levels or staff structures are completed in accordance with the council's human resources policies and procedures and take account of the impact these changes have on the workforce profile. In particular, there may be positive career opportunities for staff with protected characteristics as a result of this activity.
- g. Ensuring that staff with protected characteristics are fully supported with training and adjustments as appropriate to allow them to access the new ways of working the transformation proposals give rise to and for all staff to be equipped to support residents to do the same.

Conclusion

40. As part of our continued efforts to ensure the council remains financially sustainable, we are changing the way we deliver some services to residents. Some of these changes require Equality Impact Assessments to identify any groups with protected characteristics who may be impacted by these proposals. When taking a decision to set the budget, Members must use this paper to so they can discharge their duty to pay due regard to the equality implications of agreeing this package of efficiencies to balance the budget.
41. This report has summarised the main themes and potential impacts on residents arising from efficiency proposals for the 2021/22 year, as well as mitigating activity. The council continues to go through significant transformation, and we will continue to consider how these changes affect the most vulnerable residents and how we can support them to ensure that no-one is left behind.
- 42. This summary report should only be read in conjunction with each individual EQIA.**

Appendix A - Equality Impact Assessment - Adult Social Care Transformational Savings 2021/22

Question	Answer
Did you use the EIA Screening Tool?	No

1. Explaining the matter being assessed

<p>What policy, function or service change are you assessing?</p>	<p>Adult Social Care’s vision is to promote people’s independence and wellbeing. Delivering this vision will mean people:</p> <ul style="list-style-type: none"> • Have access to information, advice and support in the community to help themselves and each other. • Build upon their strengths, with the same hopes and aspirations as everyone to work and to live independently. • Are supported to regain their skills and confidence after an illness or injury, so they can do things for themselves and stay independent. • Feel safe and experience health, social care and community partners working together to meet their needs. <p>This vision for a modern service will be delivered through the ASC transformation programme. The key elements of this programme, which will deliver savings of £8.7m (of the total £11.9m) of ASC efficiency savings in 2021/22 will be:</p> <ol style="list-style-type: none"> 1. Care Pathway – This programme will redesign the ASC front door where people are supported quickly, embed discharge to assess and provide short term reablement interventions for all – enabled by a skilled workforce and community prevention. This programme has a savings target of £3.0m in 2021/22. 2. Learning Disability & Autism – This programme will reshape services to increase the number of people with learning disabilities and autism that live
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	<p>more independently in their communities, with higher quality and integrated care and support, access to employment, travel training, life skills and friendship groups. This programme has a savings target of £2.6m in 2021/22.</p> <p>3. Accommodation with Care & Support – This programme will increase the availability of different types of accommodation with care and support. Residents with care and support needs will have an improved quality of life and retain independence for longer. This programme has a savings target of £1.5m in 2021/22.</p> <p>4. Mental Health – This programme will improve services for people with mental health needs. It will implement new service models for approved mental health professionals, older people services, working aged adult services, prisons, forensics and substance misuse, all of which will be focused on enhancing independence. This programme has a savings target of £0.2m in 2021/22.</p> <p>5. Market Management – This programme will strengthen market management and the purchasing of care packages, resulting in increased cost predictability and value for money with stronger relationships. This programme has a savings target of £1.4m in 2021/22.</p> <p>6. Review In-House Services – This programme will evaluate the future of in-house provision in line with Surrey County Council’s strategy for accommodation with care and support, better meeting needs, complexity and improving value for money. No savings target has been set for this programme in 2021/22 but it is expected deliver savings in future years.</p> <p>7. Enabling You With Technology – This programme will develop a universal digital telehealth and technology enabled care offer for people with eligible social care needs and self-funding Surrey residents, including a responder service. No savings target has been set for this programme in 2021/22 but it</p>
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Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

	<p>facilitates the savings planned across other programmes.</p> <p>There are also £3.2m of efficiencies planned outside of ASC’s transformation programmes:</p> <ul style="list-style-type: none"> • £2.7m relates to planned resolution of the funding of people’s care where the Council believes individuals have a primary health need and so should qualify for Continuing Health Care funding, but this is disputed by the relevant Clinical Commissioning Groups. • £0.5m relates to the development and implementation of a new strategy for adults with Physical or Sensory Disabilities. ASC recognises that this cohort of people requires a new focus to ensure care and support is being delivered in the most appropriate, strength based and cost-effective ways.
<p>Why does this EIA need to be completed?</p>	<p>The ASC transformation programme will mean wide ranging changes to policy, function and services affecting people who use services, their carers and our staff. This EIA will help us build up a profile of residents and staff with protected characteristics who may be affected by these changes. It will provide insight to help break down any barriers to accessing services, mitigate any potential negative impacts and maximise positive impacts.</p> <p>The EIA will help us meet our commitment in the Community Vision 2030 to “tackling inequality and ensuring no-one is left behind”. Assessing the impact of these changes on different ‘protected characteristic’ groups is an important part of our compliance with duties under the Equality Act 2010.</p> <p>This EIA is not intended to support individual decisions around changes to service provision. To the extent that changes are proposed that require consultation and Cabinet approval, individual EIAs will be produced.</p>
<p>Who is affected by the proposals outlined above?</p>	<p>The proposals will affect:</p> <ul style="list-style-type: none"> • People who use services and their carers • Adult Social Care staff

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

	<ul style="list-style-type: none"> • Surrey Choices (SCC’s Local Authority Trading Company) • Independent Adult Social Care providers
<p>How does your service proposal support the outcomes in the <u>Community Vision for Surrey 2030</u>?</p>	<ul style="list-style-type: none"> • Everyone gets the health and social care support and information they need at the right time and place. • Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life.
<p>Are there any specific geographies in Surrey where this will make an impact?</p>	<ul style="list-style-type: none"> • County-wide
<p>Briefly list what evidence you have gathered on the impact of your proposals</p>	<ul style="list-style-type: none"> • Feedback from chief executives of our strategic user and carer partners at the ASC Partner Update meeting (every 2-months) where updates on the ASC transformation programme are shared • Meetings with Healthwatch Surrey (quarterly) to share feedback from residents • Provider Network meetings with representatives from Surrey Care Association and social care providers • Annual Adult Social Care service user survey • Biennial Adult Social Care carers survey • Quarterly analysis of complaints and compliments • On-going engagement with a wide range of networks: <ul style="list-style-type: none"> • Disability groups/networks - including <u>Local Valuing People Groups</u>, Learning Disability Partnership Board, Autism Partnership Board, Surrey Positive Behaviour Support, Spelthorne Access Network, Surrey People's Group • Older people groups - including Voluntary Action South West Surrey’s Older People's Forum • Commissioning user groups - including Surrey Hard of Hearing Forum, Long Term Neurological Conditions group, Surrey Vision Action Group, Surrey Deaf Community, Independent Mental Health Network, <u>Disability Empowerment Network Surrey</u>,

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

	<ul style="list-style-type: none">• Carers' commissioning group• Seldom heard groups/equalities groups including Surrey Minority Ethnic Forum (SMEF), Surrey Faith Links• Clinical commissioning groups patient engagement forums• Integrated Care System communications and engagement groups• Surrey Heartlands Online Residents Panel• Staff sessions delivered by the Executive Director and members of Adults Leadership Team• Operational Managers Group meeting where senior managers meet with the Executive Director and members of Adults Leadership Team• Consultation on management changes in the reablement service• Adult Social Care & Public Health Directorate Equalities Group
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2. Service Users / Residents

Age

Question	Answer						
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>According to current projections, the population size for Surrey in 2020 is 1,208,400. This population is comprised of 954,100 people aged 17+ (79% of the total population). People aged 65+ represent 19.2% of the total Surrey population. It is estimated people aged 65+ will represent 20.1% of the Surrey population by 2024 and 22.2% by 2030. The overall effect of this is that Surrey’s population is made up of a large and growing proportion of people aged over 65s, with the proportion of the over 85s growing at an even faster rate. Specifically, from 2020 to 2024, the population growth rate for over 65s is projected to be approximately 7% and the population growth rate for over 85s is projected to be 11%.</p> <p>During 2016-2018, men in Surrey had an average life expectancy at birth of 82 years and women 85 years old. The average life expectancy at birth for both sexes is higher than the national average, 80 and 83 years respectively. This suggests people, on average, live longer in Surrey compared to other parts of the country. However, life expectancy varies quite widely across wards within Surrey, mainly due to differences in level of deprivation. Between the most and least deprived wards in Surrey, there is a 10-year gap between men and a 14-year gap for women¹.</p> <p>The Rapid Needs Assessment conducted in the aftermath of the first major coronavirus lockdown, identified reduced access to services particularly for digitally excluded individuals who do not have access to equipment or are unable to receive support remotely. Concerns about loss of contact with mental health services are especially serious for older adults with mental health disabilities such as dementia. According to most recent estimates there are 15,400 with dementia in Surrey although only 64% of these (10,000) have been officially diagnosed. This could rise as the population ages².</p> <p>The number of people supported by Adult Social Care by age range:</p> <table border="1" data-bbox="562 1236 1845 1329"> <thead> <tr> <th data-bbox="562 1236 831 1329">Age Band</th> <th data-bbox="831 1236 1375 1329">Number of open cases (17 Nov 2020)</th> <th data-bbox="1375 1236 1845 1329">% of open cases (17 Nov 2020)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Age Band	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)			
Age Band	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)					

¹ Surrey Health and Wellbeing Strategy, 2019

² Surrey Covid-19 Community Impact Assessment “Older people ... Rapid Needs Assessment”, 2020

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Question	Answer		
	Under 18	211	1.0%
	18-44	3,939	19.4%
	45-54	2,134	10.5%
	55-64	2,747	13.5%
	65-74	2,619	12.9%
	75-84	3,598	17.7%
	85-94	4,138	20.4%
	95+	929	4.6%
	Not Known	3	0.0%
	Grand Total	20,318	100.0%
Impacts	Both		

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ Offer family carers of 70yrs+ more effective support and engagement in early planning for their adult child's future wellbeing, support and financial arrangements etc	These impacts were identified through on-going discussion with people who use services and carers in networks; co-design events; and on-	Identify family carers 70yrs+ and offer effective support and engagement using the family carers network to assist in conversations	31 March 2022	AD LD, Autism & Transition

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>+ Align our offer for young adults transitioning into adult services with the opportunities we are creating for working age adults eg travel training, support into employment, independent living</p>	<p>going dialogue with Healthwatch, chief executives of our strategic user and carer partners and Surrey Care Association</p>	<p>Align work with the ‘Preparing for Adulthood - Next Steps’ programme</p> <p>Improve the flow of information and data from Children’s Services about children and young people expected to transition into Adult Social Care</p>	<p>31 March 2022</p>	<p>AD LD, Autism & Transition</p>
<p>+ It will encourage a more creative and age appropriate response by care providers in the services and opportunities they offer</p>		<p>Introduce more specificity to support plans with clearer outcomes and creative solutions to deliver best value for money</p> <p>Work with the market to grow the provision of independent living accommodation</p> <p>Ensure commissioners and care providers continue to co-design services with, and listen to the voices of, people who use services and their carers</p>	<p>31 March 2022</p>	<p>AD LD, Autism & Transition AD Commissioning</p>
<p>+ There may be opportunities for people with a learning disability over 65 years of age to move to more age</p>		<p>Continue to secure personalised packages of care to meet the changing needs of people over 65 years of age</p>	<p>31 March 2022</p>	<p>AD LD, Autism & Transition</p>

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
appropriate services with their peer age group				
+ Residents of all ages will be encouraged to explore the care and support their family, friends and local community can provide to meet their needs, encouraging creativity and people to continue to play an active part in their community		Continue to embed strengths-based practice - a collaborative approach between the person and those supporting them, to determine an outcome that draws on the person's strengths and assets	31 March 2022	Area Directors and Assistant Directors (ADs)
+ Reablement services will support more older people in a community setting, rather than simply on discharge from hospital		On-going development of a therapy led reablement service	31 March 2022	Area Director Service Delivery (AD Service Delivery)
+ Technology Enabled Care (telehealth and telecare) will support people of all ages to live independently in the community and provide reassurance to their family/carer		Strengthen the range of Technology Enabled Care on offer to people	31 March 2022	Head of Resources
- Older residents may not have the same ability to access community-based support services because of their mobility, cognition etc		Explore how family, friends and the local community can support older residents to access community-based services	31 March 2022	ADs

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<ul style="list-style-type: none"> - The shift towards more creative and informal care may generate anxiety for people of all ages 		Ensure staff take the time to listen to, and respond to, anxieties so that people of all ages feel reassured	31 March 2022	ADs
<ul style="list-style-type: none"> - Decisions around placements may mean older people needing residential/nursing care, are offered a setting at a distance from their family and networks 		Look for creative ways to make the setting on offer work for families Facilitate a broad discussion with families including the option of top-up arrangements ('additional cost' of providing preferred accommodation, over and above the amount in a person's personal budget) to extend choice	31 March 2022	ADs AD Commissioning Head of Resources
<ul style="list-style-type: none"> - There may be increasing demands placed upon the voluntary, community and faith sector from people of all ages 		Continue to work with partners to support and expand the role of the voluntary, community and faith sector	31 March 2022	AD Commissioning
<ul style="list-style-type: none"> - There may be quality assurance and safeguarding issues around the care provided by family, friends and community networks for people of all ages, how this 		Ensure staff are equipped to support people in taking proportionate risks and safeguarding procedures are adhered to	31 March 2022	ADs AD Commissioning

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
is assured and to whom concerns should be raised				

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • ‘Preparing for Adulthood - Next Steps’ programme will help to prepare young people with a disability in transition for independent living, employment, using public transport etc

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>There are no negative impacts that cannot be mitigated</p>

Disability

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>In the 2011 census, 13.5% of the population in Surrey declared they had a disability or life-limiting long-term illness.</p> <p>0.9% of the population aged 18-64 years old in Surrey in 2019, were recipients of Disability Living Allowance (DLA). This follows a three-year trend of reduced numbers of people receiving DVA in Surrey. DVA provides a contribution towards the disability-related extra costs of severely disabled people before the age of 65.</p> <p>4.1% of the population aged 65+ in Surrey in 2019, were recipients of Attendance Allowance (AA). AA provides a contribution towards the disability-related extra costs of severely disabled people who are aged 65+. To qualify, people must have needed help with personal care for at least 6 months³.</p>

³ Surrey-i, 2020

Question	Answer															
	<p>66% of adults with learning disabilities in Surrey in 2017/18, lived in settled accommodation. This is below the national average which shows approximately 77% of adults with learning disabilities live in settled accommodation⁴.</p> <p>Analysis of data from the Understanding Society study found that, taking account of pre-pandemic trajectories, mental health has worsened substantially (by 8.1% on average) as a result of the pandemic. Groups have not been equally impacted; young adults and women – groups with worse mental health pre-pandemic – have been hit hardest. There may also be a greater impact on people with pre-existing long-term conditions and those are clinically vulnerable (shielding) as well as those with drug and alcohol dependencies. In Surrey there are currently 40,164 people on the NHS shielding list and 161,492 reported as to have one or more long-term conditions⁵.</p> <p>Whilst the percentage of disabled adults not using the internet has been declining, in 2018, it was 23.3% compared with only 6.0% of those without a disability⁶.</p> <p>Number of people supported by Adult Social Care by primary reason for support:</p> <table border="1" data-bbox="560 826 1883 1216"> <thead> <tr> <th data-bbox="560 826 1263 967">Primary Support Reason</th> <th data-bbox="1263 826 1621 967">Number of open cases (17 Nov 2020)</th> <th data-bbox="1621 826 1883 967">% of open cases (17 Nov 2020)</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 967 1263 1031">Physical Support - Personal Care Support</td> <td data-bbox="1263 967 1621 1031">7,946</td> <td data-bbox="1621 967 1883 1031">39.1%</td> </tr> <tr> <td data-bbox="560 1031 1263 1094">Learning Disability Support</td> <td data-bbox="1263 1031 1621 1094">3,900</td> <td data-bbox="1621 1031 1883 1094">19.2%</td> </tr> <tr> <td data-bbox="560 1094 1263 1158">Social Support - Support to Carer</td> <td data-bbox="1263 1094 1621 1158">2,331</td> <td data-bbox="1621 1094 1883 1158">11.5%</td> </tr> <tr> <td data-bbox="560 1158 1263 1216">Mental Health Support</td> <td data-bbox="1263 1158 1621 1216">1,968</td> <td data-bbox="1621 1158 1883 1216">9.7%</td> </tr> </tbody> </table>	Primary Support Reason	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)	Physical Support - Personal Care Support	7,946	39.1%	Learning Disability Support	3,900	19.2%	Social Support - Support to Carer	2,331	11.5%	Mental Health Support	1,968	9.7%
Primary Support Reason	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)														
Physical Support - Personal Care Support	7,946	39.1%														
Learning Disability Support	3,900	19.2%														
Social Support - Support to Carer	2,331	11.5%														
Mental Health Support	1,968	9.7%														

⁴ Surrey Health and Wellbeing Strategy, 2019

⁵ Surrey Covid-19 Community Impact Assessment “Mental health Rapid Needs Assessment”, 2020

⁶ Exploring the UK’s digital divide, ONS, 4 March 2019

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Question	Answer			
	Physical Support - Access and Mobility Only	1,290	6.3%	
	Short term support (unclassified)	1,357	6.7%	
	Support with Memory and Cognition	927	4.6%	
	Sensory Support - Support for Visual Impairment	172	0.8%	
	Social Support - Support for Social Isolation / Other	171	0.8%	
	Sensory Support - Support for Hearing Impairment	117	0.6%	
	Social Support - Substance Misuse Support	70	0.3%	
	Sensory Support - Support for Dual Impairment	68	0.3%	
	Social Support - Asylum Seeker Support	1	0.0%	
	Grand Total	20,318	100.0%	
Impacts	Both			

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ Commissioners and care providers will continue to co-design new services and listen to the voice of people with a disability in shaping services to meet need	These impacts were identified through on-going discussion with people who use services and carers in networks; co-design events; and on-	Work to co-design and reshape services by listening to the voice of people with a disability through our user and carer partners and networks	31 March 2022	AD Commissioning Managing Director Surrey Choices

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ It will create opportunities for people with a disability to explore alternative community-based solutions and different living arrangements	going dialogue with Healthwatch, chief executives of our strategic user and carer partners and Surrey Care Association	Continue to embed strengths-based practice On-going implementation of the Surrey Choices 'changing days' programme	31 March 2022	ADs AD Commissioning Managing Director Surrey Choices
+ Residents with a disability will be encouraged to have a more detailed discussion, exploring what care and support their family, friends and local community can provide to meet their needs, encouraging creativity and people to continue to play an active part in their community		Continue to embed strengths-based practice Continue to grow staff's knowledge of local community-based resources	31 March 2022	ADs
+ There will be a focus upon ensuring people with a disability have access to universal health care and screening at the right age/time in their lives		Work with health and community partners to deliver the LD Health/Complex Needs change programme	31 March 2022	AD LD, Autism & Transition
+ Reablement services are being reshaped to support more people with a disability in a community setting, rather than simply on discharge from hospital		On-going development of a therapy led reablement service	31 March 2022	AD Service Delivery

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ A more holistic approach to all aspects of people’s mental health care and support		<p>On-going work across the system to combine services and integrate the approach to mental health with physical health and social wellbeing</p> <p>Continued professional development of mental health staff including Care Act, strengths-based practice, motivational interviewing etc</p>	31 March 2022	Deputy Director
+ Technology Enabled Care (telehealth and telecare) will support people with a disability to live independently in the community and provide reassurance to their family/carer		Strengthen the range of Technology Enabled Care on offer to people	31 March 2022	Head of Resources
+ Expanding the development of new supported independent living provision will mean people with disabilities are offered a setting closer to their family and support network		<p>Continue delivering the ‘Move On’ project to support people to move from residential to independent living</p> <p>Continue delivering the programme of deregistration to support providers shift from residential to independent living</p>	31 March 2022	<p>AD, Learning Disabilities, Autism & Transition</p> <p>AD Commissioning</p>

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<ul style="list-style-type: none"> - Placing people with a disability in community (rather than residential) settings may be perceived by families/local residents as a risk to the individual and the community 		<ul style="list-style-type: none"> Ensure people are equipped and their needs are suitable to access community resources Ensure robust safeguarding arrangements are in place Use success stories to reassure families/local residents 	31 March 2022	AD, Learning Disabilities, Autism & Transition Managing Director Surrey Choices
<ul style="list-style-type: none"> - The shift towards more creative and informal care may generate some initial anxiety for people with a disability 		<ul style="list-style-type: none"> Ensure staff take the time to listen to, and respond to, anxieties so that people and their families feel reassured 	31 March 2022	ADs
<ul style="list-style-type: none"> - There may be increasing demands placed upon the voluntary, community and faith sector from people with a disability 		<ul style="list-style-type: none"> Continue to work as part of Local Joint Commissioning Groups to support and expand the role of the voluntary, community and faith sector 	31 March 2022	AD Commissioning
<ul style="list-style-type: none"> - There may be quality assurance and safeguarding issues around the care provided by family, friends and community networks for people with a disability, how 		<ul style="list-style-type: none"> Ensure staff are equipped to support people in taking proportionate risks and safeguarding procedures are adhered to 	31 March 2022	ADs

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
this is assured and to whom concerns should be raised				
- Any shift towards digital could disadvantage people with a disability who are less likely to use the internet, encounter more physical difficulties using digital etc		<p>Ensure people with a disability are able to access information and advice and have options in how they contact ASC</p> <p>Continue to promote programmes to develop digital skills and inclusion amongst our client group</p>	31 March 2022	Deputy Director Head of Resources

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • ‘Preparing for Adulthood - Next Steps’ programme will help to prepare young people with a disability in transition for independent living, employment, using public transport etc.

