

COUNTY COUNCILCOUNCIL MEETING - 11 FEBRUARY 2014

MINUTES of the meeting of the Council held at the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN on 11 February 2014 commencing at 10.30 am, the Council being constituted as follows:

David Munro (Chairman)
Sally Marks (Vice-Chairman)

*	Mary Angell	David Ivison
	W D Barker OBE	Daniel Jenkins
	Nikki Barton	George Johnson
*	Ian Beardsmore	Linda Kemeny
	John Beckett	Colin Kemp
	Mike Bennison	* Eber Kington
	Liz Bowes	Rachael I Lake
	Natalie Bramhall	Stella Lallement
	Mark Brett-Warburton	* Yvonna Lay
	Ben Carasco	Denise Le Gal
	Bill Chapman	Mary Lewis
	Helyn Clack	Christian Mahne
*	Carol Coleman	Ernest Mallett MBE
	Stephen Cooksey	Peter Martin
	Steve Cossier	Jan Mason
	Clare Curran	Marsha Moseley
	Graham Ellwood	Tina Mountain
	Jonathan Essex	Christopher Norman
	Robert Evans	John Orrick
	Tim Evans	Adrian Page
	Mel Few	Chris Pitt
	Will Forster	Dorothy Ross-Tomlin
*	Pat Frost	Denise Saliagopoulos
	Denis Fuller	Tony Samuels
	John Furey	Pauline Searle
	Bob Gardner	Stuart Selleck
	Mike Goodman	Nick Skellett CBE
	David Goodwin	Michael Sydney
	Michael Gosling	Keith Taylor
	Zully Grant-Duff	Barbara Thomson
	Ken Gulati	Chris Townsend
	Tim Hall	Richard Walsh
	Kay Hammond	Hazel Watson
	David Harmer	Fiona White
	Nick Harrison	Richard Wilson
*	Marisa Heath	Helena Windsor
	Peter Hickman	Keith Witham
	Margaret Hicks	* Alan Young
	David Hodge	Victoria Young
	Saj Hussain	

*absent

1/14 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mrs Angell, Mr Beardsmore, Mrs Coleman, Mrs Frost, Ms Heath, Mr Kington, Mrs Lay and Mr Young.

2/14 MINUTES [Item 2]

One amendment to the minutes was requested:

Item No. 84/13 – re. Adjournment: Rachael I Lake requested that her name was removed because she was present for the afternoon session of the meeting.

The minutes of the meeting of the County Council held on 10 December 2013, as amended, were submitted, confirmed and signed.

3/14 CHAIRMAN'S ANNOUNCEMENTS [Item 3]

The Chairman made the following announcements:

- (i) He invited the Leader of the Council to make an urgent statement in relation to the flooding issues affecting the county (Appendix A). Members were invited to make comments and ask questions.
- (ii) Her Majesty the Queen's New Year Honours List.
A list was included within the agenda. He informed Members that he had written letters of congratulations to those who had receive awards for services to Surrey communities.
- (iii) Related Party Disclosures – he reminded Members, that it was a legal requirement to complete their forms, and return them to Finance by the deadline in March.
- (iv) Members Survey – he drew Members' attention to the online survey sent to them last Friday.
- (v) He had attended a short service, held in the Great Hall on 27 January 2014, to commemorate Holocaust Day.
- (vi) That he had attended the funeral of Frederick Alistair Stone CBE, DL – Surrey County Council's Chief Executive from 1974 – 1988.
- (vii) He had also attended Sarah Mitchell's, Strategic Director for Adult Social Care leaving party at Dorking Halls.
- (viii) The Lord Lieutenant had presented Surrey County Council with a Commonwealth Flag. There would be a special flag raising ceremony in approximately one month's time.

4/14 DECLARATIONS OF INTEREST [Item 4]

There was none.

5/14 REVENUE AND CAPITAL BUDGET 2014/15 TO 2018/19 / COUNCIL TAX REQUIREMENT FOR 2014/15 / TREASURY MANAGEMENT STRATEGY [Item 5]

The Chairman said that the papers for this item were included in the agenda and the supplementary report of the Cabinet circulated last week. He asked Members to note that the recommendations before them today, numbered (1) to (15) were set out in the supplementary report.

He said that the debate on the Budget would be conducted in accordance with the County Council's Standing Orders, with the exception that he would allow the minority group leaders five minutes each for speeches on the Budget proposals.

The Leader presented the report of the Cabinet on the Revenue and Capital Budget 2014/15 to 2018/19, the Council Tax Requirement for 2014/15 and the Treasury Management Strategy and made a statement in support of the proposed budget. A copy of the Leader's statement is attached as Appendix B.

