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Agenda and Reports
for the meeting of
THE COUNTY COUNCIL
to be held on
21 MARCH 2023

Woodhatch Place
Reigate
Surrey

Monday, 13 March 2023

TO THE MEMBERS OF SURREY COUNTY COUNCIL

SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the Council to be held at Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF, on Tuesday, 21 March 2023, beginning at 10.00 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

JOANNA KILLIAN
Chief Executive

***Note 1:** For those Members wishing to participate, Prayers will be said at 9.50am. The Reverend Aneal Appadoo, Vicar of St Luke's Church, Reigate, has kindly consented to officiate. If any Members wish to take time for reflection, meditation, alternative worship or other such practice prior to the start of the meeting, alternative space can be arranged on request by contacting Democratic Services.*

There will be a very short interval between the conclusion of Prayers and the start of the meeting to enable those Members and Officers who do not wish to take part in Prayers to enter the Council Chamber and join the meeting.

***Note 2:** This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.*

Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

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

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language please either call Democratic Services on 020 8541 9122, or write to Democratic Services, Surrey County Council at Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF, Minicom 020 8541 9698, fax 020 8541 9009, or email amelia.christopher@surreycc.gov.uk

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Amelia Christopher on 07929 725663 or via the email address above.

1 APOLOGIES FOR ABSENCE

The Chair to report apologies for absence.

2 MINUTES

(Pages
11 - 42)

To confirm the minutes of the meeting of the Council held on 7 February 2023.

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 CHAIR'S ANNOUNCEMENTS

Notices

I start with the sad notices of the passing of past County Councillor Janet Maines, who died earlier in the year, and Eloise Appleby, CEO of The Grange. Our sympathies to the families on this sad news.

Visiting Highlights

Since we last met, I have carried out numerous visits to some of Surrey's outstanding charities and organisations, such as Cherry Trees, which provides respite care for young people. We discussed options to hold an open-air concert in the grounds of Woodhatch Place later this year - more news of that to follow in due course.

I met with the Head of the Yehudi Menuhin School and discussed their exciting plans for reaching out into the community.

At the invitation of the High Sheriff of Surrey, I attended the installation of the 'Knife Angel' at Guildford Cathedral - I found the sculpture both moving and intimidating.

I attended a Fireside Chat on the genocide in Rwanda, given by a serving army officer who spent four months there in the aftermath, and I attended the Annual General Meeting of the Southeast Reservist and Cadets Association.

On International Women's Day (IWD) I visited a local care home and gave a talk about women in the world of politics and the history of IWD.

Together with the Leader of the Council, I attended a Royal Holloway Volunteering 20th Anniversary reception, celebrating the students who volunteer in the local community throughout their time at the university.

Last month saw the one-year anniversary of the Newdigate Good Neighbours Scheme, where I learned how the community supports local people with the help of Surrey Community Action.

I also attended a church service with the newly appointed Bishop of Croydon.

Hosting Highlights

In February, we held the first gathering of past Surrey County Council Members here at Woodhatch Place and committed to encouraging more past Members to sign up to receiving a twice-yearly newsletter and attend the annual meeting of the Surrey County Council Past Members Association.

I hosted and spoke at a Surrey Hills Association event with His Honour Christopher Critchlow LLB DL and Sally Varah MBE DL, with a talk on restorative justice highlighting the work of preventative justice and HMP Send.

We commemorated one year anniversary of Putin's war in Ukraine and re-raised the flag at the entrance to Woodhatch Place and video of remembrance for the families and victims of this dreadful war.

I met with the Surrey Youth Cabinet and Young Mayor, who also met with the Cabinet, and I am delighted to see that unspent funding from the Members' Allocation Grant has been allocated to the Young Mayor for the coming year.

Last week, I chaired our annual Surrey Armed Forces Covenant Conference (2023) at Pirbright, including a presentation to Surrey's longest serving Armed Forces Champion, and I hosted a meeting of the Surrey Military Appeals Committee at Woodhatch Place on Friday.

5 LEADER'S STATEMENT

The Leader to make a statement.

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

6 CHANGES TO CABINET PORTFOLIOS

Council is asked to note the Leader's changes to Cabinet Portfolios.

7 MEMBERS' QUESTION TIME

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

(Note: Notice of questions in respect of the above item on the agenda must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on Wednesday 15 March 2023).

2. Cabinet Member Briefings on their portfolios.

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

There will be an opportunity for Members to ask questions.

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 20 March 2023).

9 ORIGINAL MOTIONS

Item 9 (i)

John O'Reilly (Hersham) to move under standing order 11 as follows:

This Council notes that:

Surrey County Council has a significant role in the design and implementation of new development, particularly in respect of streets and transportation in general. As such, the County Council as the local Highway Authority advises the county's district and borough councils on the transportation implications of applications for planning permission.

The Healthy Streets for Surrey guide, adopted by the Cabinet on 25 October 2022, established the standards that the County Council would expect newly designed streets to meet.

It builds on national guidance but is more detailed and takes into account the existing policies of the County Council. Such policies enable the creation of places that improve the physical and mental health of Surrey residents and reduce their environmental footprint by encouraging cycling and walking more often; streets in which children can play safely; improved air quality; re-greened streets and public spaces; a reduction in residents' transport carbon footprint; and the creation of beautiful, resilient and popular streets that will ultimately require less long-term maintenance.

This Council resolves to:

- I. Request that the Cabinet Member for Transport, Infrastructure and Growth writes to all district and borough councillors to request they adopt the Healthy Streets Guide, in order to give the guidance additional weight in the planning process. The County Council will support them to adopt it as a supplementary planning document or to incorporate it into their own design guidance/design codes.
- II. Renew its regular offer of transportation development planning training to district and borough councils' planning committee members and this will be expanded to include training on the Healthy Streets guidance and approach.

Item 9 (ii)

Will Forster (Woking South) to move under standing order 11 as follows:

This Council notes that:

- Road collision statistics in Surrey have hardly changed over the last ten years.
- In 2021 24 people were killed and 647 were seriously injured.
- The effects of a road traffic collision can have a physical, emotional, social and economic impact on everyone involved.
- In financial terms the cost of road collisions in Surrey was approximately £250 million in 2021.

This Council further notes that:

- Vision Zero is a set of principles and policies aimed at eliminating serious injuries and fatalities involving road traffic. It shifts responsibility for crashes from road users to the designers of the road system - if one occurs, it is up to authorities to ensure that it does not happen again.
- Vision Zero ambition has already been adopted by comparable authorities such as Essex, Kent and Oxfordshire County Councils.

This Council calls on the Cabinet to:

- I. Adopt a Vision Zero "Safe System" approach to road danger reduction.
- II. Work closely with partners and stakeholders to take a whole system approach, working together on infrastructure, behaviour, technology and legislation to achieve this change.
- III. Set a target date for there to be zero fatalities and severe injuries on Surrey's roads.
- IV. Embed Vision Zero in all relevant Surrey County Council policies,

(vii)

including, but not limited to, implementing the fourth Local Transport Plan (LTP4).

- V. Instruct officers to bring a paper to Cabinet within six months to address how these points will be achieved.

Item 9 (iii)

Catherine Baart (Earlswood and Reigate South) to move under standing order 11 as follows:

This Council notes that:

- Food production has a high impact on climate and the environment. The International Panel on Climate Change (IPCC) report on climate change and land estimates that 21-27% of total greenhouse gas emissions (GHG) are attributable to the food system ([Special Report on Climate Change and Land, IPCC, 2019](#)). Local, organic and animal friendly food production systems reduce these emissions.
- What we eat has a significant impact on our climate impact in the UK. This is explored by the Centre for Alternative Technology ([Zero Carbon: Rethinking the Future - Centre for Alternative Technology](#))
- What we eat has a strong role to play in our public health, including through Surrey's Health and Wellbeing Strategy.

This Council believes that:

- Surrey County Council has a significant role to play in leadership in this area - including through our procurement of food, addressing food waste and through our farm ownership.
- Implementing Surrey's Climate Change Strategy will have a positive impact on our land-use in Surrey.
- Surrey County Councillors can play an active role in advocating for what is needed in this area.

This Council resolves to call on the Cabinet to:

- I. Ensure that the forthcoming Surrey Food Strategy and Local Nature Recovery Strategy are both fully aligned to Surrey's Climate Change Strategy.
- II. Engage an appropriate range of Surrey stakeholders and in particular Members in the production of these strategies through the Greener Futures Reference Group.

10 SELECT COMMITTEES' REPORT TO COUNCIL

(Pages
49 - 54)

For Members to note the headline activity of the Council's overview and scrutiny function in the period December 2022 to February 2023 asking questions of Scrutiny Chairs as necessary.

- 11 MEMBERS' ALLOWANCES ANNUAL ADJUSTMENT** (Pages 55 - 58)
- To agree the annual adjustment to Members' Allowances for the financial year 2023-2024.
- 12 SURREY COUNTY COUNCIL - ELECTORAL REVIEW PHASE TWO (DIVISION BOUNDARIES) SUBMISSION** (Pages 59 - 62)
- To endorse the process for approving Surrey County Council's (SCC) submission regarding future division boundaries, as part of the Local Government Boundary Commission for England's (LGBCE) electoral review process.
- 13 CHANGES TO BORDER TO COAST PENSION PARTNERSHIP GOVERNANCE** (Pages 63 - 70)
- A review of the governance of Border to Coast Pension Partnership (BCPP) has been undertaken to understand whether there are any changes that may be recommended for consideration by Partner Funds (as customers and shareholders) and the BCPP Board. This paper seeks approval from Surrey County Council regarding proposed changes resulting from this review and that future decisions in respect of BCPP matters be delegated to the Surrey Pension Fund Committee and Shareholder representative where appropriate. These recommendations have been reviewed by the Surrey Local Pension Board and are commended by the Surrey Pension Fund Committee.
- 14 AMENDMENTS TO THE CONSTITUTION** (Pages 71 - 102)
- It is the Council's responsibility to approve changes to the Council's Constitution.
- This report sets out proposed changes to the Officer Scheme of Delegation Scheme of Delegation (Part 3, Section 3, Part 3A) in relation to the delegation of Council functions, and proposed changes to the Financial Regulations (Part 5(2)). These are brought to Council for formal approval in accordance with Article 4.04(b) and Article 13.01 of the Council's Constitution.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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

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

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

Thank you for your co-operation

**MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT
WOODHATCH PLACE, 11 COCKSHOT HILL, REIGATE, SURREY, RH2 8EF, ON 7
FEBRUARY 2023 COMMENCING AT 10.00 AM, THE COUNCIL BEING
CONSTITUTED AS FOLLOWS:**

Helyn Clack (Chair)
Saj Hussain (Vice-Chair)

Maureen Attewell	Eber Kington
Ayesha Azad	Rachael Lake
Catherine Baart	Victor Lewanski
Steve Bax	David Lewis (Cobham)
John Beckett	David Lewis (Camberley West)
Jordan Beech	* Scott Lewis
r Luke Bennett	r Andy Lynch
Amanda Boote	Andy MacLeod
Harry Boparai	* Ernest Mallett MBE
Liz Bowes	Michaela Martin
Natalie Bramhall	Jan Mason
Stephen Cooksey	Steven McCormick
* Colin Cross	Cameron McIntosh
Clare Curran	Julia McShane
Nick Darby	Sinead Mooney
Fiona Davidson	Carla Morson
Paul Deach	Bernie Muir
Kevin Deanus	Mark Nuti
Jonathan Essex	John O'Reilly
Robert Evans OBE	Tim Oliver
* Chris Farr	Rebecca Paul
Paul Follows	George Potter
Will Forster	Catherine Powell
r John Furey	Penny Rivers
Matt Furniss	John Robini
Angela Goodwin	Becky Rush
Jeffrey Gray	Tony Samuels
Tim Hall	Joanne Sexton
David Harmer	Lance Spencer
Nick Harrison	Lesley Steeds
Edward Hawkins	Mark Sugden
Marisa Heath	Richard Tear
Trefor Hogg	Chris Townsend
Robert Hughes	Liz Townsend
Jonathan Hulley	Denise Turner-Stewart
* Rebecca Jennings-Evans	Hazel Watson
Frank Kelly	Jeremy Webster
Riasat Khan	Buddhi Weerasinghe
Robert King	Fiona White
	Keith Witham

*absent

r = Remote Attendance

Before commencing the business of the meeting, the Chair:

- Noted the Council's condolences with all those affected by the deeply tragic incidents: the death of a dog walker in the Tandridge area, the death of the headmistress of Epsom College and her family, the unfolding events in Turkey and Syria; and led the Council in a moment of reflection.
- Reported on the death of a former Surrey County Councillor for Guildford East from 2005 to 2009, Eddie Owen who passed away last summer. He had a keen interest in education, especially for children with special educational needs, and served on the Education Select Committee, as well as serving as a governor of two local schools and of a special needs school in London. He is survived by his wife Joan and their four children; she noted the Council's condolences.
- Welcomed the Corporate Leadership Team (CLT) who would continue to attend future County Council meetings in person.

1/23 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Colin Cross, Rebecca Jennings-Evans, Scott Lewis, Ernest Mallett MBE.

Members who attended remotely and had no voting rights were Luke Bennett, John Furey, Andy Lynch.

2/23 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 13 December 2022 were submitted, confirmed and signed.

3/23 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/23 CHAIR'S ANNOUNCEMENTS [Item 4]

The Chair:

- Thanked and congratulated all Surrey residents who were honoured in His Majesty The King's New Year Honours 2023; including Surrey County Councillor Robert Evans, Labour & Labour Co-operative Group Leader, who had received an OBE for Political and Public Service.
- Noted that the Council marked Holocaust Memorial Day on 27 January and remembered all those who perished so horrifically at the hands of Nazi Germany. Surrey History Centre showcased a devastating and thought-provoking exhibition based on the theme 'Ordinary People, Extraordinary Lives'.
- Noted that following the tragic death of Surrey County Councillor Alison Todd last year, a tree-planting ceremony in her name would take place in the Memorial Garden after the meeting and she invited Members to attend.
- Noted that the rest of her announcements could be found in the Council agenda front sheet.
- Reminded Members of the upcoming Member Development Day on Monday 20 February at Woodhatch Place, an opportunity for networking, training and personal development.

**5/23 2023/24 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2027/28
[Item 5]**

The Chair noted that the agenda was republished online to include the following amendment removing four words: Page 76, para 4.102 of the Annex: 2023/24 Final Budget and Medium-Term Financial Strategy to 2027/28, second bullet point, fifth dash:

~~‘Reducing total spend on the libraries book fund.’ and Community Partnered Libraries.~~

The Leader presented the 2023/24 Final Budget and Medium-Term Financial Strategy to 2027/28 and made a statement in support of the proposed budget. A copy of the Leader’s statement is attached as Appendix A.

Each of the Minority Group Leaders (Nick Darby, Will Forster, Robert Evans OBE and Jonathan Essex) were invited to speak on the budget proposals.

Key points made by Nick Darby were that:

- There was a “perfect storm” of high inflation and the cost-of-living crisis, increasing demand and support needed for the disadvantaged.
- The Cabinet had little to be proud of and should bear responsibility for the series of shortcomings, rather than Council staff who continued to do their best; attention to detail and efficient service delivery was needed.
- The £11 million extra cost for the IT project which was still not operational needed to be properly implemented and managed, and that public money should have been used to support other services to better effect.
- Highlighted the Home to School Transport issues including lengthy delays, lack of communication, unnecessary panel hearings and questioned how long it would take to address; noting the fifty recommendations of the Learning Review.
- The intended Guildford highway changes caused public anger, with a failed consultation and inadequate communication; the scheme had been delayed for new consultation, an opportunity to get it right and to listen and communicate.
- Regarding the Agile Office Programme; whilst there might be good reason to move from Quadrant Court, Woking, questioned whether it was necessary to carry out extensive and costly works, having done nothing for fifteen years.
- Children's Services was broken in many areas, progress had been slow since being rated as Requires Improvement by Ofsted last year, there were repeated Inadequate ratings on children's homes assessments and continued record-keeping failures, significant Education, Health and Care Plan (EHCP) delays; Looked After Children and foster carers were being left behind.
- Regarding the Highways reorganisation and new contract, Ringway replaced Kier, repairs were delayed and of poor quality needing further work and cost, promised extra work on potholes had not materialised, there were significant delays to the implementation of annual parking reviews and white lines not being refreshed. Support from the Government and Surrey MPs was ineffective.
- The Local and Joint Committees had been abolished with no prior consultation, and the Community Link Officers in their place were costly and not a success.
- Adult Social Care was broken, the changes delayed by two years by the Government were a financial concern for local authorities, Discharge to Assess arrangements were problematic and residents were being left behind.
- Regarding the Staff Pay Award which was a difficult balance for the forthcoming negotiations, the Council needed to be clear that it valued its staff, there were major retention and recruitment issues in Adult Social Care and Children’s

Services, there had been no response to the letter to HMRC on the mileage allowance for staff who drive as part of their duties, staff were being left behind.

- Regarding capital investment, agreed with officers who indicated that all projects needed reassessment with the requirement to produce a financial return.
- Noted the reduction in borrowing costs to £60 million for Your Fund Surrey; changing the base of calculating areas of deprivation without prior notice or explanation was unfortunate, targeted support for deprived areas was needed.
- Providing detail on the Housing Strategy and a County Deal was vital as well as improving relations with the borough and district councils.
- The Council Tax increase of 2.99% was a difficult decision yet the money could not be recouped in future years, the number of bands should be reviewed with more money paid by those in the top two bands.
- Questioned whether the Ultra Low Emission Zone (ULEZ) would address climate change issues, for example no escape routes and scrappage or whether it was an attack on local businesses, especially those close to the Greater London border.
- Quoted from the Leader at Cabinet last week regarding a fear of crime and not actual crime and suggested that it be addressed by turning the streetlights back on.
- Thanked the Finance team for their helpful briefings over the past year.
- Budget suggestions were rejected by the administration.
- Would be voting against the budget, noting the need to obtain best value for money, to put vulnerable residents first and to have inspirational leadership; it was not the job of the opposition to produce an alternative budget.

Key points made by Will Forster were that:

- He supported the Council Tax increase proposed which was appropriate in the circumstances, balancing the need for increased money for services whilst acknowledging that residents were struggling with the cost of living.
- He would be voting against the budget due to three main concerns: roads, reserves and cuts to social care.
- Regarding roads, after years of neglect by the Council and a tough winter Surrey's roads were falling apart, due to high inflation the money would not go as far as previously and questioned why extensive cuts were being made.
- Rather than invest in the roads to tackle the pothole epidemic the Council was planning future cuts to its highways maintenance of £51.8 million.
- By 2024/25 the highways maintenance capital fund would go from £70 million to less than £30 million, the local highway scheme reduces from £12.5 million to £1 million and the £100,000 divisional budget for Members would be abolished.
- Regarding reserves, residents did not understand why the Council was sitting on £150 million of reserves, yet its roads were left to crumble, some of that money should be invested to resurface roads and reduce the £500,000 pothole bill.
- Regarding Adult Social Care and Children, Families and Lifelong Learning (CFLL), the budget proposed a £30.5 million cut which was unacceptable, yearly Ofsted reports had deemed Children's Services to be inadequate, yet the budget proposed a £6 million cut from children in care.
- Suggested areas to save money such as the £12.5 million in the last year spent on temporary and locum social care workers, spend needed to be cut on agency staff and the Member question on the spend on consultants was unanswered.
- Essential services such as Home to School Transport had been cut by £3 million despite a high demand and would leave children behind.
- The budget had the wrong priorities, cutting rather than protecting services for vulnerable people, residents should not be responsible for the mistakes made by the current and previous Conservative Party administrations.

Key points made by Robert Evans OBE were that:

- He thanked the Leader and officers for their daily hard work.
- Members were elected to represent their own divisions and to help their residents through the challenging situations they faced which had become more profound over the past year.
- Fifty years since being incorporated into Surrey from Middlesex, many residents in Spelthorne felt left behind and forgotten; furthermore, many residents in his division felt like they were in the forgotten corner of Spelthorne.
- He agreed with the three areas of concern highlighted by residents in the engagement section in the budget, captured from in-depth research.
- Whilst there were many positives in the budget, he did not see it going down well in his division or his fellow Group member's division and other areas in Spelthorne; noting the closure of the local fire station and reduced night cover, the school transport issues and withdrawal of some bus services.
- Many felt as though they were not getting access to the services they needed and for which they paid their taxes, during local flooding some residents waited several days before they could leave their homes due to the raw sewage.
- Noted that on a recent trip to India he photographed a rural road which had a better road surface than many roads in Surrey.
- Noted that in budget the Council said it would work to explore further efficiencies on highway maintenance, he hoped that did not mean more cuts and welcomed the use of improved materials for road repairs.
- Stressed that the cost-of-living crisis was affecting poorer communities the most, the growth in food banks highlighted the inequality in society, many people in Surrey were being left behind; yet how the Council was fulfilling its stated aim of helping people cope with the rising cost of living was not clear in the budget.
- With inflation running at 10%, asked how the services would be maintained in the future or would it mean more efficiencies.
- Another complaint in his division was the effect of crime and anti-social behaviour, noting issues around county lines and drug trafficking, there was no police response to reports of youths on motorbikes terrorising the area and the Surrey Police and Crime Commissioner had rejected his request to visit.
- Regarding Your Fund Surrey and the £60 million of funds being invested in community-led projects, noted that was the case in affluent parts of the county and none so far in Spelthorne; he noted a recent scandal of a grant given to one of the wealthiest charities in the county.

