

COUNTY COUNCIL**COUNCIL MEETING - 9 FEBRUARY 2016**

MINUTES of the meeting of the Council held at the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN on 9 February 2016 commencing at 10.00 am, the Council being constituted as follows:

Sally Marks (Chairman)

Nick Skellett CBE (Vice-Chairman)

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

*absent

1/16 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mrs Angell, Mr Carasco, Ms Le Gal, Mrs Lay, Mrs Moseley, Mr Pitt and Mr Townsend.

2/16 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 8 December 2015 were submitted, confirmed and signed.

3/16 CHAIRMAN'S ANNOUNCEMENTS [Item 3]

The Chairman made the following announcements:

- (i) Her Majesty the Queen's New Year Honours List:
A list was included within the agenda. She informed Members that she had written letters of congratulations to those people who had received awards for services to Surrey communities. She drew the following names to Members' attention:
- Rhona Barnfield CEO and Executive Head of Howard of Effingham School = CBE for services to Education
 - Jacqueline Gold, CEO and Founder of Ann Summers = CBE for services to entrepreneurship, women in business and social enterprise.
 - John Surtees, Motorcycling and Formula 1 World Champion = CBE for services to Motor Sport
 - Robin Roland, CEO of Yo Sushi! - OBE for services to the Restaurant and Hospitality Industry
 - Lady Anabel Stilgoe = OBE for services to charity
 - Trudi Harris, former chairman of trustees at Cherry Trees Respite Care = MBE for services to Children with Special Educational Needs
 - Sally Varah, High Sheriff of Surrey (2008) and Chairman of GASP Motor Project = MBE for voluntary services to the community in the county
 - Also, a member of Surrey staff, Alison Wrigley of Surrey Arts, received the British Empire Medal for services to education, having set up the Just So Singers choir for children with special needs and The High Notes choir, which accommodates adults with varying degrees of special needs and learning difficulties
- (ii) She informed Members of two particular events that she had attended recently:
- Holocaust Memorial Day on 27 January 2016
 - Opening of a new Watts Gallery Artist's Studio on 23 January 2016
- (iii) Related Party Disclosures – she reminded Members that it was a legal requirement to complete their forms and return them to Finance by the 31 March 2016 deadline.
- (iv) Finally, she invited the Leader of the Council to make a short statement relating to Surrey and Sussex devolution plans (attached as Appendix A)

4/16 DECLARATIONS OF INTEREST [Item 4]

There were none.

5/16 REVENUE AND CAPITAL BUDGET 2016/17 TO 2020/21 AND 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. She asked Members to note that the recommendations before them today, numbered (1) to (21) were set out in the Council agenda papers. These included a reference to Annex 3, which set out the Council Tax requirements.

She said that the debate on the Budget would be conducted in accordance with the County Council's Standing Orders.

The Leader presented the Report of the Cabinet on the Revenue and Capital Budget 2016/17 to 2020/21, the Council Tax Requirement for 2016/17 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 Director of Finance presented her report to Council. A copy of her statement is attached as Appendix C.

Each of the Minority Group Leaders (Mr Harrison, Mrs Watson and Mr Johnson, who announced that Mrs Windsor would speak on his behalf) were invited to speak on the budget proposals.

Key points made by Mr Harrison were:

- That inflation was about 1% and therefore an increase of 3.99% on the council tax would be difficult for those residents on low incomes.
- The 'shock' of the Provisional Settlement Figures and the level of transitional funding.
- The reduction of the Revenue Support Grant, which would disappear completely by 2018/19.
- Concern that a Conservative Government continued to favour northern counties, even though Surrey had an increasing population and huge demand for school places.
- The reduction in grants would affect services, plus the need for the Council to use substantial reserves to balance the budget.
- There would be a need to implement service transformation on an unprecedented scale.
- There had been a lack of opportunity for Scrutiny Boards to examine the proposed savings and make further proposals.
- Concern that the Adult Social Care budget would continue to be overspent.
- Surrey residents would be angry about the proposed level of increase in council tax.
- There should be a further review of fees, charges and other non ring-fenced grants.
- Other suggestions for review were: staffing numbers and management teams, pensions, use of agency staff and the cost of empty care beds (PFI contract).