The Chief Finance Officer presented her report to Council. A copy of her statement is attached as Appendix C.

Each of the Minority Group Leaders (Mrs Watson, Mr Johnson and Mr Harrison) spoke on the budget proposals.

Key points made by Mrs Watson were:

- Support for the level of council tax proposed but opposition to the budget as a whole
- The budget needed to be radically reshaped and more needed to be done to raise funding from the European Union
- Pleased the Administration was spending money to resurface roads and provide more school places but other areas needed additional funding
- The majority of Surrey residents did not think that the County Council provided Value for Money
- A request for a separate vote on recommendations (10) and (11)

Key points made by Mr Johnson were:

- Disappointment that the Council Tax was being increased and that the budget report indicated that further increases would be inevitable
- The aim of all Members was to obtain the best possible result for their electorate
- There was no mention of cutting costs and he hoped that next year's budget would address this (However, front line services should be excluded)

Mr Harrison moved an amendment, to the Budget recommendations, which was formally seconded by Mr Townsend. This was:

A new recommendation (15):

15. acknowledges the challenging and ambitious savings targets for the Friends, Family and Community Programme within the Adult Social Care Directorate and requires the Chief Executive, Strategic Directors and the Chief Finance Officer

to develop contingency plans to make savings in other budget areas to ensure the overall County Council budget envelope for 2014/15 is maintained.

And amend the original recommendation 15, to become a new recommendation (16)

(additional words underlined and deletions crossed through)

45 16. Requires these contingency plans to be assessed as part of the final detailed MTFP (2014/19) which the Council notes that the Cabinet will consider and approve the final detailed MTFP (2014/19) on 25 March 2014, following scrutiny by Select Committees.

So that the Budget recommendations now read:

The County Council:

(1) – (14) As per the supplementary report of the Cabinet

(15) acknowledges the challenging and ambitious savings targets for the Friends, Family and Community Programme within the Adult Social Care Directorate and requires the Chief Executive, Strategic Directors and the Chief Finance Officer to develop contingency plans to make savings in other budget areas to ensure the overall County Council budget envelope for 2014/15 is maintained.

(16) requires these contingency plans to be assessed as part of the final detailed MTFP (2014/19) which the Council notes the Cabinet will consider and approve on 25 March 2014, following scrutiny by Select Committees.

In support of his amendment, Mr Harrison made the following points:

- Concern re. the level of savings to be achieved within the Adult Social Care Budget, in particular, within the Friends, Family and Community Programme – he did not consider the savings targets to be realistic
- Other demands for funding i.e. highways repairs following the flooding, Better Care Funding and School Places
- Only the overall Budget figure was being agreed by Council at this meeting
- The Chief Finance Officer had confirmed that there were significant risks associated with this Budget
- Council tax would increase again in 2015 or there would be further cuts to services
- Other areas of concern included: (i) that the overall headcount for the County council had increased over the last two years, (ii) Information Technology costs continued to rise, (iii) Central Infrastructure costs needed to be re-examined, and (iv) the level of senior officer salaries

Seven Members spoke on the amendment, making the following points:

- That the amendment was a direct result of the Adult Social Care (ASC) discussion at the Council Overview and Scrutiny (COSC) meeting. However, following that meeting, discussions had taken place on how to deal with the pressures

- Referring to recommendation (15), the onus was on select committees / COSC to ensure that the detailed budgets were financially viable before Cabinet approved the MTFP on 25 March 2014
- Acknowledgement that the budget was tough and there would be challenges
- Government lobbying had resulted in some success i.e. the funding for the New Homes Bonus was being returned to Councils
- The number of extra responsibilities passed to County Councils since this Government had been in power
- Concern re. the detail of the budget and that the ASC budget should be realistic. There was also no contingency plan in place – should the need arise.
- Concern re. the reduction to the ASC care package budget
- Lack of understanding as to how the County Council would 'do things differently'
- The overall budget needed to be approved at this meeting and subsequently the detailed budget proposals would be scrutinised

The amendment was put to the vote, with 21 Members voting for and 52 Members voting against it. There were no abstentions.

Therefore the amendment was lost.

Returning to the original motion, 9 Members spoke on it.

