

## MINUTES OF THE MEETINGS OF CABINET

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to the Democratic Services Lead Manager by 12 noon on Friday 2 May 2014.

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 25 MARCH 2014 AT 2.00 PM  
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,  
SURREY KT1 2DN.**

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

Members:

*Mr David Hodge (Chairman)	*Mr John Furey
*Mr Peter Martin (Vice-Chairman)	*Mr Michael Gosling
*Mrs Mary Angell	*Mrs Linda Kemeny
*Mrs Helyn Clack	*Ms Denise Le Gal
Mr Mel Few	*Mr Tony Samuels

Cabinet Associates:

*Mr Steve Cosser	Mrs Kay Hammond
*Mrs Clare Curran	*Mr Mike Goodman

\* = Present

**PART ONE**  
**IN PUBLIC**

**51/14 APOLOGIES FOR ABSENCE [Item 1]**

Apologies were received from Mr Few and Mrs Hammond.

**52/14 MINUTES OF PREVIOUS MEETING: 25 FEBRUARY 2014 [Item 2]**

The minutes of the meeting held on 25 February 2014 were confirmed and signed by the Chairman.

**53/14 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**54/14 PROCEDURAL MATTERS [Item 4]**

**(a) MEMBERS' QUESTIONS [Item 4a]**

No Members' questions were received.

**55/14 PUBLIC QUESTIONS [Item 4b]**

No public questions were received.

**56/14 PETITIONS [Item 4c]**

No petitions were received.

**57/14 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

No representations were received.

**58/14 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**

Recommendations were received from the Council Overview and Scrutiny Committee in relation to the Budget Monitoring Report for January 2014. The response is attached as **Appendix 1 to these Minutes**.

**59/14 MEDIUM TERM FINANCIAL PLAN 2014 - 2019 [Item 6]**

The council set its budget envelope and council tax precept for the 2014/15 financial year at the County Council meeting on 11 February 2014. At the same time, the Council also refreshed its Corporate Strategy 2014-19. Concurrently, the Council also approved indicative budgets for the following four years, 2015/16 to 2018/19. This report now presented the detailed service revenue and capital budgets for 2014/15 and indicative budgets for the following four year period.

The Leader referred to the report and the attached Annexes:

- Annex 1 – Directorate Priorities
- Annex 2 – Detailed Service Revenue and Capital Budgets
- Annex 3 – Fees and Charges Schedules 2014/15
- Annex 4 – Leadership Risk Register
- Annex 5 – Equality Impact Assessments

He proposed that each Cabinet Member would speak on their portfolio. He said that he was satisfied with the report and pleased with the input from the select committees. He referred to the recommendations from the Communities Select Committee relating to the proposed direction of travel for Surrey Fire and Rescue, which were tabled at the meeting (**attached as Appendix 2 to these minutes**).

He also highlighted two other tabled documents: Medium Term Financial Plan (MTFP) corrections (**attached as Appendix 3 to these minutes**) and revised recommendations – to include a new recommendation (8), with subsequent recommendations renumbered, which was:

‘ That the Council will develop proposals to respond to damage to roads caused by flooding up to £10m, and that it is not the intention that this impacts on Project Horizon and also that it be noted that some funding is being made available from Central Government with any shortfall to be met by adjustments to the capital programme, and:’

Key points made by Cabinet Members / Cabinet Associate Members were as follows:

## **Adult Social Care**

- The Directorate had achieved significant savings in recent years
- There was a very stretching target of £46m for this current year and it was hoped that £31m savings would be achieved by year end
- There had been a detailed examination of the Friends, Family and Community Programme and strategies and processes were now in place to deliver savings from the programme in 2014/15 of £10m
- Reference to recommendation (6) and the requirement to re-profile the Adult Social Care savings across the 5 year period
- Note that the efficiencies risk analysis illustrates that the 'red' risks would be substantially less in 2014/15 but would increase in 2015/16

## **Children, Schools and Families**

- The proposed budget for 2014/15 is £334m, an overall increase of £9m
- There were planned savings of £9.1m for 2014/15
- The Directorate had established a Public Value programme to research and identify efficiency savings
- Strengthening preventative work was crucial to making Directorate savings
- The funding for the Special Education High Needs Block had not included growth to meet increased demand
- Explanation of the reduction to the Dedicated Schools Grant