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	There are no negative impacts that cannot be mitigated

Race including ethnic or national origins, colour or nationality

Question	Answer															
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>According to the 2011 Census data, Surrey is less diverse than England as a whole with 83.5% of the population reporting their ethnic group as White British compared with 79.8% in England. Generally, the Black, Asian and Minority Ethnic (BAME) population in Surrey is rather disperse across the county.</p> <p>Woking is the most diverse local authority in Surrey with 16.4% of its population from non-white ethnic groups. Waverley is the least diverse with 90.6% White British. Spelthorne has the highest proportion of Indian ethnic group (4.2%) and Woking has the highest proportion of Pakistani ethnic group (5.7%).</p> <p>Black and minority ethnic men tend to have poorer access to healthcare for a range of services, including mental health, screening and testing. Some groups of international migrants in the UK avoid the use of the NHS because of the current NHS charging regime for migrants or through fear of their data being shared with the Home Office for immigration enforcement purposes. Maternal and infant outcomes remain very poor for many women from BAME groups, particularly among those women who have recently migrated to the UK. Women from Asian and Black African communities, women living in poverty, and women seeking refuge and asylum are significantly more likely to die in childbirth compared to their White British counterparts⁷.</p> <p>Number of people supported by ASC cases as at 17 Nov 2020 by Ethnicity⁸</p> <table border="1" data-bbox="562 951 1865 1287"> <thead> <tr> <th data-bbox="562 951 1223 1046">Ethnicity</th> <th data-bbox="1223 951 1585 1046">Number of open cases (17 Nov 2020)</th> <th data-bbox="1585 951 1865 1046">% of open cases (17 Nov 2020)</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 1046 1223 1110" style="text-align: center;">Asian / Asian British</td> <td data-bbox="1223 1046 1585 1110"></td> <td data-bbox="1585 1046 1865 1110"></td> </tr> <tr> <td data-bbox="562 1110 1223 1166" style="text-align: right;">Indian</td> <td data-bbox="1223 1110 1585 1166" style="text-align: center;">201</td> <td data-bbox="1585 1110 1865 1166" style="text-align: center;">1.0%</td> </tr> <tr> <td data-bbox="562 1166 1223 1222" style="text-align: right;">Pakistani</td> <td data-bbox="1223 1166 1585 1222" style="text-align: center;">204</td> <td data-bbox="1585 1166 1865 1222" style="text-align: center;">1.0%</td> </tr> <tr> <td data-bbox="562 1222 1223 1287" style="text-align: right;">Bangladeshi</td> <td data-bbox="1223 1222 1585 1287" style="text-align: center;">41</td> <td data-bbox="1585 1222 1865 1287" style="text-align: center;">0.2%</td> </tr> </tbody> </table>	Ethnicity	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)	Asian / Asian British			Indian	201	1.0%	Pakistani	204	1.0%	Bangladeshi	41	0.2%
Ethnicity	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)														
Asian / Asian British																
Indian	201	1.0%														
Pakistani	204	1.0%														
Bangladeshi	41	0.2%														

⁷ Surrey Covid-19 Community Impact Assessment “BAME Rapid Needs Assessment”, 2020

⁸ ASC LAS system [17 November 2020]

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Question	Answer		
	Chinese	49	0.2%
	Any other Asian background	183	0.9%
	Black / African / Caribbean / Black British		
	African	89	0.4%
	Caribbean	86	0.4%
	Any other Black / African / Caribbean background	43	0.2%
	Other ethnic group		
	Arab	29	0.1%
	Other	109	0.5%
	White		
	English / Welsh / Scottish / Northern Irish / British	16,462	81.0%
	Irish	207	1.0%
	Gypsy or Irish Traveller	19	0.1%
	Any other White background	604	3.0%
	Mixed / multiple ethnic groups		
	White and Black Caribbean	52	0.3%
	White and Black African	21	0.1%
	White and Asian	49	0.2%
	Any other mixed / multiple ethnic background	204	1.0%

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Question	Answer			
	No data			
	Refused	66	0.3%	
	Un-declared / Not known	1,600	7.9%	
	Grand Total	20,318	100.0%	
Impacts	Both			

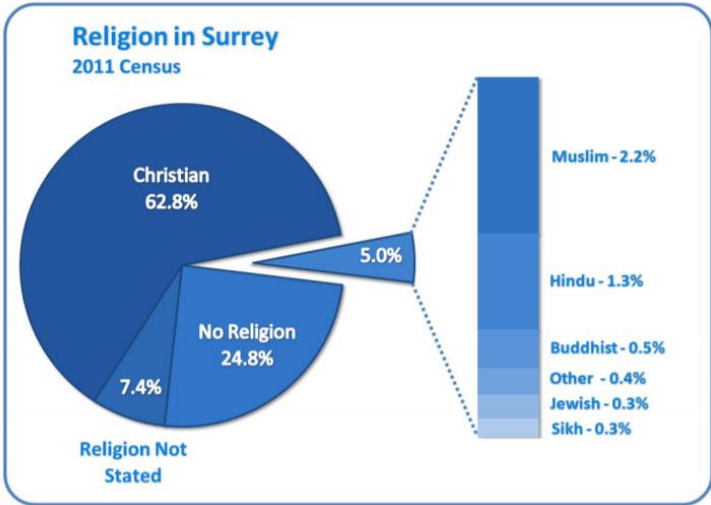
Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ People of different races will be encouraged to explore support available from within their community	These impacts were identified through on-going discussion with people who use services and carers in networks; co-design events; and on-going dialogue with Healthwatch, chief executives of our strategic user and carer partners and Surrey Care Association	Continue to embed strengths-based practice Continue to grow staff's knowledge of local community-based resources	31 March 2022	ADs
- People for whom English is a second language may find it difficult to communicate with Adult Social Care		Continue to ensure information and advice is accessible Ensure translation is arranged to enable people to make their voice heard	31 March 2022	Deputy Director

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of	-

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	There are no negative impacts that cannot be mitigated

Religion or belief including lack of belief

Question	Answer																																																	
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  </div> <div style="width: 45%;"> <p>Religion Surrey</p> <table border="1" data-bbox="1305 411 1881 726"> <thead> <tr> <th>Indicator</th> <th>Value</th> <th>% this area</th> <th>Surrey %</th> </tr> </thead> <tbody> <tr> <td>Christian</td> <td>711,110</td> <td>62.8%</td> <td>62.8%</td> </tr> <tr> <td>All non Christian religions</td> <td>56,390</td> <td>5.0%</td> <td>5.0%</td> </tr> <tr> <td>Hindu</td> <td>15,018</td> <td>1.3%</td> <td>1.3%</td> </tr> <tr> <td>Muslim</td> <td>24,378</td> <td>2.2%</td> <td>2.2%</td> </tr> <tr> <td>All other religions</td> <td>16,994</td> <td>1.5%</td> <td>1.5%</td> </tr> <tr> <td>People with no religion</td> <td>280,814</td> <td>24.8%</td> <td>24.8%</td> </tr> </tbody> </table> <p><small>This is a person's current religion, or if the person does not have a religion, 'no religion'. No determination is made about whether a person was a practicing member of a religion. Unlike other census questions where missing answers are imputed, this question was voluntary, and where no answer was provided the response is categorised as 'Not stated'.</small></p> </div> </div> <p>The number of people supported by Adult Social Care by religion⁹</p> <table border="1" data-bbox="560 943 2098 1359"> <thead> <tr> <th>Religion</th> <th>Number of open cases (17 Nov 2020)</th> <th>% of open cases (17 Nov 2020)</th> </tr> </thead> <tbody> <tr> <td>Buddhist</td> <td>39</td> <td>0.2%</td> </tr> <tr> <td>Christian</td> <td>10,110</td> <td>49.8%</td> </tr> <tr> <td>Hindu</td> <td>108</td> <td>0.5%</td> </tr> <tr> <td>Jehovah Witness</td> <td>67</td> <td>0.3%</td> </tr> <tr> <td>Jewish</td> <td>60</td> <td>0.3%</td> </tr> <tr> <td>Muslim</td> <td>330</td> <td>1.6%</td> </tr> </tbody> </table>	Indicator	Value	% this area	Surrey %	Christian	711,110	62.8%	62.8%	All non Christian religions	56,390	5.0%	5.0%	Hindu	15,018	1.3%	1.3%	Muslim	24,378	2.2%	2.2%	All other religions	16,994	1.5%	1.5%	People with no religion	280,814	24.8%	24.8%	Religion	Number of open cases (17 Nov 2020)	% of open cases (17 Nov 2020)	Buddhist	39	0.2%	Christian	10,110	49.8%	Hindu	108	0.5%	Jehovah Witness	67	0.3%	Jewish	60	0.3%	Muslim	330	1.6%
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⁹ ASC LAS system [17 November 2020]

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Question	Answer		
	Sikh	37	0.2%
	Other	469	2.3%
	Declined / Refused	1,059	5.2%
	No Religion or Belief / None	2,663	13.1%
	Un-declared / Not known	5,376	26.5%
	Grand Total	20,318	100.0%
Impacts	Both		

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ People with a religion or belief system will be encouraged to access support from within their faith community	These impacts were identified through on-going discussion with people who use services and carers in networks; co-design events; and on-going dialogue with Healthwatch, chief executives of our strategic user and carer partners and Surrey Care Association	Continue to embed strengths-based practice Continue to grow staff's knowledge of local community- based resources	31 March 2022	ADs

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of	-

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	There are no negative impacts that cannot be mitigated

Carers protected by association

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>Carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid¹⁰. Carers are the largest source of support for disabled and vulnerable people and the most significant form of ‘social capital’ in our communities. Effective support for carers is therefore critical for the effective delivery of both health and social care services.</p> <p>Based on the 2011 Census and population projections we can estimate that there were 115,216 carers of all ages living in Surrey in 2016, this equates to 10% of the population¹¹. Based on the Valuing Carers 2015 research, these carers save the public purse an estimated £1.8 billion a year in Surrey. The figure for the UK is estimated at £132 billion¹². Support for carers in the community is an important factor in preventing emergency admission.</p> <p>Taking the number of carers from the 2011 census, it is estimated there will be 124,176 carers in Surrey (8% growth) by 2025. This equates to 10% of the Surrey population, which although large, is lower than the 13% of the UK population to have some sort of a caring responsibility.</p> <p>The impact of caring can be detrimental to carers’ health owing to a number of factors, including stress related illness or physical injury. Carers may experience financial hardship as a result of their caring role. The impact of caring is partly dependent on the number of hours spent caring. Other factors might include whether a carer is in employment, and for older carers there is an impact on health.</p> <p>Surrey’s ageing population means that more 65+ are caring for the ‘older-old’. Many are also still in paid employment or grandparents juggling caring responsibilities with looking after grandchildren. There are currently about 30,740 carers aged 65+ in Surrey, of whom 1 in 10 are 85+. The number of older carers is expected to grow to 36,000 by 2025 and indeed older carers account for about 60% of the projected increase in carers of all ages. Older carers spend substantially more hours per week caring, which has consequences for their physical and mental health. Health outcomes generally worsen with the number of</p>

¹⁰ Action for Carers Surrey. Working definition of a carer. Available from: <http://www.actionforcarers.org.uk/what-we-do/>

¹¹ Office for National Statistics. 2011 Census and population projections. Available from: <https://www.ons.gov.uk/census/2011census/2011censusdata>

¹² Carers UK. Valuing Carers 2015 – The Rising Value of Carers’ Support, 2015. Available from: <http://www.carersuk.org/for-professionals/policy/policy-library/valuing-carers-2015>

Question	Answer									
	<p>hours spent caring or in those experiencing strain caused by their responsibilities. Carers report mental health problems including depression and may also risk physical injuries such as back strain. Carers are also at higher risk of death or life-changing impacts from heart attacks and strokes¹³.</p> <p>The ‘Kids Who Care’ survey of over 4,000 school children showed that one in twelve (8%) had caring responsibilities, equating to some 700,000 young carers in the UK – four times the number identified in the 2001 Census (175,000)¹⁴. Based on the projected population of young people aged 5-17 years, this suggests that in 2016 there may be approximately 14,750 young carers aged 5-17 living in Surrey¹⁵.</p> <p>Based on the 2011 Census, Surrey’s 2016 projected BAME carers population was 18,817 (16.3% of the total carers population); this group has been identified as facing difficulties in accessing and using support services for carers for several reasons, such as language barriers and a lack of culturally-appropriate information¹⁶.</p> <p>Based on the 2011 Census, it is estimated that there are higher numbers of female carers in Surrey. The proportion is the highest in the 16-64 age group, where 60% of carers are female - this increases to 67% where caring for 50+ hours per week. The 85+ age group is an exception to this where the majority of carers (57%) are male. This increases to 58% for carers aged 85 and over who are caring for more than 20 hours per week¹⁷.</p> <p>Surrey has higher expected numbers of carers of people with a learning disability than in other parts of the country, due to a historic, disproportionately high learning disability population.</p> <p>Number of Carers known to ASC as at 17 November 2020 by age:</p> <table border="1" data-bbox="562 1062 1393 1238"> <thead> <tr> <th>Carers Age Band</th> <th>Number of Carers</th> <th>% of carers</th> </tr> </thead> <tbody> <tr> <td>Under 18</td> <td>2</td> <td>0.1%</td> </tr> <tr> <td>18-44</td> <td>239</td> <td>8.8%</td> </tr> </tbody> </table>	Carers Age Band	Number of Carers	% of carers	Under 18	2	0.1%	18-44	239	8.8%
Carers Age Band	Number of Carers	% of carers								
Under 18	2	0.1%								
18-44	239	8.8%								

¹³ The Independent Annual Report of the Director of Public Health Surrey County Council, 2018

¹⁴ Conducted for the BBC by the University of Nottingham in 2010

¹⁵ Surrey CC Joint Strategic Needs Assessment, 2017

¹⁶ Surrey Carers Commissioning Group: 2016 review of support offered to BAME carers reported to Integrated Care Partnership (ICP) Board

¹⁷ Surrey CC Joint Strategic Needs Assessment, 2017

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Question	Answer		
	45-54	595	21.9%
	55-64	803	29.5%
	65-74	524	19.3%
	75-84	374	13.8%
	85-94	165	6.1%
	95+	14	0.5%
	Not Known	3	0.1%
	Grand Total	2,719	100.0%
Impacts	Both		

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ Direct payments will offer carers more choice and support options	These impacts were identified through on-going discussion with people who use services and carers in networks; co-design events; and on-going dialogue with Healthwatch, chief executives of our strategic user and carer partners and Surrey Care Association	Strengthen support mechanisms to enable carers to use direct payments	31 March 2022	AD Commissioning
+ Increase home adaptations to encourage and enable families to look after their adult family member at home		Work with district and borough councils to ensure home adaptations are undertaken with pace	31 March 2022	ADs
+ Carers may benefit from the reassurance offered by Technology Enabled Care, whereby the person they care for is being supported by a		Strengthen the range of Technology Enabled Care on offer to people	31 March 2022	Head of Resources

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
monitoring and responder service		Ensure carers understand the benefits of Technology Enabled Care		
+ Continue to offer carers of people with disabilities effective support and engagement in planning for their loved one's future wellbeing and support		Continue to embed strengths-based practice Continue to ensure carers are offered an assessment in their own right	31 March 2022	ADs
- Carers may be resistant to, and feel anxious about, change		Continue to involve carers in the co-design of new services Provide clear communication to help carers understand why and how services are changing Listen to carers concerns and reflect these into service design	31 March 2022	AD Commissioning ADs
- Carers may feel obliged to take on more of a caring role		Continue to support carers in their caring role Monitor the use of carers' services to ensure equitable access Ensure carers are assessed in their own right and have a support plan	31 March 2022	ADs

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		Ensure any young carers are identified and given support		

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of</p>	-

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	There are no negative impacts that cannot be mitigated

3. Staff

Age

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	11% of the HW & ASC workforce are under 30 years old compared to 13% council wide. 46% of the HW & ASC workforce are over 50 years old, rising to 56% in Service Delivery. This compares to 41% of the council wide workforce ¹⁸ .
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ The review of organisational structure and accountabilities may create opportunities for staff of all ages to develop new skills and to take on new roles and responsibilities	These impacts were identified through on-going discussion with staff in Staff Sessions and at Operational Managers Group meetings Further supporting evidence will be gathered as we co-design the establishment review in the Care Pathway	Ensure any review of organisational structure and accountabilities is supported by HR and formal consultation SCC change management policies and processes followed A variety of communication and engagement methods will be used to ensure all staff	31 March 2022	ADs AD Service Delivery Head of Resource

¹⁸ SAP, Nov 2020

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	programme; and as part of Review In-House Services programme in 2021/22	are able to access information and respond to it Support in place to facilitate redeployment opportunities		
+ The review of organisational structure may create new entry level roles to support young people/or people of any age to join the workforce and benefit from professional development through the apprenticeship programme		Consider opportunities for apprentice and entry level roles across the service open to all candidates Consider the potential for positive action for young people	31 March 2022	ADs AD Service Delivery Head of Resource

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<p>Subject to the collective bargaining process and committee agreement, the 2021 Pay award will impact staff positively by increased pay for those with headroom in their grade. The current pay offer also includes proposals for unsociable working payments for staff up to PS8.</p> <p>There is a £95,000 cap on exit payment for public sector staff from 4 November 2020. In addition, there are further changes under consultation regarding the Local Government Pension Scheme the impact of which is that severance benefits for longer serving and staff aged 55+ may be negatively impacted</p>

Question	Answer
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Any negative impacts that cannot be mitigated? Please identify impact and explain why	There are no negative impacts that cannot be mitigated
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Disability

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	2.22% of the HW and ASC workforce have declared a disability compared to 2.51% of the council wide workforce ¹⁹ .
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
+ The property portfolio review, which includes the closure of County Hall will enable staff with a disability to work in a more flexible and agile way in more accessible and modern buildings	These impacts were identified through on-going discussion with staff in Staff Sessions and at Operational Managers Group meetings	Move towards a more flexible and agile way of working as part of the Council’s agile working programme	31 March 2022	ADs Head of Resource
- Any change to organisation structure or location could mean staff with a disability may find travelling to carry	Further supporting evidence will be gathered as we co-design the establishment review in the Care Pathway programme; and as part of	Ensure any review of organisational structure and accountabilities is supported	31 March 2022	ADs AD Service Delivery