Key points made by Jonathan Essex were that:

- He echoed the thanks for the hard work by officers and Members to pull the budget together, including opening-up the process to allow more scrutiny earlier.
- Was pleased to see the extra £2 million plus for Surrey foster carers and the additional programme to build more children's homes in Surrey, both would bring children back into Surrey and would save money.
- Welcomed the assurance that the Greener Futures capital pipeline items had been fully committed to but were awaiting investment grade business cases to be completed to ensure that those would be cost neutral.
- Some of the budget was ill-defined, it was unclear whether Surrey's huge highways maintenance budget would deliver best value for money, questioned whether there was the right balance between local structural repair and routine maintenance before wholesale road surface treatment.

- Adult Social Care and Children's Services including spending on mental health, needed greater budgets which required open discussion in public with the Government to get the level of funding that local government deserved.
- Last week parents called for better communication and listening for their children with special needs, for the Council to address its failings; he queried why parents won special needs tribunals twenty-five times more often than the Council.
- The high social worker vacancies locked the Council in a vicious circle of high caseloads and staff turnover with too many posts then filled with expensive contract staff at a cost of over £12 million; that needed to be remedied.
- Noting the broken care system, closing the Council's last Adult Social Care homes was a false economy in the long run, Surrey needed to make care better.
- Asked whether the proposed changes to Home to School Transport would address the overspend, the root causes of the issues and surge in appeals, it was unfair that in some cases parents had been assessed under the new policy having applied under the old policy.
- The 1% higher Council Tax in last year's budget sought to address mental health issues in Surrey, but there was a lack detail of how it would be spent and most was allocated to the Surrey Mental Health Investment Fund, only a few contracts had been awarded and a fraction spent. He asked whether the budget was enough to fund Mindworks Surrey to address the backlog and the delays.
- The budget should enable transformational delivery on the new strategies brought forward, Surrey's place-based ambition stated that the Council would deliver services to make its communities better with partnerships across twenty-nine towns and rural areas; asked what that meant in practice.
- Queried how the budget would back the co-created local transport plans needed to bring forward better local joined-up bus, rail, walking, cycling and electric vehicle charging provision; how much additional funding was needed to pump-prime new bus routes and cap fares.
- Asked whether the Council would seek healthcare support for twenty miles per hour speed limits across all Surrey's urban areas based on the health savings from the reduced mortality and accident rates.
- Asked whether the Council would follow Gatwick Airport's lead in introducing a workplace parking levy to increase staff journeys by public transport.
- Noted that the Council's vision of liveable neighbourhoods would not be a real choice for all to live and work in the same community without a shift in the delivery of affordable homes for all and stressed that the emerging Surrey Housing Strategy must lead to the successful lobbying of the Government to renew funding for affordable social housing for rent across the UK.
- Due to the need to increase ambition and clarity in the areas raised, he would not be supporting the budget.

Seventeen Members spoke on the budget proposals and the following key points were made:

- Could not support the budget as the efficiencies further reduced services based on statutory requirements rather than effective early intervention and prevention of escalating need; signposting to the voluntary sector was not the same as providing frontline support.
- The lack of early intervention in Children's Services created a lose-lose situation, poorer outcomes, staff turnover and a vicious circle affecting all involved; an example was provided of a child with additional needs receiving limited support. That circle needed to be broken by engaging with those on the frontline about what would make their lives better, simplifying the system and leaving no one behind.

- Noted that the budget fully recognised the challenges faced, particularly the most vulnerable. Over the past year, all should be proud of the Council's provision of resources, financial support, advice and warm places.
- Surrey's communities needed to be protected from the impact of global events and applauded the decision to hold Surrey's Council Tax increase to well below the maximum, the budget was sound, and reserves were available.
- Council officers deserved applause for the help provided to the vulnerable and the community focused services were vital, thanked the work of the Community Link Officers and Local Area Co-ordinators who were working to join up and strengthen support across the local authorities and key partners.
- Members were empowered to help their local communities through the Members' Community Allocation, Your Fund Surrey and budgets for highways maintenance; the budget continued to build on previous ones by helping Members to do more in their community.
- Regarding road surfaces, thanked the Cabinet and the officers for money spent in the last year and allocated in the future; noted that the Ravenscote Junior School crossing was continuing to pay benefit, increasing the number of children walking to school; and had two major roads resurfaced using the Member fund and the Highways teams were repairing potholes.
- It was a balanced, sensible, and forward-looking budget and noted that it would be nonsensical to spend its reserves which were put aside for a rainy day.
- Reflected on the current point in time, having to make efficiencies once again and structural transformations, spending less to provide less; highlighted unused reserves, expensive relocation to Woodhatch Place, frivolous investments in empty department stores and other costly schemes.
- The current situation was partly due to circumstances outside of the Council's control, but in large part thanks to the culmination of years of unwise decisions by the Conservative Party administrations; residents were being left behind by deliberate political choice.
- Opposition Members' suggestions and borough and district councils' offers of support had been ignored.
- The Deputy Leader and Cabinet Member for Communities and Community Safety noted that it was a budget of financial resilience with responsibility for council taxpayers hard earned money, it invested in the present and the future and supported vulnerable residents.
- The Deputy Leader and Cabinet Member for Communities and Community Safety noted that the budget protected service delivery through maintaining fifty-two libraries, investing £26.5 million upgrading and adapting to meet the modern needs of Surrey's communities and rolling out open access across the network, expanding Your Fund Surrey to provide £50,000 to each Member to spend locally equivalent to £4 million with targeted engagement via the Community Link Officers and the Local Area Co-ordinators to tackle poorer health outcomes, investing in fire stations, training facilities and advanced technology through a £24.7 million capital programme and an increased revenue budget to £38.7 million for the Surrey Fire and Rescue Service (SFRS).
- The Cabinet Member for Adults and Health recognised that there were pressures across Adult Social Care and Public Health in Surrey, exacerbated by inflation, rising overheads and staff shortages, the need for more national funding, and an increasing demand. Through the engagement work residents accepted the need to increase Council Tax for those less fortunate or vulnerable aligning to the key principle of 'no one left behind'.
- The Cabinet Member for Adults and Health noted that teams in Surrey across Adult Social Care and Public Health were working tirelessly alongside its partners to protect the lives of residents, the Council was innovating and using technology

more to improve services, delivering the new one front door approach, the Discharge to Assess system and new extra care housing.

- The Cabinet Member for Adults and Health noted that the Council owed a huge debt to many thousands of unpaid carers across the county.
- The Cabinet Member for Adults and Health noted that the Council was driving forward preventative strategies to promote a healthier Surrey, it sought to launch an education programme for residents around mental and general health and social care.
- The Cabinet Member for Education and Learning noted that providing services for children and young people was the Council's highest priority and the budget reflected that, there had been an increase in the CFLL Directorate's budget of £28 million, increasing the total amount to £249.8 million, to be able to meet the demands and inflationary pressures, meeting the forecasted increases in pay and reward for social workers and foster carers, meeting the increases in referrals to social care and children at risk of harm and neglect.
- The Cabinet Member for Education and Learning noted that the budget enabled the Council to continue to invest in early intervention and prevention, driving through the improvement programme and transformation of services for children and young people with additional needs.
- The Cabinet Member for Education and Learning commended the capital programme being delivered by the Land and Property team for the CFLL Directorate, which included £220 million over five years for specialist schools and places, and alternative provision locally for children with additional needs.
- Noted that during the current challenging time with high inflation and rising energy costs, keeping the burden of taxation as low as possible was the right choice for the Council to make for residents, whilst delivering good services.
- Responding to the criticism of the Council's cuts, noted the cuts to service delivery at Woking Borough Council for the most vulnerable residents.
- Noted that the 0.99% increase in core Council Tax with a 2% increase for Adult Social Care was amongst the lowest rises compared to neighbouring authorities, an average of 94% for a Band D property - this was thanks to the hard work done over the last five years by the current Conservative Party administration.
- Noted that due to the prudent approach taken, futureproofing and keeping reserves secure, the Council would continue to deliver on its 2030 Community Vision of ensuring that 'no one is left behind' and Your Fund Surrey was a critical part of that vision, alongside the Capital Programme.
- The Cabinet Member for Finance and Resources noted that the comments made by some of the opposition Members were depressing; it was a responsible budget and put the Council's finances into a robust position and all Members had multiple opportunities to put forward ideas and proposals had been scrutinised and incorporated into the final set of budget proposals.
- The Cabinet Member for Finance and Resources noted that residents, staff and partners had their say on the proposals and indicated that they wanted the Council to protect and fund their services, to support vulnerable residents. The budget was designed to ensure the ongoing delivery of frontline services and it did not draw on reserves, it set aside a contingency fund of £20 million and noting the high inflation, the proposed Council Tax increase was set at 2.99%.
- The Cabinet Member for Finance and Resources noted that the Council was asked to approve a £1.1 billion revenue budget - which represented an increase of almost 6% - and the £1.95 billion Capital Programme over the next five years, the budget invested in the future of the county.
- Within the Capital Investment Programme, the Accommodation with Care and Support programme was a key part of delivering what residents wanted - 725 new

units were to be developed by 2028 for extra care housing to support older people with care needs including dementia and cognitive impairments.

- In addition to that programme, there were Supported Independent Living schemes by 2030 for adults with learning disabilities and autism - that greater independence would improve life experience and health outcomes - and for individuals with mental health needs. Members had an opportunity to be involved in the development of the strategies via the select committee process.
- Questioned whether the Community Link Officers which replaced the Local and Joint Committees were adding value; they costed around £500,000 to £700,000; money that would be better spent on recruiting and retaining social workers, noting an example of the recruitment board with only a few successful applicants.
- Noted a local school with children with Special Educational Needs and Disabilities (SEND) whose EHCPs were not being funded and the school was funding them through their debit budget; officers had since intervened.
- Highlighted work undertaken by Surrey Highways that they had been waiting for in their division for three years, it was meant to take two days but had overrun and two weeks later it was not finished; also in their division, they had to get involved to stop the upcoming works on pavements along a row of shops as Surrey Highways did not inform the traders of those works.
- Noted that through the Capital Programme the Council was investing significantly in road improvements, the River Thames flood alleviation scheme and in Adult Social Care.
- Noted that over a five-year period £44 million would be invested in extra care housing across Surrey for example in Ottershaw. With an ageing population there was an increasing need for more specialised older persons housing of the right quality and type, which the budget would fund.
- Supported the budget as resources were directed towards supporting vulnerable people and towards charities who provided a lot of social care in the county.
- Supported the budget which fulfilled the Council's duty to protect residents and to keep Council Tax as low as possible particularly during the current challenging economic situation faced by the country.
- Responding to the criticism of the administration's management of the Council, noted examples of mismanagement at Guildford Borough Council.
- Noted that all council budgets were required to balance by law, on the funding side the decision of the Leader to limit the Council Tax increase to nearly 3% was an interesting and brave decision; however, the budget looked right with £60 million in contingencies and the additional general fund of £48 million.
- Regarding the spending side noted that it was the quality of the budget reductions or efficiencies that mattered, for example looking at the Adult Social Care budget, allowing for inflation, pay pressures and demand increases, it was offset by efficiency savings of £19 million - that was a stretch given the £18 million overspend in care packages in the current year - of which £10 million of savings would come from twenty initiatives, that would be challenging and would affect vulnerable residents.
- Noted that the Council had been successful in making savings through strength-based commissioning techniques, yet having made many savings year on year, was doubtful if more savings could be made whilst achieving what was needed.
- Regarding the CFLD Directorate budget there were £11 million of savings planned, £7 million of savings were in Looked After Children, compared to £6 million in savings in last year's budget; an overspend in the current year looked likely again, the Council should not be implementing that level of cuts for the vulnerable group of children and young people.

- Responding to comments on the cuts to Children's Services, the Cabinet Member for Children and Families clarified that the CFLL Directorate would receive a 5% salary increase, which amounted to £6 million.
- The Cabinet Member for Children and Families noted that regarding fostering and Looked After Children, the Council in 2023/24 to 2027/28 was investing over £28 million to build accommodation that would bring children placed out of county back into Surrey.
- The Cabinet Member for Children and Families noted that regarding the multiple challenges within the CFLL Directorate, as part of the Council's commitment to embedding change in children's social care she had taken over chairmanship of the Children's Social Care Transformation and Assurance Board, it was cross-party, had an independent member and was driving forward improvements.
- Supported the sound and prudent budget and noted the accomplishment of the 2.99% Council Tax increase - less than the 5% maximum - despite the 10% inflation rate and whilst significantly improving services for residents.
- Noted the many complaints from opposition Members without any constructive suggestions nor credible reasons for opposing it.
- Disagreed with the comments made that opposition Members had multiple opportunities to make suggestions, as many suggestions had been made in the last months and those had been rejected; stressed that the Budget meeting of the Council was the time when the opposition had an opportunity to tell the public that they had a different vision.
- Referred to the comments made by the Deputy Leader and Cabinet Member for Communities and Community Safety who said that she had maintained the fifty-two libraries, yet that was only after the intervention by two opposition Members to stop the cuts to the services proposed for the Community Partnered Libraries.
- Referred to the comments made by the Cabinet Member for Education and Learning boasting that more money had gone into Children's Services, however it was not the amount of money but what was done with it that was important. The Conservative Party administration and that Cabinet Member had presided over many failures in Children's Services.
- The fact that Members were lectured on financial management by the former leader of Woking Borough Council said it all about the Conservative Party administration's approach to finances.
- Noted that despite the likely outcome of the vote with the budget being agreed, the opposition parties would leave the meeting knowing they had won the argument; residents did not believe the administration's policies, nor would they appreciate the budget.

Jonathan Essex moved an amendment, presenting the following recommended alternative budget proposals (included in the second supplementary agenda items 5i and 6, published on 6 February 2023), which was formally seconded by Catherine Baart. This was:

Recommendations

Council is asked to approve the following budget proposals:

1. That commitment is made to a Phase 2 of the existing Children's Homes programme within Children Services.

Budget commitment: £18m additional capital (self-financing borrowing) to deliver an additional 24 beds within Children's Homes, in addition to the 24-beds approved by Cabinet in November 2022.

2. That the Greener Futures Retrofit Programme is expanded to provide further support to the NHS, private landlords and commercial premises.

Budget commitment: £270k to fund additional resources required. These costs would be fully recouped via charging for the services offered and therefore the net budget impact would be zero.

3. That increased bus usage is encouraged across Surrey by:

- 3.1: allocating specific budget to implement improvements to existing routes and/or provision of new bus routes, following the Future Bus consultation.

Budget commitment: £1m one-off revenue budget to implement the outcomes of the Future Bus Consultation. Any ongoing future budget commitment will be determined based on assessment of the consultation responses.

- 3.2: undertaking detailed analysis and a feasibility study of the transformation business case for a future £2 maximum bus fare across Surrey, drawing on relevant evidence, impact and learning from the trial of a £2 flat (single) bus fare in Surrey in early 2023.

Budget commitment: £50k consultancy budget specifically to carry out data analysis and feasibility study to better understand the results of the Government pilot and inform future decisions on the potential implementation of a standard £2 bus fare across Surrey.

- 3.3 enabling the fast tracking and extension of the potential reach of the Freedom to Travel Transformation Programme.

Budget commitment: £707,500 over 2 years (£310k in 2023/24) to fund additional resources required.

The proposed budget amendments all focus on areas of further transformation and/or pilots for additional activity. The financial impacts are either requirements for initial one-off funding sources or full cost recovery proposals. As such, there are no direct impacts on Directorate budget envelopes for 2023/24. Some proposals may lead to future budget commitments, depending on the outcomes from the pilots proposed.

Table 1. Summary of budget proposals

Proposal	2023-24 revenue impact	2023-28 capital impact	Notes
1. Children Services: Commit to a Phase 2 of the existing Children's Homes programme.		£18,000,000	Assumption that the revenue costs associated with the borrowing required would be offset by the revenue efficiencies achieved (subject to business case).
2. Greener Futures Programme: Retrofit Expansion to support NHS, private landlords and commercial premises	Net nil		Additional expenditure budget of £270k, offset by recoupment of costs via charging for services provided.

3. Increase bus use across Surrey:			
3.1 Allocate specific budget to implement improvements to existing/provision of new bus routes, following the Future Bus consultation.	£1,000,000		Year 1 would need to be funded from one-off resources, with future commitments to be determined
3.2 Analysis and feasibility study of the transformation business case for a future £2 maximum bus fare across Surrey.	£50,000		Suggested initial funding from one-off reserves to finance the data analysis and feasibility study. Any decision on implementation of a standard fare across Surrey would be dependent on future decision.
3.3 Enable fast tracking and extend the potential reach of the Freedom to Travel Transformation Programme.	£310,000		Suggested funded from one-off reserves as one-off investment, also requires commitment of £397,500 in 2024/25.
	£1,360,000	£18,000,000	

In support of his budget amendment, Jonathan Essex made the following points:

- Thanked officers for their help in working on the three budget proposals.
- Firstly, on children's homes. The proposal was raised at the Children, Families, Lifelong Learning and Culture Select Committee in October. The budget provided funding for twenty-four new children's home places and two previous homes were being re-provided to.
- Noted that some privately run children's homes the Council used costed up to £20,000 for one child weekly and those children were placed out of Surrey. Government guidelines stated that all Looked After Children by councils should - except in extreme cases - be within twenty miles from their home in Surrey.
- Noted that the Council needed to increase foster caring in-house, as an alternative to the costly, out of county Independent Fostering Agencies.
- Noted that the proposal sought to further expand the Council's ambition for children's homes in-house places, as was the case in Hampshire and Kent, which had seventy to eighty children's homes each in their counties, Surrey had around seventeen.
- Noted that the current strategy was to use six private care homes in Surrey and to have 20% of its Looked After Children in care homes placed out of the county; the amendment proposed was that the Council should provide Surrey run children's homes for all its Looked After Children as appropriate.
- Secondly, on the energy retrofits of buildings. The Greener Futures team had a plan to decarbonise the Council's operational assets and transport, Surrey was ahead of others in terms of staff expertise; he queried why not use that capability to facilitate leadership across the rest of the public sector, notably the NHS.
- Regarding housing he noted that the Council could build on its successful Solar Together scheme, to have a 'Retrofit Together' programme for owner-occupier households anchored by commitments from private landlords, which would also help them deliver on the Government's minimum energy efficiency standard for the sector. Elmbridge Borough Council was trialling enforcement of that.
- Noted that the Council could facilitate delivery at pace and scale for a fee, either cost-based or with profit, the Council could lead by offering to share its expertise to those that it needed to join in winning the race to zero carbon in Surrey.
- Thirdly, on buses. The Government's £2 maximum bus fare trial would save people money before the average energy price rises; a further 43% as set out by Money

Saving Expert in April. However, that trial was not for long enough nor had it been widely enough promoted to transform the use of buses, it would simply help those already using buses.

- Noted that many areas had inadequate bus services. The concept of 'Total Transport' meant using the same bus service for all different needs. The proposal set out a commitment around which to expand new bus services with a capital budget in place so that the Council could respond to its recent future bus network review with money for improvements that was not currently in the budget, with a plan to roll out a maximum bus fare in the longer term in Surrey.
- Noted that the proposal sought to widen the current Freedom to Travel Transformation team so it would have greater capacity to accelerate the planning and delivery of the bus routes, partnerships and patronage that could help the Council transform the hardest to shift part of Surrey's carbon footprint, car use, by using buses better.
- Whilst the first two proposals would take an invest to save approach, the third proposal required a limited draw on reserves for 2023/24, but those were sufficiently able to be funded within the current contingencies.
- Hoped that the amendment was perceived in a positive spirit, as a constructive addition to the budget, adding value to the hard work already underway.

As seconder to the budget amendment, Catherine Baart made the following points:

- Supported the amendment and noted that she had no further comments to add.