## **Customers and Communities**

- Budget pressures of £6m over this five year planning period
- Surrey Fire and Rescue were continuing to implement the Public Service Plan on a planned basis and this service had planned savings and income generation of £6.3m over the five year period
- The Cabinet Member for Community Services thanked the Communities Select Committee for their support re. the direction of travel for Surrey Fire and Rescue and endorsed the formation of a Member Reference Group. She also confirmed that robust plans would be in place for consultation with stakeholders and residents on the revision of the Public Safety Plan
- A reference to the reductions to the Members' Allocation Funding and the Community Improvements Fund
- The Activity Information page lists the wide range of services within this Directorate

## **Environment and Infrastructure**

- The substantial budget pressures and growth for this Directorate
- Many local bus services were subsidised by the County Council and these contract savings, planned for 2013/14 have not been delivered
- The Highways Service 'Project Horizon' had been very successful
- The flooding problems and repairs to roads
- Work was on-going with Borough / District colleagues to put together a joint contract to deal with waste disposal / recycling

- A new method of road re-surfacing was being trialled and could lead to further efficiencies in Highways

### **Business Services**

- Savings of £6.3m to be delivered from this Directorate over the five year period and partnership working would drive benefits from economies of scale
- Additional strategic investment in IMT of £2m in 2014/15 and £1m per annum thereafter
- Continued drive towards 60% procurement contracts being awarded to Surrey businesses

### **Chief Executives**

- On-going pressures of £1.5m over the five year planning period
- Increased cost due to both the number and complexity of child protection cases within Legal Services
- Roll out of superfast Broadband continues

### **Central Income and Expenditure**

- Gross Expenditure under this Budget has been reduced by a net amount of £3.5m
- The risk contingency budget would be reduced in 2014/15 to £5m and be removed thereafter
- The cost of auto-enrolment of employees to the Pension Fund had been less than originally estimated. However, the Pension Review completed in 2013/14 would result in increased employer contributions from 2014/15 onwards
- Also, the change to single tier state pension, to be introduced in April 2016, would cost the Council an estimated £6m per year

### **Public Health**

- It had been a good first year
- A preventative programme was critical to help residents stay healthy

### **Other key points:**

- The promotion of economic growth and the Council's desire to award contracts to Surrey traders and businesses
- The number of apprenticeships created
- The importance of partnership working
- The Broadband programme would complete this year. Also, the Council had recently appointed a Chief Digital Officer
- The Council would be spending £105m in 2014/15 on creating additional school places

## **Equality Impact Assessments (EIAs)**

### **1. Adult Social Care**

The majority of the savings proposals were 'continuations' and therefore had existing EIAs which were on-going. However, there were two new savings requiring EIAs: (i) Family, Friends and Community Support – details set out within the Annex,  
(ii) Savings from Traded Activity – the EIA to be undertaken as part of the detailed project planning by August 2014.

### **2. Business Services**

There was one new EIA – Implementation of a Managed Print Service. Mitigating actions were set out within the Annex. However, the Cabinet Member confirmed that the Council would provide paper copies when required.

### **3. Chief Executives**

There were two new EIAs: (i) One Team Communications Review – to realise savings on communications across the Council, (ii) Disbanding the Council's Legacy Team.

### **4. Children, Schools and Families**

There were three new savings proposals identified for this Directorate. Only one would require an EIA, as the service realignment would not be implemented until 2015/16, the EIA would be undertaken at a later stage, as the project develops.

### **5. Customers and Communities**

There are twenty seven initiatives to deliver budget savings and seven have identified as needing EIAs at this stage, one of which is the reduction in the Members' Local Allowance and the Community Improvement Fund. Potential impacts and mitigation that have been identified are set out within the Annex.

### **6. Environment and Infrastructure**

Four new savings proposals have been identified but only one is at an advance stage for an EIA to be undertaken – the savings for the Network Management Information Centre. Two further proposals relating to Central Support and Transport Policy were expected to have potential equalities implications relating to staffing changes and EIAs would be completed at the appropriate time. Savings re. the Transport Review are not planned until 2015/16, the proposals are due to be considered by the Cabinet in June 2014 and an EIA will be presented with the report.

Finally the Leader of the Council drew the debate to a close by highlighting the two very severe periods of flooding that Surrey had faced recently, which had impacted on residents and businesses and caused very serious damage to Surrey's Highways. He said that by including an additional recommendation, the Cabinet was confirming that £10m would be made

available to ensure necessary repairs were carried out urgently and that the Council was pledging that this would not impact on the £100m Project Horizon plans.