Key points made by Mrs Watson were:

- Support for the increase proposed to the council tax, including the Adult Social Care element but opposition to the budget.
- The Adult Social Care budget was repeatedly overspent and therefore the additional funding would be a lifeline.
- Concern about the level of funding for other vital services such as Youth Services, Buses, Road Safety and Drainage.
- That operational changes at Community Recycling Centres could result in increased fly tipping.
- More funding was urgently needed to improve Surrey's footways and wetspots.
- Suggestions for areas to review included: (i) reducing the Communications Budget, (ii) discontinuing Surrey Matters, (iii) reviewing the use of agency staff, (iv) eliminating Cabinet Associate posts, (v) stop investing in property outside Surrey, (vi) considering energy efficiency options for Surrey's buildings.
- The importance of Value for Money and protecting services for Surrey residents.

Key points made by Mrs Windsor were:

- That the motion agreed by the Council in December 2015 in relation to the Conservative Government listening to Local Government, was rather premature because 10 days later, the Provisional Settlement was announced and was significantly worse than had been expected.
- That the Leader had fought successfully for additional transitional funding.
- The Government was raising taxes by stealth and that the Council should continue to lobby the Treasury and Surrey MPs for additional funding.
- The proposed council tax increase was inevitable and unavoidable.

Fifteen Members spoke on the Budget proposals and the following key points were made:

- That as a direct result of the Leader of the Council lobbying Government, the Council's budget now had an additional £48m, which would benefit for Surrey residents over the next two years.
- Concern that Surrey would receive only £1.5m Better Care Fund Allocation in 2019/20.
- The high cost of delivering services in the South East.
- Congratulations to the Leader of the Council and everyone concerned in achieving some transitional relief for the next two financial years.
- That residents should be made aware that 2% of the council tax increase was to fund Adult Social Care.
- A request that some of the additional Adult Social Care funding be used to support the Mental Health Service.
- Infrastructure needed to be funded through Local Government and not developers.
- Despite obtaining the transitional funding, it would still be challenging to achieve / deliver a sustainable budget.
- The transformational programme would need to deliver 'real' transformation.

- Increased demand for Adult Social Care and Children Services had resulted in budget pressures but unit costs had been driven downwards.
- Scrutiny Boards were denied any meaningful data so have been unable to suggest savings.
- Today's budget only gave headline figures, there were no detailed service budgets.
- The Resident Association / Independent Group would consider ways to improve the scrutiny process for the 2017 budget.
- The additional transitional funding was insufficient to cover the shortfall.
- Equality Impact Assessments should be provided with the detailed budget proposals.
- Surrey needs to be in a position to provide elderly residents with good care plans.
- Funding should be prioritised to ensure that the improvements required in Children Services can be implemented.
- Members should question the timing of budget information received from Central Government.
- As the cost of fuel had fallen, could Members' / officers' mileage rates be reduced.
- As there is a Conservative Government and Surrey County Council is a Conservative Council, the public may find it difficult to understand why the Council had not received a more favourable settlement.
- Following today's meeting, there would be opportunity for Scrutiny Boards to examine the detailed service budgets and to work with Cabinet constructively to suggest options for savings.

After the debate the Chairman called the recommendations, which included the council tax precept proposals, and a recorded vote was taken.

The following Members voted for it:

Mr Barker, Mr Bennison, Ms Bowes, Mrs Bramhall, Mr Brett-Warburton, Mr Chapman, Mrs Clack, Mrs Coleman, Mr Cosser, Mrs Curran, Mr Ellwood, Mr T Evans, Mr Few, Mrs Frost, Mr Fuller, Mr Furey, Mr Gardner, Mr Goodman, Mr Gosling, Dr Grant-Duff, Mr Gray, Mr Gulati, Mr Hall, Mrs Hammond, Mr Harmer, Miss Heath, Mrs Hicks, Mr Hodge, Mr Hussain, Mr Ivison, Mr Johnson, Mrs Kemeny, Mr Kemp, Mrs Lake, Mrs Lewis, Mrs Marks, Mr Martin, Mrs Mountain, Mr Munro, Mr Norman, Mr Persand, Mrs Ross-Tomlin, Mrs Saliagopoulos, Mr Samuels, Mr Skellett, Mr Sydney, Mr Taylor, Ms Thomson, Mr Walsh, Mr Wilson, Mrs Windsor, Mr Witham, Mr Young and Mrs Young

And the following Members voted against it:

Mrs Barton, Mr Beckett, Mr Cooksey, Mr Essex, Mr Robert Evans, Mr Forster, Mr Goodwin, Mr Harrison, Mr Hickman, Mr Jenkins, Mr Kington, Mr Mallett, Mrs Mason, Mr Orrick, Mrs Searle, Mr Selleck, Mrs Watson and Mrs White.

