

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 14 JULY 2016 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 Mike Goodman
* Mrs Helyn Clack	* Mrs Linda Kemeny
*Mrs Clare Curran	* Ms Denise Le Gal
Mr Mel Few	*Mr Richard Walsh

Cabinet Associates:

*Mr Tim Evans	*Mrs Kay Hammond
Mrs Mary Lewis	*Mr Tony Samuels

* = Present

PART ONE
IN PUBLIC

144/16 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mr Martin, Mr Few, Mr Furey and Mrs Lewis.

145/16 MINUTES OF PREVIOUS MEETING: [Item 2]

The minutes of the meeting held on 21 June 2016 were confirmed and signed by the Chairman.

146/16 DECLARATIONS OF INTEREST [Item 3]

There were none.

147/16 PROCEDURAL MATTERS [Item 4]

1 MEMBERS' QUESTIONS [Item 4a]

No members questions were received.

148/16 PUBLIC QUESTIONS [Item 4b]

No public questions were received.

149/16 PETITIONS [Item 4c]

No petitions were received.

150/16 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

151/16 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

A report was received from the Social Care Services Board relating to the consultation on a revised charging policy for Adult Social Care. The Cabinet Member response is attached as Appendix 1.

A report was also received from the Council Overview Board regarding the Municipal Bonds Agency and the Cabinet Member response to this is attached as Appendix 2.

152/16 CONSULTATION ON A REVISED CHARGING POLICY FOR ADULT SOCIAL CARE [Item 6]

The Cabinet Associate for Adult Social Care, Wellbeing and Independence introduced the report on behalf of the Cabinet Member. He informed Members that the first report on this issue came before Cabinet in February 2015 when approval was sought to go out to consultation regarding four proposals to amend aspects of the Adult Social Care charging structure. He went on to say that the four proposals were as follows:

1. For an administration fee to be charged for full cost payers.
2. For an increase from 90 to 100% of the available income to be taken into account in charges for people in receipt of non-residential care and support.
3. For the full rate of allowances received by people in receipt of national disability benefits to be taken into account when determining the level of support provided by Adult Social Care.
4. For the current £20 per week disregard when assessing a person's ability to contribute towards respite care to be removed.

He stressed that further detail was contained within the report and that the proposals were expressly permitted under the Care Act. He highlighted that details of the consultation were outlined in the report and informed the Cabinet that 7000 people in receipt of chargeable services were contacted alongside a further 700 that could potentially be impacted in the future. He explained that just under a quarter of those contacted had responded and their responses could be found within annex 1 of the submitted report.

He drew particular attention to the Equalities Impact Assessment action plan and the Council's duty and policy to regularly reassess residents in receipt of Adult Social Care services. He stressed that should the Cabinet approve these proposals, the intervening period before the implementation date of 3 October 2016 would be used by the Adult Social Care service to gauge the impact of the proposals at an individual level via the assessment process.

He summarised by saying that the budget challenges were great and would be greater going forward and informed Members that should the proposals not be implemented then it would be likely that additional savings required would affect a much wider range of individuals in receipt of care services.

The Cabinet Associate for Community Safety said that she had read the report with interest and had concerns about the Equalities Impact Assessment regarding carers in communities. She stated that she understood bringing charges in line with statistical neighbours but that respite care was hugely

important and that removal of the £20 disregard could have a negative impact on the wellbeing of carers.

The Cabinet Member for Children and Families Wellbeing also expressed concerns about the impact on carers and said that this should not be overlooked. She stated that this proposal was as much about wellbeing as about financial concerns and she then proposed an amendment to the recommendations to ensure that the Council continued to apply the £20 disregard per week when charging for respite care.

This amendment was agreed by the Cabinet and the recommendations amended as a result.

Members queried how the Council planned to assess each person's ability to pay and were informed that this would be done via means testing and reassessing all those affected. Reassurance was sought that the proposals were not intending to bring anyone else into a charging framework and Members were informed that it would only impact on those assessed so far.