**RESOLVED (as amended):**

1. That the proposals for Directorates' contributions to deliver the Corporate Strategy 2014-19, as set out in Annex 1 of the submitted report, be approved.
2. That the detailed service revenue and capital budgets for the years 2014/15 and indicative budgets for 2015-19, including amendments resulting from the Final Local Government Financial Settlement and other Government funding changes announced after the 2014/15 budget was approved in February 2014, as set out in Annex 2 of the submitted report, be approved.
3. That the publication of the service revenue and capital budgets as the 2014-19 Medium Term Financial Plan be approved.
4. That the fees & charges approved under delegated powers be endorsed and other fee and charge proposals, as set out in Annex 3 of the submitted report, be approved.
5. That the work underway to secure the savings allocated to Adults Social Care in each year of the MTFP period, as set out in paragraph 9 of the submitted report, be noted.
6. That the requirement to re-profile the Adult Social Care savings across the period, as set out in paragraph 9 of the submitted report, be noted and the use of unused provisions and reserves to support that requirement be approved:
  - the reduction of the council's potential loss on its investment in two Icelandic banks, leads to a reduction in the required reserve of £1.0m (paragraph 12 of the submitted report)
  - the settling of the council's Mutual Municipal Insurance liability in late February 2014 leads to the release of £3.3m from the Insurance Reserve (paragraph 13 of the submitted report)
  - the use of £5.4m from the Budget Equalisation Reserve (paragraph 14 of the submitted report)
  - the use of £4.3m from the Economic Downturn Reserve (paragraph 14 of the submitted report)
7. That a report be received in July 2014 on the detailed savings programme following a further review by the Chief Executive and Chief Financial Officer.
8. That the Council will develop proposals to respond to damage to roads caused by flooding up to £10m, and that it is not the intention that this impacts on Project Horizon and also that it be noted that some funding

is being made available from Central Government with any shortfall to be met by adjustments to the capital programme, and:

9. That a report be received in July 2014 on the impact of the severe weather on services work programmes and the council's revenue and capital budgets.
10. That the Leadership Risk Register, as set out in Annex 4 of the submitted report, be noted.
11. That the Equality Impact Assessment of the savings proposals within the Directorate and service budgets, as set out in Annex 5 of the submitted report, be noted

### **Reasons for Decisions:**

The 2014–19 MTFP is a five year budget that is aligned to the corporate strategy. It reflects assumptions about the current local and national financial, economic and political environment. Regular reporting through the year will enable progress to be effectively tracked and managed.

The Corporate Strategy 2014-19 sets out the council's key priorities, which are supported by contributions from each directorate to ensure the Council delivers great value to Surrey residents.

## **60/14 MONTHLY BUDGET MONITORING REPORT [Item 7]**

The Leader of the Council presented the Council's financial position at the end of period 11(February) of the 2013/14 financial year, and referred to the Council's financial strategy of four key drivers which ensured sound governance in managing the finances and providing value for money.

### **(1) Keep any additional call on the council taxpayer to a minimum**

- That there had been a £4.3m improvement on the revenue forecast since January. The forecast was for a £6.4m underspend. The improvement would have been greater but for the additional costs faced in tackling the flooding.
- This was the fourth consecutive year that the Council had a small underspend or a balanced budget, demonstrating the tight financial management by budget holders across the Council.
- In keeping with the Council's multi-year approach to financial management, services would submit requests to a future Cabinet meeting to carry forward underspent funds to complete projects in 2014/15 that are not finished by 31 March 2014.

### **(2) Continuously drive the efficiency agenda**

- At the end of February, services were making good progress in delivering efficiencies and forecast achieving over £62m on-going savings for the full year against a stretch target of £68m identified savings.
- Services had identified and delivered other underspends to cover the shortfall.

**(3) Develop a funding strategy to reduce the Council's reliance on council tax and government grant income**

- That reducing reliance on government grants and council tax was key to balancing the budgets over the longer term and the Revolving Infrastructure and Investment Fund had a significant part to play in this. By year end it was forecast that over £40m would have been invested in the Fund this year and a net income of £700,000 generated by year end.