Key points made in the debate were:

- The success of the apprenticeship scheme - it looks to the future and provides young people with opportunities
- Confirmation that the County Council was working hard to try and obtain European Union funding
- A reference to the Leaflet: 'More than 50 ways Surrey County Council adds Value', which was annexed to the Budget report
- The Public Value Review programme resulted in savings in excess of £30m. Also, unit costs were being reduced
- Support for Project Horizon.
- A reduction in the Adult Social Care budget would result in fewer people being employed to help those in need
- Any cuts should be shared across all budgets
- Funding for road repairs / flooding issues continued to be inadequate
- Residents would find it difficult to understand that their council tax was being increased
- Cutting the Surrey Fire and Rescue budget in Spelthorne was indefensible at this time, when large areas of the county were flooded and their services were urgently required
- An explanation as to why the County Council received a low Government grant and had to rely on raising a large part of its funding through council tax – could Surrey's Conservative MPs be lobbied to address this issue
- Due to forthcoming elections in 2015, Government promises about including council tax freeze grant in the base budget were worthless
- Increasing the council tax uplift by 1.99% was at the right level for the County Council

After the debate, the Chairman said that he would not be agreeing to Mrs Watson's request to take a separate vote on recommendations (10) and (11) and that he would be taking the Budget, including Treasury Management, as one recommendation.

52 Members voted for the Budget proposals and 21 Members voted against it. There were no abstentions.

Therefore, it was:

RESOLVED:

- (1) That the Chief Finance Officer's statutory report on the robustness and sustainability of the budget and the adequacy of the proposed financial reserves (Annex 1 to the submitted report) be noted.
- (2) That the council tax requirement for 2014/15 be set at £564.0m (Annex 3, paragraph 3.5 in the submitted report).
- (3) That the 2014/15 council tax up-lift be fixed at 1.99%.
- (4) That the basic amount for 2014/15 council tax at Band D be set at £1,195.83 (Annex 3, paragraph 3.7 in the submitted report).
- (5) That the council tax for each category of dwelling in its area will be as follows:

Valuation band	£
A	797.22
B	930.09
C	1,062.96
D	1,195.83
E	1,461.57
F	1,727.31
G	1,993.05
H	2,391.66

- (6) That the payment for each billing authority, including any balances on the collection fund will be as follows:

Billing authority	£
Elmbridge	74,230,222.44
Epsom & Ewell	37,557,254.18

Guildford	64,630,646.62
Mole Valley	46,631,182.73
Reigate & Banstead	68,767,330.83
Runnymede	37,289,117.17
Spelthorne	45,013,925.65
Surrey Heath	44,379,315.63
Tandridge	43,429,951.44
Waverley	63,113,040.71
Woking	46,301,177.37
TOTAL	571,343,164.77

- (7) That the payment for each billing authority, including any balances on the collection fund to be made in ten equal instalments on the dates, already agreed with billing authorities as follows:

17 April 2014	17 October 2014
23 May 2014	21 November 2014
27 June 2014	5 January 2015
1 August 2014	12 February 2015
8 September 2014	16 March 2015

- (8) That the council tax rate set above be maintained and powers be delegated to the Leader and the Chief Finance Officer to finalise detailed budget proposals following receipt of the Final Local Government Financial Settlement.
- (9) That the £2.5m additional council tax surplus on the Collection Fund be transferred to the Economic Downturn Reserve (paragraph 68 of the submitted report).
- (10) That the County Council budget, of £1,646.7m, for 2014/15, be approved.
- (11) That the following capital programme proposals be agreed:
- to fund essential schemes over the five year period (schools and non-schools) to the value of £760m including ring-fenced grants and
 - to make adequate provision in the revenue budget to fund the revenue costs of the capital programme.

- (12) That the Chief Executive and Chief Finance Officer be required to establish a mechanism to regularly track and monitor progress on the further development and implementation of robust plans for achieving the efficiencies across the whole Medium Term Financial Plan (MTFP) period.
- (13) That Strategic Directors and Senior Officers be required to maintain robust in year (i.e. 2014/15) budget monitoring procedures to enable Cabinet to monitor the achievement of efficiencies and service reductions through the monthly budget monitoring Cabinet reports, the quarterly Cabinet Member accountability meetings and the monthly scrutiny at the Council's Overview & Scrutiny Committee.
- (14) That a robust business case be required to be prepared for all revenue invest to save proposals and capital schemes before committing expenditure.
- (15) That the final detailed MTFP (2014-19) be considered and approved by Cabinet on 25 March 2014, following scrutiny by Select Committees.

Treasury management and borrowing:

That the Treasury Management Strategy for 2014/15 be approved and that the provisions have immediate effect (Annex 2 to the submitted report).