The Leader of the Council spoke on the budget amendment, making the following points:

- Thanked Jonathan Essex for his proposed amendment and for the conversations that they had on the matter over the last few days.
- Regarding the second budget proposal, noted that it would fit in neatly with the existing work of the Greener Futures team that were looking at low-cost loan schemes, for example for decarbonisation with private landlords. Suggested that the recommendation be referred to the Greener Futures Reference Group - a Task Group of the Communities, Environment and Highways Select Committee - for consideration.
- Regarding the third budget proposal, noted that the bus consultation had not yet closed and there had been nearly 5,000 responses from residents and it would be discussed at the Communities, Environment and Highways Select Committee in March anyway, so it would be helpful to have the suggestions included in the select committee's review of that work.
- Regarding first budget proposal, noted that he could not agree with it as it was more complicated than was set out in the amendment. He noted that there were several children's homes that would be opened shortly, and he could circulate the details of those to Members.

No other Members spoke on the budget amendment.

The Chair asked Jonathan Essex, as proposer of the budget amendment to conclude the debate:

- Thanked all for listening and thanked the Leader for responding.
- Noted that the bus review had closed, and the responses were being reviewed by officers.
- Noted that he was happy to withdraw the budget amendment and was happy with the Leader's suggestion to refer budget proposals two and three to the Greener

Futures Reference Group and the Communities, Environment and Highways Select Committee; to be considered in a cross-party manner and in-depth.

- Regarding the first budget proposal, he understood that the Council recently closed a children's home and had converted a children's home into a No Wrong Door centre; the new openings were effectively following two recent closures. He also understood that there was a budget to provide some new children's homes and he noted that the first budget proposal was nothing more than asking the Council to do more on the matter.

Under Standing Order 20.2 Members consented to the withdrawal of Jonathan Essex's budget amendment.

The Chair confirmed that Jonathan Essex had withdrawn his budget amendment.

Returning to the original budget proposals, the Leader made the following comments in response:

- Reminded Members that there had been multiple briefings on the budget since June 2022 and plenty of opportunities to engage in the process, including two all-Member budget briefings, multiple informal select committee briefings, an opposition party briefing, the early draft budget went to the Cabinet and the select committees scrutinised the draft budget proposals and the final draft budget went to the Cabinet in January 2023.
- Noted that there was the same approach annually from the opposition parties at the Council's Budget meeting with political grandstanding, and questioned what the point was of having the select committees if they did not engage with those; no budget amendment was put forward from the Residents' Association and Independent Group - the largest opposition group - whose Group Leader was the Chairman of the most important select committee.
- Clarified that all the recommendations that went to the Cabinet from the select committees and then to Council had been accepted, nothing had been ignored.
- Concluded that there were no budget amendments from the other three opposition parties, no suggestions on how to spend the budget until today, no support for a legal budget, no input through the select committee process; no leadership, accountability or responsibility and that they should be ashamed.

After the debate the Chair called the recommendations, which included the Council Tax precept proposals, and a recorded vote was taken with 41 voting For, 31 voting Against and 1 Abstention.

The following Members voted for it:

Maureen Attewell, Ayesha Azad, Steve Bax, Jordan Beech, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Frank Kelly, Riasat Khan, Rachael Lake, Victor Lewanski, David Lewis (Cobham), David Lewis (Camberley West), Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver, Rebecca Paul, Becky Rush, Tony Samuels, Lesley Steeds, Mark Sugden, Richard Tear, Denise Turner-Stewart, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

The following Members voted against it:

Catherine Baart, Amanda Boote, Harry Boparai, Stephen Cooksey, Nick Darby, Fiona Davidson, Jonathan Essex, Robert Evans OBE, Paul Follows, Will Forster, Angela Goodwin, Jeffrey Gray, Nick Harrison, Robert King, Eber Kington, Andy MacLeod, Michaela Martin, Jan Mason, Steven McCormick, Julia McShane, Carla Morson, George Potter, Catherine Powell, Penny Rivers, John Robini, Joanne Sexton, Lance Spencer, Chris Townsend, Liz Townsend, Hazel Watson, Fiona White.

The following Members abstained:

John Beckett.

Therefore it was **RESOLVED** that:

Council noted the following features of the revenue and capital budget, and in line with Section 25 of the Local Government Act 2003:

1. The Deputy Chief Executive & 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 2023/24; and
2. That it is the view of the Deputy Chief Executive & Executive Director of Resources (Section 151 Officer), that the level of reserves is adequate to meet the Council's needs for 2023/24. These reserves and contingencies include the following amounts, (totalling £106.0m) set aside specifically to provide financial resilience:
 - the General Fund (£48m).
 - Specific contingencies built into the 2023/24 budget (£20m); and
 - Unused contingency brought forward from previous years (at least £38m depending on 2022/23 outturn).

Proposed budget: Council approved the following Revenue and Capital budget decisions:

3. The net revenue budget requirement be set at £1,101.5 million (net cost of services after service specific government grants) for 2023/24 (Annex B), subject to confirmation of the Final Local Government Financial Settlement.
4. The total Council Tax Funding Requirement be set at £866.0 million for 2023/24. This is based on a council tax increase of 0.99% and an increase of 2% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E).
5. 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 3%).
6. Sets the Surrey County Council precept for Band D Council Tax at £1,675.08, which represents a 2.99% uplift. This is a rise of £0.94 a week from the 2022/23 precept of £1,626.39. This includes £217.94 for the Adult Social Care precept, which has increased by £32.46. A full list of bands is as follows:

**Council tax by valuation band
2023/24**

Valuation band	Core precept	ASC precept	Overall precept
A	£971.43	£145.29	£1,116.72
B	£1,133.33	£169.51	£1,302.84
C	£1,295.24	£193.72	£1,488.96
D	£1,457.14	£217.94	£1,675.08
E	£1,780.95	£266.37	£2,047.32
F	£2,104.76	£314.80	£2,419.56
G	£2,428.57	£363.23	£2,791.80
H	£2,914.28	£435.88	£3,350.16

7. Delegated powers to the Leader and Deputy Chief 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;
8. The Total Schools Budget of £599.3 million to meet the Council's statutory requirement on schools funding (as set out in Section 9 of the 2023/24 Final Budget and Medium-Term Financial Strategy to 2027/28).
9. The overall indicative Budget Envelopes for Executive Directorates and individual services for the 2023/24 budget (Annex B).
10. The total £1,950.4 million proposed five-year Capital Programme (comprising £1,202.4 million of budget and £748.0 million pipeline) and approved the £308.7 million Capital Budget in 2023/24 (Annex C).
11. The Council's refreshed Transformation Programme (as set out in section 3 of 2023/24 Final Budget Report and Medium-Term Financial Strategy to 2027/28):

Noted that the investment in Transformation required to deliver improved outcomes and financial benefits is built into the proposed Medium-Term Financial Strategy (as set out in section 3 of 2023/24 Final Budget Report and Medium-Term Financial Strategy to 2027/28).

Capital and Investment Strategies: Council approved the following:

12. The Capital, Investment and Treasury Management Strategy which provides an overview of how risks associated with capital expenditure, financing and treasury will be managed as well as how they contribute towards the delivery of services (Annex F).
13. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision (MRP) Policy) (Annex G).

6/23 MEMBERS' QUESTION TIME [Item 6]

Questions:

Notice of eighteen questions had been received. The questions and replies were published in the second supplementary agenda (items 5i and 6) on 6 February 2023.

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

(Q3) Robert Evans OBE referring to the £57.2 million increase using the Consumer Price Index (CPI), asked what assurance the Cabinet Member could provide that it would address and adequately cope with the pressures on the service due to inflation.

In response, the Cabinet Member for Adults and Health noted that he could not guarantee that the above figure would be enough due to the uncertainty around inflation and the day-to-day pressures in Adult Social Care. He provided assurance that the money would be used effectively and it was a good step forward.

(Q5) Catherine Powell reiterated part (c) of her question which had not been fully answered, she noted that those private businesses included companies called CareCo and Healthcare Pro which were the only two private businesses selected for bath lifts. She asked how those were selected.

In response, the Cabinet Member for Adults and Health would provide a written response once he had more information.

(Q6) Fiona White asked whether the Leader would agree that whilst it was prudent to use agency or temporary staff for one-off projects, their use on a long-term basis was costly and was not in residents' best interests. Referring to the overall spend of which 55% was spent on locum workers in the Children, Families and Lifelong Learning Directorate, she asked the Leader whether he would agree that the money would have been better spent on an enhanced offer to make working for Surrey more appealing, both for the recruitment and retention of workers.

Jonathan Essex asked the Leader to confirm how much over and above the payroll cost was the spend on agency staff.

In response to Fiona White, the Leader agreed that the Council did not want to be dependent upon agency or temporary staff, it was a consequence of there being a shortage of suitably qualified people; it was a challenge to recruit people into Surrey, partly due to the cost of housing. He hoped that as part of the pay negotiations with the Trade Unions, the Council would be able to support those key frontline staff. He noted that one of the key priorities for the new Director for People and Change, was to help progress the ongoing recruitment and retention work regarding permanent staff.

Responding to Jonathan Essex, he noted that he did have a breakdown of all the areas where the agency and temporary staff were being used but would liaise with the People and Change (HR) team to find out that uplift.

(Q7) Lance Spencer asked whether the Leader was unable or was simply unwilling to answer his question.

In response, the Leader asked for him to define what he considered a consultant to be and then he would provide a full answer; for example, some of the agency and temporary staff were referred to as consultants.

(Q10) George Potter calculated from the figures that there was an 18% vacancy rate for lawyers and a 22% vacancy rate for support staff, which were being filled on a locum basis. He asked what impact the shortfall had, particularly the impact on large capital projects involving the Land and Property team such as building schools for SEND pupils and extra care housing for the elderly and or disabled people.

In response, the Leader noted that the Director of Law and Governance was working hard to recruit and retain lawyers. He had regular updates with him and was not aware that there was any negative impact on the delivery of service as a result of having to be dependent upon locum lawyers.

(Q11) Liz Townsend pointed out that no other areas had seen the dramatic cut in short break services as seen by some of the most vulnerable residents in the boroughs of Waverley and Guildford. She asked the Cabinet Member if she had assessed the additional travel cost to families and how that would be funded, and what assurance she could provide that her residents would be able to access critical short break services in other boroughs and districts as the response noted that their funding in real terms had also been cut.

Jonathan Essex asked whether the Equality Impact Assessment (EIA) could be shared, concerning the cut in outcome services which had been made.

In response to Liz Townsend, the Cabinet Member for Education and Learning noted that difficult decisions are made when dispersing money and resources within a directorate across the services that are required. Due to the pressure on the CFLL Directorate's budget, one such decision made was that it was not possible to increase the number of resources that went into short break services. The range of services provided by some suppliers had reduced due to inflation, high demand and workforce challenges. The Directorate had tried to use the funds available to ensure that as much provision could be provided for vulnerable families, and it was regrettable that there was not as much provision on offer in some parts of the county. She could not give her that assurance, however she highlighted the support provided to those families through holiday clubs for vulnerable children including SEND provision through the Club4 programme. She noted that a high percentage of families and children eligible for short breaks chose to use their personal budgets to make the choices that suited them, including respite, overnight and holiday care; the service ensured that a shortfall in Council short breaks provision did not coincide with a shortfall in NHS respite provision. She recognised that short breaks were a lifeline and the service tried to ensure an equitable share across Surrey.

Responding to Jonathan Essex, the Cabinet Member would look to provide the EIA if one had been prepared.

(Q13) Mark Sugden noted that the residents of Claygate looked forward to the upcoming repairs to Woodstock Lane South. He asked the Cabinet Member to ask Surrey Highways at the time of repairs to pay particular attention to drainage as there was significant local flooding at that location when it rained.

Edward Hawkins noted that he was under pressure to spend next year's capital maintenance allowance on two major schemes: firstly, the Maultway which suffered severely from delamination and potholes due to the Esso pipeline works and secondly, Ravenswood Roundabout. He would be grateful if the Cabinet Member would assist him in bringing forward those two works.

In response to Mark Sugden, the Cabinet Member for Highways and Community Resilience would pass that information on to the Highways team.

Responding to Edward Hawkins, the Cabinet Member noted that would liaise with him on the matter; he sought to resolve Members' issues and tried to get the best repairs possible.

(Q15) Robert Evans OBE asked the Cabinet Member whether he could answer the second sentence of his question without deviation, repetition and without reference to or blaming the weather in affecting the roads.

In response, the Cabinet Member for Highways and Community Resilience noted that the role of the opposition was to blame.

(Q16) Catherine Powell noted that the new British Association of Social Workers (BASW) guidance was generated because of an increased number of cases being brought regarding Fabricated or Induced Illness (FII) within Surrey and nationally. Whilst the review was underway, she asked the Cabinet Member what steps were being taken to ensure that further cases of inappropriate FII being raised against parents were dealt with, she noted a case in her division.

In response, the Cabinet Member for Children and Families acknowledged that there was work to do. She would provide a written response including a clear timeline of the work underway.

(Q17) Lance Spencer asked whether it was normal for a property to be waiting for five years before the Council moved forward with a business case to the Cabinet. If approved, he asked how long it would take for the replacement building work to start.

In response, the Cabinet Member for Property and Waste explained that the Lakers Youth Centre burnt down and there had been two years of Covid-19. Since then, the Lakers Centre site had been identified as a potential site for Supported Independent Living and it was decided that it was not suitable and was currently being identified for short breaks provision. She hoped that once approved by the Cabinet, work would proceed quickly through the RIBA (Royal Institute of British Architects) stages and the Council would be on site in 2023 with the work to be delivered in 2024/25.

(Q18) Catherine Powell noted that the response confirmed that the green hydrogen in the UK would not be available for many years and would instead be imported from Rotterdam and Saudi Arabia in the short to medium term. She asked the Cabinet Member to provide details of the carbon footprint calculations that he had referred to and whether he thought green hydrogen would be available in the UK sooner or later than 2030.

In response, the Cabinet Member for Transport, Infrastructure and Growth noted that he would provide the details of the carbon footprint and that he would be speaking with Metrobus on the matter. He explained that the Council was investing £16 million on low emission buses on top of the £50 million commitment to the bus network. The new hydrogen buses would start driving the hydrogen delivery within the UK and he was speaking to several companies within Surrey who were looking to produce hydrogen locally. He anticipated that green hydrogen would be available in the next few years in the UK.

7/23 STATEMENTS BY MEMBERS [Item 7]

Eber Kington (Ewell Court, Auriol & Cuddington) made a statement on a house fire in his division that occurred on 12 December 2022. Five fire appliances attended in total, the first appliance from Epsom arrived within nine minutes, followed by the second appliance from Esher one minute later; both well within Surrey Fire and Rescue Service's (SFRS) attendance time requirements. One adult was found dead within the property and therefore Surrey Police took ownership over securing the property, whilst the fire team

stayed on site to support the police. Over the subsequent days, the crews from Epsom Fire Station carried out wellbeing visits in the local area. He recorded his thanks to the SFRS teams who attended that difficult incident, who supported the police with their work and who offered support to local residents.

8/23 REPORT OF THE CABINET [Item 8]

The Leader presented the report of the Cabinet meetings held on 20 December 2022 and 31 January 2023.

Recommendations on Policy Framework Documents:

31 January 2023:

- A. Refresh of the Organisation Strategy 2023-2028

RESOLVED:

That County Council adopted the updated version of the Organisation Strategy.

- B. The Surrey School Organisation Plan and a Lifetime of Learning Strategy 2030

RESOLVED:

That County Council endorsed and approved the School Organisation Plan 2022-2032 which will meet the Council's statutory duties to ensure that there are sufficient high-quality places for pupils in Surrey.

- C. Admission Arrangements for Surrey's Community and Voluntary Controlled Schools for September 2024 and Surrey's Relevant Area

RESOLVED:

That County Council agreed:

1. That the catchment for Southfield Park Primary School is extended for 2024 admission to include the Parkview estate as a replacement for 'nearest school', as indicated in Enclosure 1 and Appendix 3 of Enclosure 1.
2. That the tiebreaker within catchment for Southfield Park Primary School is changed to straight line distance from the school for 2024 admission, as indicated in Enclosure 1.
3. That a catchment area is introduced for Stamford Green Primary School for 2024 admission to replace 'nearest school', as set out in Enclosure 1 and Appendix 4 of Enclosure 1.
4. That the Published Admission Number (PAN) for Reception at Beauclerc Infant School is reduced from 40 to 30 for 2024 admission, as set out in Appendix 1 of Enclosure 1.
5. That the Published Admission Number (PAN) for Reception at Farncombe Infant School is reduced from 50 to 30 for 2024 admission, as set out in Appendix 1 of Enclosure 1.
6. That the change to the Published Admission Number (PAN) and admission criteria for Year 3 at St Ann's Heath Junior School is not progressed, so that the admission arrangements for this school remain as determined for 2023, as set out in Enclosure 1 and Appendix 1 and 2 of Enclosure 1.

7. That the Published Admission Numbers (PANs) for September 2024 for all other community and voluntary controlled schools (except Beauclerc and Farncombe infant schools which are covered by Recommendations 4 and 5) are determined as they are set out in Appendix 1 of Enclosure 1.
8. That the aspects of Surrey's admission arrangements for community and voluntary controlled schools for September 2024 for which no change has been consulted on, are agreed as set out in Enclosure 1 and its appendices.
9. That Surrey's Relevant Area is agreed as set out in Enclosure 4.

D. 2023/24 Final Budget and Medium-Term Financial Strategy to 2027/28

RESOLVED:

That the recommendations regarding this item had already been approved under item 5.

Reports for Information/Discussion:

20 December 2022:

- E. Development and Introduction of Your Fund Surrey - Small Community Projects Fund
- F. Agile Office Estate - North-West and South-West Corporate Office Workspace
- G. Arrangements for Civil Parking and Moving Traffic Enforcement in Surrey from 2023/24

31 January 2023:

- H. Surrey County Council People Strategy 2023-2028
- I. Surrey Inclusion and Additional Needs Strategy

- J. Quarterly Report on Decisions Taken Under Special Urgency Arrangements: 3 December 2022 – 3 February 2023

RESOLVED:

1. Noted that there had been no urgent decisions in the last two months.
2. Adopted the report of the meetings of the Cabinet held on 20 December 2022 and 31 January 2023.

9/23 MINUTES OF CABINET MEETINGS [Item 9]

Eber Kington made a statement on the matter of the Ultra Low Emission Zone (ULEZ), concerning item 7: Cabinet Member of the Month, Minutes - Cabinet, 31 January 2023. He noted that the extension of ULEZ to the county boundary was a major concern for residents in his division, which bordered the London boroughs of Kingston and Sutton. Following his email to the Cabinet Member for Transport, Infrastructure and Growth on the matter, he was pleased that the Cabinet Member had written to the Mayor of London advising him that his failure to engage on the disruption and additional costs to Surrey residents and businesses would have consequences. He noted that a discussion was needed with the Mayor of London on reducing the ULEZ boundary from its proposed extension up to the London-Surrey boundary, on extending the scrappage scheme to residents and businesses in neighbouring authorities; and on significant improvements to cross-border transport.

[Meeting ended at: 12.37 pm]

Chair

Leader's Statement – County Council (Budget Meeting), 7 February 2023

Madam Chair, Members, today we look in detail at our proposed budget for the forthcoming financial year – an incredibly important process, that enables us to deliver the vital services that the people of Surrey rely on to live their lives. Financial competence and sound budgets are an absolutely essential responsibility of local government, and can I start by thanking both Officers and Members for their hard work in producing what I believe is a good and fair budget. In particular, the Select Committees that have been actively involved in the detail, from last September and throughout the budget setting process.

Without balanced budgets, and responsible financial management, we cannot function as an organisation, our services would be at risk – things that people depend on, would fail.

We have seen the pressures in our sector up and down the country.

We have seen Government Commissioners intervening in Local Authorities.

We have seen some areas cut services all together.

We have seen elsewhere reserves depleted and Council Tax hiked to the highest level possible.

There are many factors in this – local, national, and indeed global – and balancing priorities and budgets in local government is no easy task.

Historically, this Council too has gone through that sort of financial turmoil.

Recently we've seen the added pressures of spiralling inflation meeting increasing demand.

However, we have worked incredibly hard over the last five years to ensure our finances are in a solid and stable state.

We must acknowledge how far we've come as an organisation, transforming our culture and how we deliver services, to enable us to manage our finances responsibly, prepared to face the huge, unexpected challenges of the last few years.

Madam Chair, the rise in the cost of living, increased inflation and interest rates have all impacted the Council as an organisation, as well as our residents.

Everything we do has simply become more expensive to deliver. That can be seen in our budget papers, showing increased spending in almost every area.

However, some years ago we set about transforming this organisation,

We focussed on setting balanced budgets, increasing reserves to a safer level, delivering services in a smarter way and – and in many areas - improving the experience of our residents and staff.

Our ambition has been to be an organisation fit for the future, ready to tackle any challenges that come our way.