**(4) Continue to maximise our investment in Surrey**

- The council's capital programme not only improved and maintained service delivery and it was also a way of investing in Surrey and generating income for the council. This year the forecast was to invest £226.7m against the budget of £225m.
- Finally, he said that, in addition to the council's £61m capital investment in assets, £166m would be invested in front line service delivery from improving roads to the creation of more school places. However, with any large capital project there will be some delays with planning issues and archaeological finds.

Other Cabinet Members were invited to highlight the key points and issues from their portfolios, as set out in the Annex to the report.

**RESOLVED:**

- (1) That the forecast revenue budget for 2013/14 to underspend by £6.4m, as set out in Annex 1, paragraph 1 of the submitted report be noted.
- (2) That the forecast ongoing efficiencies and service reductions achieved by year end is £62.1m, as set out in Annex 1, paragraph 85, be noted.
- (3) That the forecast capital expenditure and investment of £226.7m against a budget of £225.0m, as set out in Annex 1, paragraphs 90 to 96, be noted.
- (4) That a virement of £0.9m from Schools & Learning's central risk budget to Services for Young People to meet the cost of learning difficulty and disability (LLDD) placements in 2013/14, as set out in Annex 1, paragraph 22 be approved.

**Reasons for Decisions:**

To comply with the agreed strategy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

**61/14 SURREY BETTER CARE FUND [Item 8]**

The Cabinet Member for Public Health and the Health and Wellbeing Board drew Members attention to the final draft of the Surrey Better Care Fund Return and the revised recommendations, which were tabled at the meeting.

In his introduction, he referred to the funding of the Better Care Fund and said that the County Council was working with Surrey's six Clinical Commissioning Groups to co-design a service which would improve outcomes for people through better integrated care and support. This would be achieved by shifting resources from acute services into preventative services in primary care, community health and social care.

He also said that the Surrey Better Care Fund return had to be agreed between the County Council and Surrey's six Clinical Commissioning Groups, signed-off by the Surrey Health & Wellbeing Board and submitted to NHS England by 4 April 2014.

**RESOLVED (as amended):**

- (1) That the final draft of the Surrey Better Care Fund return on behalf of the County Council be noted. The return will proceed to the Surrey Health & Wellbeing Board for sign off and submission to NHS England by 4 April 2014 deadline.
- (2) That the Assistant Chief Executive and Interim Strategic Director Adult Social Care, in consultation with the Leader of the Council and the Cabinet Member for Public Health and Health & Wellbeing Board be delegated, to agree any amendments to the Surrey Better Care Fund return prior to submission.

**Reasons for Decisions:**

The Local Government Association (LGA) and NHS England guidance on the Better Care Fund states that the return should be agreed between the County Council and Clinical Commissioning Groups and that it has to be signed off by the Health and Wellbeing Board for final submission by 4 April 2014.

**62/14 PROPOSED EXPANSION OF ST JOHN THE BAPTIST CATHOLIC SECONDARY SCHOOL [Item 9]**

The Cabinet Member for Assets and Regeneration Programmes confirmed that Surrey County Council was undertaking the biggest School Investment Programme that the County had known and would be investing about £330m over the next five years. He said that this project was to expand the St John the Baptist Catholic Secondary School by two forms of entry to meet the demand coming through the primary sector and considered that the 'One team' approach, with colleagues from Property and Education working together was the way forward.

The Cabinet Member for Schools and Learning said that managing building projects at secondary schools was more complex and very different to primary school expansion which was why the expansion of this school would be in two phases. It was also on a very restricted site.

Two Catholic primary schools in the area had recently completed expansions approved by Cabinet. St Dunstan's and The Marist Schools were direct feeder schools to St John the Baptist, which without expansion would be

unable to meet the future demand for catholic secondary school places in the Borough.

The school only had one small gymnasium and no sports hall. Phase 1 would provide a new sports hall and Multi-Use Games Area (MUGA), as well as three additional classrooms, 2 studio spaces, a small office and changing rooms, as a result of converting the existing gym. The capacity of the school would be increased from 900 to 1200 places.

She said that St John the Baptist school was an outstanding school, pupils achieved excellent results there and she commended the recommendations to Cabinet.