54 Members voted for and 18 Members voted against the Budget recommendations.

Therefore, it was:

RESOLVED:

That the following important features of the revenue and capital budget be noted:

1. The Director of Finance's statutory report says the budget for 2016/17 is only sustainable and robust if the council uses substantial reserves and capital receipts from the sale of assets, and crucially, receives significant transitional relief while an unprecedented scale of service transformation is developed and delivered going forwards, as set out in Annex 1 of the submitted report.
2. The Council will require transitional funding from Government of £20m to balance the 2016/17 budget in respect of the late announcement of a change to the distribution of the Revenue Support Grant, and a further £37m in 2017/18.
3. If the Council receives no transitional relief in the Final Settlement, the Leader will arrange an emergency Cabinet meeting to determine how to balance the 2016/17 budget. This is not expected to affect the council tax precept for 2016/17.
4. It is expected that the Final Settlement will set out requirements for reporting use of the adult social care precept.
5. At a date yet to be determined by Government, there will be an opportunity for the Council to accept the Government's offer of a four year funding settlement as set out in paragraphs 15 to 19 of this report.
6. The overall budget envelope laid out in Appendix 4, to the submitted report.
7. That the Leader in conjunction with the Director of Finance will finalise budget proposals based on the Final Settlement, and up-date members of the County Council if the information is available ahead of the meeting or retrospectively if not available by that date.

That the following recommendations be approved:

8. That the council tax requirement for 2016/17 be set at £618m, as set out in paragraph 3.4, Annex 3 to the submitted report.
9. That the level of the general council tax be increased by 1.99%.
10. That council tax be increased by a further 2% for the adult social care precept.
11. That the County Council precept for band D council tax be set at £1,268.28, which represents a 3.99% up-lift.
12. That the council tax for each category of dwelling to be as follows:

Valuation band	£
A	845.52
B	986.44

C	1,127.36
D	1,268.28
E	1,550.12
F	1,831.96
G	2,113.80
H	2,536.56

13. That the payment for each billing authority, including any balances on the collection fund, will be set out as follows:

Billing authority	£
Elmbridge	80,724,045.96
Epsom & Ewell	41,112,831.78
Guildford	71,258,479.51
Mole Valley	50,831,679.52
Reigate & Banstead	74,632,185.92
Runnymede	43,517,611.98
Spelthorne	49,575,577.55
Surrey Heath	47,235,562.86
Tandridge	47,432,684.77
Waverley	69,052,969.05
Woking	51,778,345.36
TOTAL*	627,151,974.26

*This total includes the Council Tax Collection Fund balance.

Each billing authority's payments to be made in ten equal instalments on the following dates, already agreed with relevant authorities:

20 April 2016	14 October 2016
24 May 2016	25 November 2016
24 June 2016	6 January 2017
29 July 2016	10 February 2017
9 September 2016	17 March 2017

14. That the council tax rate set above be maintained after the Final Settlement.
15. That the 2016/17 budget be supported by using £17.2m from reserves as set out in paragraph 72 of the submitted report.
16. The requirement for the Chief Executive and the Director of Finance to continue their work to track and monitor existing MTFP efficiencies and to lead and oversee a Public Value Transformation programme of all service delivery to ensure the County Council's revenue budget becomes sustainable and to develop robust plans for further savings and income generation opportunities for the remaining years of this MTFP.
17. The set up of a Public Value Transformation (PVT) Fund of £30m to meet the revenue costs of a transformation programme, to be funded by capital receipts from asset sales.
18. That the County Council's £1,681m gross revenue expenditure budget for 2016/17 be approved.
19. That the following capital programme be agreed:
 - To fund essential schemes over the five year period (schools and non-schools) to the value of £635m including ring-fenced grants;
 - To make adequate provision in the revenue budget to fund the revenue costs of the capital programme, including a borrowing requirement of £187m over the five years.
20. That a robust business case be prepared (and taken to the Investment Panel for review) before committing expenditure for the use of:
 - the Public Value Transformation Fund,
 - all revenue 'invest to save' proposals, and
 - capital schemes.