RESOLVED:

1. That the Council continue to apply the disregard of £20.00 per week when charging for respite care.
2. That subject to the revisions in recommendation 1 above, the charging policy for Adult Social Care as found at Annex 2 of the submitted report be approved and implemented.
3. That these changes take effect from 3 October 2016.

Reasons for decisions

In light of the very significant financial pressures the Council faces and the increasing demand for services, it is important to review the charging policy to ensure that those who are assessed as being in a position to contribute towards their care costs are making an appropriate contribution that will help maintain high quality care and support for all residents of Surrey with eligible social care needs.

The proposals do not significantly change charging for the majority of people in receipt of non-residential care and support, but will contribute to the sustainability of providing adult social care services.

The proposed policy will continue to provide an open and transparent framework which will enable people to make informed decisions about how their care and support needs may be met and will bring the Council's charging policy in line with the majority of other local authorities.

153/16 SURREY COUNTY COUNCIL HOME FROM HOSPITAL SUPPORT SERVICES - CONTRACT AWARD [Item 7]

The Cabinet Associate for Adult Social Care, Wellbeing and Independence introduced the report by informing Members that it was seeking approval to award two contracts for the provision of a Home from Hospital support service which would commence on 1 October 2016.

He explained that the Home from Hospital support service provided assistance to vulnerable people who were discharged from hospital and were returning to their home. He went on to say that officers undertook a joint procurement exercise with Surrey's six main Clinical Commissioning Groups (CCGs) and that the report provided details of the collaborative procurement exercise, including the results of the evaluation process and demonstrated why the recommended contract awards deliver best value for money.

Members reflected that it was excellent to see that 39% of the evaluation was geared towards service delivery and that it was good to see it was not price focussed. They felt that it was an excellent example of working together and that it demonstrated that more joined up thinking was taking place.

The Leader of the Council requested that the Social Care Services Board undertook a review of the performance measures within the contract in the future.

RESOLVED:

1. That the contracts be awarded for one year, from 1 October 2016 with an option to extend for two further periods of one year each.
 - Red Cross – Lot 3 East Surrey.
 - Home Group Limited – Lot 1 Northwest Surrey, Lot 2 Surrey Downs, Lot 4 Guildford and Waverley, Lot 5 Surrey Heath, North East Hampshire and Farnham.
2. That the combined annual contract value of the two contracts awarded be £335,000.00 (£1,005,000.00 including extension periods).

Reasons for decisions

The existing grant agreement, which is funded from the Better Care Fund, will expire on 30 September 2016. There is a continuing need for a service to support individuals who are ready to be discharged from hospital and return home with short term support. This service has contributed towards a reduction in hospital readmissions and gives confidence to individuals to continue living at home. This tender exercise was conducted in compliance with procurement legislation and Procurement Standing Orders. The recommendations provide best value for money for the Council and the Clinical Commissioning Groups.

154/16 REVISED SURREY WASTE LOCAL PLAN - ISSUES AND OPTIONS CONSULTATION [Item 8]

The Cabinet Member for Environment and Planning introduced the item by stating that Surrey County Council was the Waste Planning Authority for Surrey and that this meant the Council had to create a framework for the delivery of waste management infrastructure to ensure Surrey's economy remained strong and sustainable. He explained that this was a legal requirement and that the current Surrey Waste Plan (SWP) was adopted in 2008 and needed to be replaced. He said that a new Surrey Waste Local Plan (SWLP) 2018 – 2033 would need to go through several stages of public consultation and that the consultation on the plan would run for 12 weeks from 2 September to 25 November 2016.

He informed Members that once the consultation had been completed the plan would be produced and brought back to the Cabinet in early 2017.

Members queried the involvement of district and borough councils and were informed that good relationships existed with all authorities and that conversations would take place over the next 18 months to ensure the right approach was taken.