#### **RESOLVED:**

- (1) A completed expansion of St John the Baptist Catholic Secondary School by two forms of entry in 2018, which would create an additional 400 places (including additional 6<sup>th</sup> form provision) be approved.
- (2) Delivery of the scheme in two phases be approved - Phase 1 to be delivered by September 2015 which would provide 3 additional classrooms, 2 studio spaces, office accommodation, changing rooms (as a result of converting the existing gymnasium) a new sports hall and Multi Use Games Area (MUGA).
- (3) Subject to a detailed curriculum analysis, Phase 2 to be delivered by 2018 which would comprise 12 additional classrooms to be provided through a mixture of new build and remodelling of existing spaces and additional 6<sup>th</sup> form rooms. Improved services and an allowance for fixtures and fittings will also be provided as part of the project. These approvals are subject to the detailed financial information for the school as set out in Part 2 of this agenda (item 14).

#### **Reasons for Decisions:**

The Local Authority has a statutory duty to ensure there are sufficient school places in the County. Woking is an area where the demand for school places has increased significantly. St John the Baptist is an Ofsted rated 'outstanding' secondary school and has been oversubscribed even at existing levels of demand for many years. With the recent expansions at St Dunstan's and the Marist Catholic Primary schools, which are both direct feeders to St John the Baptist, there is a very strong case to expand the school.

It is recommended to divide the project into two phases. The site is restricted and completing the project in two phases will minimise disruption to the operation of the school and the early delivery of Phase 1 will release existing accommodation for conversion under Phase 2 of the expansion. This will address the existing deficiency in sports facilities at the school as early as possible and avoids inflationary costs in later years.

#### **63/14 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 10]**

The Cabinet Member for Transport, Highways and the Environment clarified the decision that he had taken on 12 March 2014 in relation to a Speed Limit Review on A217 Reigate Road, Hookwood. He said that the decision had been to clarify the start and finish of the reduction from 50mph to 40mph, from a point 255m north of the northern kerb line of Horse Hill, southwards and south eastwards to a point 2m north of the boundary between the properties known as 'Maynel' and 'Hamilton', Reigate Road.

#### **RESOLVED:**

That the decisions taken by Cabinet Members since the last meeting, as set out in Annex 1 of the submitted report, be noted.

#### **Reasons for Decisions:**

To inform the Cabinet of decisions taken by Cabinet Members under delegated authority.

#### **64/14 SE BUSINESS SERVICES COMMERCIAL OPPORTUNITY [Item 11]**

The Cabinet Member for Business Services introduced the report and said that Surrey County Council, as with other public sector bodies, was faced with delivering services to the public in the context of reduced funding. One option was to realise alternative sources of revenue through commercial activities.

SE Business Services had recently been selected as the preferred bidder for the provision of Fire Services to a commercial customer. In common with standard commercial practice this opportunity was covered by a legally binding Non-Disclosure Agreement and therefore, the detail of this opportunity would be covered in Part 2 (item 13).

#### **RESOLVED:**

That S.E. Business Services Ltd (a wholly owned company of the county council) provides Fire Services under a commercial contract arrangement be endorsed.

#### **Reasons for Decisions:**

The reasons were:

- The securing of an alternative source of income for the benefit of Surrey residents and the wider community.
- This opportunity demonstrates the County Council's intent and ability, through SE Business Services, to secure alternative commercial sources of revenue.
- The opportunity provides a sound platform for future Business Development and the pursuit of other value adding opportunities.

- The opportunity provides an excellent practical learning experience for development of commercial capabilities within a public service ethos. Placing Surrey County Council at the forefront of Public Service thinking.

#### **65/14 EXCLUSION OF THE PUBLIC [Item 12]**

**RESOLVED** that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

THE FOLLOWING ITEMS OF BUSINESS WERE CONSIDERED IN PRIVATE BY THE CABINET. SET OUT BELOW IS A PUBLIC SUMMARY OF THE DECISIONS TAKEN.

#### **66/14 FIRE SERVICE COMMERCIAL OPPORTUNITY [Item 13]**

This was the Part 2 report, relating to item 11.

The Monitoring Officer was invited to speak and drew Cabinet's attention to the Risk Management and Implications section of the report which set out mitigating actions for identified risks.

##### **RESOLVED:**

That S.E. Business Services Ltd (a wholly owned company of the county council) be endorsed to provide Fire Contingency Services to the company named in the submitted report, under a commercial contract.

##### **Reasons for Decisions:**

The provision of the services under contract would secure an alternative source of income for the benefit of Surrey residents and provide a sound platform for future business development and the pursuit of other value adding opportunities.

