

County Council Meeting – 15 July 2014

## REPORT OF THE CABINET

The Cabinet met on 27 May and 24 June 2014.

In accordance with the Constitution, Members can ask questions of the appropriate Cabinet Member, seek clarification or make a statement on any of these issues without giving notice.

The minutes containing the individual decisions for 27 May and 24 June meetings are included within the agenda at item 15. Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 14 July 2014).

For members of the public all non-confidential reports are available on the web site ([www.surreycc.gov.uk](http://www.surreycc.gov.uk)) or on request from Democratic Services.

### 1. STATEMENTS/UPDATES FROM CABINET MEMBERS

None.

### 2. REPORTS FOR INFORMATION / DISCUSSION

27 May 2014

#### A HIGH PERFORMANCE LEADERSHIP DEVELOPMENT PROGRAMME

1. The Council's People Strategy for 2010 – 2014 identified a need for a high performance development programme to further develop the leadership capabilities within the organisation. Between 2009 and 2013, coaching helped the County Council shape a workplace where people thrive and grow, as well as being pivotal in culture and performance improvements. The coaching outcomes, over the last four years, have positively affected the quality of the service residents received in whatever way they came into contact with our staff. During this time Surrey there was:
  - 55% increase in resident perception of SCC employees attempting to understand their needs
  - 5% improvement in how employees viewed workload, supervision and change
  - perception from 80% of coaching programme delegates that their own performance improved as a result of the coaching
  - 60% of delegates believed SCC's performance improved as a direct result of the coaching programme

- Sickness absence significantly improved from 13.2 days per FTE in October 2008 to 6.49 days per FTE in March 2014
2. In reviewing and consulting on the future needs for the next phase of leadership development across the council, the High Performance Leadership Development Programme (HPDP) programme is helping to bring about the vision of the Leader of the Council to work together as **One Team**. The level of performance the Council aspires to will be more an outcome of culture, relationships and mindset than it will be of structure. The HPDP will be key in helping build a more networked organisation where everyone is working together to deliver the strategic priorities for residents.
  3. A pilot of the HPDP took place between November 2013 and April 2014 and 68 senior leaders attended. There was good feedback
  4. A programme of coaching tailored specifically with Members, for Members, will also be developed to offer a continuous development opportunity for Members. This will be compulsory for the Cabinet Team and available to all other Members on a voluntary basis.
  5. By awarding this contract for the provision of the HPDP, the Council will ensure that leaders and managers are equipped with the skills, tools and techniques required to lead the organisation.

**6. The Cabinet agreed:**

That contracts be awarded to the preferred bidders of WillisClare Ltd and Penna Plc.

**B ESTABLISHMENT OF A PROPERTY COMPANY**

1. The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to maintain its financial resilience in the longer term. Cabinet approved that the recommended governance arrangements were put in place in order to consider individual investment opportunities and to provide advice to Cabinet on investment decisions.
2. Cabinet also approved that work commence on the preparation of a business case to establish a property investment company. This work has now been completed, with the aid of specialist advisors.
3. Over the last year, the Council has acquired properties to provide for future service requirements or to contribute to the regeneration of a particular area. Each acquisition has been made in line with the Investment Strategy and completed following the consideration of the business case by Cabinet, with the capital spend and associated revenue impact of these decisions reported monthly in the Financial Monitoring report.
4. The investment portfolio of the Council will therefore be a combination of assets acquired or developed by the Council itself for future service needs or

regeneration purposes and those acquired or developed by a wholly owned property company. Activities undertaken by the Council may also include the strategic acquisition of land for future service need, for example in respect of Schools Basic Need, or in relation to the stewardship role of the Council in shaping the long-term future of the county.