That work enabled us to lead Surrey's response to the Covid Pandemic, to act as a financial bedrock to our partner organisations and communities.

And now, it has put us in the best possible shape to face the global economic downturn.

Our transformation, coupled with our efforts to be as efficient as possible and our strong voice to government on behalf of local authorities, mean we do not have to increase Council Tax by the full 4.99% allowed.

We are proposing a total Council Tax increase of 2.99% this year – made up of 0.99% Core Council Tax increase, and a 2% Adult Social Care Precept. That 94p per week increase on a band D property.

This is significantly less than the total permitted by government, and that levied by the vast majority of other councils across the UK.

It is also well below any current measure of inflation.

We believe it is essential to only levy the absolute minimum we need to meet increased costs – cost increases largely driven by inflation - in order to protect people's household budgets as much as possible at this time.

Members - we are making the decision to face this financial challenge in the fairest way possible, balancing our needs and ambitions with the immediate cost of living impact on our residents.

We know further, deeper challenges are on the horizon, and we must be prepared for them.

Our challenge to ourselves – to be fit for the future - has never been more important, and we will continue our transformation, focusing on preventing future problems and doing things more effectively, to ensure Surrey's services are protected over the coming years.

Setting out our budget helps us reflect on the range and depth of services that we are responsible for delivering in Surrey.

It is often easy for us to focus on the most 'visible' services, the things we get the most comment on from our residents, or the services that Members may have the most interest or expertise in.

But looking across the organisation, and the incredible array of talented officers we have in place, gives us a sense of perspective.

It demonstrates what an important balancing act we have to play in setting our budgets and prioritising services.

As we know, the vast majority of our money is spent on those services that provide care and support to our residents who need it most.

We are the place people turn to when they really need help – whether that's Adult Social Care looking after many people with really complex needs, helping them live their lives day-to-day and working to improve their quality of life.

Or Children's Services, playing such a crucial role in providing nurturing care, guidance, and love to young people in our county that simply do not have that in their lives, for various reasons.

These young people should have access to the same life chances as everyone else, and it is our job to ensure they are not left behind.

These services demonstrate our profound responsibility.

It is such an important role, with really complex factors at play, and yes, I'm afraid sometimes it goes wrong. But when it does, it is important to interrogate why and put the right things in place to improve.

That is part of our culture as an organisation, and I know Members play a significant role in that through the scrutiny system in place.

I am confident that these services are improving. That is backed up by independent inspections and peer reviews.

But it is imperative that improvement continues – that we do not get diverted, that we do not lose any of our drive and determination to constantly get better, and that we are always open to new ways of delivering a better service to our residents.

That goes for all our services – from highways improvements to Surrey Fire and Rescue Service. From supporting schools to managing our countryside.

We are clear in our responsibility, and we are clear in our ambitions.

Madam Chair, our services can work together to deliver Surrey's priorities.

Look at our Countryside Team - working with Public Health, and Children, Families and Lifelong Learning - improving access and facilities across Surrey's countryside for young people, to increase awareness around biodiversity and protecting our environment, while ensuring that more people can experience the mental and physical health benefits of the great outdoors.

Or our Fire and Rescue Service – as well as our Adult Social Care teams - visiting vulnerable people in their homes, introducing technology and advice that improves their quality of life, their safety and helping them live independently, in their communities for longer.

Madam Chair – we are one organisation, with a great many services all pulling together, with a clear vision and a clear set of priorities.

This is the Surrey Way – understanding our purpose, and the organisation and people we need to deliver it.

We want to help grow a sustainable economy – by providing the right conditions for business to thrive, delivering skills, jobs, and opportunity for all.

We want to tackle health inequality – by improving life expectancy and quality of life for all and addressing the root causes of ill-health.

We want to deliver a greener future – by tackling the Climate Emergency, together, to protect our future.

We want to empower our communities – by being an active partner with local communities to deliver projects, opportunities and support that is right for local places.

All of these things will help us in our mission to ensure no one in Surrey is left behind.

Our organisation strategy sets this out in more depth, outlining our guiding principles, the Council we are striving to be, the culture we want to foster, and the priorities we must deliver for Surrey.

Indeed, this is a budget that will see more investment in all of our key services.

- Adult Social Care will see an increase of nearly £40m from 22/23. That's £440m each year looking after people with disabilities or extra needs as they get older
- £255m giving young people the best start in life with additional support for those that need it
- £153m improving our roads and public transport, managing our countryside, and tackling the climate emergency
- £40m to help people live healthier lives and keep them safe and well

- Nearly £40m to fund our Fire and Rescue Service – an increased budget of more than 10% from 22/23

And we continue to deliver our ambitious capital programme – over £300m this next year delivering projects that will see more money invested in:

- our highway maintenance programme and road safety schemes
- low emission buses
- flood alleviation schemes
- building new independent living facilities and providing more accommodation for our Looked After Children closer to home
- investing in our library estate
- creating more places for children with additional needs in both mainstream and specialist schools with £50m of investment

These are all really important schemes that will support our four strategic priorities. No one can, or indeed does, pretend that delivery of a balanced budget every year is not a challenge – a challenge to ensure that we prioritise those most in need of our help and support but equally recognising that residents don't always see or access many of our services. But that is what a caring and democratic society expects – that those that need that extra lift in life can turn to their local council for help. Indeed, the feedback from our resident surveys is clear that we should prioritise those individuals, even if that means an increase in Council Tax.

And we will repay that trust by ensuring that every single penny of the 94p per week increase next will be spent on exactly that – working hard to prevent anyone from being left behind.

Madam Chair, I am in no doubt that we are heading in the right direction – our budget position is the latest example of that.

But we know there is much, much more to do. In fact, we will always be looking to improve as an organisation, and we will never shirk from our responsibilities.

I know there are recent instances and issues that demonstrate that there is more to do.

And when things go wrong, we must be relentless in our task to put them right, to learn lessons, to find out what went wrong and why. We will not put our heads in the sand.

As I said earlier, we have a huge responsibility in providing such vital services – so when we fall short, it can have a big – and sometimes devastating - impact on people's lives.

We will always listen, respond, and engage with our residents. Just last week I spoke directly to parents of children with additional needs about their frustrations, understandable frustrations, and if anything, a stark reminder of our need to communicate with all our residents fully and regularly.

While sometimes our answers, and the practicalities of what we can do, may not please everyone – in public service that is almost impossible – it is important that we understand what different groups and individuals are experiencing, so we can shape our services appropriately.

We have set high standards here in Surrey. We want to be leading the way in public service delivery, and we care deeply about what we do.

When we fall below those standards, I am determined that we face up to it, admit our failures and do everything we can to get things right first time, every time.

This culture, our collective endeavour and clarity of purpose, helps us stay fit for the future.

As the last few years have shown, we live in an uncertain world with new challenges - varying in scope and scale - appearing all the time.

We must be fit and ready to take those challenges on, whether it's welcoming thousands of new arrivals into the County from Ukraine, or other parts of the world, or mobilising support across Surrey to help people through tough financial times.

We have shown we can do that and demonstrated our role as a County-wide convenor and active partner.

As we approach a year since Ukraine was so brutally invaded - a despicable act that required a global response – it is important to note Surrey's particular role in helping the people of that great country.

Surrey has opened its doors to Ukrainian families, with over 3,000 people arriving having fled the war – the second highest number out of 152 council areas in England.

There is an extensive network already established in Surrey that helps these families to gain their independence, and begin to feel at home, during their stay in the UK.

We are rightly proud of our communities here in Surrey, and we will continue to do all we can to foster that enthusiasm and spirit for making the world - and our corner of it - a better place.

Madam Chair, I look forward to the discussion of our budget in the hope that there is sensible recognition of both the challenges we face – not just in Surrey, but as a country – and the progress we have made as an organisation.

Progress that enables us to keep the Council Tax rise to a level lower than that of many other places in the country, much lower than the level of inflation, and certainly lower than if we had not embarked on such radical transformation in recent years. We can deliver this budget and its continued investment in our services without using our limited reserves, reserves that will almost certainly be needed to be called on in the coming years.

We are a progressive, forward thinking, responsible council – always striving to be the best.

There is more to do, but we will not falter to ensure the Surrey Way is the standard bearer – that we keep raising the bar and stand ready to face any future challenge.

That is our ambition.

That is our vision.

That is our intention.

Madam Chair, I commend this budget to the Council.

CABINET PORTFOLIO UPDATES – 17 February 2023

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Leader of the Council	Tim Oliver	<ul style="list-style-type: none"> • Overall vision and strategic direction • Major Government and National Representation • District and Borough partnerships • Regional and Strategic partnerships • Communications • Engagement and Consultation • Business Relationships • Corporate governance • Place-based work e.g. Thinking place work • HR and OD • Health and Wellbeing including Mental Health • Major projects • Integrated Business Planning & Performance 	<ul style="list-style-type: none"> • Chief Executive • Deputy Chief Executive/Resources • Executive Director for Partnerships, Prosperity and Growth • Executive Director for Customer and Communities • Joint Executive Director for Public Service Reform • Chief of Staff to Chief Executive • Strategic Director, Communications and Engagement • Strategic Director of People and Change 	<ul style="list-style-type: none"> • Resources and Performance Select Committee • Communities, Environment and Highways Select Committee
Deputy Cabinet Member for Levelling Up	Rebecca Paul	<ul style="list-style-type: none"> • Levelling up Fund Opportunities • Communications strategy for levelling up agenda (cross-portfolio) • Strengthening Families (e.g. family hub) • Infrastructure for opportunity • Social infrastructure development (e.g. youth centres) • Data and SODA • EDI (joint) 	<ul style="list-style-type: none"> • Executive Director for Partnerships, Prosperity and Growth • Executive Director for Public Service Reform 	<ul style="list-style-type: none"> • Children, Families, Lifelong Learning and Culture Select Committee • Adults and Health Select Committee • Communities, Environment and Highways Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Adults and Health	Mark Nuti	<ul style="list-style-type: none"> • Adult Social Care • Adult Safeguarding • Accommodation for vulnerable and elderly adults • Learning Disabilities • Transitions • Local Outbreak Engagement Board • Health and Social Care Integration • Public Health • Integrated commissioning 	<ul style="list-style-type: none"> • Executive Director for Adult Social Care and Health Integration • Executive Director for Public Service Reform 	<ul style="list-style-type: none"> • Adults and Health Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Children and Families	Sinead Mooney	<ul style="list-style-type: none"> • Children's Services • Children's Integrated Commissioning • Corporate Parenting (including fostering and adoption) • Children with Disabilities (CwD) • Children's Safeguarding • Accommodation for vulnerable children • EDI (joint) • Housing • Youth Services • Children's Mental Health (Mindworks) • Family Resilience • Other Children's Commissioning 	<ul style="list-style-type: none"> • Executive Director for Children, Families and Lifelong Learning • Executive Director for Partnerships, Prosperity and Growth • Chief of Staff to Chief Executive 	<ul style="list-style-type: none"> • Children, Families, Lifelong Learning and Culture Select Committee • Resources and Performance Select Committee • Communities, Environment and Highways Select Committee
Deputy Cabinet Member for Children and Families	Maureen Attewell	<ul style="list-style-type: none"> • Domestic Abuse • Violence Against Women & Girls 	<ul style="list-style-type: none"> • Executive Director for Children, Families and Lifelong Learning 	<ul style="list-style-type: none"> • Children, Families, Lifelong Learning and Culture Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Education and Learning	Clare Curran	<ul style="list-style-type: none"> • Education • Special Education Needs and/or Disabilities (SEND), including Transport • Schools - relationships • Place planning • Admissions • Adult learning 	<ul style="list-style-type: none"> • Executive Director for Children, Families and Lifelong Learning 	<ul style="list-style-type: none"> • Children, Families, Lifelong Learning and Culture Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Communities and Community Safety Deputy Leader	Denise Turner-Stewart	<ul style="list-style-type: none"> • Local Democracy and Engagement Design • Local & Joint Committees • Community Foundation Surrey relationship • Customer Services • Libraries, Arts and Culture • Registration Services • Your Fund Surrey • VCFS • Town and Parishes • Corporate Health and Safety • Trading Standards • Fire and Rescue (SFRS) • Community Safety 	<ul style="list-style-type: none"> • Executive Director for Customer & Communities • Executive Director for Children, Families and Lifelong Learning • Executive Director for Partnerships, Prosperity and Growth • Chief Fire Officer 	<ul style="list-style-type: none"> • Resources and Performance Select Committee • Children, Families, Lifelong Learning and Culture Select Committee • Communities, Environment and Highways Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Highways and Community Resilience	Kevin Deanus	<ul style="list-style-type: none"> • Highways and operational delivery including procurement • Road Safety • Parking • Coroners • Emergency Planning • Military Covenant • Community Resilience 	<ul style="list-style-type: none"> • Executive Director for Environment, Transport and Infrastructure • Executive Director for Customer & Communities • Strategic Director, Communications and Engagement 	<ul style="list-style-type: none"> • Communities, Environment and Highways Select Committee

Deputy Cabinet Member for Highways	Jordan Beech	<ul style="list-style-type: none"> • Highways and Operational Delivery • Street Works • Asset Planning • Road Safety • Parking and Enforcement 	<ul style="list-style-type: none"> • Executive Director for Environment, Transport and Infrastructure 	<ul style="list-style-type: none"> • Communities, Environment and Highways Select Committee
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CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Transport, Infrastructure and Growth	Matt Furniss	<ul style="list-style-type: none"> • Transport • Air and Rail • Infrastructure • Planning • 5G Rollout • Economic Growth • Skills and Apprenticeships 	<ul style="list-style-type: none"> • Executive Director for Environment, Transport and Infrastructure • Executive Director for Partnerships, Prosperity and Growth 	<ul style="list-style-type: none"> • Communities, Environment and Highways Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Environment	Marisa Heath	<ul style="list-style-type: none"> • Greener Futures Programme • Climate Change • Air Quality • Countryside • Trees • Flooding 	<ul style="list-style-type: none"> • Executive Director for Environment, Transport and Infrastructure 	<ul style="list-style-type: none"> • Communities, Environment and Highways Select Committee
Deputy Cabinet Member for Environment	Paul Deach	<ul style="list-style-type: none"> • Greener Futures Communication • Norbury Park - resident liaison and general overview • Greener Futures Steering Group support for Marisa Heath and developing connections with D&B political members • Attendance at meetings alongside Marisa Heath 	<ul style="list-style-type: none"> • Executive Director for Environment, Transport and Infrastructure 	<ul style="list-style-type: none"> • Communities, Environment and Highways Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Property and Waste	Natalie Bramhall	<ul style="list-style-type: none"> Property portfolio Waste Capital Programme Delivery Local Enterprise Partnership (LEP) relationships 	<ul style="list-style-type: none"> Executive Director for Resources Executive Director for Environment, Transport and Infrastructure Executive Director for Partnerships, Prosperity and Growth 	<ul style="list-style-type: none"> Resources and Performance Select Committee Communities, Environment and Highways Select Committee

CABINET MEMBER POSITION	NAME	RESPONSIBILITIES	KEY OFFICER(S)	SELECT COMMITTEE(S)
Cabinet Member for Finance and Resources	David Lewis (Cobham)	<ul style="list-style-type: none"> Finance – Revenue & Capital Digital, Business and Insights Programme Capital Programme Internal Control/Audit Commercial Investment and Capital Programme Oversight Procurement Orbis Legal and Democratic IT Transformation Programme Digital Contract Management SCC Companies Performance and Management Reporting 	<ul style="list-style-type: none"> Executive Director for Resources 	<ul style="list-style-type: none"> Resources and Performance Select Committee

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OFFICER REPORT TO COUNCIL

SELECT COMMITTEES' REPORT TO COUNCIL

KEY ISSUE/DECISION:

For Members to note the headline activity of the Council's overview and scrutiny function in the period December 2022 to February 2023 asking questions of Scrutiny Chairs as necessary.

BACKGROUND:

As part of the ongoing process to raise standards in the Council's overview and scrutiny function and to raise the profile of the work of Select Committees more generally, Chairs agreed to regularly report activity to Council.

SUMMARY OF ACTIVITY:

Adults and Health Select Committee

At its 6 December 2022 public meeting, as part of the wider process of budget scrutiny, the Committee reviewed the *2023/24 Draft Budget and Medium-Term Financial Strategy 2027/28*. The Committee recommended that sufficient budgetary resources are allocated to support Discharge-to-Assess processes and for the Delivery of Extra-Care and Supported Independent living Facilities. The Committee also joined other Select Committees in the Council in calling for Equalities Impacts Assessments to be incorporated into future budget planning, The Committee also reviewed *Adult Safeguarding in Surrey*, making recommendations for raising increased awareness for Safeguarding, and for Safeguarding training provision to be implemented and adequately monitored. *Adult Social Care Complaints* were also reviewed, and the Committee recommended an increased timeliness for assessment processes as well as a more accurate way of recording and addressing Issues of Concern, as opposed to formal complaints only.

The Committee also held a public meeting on 16 February 2023, during which it reviewed *Access to NHS Dentistry within Surrey*. The Committee examined the recent delegation of dentistry commissioning from NHS England to Surrey's Integrated Care Boards, and the ways in which access to NHS dentistry can be enhanced at a time when residents are struggling to afford private dental care in the midst of a cost-of-living crisis.

During its 16 February 2023 public meeting, in collaboration with the Children, Families, Lifelong Learning and Culture Select Committee, the Committee also held an item on *Children's Emotional Wellbeing and Mental Health*. The item examined the nature and performance of Children's Mental Health services in the context of the MindWorks alliance and contract, with a focus on three key priority areas; prevention, early intervention, and transitions.

The Committee is also scrutinising *Changes to Children's Cancer Services* as per new service specifications from NHS England, which constitute a *Substantial Variation of Service*. The Committee held an informal meeting on this with NHS England on 14 February 2023, and participated in collectively scrutinising these changes in the context of the South-West London and Surrey Joint Health and Overview Scrutiny Committee. In both contexts, the Committee recommended that Equalities Impacts Assessments are conducted by NHS England when making decisions on these changes, and that access and transportation challenges for Surrey residents are considered at every level of this transformation.

The Committee held an informal meeting on 19 December 2022 on *Discharge-To-Assess processes*, where the Committee recommended sustainable sources of funding for this. The Committee also held four informal meetings in 2023: on *SECAMB's CQC improvement journey*, where the Committee recommended closer collaboration with other partners in the Surrey System; on improvements to the *CRM system*, where the Committee recommended improvements to how Issues of Concern are recorded and dealt with in Adult Social Care; on *Raising Awareness of Autism amongst Ethnic Minorities* in Surrey; and on the work underway with *Employability and the Preparation for the Adulthood Board Activities*, where it was recommended that the complexity and diversity of the Autism Spectrum is taken into account in the provision of employability support.

The Committee also held site visits to the Recovery College in Camberley as well as the Mental Health Safe Haven in Woking as part of the *Mental Health Improvement Plan Item*; to examine the effectiveness and use of Safe Havens for Mental Health Crises, as well as the uptake and effectiveness of Courses for Mental Health Recovery. Committee Members also attended the Surrey Heartland's expo conference on 1 February as part of the *Integrated Care Strategy Item*, to examine the inauguration of the Strategy by Surrey Heartlands Integrated Care System. Site Visits will also be held in March to the University of Surrey and Newland's Corner as part of the *All-Age Autism Strategy Item*; these are to examine work underway to improve employment prospects for residents with Learning Disabilities and Autism.

As part of efforts to increase co-production and effective oversight, the Committee Chair and Scrutiny Officer attended the Surrey Heartland's Involvement and Participation Group on 26 January 2023, which convenes monthly to increase Co-Production in Healthcare Provision. The Chair also engaged in other activities to improve Co-production and oversight including: sitting on a recruitment Panel for the Ambulance Trust's appointment of a new

Chief Executive on 17 February; attending sessions on the Co-Production and Insight Group for Mental Health on 27 January and 24 February, and attending a meeting on 19 January with senior members of the Mental Health Investment Fund Allocation Panel to discuss the first round of bids for Mental Health Funding.

The Committee Chair, Vice-Chairs, and Scrutiny Officer have also held discussions with senior commissioners and providers for Wheelchair Services, as well as Healthwatch and Surrey Coalition of Disabled People as part of efforts to improve the timely provision and repairs of Wheelchair services, in light of reports of substantial waiting times for the provision and repair service of wheelchair equipment in Surrey. A briefing on this was held on 22 February, where it was also recommended that commissioning arrangements address any supply challenges and for greater coordination between organisations to reduce substantial delays in the provision and repairs of wheelchairs.

In light of plans for Interim Redevelopments of Frimley Park Hospital, the Committee's Chair, Vice-Chairs reviewed detailed reports on, and received a briefing regarding these changes. As part of the formal business case, the Trust required a confirmation from the Committee that these interim redevelopments did not constitute a Reconfiguration of Service.