#### **67/14 PROPOSED EXPANSION OF ST JOHN THE BAPTIST CATHOLIC SECONDARY SCHOOL [Item 14]**

The Part 1 report set out the rationale for the proposal and the key issues for consideration. This Part 2 report set out the financial case including the expected costs of the proposal.

##### **RESOLVED:**

- (1) That a total budget for the expansion scheme, as set out in the Medium Term Financial Plan 2014-2019 inclusive of fees, inflation and all other associated costs be approved.

- (2) That the delivery of the scheme would be in two phases. Phase 1 to be delivered by September 2015 would provide 3 additional classrooms, 2 studio spaces, a small office, changing rooms (as a result of converting the existing gymnasium), a new sports hall and MUGA (Multi Use Games Area) at a total cost as set out in the submitted report.
- (3) Phase 2 to be delivered by 2018. This will include 12 additional classrooms provided through a mixture of new build and remodelling of existing spaces and additional 6<sup>th</sup> form rooms and includes improved services and fixtures and fittings. The remaining budget, as detailed in the submitted report will be allocated for Phase 2 to complete the expansion of the school by the due date.
- (4) That a letter of agreement be signed between the County Council and the Governing Body of St John the Baptist, setting out the roles and responsibilities of both parties in relation to the funding and management of the scheme prior to the commencement of any works.

**Reasons for Decisions:**

As set out in the part 1 report (item 9).

**68/14 PROPERTY TRANSACTIONS [Item 15]**

The Cabinet Member for Assets and Regeneration Programmes requested that Cabinet authorised the acquisition of the freehold interest of retail and office premises in Staines for potential conversion of part to key worker housing accommodation.

**RESOLVED:**

- (1) That the freehold interest of retail and office premises in Staines upon Thames for a purchase price, together with ancillary costs of purchase (stamp duty, legal costs and surveyor's fees), as set out in the submitted report, be approved.
- (2) That Property Services reviews the opportunity for the conversion or redevelopment of the upper floor offices to residential use for key worker accommodation, and upon the formulation of a final business case, the final decision be delegated to the Strategic Director for Business Services in consultation with the Cabinet Member for Assets and Regeneration Programmes, the Cabinet Member for Business Services and the Leader of the Council.

**Reasons for Decisions:**

To purchase the property and undertake a conversion of the upper floors to residential use to provide key worker housing in the heart of Staines upon Thames town centre.

**69/14 PUBLICITY FOR PART 2 ITEMS [Item 16]**

That non-exempt information relating to items considered in Part 2 of the meeting may be made available to the press and public, as appropriate.

[Meeting closed at 3.40pm]

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**Chairman**

**CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE**

**BUDGET MONITORING REPORT FOR JANUARY 2014  
(considered by COSC on 5 March 2014)**

**SCRUTINY COMMITTEE RECOMMENDATIONS:**

- (a) That, as a matter of urgency, the Cabinet considers how the Council will fund the cost of repairs required as a result of the recent flooding in the County, including the option to approve additional capital borrowing in 2014/2015, with the interest payments arising from the loan in 2014/2015 and future years to be met from within the Directorate's revenue budget.
- (b) That the Cabinet accelerate the Family, Friends and Community Support programme from April 2014 to increase capacity using an Invest to Save bid to review open cases.
- (c) That the effectiveness of voluntary sector grants be reviewed to ensure, where appropriate, these align with and support the objectives of the Family, Friends and Community Support programme.
- (d) That initiatives which have the potential to increase value for money be discussed with providers.
- (e) That efforts to recruit and retain qualified staff to unfilled social worker posts be redoubled.

**RESPONSE**

- (a) The report on MTFP 2014-19 includes at recommendation 8 that Cabinet:  
*"receives a report in July 2014 on the impact of the severe weather on services work programmes and the council's revenue and capital budgets"*

The budget monitoring report for February 2014 also provides an update on the Council's responses to the recent flooding.

- (b) As reported in paragraph 18 of the budget monitoring report, Cabinet notes that the Chief Executive and Chief Finance Officer have begun careful consideration and challenge of the Adult Social Care budget. The initial proposed updates are included in the cabinet paper on the Medium Term Financial Plan.

Cabinet would welcome bids from the service, supported by robust business cases, for invest to save money.

Finally, Cabinet supports COSC's recommended actions, proposed in (c), (d) and (e) for the Adult Social Care directorate to take forward.