This strategy includes:

- the investment strategy for short term cash balances
- the treasury management policy (Annex 2, Appendix B1 to the submitted report)
- the prudential indicators (Annex 2, Appendix B2 to the submitted report)
- the scheme of delegation (Annex 2, Appendix B4 to the submitted report)
- the minimum revenue provision policy (Annex 2, Appendix B7 to the submitted report).

6/14 ORIGINAL MOTION [Item 6]

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

Under Standing Order 12.1, Mrs Hazel Watson moved the motion which was:

'This Council notes the Government announcements restricting Surrey County Council's Council Tax increase, without incurring the cost of holding a referendum, to a level which will severely impact on Surrey's services to the public.

This Council believes in local government as one of the cornerstones of democracy in the UK, championing the needs and ambitions of the people it represents and that decisions made on behalf of a community are best made by those in the community.

This Council notes the Prime Minister's acknowledgement that local government is the most efficient part of the public sector.

Council further notes the General Power of Competence introduced in the Localism Act 2011 giving local authorities power to do anything that individuals of full legal capacity may do giving authorities the power to take reasonable action they need 'for the benefit of the authority, its area or persons resident or present in its area'.

This Council supports the Local Government Association in its campaign for independence for local government based on the following principles:

- i) Councils should retain in full the proceeds of Council Tax and business rates, subject to retaining mechanisms for fairness and redistribution and that both these taxes should be determined by councils alone without central government interference;
- ii) Councils should be granted greater freedoms and flexibilities to drive economic growth;
- iii) Councils should be accountable to their electorates and not to ministers of the Crown;
- iv) The burden of statutory duties and central compliance regimes should be lifted further; and

This Council therefore resolves to work with Surrey's Members of Parliament, the LGA and other Councils to campaign for a far greater devolution of powers from central to local government.'

The motion was formally seconded by Mr Cooksey.

Mr Martin moved an amendment, which was tabled at the meeting.

The amendment was as follows (with additional words underlined and deletions crossed through:

'This Council notes the Government announcement on the council tax referendum threshold. This council asserts that it should be for councils and their residents to decide how local services are paid for, not Whitehall. The ballot box on local election-day allows for people to pass judgement on their councils.

~~This Council believes in local government as one of the cornerstones of democracy in the UK, championing the needs and ambitions of the people it represents and that decisions made on behalf of a community are best made by those in the community.~~

This Council notes the Prime Minister's acknowledgement that local government is the most efficient part of the public sector.

Council further notes the General Power of Competence introduced in the Localism Act 2011 giving local authorities power to do anything that individuals of full legal capacity may do giving authorities the power to take reasonable action they need 'for the benefit of the authority, its area or persons resident or present in its area'.

This Council supports the Local Government Association and the County Council Network (CCN) in ~~its~~ their campaigns for independence for local government based on the following principles:

- (i) Councils should retain in full the proceeds of Council Tax and business rates, subject to retaining mechanisms for fairness and redistribution and that both these taxes should be determined by councils alone without central government interference;
- ii) Councils should be granted greater freedoms and flexibilities to drive economic growth;
- iii) Councils should be accountable to their electorates and not to ministers of the Crown;

- iv) The burden of statutory duties and central compliance regimes should be lifted further; and

This Council therefore resolves to work with Surrey's Members of Parliament, the LGA, CCN and other Councils to campaign for a far greater devolution of powers from central to local government.

Both Mrs Watson and Mr Cooksey agreed to accept the amendment to the motion and therefore it became the substantive motion.

Three Members spoke on the substantive motion, with the following points being made:

- The amendment had strengthened the original motion
- Surrey County Council needed more control over its own destiny
- Slight caution was expressed re: (iv) – the burden of statutory duties and central compliance regimes should be lifted further

After the debate, the substantive motion was put to the vote and it was:

RESOLVED:

This Council notes the Government announcement on the council tax referendum threshold. This council asserts that it should be for councils and their residents to decide how local services are paid for, not Whitehall. The ballot box on local election-day allows for people to pass judgement on their councils.

This Council notes the Prime Minister's acknowledgement that local government is the most efficient part of the public sector.

Council further notes the General Power of Competence introduced in the Localism Act 2011 giving local authorities power to do anything that individuals of full legal capacity may do giving authorities the power to take reasonable action they need 'for the benefit of the authority, its area or persons resident or present in its area'.