RESOLVED:

1. That Surrey County Council, as the Waste Planning Authority, consults on the Issues and Options Report (as at **Annex 1** of the submitted report) as the first stage in preparing a new Surrey Waste Local Plan (SWLP) 2018-2033.
2. That authority be delegated to the Strategic Director for Environment and Infrastructure in consultation with the Cabinet Member for Environment and Planning to agree any amendments to the Issues and Options Report prior to consultation taking place.

Reasons for decisions

It is a statutory requirement for Surrey County Council to have a Waste Local Plan. In addition, the National Planning Policy Framework (NPPF) emphasises that Local Plans should be kept up to date.

The SWP was adopted in 2008 and plans for the management of waste over a 10 year period until 2018. When determining planning applications for waste management the County Council has regard to this plan and for it to remain fit for purpose it is therefore important that it is consistent with current policy, legislation and local context. The SWP 2008 now needs to be reviewed, with the revised plan scheduled to be adopted in 2018.

It is important that the Council engage with communities and organisations on how waste is managed in Surrey and the consultation on Issues and Options provides the first formal opportunity to do this which is consistent with the Councils approach set out in its Local Development Scheme (LDS) and Statement of Community Involvement (SCI).

155/16 FINANCE AND BUDGET MONITORING REPORT FOR JUNE 2016 [Item 9]

The Leader of the Council presented the budget monitoring report for the first quarter of the 2016/17 financial year, that covered the period up to 30 June 2016. He said that overall, a forecast of £1.5m underspend was expected and that services were forecasting a balanced outturn but it was still early in the financial year and where necessary, services were developing plans to ensure they achieved a balanced outturn.

He stated that achieving these savings was important to ensure the Council maintained a balanced budget in 2016/17 and achieved a sustainable financial position in future years.

With regard to revenue, Members were informed that the current forecast end of year revenue position was for an £1.5m underspend which would make this

the seventh consecutive year that there would be a small underspend or balanced outturn across the Council. He did however highlight that Adult Social Care had identified a risk of £1.1m overspend but that the Adult Social Care leadership team was taking a rigorous approach to mitigating this risk.

On efficiencies, the Leader informed Members that at the end of June, services forecast delivering all of their £83.5m efficiencies. He stressed the importance of achieving these efficiencies to ensure the Council maintained a balanced budget this year and financial sustainability in the future. He went on to say that of the £83.5m forecast efficiencies, £36m had either already been implemented or was on track, £33m had some issues, and £14m was considered to be at risk.

To summarise, the Leader explained on the capital summary that the capital programme for 2016-21 was £638m and this would, improve and maintain services, invest in Surrey and generate income for the Council. He explained that £55m from 2016/17 would be re-profiled into the 2016-21 programme due to costs being lower, the impact of a new free school on the school places programme and rescheduled estimates of need. He also considered that reducing reliance on government grants and council tax was key to balancing the budgets over the longer term and that the Revolving Infrastructure and Investment Fund was part of this strategy. He finished by saying that the Council forecast making nearly £90m longer term investments in this financial year.

Other Cabinet Members were given the opportunity to highlight key points and issues from their portfolios.

RESOLVED:

1. That the forecast revenue budget for 2016/17 is a -£1.5m underspend (as set out in Annex, paragraph 1 of the submitted report) be noted.
2. That the forecast efficiencies and service reductions for 2016/17 is £83.5m (as set out in Annex, paragraph 19 of the submitted report) be noted.
3. That the quarter end positions for: balance sheet, earmarked reserves, debt and treasury management (as set out in Annex, Appendix paragraphs App 8 to App 22 of the submitted report) be noted.
4. That -£55.4m capital expenditure from 2016/17 be re-profiled into the remainder of the 2016-21 capital programme (Annex, paragraph 24 of the submitted report).