**David Hodge  
Leader of the Council  
25 March 2014**

**COMMUNITIES SELECT COMMITTEE**

**Item under consideration: PROPOSED DIRECTION OF TRAVEL FOR  
THE SURREY FIRE AND RESCUE SERVICE, IN  
LINE WITH THE PROPOSED MTFP 2014-19**

**Date Considered: THURSDAY 20 MARCH 2014**

- 1 Further to discussions at a Communities Select Committee budget workshop on 20 February 2014 and a further Fire Service workshop on Monday 17 March 2014, the Communities Select Committee discussed the draft Medium Term Financial Plan (MTFP) and direction of travel for the Surrey Fire and Rescue Service (SFRS) at its meeting on Thursday 20 March.
- 2 During these discussions, SFRS have presented on the case for change within SFRS in the context of changes in demand and demographics, environmental changes, different ways of working and budget pressures. This is not an exclusive list.
- 3 On the basis of these discussions, the Committee voted 8 to 2 in favour of the below recommendation, which the Committee asks the Cabinet to consider alongside the MTFP 2014-19 which is being presented to Cabinet for approval on Tuesday 25 March 2014.

**Recommendation:**

The Communities Select Committee recommends:

- a) That the proposed direction of travel for the Surrey Fire and Rescue Service, in line with the proposed MTFP 2014-19, be supported.

The Member Reference Group being formed to act as a sounding board for the revision of the Surrey Fire and Rescue Services Public Safety Plan (which will detail the changes required for the service), will closely scrutinise the development of this plan and report back to the Communities Select Committee as required.

- b) That the Surrey Fire and Rescue Service, supported by its County Council colleagues, ensure that robust plans are in place for consultation with stakeholders and residents on the revision of the Public Safety Plan.

**DENISE SALIAGOPOULOS**  
**Chairman of the Communities Select Committee**

**MEDIUM TERM FINANCIAL PLAN 2014-19**

**Corrections**

1. In paragraph 21 of the main report, Table 3 should read Table 5.
2. In Annex 2, Medium Term Financial Plan 2014-19, the overall income & expenditure revenue budget should show income from joint working for 2018/19 of -£19,285,000.

Below is a revised version of the complete table (Income and Expenditure Revenue Budget).

	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s
<b>Income:</b>						
Council Tax (incl collection fund)	(550,420)	(571,343)	(578,083)	(592,517)	(607,297)	(622,469)
Business Rates income	(43,863)	(44,464)	(47,223)	(48,917)	(50,834)	(52,871)
UK Government grants	(922,339)	(858,334)	(851,585)	(856,012)	(856,334)	(859,733)
Other bodies grants	(17,923)	(21,727)	(21,751)	(21,776)	(21,800)	(21,826)
Fees & charges	(83,932)	(90,422)	(92,869)	(95,888)	(99,351)	(102,952)
Property income	(6,364)	(6,554)	(6,697)	(6,919)	(7,070)	(7,224)
Income from investments	(578)	(522)	(450)	(344)	(5,235)	(5,193)
Joint working income	(21,026)	(19,371)	(19,484)	(19,126)	(19,380)	(19,285)
Reimbursement & recovery of costs	(17,256)	(13,124)	(13,633)	(14,348)	(14,659)	(14,809)
Other income	(147,079)	(151,720)	(154,884)	(158,706)	(167,494)	(171,289)
<b>Total income</b>	<b>(1,663,702)</b>	<b>(1,625,861)</b>	<b>(1,631,775)</b>	<b>(1,656,150)</b>	<b>(1,681,959)</b>	<b>(1,706,362)</b>
<b>Expenditure:</b>						
Employment	312,732	311,747	308,891	309,880	312,337	315,112
Running Costs	176,872	181,788	166,781	174,763	178,258	181,411
Contracts & Care Packages	638,226	652,461	653,154	665,741	685,228	703,684
Capital financing costs	36,981	37,537	41,863	44,680	45,051	45,069
Non pay	852,079	871,785	861,798	885,184	908,537	930,164
School expenditure	521,855	468,246	461,086	461,086	461,086	461,086
<b>Total expenditure</b>	<b>1,686,667</b>	<b>1,651,778</b>	<b>1,631,775</b>	<b>1,656,150</b>	<b>1,681,959</b>	<b>1,706,362</b>
<b>Net budget supported by reserves</b>	<b>22,965</b>	<b>25,917</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>