¹⁹ SAP, Nov 2020

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
out their duties more challenging	Review In-House Services programme in 2021/22	by HR and a formal consultation process Ensure staff are engaged and consulted regarding changes to location, reasonable adjustment and Work Base Relocation Grant etc Move towards a more flexible and agile way of working as part of the Council’s agile working programme		Head of Resource
- Any shift to more remote working may disadvantage disabled staff		Reasonable adjustment will continue to be made to support disabled staff to work remotely and have easy access to digital equipment	31 March 2022	ADs AD Service Delivery Head of Resource

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • Moving out of County Hall (MOOCH) will involve the relocation of the civic hub to Woodhatch near Reigate and a redistribution of staff within the county • Agile working – will provide people with the tools to work from any location. It will not apply to every role and every individual but focuses on the principle that work is something we do not somewhere we go

Question	Answer
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Any negative impacts that cannot be mitigated? Please identify impact and explain why	There are no negative impacts that cannot be mitigated
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Sex

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	84% of the HW and ASC workforce are female, and this rises to 87% of the workforce in Service Delivery ²⁰ .
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
- Any change to organisation structure or location could mean female staff are disproportionately impacted	<p>These impacts were identified through on-going discussion with staff in Staff Sessions and at Operational Managers Group meetings</p> <p>Further supporting evidence will be gathered as we co-design the establishment review in the Care Pathway programme; and as part of Review In-House Services programme in 2021/22</p>	<p>Ensure any review of organisational structure and accountabilities is supported by HR and a formal consultation process</p> <p>SCC change management policies and processes will be followed</p> <p>A variety of communication and engagement methods will be used to ensure all staff are able to access information and respond to it</p> <p>Support in place to facilitate redeployment opportunities.</p>	31 March 2022	<p>ADs</p> <p>AD Service Delivery</p> <p>Head of Resource</p>

²⁰ SAP, Nov 2020

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • Moving out of County Hall (MOOCH) will involve the relocation of the civic hub to Woodhatch near Reigate and a redistribution of staff within the county • Agile working – will provide people with the tools to work from any location. It will not apply to every role and every individual but focuses on the principle that work is something we do not somewhere we go

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>There are no negative impacts that cannot be mitigated</p>

Carers protected by association

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>The following data is taken from a Council wide survey for carers completed in 2019²¹. Due to the way data was gathered it is not possible to extrapolate data specifically related to the HW & ASC workforce.</p> <ul style="list-style-type: none"> • 68.3% of participants are managing a fulltime job on top of their caring role. • 76.7% were in the age range of 40-69, this is in contrast to the national peak age for caring which is between 45-64 years. • 84.41% were female, this does not represent the national picture of 48% male. • 57.44% of staff said that their line manager knew of their caring role
<p>Impacts</p>	<p>Both</p>

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>+ Cultural shift towards more agile and flexible way of working will enable staff to better balance work and accommodate caring responsibilities</p>	<p>These impacts were identified through on-going discussion with staff in Staff Sessions and at Operational Managers Group meetings</p>	<p>Move towards a more flexible and agile way of working as part of the Council’s agile working programme</p>	<p>31 March 2022</p>	<p>ADs AD Service Delivery Head of Resource</p>
<p>- Any change to organisation structure or location could mean staff with a caring responsibility find travelling to</p>	<p>Further supporting evidence will be gathered as we co-design the establishment review in the Care Pathway programme; and as part of</p>	<p>Ensure any review of organisational structure and accountabilities is supported by HR, a formal consultation</p>	<p>31 March 2022</p>	<p>ADs AD Service Delivery Head of Resource</p>

²¹ Surrey County Council Supporting Staff Carers’ Survey Report 2020

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
carry out their duties more challenging	Review In-House Services programme in 2021/22	process, Work Base Relocation Grant etc Ensure reasonable adjustments continue to be made		

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • Moving out of County Hall (MOOCH), this will involve the relocation of the civic hub to Woodhatch near Reigate and a redistribution of staff within the county. • Agile working – will provide people with the tools to work from any location. It will not apply to every role and every individual but focuses on the principle that work is something we do not somewhere we go.

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>There are no negative impacts that cannot be mitigated</p>

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
No changes have been made as a result of this EIA	-

5. Recommendation

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

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

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Question	Answer
<p>Confirmation and explanation of recommended outcome</p>	<p>The ASC transformation programme is evolutionary in approach, building upon changes to the way care and support services are delivered that have been underway for a number of years.</p> <p>There will be many positive impacts for people who use services and their carers arising from the ASC transformational changes in 2021/22. For example, we will build upon people’s strengths and help them stay connected to their community, extend reablement to all client groups in a community setting; continue to reshape our learning disability services to offer more creative, community-based options; continue to improve mental health and care in Surrey etc.</p> <p>However, the ‘easy wins’ to deliver savings have long since been implemented. With the need to save a further £11.5m in 2021/22, it is acknowledged that whilst actions are in place to mitigate and minimise negative impacts it will be difficult to do so in all cases. For example:</p> <ul style="list-style-type: none"> • Decisions around placements may mean people needing residential and nursing care, are offered settings at a distance from their family. • Tough conversations with people, their families and carers about what ASC can do and what they need to do. • Increasing demands upon the voluntary, community and faith sector to support people in the community. • Quality assurance and safeguarding issues around the care provided by family, friends and community networks. • Carers may feel obliged to take on more of a caring role and anxious about change. <p>ASC is absolutely committed to providing a consistent and good quality service where it is needed most, but also has to do so within the financial and other resources available to the Council.</p>

6a. Version control

Version Number	Purpose/Change	Author	Date
v1	Initial draft	Kathryn Pyper	23 November 2020
v2	Inclusion of staff data from HR	Kathryn Pyper	27 November 2020
v3	Changes to descriptions of savings	Kathryn Pyper	27 November 2020
v4	Amendments in response to corporate feedback	Kathryn Pyper	8 December 2020

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Version Number	Purpose/Change	Author	Date
v5	Feedback from Directorate Equalities Group (DEG) and ASC's final 2021-26 MTFS budget submission	Kathryn Pyper & Wil House	16 December 2020

The above provides historical data about each update made to the Equality Impact Assessment.

Please do include the name of the author, date and notes about changes made – so that you are able to refer back to what changes have been made throughout this iterative process.

For further information, please see the EIA Guidance document on version control.

6b. Approval

Approved by*	Date approved
Simon White, Executive Director, Adult Social Care	14 December 2020
Sinead Mooney, Cabinet Member for Adult Social Care	14 December 2020
Directorate Equality Group	14 December 2020

EIA Author	Kathryn Pyper
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[*Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.](#)

6c. EIA Team

Name	Job Title	Organisation	Team Role
Kathryn Pyper	Senior Programme Manager	Adult Social Care, SCC	Equalities and Diversity lead for Adult Social Care
Hannah Dwight	HR Business Partner	HR & OD, SCC	Workforce
Linda Fernandez	Information Analyst	Adult Social Care, SCC	Information Analyst
Wil House	Strategic Finance Business Partner for ASC	Resources, SCC	Finance

Appendix A – Adult Social Care Transformational Savings 2021/22 Equality Impact Assessment

Name	Job Title	Organisation	Team Role
Deborah Chantler	Senior Principal Solicitor	Legal Services, SCC	Legal

If you would like this information in large print, Braille, on CD or in another language please contact us on:

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Annex B - Making Surrey Safer – Implementation of Community and Business Safety and new Crewing Models

Question	Answer
Did you use the EIA Screening Tool? (Delete as applicable)	Yes

1. Explaining the matter being assessed

<p>What policy, function or service change are you assessing?</p>	<p>Making Surrey Safer – Our Plan for 2020 - 2023</p> <p>The vision of Surrey Fire and Rescue Service (SFRS) is to make Surrey a safer place to live, work, travel and do business.</p> <p>The findings of Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) further highlighted the changes that need to be made to meet the needs of our communities and for service provision in 2018.</p> <p>Surrey - HMICFRS (justiceinspectorates.gov.uk)</p> <p>To achieve this in an ever-changing environment, we are having to think differently about how we deliver our prevention, protection and response activities and finding better ways of working with partners, residents and businesses. The detail of how we are doing this is set out in Making Surrey Safer – Our Plan 2020-2023 (“Our Plan”).</p> <p>Surrey Fire and Rescue Service's Making Surrey Safer Plan 2020 - 2023 (PDF) (surreycc.gov.uk)</p> <p>Our Plan makes the following proposals:</p> <ul style="list-style-type: none"> To spend more time on community and business safety prevention and protection activities to reduce the likelihood of emergencies. This means educating people and businesses about the risks of fire and other emergencies, and how to prevent them. This will realign our resources to meet the risk in Surrey and this will ensure that we deliver public value.
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	<ul style="list-style-type: none"> • To increase availability of crews at Haslemere and Walton over during weekends, during the days, which will improve our resilience for specific risks including water and wildfire. • To maintain the number of fire stations in Surrey and change how some of them are crewed. Changes are proposed in the Banstead, Camberley, Egham, Fordbridge, Guildford, Painshill and Woking areas. Camberley, Fordbridge, Guildford and Woking will have one frontline appliance immediately available fire engine available of a night, rather than two. There will be no dedicated night time response cover for Egham, Banstead and Painshill. Night time cover at these locations would come from neighbouring fire stations. The response for the first appliance, would continue, on average, to be less than 10 minutes. • To increase the number of On Call firefighters in Surrey. We will do this by improving the attractiveness of the role and by increasing the area we can recruit from. This will further improve our availability to respond. • To charge for some incidents we attend such as false reports of fire (hoax calls and automatic false alarms) and animal rescues so that we can recover our costs. Wherever possible, we will work with partners, business and animal owners (in particular farmers), to avoid the need to respond to these types of incidents in the first place - handing them over to the responsible person(s). This will avoid the need for a charge to be made. <p>Having carried out Phase 1 of the programme on 1 April 2020, which involved making the shift pattern changes at Guildford, Woking, Camberley, and Fordbridge stations, we are proceeding onto Phase 2 which will implement the changes at the remaining three stations, Egham, Painshill and Banstead which will move to a day crewing model. The shift pattern for staff who work from these stations will move to 12 hour shifts from 07:00 to 19:00 Monday to Sunday.</p> <p>Due to these shift changes, there will be no dedicated night time response cover for Egham, Banstead and Painshill. Night time cover at these locations would come from neighbouring fire stations. The response for</p>
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	<p>the first appliance, would continue, on average, to be less than 10 minutes.</p> <p>This document is intended to revisit the detailed EIA entitled</p> <p><u><i>Making Surrey Safer – Our Plan for 2020 - 2023</i></u></p> <p>which was carried out in 2019 and covers the entirety of the proposals, including both Phases 1 and 2.</p> <p>This updated document will re-summarise the considerations identified in the overall EIA and will highlight any additional potential effects specific to implementing Phase 2, and any issues which may have arisen due to unprecedented events such as the COVID 19 pandemic.</p> <p>It is not intended to replace the overall EIA.</p> <p>The evidence used to inform the overall EIA is supplied in separate appendices.</p>
<p>Why does this EIA need to be completed?</p>	<p>To assess any positive and negative impacts on all groups who may be affected, relating both to staff and the community, and to plan how we will maximise the positive impacts while eliminating or minimising any negative effects.</p>
<p>Who is affected by the proposals outlined above?</p>	<ul style="list-style-type: none"> • All communities in Surrey • Visitors to the county • Surrey Fire and Rescue members of staff • Fire Authority Members • Surrey Local Authorities and other Emergency Services we work with
<p>How does your service proposal support the outcomes in <u>the Community Vision for Surrey 2030</u>?</p>	<p>The Making Surrey Safer Plan focuses on Prevention and Protection activities to improve outcomes for residents in Surrey and therefore supports the outcomes of the SCC Community Vision for Surrey 2030</p>

<p>Are there any specific geographies in Surrey where this will make an impact? (Delete the ones that don't apply)</p>	<p>Phases 1 and 2 have impacts in the following geographies:</p> <ul style="list-style-type: none"> • Elmbridge • Guildford • Mole Valley • Reigate and Banstead • Runnymede • Spelthorne • Surrey Heath • Tandridge • Waverley
<p>Briefly list what evidence you have gathered on the impact of your proposals</p>	<p>Assurance of Phase 2 by Brunel University:</p> <p>Brunel University London reviewed and assured Phase 2 of our planning and implementation documents, in the context of COVID-19, the outcomes from the Grenfell Tower Inquiry and new legislation. Their report and recommendations can be found here:</p> <p>Assurance Report on Surrey Fire and Rescue's Phase 2 of the Making Surrey Safer Transformation (PDF) (surreycc.gov.uk)</p> <p>Use of our Community Risk Profile</p> <p>Understanding the risks we face is a key part of our decision making process. It forms our planning for how and where we should use our resources to reduce the occurrence and impact of emergency incidents across Surrey. Our Community Risk Profile document has been developed setting out how the Service works to address risk in Surrey and to achieve the proposals set out in our Plan. The link to this document is below:</p> <p>Surrey-CRP-5-May-2016v19.pdf (surreycc.gov.uk)</p> <p>Engagement carried out to gather evidence and consult with the groups potentially affected, carried out Prior to Phase 1:</p> <p>The proposals were agreed at Cabinet and therefore staff consultation started on the 17th October 2019 and concluded at midnight on the 22nd November 2019.</p>

	<p>Included within the staff consultation was the ability to comment on proposals of:</p> <ul style="list-style-type: none">- New structures- New posts/matched posts- Duty system proposal of 3,2,2,3 plus Flexible Rostering Principles- Selection processes- Watch Commander B to A <p>Staff were given the opportunity to propose alternative crewing models/duty systems.</p> <p>The list below shows all the staff that have been involved in the consultation and have been given the opportunity to provide their view on the proposals:</p> <ul style="list-style-type: none">- Staff at the nine affected Fire Stations where the duty systems are changing- Other teams and staff on unaffected Fire Stations- Staff across the wider Service in other teams such as Prevention and Protection, Learning and Development, etc.- Trade Unions <p>The consultation has included the following engagement activity:</p> <ul style="list-style-type: none">- Service Leadership Team (SLT) leading the launch of the consultation through face to face meetings- Transformation Team carrying out informal engagement and capturing feedback- Human Resources (HR)/SLT face to face surgeries- Online survey that can be completed anonymously- Consultation email address- Telephone enquiries- Face to face enquiries- Meetings with the Fire Brigades Union (FBU) <p>The affected staff who were absent during any stage of the consultation, i.e. due to annual leave, sickness, maternity or paternity leave, or sabbaticals were contacted individually by their</p>
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	<p>managers to ensure they were given an opportunity to provide their views. They were also kept in touch with updates throughout the consultation period and relevant Frequently Asked Questions (FAQ) surrounding it.</p> <p>There were only four respondents to the online survey however many people engaged through face to face meetings and emails and therefore the feedback gathered has been qualitative.</p>
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2. Service Users / Residents

Age

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Please see Appendix B1 of the original Equality Impact Assessment – Age groups per Borough/District (adapted from Surrey-I).
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>Analysis on Surrey data in the period 2006 to 2017 indicates a correlation between the number of Safe and Well Visits and a decrease in dwelling fires in Surrey (see Appendix D).</p> <p>In England as a whole, research has demonstrated that older</p>	<p>An increase in targeted fire safety provision should reduce the risk to the most people most vulnerable to fire, which includes elderly people</p> <p>Targeted campaigns in coordination with community engagement programmes will assist in delivering fire safety provision to people most</p>	<p>Frequency based on risk analysis and Person Centred Approach</p>	<p>Andrew Treasure</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>An increase in response times in certain areas at certain times through changes to fire and rescue cover may mean greater risk to life and serious injury.</p> <p>This could have a greater impact on the elderly given their vulnerability statistically to be injured or killed in fires. Furthermore, forecasts suggest that the number of people aged 65 and older who live alone, have dementia, are unable to perform self-care tasks, or are unable to perform domestic tasks will increase. These people are likely to be more vulnerable to fire in the home.</p> <p>There could be a potential impact on Carers and the children or adults they are caring for in particular given that they may have greater difficulty escaping a fire.</p>	<p>people, people with disabilities, those living in single parent households, males aged 46-60 who live alone and drink and smoke in the home, and young people aged 16-24 (including students) are at a greater risk of dying in fires. Those aged 80 and over have a higher fire-related fatality rate, accounting for 5 per cent of the population but 20 per cent of all fire-related fatalities in 2016/17. People aged 65+ Internal data shows that in Surrey, in the years 2009-18, 45% of fire fatalities fell into the age group 70+, although they only represented 14% of the population.</p> <p>Data from the community risk profile suggests that by 2030 the number of people aged 65 and older living alone will have increased by 34%. The number of people aged 65 and older with dementia</p>	<p>vulnerable from fire and other emergencies.</p> <p>Additional investment will be allocated to fire safety provision. Prevention work will continue across the County, e.g. Safe and Well Visits (SAWVs), in order to inform and educate the public about reducing the risk of fire and other emergencies. Individuals at greatest risk, such as the elderly and people with mobility issues will be targeted to improve equality of opportunity in fire safety provision. The number of SAWVs is proposed to increase from 4,500 in 2018 to 20,000 by 2021.</p> <p>During the period between phase 1 and implementation of Phase 2, we have recruited new Partnership Officers to increase our capacity for community engagement work.</p> <p>We have designed a package of Safe and Well Visit</p>		

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>will have increased by 46%. The number of people aged 65 and older unable to perform a self-care task or domestic task will have increased by 36%.</p> <p>We have examined the age groups in the areas of the county affected by the changes. Appendix B1 provides a breakdown of age groups per Borough/District.</p>	<p>Training to ensure our staff are equipped with the skills they need.</p> <p>A key priority for Surrey County Council is to support people to live at home for longer. Telecare is the name given to the range of sensors which link with the traditional community or lifeline alarms. Telecare equipment ranges from pendants that can be worn to smoke and carbon monoxide detectors, and bed and falls sensors for those with mobility difficulties. The sensors are designed to assist people of all ages to live more independently by monitoring their safety. In Surrey, when a linked smoke detector is activated, SFRS will respond. The predicted rise in the number of supported residents means that we will continue to work with partners to ensure they refer supported residents to us for advice via our SAWVs.</p>		

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>Increase in response times to road traffic collisions may hamper our ability to provide emergency first aid and extricate casualties as quickly as we can under the current resourcing model.</p> <p>This may have a greater impact on young people, as they are disproportionately likely to be involved in road collisions, are disproportionately likely to be killed or seriously injured in road collisions and are likely to be involved in road collisions at night where fire and rescue cover will be reduced.</p>	<p>Young drivers (aged 17-24) are known to be in the highest risk group for road traffic collisions. Department of Transport Data shows that in 2013 in Great Britain, drivers in this age group accounted for 5% of miles travelled but 18% of reported road traffic collisions.</p> <p>Data from Surrey County Council’s Travel and Transport Group shows that in the years 2004 to 2016, 25% of all people killed or seriously injured in road traffic collisions were aged 17-24. This age group only makes up 11% of the driving age population (17+).</p> <p>Data from RoSPA and the Water Incident Database shows that in England in the period 2015 – 2018, males accounted for 83.7% of all naturally occurring or accidental deaths in water. Of these, 51.4% were males in the</p>	<p>Further roll-out of road safety education will assist in reducing the risks to young drivers. Road User Awareness Days and the Safe Drive Stay Alive programme can reach thousands of young people every year.</p> <p>Starting in Autumn 2020, SFRS have launched the delivery of Safe Drive Stay Alive online courses, due to not being able to safely deliver performances in person at Dorking Halls as with previous campaigns, due to COVID-19. This will ensure we are able to continue educating young people about road safety in a virtual format.</p>	<p>Annual increases</p>	<p>Andrew Treasure</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>15-29 and 45-69 age brackets.</p> <p>Internal data shows that in Surrey in the years 2015-2018, 60% of all deaths in water to which SFRS responded were in the age groups 15-29 and 45-59. 70% of these incidents occurred in the hours of 07:00 to 19:00. 75% of these incidents occurred on a week day, and 25% on a weekend day.</p>			
<p>Students in further educational establishments may be at higher risk from fire. Reduction in night time fire and rescue cover may impact on the time it takes to rescue them.</p>	<p>There are estimated to be 104,400 people aged 17-24 making up almost a tenth of the population (8.9%). Runnymede (14.0%) and Guildford (13.8%) have the highest percentage due to the universities situated in these boroughs, and Elmbridge the lowest (6.5%). Appendix B1 provides a breakdown of age groups per Borough/District.</p>	<p>Implementation of Business Safe And Well Visits will allow SFRS to better assess the risks of campuses and halls of residence, suggest improvements and enforce against non-compliance where appropriate.</p> <p>Where possible (taking into account restrictions linked to COVID 19) drills and exercises will be run at university campuses and halls of residence affected. This will allow us to check that responsible persons are</p>	<p>Ongoing</p>	<p>Formerly Gary Locker, now Dave Pike</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		fulfilling their responsibilities under fire safety legislation.		

