

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 6 FEBRUARY 2018 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:

Peter Martin (Chairman)
Tony Samuels (Vice-Chairman)

Mary Angell		Julie Iles
Ayesha Azad	*	Naz Islam
John Beckett		Colin Kemp
Mike Bennison		Eber Kington
Chris Botten		Graham Knight
Liz Bowes		Rachael I Lake
Natalie Bramhall		Yvonna Lay
Mark Brett-Warburton		David Lee
Ben Carasco		Mary Lewis
Bill Chapman		Andy MacLeod
Helyn Clack		Ernest Mallett MBE
Stephen Cooksey		David Mansfield
Clare Curran	*	Jan Mason
Nick Darby		Cameron McIntosh
Paul Deach		Sinead Mooney
Graham Ellwood		Charlotte Morley
Jonathan Essex	*	Marsha Moseley
* Robert Evans	*	Tina Mountain
Tim Evans		Bernie Muir
Mel Few		Mark Nuti
Will Forster		John O'Reilly
John Furey		Tim Oliver
Matt Furniss		Andrew Povey
Bob Gardner		Wyatt Ramsdale
Mike Goodman		Mrs Penny Rivers
Angela Goodwin		Stephen Spence
David Goodwin		Lesley Steeds
Zully Grant-Duff		Peter Szanto
* Alison Griffiths		Keith Taylor
Ken Gulati		Barbara Thomson
Tim Hall		Rose Thorn
Kay Hammond		Chris Townsend
Richard Hampson		Denise Turner-Stewart
David Harmer		Richard Walsh
Jeffrey Harris		Hazel Watson
Nick Harrison	*	Fiona White
Edward Hawkins		Richard Wilson
Marisa Heath		Keith Witham
* David Hodge CBE		Victoria Young
* Saj Hussain		

*absent

82/17 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mr Robert Evans, Mr Hussain, Mrs Mason, Mrs Moseley, Mrs Mountain and Mrs White.

83/17 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 5 December 2017 were submitted, confirmed and signed.

84/17 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 and this included 31 Surrey residents. In addition, Members were informed that Russell Pearson, the Chief Fire Officer for Surrey Fire and Rescue Service, had been awarded the Queen's Fire Service Medal. Members were invited to congratulate all those that received awards.

ii. British Association of Social Workers – Lifetime Achievement Award:

A presentation was made to Andy Butler, the Principle Social Worker in Adult Social Care for a Lifetime Achievement Award from the British Association of Social Workers. Members congratulated him for this significant achievement.

iii. Related Party Disclosures:

Members were reminded that it was a legal requirement to complete their forms and return them to Finance by the 31 March 2018 deadline.

iv. Julie Fisher:

Members were informed that Julie Fisher, Acting Chief Executive, would be leaving the Council at the end of March.

v. Budget meeting:

The Chairman reminded Members that the budget meeting was different to regular Council meetings and that there would be no original motions. He referred Members to email guidance that he had circulated prior to the meeting setting out rules around voting on the Budget.

85/17 DECLARATIONS OF INTEREST [Item 4]

There were none.

86/17 REVENUE AND CAPITAL BUDGET 2018/19 TO 2020/21, CORPORATE STRATEGY AND KEY FINANCIAL STRATEGIES [Item 5]

The Leader presented the Report of the Cabinet on the Revenue and Capital Budget 2018/19 to 2020/21, the Council Tax Requirement for 2018/19, the

Corporate Strategy and other key financial strategies. A copy of the Leader's statement is attached as Appendix A.

The Director of Finance presented her report to Council. A copy of her statement is attached as Appendix B.

Each of the Minority Group Leaders (Mrs Watson and Mr Harrison), were then invited to speak on the budget proposals.

Key points made by Mrs Watson were:

- That she would be voting against the proposed budget.
- That it set out drastic cuts to libraries, road maintenance and services for people with learning disabilities on top of cuts already made to services such as community recycling centres.
- It was a failure of central government and the administration.
- She was pleased that the council tax proposal was not a 15% increase but not pleased that there was still a 6% rise proposed.
- That there were four Cabinet Ministers that were Surrey MPs.
- She had written to all Surrey MPs asking them to vote against the local government settlement and urged residents to do so too.
- That the business rates pilot should be extended beyond one year.
- The situation would worsen when the adult social care precept ended.
- In December 2016 a CIPFA (Chartered Institute of Public Finance and Accountancy) report on the Council's finances referred to the organisation as 'at risk of being financially unsustainable'.
- She welcomed the plans around capital receipts however these rules had been in place since 2016 and should have been introduced sooner.
- That the Council had spent a significant amount of money on maintaining empty buildings.
- She felt that during the financial crisis the Council should not spend £200m of council tax payers' money on properties outside of Surrey.
- That the government had reminded councils that their prime duty was to provide statutory service.
- Residents were being asked to pay more for less, which did not provide value for money.