Treasury Management and Borrowing:

21. That the Treasury Management Strategy for 2016-21 be approved with immediate effect. This strategy includes:
 - the investment strategy for short term cash balances;

- introducing three new investment categories: corporate bonds, covered bonds and pool investment property funds which will generate additional returns within controlled credit risk (paragraph 109 in the submitted report);
- increasing the maximum term for high quality longer dated investments to two years for supranational institutions, local authorities, UK Government, corporate bonds and five years for covered bonds, earning additional interest income without compromising liquidity risk (paragraph 109 in the submitted report);
- setting the maximum amount in respect of any one counterparty to £20m with the exception of money market funds which should remain at £25m (paragraph 109 in the submitted report);
- the treasury management policy (Annex 2, Appendix 8 of the submitted report);
- the prudential indicators (Annex 2, Appendix 9 of the submitted report);
- the schedule of delegation (Annex 2, Appendix 11 of the submitted report);
- the minimum revenue provision policy (Annex 2, Appendix 14 of the submitted report).

6/16 MEMBERS' QUESTION TIME [Item 6]

Notice of 11 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 Witham asked the Cabinet Member for Highways, Transport and Flooding to monitor closely how the Flood Re scheme worked to ensure that residents entitled to insurance received it. The Cabinet Member confirmed that the County Council would be working in close partnership with the National Flood Forum.

(Q2) Mr Robert Evans said that the County Council had paid out a significant sum of money for pothole damage to vehicles and considered that the figure could have been much higher, except that many people were deterred from claiming due to the lengthy process. He asked the Cabinet Member for Highways, Transport and Flooding if he agreed with him that it would be better to invest more in road infrastructure, thereby preventing pothole damage. The Cabinet Member said he would like more funding for Highways, however the County Council had to prioritise its budget and it was unlikely that additional funding would be available for roads. He drew attention to a recent survey for Surrey roads, where the percentage of residents satisfied had increased from 27% to 42%.

(Q3) Mr Young asked the Cabinet Member for Localities and Wellbeing if he would facilitate appropriate branded high visibility jackets for Members, possibly using their local allocation funding, to enable them to get involved in keeping the county litter free. The Cabinet Member welcomed the suggestion and said that much was being done already but that he would investigate this suggestion and report back to Members.

(Q4) Mrs White queried the figures given in the Cabinet Member for Highways, Transport and Flooding's written response relating to her question about the cost of pelican crossings. She quoted figures from Wiltshire County Council and added that the cost of providing pelican crossings in Kent was also substantially less than in

Surrey. She asked the Cabinet Member what action he would be taking to ensure that Surrey obtained better value for money for this work. The Cabinet Member referred to the last paragraph of his written response in which he had explained the reasons for higher costs in Surrey.

(Q5) Mrs Watson considered that the quality of life for Surrey residents had not been considered when the Economic Prosperity, Environment and Highways (EPEH) Board had rejected her motion and asked the Leader of the Council to comment. He considered that he had nothing further to say and referred Mrs Watson to item 9 on the agenda, the report of EPEH Board on the referred motion.

(Q7) Mr Robert Evans asked the Cabinet Member for Environment and Planning if he had been aware that the Mayor of London would be making an announcement on 21 January 2016 about potential changes of control to several suburban rail routes into London and whether he thought that working with Transport for London (TfL) would be beneficial for Surrey commuters. The Cabinet Member confirmed that he was aware of the announcement and that he agreed that there was a need to work together with the Department for Transport and TfL for the benefit of Surrey rail users.

(Q9) Mr Essex asked the Leader of the Council whether he was happy to fund the shortfall in funding for Adult Social Care by adding a further 2% precept on the council tax. The Leader said that the Government was not going to fund it from general taxation and had agreed that this was the alternative to funding the pressure of increasing Adult Social Care demand.

(Q10) Mr Essex asked for a reply that referred to the Better Care Act and not Better Care Funding. He was advised by the Leader of the Council to speak to him outside the meeting.

(Q11) Mr Essex asked the Cabinet Member for Highways, Transport and Flooding to provide the numbers of both permanent and temporary pothole repairs in Surrey because the figure in the answer did not distinguish between the two types of repair. The Cabinet Member agreed to clarify the question and discuss the response outside the meeting.

7/16 STATEMENTS BY MEMBERS [Item 7]

There were no statements from Members.

8/16 REPORT OF THE CABINET [Item 8]

The Leader presented the reports of the Cabinet meetings held on 15 December 2015 and 2 February 2016.

Recommendations on Policy Framework Documents

A *Confident in Surrey's Future, Corporate Strategy 2016 – 2021*

The Leader of the Council said that the Corporate Strategy set out the Council's overarching priorities for 2016/21.