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p> <p>N/A</p>	None

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Disability

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Please see the detailed information in Appendix B2 of the original Equality Impact Assessment, which provides a breakdown of long-term illness or disability per Borough/District
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>Where response times are increased, there is potential for a negative impact on all areas of the community, as at times of emergency the public will have to wait longer for a fire appliance than the current response. There is evidence to suggest that the people most vulnerable to these outcomes are disproportionately likely to come from certain protected characteristics, people with disabilities in particular. In the proposed scenario, these increased times are found, for the most part, at night, resulting from changes to night-time cover at Banstead, Egham, and Painshill. This could have a greater impact on those with mobility or mental health issues - given their vulnerability statistically to be injured or killed in fire.</p> <p>Disabled people may have greater difficulty escaping a fire.</p>	<p>Census 2011 data shows that 13.5% of residents in Surrey reported a health problem, with 7.8% limited a little and 5.7% limited a lot. The overall proportion reporting a health problem was unchanged from 2001.</p> <p>The proportion of the Surrey population reporting a health problem is highest in Spelthorne (14.9%) and lowest in Elmbridge (12.1%). Fewer Surrey residents reported a health problem than the national average. In England as a whole 17.6% reported a health problem with 9.3% limited a little and 8.3% limited a lot.</p> <p>Disability and Mobility:</p> <p>Between April 2006 and March 2012, of the 16 people who died in a fire in Surrey, 7 (45%) were</p>	<p>Additional investment will be allocated to fire safety provision. Prevention work will continue across the County, e.g. Safe and Well Visits (SAWVs), in order to inform and educate the public about reducing the risk of fire and other emergencies.</p> <p>Individuals at greatest risk, such as people with mobility issues will be targeted to improve equality of opportunity in fire safety provision. The number of SAWVs is proposed to increase from 4,500 in 2018 to 20,000 by 2021.</p> <p>We have launched a programme of Safe and Well Visit training in 2020 to further enhance the</p>	<p>Increases on an annual basis</p>	<p>Andrew Treasure</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>known to have mobility issues that affected their ability to escape the fire. All the people who were asleep at the time of the fire had additional underlying issues of restricted mobility, mental health and/or alcohol misuse. (CRP 2013/14)</p> <p>Mental Health:</p> <p>The fatal fires analysis highlights mental health issues as a contributory factor to accidental dwelling fire deaths. 9 of the 18 people who died in fires outside the home between April 2006 and March 2016 were suffering from mental health issues.</p> <p>The numbers of people with alcohol and drug dependencies are also forecast to rise by 4% by 2030.</p>	<p>capability and knowledge of our staff.</p> <p>In all instances, the effect of community and business safety programmes must be assessed to quantify their effect on reducing risks. This will allow SFRS to determine whether they are effective at mitigating impacts from changes to fire and rescue cover at night.</p>		

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decisions makers need to be aware of	None

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Sex

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Surrey's population, according to the ONS's estimates for 2017 is 50.9% female and 49.1% male in all age groups as a whole. Guildford Borough has the most statistically balance population, with 50% male and female, and Elmbridge Borough the least balanced, with 51.6% female and 48.4% male. Further information is available in Appendix B5 of the original Equality Impact Assessment.
Impacts	Potential positive - males

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
In Surrey in the years 2015-2018 85% of FRS incidents involving fatalities in water the casualties were males. An increase in community engagement and educational work through an	Data from RoSPA and the Water Incident Database shows that in England in the period 2015 – 2018, males accounted for 83.7% of all naturally occurring or accidental	The planned increase in water safety education as part of the Lifelong Learning programme and increased community safety provision	Ongoing	Andrew Treasure

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
expanded community safety programme may serve to reduce incidence of water rescue and fatality to this vulnerable group.	deaths in water. Internal data shows that in Surrey in the years 2015-2018, 85% of water related fatalities that SFRS responded to were males. 70% of these incidents occurred in the hours of 07:00 to 19:00. 75% of these incidents occurred on a week day, and 25% on a weekend day.	may help reduce the number of water rescue incidents		

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents?	None
Are there any dependencies decisions makers need to be aware of	

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Race including ethnic or national origins, colour or nationality

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	The breakdown of racial/ethnic groups by Borough/District can be found in the appendices (A and B3) of the original Equality Impact Assessment and are taken from Surrey-i – 2011 census data.
Impacts	No direct impacts

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
No direct impacts identified; however we anticipate that the increased and targeted use of our Safe and Well Visit programme and business fire safety auditing should allow us to reduce the risk to residents and businesses from all groups. The associated community engagement and outreach programmes will assist in ensuring that people who have English as a second language will receive appropriate fire safety provision.	<p>The breakdown of racial/ethnic groups by Borough/District can be found in the appendices (A and B3) to this document, and are taken from Surrey-i – 2011 census data.</p> <p>In some areas there are populations of people from certain ethnic backgrounds notably larger than the Surrey average (mean). Elmbridge, Reigate and Banstead, Runnymede, Spelthorne and Woking are all cases in point.</p>	<p>Since the implementation of Phase 1 we are transferring more resources to community and business safety prevention and protection activities in order to reduce the likelihood of emergencies. This means educating people and businesses about the risks of fire and other emergencies, and how to prevent them. The changes in the way that community and business safety activities are delivered is expected to have positive</p>	Ongoing	Danni Lamaignere, Andrew Treasure

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>However there is no evidence to suggest that people from minority ethnic backgrounds will be disproportionately affected by the proposed changes.</p>	<p>impacts to all community groups.</p> <p>Commencing in the final quarter of 2020 we are undertaking an updated analysis of the distribution of various cultural and ethnic groups throughout the county and using this to inform a more targeted approach to business and fire safety, in addition to wider community engagement and recruitment activities. In the same period, we are also planning to carry out a resident insight survey to further understand the needs of our communities and to ensure the services provided meet their diverse needs.</p>		

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p>	
<p>Are there any dependencies decisions makers need to be aware of</p>	<p>None</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Religion and Belief including lack of belief

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	The breakdown of religious groups by Borough/District are taken from Surrey-I 2011 Census data and can be found in the appendices (A and B4) of the original Equality Impact Assessment.
Impacts (Delete as applicable)	No direct impacts

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
There is no indication that there will be a significant impact on people with this protected characteristic. However the increased, targeted use of our Safe and Well Visit programme and business fire safety auditing should allow us to reduce the risk to residents and businesses from all groups. Community outreach programmes will assist in ensuring that fire safety	Surrey -I data informs us that in certain areas there are populations of people from certain religions notably larger than the Surrey mean. Epsom and Ewell, Spelthorne and Woking are all cases in point. All of these boroughs will retain a response time within the target of 10 minutes and quicker than the Surrey			

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
activities will take place in places of religious worship in order to reach a large audience.	mean, so it cannot be clearly argued that people from any particular religion will be disproportionately impacted by changes to fire and rescue cover.			

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents?	None
Are there any dependencies decisions makers need to be aware of	

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Sexual Orientation

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Please see 'Supporting Evidence' column in the table on pages 70 - 71
Impacts	No direct impacts

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>There is no indication that there will be a significant impact on people with this protected characteristic</p>	<p>Data on sexual orientation across the county is limited. ONS estimates are by County and are not broken down into Borough so do not contain the detail necessary for analysis. Estimates suggest that in 2013-15 97.3 % of the Surrey population was heterosexual, 0.7% gay or lesbian, 0.3% bisexual, 0.3% other and 5.1% don't know or refuse to comment. This is broadly in line with National estimates. There is a slightly higher estimated percentage of heterosexual individuals compared to the National average (93.5%) a slightly lower estimated percentage of gay or lesbian (1.2% Nationally), a lower estimated percentage of</p>			

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>bisexual (0.6 Nationally), a lower estimated percentage of “other” (0.4 Nationally) and a higher estimated percentage of those who didn’t know or preferred not to comment (4.4 Nationally).</p> <p>There is no strong evidence to suggest that people of any particular sexual orientation may be at a higher risk of injury from fire or other FRS-relevant incidents.</p>			

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Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<p>None</p>

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>None</p>

Marriage and Civil Partnerships

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Appendix B6 of the original Equality Impact Assessment provides a breakdown of marital status by Borough/District.
Impacts (Delete as applicable)	No direct impact

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
There is no indication that there will be a significant impact on people with this protected characteristic	People who live alone, rather than those who live with partners, are at higher risk of accidental fires. The largest change (in the number of people living alone by age group, 2005 – 2015) is in the 45 to 64 age group, where the number of people living alone increased by 23% between 2005 and 2015, a statistically significant change. This is partly due to the increasing population aged 45 to 64			

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
	<p>in the UK over this period, as the 1960s baby boom generation have been reaching this age group. The increase could also be due to a rise in the proportion of the population aged 45 to 64 who are divorced or never married.</p>			

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<p>None</p>

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>None</p>

Carers (Protected by association)

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>There is no clear evidence available to correlate adverse impact to carers with changes to fire and rescue response times.</p>
<p>Impacts</p>	<p>Both</p>

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>Increased, targeted use of our Safe and Well Visit programme should allow us to reduce the risk to vulnerable people in higher risk groups. Improved fire safety in these homes may help protect carers by association.</p> <p>An increase in response times in certain areas at certain times through changes to fire and rescue cover may mean greater risk to life and serious injury. This is likely to have a greater impact on elderly and disabled residents. Their carers may be impacted by association,</p>				

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
but there is no clear evidence for this.				

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents?	None
Are there any dependencies decisions makers need to be aware of	

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Gender reassignment

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Data on gender reassignment across the county is limited. The Office of National Statistics have identified the need to strengthen this data to inform further policy making decisions.
Impacts (Delete as applicable)	None known

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
There is no indication that there will be a significant impact on people with this protected characteristic.				

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	None

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

Pregnancy and Maternity

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	-
Impacts (Delete as applicable)	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>An increase in response times in certain areas at certain times through changes to fire and rescue cover may mean greater risk to life and serious injury. This could have a greater impact for people generally in areas where cover will be reduced, however it is difficult to identify any direct impacts on people with this protected characteristic.</p> <p>The proposed Lifelong Learning programme will help to identify what community safety provision</p>	<p>Expectant and new mothers could potentially be more at risk when escaping from a fire, as emergency evacuation may be difficult due to reduced agility, dexterity, co-ordination, speed, reach and balance. Mothers will also face the additional difficulty of evacuating babies and/or young children. Further research needs to be done to establish a link between pregnancy/maternity and</p>	<p>Monitor for any emerging information</p>	<p>Ongoing</p>	<p>People &OD team</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
is most valuable for people in different age groups. The plan is to ensure that safety messages are delivered to residents at all stages of their lives in Surrey, to build communities resilient to fire and other emergencies.	risk from fire and other emergencies.			

3. Staff

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>The implementation of the Making Surrey Safer Plan will result in a reduction of roles within Response, and an increase in the number of roles in Business and Community Safety.</p> <p>A dedicated EIA has been developed in advance of Phase 1, in order to assess the impacts to Surrey Fire and Rescue (SFRS) staff as a result in the change to the crewing models/duty systems at the following affected Fire Stations: Banstead, Camberley, Egham, Fordbridge, Guildford, Haslemere, Painshill, Walton and Woking.</p> <p>This current document does not duplicate the information in the EIA referred to above, as the latter comprehensively covers all affected stations relating to both Phases 1 and 2.</p> <p>This document does, however, provide information about some additional measures which have been implemented with the general aim of improving morale and reducing any potential adverse impact on staff due to changes to work and home life patterns.</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Question	Answer
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>An increase in dedicated fire safety roles may provide opportunities for firefighters for whom the fitness requirements of an operational role become progressively more challenging as they age, or if they develop disabilities, such as reduced mobility, that prevent them from providing an operational role.</p> <p>There is potential for flexible working to have a positive impact for staff with caring responsibilities who are based at stations where a day crewing model will be implemented. This needs to be analysed in the individual EIAs for each region/station affected.</p>	<p>A 1990 study by Rogers et al found that, from the age of 30, VO2 max (VO2 max measures the optimum rate at which heart, lungs and muscles can effectively use oxygen during exercise) declines by 12% per decade. VO2 max is used as a factor in determining firefighter fitness.</p>	<p>We have implemented a number of actions to provide support for the staff affected, and to guide them through the process from start to finish, taking their views into account at all times:</p> <ul style="list-style-type: none"> • Provision of line manager briefings • Regular communications through various channels, provision of Q&As (informed by feedback from Phase 1) • Engagement activity carried out by SLT and People and OD Team on station and virtually where dictated by the COVID situation 	<p>Carried out in advance of Phase 2 implementation;</p> <p>Ongoing commitment to monitor effects throughout the next year, utilising extensive staff engagement and feedback to identify any emerging issues. Monitor for any potential adverse impact on staff due to changes to work and home life patterns – for example, any emerging effects on morale or stress/mental ill health.</p>	<p>All</p>

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<ul style="list-style-type: none"> • Provision of guidance to staff on filling in preference forms • Effective use of anonymous online surveys to gather staff views • Creation of a dedicated tile on Sharepoint with information and resources • Opportunities to share ideas, raise concerns and discuss issues openly with a cross section of colleagues from the service in the newly-created Fairness and Respect Network, particularly in the context of diversity and inclusion • Effective use of professional conversations and 		

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<p>1:1s, supported by training for managers.</p> <ul style="list-style-type: none"> • Regular ‘Chief Fire Officer Meetings’ held (monthly) to provide the opportunity for managers to raise staff concerns/queries, discuss issues pertinent to the service, and receive important updates to disseminate to their staff. • Creation of a range of new elearning products to inform and familiarise staff with the changes, in addition to new workforce policies and HR updates. Webinars are being developed with similar aims, to present the information in an alternative and easily accessible format. 		

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<ul style="list-style-type: none"> • Provision of training opportunities (in virtual formats during the COVID 19 pandemic) which equip staff to assist their colleagues, for example mental health first aid training courses. • Signposting to further support for employees through employee services such as the employee assistance programme and wellbeing champions. • Creation of an internal mentoring scheme providing opportunities for staff to be mentored by, or provide mentoring to, colleagues on a range of subjects relating to both work and personal life. 		

Appendix B – Making Surrey Safer Phase Two Equality Impact Assessment

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents?	None
Are there any dependencies decisions makers need to be aware of	

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	None

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
No changes required at this time	None

5. Recommendation

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

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



Question	Answer
Confirmation and explanation of recommended outcome	<p>The content of the EIA, and the impacts identified, have been considered along with feedback from the consultations when developing the final plan. No substantive changes have been made to the initial proposals. However there are clear actions that we can take to mitigate the impacts set out here whilst still delivering the plan.</p> <p>No impact has been identified for which measures cannot be taken in an attempt at mitigation. However the anticipated positive impacts of mitigation will be monitored to assess effectiveness.</p>

6a. Version control

Version Number	Purpose/Change	Author	Date
3	To transfer Phase 2 EIA into new SFRS template for ease of accessibility	Graeme Simpkin	04/12/2020

The above provides historical data about each update made to the Equality Impact Assessment.

Please do include the name of the author, date and notes about changes made – so that you are able to refer back to what changes have been made throughout this iterative process.

For further information, please see the EIA Guidance document on version control.

6b. Approval

Approved by*	Date approved
Head of Service	
Executive Director	
Cabinet Member	
Directorate Equality Group	Original draft approved by Workforce Working group on 12/10/20

EIA Author	Graeme Simpkin
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*Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.

6c. EIA Team

Name	Job Title	Organisation	Team Role
Graeme Simpkin	Diversity and Inclusion Lead	SFRS	Diversity and Inclusion Lead

If you would like this information in large print, Braille, on CD or in another language please contact us on:

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Annex C - Equality Impact Assessment – Home to School/College Travel and Transport Policy

Question	Answer
Did you use the EIA Screening Tool?	Yes

1. Explaining the matter being assessed

<p>What policy, function or service change are you assessing?</p>	<p>The policy change being assessed is Surrey County Council’s Home to School/College Travel and Transport Policy.</p> <p>The consultation and review of the policy aimed to:</p> <ul style="list-style-type: none"> • ensure it continues to deliver its statutory responsibilities; • ensure it is able to improve outcomes for children and young people; • consider changes to policy in relation to three specific areas of current discretionary provision. <p>There are 3 key changes proposed to the policy which have been the focus on the consultation, these are:</p> <ul style="list-style-type: none"> • To cease to provide free home to school transport to an infant or primary school for a child under the age of five, where a child is likely to be deemed as eligible once they turn five years of age. • To cease home to school transport at the end of the term in which a child turns 8 (instead of the end of the academic year) where the child has been eligible due to living more than 2 miles but less than 3 miles from their nearest school. • To cease to provide home to school/college travel assistance for young people ages 17 -18, unless exceptional circumstances apply.
<p>Why does this EIA need to be completed?</p>	<p>Proposals could have an impact on individuals with protect characteristics. The EIA is necessary to understand any potential impact and necessary mitigation that is required.</p> <p>The protected characteristics identified are:</p>

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

	<ul style="list-style-type: none"> • Age • Disability
<p>Who is affected by the proposals outlined above?</p>	<p>Stakeholders who may be affected include:</p> <ul style="list-style-type: none"> • Children and young people of non-statutory school age • Parents/carers • Schools and colleges • Transport providers <p>The main stakeholders who will be impacted by the proposed changes to the Home to School/College Travel and Transport Policy are those children and young people of non-compulsory school age who are currently accessing the service - post 16 pupils and children under the age of 5.</p>
<p>How does your service proposal support the outcomes in <u>the Community Vision for Surrey 2030</u>?</p>	<p>The Community Vision for Surrey 2030 outcomes that are linked to the service and proposals are:</p> <ul style="list-style-type: none"> • Children and young people are safe and feel safe and confident • Everyone benefits from education, skills and employment opportunities that help them succeed in life • Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing • Journeys across the county are easier, more predictable and safer
<p>Are there any specific geographies in Surrey where this will make an impact?</p>	<ul style="list-style-type: none"> • County-wide
<p>Briefly list what evidence you have gathered on the impact of your proposals</p>	<p>A range of local evidence and benchmarking with other areas has been undertaken to understand the impact of the proposals and establish best practice used by other local authorities. Evidence gathered includes:</p> <ul style="list-style-type: none"> • Consultation survey responses • Public engagement events • SEND Youth Advisers Surrey focus groups • Primary, Secondary, and Special School Phase Council meetings

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	<ul style="list-style-type: none">• Children, Families, Lifelong Learning and Culture Select Committee• DfE Home to School Transport Guidance• DfE Home to College Transport Guidance• Service review and performance monitoring• Local authority benchmarking (statistical neighbours)• Local Government and Social Care Ombudsman reports related to home to school transport <p>Extensive benchmarking with other local authorities was carried out to review other local authorities' home to school transport policies and provision. This established that the majority of local authorities had either never provided for, or have withdrawn, the provision of free home to school transport for children and young people below statutory school age. The majority of local authorities apply an annual contributory charge to the parents of children and young people in receipt of post-16 home to school transport provision, to support the costs to the local authority for the provision of this transport. Some local authorities have reduced their discretionary offer and no longer provide travel assistance once a young person is in Year 12 (Post 16 education).</p>
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2. Service Users / Residents

