

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 5 FEBRUARY 2019 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:

Tony Samuels (Chairman)
Helyn Clack (Vice-Chairman)

*	Mary Angell	Julie Iles
	Ayesha Azad	Naz Islam
	John Beckett	Colin Kemp
	Mike Bennison	Eber Kington
	Amanda Boote	Graham Knight
	Chris Botten	Rachael I Lake
	Liz Bowes	* Yvonna Lay
	Natalie Bramhall	* David Lee
	Mark Brett-Warburton	Mary Lewis
	Ben Carasco	Andy MacLeod
	Bill Chapman	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	Rush
	David Goodwin	Stephen Spence
	Zully Grant-Duff	Lesley Steeds
	Alison Griffiths	Peter Szanto
	Ken Gulati	Keith Taylor
	Tim Hall	* Barbara Thomson
	Kay Hammond	* Rose Thorn
*	Richard Hampson	Chris Townsend
	David Harmer	Denise Turner-Stewart
	Jeffrey Harris	Richard Walsh
	Nick Harrison	Hazel Watson
	Edward Hawkins	Fiona White
	Marisa Heath	Keith Witham
	Saj Hussain	Victoria Young

*absent

1/19 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mary Angell, David Lee and Richard Hampson.

2/19 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 11 December 2018 were submitted, confirmed and signed.

3/19 DECLARATIONS OF INTEREST [Item 3]

Peter Martin declared a prejudicial personal interest in item 11.

4/19 ELECTION OF COUNTY COUNCILLOR [Item 4]

The Chief Executive formally reported that Mrs Becky Rush was duly elected as the new County Councillor for the Warlingham division following the by-election held on 31 January 2019.

5/19 CHAIRMAN'S ANNOUNCEMENTS [Item 5]

The Chairman highlighted that the Chairman's announcements could be found within the agenda front sheet.

6/19 REVENUE AND CAPITAL BUDGET 2019/20 TO 2023/24 [Item 6]

The Chairman informed Members that amendments to the report had been published in a supplementary agenda published on 30 January 2019, and include replacements for annexes 1 and 2. Annex A of the supplementary report replaced Annex 1 and Annex B replaced Annex 2. A further supplementary agenda was circulated on 4 February 2019 with a further revision which amended recommendations 2 and 3, and introduced a new recommendation 19.

The Leader presented the Report of the Cabinet on the Revenue and Capital Budget 2019/20 and Key Financial Strategies to 2023/24 and made a statement in support of the proposed budget. A copy of the Leader's statement is attached as Appendix A.

Each of the Minority Group Leaders (Mr Botten and Mr Harrison) were invited to speak on the budget proposals.

Key points made by Mr Botten were that:

- he appreciated the tone of the Leader's statement and understood the difficulty of balancing the budget.
- he felt the proposals had failed to update the treasury management policy appropriately.
- he welcomed the drive to improve Children's Services.
- more information was needed to better understand what Members were asked to vote on and its impact on residents.
- He supported proposals related to children with Special Educational Needs and Disabilities (SEND)

- there was a need for more specific and detailed consultations in the future.
- the council was spending £2.5 million per year on interim management while simultaneously cutting services.
- there was an increased need for transparency throughout the council's transformation.
- further work was needed to monitor the council's contractors and suppliers to ensure competence.
- the residents of Surrey needed council services that they can be proud of.
- he could not collude with cuts to services that he did not understand.

Key points made by Mr Harrison were that:

- the five consultations had given a better idea of public opinion and that those about 'place' had drawn the most attention.
- the significant impact to residents of cuts to the budgets for children's centres, recycling centres and the libraries and cultural services should be noted.
- over 50% of the libraries and cultural services budget would be cut over the next three years.
- schools would suffer the impact of a drop in funding for the higher needs block.
- his group understood the need for many of the transformations but felt that some needed more detail to understand their impact.
- select committees had not fully considered the transformation projects prior to considerations of the budget.
- it was concerning that the council was using its capital receipts to meet ongoing project expenditure.
- £21 million of savings in the Children's Services were rated as red or amber.
- the development of the property investment portfolio would be a huge challenge.