Reasons for decisions

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

[The Cabinet Associate for Adult Social Care, Wellbeing and Independence left the meeting at 3.05pm]

156/16 LEADERSHIP RISK REGISTER [Item 10]

The Cabinet Member for Business Services and Resident Experience introduced the item and informed the Cabinet that this was the regular quarterly report highlighting the risk register. She informed Members that the senior leadership succession risk had reduced due to work undertaken by HR and that the highest risk to the Council was the policy changes related to the exit from the European Union. She went on to say that some comfort could be taken by an emergency budget not being put in place.

RESOLVED:

That content of the Surrey County Council Leadership risk register (as at Annex 1 of the submitted report) be noted and that the control actions put in place by the Statutory Responsibilities Network be endorsed.

Reasons for decisions

To enable the Cabinet to keep Surrey County Council's strategic risks under review and to ensure that appropriate action is being taken to mitigate risks to a tolerable level in the most effective way.

157/16 MUNICIPAL BOND AGENCY [Item 11]

The Cabinet Member for Business Services and Resident Experience explained that the Council was already a shareholder in the UK Municipal Bonds Agency (MBA) and that this was established by the Local Government Association (LGA) and 56 local authorities, for the purpose of enabling local authorities to borrow on more favourable interest rates than would otherwise be available to the council and to provide an alternative to the Public Works Loan Board (PWLB).

She informed the Cabinet that in order to be able to borrow for the purposes of capital funding from the MBA, a local authority must first accept the terms of a Framework Agreement and agree to joint and several guarantee.

She stated that the Council would not be looking to borrow at this time however if such a time arose, the rates would be more favourable.

The report received from the Council Overview Board was referred to and it was agreed that where time allowed, scrutiny of initial borrowing would take place. It was also agreed that recommendation 2 would be revised to include the Leader of the Council.

Members felt that this was an excellent proposal and evidence showed that it worked well in the USA.

RESOLVED:

1. That the Council enter into the Municipal Bond Agency Framework Agreement and Guarantee; and that authority be delegated to the Director of Finance and the Director of Legal, Democratic and Cultural Services to execute the Framework Agreement and Guarantee together with associated legal documentation;

2. That borrowing decisions be delegated to the Director of Finance in consultation with the Leader of the Council or the Cabinet Member for Business Services and Resident Experience.

Reasons for decisions:

It is anticipated that the Municipal Bond Agency will provide the council with an alternative source of borrowing capital funds at more favourable interest rates than those available from the PWLB.

The recently revised Treasury Management Strategy 2016/17 means that there is no immediate need to borrow from the Municipal Bond Agency. Until the Council borrows, there is no financial risk to the Council in joining the Municipal Bond Agency Framework and Guarantee. If the current interest rate situation alters, the Municipal Bond Agency option could be an attractive borrowing option.

158/16 BUSINESS REMOVAL SERVICES CONTRACT AWARD [Item 12]

The Cabinet Member for Business Services and Resident Experience explained that this report was a straight forward framework agreement to award a contract to Edward Baden Limited for the provision of Business Removal Services for the benefit of the Council as detailed in the recommendations to commence on 1 October 2016.

She stated that the public procurement requirements had been met and the different options were set out in the report. She said that a mix of considerations had been used to develop a range of award criteria.

The Cabinet Associate for Community Safety Services expressed delight that the successful contractor had given contractual commitment to the appointment of three apprentices. The Cabinet Member for Business Services and Resident Experience explained that this was something the Council was consciously doing to ensure that contractors engage with the Council's ethics.

RESOLVED:

1. That the framework agreement be awarded to Edward Baden Limited for two years from 1 October 2016 with an option to extend for two periods of one year each.
2. That an immediate call-off contract under the framework agreement be placed with Edward Baden Limited for the benefit of the Council with an estimated annual value of £463,958 for a two year contract term with an option to extend the contract for two periods of one year each.

Reasons for decisions

The existing contract will expire on 30 September 2016. A full tender process, in compliance with the requirements of the Public Contract Regulations 2015 and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

The framework agreement as awarded sets out the terms and conditions under which a specific purchase known as a call-off contract can be made on behalf of the Council during the term of the agreement.