Key points made by Mr Harrison were:

- The Council was facing increasing demands and had lost £200m in core funding and the gap was being met by increasing council tax.
- That 90% of the Council's income came from council tax compared to 60% for the rest of the country.
- He referred to the events of the 2017 Budget meeting and promise of increased funding from central government.
- That there had been an adult social care green paper promised and that the fairer funding review had been delayed.
- Central government could have a deficit that contributed to national debt however local government had to balance the books.
- Northamptonshire County Council was now in special measures.
- That a one year business rates retention pilot would not solve the issue.
- He welcomed appendix 6 of the papers and the involvement of the select committees in the budget setting process.

- A further £66m of savings would be harder to achieve.
- That the pace of transformation had not been enough and that a council tax rise was inevitable.
- The Council was being asked to approve a financial strategy without a credible plan in place.
- That Surrey MPs were either not listening or not interested in tackling the issue.
- There was a need to work constructively and review the headcount, review management and IT.
- If a 15% rise was necessary last year how had the council managed without this.
- The CIPFA (Chartered Institute of Public Finance and Accountancy) report on the Council's finances had been issued in the run up to the elections and the record needed to be put straight.

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

- That Members were pleased to see the increase in local member allocations and highways funding.
- There was concern regarding the use of reserves to balance the budget.
- That Surrey residents contribute more money to the Exchequer than anywhere other than the City of London.
- Demands were increasing and there needed to be plans for the future.
- Surrey MPs should stand up for Surrey and show leadership.
- Resident priorities needed to be recognised and funded accordingly.
- Local government was in crisis.
- Concerns that the Children, Schools and Families budget had £26m of savings to make and this would be challenging.
- Transformation was essential along with place based services and funding.
- Concerns that there was 'smoke and mirrors' regarding transformation programmes and that 41% of the Council's budget had been removed since 2010.
- That the report told the truth and that the Council would continue to deliver statutory services.
- The Council would invest to save, earn and grow and do this at a good pace.
- The Conservatives did not want to raise taxes but there was no alternative.
- Budget figures were available far earlier than in previous years and select committees had been able to scrutinise the budget earlier.
- That the budget lacked a long term plan and more information was required to understand what the cuts would mean to residents.
- The opposition did not make their own budget proposals.
- Concerns for a balanced budget in 2019/20.
- A great deal of partnership working had taken place between the County Council and District and Boroughs.
- Non-traditional methods of income would need to be considered going forward.
- The numbers of children in transition that would require Adult Social Care support was increasing.

- That it had been right for the Council not to accept the council tax freeze grant.

The Leader responded to the points made by Members during the budget debate and made the following points:

- The budget papers were honest and represented the facts.
- The Council had made £540m of savings in the past eight years and that it would be difficult to name another organisation that had done this.
- It was important for Members to recognise the demand pressures that were set out in the papers and that the opposition were not listening to these.
- That he had no issue with national taxation however local taxation should be fair.
- The Cabinet were aware that it was important to do local things in local places and that this had been recognised in the proposals to provide more money to member allocations.
- Transformation had begun in 2009 and this would need to be looked at again.
- That there had been no suggestions of alternative ways to balance the budget.
- He was prepared to stand up and be accountable and take responsibility for his decisions.
- The work undertaken with District and Boroughs regarding the business rates retention pilot had been really successful.
- That Members should be 'game changers' for local people and not for political groups.
- The 2019/20 Budget would not be easy and that the decision not to accept the council tax freeze grant had been the right thing to do.
- That the future was what mattered and it was important to recognise the demand pressures.
- He encouraged all residents to write to their MPs regarding fairer funding, as 3% of services would be lost each year.
- It was important to work with Districts and Boroughs and parish councils on transformation.
- That he was proud to be a Conservative and that he would continue to lobby MPs and government and stand up for Surrey.
- He closed by recommending that Members vote in favour of the proposed budget.

After the debate the Chairman called the recommendations, which were taken in three parts.

- Recommendation 1
- Recommendations 2 to 22 (which included the council tax precept proposals, and a recorded vote was taken)
- Recommendations 23 to 25

The results were as follows:

Recommendation 1:

60 votes for, 11 votes against and 1 abstention.