Age

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>Reception: In academic year 2019/20, there were 156 four year olds who received free home to school transport on the basis that they would be eligible for this provision when they turned five. 109 have an EHCP. If all of these children turned five at the end of the Summer term, the Council would be spending approximately £1.1million on this discretionary provision (full academic year estimate).</p> <p>Distance criteria: At the start of academic year 2019/20, there were 66 seven year olds who lived between 2 and 3 miles from their nearest suitable school for whom the Council provided free home to school transport. 18 of these children had an EHCP.</p> <p>Post 16: In academic year 2019/20 there are 465 16 – 19 year old young people who receive home to college travel assistance. 452 have an EHCP. The Council is spending approximately £3.7million on this discretionary provision.</p>
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>For children who are 4 years old beginning Reception, their families may not start them in Reception at the beginning of the academic year. This could</p> <ol style="list-style-type: none"> 1) delay children accessing education; 2) be destabilising for Reception classes where children are joining throughout the year. 	<p>Respondent survey and engagement event feedback.</p>	<p>Engage and communicate with families before the end of the Spring term to inform them of the changes to policy and the likely impact.</p> <p>Work with schools and families to identify alternative travel options and support to enable access to placement.</p>	<p>For September 2020</p>	<p>Claire Potier</p>

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>This could be particularly destabilising in specialist Reception classes with children with SEND. (Negative)</p>		<p>The Council will consider applications for travel assistance for children in Reception on a case by case basis with discretionary award of assistance given where it is identified as necessary based on their specific needs/circumstances</p>		
<p>For post 16 young people, families have already applied/agreed College places for 2020/21 based on the existing policy and may be unaware of the impact of proposed changes to policy. This may result in post 16 places not being taken up. (Negative)</p>	<p>Respondent survey and engagement event feedback; research from other local authorities who have made policy changes for the forthcoming academic year after families have made decisions about their young person's College placement.</p>	<p>Engage and communicate with families before the end of the Spring term to inform them of the changes to policy and likely impact.</p> <p>Work with schools and families to identify alternative travel options and support to enable access to placement.</p> <p>Where appropriate, work with schools and families during the summer term to develop and enable independent travel opportunities.</p> <p>Promote independent travel training and discounted</p>	<p>Post 16 policy changes – for September 2020</p> <p>Independent travel training – 10 February 2020</p>	<p>Claire Potier Eamonn Gilbert</p>

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<p>public transport options for post 16 students.</p> <p>The Council will consider applications for travel assistance for post 16 young people on a case by case basis with discretionary award of assistance where it is identified as necessary in order to access their placement based on their specific needs/circumstances.</p>		
<p>May restrict very young children (pre-school) to access early intervention education placements where transport is the barrier to early years provision. (Negative)</p>	<p>Feedback from survey responses and engagement events</p>	<p>In line with its current policy, the Council will continue to consider applications on a case by case basis to establish if travel assistance is necessary based on the assessment of needs and circumstances of the child and family.</p>	<p>Continuation of current policy</p>	<p>Claire Potier</p>
<p>May reduce choice of educational establishments available to Post 16 students (Negative)</p>	<p>Feedback from survey responses and engagement events</p>	<p>The Council will continue as part of its placement strategy to develop and extend the local post 16 offer for both pupils with and without SEND to provide sufficient provision.</p>	<p>Continuation of current policy</p>	<p>Eamonn Gilbert</p>

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
May incentivise more children under 5 to attend local provision enables the development of stronger local support networks and reduces the need to travel long distances. (Positive)	Feedback from survey responses and engagement events	The Council will continue as part of its placement strategy to develop and extend local early years provision for children with and without SEND to provide sufficient provision.	Continuation of current policy	Eamonn Gilbert
May incentivise more Post 16 students to study locally which enables the development of stronger local support networks and reduces the need to travel long distances and provides for an easier transition into adulthood. (Positive)	Feedback from survey responses and engagement events	The Council will continue as part of its placement strategy to develop and extend the local post 16 offer for both pupils with and without SEND to provide sufficient provision.	Continuation of current policy	Eamonn Gilbert

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • ‘Preparing for Adulthood - Next Steps’ programme will help to prepare young people with a disability in transition for independent living, employment, using public transport etc • The Council is already undertaking extensive work to create and identify provision for children below the age of 5 at local provisions with investment in improving support and resources at the locations. The intended outcome is that more children with SEND will be able to access their education at their local school reducing the need to travel and need for the Council to provide support with travel arrangements. <p>Similar work is also underway with Post 16 establishments to improve the study programmes available locally, ensuring improved choice of study locally rather than courses that require considerable travel in order to access them.</p>

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>There are no negative impacts that cannot be mitigated</p>

Disability

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	As at 6 January 2020, there were 9,820 children and young people in Surrey with an Education, Health and Care plan (EHCP). Approximately 3,600 were in receipt of some form of travel assistance.
Impacts	Both

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Concerns for the safety of children and young people with SEND using public transport and their ability to manage unplanned circumstances. (Negative)	Feedback from survey responses and engagement events	<p>The Council will continue to develop the support and expertise available to children, young people and families to enable safer travel on public transport.</p> <p>Independent Travel Training will be delivered as bespoke training for the individual to ensure that they learn to travel independently and minimise any potential impact relating to their SEND.</p> <p>Young people will be given the opportunity to learn the necessary skills to travel independently at their own pace and will reflect the</p>	10 February 2020	Eamonn Gilbert

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<p>specific route and environment they will be expected to use.</p> <p>Schools and families and the young person will have the opportunity to feedback during the training process to establish when the young person is suitable to begin travelling independently.</p> <p>As part of the training, young people will be assessed as to whether they can demonstrate and understand how to deal with situations where unplanned situations present themselves and how to maintain their safety.</p>		
<p>Concerns for the safety of children and young people with SEND using collection points and their ability to manage unplanned circumstances. (Negative)</p>	<p>Feedback from survey responses and engagement events</p>	<p>Each child and young person will be assessed on a case by case basis (needs/circumstances) to establish if they could access a collection point with support from an adult where necessary.</p>	<p>10 February 2020</p>	<p>Eamonn Gilbert</p>

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<p>Where a child/young person is assessed as being able to access a collection point, then a further assessment will be undertaken to establish the distance the child/young person could be expected to walk to the collection point. Distances will be agreed based on the individual needs and circumstances of the child young person on a case by case basis.</p> <p>Each collection point will be individually assessed for suitability of use. Only locations assessed and identified as appropriate for use will be used on the service. Locations will then be allocated to individual children/young people based on their home address and their needs to ensure all locations are suitable to support individual needs/circumstances.</p> <p>Children and young people will continue to be</p>		

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		<p>accompanied to and from the collection point by an adult (where necessary) supporting the individual with any immediate needs/concerns. Transport providers will not allow a young person to be left at a collection point unless agreed in advance and an acceptable arrangement with the family.</p>		
<p>Young people having greater access to education and employment opportunities where Independent Travel Training has been successfully delivered.(positive)</p>	<p>Benchmarking with other Local Authorities</p>	<p>By evidencing that a young person has the ability to travel independently it will enable those supporting the family to identify opportunities that previously would not be considered due to being inaccessible due to their inability to use public transport.</p> <p>Study programmes and learning opportunities with a requirement to be able to undertake journeys independently become available creating opportunities to begin employment pathways.</p>	<p>10 February 2020</p>	<p>Eamonn Gilbert</p>

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
		The Council will work closely with families through the EHCP and Annual Review process to identify opportunities to develop independent travel skills as early in their life as appropriate that will reduce future dependency on family members and increase the access to opportunities for all family members and the family's overall quality of life.		

Question	Answer
<p>What other changes is the council planning/already in place that may affect the same groups of residents?</p> <p>Are there any dependencies decisions makers need to be aware of</p>	<ul style="list-style-type: none"> • 'Preparing for Adulthood - Next Steps' programme will help to prepare young people with a disability in transition for independent living, employment, using public transport etc. • The Council continues to work with transport providers to ensure that drivers and the service can appropriately support service users with disabilities and enable greater access to services and the wider community.

Question	Answer
<p>Any negative impacts that cannot be mitigated? Please identify impact and explain why</p>	<p>There are no negative impacts that cannot be mitigated</p>

4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
<p>Original proposal detailed that no travel/transport will be provided by the Council until after the child's 5th Birthday.</p> <p>This will be changed in light of the responses received and will now allow parents/carers to present specific circumstances/needs. The Council will review these on a case by case basis making a discretionary award for assistance where necessary</p>	<p>The Council acknowledges that in some cases the importance of accessing early intervention (due to a child's SEND needs) through an education placement may be identified as a high priority and without transport a placement may not be accessible. For high need/specialist placements the Council will consider support with travel on a case by case basis based on their specific needs and circumstances.</p>
<p>Original proposal detailed that no travel/transport will be provided by the Council to a young person who is 16 (in year 12) or older in order for them to access their education placement. This will be changed in light of the responses received and will now allow parents/carers to present specific circumstances/needs. The Council will review these on a case by case basis making a discretionary award for assistance where necessary</p>	<p>The Council acknowledges that in some cases the young people may not be able to access their education placement due to the limited travel options available to them due to their SEND. Where an education placement is inaccessible due to their SEND that Council will consider support with travel on a case by case basis based on their specific needs and circumstances.</p>

5. Recommendation

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

Outcome Number	Description	Tick
Outcome One	<p>No major change to the policy/service/function required.</p> <p>This EIA has not identified any potential for discrimination or negative impact, and all opportunities to promote equality have been undertaken</p>	
Outcome Two	<p>Adjust the policy/service/function to remove barriers identified by the EIA or better advance equality. Are you satisfied that the proposed adjustments will remove the barriers you identified?</p>	

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Outcome Three	<p>Continue the policy/service/function despite potential for negative impact or missed opportunities to advance equality identified. You will need to make sure the EIA clearly sets out the justifications for continuing with it. You need to consider whether there are:</p> <ul style="list-style-type: none"> • Sufficient plans to stop or minimise the negative impact • Mitigating actions for any remaining negative impacts plans to monitor the actual impact. 	X
Outcome Four	<p>Stop and rethink the policy when the EIA shows actual or potential unlawful discrimination</p> <p>(For guidance on what is unlawful discrimination, refer to the <u>Equality and Human Rights Commission’s guidance and Codes of Practice on the Equality Act</u> concerning employment, goods and services and equal pay).</p>	

Question	Answer
Confirmation and explanation of recommended outcome	The proposals ensure that Surrey County Council delivers its statutory obligations in relation to Home to School/College Travel and Transport. This will impact on the identified stakeholders in both negative and positive ways, where a negative impact is experienced that restricts an individual’s attendance at School/College then the Council retains its right to review each case individually to consider a discretionary award for support with travel arrangements.

6a. Version control

Version Number	Purpose/Change	Author	Date
V1.0	1 st draft	Stephen Good	6 th December 2019
V2.0	2 nd draft	Mary Burguieres	6 January 2020
V3.0	3 rd draft	Stephen Good	10 January 2020

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

6b. Approval

Approved by*	Date approved
Liz Mills, Director for Education, Lifelong Learning and Culture	15.01.20
Dave Hill, Executive Director for Children, Families, Lifelong Learning and Culture	15.01.20

Appendix C – Home to School/College Travel and Transport Policy Equality Impact Assessment

Approved by*	Date approved
Julie Iles, Cabinet Member for All Age Learning	21.01.20
Children, Families, Lifelong Learning and Culture Directorate Equality Group	15.01.20

EIA Author	Mary Burguieres and Stephen Good
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*Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.

6c. EIA Team

Name	Job Title	Organisation	Team Role
Mary Burguieres	Assistant Director, Systems and Transformation	Surrey County Council	Programme sponsor
Stephen Good	Programme Manager	Independent consultant	Programme management
Deborah Chantler	Senior Principal Solicitor	Legal Services, SCC	Legal

If you would like this information in large print, Braille, on CD or in another language please contact us on:

Tel: 03456 009 009

Textphone (via Text Relay): 18001 03456 009 009

SMS: 07860 053 465

Email: contactcentre@surreycc.gov.uk

Updated Cabinet Portfolios

Effective 27.01.2021

LEADERS PORTFOLIO

Leader - Tim Oliver

- Overall vision and strategic direction
- Major government and national representation
- District and Borough partnerships
- Regional and strategic partnerships
- Lead role for Surrey on Health and social care integration, including wider determinants of Health
- Communications
- Commissioning (Corporate)
- Engagement and consultation
- Corporate governance
- Diversity, Equality and Inclusion
- Public Service Reform
- HR and OD, people strategies
- *Land & Property (Edward Hawkins)*

Deputy Cabinet Member for Land & Property – Edward Hawkins

- Land & Property (Under the direction of the Leader)

ORGANISATION PORTFOLIOS

Cabinet Member for Resources and Corporate Support – Becky Rush

- Finance
- Digital, Business and Insights Programme (SAP Replacement)
- Capital programme
- Internal control/audit
- Commercial investment oversight
- Procurement
- Orbis
- Legal and Democratic
- *IT (Marisa)*
- *Digital (Marisa)*

Cabinet Member for Community Protection – Denise Turner Stewart

- Fire and Rescue
- Community Safety
- Emergency Management
- Business Continuity
- Military Covenant
- Trading Standards
- Coroner's
- Corporate Health and Safety
- Performance management and reporting
- Data analytics and business intelligence

Deputy Cabinet Member for Organisation & People – Marisa Heathⁱ

- IT (Under the direction of the Cabinet Member for Resources and Corporate Support),
- Digital (Under the direction of the Cabinet Member for Resources and Corporate Support)

PEOPLE PORTFOLIOS

<p>Cabinet Member for Adult Social Care, Public Health and Domestic Abuse – Sinead Mooney</p> <ul style="list-style-type: none"> • Adult Social Care • Safeguarding • Accommodation for vulnerable and elderly adults • Learning Disabilities • Transitions • Public Health • Domestic Abuse • Integrated commissioning • Covid 19 response and recovery, including test, track and trace • Local Outbreak Engagement Board 	<p>Cabinet Member for Children, Young People and Families – Mary Lewis</p> <ul style="list-style-type: none"> • Children’s Services • Safeguarding • Family Resilience • Youth Services • Corporate Parenting (including fostering and adoption) • Accommodation for vulnerable children • Early Help • CAMHS and other Children’s Health Commissioning 	<p>Cabinet Member for All Age Learning – Julie Iles</p> <ul style="list-style-type: none"> • Education • Special Education Needs and/or Disabilities (SEND), including Transport • Adult Learning
<p>Deputy Cabinet Member for Health – Alison Griffiths</p>		

PLACE PORTFOLIOS

<p>Cabinet Member for Highways – Matt Furniss</p> <ul style="list-style-type: none"> • Highways and operational delivery including re-procurement • Streetworks • Road Safety • Parking • Transport • Air and Rail 	<p>Cabinet Member for Infrastructure – Colin Kemp</p> <ul style="list-style-type: none"> • Infrastructure • 5G Rollout • Planning • LEP relationships 	<p>Cabinet Member for Communities – Mark Nuti</p> <ul style="list-style-type: none"> • Local democracy and engagement design • Voluntary, Community and Faith Sector • Local & Joint Committees • Community Foundation Surrey relationship • Customer Services • Libraries, Arts and Culture • Registration Services • Your Fund Surrey (Community Project Fund) 	<p>Cabinet Member for Environment and Climate Change – Natalie Bramhall</p> <ul style="list-style-type: none"> • Greener Future Programme • Climate Change • Air quality • Countryside • Waste • Flooding • Surrey Flood Alleviation Scheme
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- ⁱ Remit of Deputy Cabinet Member for Organisation & People – Marisa Heath includes the Preparing for adulthood Transformation Programme (*Under direction of Cabinet Member for All Age Learning*).

County Council Meeting – 9 February 2021

REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

Mr David Harmer (Chairman)
Mr Keith Witham (Vice Chairman)
Dr Peter Szanto
Mrs Victoria Young
Mr Stephen Cooksey
Mr Stephen Spence

1. At its meeting on 22 May 2020, the Audit and Governance Committee considered the Ethical Standards Annual Report and established a working group to review possible changes to the Member Code of Conduct and the Arrangements for Dealing with Allegations of Breaches of the Member Code of Conduct.
2. The working group submitted its first report to the Audit and Governance Committee on 27 November 2020, which related to the appointment of two Independent Persons and revised Arrangements for Dealing with Allegations of Breaches of the Member Code of Conduct. The working group also advised that it would consider the final LGA Councillor Code of Conduct after it had been published.

The Audit and Governance Committee submitted the recommendations in the report to Full Council on 8 December 2020, which were approved.

3. The LGA published a final model Councillor Code of Conduct on 3 December 2020, and minor amendments were made to make it bespoke for Surrey County Council.

A new Councillor Code of Conduct and minor consequential amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct were considered by the working group at its meeting on 8 January 2021 and a second report was submitted to the Audit and Governance Committee on 29 January 2021.

The working group also recommended that the new Councillor Code of Conduct comes into operation at the first Council Annual General Meeting after the next election.

4. **Recommendations**

That Full Council **approves**:

- (1) The revised Councillor Code of Conduct. (Appendix A)

(2) The amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct. (Appendix B)

(3) In addition to compliance with the Councillor Code of Conduct, Members are expected to comply with the following codes: (a) Member/Officer Protocol (b) Planning Code of Best Practice.

It is **further recommended** that the revised Councillor Code of Conduct comes into force at the next Council AGM following a Council election.

David Harmer
Chairman of the Audit and Governance Committee
29 January 2021

**PART 6 (1)- SURREY COUNTY COUNCIL COUNCILLOR CODE OF CONDUCT
AND RELATED PROVISIONS**

Introduction

The Surrey County Council Councillor Code of Conduct is based on the model Councillor Code of Conduct developed by the Local Government Association (LGA) in association with key partners and after extensive consultation within the sector. The LGA will undertake an annual review of this code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation.

All Councils are required to have a Councillor Code of Conduct and the role of a Councillor in Surrey County Council is a vital part of the Council's system of democracy. It is important that Councillors can be held accountable and adopt the behaviours and responsibilities associated with their role. The conduct of an individual Councillor affects the reputation of all Councillors and the role of Councillor should be one that people aspire to.

Councillors represent local residents; work to develop better services; and deliver local change. The public have high expectations of Councillors and entrust them to represent their local area; taking decisions fairly, openly, and transparently. Councillors have both an individual and collective responsibility to meet these expectations by maintaining high standards and demonstrating good conduct, and by challenging behaviour which falls below expectations.

Importantly, Councillors should be able to undertake their role as a Councillor without being intimidated, abused, bullied or threatened by anyone, including the general public.

The code has been designed to protect Councillor's democratic role; encourage good conduct; and safeguard the public's trust in the Council.

Definitions

For the purposes of the Councillor Code of Conduct, a "Councillor" means a member or co-opted member of the Council. A "co-opted member" is defined in the Localism Act 2011, Section 27(4), as "a person who is not a member of the authority but who:

- (a) is a member of any committee or sub-committee of the authority, or;
- (b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority; and

- (c) who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

Purpose of the Councillor Code of Conduct

The purpose of this code is to assist Councillors, in modelling the behaviour that is expected of them; provide a personal check and balance; and to set out the type of conduct that could lead to action being taken against a Councillor. It is also to protect Councillors, the public, fellow Councillors, officers and the reputation of local government. It sets out general principles of conduct expected of all Councillors and specific obligations in relation to standards of conduct. The use of support, training and mediation prior to action being taken using the code is encouraged. The fundamental aim of the code is to create and maintain public confidence in the role of councillor and local government.

General principles of Councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, Councillors and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of Councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of Councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Councillor Code of Conduct

This code applies to all Councillors as soon as they sign their declaration of acceptance of the office of Councillor or attend their first meeting as a co-opted member and continues to apply to them until they cease to be a Councillor.

This code applies to a Councillor when:

- they are acting in their capacity as a Councillor and/or as a representative of the Council
- a Councillor claims to act as a Councillor and/or as a representative of the Council
- a Councillor gives the impression that they are acting as a Councillor and/or as a representative of the Council
- a Councillor refers publicly to their role as a Councillor or use knowledge they could only obtain in their role as a Councillor.