159/16 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 13]

The Cabinet Member for Business Services and Resident Experience informed Members that she had taken a decision on a transformation partner for the Orbis Partnership.

RESOLVED:

That the delegated decisions taken by Cabinet Members since the last meeting of the Cabinet be noted.

160/16 EXCLUSION OF THE PUBLIC [Item 14]

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.

161/16 SURREY COUNTY COUNCIL HOME FROM HOSPITAL - CONTRACT AWARD [Item 15]

Members were informed that this item contained the exempt information relating to the home from hospital contract.

RESOLVED:

1. That in response to the changing requirements and demographics of Surrey this tendering exercise has secured suitable providers for the delivery of a Home from Hospital support service.
2. That contracts be awarded for one year from 1 October 2016 with an option to extend for two further periods of one year each as set out in part 1 report.

Reasons for decisions

The existing provision will expire on 30th September 2016. A full tender process, compliant with the requirements of the Public Contracts Regulations 2015 and the Council's Procurement Standing Order has been completed, and the recommendations provide best value for money for the Council following an evaluation process.

162/16 BUSINESS REMOVAL SERVICES CONTRACT AWARD [Item 16]

The Cabinet Member for Business Services and Resident Experience commended the recommendations and informed Members that the company that had been awarded the contract was based in Uckfield, East Sussex.

RESOLVED:

That the information within the Part 2 report be noted in conjunction with the Recommendations made in the Part 1 Cabinet report.

Reasons for decisions

The existing contract will expire on 1 October 2016. A full tender process, in compliance with the requirements of the Public Contracts Regulations 2015 and the Council's Procurement Standing Order has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

163/16 PROPERTY TRANSACTIONS [Item 17]

The Cabinet Member for Business Services and Resident Experience summarised the report and commended it to the Cabinet for endorsement.

RESOLVED:

It is recommended that Surrey County Council grant a new full repairing and insuring lease for a term of 10 years commencing on the 25 December 2016 at the commencing rent per annum, as set out in the submitted report.

Reasons for decisions

The property was acquired in September 2013 for potential longer term service need and to provide a revenue income to the council.

To ensure the income stream can continue until the end of 2021 as a minimum, negotiations have been held with the existing tenant on securing a new lease, without the need for any refurbishment of the property, on market terms.

164/16 PUBLICITY FOR PART 2 ITEMS [Item 18]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

[Meeting closed at 3.25pm]

Chairman

CABINET RESPONSE TO SOCIAL CARE SERVICES BOARD

CONSULTATION ON A REVISED CHARGING POLICY FOR ADULT SOCIAL CARE SERVICES

(considered by Social Care Services Board on 23 June 2016)

COMMITTEE RECOMMENDATIONS:

1. That the Cabinet demonstrate they have taken the impact of carers and families into account and have sought to mitigate this impact through a more robust Equalities Impact Assessment
2. That Cabinet provide greater evidence for the cost-benefit of implementing the proposed changes to Adult Social Care charging policy
3. That the Cabinet provide evidence as to how the administration fee is calculated and when it will be subject to review
4. That, taking individual concerns into consideration, the Cabinet establish there are no indirect impacts on an individual's package arising from:
 - the implementation of the national living wage;
 - the review into the grants programme.

RESPONSE:

1. Representatives of key partner organisations, including Surrey Coalition for Disabled People, Sight for Surrey, Age UK and Action for Carers were consulted on the Equalities Impact Assessment and contributed to the final version. An updated version is available for circulation to the Social Care Services Board. The EIA identifies the actions that will be taken to mitigate the negative impacts wherever possible.
2. In a full year, the proposals to revise the charging policy will achieve £1.6m. We do not anticipate any significant administrative costs arising from implementation of the policy changes. The annual review scheduled to take place in March 2016 was deferred so that we could incorporate any policy changes into that review. There are therefore no direct costs solely as a result of these policy proposals. We will begin the process of reviewing people ahead of 2 October 2016, so that people have ample time to prepare for any change.
3. We already charge an administration fee for full cost payers in residential care and for setting up a deferred payment agreement. This proposal will therefore bring care at home in line with our existing arrangements. The fees will be added to the usual statements and are not an extra administrative cost.