The Committee's Health Inequalities Task Group continues its focus on the following themes for the final phase of its review: Black and Minority Ethnic Groups and Gypsy, Roma, Traveller communities; those experiencing Homelessness, Drug and Alcohol Abuse; and those suffering Domestic Abuse, using the Surrey Health and Wellbeing Strategy as a framework for scrutiny. The task group has conducted sixteen witness sessions to date, now entering its final stages and will imminently submit its findings and recommendations.

Children, Families, Lifelong Learning and Culture Select Committee

The Children, Families and Learning Directorate has agreed to share data at every formal meeting to ensure all Members have an overview of performance. This comprises key indicators measuring progress against Ofsted ILACS recommendations, external assessment ratings and turnover of social workers and foster carers.

Cabinet agreed to incorporate several recommendations made by the Committee in December into the Inclusion and Additional Needs Strategy 2023 – 2026, including producing an easy-read version and a series of webinars for parent carers.

Many of the Committee's recommended amendments to the Home to School Travel Assistance Policy were also agreed by Cabinet. These include a commitment that all parent carers in receipt of a mileage allowance are, as a general rule, paid for a return rather than one-way journey to the child's

setting, as well as backdating this policy to September 2022 and reimbursing recipients.

Committee Members met with service managers and social workers from two quadrants to discuss ways of stabilising the children's social care workforce, which was the primary focus of the March meeting. The 2023/24 budget included an additional £1.6m funding for recruitment and retention following the Committee's recommendation that these should be prioritised in budget expenditure.

Members collaborated with the Adults and Health Select Committee to review the children's emotional wellbeing and mental health services provided by Mindworks Surrey.

Communities, Environment and Highways Select Committee

The Communities, Environment & Highways (CEH) Select Committee and its subgroups – including the Greener Futures, Highways, and Electric Vehicles (EV) Reference Groups – have met six times since the last report to the County Council. These meetings took place on 5 and 15 December 2022; 24 and 25 January; 6 and 8 February 2023.

During its public meeting on 5 December, the Select Committee scrutinised the progress of Your Fund Surrey (YFS); Surrey County Council's Draft Budget for 2023-24 along with Medium Term Financial Strategy to 2027/28, and the Council's Strategy for Accommodation, Housing, and Homes focussing on key priorities and action through a partnership-based and collaborative deliberation programme. On 8 February, the Select Committee reviewed the progress of Delivering in Partnership: Towns - The Next Phase, and the Surrey Fire and Rescue Service Progress. The Select Committee made evidence-based recommendations on each item.

During the Reference Group meetings in December 2022, January and February 2023, Members reviewed the progress on significant matters relating to a range of Greener Future initiatives. The Highways and EV Reference Groups held informal sessions to monitor progress and performance, including confidential matters relating to the Highways contract – mobilisation of Ringway and demobilisation of Kier contract.

Resources and Performance Select Committee

The Resources and Performance Select Committee (R&PSC) and Budget Task Group have held six meetings since December 2022, including performance monitoring and briefing sessions. The meetings took place on 9 December; 14 December 2022; 13 January; 20 January; 2 February; and 9 February 2023.

During its formal public meetings on 9 December 2022 and 2 February 2023, the Select Committee scrutinised the County Council's Draft Budget for 2023-

24 with Medium Term Financial Strategy to 2027/28; the Strategic Investment Board and forecast update; and the Surrey County Council's Data Strategy Transformation Programme, making recommendations on each item. The Select Committee also attended a training session on Treasury management, and reviewed the Capital Investment and Treasury Management Strategy. On 9 February 2023, the Select Committee arranged an informal facilities management briefing to keep abreast of key developments.

On 14 December, the Select Committee held a performance monitoring session, reviewing key performance indicators to monitor the services under its remit. The Budget Task Group meetings took place on 3 and 7 November 2022, reviewing the financial positions of all directorates, and receiving updates on the diagnostic process, as well as the Special Educational Needs and Disability Safety Valve. A formal report of the activity of the Budget Task Group was presented to the Select Committee at its December meeting.

RECOMMENDATIONS:

1. That Council review the work summarised in this report providing feedback to Scrutiny Chairs as appropriate.
2. That the next scrutiny report to Council will be the annual report.

Lead/Contact Officers: Ross Pike, Scrutiny Business Manager, Democratic Services, Surrey County Council, ross.pike@surreycc.gov.uk

Sources/background papers:

Select Committee Agenda and Minutes:
[Committee structure - Surrey County Council \(surreycc.gov.uk\)](#)

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OFFICER REPORT TO COUNCIL

MEMBERS' ALLOWANCES ANNUAL ADJUSTMENT

KEY ISSUE/DECISION:

To agree the annual adjustment to Members' Allowances for the financial year 2023-2024.

BACKGROUND:

At its meeting on 7 July 2020, the Council amended its Members' Allowances Scheme in accordance with recommendations presented in the report of the Independent Remuneration Panel (IRP).

The new scheme made provision for an annual adjustment of allowances on 1 April, with reference to the previous September's Consumer Price Index (CPI). This is in accordance with Regulation 10(4) of The Local Authorities (Members' Allowances) (England) Regulations 2003.

In September 2022 the CPI increase was 8.8%.

The Council recognises the spirit with which the IRP recommendation to raise Members' Allowances in line with CPI was made, however it could not be foreseen at that time that it would rise by such a significant amount.

This report proposes approving a lower adjustment of 3% (increase).

IMPACT OF INCREASES ON MEMBERS' ALLOWANCES

Table 1 summarises the impact that both 3% and 8.8% increases will have on each available allowance.

Individual Allowances			
Allowance	2022-23	+3% with rounding (up to nearest £10)	+CPI 8.8% with rounding (up to nearest £10)
Basic Allowance	£13,120	£13,520	£14,280
Leader	£45,410	£46,780	£49,410
Deputy Leader	£29,430	£30,320	£32,020
Chair of Council	£19,020	£19,600	£20,700
Vice-Chair of Council	£6,870	£7,080	£7,480
Cabinet Member	£23,760	£24,480	£25,860
Deputy Cab Member	£10,540	£10,860	£11,470
Select Cttee Chairman	£10,570	£10,890	£11,510
P&R Cttee Chairman	£12,680	£13,070	£13,800
A&G Cttee Chairman	£10,570	£10,890	£11,510
Surrey Pension Fund Ch	£10,570	£10,890	£11,510
LC JC Chairmen	£8,460	Allowance removed	
SC Task Group Leads	£1,590	£1,640	£1,730
Opposition Leaders	£12,680	£13,070	£13,800
Adoption & Fostering	£106	£110	£120

Table 1: Individual Allowances Increases

Tables 2 (3%) and 3 (8.8%) illustrates the total budget required across all allowances and compares them to the 2022-23 total.

+3% Total across all appointments			
	2022-23	2023-24	Increase/decrease
Basic allowance	£1,062,720	£1,095,120	£32,400
Special Responsibility Allowances	£551,290	£472,140	-£79,150
Total	£1,614,010	£1,567,260	-£46,750

Table 2: 3% Increase

+8.8% Total across all appointments			
	2022-23	2023-24	Increase/decrease
Basic allowance	£1,062,720	£1,156,680	£93,960
Special Responsibility Allowances	£551,290	£498,730	-£52,560
Total	£1,614,010	£1,655,410	£41,400

Table 3: 8.8% Increase

REDUCTION IN SPECIAL RESPONSIBILITIES AVAILABLE:

At its meeting in October 2022, the Council approved the ceasing of the Local Committees and served notice of the Council's intention to withdraw from the Joint Committees. The removal of these appointments are included within Tables 2 and 3.

ALIGNMENT WITH THE CURRENT MEMBERS ALLOWANCES SCHEME:

In accordance with regulation 19 of The Local Authorities (Members' Allowances) (England) Regulations 2003, local authorities have a duty to have regard to recommendations from an IRP before a scheme can be amended.

The Director of Law & Governance has confirmed that this does not constitute a change to the current Members' Allowances scheme requiring a report from the IRP.

RECOMMENDATIONS:

It is recommended that the County Council:

1. Approves the proposed 3% increase in Members' Allowances for the 2023 - 2024 financial year.

Lead/Contact Officers:

Elliot Sinclair, Support Services Manager, Democratic Services, Surrey County Council, elliott.sinclair@surreycc.gov.uk

Sources/background papers:

[The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)

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OFFICER REPORT TO COUNCIL

SURREY COUNTY COUNCIL – ELECTORAL REVIEW PHASE TWO (DIVISION BOUNDARIES) SUBMISSION

KEY ISSUE/DECISION:

To endorse the process for approving Surrey County Council's (SCC) submission regarding future division boundaries, as part of the Local Government Boundary Commission for England's (LGBCE) electoral review process.

BACKGROUND:

1. An electoral review is an examination of a council's electoral arrangements. This means:
 - the total number of councillors elected to the local authority;
 - the number and boundaries of wards or divisions for the purposes of the election of councillors;
 - the number of councillors for any ward or division of a local authority; and
 - the name of any ward or division.
2. The LGBCE conducts an electoral review of a council for four reasons:
 - At the request of the local authority; or
 - If the local authority meets the Commission's intervention criteria:
 - a) If one ward has an electorate of +/-30% from the average electorate for the authority
 - b) If 30% of all wards have an electorate of +/-10% from the average electorate for the authority.
 - If sufficient time since the last review (periodic review)
 - As a result of significant structural change
3. SCC is being reviewed as it has been 12 years since the last review in 2010.

PHASES OF THE ELECTORAL REVIEW:

4. The electoral review has two distinct phases:

- *Council size*: before they re-draw division boundaries, the Commission will come to a view on the total number of councillors to be elected to the council in future.
 - *Division boundaries*: this is the second phase of the review where the commission will re-draw division boundaries so that they meet certain statutory criteria. The council will have an opportunity to put forward its suggestions for division boundaries as part of the review's consultation process.
5. SCC's council size submission, recommending that the number of councillors remains at 81, was approved at the council meeting on 13 December 2022. On 28 February 2023, the LGBCE announced that they had taken the decision to recommend that SCC continues to have 81 councillors.

DEVELOPING SURREY'S DIVISION BOUNDARY SUBMISSION:
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6. A cross-party Member task group has been established to lead SCC's response to the Electoral Review. The task group consists of the following Members:
- John O'Reilly (Conservative) – Chair
 - Amanda Boote (Residents' Association/Independents)
 - Jonathan Essex (The Green Party)
 - Will Forster (Liberal Democrats)
 - Tim Hall (Conservative)
 - Nick Harrison (Residents' Association/Independents)
 - Robert King (Labour)
 - Hazel Watson (Liberal Democrats)
7. This working group co-ordinated the Council's response on Council Size, endorsed formally by the County Council on 13 December 2022, and has continued in this co-ordination role for phase two of the Review.
8. As each division must be contained wholly within a district/borough area, the working group felt that it was appropriate to focus on each district and borough area discretely in the first instance. To ensure that any proposals put forward were fully informed by local knowledge, meetings are in the process of being held with each local grouping of county councillors to gather their views on how best to arrange divisions within their district or borough area given the Commission's criteria. The feedback from all of these local sessions will be fed back to the task group, to enable them to agree a final response.
9. The deadline for submitting the final division boundary response is 8 May 2023.

10. Although there is no formal requirement for the division boundary submission to be endorsed by council, it would be best practice. However, as the dates for the submission do not tie in with the council meeting timetable, it is suggested that council instead recommends that the Electoral Review Task Group agrees the council's response. If the Task Group cannot come to a cross-party agreement, individual political groups and/or councillors will instead need to make their own individual submissions.

NEXT STEPS:

11. After the commission have considered all the representations made during the phase two consultation, they will publish draft division boundary recommendations in August 2023.
12. They will then hold a further period of consultation on their draft recommendations. The final recommendations are expected to be published in January 2024.
13. The new electoral arrangements will come into effect at the local elections in May 2025.

RECOMMENDATIONS:

That the Council endorses the suggestion that the Electoral Review Task group agree SCC's response to phase two of the Electoral Review.

Lead/Contact Officers: Rachel Basham, Member Services Manager,
Democratic Services, Surrey County Council,
rachel.basham@surreycc.gov.uk

Sources/background papers:

None

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OFFICER REPORT TO COUNCIL

CHANGES TO BORDER TO COAST PENSION PARTNERSHIP GOVERNANCE

KEY ISSUE/DECISION:

A review of the governance of Border to Coast Pension Partnership (BCPP) has been undertaken to understand whether there are any changes that may be recommended for consideration by Partner Funds (as customers and shareholders) and the BCPP Board. This paper seeks approval from Surrey County Council regarding proposed changes resulting from this review and that future decisions in respect of BCPP matters be delegated to the Surrey Pension Fund Committee and Shareholder representative where appropriate. These recommendations have been reviewed by the Surrey Local Pension Board and are commended by the Surrey Pension Fund Committee (Annex 1).

BACKGROUND:

1. At its meeting of 21 March 2017, Surrey County Council resolved that:
 - a) Border to Coast Pension Partnership (BCPP) be approved as the County Council's pooling option to provide compliance with the legislation that mandates pooling.
 - b) The acquisition by the Council, as Administering Authority of the Surrey Pension Fund, of one share in the Border to Coast Pensions Partnership Limited be approved and that the Chairman of the Surrey Pension Fund Committee (or Vice-Chairman in their absence) be nominated to attend any meetings of the BCPP Shareholder Board on behalf of the Council.
 - c) The creation of the BCPP Joint Committee be approved and that the Chairman of the Surrey Pension Fund Committee (or Vice-Chairman in their absence) be nominated to attend on behalf of the Council.

2. Since BCPP was established, and the initial governance framework approved by the shareholders the business has matured (as of the end of 2021 it is responsible for managing c. £34bn of Partner Fund assets), Tyne & Wear and Northumberland pension funds have merged, there has been regulatory change, and best practice with respect to both corporate governance and the governance of arms'

length public bodies has evolved. Therefore, a review of the governance of BCPP was undertaken with a view to understanding whether there are any changes that may be recommended for consideration by Partner Funds (as customers and shareholders) and the BCPP Board.

3. As at 31 December 2022, the Surrey County Council Pension Fund had approximately £2.4b invested with BCPP.
4. The three main governance documents which support the establishment and running of BCPP are:
 - a) Shareholder matters: Shareholder Agreement / Articles of Association.
 - b) Joint committee matters: Inter Authority Agreement.
5. A review of the BCPP Governance has recently been completed, as it has been five years since BCPP was established and the initial governance framework approved by the shareholders.
6. The review included the operation of the Joint Committee, a review of shareholder governance (which will be discussed with shareholder representatives) and a review of the governing documentation (including the Inter Authority Agreement, Shareholder Agreement, and the Company's Articles of Association).
7. A four-stage process was carried out:
 - a) Stage 1 – initial work considered the areas identified below (and any others considered relevant) and agree the matters to be put forward to stage 2, together with a proposed basis for consideration.
 - b) Stage 2 – involved a cross section of interests covering Partner Funds (both Members of the Joint Committee and Officers) and BCPP. This group considered the initial proposals from Stage 1.
 - c) Stage 3 – involved a review of the proposed changes by an external legal advisor. They carried out a high-level review of the key governance documentation to establish if there are any other provisions in the agreements that need to be amended.
 - d) Stage 4 – implementation. Each Partner Fund and the BCPP Board will progress through relevant governance process.
8. The focus of the review was to update the terms of reference of the BCPP Joint Committee, which are contained in the Inter Authority Agreement and the Shareholder Reserved Matters which are included in the Shareholder Agreement. There are also some changes proposed to the Articles of Association for BCPP, which broadly set out how the company should be run. A summary of the main changes is shown below:

- a) The appointment of the Chair and Vice Chair is currently restricted to two consecutive terms of one year. It is proposed that this is changed to two consecutive terms of two years.
- b) The quorum for the BCPP Joint Committee is to be changed from 8 out of 11, to 60% of the voting members which would be 7 out of 11.
- c) The creation of an urgent action protocol that allows a decision to be taken outside of a normal meeting schedule. This would be a form of delegated power exercised by the Host Authority (currently South Tyneside) in consultation with the Chair and Vice Chair.
- d) The removal of several items currently under the remit of the BCPP Joint Committee where they are no longer considered relevant, because they relate to the period before BCPP became operational or they are now considered to be shareholder matters.
- e) The Shareholder Reserved Matters are split into two categories. The first requires 100% approval from shareholders and the second currently requires 75% approval (or 9 out of 11). It is proposed to change the 75% limit to 66.6% (which will be 8 out of 11).
- f) As with the Terms of Reference of the BCPP Joint Committee, some of the Shareholder Reserved Matters are no longer relevant, as they covered the initial set up period. These items will be removed.
- g) Additional clarification of some of the matters reserved for approval by shareholders has been sought from the legal advisors and the language may therefore be amended. This is to be discussed with BCPP and its legal team.
- h) Amending a clause with a financial limit in order to set the limit by reference to a formula. This will help future proof the provision.
- i) Removal of the requirement for shareholders to approve a conflicts of interest policy for BCPP. This is a company matter. However, shareholders will still be required to approve any conflict or potential conflict of interest any director may have.
- j) To increase the maximum number of directors from 8 to 10. The appointment of any directors will still be a shareholder reserved matter.
- k) To remove the restriction on paying dividends on the B Shares (Article 27.1). This is an issue because a preclusion on paying dividends is deemed to be regarded as a cap, which is not permissible for the shares to be considered for regulatory CERT 1 purposes (their intended purpose in the capital structure). However, notwithstanding a removal of this Article, this does not create a compulsion to pay any dividends on the B shares and this would remain subject to BCPP Board recommendation and shareholder approval. This change is not therefore intended to alter the current position that the B Shares remain as non-dividend paying, as per Partner Fund intention at inception. Additionally, the B Shares are allocated equally between the Partner Funds so any dividends, should they be paid, would be payable equally between the Partner Funds.

9. Although not specifically covered in any of the Governance Documents, the administering authorities acting as shareholders of BCPP had determined that any Non-Executive Director nominated by the administering authorities should serve a two-year term for a maximum of two terms. It is proposed that this be changed to two, three-year terms.

10. One issue that will need to be addressed is that some changes may be needed in respect of the re-organisation of Cumbria County Council, which will result in a change to the administering authority of the Cumbria County Council Pension Fund. The best way to address this is still under consideration but may result in some changes to the Articles and Shareholders' Agreement to cover this and future proof similar scenarios in the future. However, given that this is unlikely to be contentious, partner funds have been asked to progress with the current documentation and this will be addressed prior to the final sign off.

11. Draft versions of the governance documents were shared with Partner Funds earlier this year. These were considered by the Surrey Local Pension Board and the Surrey Pension Fund Committee. The documents have been discussed with BCPP and been subject to review by the Surrey County Council legal team as well external lawyers (Eversheds Sutherland for BCPP and Squire Patton Boggs on behalf of the partner Funds).

12. Squire Patton Boggs confirm that they are comfortable that the changes being made to the documents are acceptable from a legal perspective and can be agreed by the Partner Funds. The Surrey County Council legal team have also been consulted and are satisfied with this due diligence carried out by Squire Patton Boggs.

13. In order to improve governance and provide more agility in decision making, it is recommended that future decisions in respect of BCPP matters are delegated in the following way:
 - a) Inter authority agreement matters (joint committee) – to the Surrey Pension Fund Committee.
 - b) Articles of Association and shareholder agreement matters – to the shareholder representative (the Section 151 officer or their delegate, in consultation with the Chairman of the Surrey Pension Fund Committee).

<u>RECOMMENDATIONS:</u>

It is recommended that Council:

1. Approves the proposed changes to the Stakeholder agreement, Articles of Association and Inter Authority Agreement outlined in this report.

2. Approves for all future decisions in respect of BCPP matters to be delegated in the following way:
 - a) Inter authority agreement matters (BCPP Joint Committee) – to the Surrey Pension Fund Committee;
 - b) Articles of Association and shareholder agreement matters – to the shareholder representative (the Section 151 officer or their delegate, in consultation with the Chairman of the Surrey Pension Fund Committee).
 3. Approves for authority be delegated to the Section 151 officer and the Monitoring Officer in consultation with the Chairman of the Surrey Pension Fund Committee to update the Council’s Constitution to reflect the above approvals and to approve for execution by the Council the final versions of any documents necessary to put these decisions into effect.
-

Lead/Contact Officers:

Neil Mason, LGPS Senior Officer, Surrey County Council,
neil.mason@surreycc.gov.uk

Annexes:

Annex 1 - Report of the Surrey Pension Fund Committee

Sources/background papers:

BCPP Articles of Association
BCPP Shareholder Agreement
BCPP Inter Authority Agreement

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County Council Meeting – 21 March 2023

REPORT OF THE SURREY PENSION FUND COMMITTEE

Elected Members:

- * Nick Harrison (Chairman)
- * David Harmer
- * Trefor Hogg (Vice-Chairman)
- * George Potter
- * Richard Tear
- * Robert Hughes

Co-opted Members:

- * Robert King, Borough & Districts
- * Borough Councillor Steve Williams, Borough & Districts
- * Kelvin Menon, Employers
Philip Walker, Employees

* = Present

CHANGES TO BORDER TO COAST PENSION PARTNERSHIP GOVERNANCE

1. A review of the governance of Border to Coast Pension Partnership (BCPP) has been undertaken to understand whether there are any changes that may be recommended for consideration by Partner Funds (as customers and shareholders) and the BCPP Board.
2. On 16 December 2022, the Committee considered a report that made the case for Surrey County Council to officially endorse proposed changes to governance resulting from this review¹. The report also proposed that future decisions in respect of BCPP matters be delegated to the Pension Fund Committee and Shareholder representative where appropriate.