Recommendations 2 to 22:

A recorded vote was taken. The following Members voted for it:

Mrs Angell, Ms Azad, Mr Bennison, Mrs Bowes, Mrs Bramhall, Mrs Brett-Warburton, Mr Carasco, Mr Chapman, Mrs Clack, Mrs Curran, Mr Deach, Mr Ellwood, Mr Tim Evans, Mr Few, Mr Furey, Mr Furniss, Mr Gardner, Mr Goodman, Dr Grant-Duff, Mr Gulati, Mr Hall, Mrs Hammond, Mr Hampson, Mr Harmer, Mr Harris, Mr Hawkins, Miss Heath, Mr Hodge, Mrs Iles, Mr Kemp, Mr Knight, Mrs Lake, Mrs Lay, Mrs Lewis, Mr McIntosh, Mr Mansfield, Mr Martin, Mrs Mooney, Ms Morley, Mrs Muir, Mr Nuti, Mr Oliver, Mr O'Reilly, Dr Povey, Mr Ramsdale, Mr Samuels, Mrs Steeds, Dr Szanto, Mr Taylor, Ms Thomson, Mrs Thorn, Ms Turner-Stewart, Mr Walsh, Mr Wilson, Mr Witham and Mrs Young.

And the following Members voted against it:

Mr Botten, Mr Cooksey, Mr Essex, Mr Forster, Mr Goodwin, Mrs Goodwin, Mr Lee, Mrs Rivers, Mr Spence, Mr Townsend and Mrs Watson.

The following Members abstained:

Mr Beckett, Mr Darby, Mr Harrison, Mr Kington, Mr MacLeod and Mr Mallett.

Recommendations 23 to 25:

63 votes for, 9 against and 1 abstention.

Therefore, it was:

RESOLVED:

County Council noted the following important features of the revenue and capital budget.

1. The Director of Finance's statutory conclusions that the council's budget was balanced for 2018/19 and it was developing a major transformation programme to be able to set a balanced budget for 2019/20 and become sustainable over the medium to long term (Annex 1 of the submitted report).

Proposed budget: County Council approved the following revenue and capital budget decisions.

2. Increased the level of the general Council Tax by 2.99% (paragraphs 101 and 102 of the submitted report).
3. Increased Council Tax by a further 3% for the adult social care precept, which would provide a further £20m to support the growth in demand for services (paragraph 102 of the submitted report).
4. Set the County Council precept for band D Council Tax at £1,411.29 which represented a 5.99% up-lift. This was a rise of £1.53 a week from 2017/18's precept of £1,331.55.

5. The Council Tax for each category of dwelling to be as set out in Annex 3 of the submitted report.
6. The payment for each billing authority, including any balances on the collection fund, would be as set out in Annex 3 of the submitted report.
7. Agreed to maintain the Council Tax rate set out after the Final Local Government Financial Settlement.
8. Delegated powers to the Leader and the Director of Finance to finalise budget proposals and recommendations to County Council updated to take into account new information in the Final Local Government Financial Settlement.
9. Approved the County Council's £1,705m gross revenue expenditure budget for 2018/19 (Table 9 of the submitted report).
10. Approved the application of up to £15m capital receipts to fund the revenue costs associated with transformation projects (paragraphs 33 to 36 and Appendix 3 of the submitted report)
11. Approved the use of up to £24m of earmarked reserves to support the revenue budget (paragraph 109 of the submitted report).
12. Approved the £316m three year capital programme, with £139m capital investment in 2018/19 (paragraph 124 and Appendix 7 of the submitted report).
13. Agreed to support only capital schemes that did not require borrowing, unless the scheme had a compelling business case developed that demonstrated best value and a sustainable basis for funding borrowing costs (paragraph 135 of the submitted report).
14. Noted that the detailed programme of schemes would be agreed ahead of implementation of the detailed budget (if necessary).
15. Required a robust business case to be prepared (and taken to the Investment Panel for review) before committing expenditure for the use of:
 - all revenue 'invest to save' proposals, and
 - capital schemes (paragraph 120 of the submitted report).
16. To help ensure the council achieves its savings programme, required the Chief Executive and the Director of Finance to:
 - continue to ensure delivery of existing MTFP efficiencies and service reductions for the remaining years of the MTFP 2018-21; and
 - continue to ensure services monitor their demand and cost pressures and develop plans to mitigate the impact of those pressures (paragraph 95 of the submitted report).