The code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

Councillors are also expected to uphold high standards of conduct and show leadership at all times.

The Monitoring Officer has statutory responsibility for the implementation of the Councillor Code of Conduct, and Councillors are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Councillor Code of Conduct.

Standards of Councillor conduct

This section sets out a Councillor's obligations, which are the minimum standards of conduct required of a Councillor. Should a Councillor's conduct fall short of these standards, a complaint may be made against them, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a Councillor:

- 1.1 I treat other Councillors and members of the public with respect.
- 1.2 I treat Council employees, employees and representatives of partner organisations and those volunteering for the Council with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Councillor, you can express, challenge, criticise and disagree with views, ideas,

opinions and policies in a robust but civil manner. Councillors should not, however, subject individuals, groups of people or organisations to personal attack.

In their contact with the public, Councillors should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Councillors.

In return, Councillors have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening Councillors are entitled to stop any conversation or interaction in person or online and report them to the Council, the relevant social media provider or the police. This also applies to fellow Councillors, where action could then be taken under the Councillor Code of Conduct, and Council employees, where concerns should be raised in line with the Council's Councillor-Officer Protocol.

2. Bullying, harassment and discrimination

As a Councillor:

- 2.1 I do not bully any person.
- 2.2 I do not harass any person.
- 2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the Council

As a Councillor:

- 3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the Council.

Officers work for the Council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. A Councillor can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, a Councillor must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a Councillor:

- 4.1 I do not disclose information:
- a. given to me in confidence by anyone
 - b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
 - i. I have received the consent of a person authorised to give it;
 - ii. I am required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is:
 - 1. reasonable and in the public interest; and
 - 2. made in good faith and in compliance with the reasonable requirements of the Council; and
 - 3. I have consulted the Monitoring Officer prior to its release.
- 4.2 I do not improperly use knowledge gained solely as a result of my role as a Councillor for the advancement of myself, my friends, my family members, my employer or my business interests.
- 4.3 I do not prevent anyone from getting information that they are entitled to by law.

The Council works openly and transparently, and its proceedings and printed materials are open to the public, except in certain legally defined circumstances. Councillors should work on this basis, but there will be times when it is required by

law that discussions, documents and other information relating to or held by the Council must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a Councillor:

5.1 I do not bring my role or the Council into disrepute.

Councillors are trusted to make decisions on behalf of their community and their actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. Councillors should be aware that their actions might have an adverse impact on them, other Councillors and/or the Council and may lower the public's confidence in their or the Council's ability to discharge their/it's functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.

Councillors can hold the Council and fellow Councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the Council whilst continuing to adhere to other aspects of this code.

6. Use of position

As a Councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

A Councillor's position as a member of the Council provides them with certain opportunities, responsibilities and privileges, and they make choices all the time that will impact others. However, they should not take advantage of these opportunities to further their own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities

As a Councillor:

7.1 I do not misuse Council resources.

7.2 I will, when using the resources of the Council or authorising their use by others:

- a. act in accordance with the local authority's requirements; and
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local Council or of the office to which I have been elected or appointed.

Councillors may be provided with resources and facilities by the Council to assist them in carrying out their duties as a Councillor.

Examples include:

- office support
- stationery
- equipment such as phones and computers
- transport
- access and use of Council buildings and rooms.

These are given to Councillors to help them carry out their role as a Councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the Council's own policies regarding their use.

8. Complying with the Code of Conduct

As a Councillor:

- 8.1 I undertake Code of Conduct training provided by the Council.
- 8.2 I cooperate with any Code of Conduct investigation and/or determination.
- 8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.
- 8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for a Councillor to demonstrate high standards, for them to have their actions open to scrutiny and for them not to undermine public trust in the Council or its governance. If a Councillor does not understand or is concerned about the Council's processes in handling a complaint, they should raise this with the Monitoring Officer.

Protecting your reputation and the reputation of the Council

9. Interests

As a Councillor:

- 9.1 I register and declare my interests.

Councillors need to register their interests so that the public, Council employees and fellow Councillors know which of their interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects a Councillor by allowing them to demonstrate openness and a willingness to be held accountable.

A Councillor is personally responsible for deciding whether or not they should declare an interest in a meeting, but it can be helpful for them to

know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be declared by a Councillor or other Councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of the Council is maintained.

Councillors should note that failure to register or declare a disclosable pecuniary (i.e. financial) interest is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and declaring interests. If in doubt, a Councillor should always seek advice from the Monitoring Officer.

10. Gifts and hospitality

As a Councillor:

- 10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the local Council for any permission, licence or other significant advantage.
- 10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- 10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered, but have refused to accept.

In order to protect their position and the reputation of the Council, a Councillor should exercise caution in accepting any gifts or hospitality which are (or which they reasonably believe to be) offered to them because they are a Councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case a Councillor could accept it, but must ensure it is publicly registered.

However, a Councillor does not need to register gifts and hospitality which are not related to their role as a Councillor, such as Christmas gifts from their friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with their duties as a Councillor. In case of any uncertainty, the Monitoring Officer should be contacted for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B

Registering interests

1. Within 28 days of the Councillor Code of Conduct being adopted by the Council or a Councillor being elected or appointed to office (where that is later), a Councillor must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable

Interests). Disclosable Pecuniary Interests means issues relating to money and finances.

2. A Councillor must ensure that their register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

3. A 'sensitive interest' is as an interest which, if disclosed, could lead to a Councillor or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

4. Where a Councillor has a 'sensitive interest', they must notify the Monitoring Officer with the reasons why they believe it is a sensitive interest. If the Monitoring Officer agrees, they will withhold the interest from the public register.

Declaring interests

5. Where a matter arises at a meeting which directly relates to one of their Disclosable Pecuniary Interests, a Councillor must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', a Councillor does not have to declare the nature of the interest, just that they have an interest.

6. Where a matter arises at a meeting which directly relates to one of their Other Registerable Interests, a Councillor must declare the interest. A Councillor may speak on the matter only if members of the public are also allowed to speak at the meeting, but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', again a Councillor does not have to declare the nature of the interest.

7. Where a matter arises at a meeting which directly relates to a Councillor's financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, a Councillor must declare the interest. A Councillor may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', a Councillor does not have to declare the nature of the interest.

8. Where a matter arises at a meeting which affects –

- a. a Councillor's own financial interest or well-being;
- b. a financial interest or well-being of a friend, relative, close associate; or
- c. a body included in those a Councillor needs to declare under Disclosable Pecuniary Interests

they must disclose the interest.

9. Where the matter affects the financial interest or well-being:

a. to a greater extent than it affects the financial interests of the majority of inhabitants of the division affected by the decision and;

b. a reasonable member of the public knowing all the facts would believe that it would affect a Councillor's view of the wider public interest,

they must declare the interest. A Councillor may speak on the matter only if members of the public are also allowed to speak at the meeting, but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', a Councillor does not have to declare the nature of the interest.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to a Councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between a Councillor or his/her spouse or civil partner or the person with whom a Councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person

	<p>has a beneficial interest in the securities of*) and the Council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the Council.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give a Councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.</p>
Corporate tenancies	<p>Any tenancy where (to the Councillor's knowledge)—</p> <p>(a) the landlord is the Council; and</p> <p>(b) the tenant is a body that the Councillor, or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the Councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were</p>

	<p>spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p> <p>* 'director' includes a member of the committee of management of an industrial and provident society.</p> <p>* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.</p>
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Table 2: Other Registerable Interests

Any Body of which a Councillor is a member or in a position of general control or management and to which they are appointed or nominated by the Council	
Any Body -	(a) exercising functions of a public nature;
	(b) directed to charitable purposes; or
	(c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union).
of which a Councillor is a member or in a position of general control or management.	

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**PART 6(2) - ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF
BREACHES OF THE COUNCILLOR CODE OF CONDUCT**
1 Context

- 1.1 Surrey County Council is committed to promoting and maintaining high standards of conduct amongst its 81 elected Councillors, known as Members, and has adopted a Councillor Code of Conduct setting out the conduct it expects of its Members and co-opted Members as they carry out that role.
- 1.2 These are the Council's arrangements for dealing with any complaint it receives alleging that an elected or co-opted Member of Surrey County Council has failed to comply with its Councillor Code of Conduct. These arrangements will form the basis for investigating and deciding any such complaints.
- 1.3 ~~The Council will appoint at least one Independent Person, whose views must be sought by the Council before it takes a decision on any allegation which it has decided should be investigated. The Council may also seek the view of the Independent Person at any other stage it chooses and a Member against whom an allegation has been made can also consult the Independent Person.~~

The Council has appointed two Independent Persons. The views of one of the Independent Persons must be sought by the Council before it takes a decision on any allegation which it has decided should be investigated. The Council may also seek the view of the Independent Person at any other stage it chooses and a Member against whom an allegation as been made can also consult the Independent Person.

2 The Code of Conduct

- 2.1 A copy of the Councillor Code of Conduct is set out in the Constitution, which is available for inspection on the Council's website and upon request from Democratic Services.
- 2.2 The Councillor Code of Conduct applies to Members when they go about the work of the Council or their role as a Member. The Council will not investigate complaints relating to a Member's private life.

3 Making a complaint

- 3.1 Anyone wishing to make a complaint about the behaviour of a Surrey County Councillor (“Member”), should write or email to –

The Monitoring Officer
Surrey County Council
Woodhatch Place
11 Cockshot Hill
Reigate
Surrey
RH2 8EF
Or email monitoringofficer@surreycc.gov.uk

- 3.2 The Monitoring Officer is the member of the Council’s staff who has statutory responsibility for maintaining the Register of Members’ Interests and who is responsible for administering the system in respect of complaints of Member misconduct.
- 3.3 Only written complaints will be investigated and the Council will require a name and a contact address or email address to acknowledge receipt of the complaint and keep the complainant informed of its progress. The Council does not normally investigate anonymous complaints, unless there is a clear public interest in doing so. The Monitoring Officer will disclose the name of the complainant to the Member unless specifically asked to withhold it. Only in very exceptional cases will the Council be able to progress a complaint to an investigation without disclosing the identity of the complainant to the Member.
- 3.4 The Monitoring Officer will acknowledge receipt of the complaint within 5 working days of receiving it and will keep the complainant informed of the progress of the complaint. The Monitoring Officer will also inform the Member that a complaint has been received.

4 Will the complaint be investigated?

- 4.1 The Monitoring Officer will review every complaint received.
- 4.2 The complaint must be:
- against one or more named Members of the authority;
 - in relation to a named Member who was in office within the authority at the time of the alleged conduct and the Councillor Code of Conduct was in force at the time; and

- in relation to an alleged breach of the Councillor Code of Conduct.
- 4.3 If the complaint does not fall within 4.2 above, the matter will not be considered and the complainant will be informed that there will be no further action.
- 4.4 Where the complaint passes the above test, and in order to establish a preliminary view of the circumstances of the complaint and whether there may be a course of action which could be taken to resolve the issues promptly without the need for formal action, the Monitoring Officer may consult or meet with any other relevant persons, which may include the Leader of the Council or Group Leaders, the Chief Executive or any other officers, the complainant and the Member against whom the complaint has been made.
- 4.5 The Monitoring Officer will then consult with the Independent Person and decide whether the complaint merits formal investigation. The Independent Person should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial. This decision will normally be taken within 14 days of receipt of the complaint. The complainant and the Member against whom the complaint is made will be informed of the Monitoring Officer's decision and the reasons for that decision.
- 4.6 In assessing whether a complaint should be investigated the following factors will be taken into consideration:
- Public interest – the decision whether to investigate will be a proportionate response to the issues raised and expected outcomes will take into account the wider public interest and the costs of undertaking an investigation. Complaints will only be investigated where the allegations are reasonably considered to be serious matters.
 - Alternative course of action – a complaint will only be investigated where there is no other action which could be taken which would achieve an appropriate outcome in the circumstances of the case.
 - Member's democratic role – where a complaint relates to a matter more appropriately judged by the electorate at the local elections, the Monitoring Officer will not normally refer these matters for investigation.
 - Previous action - if the complaint has already been subject to a previous investigation or some other action relating to the code of conduct or other related process, the matter will ordinarily not be referred for further action.

- Vexatious/repeated complaints – the Monitoring Officer will not refer for investigation a complaint that is the same or substantially the same as one previously made by the complainant.
 - Timing of the alleged conduct – if there are significant delays between the incident complained of and the complaint the matter will not ordinarily be considered further unless there are very good reasons for the delay.
 - Ulterior motive – no further action is likely to be taken if the complaint is considered to be motivated by malice, political motivation or retaliation.
- 4.7 In appropriate cases the Monitoring Officer in consultation with the Independent Person may consider resolution of the complaint without the need for a formal investigation. This may involve:
- The Member accepting that his/her conduct was unacceptable and offering an apology or other remedial action by the authority.
 - Referring the matter to group leaders or officers.
 - The Member being required to attend training.
 - The Member being required to meet with the Monitoring Officer and/or other relevant officers.
 - Such other action as is considered appropriate by the Monitoring Officer and Independent Person.
- 4.8 Matters which might appropriately be dealt with as described in 4.7 above may include:
- Misunderstanding of procedures or protocols.
 - Misleading, unclear or misunderstood advice from officers.
 - Lack of experience or training.
 - A general deterioration of relationships, including those between Members and officers, as evidenced by a pattern of allegations of minor disrespect.
 - Allegations and retaliatory allegations from the same individuals.
- 4.9 If this action does not resolve the complaint, the Monitoring Officer, in consultation with the Independent Person, will reconsider whether the complaint merits formal investigation. An investigation will only be conducted where the Monitoring Officer and Independent Person agree that this is the appropriate course of action. The Monitoring Officer

reserves the right, in exceptional circumstances, to refer a complaint to the Member Conduct Panel to determine if an investigation is the appropriate course of action.

- 4.10 If the complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to refer the matter to the Police and other regulatory agencies.
- 4.11 If the Monitoring Officer or the Independent Person in considering any complaint, at any time, become aware that they have an actual or potential conflict of interest, they will record and declare this to the complainant and councillor concerned. They will withdraw from consideration of the complaint and ensure the complaint is considered independently by an alternative Deputy Monitoring Officer, or an alternative Monitoring Officer appointed from another Local Authority as appropriate, and an alternative Independent Person.

5 How is the investigation conducted?

- 5.1 If the Monitoring Officer decides that a complaint merits formal investigation, he/she will appoint an Investigating Officer. This may be a member of the Council's staff or an external investigator. The Investigating Officer will decide whether to speak to the complainant and to any other witnesses and may collect written evidence, such as correspondence, or minutes of meetings.
- 5.2 The Investigating Officer will contact the Member and provide them with a copy of the complaint and ask the Member to provide his/her explanation of events, and to identify what documents the Investigating Officer needs to see and anyone they should interview. In very exceptional cases, where the Monitoring Officer, after consulting the Independent Person, considers that disclosing details of the complaint to the Member might prejudice the investigation, these will be withheld from the Member until the investigation has progressed sufficiently.
- 5.3 At the end of their investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the member concerned, to give them both an opportunity to identify any inaccuracies in the report and to comment on their findings. Having received and taken account of any comments that you either party may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.
- 5.4 The investigation and the Investigating Officer's report will be kept confidential at this stage.

6 What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Councillor Code of Conduct?

The Monitoring Officer will send a copy of the Investigating Officer's report to the Chairman of the Member Conduct Panel and to the Independent Person and seek their views on whether to convene a Member Conduct Panel hearing. Where a hearing is inappropriate the Monitoring Officer will write to the parties, notifying them that they are satisfied that no further action is required. The Monitoring Officer will send them both a copy of the Investigating Officer's final report, ~~which will no longer be confidential at this point~~ and will determine if the report is to be treated as confidential at this point.

7 What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Councillor Code of Conduct?

Where the Investigating Officer concludes that there is evidence of a failure to comply with the Councillor Code of Conduct, the Monitoring Officer will arrange for the Member Conduct Panel to hold a meeting, within three months of the Investigator's final report being issued, so that it can take a decision on the complaint.

7.1 The Monitoring Officer will invite the Member to reply in writing to the Investigation Officer's report, in particular to identify what is likely to be agreed and what is likely to be in contention at the hearing. The Member will be invited to give a view on whether the Panel should meet in public or in private. The Chairman of the Member Conduct Panel will set a date for the hearing and may issue directions as to the manner in which the hearing will be conducted, including whether or not the Member Conduct Panel will meet in public or private.

7.2 At the hearing, the Investigating Officer will present their report, call such witnesses as they consider necessary and make representations to substantiate their conclusion that the Member has failed to comply with the Councillor Code of Conduct.

7.3 The Member will also have an opportunity to give evidence, to call witnesses and to make representations to the Member Conduct Panel as to why they consider that they did not fail to comply with the Councillor Code of Conduct.

7.4 After hearing from all the parties the Member Conduct Panel may conclude either:

- that the Member did not fail to comply with the Councillor Code of Conduct; or

- that the Member did fail to comply with the Councillor Code of Conduct, in which case it will also decide what action to recommend or to take.

The Member Conduct Panel will not announce its decision at the Hearing. Before reaching a final decision on the complaint and any sanction, the Chairman of the Member Conduct Panel will report its finding to the Independent Person, whose views will be sought and taken into account by the Panel before a final decision is made.

8 What action can the Member Conduct Panel take where a Member has failed to comply with the Councillor Code of Conduct?

The Council has delegated to the Member Conduct Panel the power to take such action in respect of individual Members as may be necessary to promote and maintain high standards of conduct. Accordingly, the Member Conduct Panel may –

- 8.1 Decide that no action is needed.
- 8.2 Issue a statement of censure.
- 8.3 Recommend to the Member's Group Leader (or in the case of ungrouped members, recommend to Council or to Committees) that he/she consider all or any of the following sanctions:
 - the Member be removed from any or all Committees or Sub-Committees of the Council;
 - the Member be removed from the Cabinet, or removed from particular Portfolio responsibilities;
 - the Member be removed from all outside appointments to which he/she has been appointed or nominated by the authority.
- 8.4 Report its findings and recommendations to the next available meeting of the County Council.

The Member Conduct Panel has no power to suspend or disqualify the Member or to withdraw members' or special responsibility allowances.

9 How are the Panel's findings communicated to a Member?

As soon as reasonably practicable after the Panel has made its final decision, the Monitoring Officer will prepare a formal decision notice in consultation with the Chairman of the Member Conduct Panel, and send a copy to the complainant and to the Member and will make that decision notice available for public inspection.

10 Who is on the Member Conduct Panel?

The Member Conduct Panel is a cross-party Panel of Members of the Council chaired by the Chairman of the County Council. Any hearing will be conducted by three of their number, one of whom shall be the Chairman or Vice Chairman of the Council, who will chair the meeting. In the event that neither the Chairman nor Vice Chairman are able to chair the meeting the hearing will be conducted by three members of the Panel and the election of one of their number to chair the hearing will be the first item of business at the meeting.

11 Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post and is appointed by a positive vote from a majority of all the Members of Council.

A person cannot be “independent” if he/she –

- is, or has been within the past 5 years, a member, co-opted member or officer of the Council; or
- is a relative, partner or close friend, of a member, co-opted member or officer of the Council; or
- is an active member of a political party.

12 Revision of these arrangements

The Council may by resolution agree to amend these arrangements, and has delegated to the Chairman of the Member Conduct Panel the right to depart from these arrangements where they consider that it is expedient to do so in order to secure the effective and fair consideration of any matter.

13 Appeals

A Member is expected to comply with the decisions taken through the process and has no right of appeal against a finding of breach of the Councillor Code of Conduct. However, a Member may require that a further Member Conduct Panel meeting reviews any sanction imposed at a hearing.

14 Local Government Ombudsman

Where a complainant concludes that the authority has failed to deal properly with a complaint, they may make a complaint to the Local Government Ombudsman.