¹ A proposed change to the Articles of Association post-date the Pension Fund Committee of 16 December 2022. This relates to the removal of the restriction on paying dividends on the B Shares (Article 27.1). This is an issue because a preclusion on paying dividends is deemed by the Financial Conduct Authority to be regarded as a cap, which is not permissible for the shares to be considered for regulatory CERT 1 purposes (their intended purpose in the capital structure). However, notwithstanding a removal of this Article, this does not create a compulsion to pay any dividends on the B shares and this would remain subject to BCPP Board recommendation and shareholder approval. This change is not therefore intended to alter the current position that the B Shares remain as non-dividend paying, as per Partner Fund intention at inception. Additionally, the B Shares are allocated equally between the Partner Funds so any dividends, should they be paid, would be payable equally between the Partner Funds. This proposed change is advised by BCPP lawyers (Eversheds Sutherland) and lawyers for the partner funds of BCPP (Squire Pattern Boggs) are satisfied that we can agree the proposed change. The Chairman and Vice-Chairman of the Surrey Pension Fund Committee have been consulted and support this proposed change.

The Committee **COMMEND** the County Council to:

1. Approve the proposed changes to the Stakeholder agreement, Articles of Association and Inter Authority Agreement.
2. Approve for all future decisions in respect of BCPP matters to be delegated in the following way:
 - a) Inter authority agreement matters (BCPP Joint Committee) – to the Surrey Pension Fund Committee;
 - b) Articles of Association and shareholder agreement matters – to the shareholder representative (the Section 151 officer or their delegate, in consultation with the Chairman of the Surrey Pension Fund Committee).
3. Approve for authority be delegated to the Section 151 officer and the Monitoring Officer in consultation with the Chairman of the Surrey Pension Fund Committee to update the Council's Constitution to reflect the above approvals and to approve for execution by the Council the final versions of any documents necessary to put these decisions into effect.

Nick Harrison
Chairman of the Surrey Pension Fund Committee
16 December 2022



OFFICER REPORT TO COUNCIL

AMENDMENTS TO THE CONSTITUTION

KEY ISSUE/DECISION:

It is the Council's responsibility to approve changes to the Council's Constitution.

This report sets out proposed changes to the Officer Scheme of Delegation Scheme of Delegation (Part 3, Section 3, Part 3A) in relation to the delegation of Council functions, and proposed changes to the Financial Regulations (Part 5(2)). These are brought to Council for formal approval in accordance with Article 4.04(b) and Article 13.01 of the Council's Constitution.

BACKGROUND:

CONTEXT AND SCOPE

1. The Financial Regulations under Part 5(2) of the Constitution form part of the Rules of Procedure, and provide the framework of control, responsibility, and accountability for the proper administration of the Council's financial affairs. This review ensures that the Financial Regulations and Scheme of Delegation remain current and reflect changes in the Council's processes and procedures. The Financial Regulations were last updated in February 2020.
2. The proposed changes are the result of extensive consultation across Finance, Surrey Pension Fund, People & Change, Twelve15, Procurement and Legal Services.
3. The revised Financial Regulations were scrutinised by Audit and Governance Committee on 8 March 2023. On 27 February 2023, People, Performance and Development Committee (PPDC) proposed the amendments to the Scheme of Delegation relating to the special severance approval delegation.

FINANCIAL REGULATIONS AND SCHEME OF DELEGATION AMENDMENTS

4. The review has been limited to reflect current business practice. This review covers:

5. **Aligning current organisational changes, process and positions** applied to Page 3, FR2.2, FR2.10, FR2.17, FR6.3, FR6.7, FR11.1, FR13.7, FR15.4, FR18.1, FR18.3, FR19.1 – 19.6, FR22.6, FR23.5, FR25.1, FR 25.3, FR26.7.
6. **Rebranding, reflecting and providing greater clarity of current policies and strategies:** This updates terminology and policies (Front Page, Page 4, FR4.4) and provides clarity on a number of key governance outputs:
 - Thresholds and governance processes for capital scheme approval (FR11.2)
 - Purpose of the Budget Accountability Statement (FR2.12, FR12.1)
 - Purpose and differentiation of the Manager Assurance Statements (FR13.5), and
 - Differentiation of approval of non-severance claims, special severance claims and non-special severance applications (FR5.4 and FR5.5).
7. **External funding and partnership opportunities:** Since the previous review there has been a project to enable more effective identification of external funding and partnership opportunities. This change reflects the governance, advancements and available tools and support for Senior Officers (FR4.5 – FR4.7).
8. **Fees and Charges:** Updated to ensure a consistent approach to reviewing and approving annual changes to discretionary fees and charges (FR8.2 and FR8.3) and acknowledges requirements for statutory fees and charges (FR8.2). The amendments set out the approval processes required for changes to fees and charges (FR8.4).
9. **Agency, consultants and contractors:** This reflects the joint venture Connect2Surrey for interim staff (FR17.1). It also provides clarity on processes in respect of interim cover for permanent roles and interim resources for special projects or specific pieces of work (FR17.2 and FR17.3).
10. **Special and non-special severance approval limits:** The PPDC approved the process for Special Severance payments and the updated severance policy. The changes were required by the introduction of statutory guidance in May 2022 on the making and disclosure of Special Severance Payments by local authorities.
11. There are different delegation and approval limits for special and non-special severance. This reflects the significant differences between special and non-special severance due to disclosure returns and guidance. The delegation provides that the Chief Executive, in consultation with the Leader of the Council, as Chair of the PPDC will

sign off any special severance payments between £20,000 and £100,000 as required by statutory guidance.

12. The non-special severance applications process is unchanged however, an upper threshold of £150,000 for PPDC to approve has been implemented. The amendments to the Financial Regulations and Scheme of Delegation aligns the financial approval limits. The changes relate to Financial Regulation FR5.5 and Scheme of Delegation Part 3 Section 3, Part 3A – HR3 and proposed new delegation HR4 (existing delegations HR4 and HR5 will be renumbered).

RECOMMENDATIONS:

- A. The amendments to the Financial Regulations and Scheme of Delegation, as set out, in Annexes 1 and 2 be approved.

Lead/Contact Officers:

Sarah Quinn, Senior Manager - Regulatory & Appeals, Democratic Services, Surrey County Council, sarah.quinn@surreycc.gov.uk

Annexes:

Annex 1 - Proposed amendments to the Financial Regulations

Annex 2 - Proposed amendments to the Scheme of Delegation

Sources/background papers:

Constitution of the Council

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No one is left behind ~~Making Surrey a better place~~

FINANCIAL REGULATIONS

JANUARY ~~FEBRUARY~~ 2023~~0~~

Financial Regulation (FR)	Description
	Introduction
FR1	Scope of Financial Regulations
FR2	Roles and Responsibilities
FR3	Information Affecting the Council's Finances
FR4	Preparation of Financial Plans
FR5	Authority to incur Revenue Expenditure
FR6	Financial Monitoring
FR7	Virement
FR8	Fees and Charges
FR9	Carry Forward of Unspent Budgets
FR10	Reserves
FR11	Authority to incur Capital Expenditure
FR12	Monitoring the Capital Programme
FR13	Financial Accounts
FR14	Duty to carry out Audit
FR15	Financial Irregularities
FR16	Ordering Procedures
FR17	Consultants and Contractors
FR18	Contracting Arrangements
FR19	Payment of Salaries and Wages
FR20	Income Collection and Banking Arrangements
FR21	Adult Social Care Assessed Fees & Charges Debt Management and Bad Debt Write Off
FR22	Debt Management a And Bad Debt Write Offs Not Relating To Adult Social Care Assessed Fees & Charges
FR23	Assets
FR24	Stocks and Stores
FR25	Estates
FR26	Risk Management and Insurance
FR27	Treasury Management and Pension Fund

Introduction

Financial Regulations provide a framework within which all staff can carry out their responsibilities in an open and consistent manner. They outline the financial responsibilities of all officers and members of the Council, and have been designed to promote and maintain the high standards expected of the public sector in dealing with financial and other resources financed from taxation by:

- placing clear accountability with officers appointed to manage resources; and
- establishing key principles and processes which they should follow, supported by detailed operating arrangements approved by the Section 151 Officer.

Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a Chief Finance Officer (**Section 151 Officer**) to have responsibility for those arrangements. The [Deputy Chief Executive and](#) Executive Director of Resources is the Section 151 Officer for Surrey County Council.

Whilst responsibility for the administration of the Council's financial affairs lies with the Section 151 Officer, all individuals engaged in Council activities are responsible for ensuring that their actions comply with Financial Regulations.

Cabinet Members and **Executive Directors** hold a dual role to ensure that strategic policies and priorities are delivered within resources and meet all fiduciary responsibilities, recommendations to Council are deliverable and that they support Budget Managers to spend within the Budget Envelopes.

The **Accountable Budget Officer (ABO)** (Executive Directors, Service and Assistant Directors, Heads of Service and other officers deemed to be Senior Officers) has overall accountability for a group of budgets. The ABO is ultimately accountable for ensuring effective planning and management of their budgets to deliver their service priorities within the agreed budget envelope. The ABO signs an annual Budget Accountability Statement.

A **Budget Manager** has day to day responsibility for the management of the budget of one or a group of services or projects under the oversight of an ABO. Their key responsibility is to make best use of financial resources through good planning and management, taking corrective action where required.

All officers with responsibility for undertaking financial duties are required to comply with these regulations. The Section 151 Officer is, in turn, accountable to Council. The Financial Regulations and supporting documents are reviewed annually, and will be developed further in line with the cultural changes and transformation plans the Council is currently working towards.

Locally managed schools have their own financial governance and regulations, which are set out in the Surrey Scheme of Financing Schools and the Schools' Finance Manual.

The Financial Regulations should be read in conjunction with the Council's:

- [Counter Fraud Strategy and Framework](#)~~against Fraud and Corruption~~;
- Business Continuity [Plan](#) Guidance;
- ~~Anti-Money Laundering Policy~~;
- ~~Systems Control Policy~~[Risk Management Strategy](#);
- Whistle blowing Policy; and
- Procurement Standing Orders.

FINANCIAL REGULATION 1 - SCOPE OF FINANCIAL REGULATIONS

FR1.1 The Financial Regulations are binding on all Council members and officers, including contractors, agency staff, and anyone acting on behalf of the Council, including elected members.

FR1.2 Financial Regulations are part of the Council's Constitution. The relevant parts of the Constitution are Article 12 (Finance, Contracts and Legal matters), Part 3 (Responsibility of Function and Scheme of Delegation), and Part 4 (Standing Orders – Budget & Policy Framework). Financial Regulations may only be amended by Full Council.

FINANCIAL REGULATION 2 - ROLES AND RESPONSIBILITIES

Council

FR2.1 Council members, acting as the Full Council, are responsible for approving the Council's overall policy framework and the budget within which the Council operates, setting the Prudential Indicators for treasury management; limits on virements between budgets, and the Capital, Investment and Treasury Management Strategies.

Cabinet

FR2.2 The Cabinet is responsible for proposing the policy framework and budget to the Full Council and for the discharge of executive functions in accordance with it. Decisions can be delegated to individual cabinet members or officers in line with the Scheme of Delegation.

Section 151 Officer ([Deputy Chief Executive and Executive Director of Resources](#)~~Executive Director of Finance~~)

FR2.3 The Section 151 Officer's role and responsibilities are set out in statute and are governed by (but not restricted to):

- Section 151 of the Local Government Act 1972;
- Section 114 of the Local Government Finance Act 1988 ;
- Local Government and Housing Act 1989;
- Local Government Act 2003; and
- Accounts and Audit Regulations 2015.

FR2.4 All financial procedures and records shall be subject to his / her approval. Under The Accounts and Audit Regulations, the Section 151 Officer is responsible for the financial management of the Council, sound systems of internal control, risk management, and at least once in a year, a review of the effectiveness of the system of internal control.

FR2.5 The Section 151 Officer is responsible for the ~~day-to-day~~[day-to-day](#) management of the Council's financial affairs. ~~They~~[He/she](#) shall provide information and assistance to all officers to help them carry out their responsibilities for effecting the sound financial management of their services.

FR2.6 The Section 151 Officer shall report to members on the overall budget performance and recommend corrective action as and when required. ~~He/she~~ They shall ensure, as far as practicable, Financial Regulations and supporting policies protect the Council against any unlawful financial transactions or actions.

FR2.7 The Section 151 Officer must be given access to any necessary information to comply with his / her statutory duties.

FR2.8 The Section 151 Officer will ensure that procedures are documented and made available to users for those financial systems identified as business critical.

FR2.9 The Section 151 Officer shall, after consultation with the Chief Executive, report any non-compliance with these Regulations which ~~he/she~~ they considers substantial. The report shall be made initially to the Leader and, following that, to the relevant Committee depending on the circumstances.

FR2.10 The Section 151 Officer can nominate a Deputy Section 151 Officer or Officers that have the same role and responsibilities in the absence of the Section 151 Officer.

Senior Officers (Chief Executive, Executive Directors, Service and ~~Assistant~~ Associate Directors, Head of Service, other designated officers)

FR2.11 Senior Officers have individual and collective responsibility to ensure that the fundamental principles as established by the Cadbury Report on “the financial aspects of corporate governance”, namely openness, integrity and accountability, are established through compliance with Financial Regulations.

FR2.12 As Senior Officers of Surrey County Council, you have overall accountability for their group of revenue budgets and are ultimately accountable for ensuring effective planning and management of your budgets to deliver your service priorities and outcomes within the agreed budget envelope, whilst reporting any variations and working to rectify them as soon as possible. Annually Senior Officers, known as Accountable Budget Officers, are requested to acknowledge their responsibilities and budget remit for both revenue and capital. Budget Accountability Statements (BAS) are produced before the commencement of the financial year and require confirmation of the accountabilities and the budget envelope.

FR2.13 Senior Officers may delegate day to day management to a Budget Manager in his / her directorate or service, provided that a list of officers so authorised shall be supplied to the Section 151 Officer. Although day to day management of a budget may be delegated, responsibility and accountability remains firmly with Senior Officers. Effective management of resources is a fundamental requirement of managers and failure to manage budgets will be investigated under the disciplinary procedure. Persistent or significant failure could constitute gross misconduct.

FR2.14 Senior Officers shall propose annual revenue and capital budgets for each service within the budget guidelines agreed by the Cabinet.

Budget Managers

FR2.154 Budget Managers should make all relevant staff aware of these regulations (and associated documents) and highlight the relevance and compliance of the regulations to team members.

FR2.165 Budget Managers are accountable for their budget areas and to make arrangements for managing income and expenditure and ensure value for money in service delivery. Budget Managers are responsible for taking action to recover and to report on any budgetary variances, and for reporting to Senior Officers if there is a possibility that budgets may be overspent. Effective management of resources is a fundamental requirement of Budget Managers and failure to manage the budget properly will be investigated under the Council's disciplinary procedure.

FR2.176 Budget managers are responsible for the budget narrative that informs the monthly reports to Directorate~~departmental~~ Leadership Teams (DLT), the Corporate Leadership Team (CLT) and to members. Finance officers are available to support this process.

FR2.187 Senior Officers and Budget Managers are responsible for ensuring that all staff, contractors, agency workers in their directorates, anyone acting on behalf of the Council and elected members are aware of the existence and content of the Council's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that there is adequate availability of and access to the current version of Financial Regulations.

FINANCIAL REGULATION 3 - INFORMATION AFFECTING THE COUNCIL'S FINANCES

FR3.1 Where a matter arises in any Directorate which could materially affect the Council's finances, other than a matter already approved, Senior Officers shall consult the Section 151 Officer before any provisional expenditure is incurred or any commitment given.

FR3.2 All Cabinet reports shall contain a section dealing with the financial implications of the matter(s) covered by the report and shall be submitted to the Section 151 Officer, who shall satisfy himself / herself that the financial information is comprehensive and accurate before the report is finalised and published.

FINANCIAL REGULATION 4 - PREPARATION OF FINANCIAL PLANS

FR4.1 The Section 151 Officer, in consultation with the Chief Executive, shall advise Cabinet each year on the timescales and procedures to be adopted for the formulation of all Financial Plans including the Medium Term Financial Strategy, Annual Revenue Budget, Capital Strategy, Investment Strategy, Capital Programme and Treasury Management Strategy. Cabinet shall agree a timetable which will include stages for consultation with Resources and Performance and appropriate Select Committees and other appropriate stakeholders. Members will be actively involved in scrutiny of budget proposals ahead of submission to Cabinet and Council, and subsequently in the monitoring of progress.

FR4.2 Senior Officers shall adhere to the agreed timescales and procedures in providing the information required to enable the preparation of Service Development and Financial Plans.

FR4.3 In accordance with the agreed timescales, the Section 151 Officer shall submit a report to Cabinet, taking account of the views of appropriate committees, with the information required to enable Cabinet to recommend a Capital Strategy and Programme, Revenue Budget and Council Tax for the following financial year to Council. The report will comment on the robustness of the budget proposals submitted for approval in compliance with the requirements of Section 25 of the Local Government Act 2003.

FR4.4 The responsibilities of Senior Officers are set out in the Budget Accountability Statement (BAS). Any additional expenditure not already included in the existing Revenue Budget must be found from corresponding savings/efficiencies in other areas. Under no circumstances can additional expenditure be incurred without the express approval of the Section 151 Officer.

FR4.5 Senior Officers, in consultation with the Section 151 Officer, shall make appropriate arrangements for the effective identification, progression and management of external funding and partnership opportunities (there after referred to as “funding opportunity”) applicable to their service area. The External Bidding Hub (Sharepoint site for information and holds the bidding register) and Bidding community group (Teams group for advice, support and opportunity circular) are available to assist Senior Officers and delegations to ensure aAll possible partners ~~shall~~ can be identified and considered ~~for inclusion in a scheme, as appropriate.~~

FR4.6 All bids for a funding opportunity ~~external grants for externally funded schemes~~ shall be made in consultation with the Section 151 Officer or his/her deputies before a bid ~~or funding opportunity grant application~~ is submitted. Proper allowance must be made for work which will have to be undertaken by all other services / directorates to implement the scheme, and all costs which have to be met by the Council, in consultation with the Senior Finance Business Partner (Funding) and the Commercial Finance Team ~~relevant Strategic Finance Business Partner~~. Some applications may require member approval, as set out in the Constitution, particularly where the Council is entering into contractual arrangements. ~~or providing funding for the project.~~

~~**FR4.7** All funding opportunities proposals for externally funded schemes shall be made in consultation with the Section 151 Officer or his / her deputies before a bid is submitted.~~

FR4.78 All officers engaged in the progression of such schemes shall adhere to these Financial Regulations, the Council’s Procurement Rules, External Bidding Hub and any other directions or instructions given by the Council. Where the Council has been defined by the funder as the Accountable Body for a scheme, Financial Regulations applies equally to the staff of any partnering organisations in respect of the scheme.

FR4.89 Where a third party works in partnership with the Council in delivering an externally funded project, officers must ensure that a third-party agreement is in place which reflects the terms and conditions of the funding agreement between the Council and the external

funder. The responsible officer shall ensure that the third-party complies with the third-party agreement in order to safeguard the Council's position regarding compliance with its agreement with the funder. For all significant arrangements, the advice of the Monitoring Officer should be taken on the form and content of any agreement.

FR4.910 Further guidance on preparation of financial plans timescales and procedures, submission and monitoring of capital schemes, roles and responsibilities, and funding proposals and process can be sought from the appropriate Strategic Finance Business Partner.

FINANCIAL REGULATION 5 - AUTHORITY TO INCUR REVENUE EXPENDITURE

FR5.1 Budget Managers are authorised to incur expenditure up to the amounts included in their approved budget.

FR5.2 The Section 151 Officer shall update budgets to reflect approved variations agreed by Cabinet. In addition, ~~he/she~~they shall approve amendments and update the Revenue Budget in accordance with Financial Regulation 6.