17. Required the Chief Executive and the Director of Finance to lead the development of a transformation programme to move the council to a sustainable position in 2019/20.

Corporate and key financial strategies: County Council approved the following.

18. the refreshed Corporate Strategy for 2018/19 that Cabinet had endorsed (paragraphs 18 to 24 and Appendix 1 of the submitted report);
19. the refreshed Financial Strategy for 2018/19 (paragraphs 29 to 31 and Appendix 2 of the submitted report);
20. the Capital Strategy for 2018-22 (paragraphs 117 and 118 of the submitted report); and
21. the Flexible Use of Capital Receipts Strategy for 2018/19 (paragraphs 33 to 36 of the submitted report).

Treasury management and borrowing: County Council approved the following.

22. Approved with immediate effect, the Treasury Management Strategy for 2018/19 (Annex 2 of the submitted report), which included:
 - the investment strategy for short term cash balances;
 - the borrowing strategy for funding the capital programme;
 - the treasury management policy (Appendix 10 of the submitted report);
 - the prudential indicators (Appendix 11 of the submitted report);
 - the treasury management scheme of delegation (Appendix 12 of the submitted report);
 - the minimum revenue provision policy (Appendix 13 of the submitted report).

County Council noted the following Cabinet decisions.

23. That services would develop final detailed budgets and savings within budget for review by the council's Scrutiny function, ahead of approval by Cabinet on 27 March 2018 when the final MTFP 2018-21 would be presented.
24. That Cabinet approved allocation of a part of the additional funding from the additional 1% increase in the Council Tax, and a change to the funding for the Member Allocations to provide the following to support members' work in their local communities (paragraphs 104 and 105 of the submitted report):
 - a new Member Local Highways Fund;
 - a Revenue Highways Fund shared among Local Committees; and
 - revised Members Community Allocation.

25. That Cabinet approved the draft MTFP for the financial years 2018-21, which included:
- the Total Schools Budget of £505.8m (paragraphs 110 to 115 of the submitted report);
 - overall cash limits for individual services for the 2018/19 budget (Table 9 of the submitted report).

87/17 MEMBERS' QUESTION TIME [Item 6]

Notice of 11 questions had been received. The questions and replies are attached as Appendix C.

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

(Q2) Mr Eber Kington asked whether the new Chief Executive would be prioritising the key issues identified in the staff survey. The Leader stated that there would be a further report to the People, Performance and Development Committee regarding the staff survey results and that the new Chief Executive would attend that meeting.

Mr Matt Furniss asked Council to consider the staff survey results in relation to the culture of team working and asked the Leader to endorse the value of team work across the organisation. The Leader congratulated staff on the work that they do, particularly in times of austerity and commended them for their 'one team' approach.

(Q3) Mr Stephen Cooksey asked the Cabinet Member to explain the Conservative policy in relation to DIY waste. The Cabinet Member for Environment and Transport explained that the law was very clear and that the Council were able to charge for the disposal of DIY waste.

Mr Bob Gardner asked the Cabinet Member to explain what was being done about prosecuting people for fly-tipping. **Mrs Bernie Muir** also asked the Cabinet Member to comment on fly-tipping. The Cabinet Member stated that there was a strategy in place to prevent fly-tipping and that work was being undertaken with District and Boroughs to tackle this problem. He went on to say that there had been a successful campaign on fly-tipping and that residents have informed knowledge in this area.

Mr Wyatt Ramsdale requested an explanation on how fixed penalty notices are benefiting Surrey. The Cabinet Member stated that Epsom and Ewell Borough Council had the highest number of fly-tipping convictions with a large monetary value.

(Q4) Mr Matt Furniss thanked the Cabinet Member for the work that had been done on the Ash Bridge scheme and asked whether he would consider making this one of his key priorities. The Cabinet Member for Highways confirmed that local schemes are always a priority.

(Q5) Mrs Hazel Watson asked whether the Leader would be equally sympathetic to non-Cabinet Members in relation to the use of IT to enable

paperless meetings. The Leader stated that leadership roles were very important and that there were occasions when paper would be necessary.

(Q7) Mr Chris Townsend asked for confirmation that no children's centres would close as part of the Early Help review.

Mr Mark Brett-Warburton asked what links existed between the Early Help work and the Improvement Board.

The Cabinet Member for Children responded by confirming that the Improvement Notice had made the Early Help offer a mandatory area of work. She said that many Members had been involved in their local areas and that work around children's centres was a part of this. She explained that the ambition was to work with partners to join up services at children's centres and other community venues.