County Council Meeting – 9 February 2021

REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

Mr David Harmer (Chairman)
Mr Keith Witham (Vice Chairman)
Dr Peter Szanto
Mrs Victoria Young
Mr Stephen Cooksey
Mr Stephen Spence

REPORT OF THE GOVERNANCE REVIEW TASK GROUP

1. On 29 January 2021, the Audit and Governance Committee considered an item which proposed changes to the procurement rules within the council's constitution. Members noted that the amendment would mean that documents could be executed by either hard copy or electronic signature and would not require access to the Council's sealing machine providing a more cost effective and agile process.
2. During the item, Members agreed to amend the report by adding the following wording as paragraph 7. *'The recommendation provides that contracts which need to be executed by way of seal as a deed is preserved as determined by legal services. This will apply in a number of cases where the Council will want to enforce a contract as a deed and rely on a longer limitation period of 12 rather than 6 years, or in possible rare examples where the value paid for the contract is less than the goods received'*. The updated report is attached as Annex 1.

3. Recommendation

The Audit and Governance Committee recommends the County Council agree that paragraph 2.7.a of the Council's procurement rules be amended at column I (contracts over £500k and over £1 million) from "Over £500k: Sealed as a deed via Legal Services" to "Over £500k: executed by authorised signatory in legal services or by seal as determined by Legal Services".

David Harmer
Chairman of the Audit and Governance Committee
29 January 2021

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Audit & Governance Committee
29 January 2021

Council execution of Contracts – Procurement Rules

Purpose of the report:

This report recommends to Committee that the Council's procurement rules in the constitution are amended to remove the need to affix the seal of the Council when executing contracts over the value of £500k.

Recommendations:

It is recommended that:

1. The Committee agrees to recommend to Council that paragraph 2.7.a of the Council's procurement rules be amended at column I (contracts over £500k and over £1 million) from "Over £500k: Sealed as a deed via Legal Services" to "Over £500k: executed by authorised signatory in legal services or by seal as determined by Legal Services"

Introduction:

The Council requires the seal to be used to execute contracts over £500k. This process is not legally required and can be streamlined to provide a more efficient and effective way of working.

Recommended Changes to Procurement Rules

2. The Council's procurement rules specify at para 2.7.a the requirements for the tendering and completion of all Council contracts (attached at appendix 1). Contracts over the value of £500k are required to be sealed as a deed by legal services.
3. This requires that all contracts over 500k are produced in hard copy and a physical seal is affixed at the Council's offices, witnessed by an authorised officer in legal services. The contracts are entered in a

register with a reference to the authority relied on to enter into the contract. This procedure has been used on hundreds of contracts in the last year with the copying and courier costs and attendance by the team each week at County Hall.

4. There is no legal requirement to execute a contract as a deed by affixing a seal. The contracts can be validly executed by an authorised signature on the Council's behalf. The signature can be electronic, and the document does not need to be agreed as a hard copy.
5. It is recommended that the Council's procurement rules are amended at para 2.7.a to provide that contracts over £500k are "executed by legal services by an authorised signatory or by seal as determined by Legal Services". The systems in legal services for the execution of contracts will remain unchanged with a check on authority required being carried out and a record kept in the register of documents executed.
6. This amendment will mean documents can be executed by either hard copy or electronic signature and will not require access to the Council's sealing machine providing a more cost effective and agile process.
7. The recommendation provides that contracts which need to be executed by way of seal as a deed is preserved as determined by legal services. This will apply in a number of cases where the Council will want to enforce a contract as a deed and rely on a longer limitation period of 12 rather than 6 years, or in possible rare examples where the value paid for the contract is less than the goods received.

Financial and value for money implications

8. There are no financial implications further to the reduced copying and courier costs referred to in the report.

Equalities and Diversity Implications

None

Risk Management Implications

9. The systems to check authority to enter into contracts and the recording of the execution of the contracts will be unchanged from the current arrangements.

Next steps:

If approved the Committee's recommendation will be reported to Council on the 9th February for decision.

Report contact: Paul Evans, Director of Legal and Democratic Services

Contact details: paul.evans@surreycc.gov.uk

Sources/background papers: None

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A	B	C	D	E	F	G	H	I	J
Aggregate value including extensions	Purchase Card permitted?	Procurement Method?	How should you approach the market?	Who is authorised to carry out procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award?	Who signs the contract on the Council's behalf?	Contract Award Notice needed?
£0 to £24,999	Yes if within rules & guidance and card limits	One written quote	Email / Call Supplier. Use a local supplier if they offer value for money	Service Officer	No	Standard Terms (see Council's website)	Budget Holder	Not Required – (Approval of Purchase Order)	No
£25,000 to £189,330	Only in formal emergency cases (see section 5.2)	Minimum of two quotes, but seek at least three. If using a framework, follow the rules for its use.	Contact Sourcing Solutions, who will lead sourcing activity	Sourcing Solutions, Procurement Service	Yes, must be published via Contracts Finder	Standard Contract in line with agreed level of risk and complexity	Head of Service or delegated manager	Head of Service or delegated manager	Yes – on Contracts Finder
£189,330 to £999,999	No	Goods and Services – Tender Works – Competitive quotations	Issue Tender via Procurement	If on APFP then Procurement, otherwise you must seek approval to procure (see section 1.6)	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	If within +/-5% of budget: Approved prior to tender. If not within budget: S151 Officer	Under 500k, Head of Procurement and Head of Service Over £500k: Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations

£1m and over	No	Works - up to £4,733,252 - Competitive quotations Works and Concession Contracts over £4,733,252: Full Tender or other compliant route Goods and Services: Full Tender or other compliant route Health, educational, cultural and social care related services above £663,540: Light Touch Regime Tender	Issue Tender via Procurement	If on APFP then Procurement, otherwise you must seek approval to procure (see section 1.6)	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	If within +/-5% of budget: Approved prior to tender. If not within budget: S151 Officer and under £5m, Portfolio holder, Over £5m, Cabinet.	Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations
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County Council Meeting – 9 February 2021

REPORT OF THE CABINET

The Cabinet met on 15 December 2020 and 26 January 2021.

In accordance with the Constitution, Members can ask questions of the appropriate Cabinet Member, seek clarification or make a statement on any of these issues without giving notice.

The minutes containing the individual decisions for the meetings above have been included within the original agenda at Item 12. Any Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 8 February 2021).

For members of the public all non-confidential reports are available on the web site (www.surreycc.gov.uk) or on request from Democratic Services.

RECOMMENDATIONS ON POLICY FRAMEWORK DOCUMENTS

A. 2021/22 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2025/26 [Agenda Item 5 on this agenda]

The production of the 2021/22 budget has been developed through an integrated approach across Strategy, Transformation and Finance, based around a set of Core Planning Assumptions which set out likely changes to the environment in which we deliver our priorities. The integrated approach ensures that revenue budgets, capital investment and transformation plans are all aligned with each Directorate's service plans and the new Corporate Priorities of the organisation. Ensuring that each aspect of planning for 2021/22 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the Covid-19 pandemic and wider pressures.

Cabinet AGREED:

That Cabinet makes the following recommendations to Council on 9 February 2021.

Cabinet recommends that Council:

Notes the following important features of the revenue and capital budget, and in line with Section 25 of the Local Government Act 2003:

1. The Executive Director of Resources' (Section 151 Officer) conclusion that estimates included in the Final Budget Report and Medium-Term Financial Strategy are sufficiently robust in setting the budget for 2021/22; and
2. That it is the view of the Executive Director of Resources (Section 151 Officer), that the level of reserves is adequate to meet the Council's needs for 2021/22. These reserves include the following amounts, (totalling £91.9m) set aside specifically to provide financial resilience:

- a General Fund Balance of £24.2m;
- a budget contingency of £20.4m with an estimated £33.4m brought forward;
- a specific contingency for the impact of Covid-19 of £4.9m; and
- a provision of £9m to meet risks in delivering the Dedicated Schools Grant – High Needs Block cost containment plan.

Proposed budget: Cabinet recommends that County Council approve the following Revenue and Capital budget decisions:

3. Approves the net revenue budget requirement be set at **£1,003.6 million** (net cost of services after service specific government grants) for 2021/22 (Annex B), subject to confirmation of the Final Local Government Financial Settlement;
4. Approves the total Council Tax funding requirement be set at **£777.6 million** for 2021/22. This is an increase of 2.49%, made up of an increase in the level of core Council Tax of 1.99% to cover core Council services and an increase of 0.5% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E);
5. Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in core Council Tax is not such as to trigger a referendum (i.e. not greater than 2%);
6. Sets the Surrey County Council precept for Band D Council Tax at £1,549.08, which represents a 2.49% uplift. This is a rise of £0.72 a week from the 2020/21 precept of £1,511.46. This includes £139.01 for the Adult Social Care precept, which has increased by £7.55.
7. Agree to maintain the Council Tax rate set after the Final Local Government Finance Settlement;
8. The Council Tax for each category of dwelling as set out in the table below:

Valuation band	Core precept	ASC precept	Overall precept
A	£940.05	£92.67	£1,032.72
B	£1,096.72	£108.12	£1,204.84
C	£1,253.40	£123.56	£1,376.96
D	£1,410.07	£139.01	£1,549.08
E	£1,723.42	£169.90	£1,893.32
F	£2,036.77	£200.79	£2,237.56
G	£2,350.12	£231.68	£2,581.80
H	£2,820.14	£278.02	£3,098.16

9. The payment for each billing authority, including any balances on the Collection Fund, as set out in Annex E;
10. Delegate powers to the Leader and Executive Director of Resources (Section 151 Officer) to finalise budget proposals and recommendations to County Council, updated to take into account new information in the Final Local Government Finance Settlement;

11. The Flexible Use of Capital Receipts Strategy for 2021/22 to meet the statutory guidelines for the use of such receipts to fund transformation and the move back into the County (Annex F);
12. The Total Schools Budget of £537.3 million to meet the Council's statutory requirement on schools funding;
13. The overall indicative Budget Envelopes for Executive Directorates and individual services for the 2021/22 budget (Annex B); and
14. The total £1.905 billion proposed five-year Capital Programme (comprising £1,026.2m of budget and £879.2m pipeline) and approves the £184.9 million capital budget in 2021/22 (Annex C).

Capital and Investment Strategies: Cabinet recommends Council to approve the following:

15. The Capital and Investment Strategy (Annex G), which provides an overview of how risks associated with capital expenditure, financing, treasury and commercial investments will be managed as well as how they contribute towards the delivery of services; and
16. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision (MRP) Policy) (Annex I)

Cabinet recommended that the Audit & Governance Committee approved the following:

17. Treasury Management Strategy and Prudential Indicators (Annex H) which set a framework for the Council's treasury function to manage risks, source borrowing and invest surplus cash.

Reasons for decisions:

Council will meet on 9 February 2021 to agree a budget and to set the Council Tax Precept for 2021/22. Cabinet is required to recommend a budget to Council for consideration at this meeting. The budget directs available resources to support the achievement of the Council's ambitions and priorities in the 2030 Vision and the Refreshed Organisation Strategy. The budget will also support the delivery of the continuing transformational changes that are required to ensure that the Council can improve priority outcomes for residents, while managing growing demand for services and ensuring future financial sustainability.

B. ADMISSION ARRANGEMENTS FOR SURREY'S COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS AND THE COORDINATED SCHEMES THAT WILL APPLY TO ALL SCHOOLS FOR SEPTEMBER 2022 AND SURREY'S RELEVANT AREA

Following statutory consultation on Surrey's admission arrangements for September 2022, Cabinet was asked to make recommendations to the County Council on admission arrangements for Surrey's community and voluntary controlled infant, junior, primary and secondary schools and for the coordinated schemes that will apply to all schools for September 2022.

Cabinet AGREED:

The Cabinet RECOMMENDS that the County Council approves the admission arrangements for community and voluntary controlled schools and co-ordinated schemes for September 2022 (as set out in the Cabinet paper from 26 January 2021).

Recommendation 1

That priority for children who have the school as their 'nearest school' is removed for the majority of community and voluntary controlled schools for 2022 admission, as indicated in Enclosure 5.

Reasons for Recommendation

- It will ensure the local authority complies with a decision of the Schools Adjudicator
- It will ensure that the admission arrangements for these schools comply with the School Admissions Code in regard to catchments
- It will simplify the admission arrangements
- It will enable parents to better understand how their application will be considered
- Analysis would indicate that this change will have no or minimal impact on the intake to each of these schools
- It will enable school specific criteria to remain where they already exist to accommodate feeder links
- The final distance criterion will still exist which will enable remaining applicants to be prioritised based on the distance they live from the school, ensuring children who live closer to the school are allocated ahead of children who live further away
- 55% of academies, foundation, trust and voluntary aided schools do not give priority on the basis of 'nearest school'

Recommendation 2

That a sibling link is introduced for Beauclerc Infant School with Chennestone Primary School for 2022 admission.

Reasons for Recommendation

- There was overall support for this change
- It is supported by the Headteacher and Governing Body of the school
- It would support families with more than one child as families with a sibling at Chennestone School would benefit from sibling priority for a place at Beauclerc Infant School
- It would maximise the opportunity for families to keep children together or at schools with agreed links

Recommendation 3

That a sibling link is introduced for Horley Infant School with Yattendon School for 2022 admission.

Reasons for Recommendation

- There was overall support for this change
- It is supported by the Headteacher and Governing Body of the school
- It would support families with more than one child as families with a sibling at Yattendon School would benefit from sibling priority for a place at Horley Infant School
- This proposal is in line with a separate proposal by the Governing Body of Yattendon School to introduce a reciprocal sibling link with Horley Infant School

- It would maximise the opportunity for families to keep children together or at schools with agreed links

Recommendation 4

That the Published Admission Number for Reception at Onslow Infant School is reduced from 90 to 60 for 2022 admission.

Reasons for Recommendation

- It is supported by the Headteacher and Governing Body of the school, having been requested by them
- There will still be sufficient places for local children if the PAN is decreased
- It would help the school maintain financial viability
- It reflects what is currently being operated within the school
- It will have no impact on children who are currently on roll at the school

Recommendation 5

That the Published Admission Numbers (PANs) for September 2022 for all other community and voluntary controlled schools (excluding Onslow Infant School which is covered by Recommendation 4) are determined as they are set out in Appendix 1 to Enclosure 1.

Reasons for Recommendation

- Most other PANs remain as they were determined for 2021 which enables parents to have some historical benchmark by which to make informed decisions about their school preferences for 2022 admission
- The PAN for William Cobbett School has been increased from 50 to 60 to provide for consistent class sizes of 60 throughout KS2
- The Education Place Planning team supports the PANs

Recommendation 6

That the aspects of Surrey's admission arrangements for community and voluntary controlled schools for September 2022 for which no change has been consulted on, are agreed as set out in Enclosure 1 and its appendices.

Reasons for Recommendation

- The admission arrangements are working well
- Surrey has undertaken to review the admission arrangements for the remaining eight schools which will still use 'nearest school' ahead of any consultation on the arrangements for 2023
- The arrangements enable the majority of pupils to attend their nearest schools and in doing so reduce travel and support Surrey's sustainability policies - this is still anticipated to be the case for 2022 admission, even with the changes proposed in Recommendations 1 to 5
- The change highlighted in bold in Section 12 of Enclosure 1 has been made to add clarity to the arrangements and reflects existing practice

Recommendation 7

That the primary and secondary coordinated admission schemes that will apply to all schools for 2022 are agreed as set out in Enclosure 2.

Reasons for Recommendation

- The coordinated schemes for 2022 are essentially the same as 2021 with dates updated

- The coordinated schemes will enable the County Council to meet its statutory duties regarding school admissions
- The coordinated schemes are working well

Recommendation 8

That Surrey's Relevant Area is agreed as set out in Enclosure 3.

Reasons for Recommendation

- The local authority is required by law to define the Relevant Area for admissions
- The Relevant Area must be consulted upon and agreed every two years even if no changes are proposed
- Setting a Relevant Area ensures that any schools who might be affected by changes to the admission arrangements for other local schools will be made aware of those changes
- No change has been made to Surrey's Relevant Area since it was last determined in February 2019

REPORTS FOR INFORMATION / DISCUSSION

At its meeting on 15 December 2020 Cabinet considered:

C. SURREY'S ECONOMIC FUTURE: OUR 2030 STRATEGY STATEMENT AND INVITATION TO ENGAGE

The 'Surrey's Future Economy: Our 2030 Strategy Statement' presents a categorisation of available economic evidence and research alongside Surrey County Council's economic priorities for the next 10 years. It not only sets out the work that the County Council will lead on and support directly to revive the Surrey economy, but also sets out a framework for partnership action and an invitation for key stakeholders to engage further to ensure that Surrey retains its position as a significant economic leader of the sub-regional and UK economy.

Cabinet AGREED:

1. That the Surrey's Future Economy: Our 2030 Strategy Statement and associated SCC-led delivery programmes be adopted and agreed.
2. That Cabinet receive an annual report on progress.
3. That the wider partnership programme of work being undertaken to deliver on the joint stakeholder ambitions be noted.

Reasons for decisions:

Cabinet is receiving 'Surrey's Economic Future' to set out how the Council will deliver against its corporate priority to 'Grow a sustainable economy so everyone can benefit' and to demonstrate the role that Surrey County Council will have in supporting a thriving Surrey economy for the next 10 years.

D. SURREY LOCAL RESILIENCE FORUM UPDATE ON THE END OF THE EU EXIT TRANSITION PERIOD

The report specifically provides an update in relation to the work that the Council is doing in collaboration with its LRF partners to plan for the imminent end of the EU exit

transition period. Surrey Local Resilience Forum (SLRF) partners and Surrey communities continue to face multiple and complex challenges during the winter of 2020/21. This includes delivering an effective response to the ongoing Coronavirus pandemic, whilst also maintaining the ability to respond to other known risks, including winter flu season and the imminent end of the EU exit transition period.

Cabinet AGREED:

1. That the Surrey Local Resilience Forum's planning for the imminent end of the EU exit transition period, and the work being done to minimise risks to business continuity be noted.

Reasons for decisions:

Surrey County Council, partners and communities across Surrey continue to face a challenging period over winter 2020/21, requiring robust contingency planning to mitigate potential disruption. As a local authority providing critical services to communities, and in our capacity as a Category 1 responder under the Civil Contingencies Act 2004, we have a responsibility to prepare for threats to business continuity, such as the end of the EU exit transition period, and contribute to multi-agency planning and response.

E. LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN REPORT REGARDING CONCERNS ABOUT THE DELIVERY OF HOME TO SCHOOL TRANSPORT

This report was considered by Cabinet on 15 December 2020 and concerns the findings of the Local Government and Social Care Ombudsman in response to a complaint concerning the service provided to a Surrey family. The Council was found at fault for the handling of Y's post 16 school transport arrangements in 2019 causing Mrs X and her son Y injustice. The Council has accepted the recommendations of the Ombudsman. It was explained that the Ombudsman welcomed the Council's willingness to reflect on these findings and to inform future improvement. It is a statutory duty for the Monitoring Officer to bring a report of the Ombudsman to members attention. The Cabinet Member for All-Age Learning highlighted that the case in question was historic and briefly updated the Cabinet on the key points of the case in question. The family had received an apology and financial redress. An end to end review of the home to school transport process was being undertaken.

Cabinet AGREED:

1. That the Ombudsman's report and the steps taken by the Service to address the findings be noted.
2. That any other actions to be taken be noted.
3. It be noted that the Monitoring Officer will bring this report to the attention of all councillors.

At its meeting on 26 January 2021 Cabinet considered:

F. YOUR FUND SURREY UPDATE

On 21 July 2020, Cabinet approved the development of Your Fund Surrey (at that point known as the Community Projects Fund) – a unique and potentially transformative capital fund of £100m over five years designed to deliver place-making and place-changing projects led by residents and communities on a significant scale. On 29 September, Cabinet agreed to the launch of the Fund in November 2020 and the Your Fund Surrey Commonplace site for residents and groups to begin to generate ideas, and garner community backing and support.

Cabinet AGREED:

1. That the progress of the Fund since its launch in November 2020 be noted.
2. That a VCFS representative from Surrey Community Foundation sit on the network of experts that assess and score bids.
3. That the establishment of the YFS Advisory Panel be noted.
4. That the suggested timescales for the next steps for the Fund and the opening of the first funding window be agreed.