FR5.3 Overspending against the approved budget is not permitted. However, a situation may arise which requires expenditure to be incurred as a matter of such urgency that there must be no delay. If there is no, or insufficient, budget provision available, the Budget Manager should, in consultation with the relevant Senior Officer and Section 151 Officer obtain the necessary goods, and / or works, and / or services. The additional expenditure shall be met by virement in accordance with Financial Regulation 7.

FR5.4 The Section 151 Officer or deputies approve any non-redundancy related settlement claims (not covered by FR5.5) over £50,000; otherwise the relevant Strategic Finance Business Partner will approve. ~~Initially, if the People and Finance Business Partners have a case over £50,000, they should forward it to at least either of the Section 151 Officer or deputies.~~

FR5.54 The approval of special severance agreements and non special severance and , redundancy applications (eg: compulsory and voluntary redundancy, ill health retirement and compensation for an injury at work payments) are covered within the Scheme of Delegation Section 3 Part A.

~~The approval of redundancy claims over £50,000 including pension strain is subject to the decision of the Section 151 Officer or deputies, HR Director and relevant Head of Service otherwise relevant Strategic Finance Business Partner, relevant people Business partner and Head of Service area.~~

FINANCIAL REGULATION 6 - FINANCIAL MONITORING

FR6.1 Senior Officers shall comply with the outlined roles and responsibilities and the Budget Accountability Statement (BAS). Individual budgets may be delegated to Budget Managers / Budget Holders within the directorate, however, Senior Officers maintain overall responsibility and are accountable for managing the budgets in compliance with the Budget Accountability Statement.

FR6.2 Senior Officers are responsible for delivering services within the allocated budget. It is not acceptable to overspend, and mis-management of the budget may lead to disciplinary action.

FR6.3 Senior Officers and Budget Managers are responsible for delivering the savings/[efficiencies](#) identified within their assigned budgets.

FR6.4 Budget Managers shall provide accurate forecast returns in accordance with the budget monitoring timetable. Any overspends against a single budget line must be met by a saving elsewhere within the budget. If an overall unavoidable overspend is likely to occur, the Budget Manager must notify the appropriate Senior Officer and Strategic Finance Business Partner, and provide a detailed explanation of why the overspend is truly unavoidable. Any underspends should also be reported early, as these may be required to offset unavoidable pressures elsewhere.

FR6.5 The monthly forecast returns should provide:

- coherent and detailed explanations which support the reported figures activity levels for budget variances;
- highlight potential budget problems
- progress on management actions; and
- outline the impact on future budgets.

FR6.6 On behalf of Senior Officers, Strategic Finance Business Partners will present monthly monitoring reports to DLTs. The Section 151 Officer will present [a](#) consolidated monthly monitoring report to CLT.

FR6.7 Using a risk based methodology, regular financial monitoring reports shall also be prepared and submitted, in the agreed format, ~~as follows:~~

- [to Cabinet as a standing agenda item on a Mmonthly basis](#) ~~monitoring information to Cabinet;~~ and
- Quarterly monitoring information to the appropriate Select Committees.

FINANCIAL REGULATION 7 - VIREMENT OF REVENUE BUDGETS

FR7.1 Budget approval gives Budget Managers the right to incur expenditure on behalf of the Council. Budget Managers may vire between their budget headings within the constraints outlined in the Financial Regulations, in consultation with the appropriate Strategic Finance Business Partners. Virements should not be used to adjust for under / overspends on various headings but only where a definite decision has been taken to change approved spending plans.

FR7.2 Revenue virements~~s~~ resulting from a change in policy or priorities (either within the same portfolio or between portfolios) will be subject to the following approval:

Amount	Minimum approval required
Up to and including £1m	Executive Director (following consultation with deputy S151 Officer(s))
In excess of £1m,- but no more than £2m	Executive Director (following consultation with s151 Finance Officer and relevant Cabinet member(s))
More than £2m	Cabinet (following consultation with relevant Cabinet member, Executive Director and S151 Officer (if not already involved))

FR7.3 Exceptions to the virement rules are as follows:

- Member approval is not required where a budget will continue to be used for the approved purpose but is being moved, for example, to reflect a change in budget holder responsibilities. Such transfers will however require the approval of the either the Director of Financial Insights or Director of Corporate Finance and the relevant Strategic Finance Business Partners(s).
- Member approval is not required for budget movements arising in order to comply with the CIPFA Service Expenditure Reporting Code of Practice guidance on accounting for overheads, or budget movements arising in order to comply with proper accounting practice. Approval is required from the relevant Strategic Finance Business Partner and/or the Director of Corporate Finance or Director of Financial Insights.

FR8 – FEES AND CHARGES

FR8.1 The Section 151 Officer shall issue guidance to all Directorates on the levels of increase in fees and charges for services to ensure that as far as possible a common approach to charges and revisions of charges is adopted across the Council.

FR8.2 Senior Officers and Budget Managers will conduct an annual review of all fees and charges, in consultation with the relevant Strategic Finance Business Partners, as part of the annual budget setting process. The purpose of the review would be to ensure that:

- increases are in line with issued guidance or clear evidence and reasoning for deviation;
- chargeable discretionary services are not subsidised without a specific supporting policy decision; and
- the level of subsidy for chargeable statutory services is recorded.

The annual review will encompass a review of the budgeted income generation, level of subsidy, associated benchmarking comparatives, any changes to the local economy and any changes in legalisation to statutory services.

FR8.3 Each Directorate will supply to Finance Senior Management Team (FSMT) a list of fees and charges highlighting changes to the fee or charge, and comparative change from year to year. FSMT will consider whether any fees and charges are commercial sensitive, or politically high priority to define whether the change requires Cabinet approval or noting.

FR8.4 Once has the fees and charges (discretionary and statutory) annual review has been conducted and FSMT reviewed them, within the annual budget setting timeline, the following table provides the approval and publishing delegation:

<u>Change:</u>	<u>Existing fees and charges</u>			<u>New fees and charges</u>
	<u>in line with guidance or rounding¹,</u>	<u>increase higher than issued guidance</u>	<u>part of a high priority schedule</u>	
<u>Approved by:</u>	<u>Budget Managers</u>	<u>relevant Cabinet member</u>		
<u>In consultation with:</u>	<u>Relevant Strategic Finance Business Partners</u>	<u>Finance Senior Management Team</u>		
<u>Published in</u>	<u>Noted within Cabinet Budget Report *</u>	<u>Approved by the relevant Cabinet member (in year changes) or within Cabinet Budget Report *</u>		

*or within another Cabinet report before the start of the new financial year. If commercial sensitive, the individual fees and charges would be considered for Part 2 Committee report.

~~2 Senior Officers and Budget Managers must review and update fees and charges annually, as part of the budget setting process, with a view to ensuring that chargeable discretionary services are not subsidised without a specific supporting policy decision. The individual fees and charges will be approved annually before the start of the new financial year.~~

FR8.53 In determining charges for discretionary services, the cost of providing the service should be calculated and fees charged to the service user in order and -where possible to recover all direct, ~~and~~ indirect, and overhead costs incurred by the Council in the delivery of the service and in compliance with relevant legislation. Where relevant, t~~The~~ cost of chargeable officer time should be used as calculated by corporate finance in the Commercial Rate Card (updated annually). The importance of services to the users, comparable charges made by neighbouring authorities and income targets should all be taken into consideration. Senior Officers should liaise with the appropriate finance officer in relation to the proposals. Finance officers must wherever possible prevent an unintended subsidy of discretionary services through the under-recovery of indirect and/or ancillary costs incurred in the delivery of discretionary services.

FR8.64 As part of the annual review of fees and charges, Senior Officers shall also examine the possibility of introducing charges for services where no charges are currently made. This will be undertaken in consultation with Legal Services. ~~When there is a change of policy that could require public consultation, this should be reported to Cabinet. Any substantive change in policy in the application of fees and charges, or in the level of subsidy, will require Cabinet approval. Cabinet must agree proposals to start charging for or trading in goods or services not previously subject to charging or trading with third parties.~~

¹ Appropriate rounding eg: low value fees and charges being round up to the next normal increment – from £1 to £1.25

FR8.75 Some fees and charges may not be fixed, but based on full or part cost recovery, subject to a supporting policy decision regarding subsidy (FR8.22).

FR8.86 Where charges are assessed according to ability to pay, Senior Officers may make arrangements for the charges to be reduced in accordance with an assessment methodology approved by Cabinet.

FINANCIAL REGULATION 9 - CARRY FORWARD OF UNSPENT BUDGETS

FR9.1 The carry forward of unspent provisions in the Revenue Budget from one financial year to the next is not permitted except with explicit approval of the Section 151 Officer, in consultation with the Leader of the Council and the Cabinet Member for Finance.

FR9.2 The Section 151 Officer shall, as soon as is practicable, supply a detailed list of the items and amounts approved to Senior Officers and Budget Managers. The Section 151 Officer will report specific items to members within the overall outturn report.

FR9.3 Year end balances will be transferred to and from reserves by the Section 151 Officer, in line with the Council's Reserves Policy, and with the approval of Cabinet.

FINANCIAL REGULATION 10 – RESERVES

FR10.1 Reserves will be set by the Council each year as part of the budget setting process. The Section 151 Officer will advise the Cabinet and Council on the prudent level of reserves and balances, taking into account prevailing and anticipated levels of risk and uncertainty.

FR10.2 The creation of any reserve will ~~be~~ be the subject ~~to the~~ approval of Cabinet, upon the advice of the Section 151 Officer. For each reserve established, the purpose, and usage will be clearly articulated.

FR10.3 Increases in existing reserves come about through two routes:

- Through the budget setting process, the setting of which requires Full Council approval; and
- By transfer of an underspend into reserves in accordance with the table below:

Amount	Minimum approval required
Up to and including £1m	Executive Director (following consultation with deputy S151 Officer(s))
In excess of £1m, -but no more than £2m	Executive Director (following consultation with s151 Finance Officer and relevant Cabinet member(s))
More than £2m	Cabinet (following consultation with relevant Cabinet member, Executive Director and S151 Officer (if not already involved))

FR10.4 The Section 151 Officer shall be authorised to draw upon reserves for the agreed purposes of that reserve, subject to provision remaining available

FINANCIAL REGULATION 11 - AUTHORITY TO INCUR CAPITAL EXPENDITURE

FR11.1 The Council's approach to capital investment is set out in the [Councils, Capital Investment and Treasury Management Strategy and the Investment Strategy, which is approved by Council as part of the budget setting papers each February](#). New schemes and projects will usually only be added to the Capital Programme as part of the annual budget setting process, however, changes, capital virements and additions may be made during the year, subject to one of two decision-making structures:

- Capital expenditure relating to equity investments or investment property will be subject to assessment by the officer-led Shareholder ~~and~~ Investment Panel, the Asset Strategy Board and ultimately approved by members at Strategic Investment Board.
- All other capital expenditure will be subject to assessment by the appropriate Strategic Capital Group; for Information Technology, Infrastructure and Property, the Capital Programme Panel and formal member approval, where required by the Scheme of Delegation.

FR11.2 Capital expenditure other than on equity investments and investment property is subject to a governance route based on value and an assessment of impact and risk. New capital schemes and projects and changes to existing schemes and projects are assessed and scrutinised in up to three stages prior to being included in the Capital Programme:

- Strategic Capital Groups, comprising the Head of Service or their nominated officer and Strategic Finance Business Partner or their nominated officer, for:
 - Information Technology,
 - Infrastructure; and
 - Property.
- Strategic Capital Groups can make decisions on new approvals of up to £250,000, [or approve existing schemes](#) where the scheme or project is within the approved Capital Programme Budget and does not require additional officer or member approval, based on an assessment of impact and risk. Variations to existing budgets can be approved up to 10% of total budget, up to a maximum of £250,000.
- The Capital Programme Panel, comprising of the Section 151 Officer or their nominated officer, the chairs of the Strategic Capital Groups and other nominated officers. The Capital Programme Panel can make decisions on new approvals of up to £1,000,000 where the scheme or project does not require member approval based on an assessment of impact and risk. Variations to existing budgets can be approved up to 10% of total project budget, up to a maximum of £500,000.

- Approval by Cabinet is required for all other additions and changes.
- Where overarching programme strategies are approved by Cabinet, Cabinet may delegate the approval of individual schemes over £1,000,000 to the relevant Cabinet Member(s) and Executive Director(s), subject to scrutiny of business cases by the Capital Programme Panel. Individual schemes should initially be reviewed by Capital Programme Panel and then be signed off by the relevant Executive Director(S). Final approval will be via the relevant Cabinet Member(s) via a formal delegated decision sheet which will be published and subject to call in processes.
- In these cases, the Cabinet member, Executive Director and Capital Programme Panel will also be responsible for ensuring, in consultation with Strategic Capital Groups, that the overarching strategy approved by Cabinet remains deliverable within the overall programme budget and that key metrics, eg number of additional school places, will be delivered.

FR11.3 All proposed schemes must be based on a robust business case and subject to appropriate internal or external due diligence. In particular the business cases must ensure:

- Capital Programme proposals are consistent with the Council’s Organisation Strategy, Capital Strategy and Investment Strategy, Asset and Place Strategy and Directorate Strategies and have a strategic mandate to proceed;
- Each capital scheme or project is assessed for both financial and service risk;
- The proposed timetable for the scheme or project is realistic; and
- All associated revenue implications are fully quantified and covered in the current and future years.

FR11.4 Only those schemes and projects that meet the strategic priorities and have been assessed via the stages outlined above, subject to member approval where required, will be approved as part of the Capital Budget. Projects in an earlier stage of development may be included in the Capital Pipeline but will require business case approval, assessed via the stages outlined above, before they can commence.

FR11.5 Contracts for capital works will be awarded in accordance with the rules set out in Procurement Standing Orders.

FINANCIAL REGULATION 12 - MONITORING OF THE CAPITAL PROGRAMME

FR12.1 Once a capital scheme or project has been approved in the Council’s Capital Programme Budget, each Budget Manager shall be responsible for monitoring expenditure, and for providing information in accordance with arrangements set out in the Budget Holder Handbook – Capital to enable regular reports to be submitted to DLTs, CLT, Select Committees

and to Cabinet. Note: Annually Senior Officers, known as Accountable Budget Officers, are requested to acknowledge their responsibilities and capital budget remit. Budget Accountability Statements (BAS) are produced before the commencement of the financial year and require confirmation of the accountabilities and the budget envelope.

FR12.2 If necessary, and following consultation with the Section 151 Officer or their nominated officer, virements may be made between capital schemes to reflect the value of each accepted tender. Virements should be approved by the appropriate Strategic Capital Group, Capital Programme Panel or Cabinet based on the thresholds and non-financial factors set out in FR11.2.

FR12.3 Block items within the Capital Programme comprising a number of schemes (e.g. Maintenance and Minor Works Programmes) shall be regarded as a single project subject to the total scheme costs not being exceeded, and satisfying the requirements of any external funder.

FINANCIAL REGULATION 13 – FINANCIAL ACCOUNTS

FR13.1 The Section 151 Officer shall ensure that all financial transactions of the Council are accurately reflected in the Council's accounting records.

FR13.2 All financial systems, accounting policies and accounting records shall be in a form agreed by the Section 151 Officer. All proposed changes to accounting policies must be approved by the Section 151 Officer and discussed with the Council's external auditors before implementation.

FR13.3 The Section 151 Officer will make appropriate arrangements for and advise officers and members on all taxation issues that affect the Council.

FR13.4 The Section 151 Officer will sign off the annual Statement of Accounts, once they are he / she is satisfied that the statement represents a true and fair view of the financial position of the Council. The Statement of Accounts will be submitted for approval to the Audit and Governance Committee.

FR13.5 Senior Officers are required to ~~must~~ sign a Manager's Assurance Statement each year in a form prescribed by the Section 151 Officer to assist with evidence for the annual accounts. The Manager's Assurance Statement would be issued at the end of the financial year confirming:

- adherence and compliance to all relevant governance,
- contingent liabilities, post balance sheet events, claims, related parties and conflicts of interest related to financial year end transactions, and
- contribution and the correlation of actual financial year end position links to the outturn report.

The group of Senior Officers signing a Manager's Assurance Statement is similar to the group acknowledging Budget Accountability Statements. The Manager's Assurance Statements addresses those areas that don't have budgets due to being funded from other sources like Better Care Fund and mid-year alignments. Note: Budget Accountability Statements (BAS) are

[for Accountable Budget Officers acknowledging the framework and remit of responsibilities at the beginning of the financial year. The BAS outlines the budget responsibilities of the new financial year.](#)

FR13.6 Arrangements for the retention or destruction of financial records shall be in accordance with the Council's Record Retention Policy. In any event, no document relating to the financial transactions of the Council, or its employees shall be destroyed before the completion of the External Audit for the year concerned.

FR13.7 Senior Officers shall be responsible for ensuring that there are adequate arrangements, in respect of financial information held in electronic form, to safeguard continuity in the event of an emergency and shall comply with the requirements set out in the Council's [IT Security Policy](#). ~~Information Technology Strategy.~~

FINANCIAL REGULATION 14 - DUTY TO CARRY OUT AUDIT

FR14.1 The Section 151 Officer shall ensure that the Council maintains an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices, as laid down in The Accounts and Audit Regulations. This also extends to external audit, where appropriate, subject to external partners and external funding requirements. To facilitate independence and objectivity in reporting, the reporting lines of the Internal Audit function should be unfettered by line management structures so that direct access to any officer, member or external regulating authority (e.g. external audit) will be available.

FR14.2 In order to discharge his / her responsibilities under FR14.1 above, the Section 151 Officer, Internal Audit and any other authorised staff shall have the right to:

- a) Enter any Council premises or land at any reasonable time, without prior notice;
- b) Have access ~~to~~ at all times to all records and documents (including email and correspondence) relevant to the business of the Council as maintained by the Council or third parties on its behalf including (but not limited to) external contractors and consultants;
- c) Require and receive any information and explanations considered necessary to the audit; and
- d) Require any employee or agent of the Council to account for assets under his / her control.

FR14.3 The Chief Internal Auditor shall report on a regular basis to the Audit and Governance Committee with a summary of internal audit activity, and shall bring to the attention of the Chief Executive and the Audit and Governance Committee any significant matters which may have come to his / her attention in the course of delivering the internal audit function.

FINANCIAL REGULATION 15 - FINANCIAL IRREGULARITIES

FR15.1 All officers are required to inform their manager on becoming aware of any irregularity, or suspected irregularity, affecting income, expenditure, cash, stores or any of the resources of the Council. Senior Officers shall inform the Chief Internal Auditor as soon as practicable. If it is not appropriate to inform local management because of a potential connection to the alleged irregularity, then officers should contact the Chief Internal Auditor

directly. This requirement also applies to elected members and to agents working on behalf of the Council where the concern is around Council related matters.

FR15.2 The Chief Internal Auditor shall consider during the course of any investigation or at its conclusion, as ~~they~~ ~~he~~ / ~~she~~ deems appropriate, whether the matter may require investigation by the Police and / or notification to the External Auditor. Where appropriate ~~he~~ / ~~she~~ ~~they~~ shall seek the advice of the Monitoring Officer and inform the Chief Executive.

FR15.3 At the conclusion of any investigation or earlier if appropriate, the Chief Internal Auditor shall, in consultation with the Monitoring Officer, agree with the Senior Officer concerned the steps that should be taken to mitigate any loss and prevent a recurrence of it. The Chief Internal Auditor shall report, if ~~they~~ ~~he~~ / ~~she~~ considers it necessary, initially to the Chief Executive and, following that, to the Audit and Governance Committee, depending on the circumstances.

FR15.4 All investigations of this type undertaken by Internal Audit will be under the direction of the Chief Internal Auditor, in consultation with the Section 151 Officer and the Director of ~~People and Change~~ ~~Human Resources and Organisational Development~~ (“~~The Director of HR and OD~~”). Such investigations will be undertaken in line with the Council’s Counter Fraud Strategy and Framework, which forms part of the Constitution. The Director of ~~HR~~ ~~People and Change~~ ~~and OD~~ will ensure that “whistle blowing” procedures are defined, documented, widely communicated and reviewed at appropriate intervals, in consultation with the Section 151 Officer, the Monitoring Officer and the Chief Internal Auditor.

FR15.5 The Chief Internal Auditor or his / her delegated authority within Internal Audit acts as the Council’s Money Laundering Reporting Officer (MLRO). The MLRO will ensure that there is an Anti-Money Laundering Policy published on the Council’s external website which sets out the procedures which must be followed to enable the Council to comply with its legal obligations. This policy, which is contained in the Counter Fraud Strategy and Framework, states that the Council will not accept cash payments in excess of £5,000.