The set up fee represents the cost in practitioner time of arranging support i.e. negotiating/corresponding with providers; ensuring appropriate contracts are in place etc. Depending on the provider

there may be a need to involve procurement and data management colleagues. ASC finance colleagues have to arrange to pay the provider on receipt of an invoice. A more senior role is required to sign off the support plan, costs etc The FAB Team must undertake a financial assessment, and then raise charges on a monthly basis. Business services are involved in issuing the statement and collecting the payment.

This annual charge was calculated as follows :

Admin charge - 15 hrs work minimum based on the above activities at £19.58 mid range S8 grade including 25% on costs. Additionally there are printing and postage costs and costs associated with invoicing.

The weekly fee represents the cost of processing ongoing invoices and dealing with disputes; full cost payers are one of the busiest areas for credit control and the service, with some people refusing to pay. It has been set at a weekly amount to ensure that people are only charged when they receive a service in a particular week. The fee will be reviewed annually. The charges will only apply to new people.

Below is a comparison of other neighbouring local authorities on this matter.

	Set up fee	Ongoing
Surrey	295	5 pw
Buckinghamshire	250	1.35 pw
Oxfordshire	500	0
Hampshire	296	6 pw
Kent	Not commissioning services	0
West Sussex	157.25 +157.25 per change	5.05 pw

4. The National Living Wage should generally be seen as a positive development, helping to remove dependency on the benefits system and ensure a fair rate of pay at the lower end of the job market. There will be no direct impact on people who receive care and support as all earnings are disregarded. It is possible that the NLW will have a direct impact on carers; if their earnings increase above the earnings threshold, they may lose entitlement to carers allowance. We will look at individual cases as they arise to determine whether the package of support to the carer and cared for person needs to be reviewed accordingly.

We are working closely with providers and partners, through a robust process, to maximise the efficiency of our grants and contracts. This includes identifying and drawing upon alternative services, including family, friends and community networks where appropriate, to minimise the impact of any changes on residents. On an individual basis if a person has increased disability related expenditure as a result of the grant and contracts review, we would take this into account in the financial assessment depending on the circumstances of the case.

Tim Evans, Cabinet Associate for Adult Social Care, Wellbeing and Independence on behalf of Mel Few, Cabinet Member for Adult Social Care, Wellbeing and Independence
14 July 2016

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

**MUNICIPAL BONDS AGENCY
(considered by Council Overview Board on 6 July 2016)**

COMMITTEE RECOMMENDATIONS:

- (a) That a process be put in place to allow appropriate scrutiny of any proposal to seek a loan from the Municipal Bonds Agency, taking into account the need to review the risks involved, the terms available from any alternative sources of capital borrowing, and the need for timely decision-making.
- (b) That the second recommendation of the Cabinet report be amended to read 'delegate borrowing decisions to the Director of Finance in consultation with the Leader of the Council or the Cabinet Member for Business Services and Resident Experience.'

RESPONSE:

- (a) The Cabinet agrees that on the first instance that the Council proposes to seek a loan from the Municipal Bonds Agency, the proposal may be scrutinised by the Council Overview Board prior to implementation provided time is available. All subsequent borrowings with the Municipal Bond Agency will be subject to the delegated powers granted to the Director of Finance from the approved Treasury Management Strategy and consultation with the Leader of the Council or the Cabinet Member for Business Services and Resident Experience.
- (b) Agreed.

**Denise Le Gal
Cabinet Member for Business Services and Resident Experience
14 July 2016**