This Council supports the Local Government Association and the County Council Network (CCN) in their campaigns for independence for local government based on the following principles:

- (i) Councils should retain in full the proceeds of Council Tax and business rates, subject to retaining mechanisms for fairness and redistribution and that both these taxes should be determined by councils alone without central government interference;
- ii) Councils should be granted greater freedoms and flexibilities to drive economic growth;
- iii) Councils should be accountable to their electorates and not to ministers of the Crown;
- iv) The burden of statutory duties and central compliance regimes should be lifted further; and

This Council therefore resolves to work with Surrey's Members of Parliament, the LGA, CCN and other Councils to campaign for a far greater devolution of powers from central to local government.

ADJOURNMENT

The meeting adjourned for lunch at 12.45pm and resumed at 2.00pm with all those present who had been in attendance in the morning session except for Mr Bennison, Mr Brett-Warburton, Mr Goodwin, Mrs Hammond, Mr Hickman, Mrs Hicks, Mrs Moseley, Mr Norman, Mr Pitt, Mrs Saliagopoulos, Mr Selleck, Mr Skellett, Mr Townsend and Mrs Young.

7/14 MEMBERS' QUESTION TIME [Item 7]

Notice of 5 questions had been received. The questions and replies are attached as Appendix D.

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

(Q1) Mr Ellwood suggested that another provider may come forward to run Redwood and asked the Cabinet Member for Adult Social Care for the service's viewpoint. He also urged the Cabinet Member to relocate existing residents as soon as possible to nearby homes in Guildford. The Cabinet Member considered that it was unlikely that an alternative provider would come forward because the building did not meet the standards of a modern quality care home in relation to assisted bathrooms. He also confirmed that the service was working closely with residents and their families to discuss their options and support them in looking for alternative provision.

(Q3) Mrs Mason referred to the Special Responsibility Allowances (SRAs) in a previous Administration, when the Authority had been advised to reduce their number and considered that this had not happened. **Mr Essex** asked for details on how the County Council benchmarked against other Councils. The Leader of the Council stated that Surrey County Council was open and transparent and confirmed that it benchmarked well against other Councils. He also said that the SRAs were approved by Members at County Council meetings.

(Q4) Mr Robert Evans considered that the response to his question had not answered it. The Cabinet Member for Transport, Highways and the Environment responded and said that he had given a full answer, which set out the many improvements that had been made since 1968 and in particular, the last 10 years. He said that officers had been extremely busy dealing with the current flooding issues and thanked all staff involved in this current emergency. Finally, he said that Surrey County Council was the lead authority on flood risk and that a report on Surrey's Local Flood Risk Management Strategy would be presented to a forthcoming Cabinet meeting.

(Q5) Mr Jenkins asked the Cabinet Member for Community Services what measures the County Council would take if the proposals for Surrey Fire and Rescue (SF&R) in Spelthorne were unacceptable. **Mrs Mason** expressed concern about the second team and requested that these were addressed. The Cabinet Member for Community Services said that the decision relating to changes to the deployment of fire engines in the Spelthorne area had already been made by Cabinet at its meeting on 4 February 2014 and that a business case would now be developed and considered by the Communities Select Committee. She also stressed the importance of a strategic vision across the county for SF&R and confirmed that risks would be included in the strategy.

8/14 STATEMENTS BY MEMBERS [Item 8]

There were no local Member statements.

9/14 REPORT OF THE CABINET [Item 9]

The Leader presented the reports of the Cabinet meetings held on 17 December 2013 and 4 February 2014.

(1) Statements / Updates from Cabinet Members

The Cabinet Member for Community Services referred to her statement relating to the Tower Awards, which had been included in the agenda papers.

(2) Recommendations on Policy Framework Documents

A *Confident in our Future*, Corporate Strategy 2014 – 2019

The Leader of the Council said that the Corporate Strategy clearly set out the Council's priorities for 2014/15 and was intertwined with the Budget recommendations.

RESOLVED:

That *Confident in our Future*, the Corporate Strategy 2014 - 2019, as set out in Annex1 to the submitted report, be agreed.

(3) Reports for Information / Discussion

The following reports were received and noted:

- Surrey Cycling Strategy
- Quarterly Report on Decisions taken under Special Urgency Arrangements: 1 October – 31 December 2013

RESOLVED:

That the report of the meetings of the Cabinet held on 17 December 2013 and 4 February 2014 be adopted.

10/14 REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE [Item 10]

The Chairman of the Audit and Governance presented his committee's Annual Report 2012/13.

RESOLVED:

That the Audit and Governance Committee's Annual Report 2012/13 to Council be noted.

11/14 MINUTES OF THE MEETINGS OF CABINET [Item 11]

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

[Meeting ended at: 2.25pm]

Chairman

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