FINANCIAL REGULATION 16 - ORDERING PROCEDURES

FR16.1 Senior Officers shall be responsible for ensuring that all orders issued from their departments for goods, works and services are in accordance with Procurement Standing Orders.

FINANCIAL REGULATION 17 - CONSULTANTS AND CONTRACTORS

FR17.1 Agency workers, Contractors, and individual Consultants should be sourced in accordance with Procurement and HR guidelines. ~~FR17.1 Procurement Standing Orders set out the thresholds for appointing consultants and contractors.~~

FR17.2 For agency / interim staff, Surrey has a joint venture with Kent Commercial Services called Connect2Surrey (C2Su) to supply all agency workers. When the appointment is covering for permanent budgeted roles, the process is outlined through C2Su arrangements or Procurement Standing Orders, if C2Su can find the appropriate candidate. FR 5.1 – FR5.3 outlines approval and specifics regarding overspending.

FR17.3 When the appointment is for specific projects, ~~the Leader and the~~ Chief Executive (and if required the Leader) must approve interim staff, consultant or contractor appointments where the fee exceeds £50,000 a year (or in proportion where the engagement is for less than one year) before the contract starts.

FR17.4 All consultant or contractor engagements with an aggregate value of £100,000 or over, must be subject to competitive tender and review by the regular procurement governance process ~~the Sourcing Governance Board~~ before approval by the Leader and Chief Executive. The Leader and Chief Executive will not approve such engagements retrospectively.

FR17.5 Consultants, contractors and agency workers engaged to supervise contracts on behalf of the Council shall be required to comply with these Financial Regulations as if they were direct employees of the Council. Such a requirement shall be included in every agreement for their services. Any reference in these Financial Regulations to a Budget Manager shall apply to a consultant, contractor or agency worker. Where a report is required, it shall be made by the consultant, contractor or agency worker to the appropriate Senior Officer, who shall report to members as required.

FINANCIAL REGULATION 18 – CONTRACTING ARRANGEMENTS

FR18.1 All procurement and purchasing undertaken must adhere to the specified processes as agreed by the Corporate Leadership Team and follow the requirements of the Procurement Standing Orders ~~and the Sourcing Governance Board~~. The Section 151 Officer may authorise the use of Purchasing Cards for Council staff for the purposes of defraying petty cash and other minor or urgent expenses. ~~The Budget Holder Handbook sets out the requirements for the use of and Purchasing Cards.~~

FR18.2 All material assumptions and risks inherent in evaluations of proposed contracts must be fully disclosed to those officers and members making decisions on the award of the contract, before the contract award is made.

FR18.3 Long term strategic contracts must include provision to secure continuous improvement, improved efficiency and value for money. Financial relationships must be made under the relevant corporate guidance as highlighted in the introduction ~~within the Finance the Financial Management Financial Management Toolkit~~. In this context, partnerships are deemed to be joint arrangements involving the Council pooling financial and / or other resources with other bodies in the pursuit of agreed joint objectives.

FR18.4 All partnership arrangements and pooled budgets must be agreed under written terms appropriate to the extent of the financial risk to the Council and may only be entered into following appropriate consultation with and approval from the Section 151 Officer and the Monitoring Officer. Where the Council's contribution to, or financial risk from such arrangements, exceeds £100,000, Cabinet's approval is required. Appropriate approval must be obtained before entering into any proposed partnership.

FINANCIAL REGULATION 19 - PAYMENT OF SALARIES AND WAGES

FR19.1 The payment of all salaries, wages, pensions, compensation and other emoluments to employees, former employees or beneficiaries of the Council shall be made in accordance with arrangements approved by the Chief Executive and the [People, Performance and Development Committee](#) ~~Pay, Personnel and Development Committee~~ (PPDC).

FR19.2 The Director of ~~HR and OD~~ [People and Change](#) shall arrange for all relevant payments in respect of sums deducted from employees' remuneration and any employers' contributions to be made to the appropriate agency.

FR19.3 Senior Officers shall notify the Director of [People and Change](#) ~~HR and OD~~, or his / her agent, of all matters affecting payment as soon as possible. Notification will be in the form prescribed by the Section 151 Officer and Monitoring Officer.

FR19.4 Time records or other pay documents (including those relating to flexible working hours) shall be in a form prescribed or approved by the Director of [People and Change](#) ~~HR and OD~~.

FR19.5 The Director of [People and Change](#) ~~HR and OD~~ shall ensure that there are proper arrangements to maintain all necessary human resources records concerning pay, superannuation, statutory sick pay, national insurance and income tax.

FR19.6 The Director of [People and Change](#) ~~HR and OD~~ shall have regard to any recommendations made by the Section 151 Officer in all matters of a financial nature.

FINANCIAL REGULATION 20 - INCOME COLLECTION AND BANKING ARRANGEMENTS

FR20.1 Senior Officers and Budget Managers shall seek the prompt collection of all monies due to the Council in accordance with arrangements approved by the Section 151 Officer and as specified in the Income Manual.

FR20.2 Senior Officers and Budget Managers are responsible for dealing with the receipt of money and other remittances and holding them in secure conditions before they are banked or otherwise dealt with.

FR20.3 The Section 151 Officer is responsible for the Council's overall banking arrangements. All arrangements for opening bank accounts and for the banking and withdrawal of money shall be approved by the Section 151 Officer. The Section 151 Officer shall determine the arrangements for the reconciliation of all Council bank accounts.

FINANCIAL REGULATION 21 – ADULT SOCIAL CARE ASSESSED FEES & CHARGES DEBT MANANGEMENT AND BAD DEBT WRITE OFF

FR21.1 The Section 151 Officer has the authority to approve write offs of unpaid Adult Social Care assessed fees & charges up to the value of £100,000 per individual debt where the relevant Budget Manager and financial assessment staff in Adult Social Care, Legal Services and Corporate Finance agree there is no realistic chance of recovering the debt or it is

considered uneconomical to attempt debt recovery. The Section 151 Officer has the overriding authority to approve or reject write offs if there is not agreement between Adult Social Care, Legal services and Corporate Finance about a particular debt.

FR21.2 The Section 151 Officer may delegate in writing approval of individual write offs of unpaid Adult Social Care assessed fees & charges to another member of the Corporate Finance service.

FR21.3 The Section 151 Officer or the delegated Corporate Finance officer may delegate in writing approval of write offs of unpaid Adult Social Care assessed fees & charges up to £5,000 to designated officers in Adult Social Care. Where this delegation is made, the designated Adult Social Care officers will have the authority to approve write offs without the need to seek advice and formal approval from Corporate Finance.

FR21.4 Any individual debts relating to unpaid Adult Social Care assessed fees & charges of more than £100,000 must be approved by Cabinet, subject to the recommendation of the Section 151 Officer.

FR21.5 Write off of irrecoverable debt will be charged to the relevant budget in Adult Social Care. The year-end financial outturn report will provide a summary of all irrecoverable debt written off during the year relating to Adult Social Care assessed fees & charges.

FR21.6 Credit balances, which are over three years old and which cannot be substantiated or justified, will be released to the relevant fund after closure of accounts of each year, subject to formal approval by the Section 151 officer.

FR21.7 The Council will maintain a provision for bad debt relating to unpaid Adult Social Care assessed fees & charges. The Section 151 Officer will determine the criteria to calculate how much to provide for outstanding debts in relation to their age and type in consultation with Adult Social Care and Legal Services. The social care bad debt provision will be recalculated based on the latest debt levels and types on at least a quarterly basis. Adult Social Care will bear the impact of any increase or decrease required to the social care bad debt provision. Adult Social Care will review each year how much it is proposed is budgeted for potential bad debt to limit in-year impacts of write offs, changes to the bad debt provision or other costs associated with bad debts such as legal fees paid for debts that prove to be irrecoverable. Any budget provision proposed by Adult Social Care will be approved as part of the annual budget setting process.

FINANCIAL REGULATION 22 – DEBT MANAGEMENT AND BAD DEBT WRITE OFFS NOT RELATING TO ADULT SOCIAL CARE ASSESSED FEES & CHARGES

FR22.1 The Section 151 Officer has the authority to approve write offs of unpaid debts up to the value of £100,000 per individual debt where the relevant Budget Manager, Legal Services and Corporate Finance agree there is no realistic chance of recovering the debt or it is considered uneconomical to attempt debt recovery. The Section 151 Officer has the overriding authority to approve or reject write offs if there is not agreement between the Budget Manager, Legal Services and Corporate Finance about a particular debt.

FR22.2 The Section 151 Officer may delegate in writing approval of individual write offs of unpaid debts to another member of the Corporate Finance service.

FR22.3 Any individual debts of more than £100,000 must be approved by Cabinet, subject to the recommendation of the Section 151 Officer

FR22.4 Write off of irrecoverable debt will be charged to the relevant budget code where the debt was first raised unless otherwise agreed by the Section 151 Officer or their delegated representatives. The year-end financial outturn report will provide a summary of all irrecoverable debt written off during the year.

FR22.5 Credit balances, which are over three years old and which cannot be substantiated or justified, will be released to the relevant fund after closure of accounts of each year, subject to formal approval by the Section 151 officer.

FR22.6 The Council will maintain two provisions for bad debts (in addition to the one relating to unpaid Adult Social Care assessed fees & charges) as follows:

- A specific provision for all debt outstanding with [Clinical Commissioning Groups Integrated Care Boards \(ICBs\) \(formerly Clinical Commissioning Groups\)](#).
- A general provision for all other debt.

The Section 151 Officer will determine the criteria to calculate how much to provide for outstanding debts in relation to their age and type in consultation with the relevant Budget Managers and Legal Services. The bad debt provisions will be recalculated based on the latest debt levels and types on at least a quarterly basis. Relevant services will bear the impact of any increase or decrease required to the bad debt provision relating to [Clinical Commissioning Group ICBs](#). The impact of increases or decreases required to the general bad debt provision will be charged to Central Income and Expenditure. Each year consideration will be given as to whether any budget provision should be made to account for the potential impact of bad debt on the Council's revenue budget in the coming year. This will be approved as part of the annual budget setting process. Any savings realised against this budget provision will be transferred to reserves.

FINANCIAL REGULATION 23 – ASSETS

Land and Property

FR23.1 All acquisitions of land and buildings up to the value £1m require approval from the relevant Cabinet Member in conjunction with the Leader. This value relates to freehold and leasehold interest.

FR23.2 All acquisitions of land or buildings valued at £1m or more requires Cabinet approval.

FR23.3 All disposals of land or buildings up to the value of £1m require approval from the relevant Cabinet Member in conjunction with the Leader. This value relates to freehold and leasehold interest and includes setting a reserve figure for auction sales.

FR23.4 All disposals of land or buildings valued at £1m or more requires Cabinet approval. All disposals should be recorded within an approved register.

FR23.5 All acquisitions and disposals must be referred to the Land and Property ~~Assets~~ Team. The application of best value considerations may result in disposal of assets at less than market value due to wider economic, environmental and social value factors. The approach to valuation should be agreed in advance, in consultation with the Section 151 Officer.

Assets other than Land and Property

FR23.6 Assets declared surplus to the Council's requirements should be disposed of at the most appropriate time, and only when it is in the best interest of the Council, and best value is obtained. For assets of significant value, disposal should be by competitive tender or public auction.

FR23.7 Any proceeds from the disposal of assets should be receipted and recorded, even if the disposal value is nil.

FR23.8 No items can be disposed of to a member of staff without the explicit approval of the Section 151 Officer.

FR23.9 All acquisitions and disposals valued over £10,000 must be subject to a professional valuation. The approach to valuation should be agreed in advance, in consultation with the Section 151 Officer.

FR23.10 Senior Officers are responsible for and shall make arrangements for the safe custody and care of all assets in his / her department, including exercising proper control over the use of those assets. Such assets shall include plant, machinery, vehicles, furniture, equipment, other non-consumable property, stocks and stores and IT equipment.

FR23.11 Senior Officers are responsible for keeping inventory records and the marking of Council property. The Council's property shall not be removed other than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes.

FR23.12 Senior Officers are authorised to adjust their inventory records, relating to items outlined in FR22.10 where any surplus or deficiency arises up to £2,500 in respect of any one item, provided appropriate investigations have been carried out to establish the reasons and prevent a recurrence. Records of such adjustments are subject to Internal Audit inspection.

FR23.13 The Section 151 Officer shall authorise Officers to adjust their inventory records where any surplus or deficiency arises between £2,500 and £5,000 in respect of any one item provided the appropriate Officer has investigated and reported the reasons for the discrepancy.

FR23.14 Adjustments to inventory records in respect of any one item where the amount exceeds £5,000 shall be referred to Cabinet.

FR23.15 Budget Managers, after consultation with the Section 151 Officer, are authorised to delete any item from their inventory records where the item has become obsolete and is no longer adequate for the purpose intended, or the item is broken or worn.

FINANCIAL REGULATION 24 - STOCKS AND STORES

FR24.1 Lead Officers and Budget Managers are responsible for the receipt, issue and checking of the stocks and stores in their departments and for maintaining appropriate stock levels.

FR24.2 The extent to which items shall be included in records, and the form of record-keeping, shall be determined by the appropriate Senior Officer in consultation with the Section 151 Officer.

FR24.3 Senior Officers, in consultation with the Section 151 Officer, are authorised to adjust stock balances up to £10,000 in respect of any one item provided appropriate investigations have been carried out to establish the reasons and prevent a recurrence. All other write offs require Cabinet approval.

FR24.4 The year-end financial outturn report to Cabinet will set out all stock write offs granted in the year.

FINANCIAL REGULATION 25 – ESTATES

FR25.1 The ~~D~~Director of Land and Property ~~Assets~~ shall update the Council's Asset Management Plan as necessary and maintain a terrier recording details of all land and properties held by the Council.

FR25.2 The Monitoring Officer shall have custody under secure arrangements of all the title deeds in the possession of the Council.

FR25.3 The Director of Land and Property ~~Assets~~ shall be responsible for land and property under his / her control, and for obtaining the best economic return possible consistent with Council policy and legal requirements. ~~They~~ He / she shall ensure that all rents etc. are regularly reviewed.

FINANCIAL REGULATION 26 - RISK MANAGEMENT AND INSURANCE

FR26.1 The Risk Management Strategy outlines the arrangements in place to ensure the Council identifies and deals with the key risks it faces. The Section 151 Officer is responsible for ensuring that a risk management process is maintained across the Council and may specify risk management activity to be undertaken by other officers. The Risk Management Framework complements the strategy and ensures a consistent approach to risk

management across the organisation by detailing the Council's approach to risk identification, assessment, control and reporting.

FR26.2 The Council's approach to risk management is a continuous and evolving process that runs through the Council's strategies and service delivery. It ensures key risks are managed and resilience is strengthened in order to support the delivery of the Council's priorities.

FR26.3 The Section 151 Officer is responsible for advising Cabinet on insurance arrangements. The Section 151 Officer shall be responsible for the day to day administration of the Council's insurances, through the Orbis Centre of Expertise, and negotiating all policies and claims in consultation with the relevant Senior Officers and Budget Managers.

FR26.4 Senior Officers, in consultation with the Section 151 Officer, shall be responsible for the effective management of all insurable risks.

FR26.5 Senior Officers shall consult the Monitoring Officer and the Section 151 Officer concerning the terms of any indemnity which the Council may be requested to give.

FR26.6 All Officers shall give prompt notification to the Section 151 Officer of all new risks, properties or vehicles which require to be insured in accordance with arrangements determined by him / her.

FR26.7 Any person who makes use of his / her own vehicle for Council business shall comply with the appropriate County Council policies with regards to car users and any instructions relating to this policy issued by the Director of [People and Change](#)~~HR & OD~~.

FR26.8 Senior Officers shall make arrangements for maintaining proper security at all times for all assets under his / her control and safe and proper arrangements for the custody of keys to safes and similar receptacles.

FR26.9 Senior Officers shall immediately notify the Section 151 Officer of any loss, liability, damage or other similar event likely to lead to a claim. Where appropriate, the Section 151 Officer shall inform the Monitoring Officer and the Police. Such notification shall be confirmed promptly in writing.

FINANCIAL REGULATION 27 - TREASURY MANAGEMENT AND THE PENSION FUND

FR27.1 All money held by the Council (except the Pension Fund) shall be aggregated for the purposes of treasury management and shall be under the control of the Section 151 Officer, subject to the constraints of delegated powers given to schools. [They](#) ~~He / she~~ shall seek expert advice on these matters when considered appropriate.

FR27.2 The Section 151 Officer is responsible for the Council's treasury management activities in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities and the Prudential Code. [They](#) ~~He / she~~ shall propose an annual Treasury Management Strategy Statement to the Audit and Governance Committee.

FR27.3 The Section 151 Officer, through the Orbis Centre of Expertise, will ensure that the provisions of the strategic and operational requirements in FR27.2 are implemented, legislative requirements are complied with and regular monitoring of all Treasury Management activity is undertaken.

FR27.4 Effective scrutiny of the Treasury Management Strategy will be undertaken by the Resources and Performance Select Committee, as part of the overall scrutiny of the budget. The Section 151 Officer will submit a mid-year review and an annual outturn report on treasury management to the Audit and Governance Committee.

FR27.5 The Section 151 Officer has delegated authority to take urgent action as required between Pension Fund Committee meetings, but such action can only be taken in consultation with and by agreement with the Chairman or Vice Chairman of the Pension Fund Committee and following consultation with any relevant Consultant or Independent Advisor.

FR27.6 The Section 151 Officer will ensure that monitoring reports on the Pension Fund's investment performance and activities, and any other business, are considered by the Pension Fund Committee at least quarterly.

FR27.7 The Section 151 Officer will ensure that a report on the triennial actuarial valuation of the Pension Fund is taken to the Pension Fund Committee.

FR27.8 The Section 151 Officer will ensure that a report on the annual accounts and associated external audit of the pension fund is taken to the Pension Fund Committee.

FR27.9 The Council, as corporate trustee for a limited number of Trust Funds through its members and officers, will ensure that the Council administers them in accordance with its legal responsibilities as trustee, distinct and separate from its functions as a local authority. The council when undertaking the aforementioned duties will also comply with the CIPFA Code of Practice in Treasury Management and any relevant Charity Commission guidance, to ensure provisions are appropriately implemented.

ANNEX 2 – EXTRACT FROM PART 3 - SECTION 3, PART 3A – SPECIFIC DELEGATIONS TO OFFICERS

No	SERVICE AREA	FUNCTIONS DELEGATED	TITLE OF POSTHOLDER
HR3	Human Resources & Organisational Development	<p>To determine applications for the exercise of the Council's discretionary powers <u>special severance payments as defined in statutory guidance. These may include:</u></p> <ul style="list-style-type: none"> • <u>pay in lieu of notice,</u> • <u>settlement agreement,</u> • <u>benefits and allowance continuing after exit date, or/and</u> • <u>loan payments</u> <p>To award compensation for loss of employment and grant early payment of pension benefits where related to loss of office.</p>	<p><u>Settlement over £100,000 above must be approved by a vote of the County Council, as set out in the Localism Act 2011 (subject to any exceptional circumstances as set out in Council policy).</u></p> <p>Settlement amount £50,000+ <u>£20,000 to £99,999:</u> <u>Chief Executive (in consultation with PPDC chair (as Leader)).</u></p> <p>Director of HR&OD <u>People and Change</u> Relevant Executive Director And either Director of Corporate <u>Finance – Corporate and Commercial</u> Or Director of Financial Insights <u>Finance – Insight and Performance (on behalf of the S151 Officer)</u></p> <p>Settlement <£20,000 Relevant service: People Business Partner Head of Service <u>Relevant Head of Service</u> <u>Head of Business Partnering & Employment Practice,</u> <u>Relevant People Consultancy Lead</u> Strategic Finance Business Partner <u>supporting the service funding the application (on behalf of the S151 Officer)</u></p>

<p><u>HR4 (new)</u></p>	<p><u>Human Resources & Organisational Development</u></p>	<p><u>To determine non special severance and redundancy applications for the exercise of the Council's discretionary powers to award compensation for loss of employment and grant early payment of pension benefits where related to loss of office.</u></p>	<p><u>Settlement over £150,000 PPDC</u></p> <p><u>Settlement amount £50,000 to £150,000</u> <u>Director of People & Change</u> <u>Relevant Executive Director</u> <u>And either Director of Finance – Corporate and Commercial</u> <u>Or Director of Finance – Insight and Performance</u></p> <p><u>Settlement <£50,000</u> <u>Relevant service:</u> <u>Relevant Head of Service,</u> <u>Head of Business Partnering & Employment Practice,</u> <u>Relevant People Consultancy Lead</u> <u>Relevant Strategic Finance Business Partner supporting the service funding the application (on behalf of the S151 Officer)</u></p>
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Note: existing delegations HR4 and HR5 to be renumbered.