(Q8) Mrs Kay Hammond asked the Cabinet Member to confirm that only eight members of fire service staff had moved out of the Surrey Fire and Rescue Service and would she agree that it was an outstanding, well run and high performing service. The Cabinet Member for Communities responded by stating that the Fire Service was an efficient service being led by a nationally recognised leader and she gave her thanks to the officers in the service.

Mr Bob Gardner asked for an update on the initial response vehicle trial. The Cabinet Member confirmed that the trial had started on 8 January 2018 and that there would be a familiarisation session for Members.

(Q9) Mr Will Forster paid tribute to the fire service and the youth workers affected by the recent fire and asked whether all local Members would be consulted on the future of the building. The Cabinet Member for Education said that it was important to note that the youth workers had been able to deliver the service despite the fire and that there had been no disruption to the service with young people not being disadvantaged. The Cabinet Member for Property and Business Services confirmed that individual Members would be consulted on plans for the building going forward.

(Q11) Miss Marisa Heath referred to the ongoing consultation on the Heathrow expansion and asked for reassurance that the Council would be robust in its response to protect residents and their wellbeing. The Cabinet Member for Environment and Transport confirmed that the flightpath and noise consultation would end on 8 March 2018 and then the responses to this would be considered before further information would be provided next year. He informed Members that the Council had a place on the strategic board and would make sure that the safety of residents was represented.

Dr Peter Szanto asked the Cabinet Member to confirm whether he agreed that a Heathrow rail link was vital to minimise the transport impact of expansion on Surrey residents and queried what the Council was doing to support the evaluation of alternative rail link proposals. The Cabinet Member said that there must be better links to access the airport and that he had met with Network Rail regarding this matter.

88/17 STATEMENTS BY MEMBERS [Item 7]

There were none.

89/17 REPORT OF THE CABINET [Item 8]

The Leader presented the report of the Cabinet meetings held on 14 December 2017 and 30 January 2018.

Recommendations on Policy Framework Documents

A – School Organisation Plan 2018 to 2027

RESOLVED:

That the County Council approved the School Organisation Plan 2018 to 2027 (as set out in the submitted Cabinet paper from 30 January 2018).

B – Admission Arrangements for Community and Voluntary Controlled Schools and Co-ordinated Schemes for September 2019

Members were informed that this item set out the admission arrangements for community and voluntary controlled schools and co-ordinated schemes for September 2019 and it was recommended that these were approved by Council.

RESOLVED:

That the County Council approved the admission arrangements for community and voluntary controlled schools and co-ordinated schemes for September 2018 (as set out in the submitted Cabinet report from 30 January 2018).

C – Revenue and Capital Budget 2018/19 to 2020/21, Corporate Strategy and Key Financial Strategies

The Chairman explained that this item was for Council to note the recommendations that the Cabinet had put forward for Council to approve.

RESOLVED:

That the County Council noted the recommendations that had been debated under item 5 of this meeting.

Reports for Information/ Discussion

D – Quarterly Report on Decisions taken under Special Urgency Arrangements: 1 October – 31 December 2017

Following a vote, with 52 in favour, 4 voting against and 7 abstaining, Council noted that one urgent decision had been taken by the Cabinet on 30 November 2017.

RESOLVED:

That the report of the meetings of the Cabinet held on 14 December 2017 and 30 January 2018 be adopted.

90/17 REPORT OF THE AUDIT & GOVERNANCE COMMITTEE [Item 9]

The Chairman of the Audit & Governance Committee introduced the report setting out the revised Counter Fraud Strategy and Framework and stated that this had been debated at length and approved by the Committee at its meeting on 4 December 2017.

RESOLVED:

That the revised Counter Fraud Strategy and Framework be included within the Council's Constitution.

91/17 MINUTES OF CABINET MEETINGS [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.

92/17 APPOINTMENT OF A CABINET ASSOCIATE [Item 11]

The Leader confirmed that he wished to appoint Ms Charlotte Morley as Cabinet Associate for Property and Business Services and confirmed that this post would not receive any remuneration. He also informed Members that John O'Reilly would replace Ms Morley on the Overview and Budget Scrutiny Committee.

RESOLVED:

1. That the Council noted the appointment of Charlotte Morley as Cabinet Associate for Property and Business Services.
2. That John O'Reilly be appointed to serve on the Overview and Budget Scrutiny Committee for the remainder of the 2017/18 Council year.

[Meeting ended at:12:45pm]

Chairman