5. The proposals in relation to the creation of a property company have been developed with the assistance of independent specialist advisors covering financial, tax and legal disciplines. The most appropriate legal structure under the Companies Act 2006 for the Council to undertake commercial property activities is a company limited by shares. The company will be wholly owned by the Council and will form part of the Surrey County Council owned group of companies created following the incorporation of S.E.Business Services Ltd and Surrey Choices Ltd.
6. The recommended structure for the property company has been developed to provide the most appropriate solution bearing in mind the tax implications that arise from making investments in property or undertaking property development activity.
7. The main considerations taken into account are that it is advisable to keep investment assets and property development activities in separate companies:
  - Investment Asset: A property that is held for the rental return and long-term capital appreciation.
  - Property Development: Planning, design, development and build of a property or an estate of properties for sale, or for full or partial retention for the ongoing rental income. Properties that are retained for the long-term rental income become an Investment Asset after completion.
8. The proposal is therefore to create a Property Holding Company (the Property Company) with three subsidiary companies as follows:
  - Property Investment Company: Residential
  - Property Investment Company: Commercial
  - Property Development Company
9. Decisions on taking forward each investment opportunity will be taken by Cabinet. The Investment Advisory Board will provide advice to Cabinet, ensuring that appropriate and credible options are presented that fully evaluate the financial and risk implications of each proposal.
10. The Investment Advisory Board will be responsible for strategically managing the overall portfolio consistent with the aims of the Investment Strategy and will monitor achievement of the objective that an appropriately balanced and diversified portfolio is created over time across the combination of Council owned assets and those owned by the Property Company.

**11. The Cabinet agreed:**

1. That the business case for the creation of a Property Company and associated subsidiary companies be approved, in order to take forward the agreed Investment Strategy.
2. That the governance arrangements for the Property Company, including the Articles of Association of the Company be approved.
3. That the provision of initial equity finance, a working capital loan and a loan facility be approved.

**C SURREY'S STRATEGY FOR GYPSY, ROMA AND TRAVELLER CHILDREN AND YOUNG PEOPLE 2014 – 2017**

*24 June 2014*

1. Surrey's strategy for Gypsy, Roma and Traveller (GRT) children and young people was informed by needs analysis, which found that across a range of health, education and social indicators. Surrey's GRT children and young people have some of the poorest life chances compared with the county's 0-19 population generally. The strategy identifies how the Children, Schools and Families (CSF) Directorate, and wider partners, could reduce local inequalities and improve outcomes for Surrey's GRT children and young people.
2. The strategy focuses on 0-19 year olds but includes broader issues relating to the needs of Surrey GRT families and communities where these impact upon children and young people's wellbeing. The needs analysis was developed in collaboration with a wide range of stakeholders including staff within the Children, Schools and Families Directorate, external partners and members of Surrey's GRT communities. It provides a clearer understanding of the needs of GRT children and young people in Surrey. The action plan, with the strategy, aligns with Surrey's Lifecourse Outcomes approach, which was developed in consultation with children, young people, parents and practitioners to find a common way of looking at the outcomes.
3. Many of the actions can be implemented by Surrey County Council's Children, Schools and Families Directorate, but there are also recommendations for wider partners that would benefit from political support and high level leadership as they are taken forward.
4. **The Cabinet agreed:**
  1. That the strategy, as set out in Annex A of the submitted Cabinet report, be approved, for implementation with immediate effect.
  2. That the strategy and needs analysis be published on Surrey County Council's website.

3. Officers should develop a short, accessible summary of the strategy to share with Surrey's GRT communities.

**D QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS: 1 APRIL – 30 JUNE 2014**

1. The Cabinet is required under the Constitution to report to Council on a quarterly basis the details of decisions taken by the Cabinet and Cabinet Members under the special urgency arrangements set out in Article 6.05(f) of the Constitution. This occurs where a decision is required on a matter that is not contained within the Leader's Forward Plan (Notice of Decisions), nor available 5 clear days before the meeting. Where a decision on such matters could not reasonably be delayed, the agreement of the Chairman of the appropriate Select Committee, or in his/her absence the Chairman of the Council, must be sought to enable the decision to be made.

There have been no such decisions during the last quarter.

**Mr David Hodge  
Leader of the Council  
4 July 2014**

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