Members made the following points:

- That the Corporate Strategy set out a good set of strategic goals and aims in a single page document but it was questioned whether the Council was confident in Surrey's future because this may depend on the transformation programme and the Cabinet's decisions.
- That the document set out the key aims at a high level. The Leader confirmed that Scrutiny Boards would be receiving detailed service budgets which they would have the opportunity to scrutinise.

RESOLVED:

That *Confident in Surrey's Future*, the Corporate Strategy 2016 - 2021, as set out in Appendix 1 to the submitted report, be agreed.

B Admissions Arrangements for Surrey's Community and Voluntary Controlled Schools and Co-ordinated Schemes that will apply to all schools for September 2017

The Cabinet Member for Schools, Skills and Educational Achievement presented the report and responded to questions. She confirmed that distances to schools were always carefully considered when allocating school places. She also said that she fully supported recommendation 5: That the start date to the primary admissions round is changed from 1 September to the first day after the Autumn half term (31 October 2016 for 2017 Admissions) and gave assurance that this change would be widely publicised.

RESOLVED:

That the following Admissions Arrangements for September 2017 for Surrey's Community and Voluntary Controlled Schools and Co-ordinated Schemes for all schools be approved:

Recommendation 1

That admission criteria are introduced for Year 3 entry to Beacon Hill Primary School for September 2017 as follows:

- a. Looked after and previously looked after children
- b. Exceptional social/medical need
- c. Siblings
- d. Children for whom the school is the nearest to their home address
- e. Any other children

Recommendation 2

That a new criterion for Chennestone Primary School is introduced for Year 3 in September 2017, to provide priority for children attending Beauclerc Infant School as follows:

- a. Looked after and previously looked after children
- b. Exceptional social/medical need
- c. Siblings
- d. Children attending Beauclerc Infant School
- e. Children for whom the school is the nearest to their home address
- f. Any other children

Recommendation 3

That admission criteria are introduced for Year 3 entry to Cranleigh CofE Primary School for September 2017 as follows:

- a. Looked after and previously looked after children
- b. Exceptional social/medical need
- c. Siblings
- d. Children for whom the school is the nearest to their home address
- e. Any other children

Recommendation 4

That the Published Admission Number for West Ewell Infant School is reduced from 90 to 60 for September 2017.

Recommendation 5

That the start date to the primary admissions round is changed from 1 September to the first day after the Autumn half term (31 October 2016 for 2017 admission).

Recommendation 6

That the Published Admission Numbers (PAN) for September 2017 for all other community and voluntary controlled schools are determined as they are set out in Appendix 1 of Enclosure 1, of the Cabinet report, which include the following changes:

- i) Beacon Hill School - introduction of Year 3 PAN of 2
- ii) Cranleigh CofE Primary School – re-introduction of Year 3 PAN of 30
- iii) Dovers Green School - increase in Reception PAN from 56 to 90
- iv) Downs Way School – increase in Reception PAN from 45 to 60
- v) Godalming Junior - increase in Junior PAN from 58 to 60
- vi) West Byfleet Junior - increase in Junior PAN from 60 to 90

Recommendation 7

That the aspects of Surrey's admission arrangements for community and voluntary controlled schools for September 2017, for which no change is proposed, are agreed as set out in Enclosure 1 of the Cabinet report and its Appendices.

Recommendation 8

That the primary and secondary coordinated admission schemes that will apply to all schools for 2017 are agreed as set out in Enclosure 2 of the Cabinet report.

Reports for Information / Discussion

The following report was received and noted:

- Quarterly Report on Decisions taken under Special Urgency Arrangements: 1 October – 31 December 2015

RESOLVED:

That the report of the meetings of the Cabinet held on 15 December 2015 and 2 February 2016 be adopted.

9/16 REPORT BACK FROM THE ECONOMIC PROSPERITY, ENVIRONMENT AND HIGHWAYS SCRUTINY BOARD ON THE REFERRED MOTION [Item 9]

The Chairman reported that the motion from the Council meeting on 8 December 2015, standing in the name of Mrs Watson, and which was referred to Economic Prosperity, Environment and Highways Scrutiny Board for consideration was lost, as detailed in the report set out in the agenda.

Mrs Watson was given the opportunity to address the Council and expressed her disappointment that the motion had not been supported.

10/16 MINUTES OF THE MEETINGS OF THE CABINET [Item 10]

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

[Meeting ended at 11.50am]

Chairman

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