Reasons for decisions:

Your Fund Surrey (YFS) continues to represent a significant and exciting opportunity for Surrey County Council (SCC) to invest in a meaningful and lasting way in communities, and for communities to drive projects that will make a real difference. The Fund fills a unique gap in the market for investment in truly resident and community-led projects to have a positive impact on the places in which they live.

YFS is a key part of the Council's wider Empowering Communities programme of work that is seeking to stimulate local engagement and involvement. By providing the financial backing for community-led projects, the Fund will help to ensure the benefits of the funding match local need and builds local resilience and sustainability by helping people help themselves.

This report highlights the innovative ways in which communities have been involved and engaged in the development of the Fund and the significant interest so far from groups in wanting to use YFS to design and deliver projects that will benefit the areas in which they live.

The recommendations set out the continued work and planned next steps to ensure the Fund is accessible to all and can start to support successful projects once the funding window opens in spring 2021. As set out in the proposed timescales, this timeline is subject to review and monitoring of the ongoing impact of the Covid-19 pandemic.

G. DISPOSAL OF COUNTY HALL CAMPUS, PENRHYN ROAD, ROYAL BOROUGH OF KINGSTON UPON THAMES

The Cabinet was asked to authorise the sale of the County Hall Campus site at Penrhyn Road, Royal Borough of Kingston upon Thames, following the decision to close County Hall for corporate operational use on the 31 December 2020.

Cabinet AGREED:

1. That the sale of land and buildings as outlined on the attached plan within Annex 1 (Marketing pack) on a unconditional basis - further details included within the Part 2 Paper be authorised.
2. That the separate marketing and subsequent disposal of the freehold and long underlease from the Royal Borough of Kingston upon Thames of the Bittoms car park on an existing use basis be approved.
3. That delegated authority be granted to the Leader and Cabinet Member for Resources, in consultation with the Executive Director of Resources and the Director of Land & Property to authorise a future disposal of the Bittoms Car park based upon Best Consideration being obtained following a Marketing exercise or Special Purchaser interest.

Reasons for decisions:

By approving these recommendations Surrey County Council (SCC) will be able to fulfil the long-term commitment to move its Civic Heart to within the County of Surrey

The disposal will deliver a significant capital receipt for SCC whilst delivering revenue savings from ongoing running costs and maintenance liabilities associated with a Grade II listed building.

H. AGILE OFFICE ESTATE STRATEGY

The report sets out the need for urgent restructuring of the corporate office estate and outlines the proposed solution via a new Agile Office Estate Strategy for Surrey County Council.

Cabinet AGREED:

1. That the outline Agile Office Estate Strategy, overall direction of travel and its proposal to develop an associated Agile Office Estate Programme be agreed.
2. That an allocation of £300k programme budget funding for dedicated external resources required to develop programme detail including a full Programme Business Case be agreed.
3. That a finalised Strategy and Programme Business Case seeking approval of required resources to deliver the full programme be produced by Q2 2021.

Reasons for decisions:

The County Council's office estate has evolved over time with some but not a completely coordinated approach. This has brought about a situation where the current corporate office estate is no longer fit for purpose and subject to several

weaknesses. The most striking example of many of these characteristics is County Hall, which has been outside of the County boundaries since 1965.

Specifically, the current corporate office estate is:

- of generally low quality, that does not efficiently support the adoption of Agile modern working practices.
- expensive compared to industry benchmarks and expensive to maintain.
- high in its carbon output with poor energy efficiency.
- relatively poorly located and under-utilised.

This Agile Office Estate strategy proposes to address these issues by adopting a strategically led approach to transforming the County Council's corporate office estate.

Using the move out of County Hall as a catalyst and embracing the principles of the One Public Estate, while recognising that the impact of Covid has created a major step change in the way the organisation operates. The following benefits will be targeted through the work of the strategy:

- Reduce overall spend on the office estate by c£3m per annum.
- Reduce overall space from c50,000m² to c20,000m².
- All offices to be within County.
- Carbon emissions to fall from 2,600 tonnes per annum to net zero by 2030.

Key strategic public sector partners will be engaged to identify collaborative opportunities to enable closer and more effective working across organisations as well as delivering financial efficiencies across the public sector in Surrey.

I. QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS: 09 December 2020 - 09 February 2021

The Cabinet is required under the Constitution to report to Council on a quarterly basis the details of decisions taken by the Cabinet and Cabinet Members under the special urgency arrangements set out in Standing Order 57 of the Constitution. This occurs where a decision is required on a matter that is not contained within the Leader's Forward Plan (Notice of Decisions), nor available 5 clear days before the meeting. Where a decision on such matters could not reasonably be delayed, the agreement of the Chairman of the appropriate Select Committee, or in his/her absence the Chairman of the Council, must be sought to enable the decision to be made.

At its meeting on 15 December 2020 Cabinet considered:

a) SURREY LOCAL RESILIENCE FORUM UPDATE ON THE END OF THE EU EXIT TRANSITION PERIOD

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

Cabinet were asked to note the Surrey Local Resilience Forums planning for the imminent end of the EU exit transition period, and the work being done to minimise risks to business continuity.

Cabinet AGREED:

1. That the Surrey Local Resilience Forum's planning for the imminent end of the EU exit transition period, and the work being done to minimise risks to business continuity be noted.

Reasons for Decisions:

Surrey County Council, partners and communities across Surrey continue to face a challenging period over winter 2020/21, requiring robust contingency planning to mitigate potential disruption. As a local authority providing critical services to communities, and in our capacity as a Category 1 responder under the Civil Contingencies Act 2004, we have a responsibility to prepare for threats to business continuity, such as the end of the EU exit transition period, and contribute to multi-agency planning and response.

The Cabinet RECOMMENDS that the County Council notes that there has been ONE urgent decision in the last two months.

**Mr Tim Oliver, Leader of the Council
9 February 2021**

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**MINUTES OF THE MEETING OF THE CABINET
HELD ON 15 DECEMBER 2020 AT 2.00 PM
VIA REMOTE MEETING.**

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

Members:

*Mr Tim Oliver (Chairman)	*Mrs Natalie Bramhall
Mr Colin Kemp (Vice-Chairman)	*Mrs Mary Lewis
*Dr Zully Grant-Duff	*Mrs Julie Iles
*Mrs Sinead Mooney	*Mr Matt Furniss
*Mr Mel Few	*Ms Denise Turner-Stewart

Deputy Cabinet Members:

*Mrs Becky Rush	*Miss Alison Griffiths
*Mr Mark Nuti	*Miss Marisa Heath
*Mr Edward Hawkins	

* = Present

Members in attendance:

Mr Chris Botten, Caterham Hill

**PART ONE
IN PUBLIC**

197/20 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Colin Kemp.

198/20 MINUTES OF PREVIOUS MEETING: 24 NOVEMBER 2020 [Item 2]

The Minutes of the Cabinet meeting held on 24 November were approved as a correct record of the meeting.

199/20 DECLARATIONS OF INTEREST [Item 3]

There were none.

200/20 PROCEDURAL MATTERS [Item 4]

The Leader stated that 2020 had been dominated by Covid-19 and many people would be happy to see the end of the year. The rate of infection continues to rise across the county in all district and boroughs. The government would be reconsidering the tiers for each county across the country with any changes being implemented by the end of the week. Communication had been increased for residents around keeping safe and protecting others. The Leader restated the importance of complying with government regulations and rules on Covid-19. Going forward the next four Cabinet meetings would be themed around the four refreshed organisation strategy priority areas.

200/200 MEMBERS' QUESTIONS [Item 4a]

There was one Member question from Mr Chris Botten. The question and response were published as a supplement to the agenda. Mr Botten thanked the Cabinet Member for the response and no supplementary was asked.

201/20 PUBLIC QUESTIONS [Item 4b]

There was one public question. The question and response was published as a supplement to the agenda. Mrs Julie Iles explained that a supplementary question had been submitted and a formal written response would be provided. The supplementary question focused on the funding of Education, Health and Care Plans which the county would continue to support as a statutory duty.

202/20 PETITIONS [Item 4c]

There were none.

203/20 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

204/20 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

The Cabinet Member for Transport confirmed that each Local and Joint Committee would have £3m to spend which would allow local committees and divisional members to achieve highways projects in their respective divisions. The Leader confirmed that there had been no reduction on funding from the previous year.

RESOLVED:

That the report of the Epsom and Ewell Local Committee be noted. A Cabinet response to the Local Committee report was included in the supplementary agenda.

205/20 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 6]

The decision was noted and no further comments were made.

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.

206/20 COVID-19 DELEGATED AND URGENT DECISIONS TAKEN [Item 7]

There were two decisions for noting. With regards to the first decision, the Leader explained that the government had announced that £170m had been made available to councils to support residents through the winter as part of the Winter Support Grant. Surrey would receive £2.1m of this funding and this would be used to support the most vulnerable through to March 2021. Surrey would use the funding to support 17,000 children eligible for free school meals and families on low incomes. Part of the funding would also go to the Surrey Crisis Fund. The Leader reassured residents that there would be proper support in place especially for those children eligible for free school meals and for others on low incomes.

With regards to the second decision, it was explained that government has allocated £855,050 to Surrey County Council from its Covid Bus Service Restart Support Fund. This funding had been used to support 13 bus contractors that work across the county.

RESOLVED:

That the decision taken by officers since the last meeting be noted.

Reason for decision:

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

[This decision is subject to call-in by the relevant Select Committee Chairman dependent on the recommendation.]

207/20 COVID-19 UPDATE [Item 8]

The item was introduced by the Leader whom explained that Surrey was currently in tier 2 and that infection rates were rising. The Leader went onto highlight some key areas of the report namely that the national test and trace programme was being supplemented through the customer services team and support was being provided to the district and boroughs that bordered London. Support would be extended to the rest of the county in early January. Work had been undertaken with care homes to ensure support was in place if any potential outbreaks occurred. Work continued in supporting vulnerable and extremely vulnerable residents. The community helpline was still available for those residents that required support and a winter letter had been distributed to all residents with key information and guidance for the winter period.

RESOLVED:

1. That the latest public health situation regarding Covid-19, nationally and in Surrey, the transitioning out of national lockdown and the

actions being delivered through Surrey's Local Outbreak Control Plan be endorsed and noted.

2. The latest impacts on Adult Social Care and Children's, Families, Lifelong learning and Culture services and the management and mitigation of them be endorsed and noted.
3. The ongoing support to vulnerable residents, including through the County Council Community Helpline and the Covid Winter Support Grant scheme be endorsed and noted.
4. The efforts to monitor and respond to challenges in Surrey's economic and social recovery from Covid, and looking ahead the work to tackle the issues residents and Businesses will face in early 2021 as part of growing a sustainable economy so everyone can benefit be endorsed and noted.

Reason for Decision:

The county and council continue to face unprecedented challenges due to the Covid-19 crisis. In addition to the response activity, the council continues to look forward to how it can work with its partners to enable recovery within the county and a return to day-to-day life for our communities following the end of the second national lockdown and more long term into the future.

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

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

208/20 CABINET MEMBER STRATEGIC PRIORITY AREA UPDATE: GROWING A SUSTAINABLE ECONOMY [Item 9]

Item 9 and 10 were considered together. The Leader explained that he was presenting the Cabinet Member update on behalf of the Deputy Leader, Colin Kemp. It was explained that there was a direct correlation between a good economy and good health. Many businesses had found the current period very difficult and it was therefore important that we used our skills and expertise to support businesses and high streets wherever we can. An economic commission was set up to look at the economy and try to understand it better. The University of Surrey was appointed to undertake research on the impact of Covid-19 on Surrey's economy. The economic commission developed a set of actions points which formed the basis of a Surrey economic statement. The Surrey Growth Board was established in July and focusses on what needs to be taken forward to support businesses. The Leader highlighted the four priority areas within the economic statement and explained that a progress report will be considered by Cabinet in April.

The Cabinet Member for Corporate Support remarked she was pleased to see that digital connectivity was explicitly referred to in the Economic Strategy and was recognised with supporting employment opportunities. The Cabinet Member was also pleased to see that digital exclusion had been recognised as a health inequality.

RESOLVED:

That the Cabinet Member Strategic Priority Area update be noted.

209/20 SURREY'S ECONOMIC FUTURE: OUR 2030 STRATEGY STATEMENT AND INVITATION TO ENGAGE [Item 10]

See Minute 208/20.

RESOLVED:

1. That the Surrey's Future Economy: Our 2030 Strategy Statement and associated SCC-led delivery programmes be adopted and agreed.
2. That Cabinet receive an annual report on progress.
3. That the wider partnership programme of work being undertaken to deliver on the joint stakeholder ambitions be noted.

Reason for Decision:

Cabinet is receiving 'Surrey's Economic Future' to set out how the Council will deliver against its corporate priority to 'Grow a sustainable economy so everyone can benefit' and to demonstrate the role that Surrey County Council will have in supporting a thriving Surrey economy for the next 10 years.

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

210/20 SURREY LOCAL RESILIENCE FORUM UPDATE ON THE END OF THE EU EXIT TRANSITION PERIOD [Item 11]

The Report was introduced by the Cabinet Member for Communities whom explained that the report provides assurances around the work of the Surrey Local Resilience Forum (SLRF) to prepare for the imminent exit from the EU. The SLRF brings together Category 1 responders (Surrey Police, boroughs and districts and Surrey Fire Rescue Service) and Category 2 responders (Highways Agency and utilities companies). The SLRF was in regular contact with government to access information and modelling to adequately plan and minimize the impact on the services. Disruption to the supply chain for medicines and PPE was being investigated ensuring contingencies were in place. A key concern was the potential delay at ports and the impact on Surrey. The SLRF were working with the DfT to ensure up to date modelling was being received and work was ongoing with Highways England to coordinate the management on our strategic road network. The Council was committed to supporting vulnerable residents and was in regular contact with the relevant government departments to maintain provision for residents.

On behalf of the Cabinet, the Leader thanked the Cabinet Member for Communities, Chief Executive and SLRF for the phenomenal work undertaken this year. This demonstrated the strength of partnerships and the competence of the team that has supported and led Surrey through the

Covid-19 crisis. The Leader was reassured to know there were contingency plans in place for the imminent exit from the EU.

RESOLVED:

1. That the Surrey Local Resilience Forum's planning for the imminent end of the EU exit transition period, and the work being done to minimise risks to business continuity be noted.

Reason for Decision:

Surrey County Council, partners and communities across Surrey continue to face a challenging period over winter 2020/21, requiring robust contingency planning to mitigate potential disruption. As a local authority providing critical services to communities, and in our capacity as a Category 1 responder under the Civil Contingencies Act 2004, we have a responsibility to prepare for threats to business continuity, such as the end of the EU exit transition period, and contribute to multi-agency planning and response.

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

211/20 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN PUBLIC REPORT REGARDING CONCERNS ABOUT THE DELIVERY OF HOME TO SCHOOL TRANSPORT [Item 12]

The item was introduced by the Cabinet Member for All-Age Learning. It was explained that the Ombudsman welcomed Surrey County Councils willingness to reflect on these findings and to inform future improvement. It is a statutory duty for the Monitoring Officer to bring a report of the Ombudsman to members attention. The Cabinet Member highlighted that the case in question was historic and not current and briefly updated the Cabinet on the key points of the case in question. The family had received an apology and financial redress. An end to end review of the home to school transport process was being undertaken.

RESOLVED:

1. That the Ombudsman's report and the steps taken by the Service to address the findings be noted.
2. That any other actions to be taken be noted.
3. It be noted that the Monitoring Officer will bring this report to the attention of all councillors.

Reason for Decision:

There is a statutory requirement for the Monitoring Office to bring to Members' attention any public report issued by the Ombudsman about the Council which identifies it is at fault and has caused injustice as a result.

212/20 ANNUAL PROCUREMENT FORWARD PLAN 2021/22 [Item 13]

The Cabinet Member for Resources explained that the report summarises 106 contracts for services and supplies expected to be procured by the Council over the financial year 2021-22. All invitations to tender would include Surrey businesses in a bid to help grow a sustainable economy. Agreeing the recommendations will mean there will be no need to gain approval for each individual contract award and thereby streamlining the procurement process. Financial details of the contracts are contained within the part 2 report. All Cabinet Members had confirmed that they had reviewed their respective service needs and had agreed to these being listed in Annex 1.

RESOLVED:

1. That approval to Procure for the projects listed in Annex 1 – “Annual Procurement Forward Plan for 2021/22” in accordance with the Council’s Procurement and Contract Standing Orders be agreed.
2. That where the first ranked tender for any projects listed in Annex 1 is within the +/-5% budgetary tolerance level, the relevant Executive Director, Director or Head of Service (as appropriate) be authorised to award such contracts.
3. That procurement activity that will be returned to Cabinet for review of the commissioning and procurement strategy prior to going out to market be agreed.

Reason for Decision:

- To comply with the Procurement and Contract Standing Orders agreed by Council in May 2019.
- To provide Cabinet with strategic oversight of planned procurement projects for 2021/22.
- To ensure Cabinet oversight is focussed on the most significant procurements.
- To avoid the need to submit multiple individual requests for Approval to Procure as well as individual contract award approvals for work taking place in 2021/22.

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

213/20 2020/21 MONTH 7 (OCTOBER) FINANCIAL REPORT [Item 14]

The report was introduced by the Cabinet Member for Resources. It was explained that with regards to Revenue, as at October 2020 (M7) the latest outlook remains in line with the prior month’s report leaving a small increase of £0.1m to a £3.6m forecast variance to end the financial year. The main movement in the month is due to increased costs in waste accounting for £600,000 which has been offset by small favourable movements in other areas resulting in the net movement for the month of £100,000. Work was continuing to ensure the budget was balanced by period 12.

With the Capital budget, the M7 capital update reflects an increase in the forecast of £1.5m from M6. The updated forecast for the year is £228.3m, details of which are set out in Table 3. The Cabinet are asked to approve the transfer of the full Park Special School surplus to the successor academy to support the continuing improvement needed at the school. The school had a surplus on conversion date of £35k revenue and £18k capital.

The Leader explained that the financial position of the council continues to be sustainable but the costs of Covid-19 are still unclear although the council will continue to argue for funding. The budget for the next municipal year will be considered in February.

RESOLVED:

1. That the Council's forecast revenue and capital budget positions for the year be noted.
2. That the transfer of the full Park Special School surplus to the successor academy to support the continuing improvement needed at the school be approved.

Reason for Decision:

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

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

214/20 EXCLUSION OF THE PUBLIC [Item 15]

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.

215/20 ANNUAL PROCUREMENT FORWARD PLAN 2021/22 [Item 16]

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

RESOLVED:

See Minute 212/20.

Reason for Decision:

See Minute 212/20.

216/20 ACQUISITION OF OFFICE SPACE IN THE NORTH EAST QUADRANT OF SURREY [Item 17]

Both Item 17 and 18 were considered together. The Cabinet Member for Resources introduced a Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED:

1. That approval is given for the freehold purchase of [Exempt Minute-22-20] at an estimated purchase price of [Exempt Minute-22-20] ,stamp duty [Exempt Minute-22-20] ,legal and site transaction costs of [Exempt Minute-22-20].
2. That approval is given for a projected capital spend of up to [Exempt Minute-22-20] (inclusive of 2.5% contingency) to enable fixtures, furnishings and equipment (FFE), IT infrastructure and other associated costs to fit out the floors of the building to provide serviceable office accommodation.
3. That Cabinet approve and delegate to the Director of Land and Property in consultation with the Cabinet Member for Resources the procurement and associated contract awards as necessary to enable fit out works to progress.

Reason For Decision:

The acquisition will provide the opportunity for Surrey County Council (SCC) to secure additional office accommodation in North Surrey, to facilitate the closure of County Hall and realise the objectives of the emerging county wide corporate office strategy.

By approving these recommendations SCC will be able to fulfil the long-term commitment to provide all public services from within the administrative boundary of Surrey.

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

217/20 LEASE OF OFFICE SPACE IN THE NORTH EAST QUADRANT OF SURREY [Item 18]

No decisions were taken on this item.

218/20 PUBLICITY FOR PART 2 ITEMS [Item 19]

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

Meeting closed at 15:00

Chairman

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