Mr Essex moved an amendment, to the Budget recommendations, which was formally seconded by Mr Robert Evans. This was:

(amended wording in italics and underlined)

16. Approve £413.8m indicative five year capital programme, with £129.2m capital investment in 2019/20 (**Annex 1**) *and request business cases for further capital investment to increase SEND school places in Surrey and assess viability of bringing more residential care of children and adults in house.*
17. The Capital and Investment Strategy for 2019-24 (**Annex 4**) *and commit to establishing a separate energy and sustainable resource investment fund within 3 months, to bring forward robust business cases that diversify Surrey's investment and reduce the carbon and resource impact of public service delivery across Surrey.*

In support of his amendment, Mr Essex made the following points:

- Highlighted that, in the previous year, the council agreed to bring specialist school provision in house.
- Stated that it was important that the council make the budget future proof.
- Stressed the need for higher environmental standards for the council.
- That the council should invest to save to support those most in need.

Mr R Evans reserved his right to speak.

The Leader of the Council spoke on the amendment, making the following points:

- highlighted that the council needed to balance its budget.
- agreed to accept the amendment to recommendation 16 as it was in line with the council's plans.
- stated that he could not support the amendment related to the investment fund.

As seconder to the amendment, Mr R Evans made the following points:

- stated that he was disappointed that there was not more debate from Members.
- highlighted that Surrey could no longer rely on funding from the business rates pilot.
- felt disappointed that Members were not prepared to consider a more environmentally friendly approach.
- stated that the council should reconsider the 2-tier local government structure.

The Chairman agreed to take a vote on each amendment recommendation separately.

The amendment to recommendation 16 was put to the vote and unanimously supported. Therefore the amended recommendation became the substantive recommendation.

The amendment to recommendation 17 was put to the vote, with 6 Members voting for and 52 Members voting against. There were 14 abstentions. Therefore the amendment was lost.

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

- highlighted that they were grateful for the decision to retain the children's centre in Farnham but felt it was a mistake to close other children's centres in Surrey.
- noted that the budget for schools was at risk.
- that the council needed to take control of its property portfolio.
- stated that the transformation would cost the council over £30 million in order to make £150 million in savings.
- that there was a need for improved IT systems in the council.
- highlighted the need for better highways services in Surrey.

- that children's centres were important as they teach children essential social skills.
- stated that the Fire & Rescue service was failing to effectively use its resources.
- noted that two out of the four children's centres in Epsom & Ewell would be closing.
- raised concern over the sums of money paid to interim managers.
- felt concerned that many of the savings in the report lacked detail.
- highlighted that the Treasury Management Strategy was scrutinised at the Corporate Overview Select Committee on 25 January 2019.
- stated that the changes to children's centres were part of wider changes in Children's Services following the judgement of Ofsted.
- informed Members that, according to the National Audit Office, areas where children's centres were closed did not see a subsequent rise in safeguarding cases.
- that there was a need to change how services were provided.
- that more trust was needed between the council and its partners.
- highlighted that progress was being made by not relying on the council's reserves to balance the budget.
- stated that residents did not want gesture politics.
- highlighted concerns related to the closure of recycling centres in Surrey and its impact on residents.
- highlighted that the opposition had not tabled an alternative budget.
- that they felt positive with the changes related to extra care accommodation.
- raised concern with the treatment of grants to disabled people and stated that they were essential to some residents.
- highlighted concerns that the changes to bus services would have a negative impact on residents.
- highlighted that the Highways Service was not a statutory service.
- that the council needed to ensure it met the needs of its most vulnerable residents.
- that sufficient communications were needed to explain the reasoning for the closer of multiple children's centres and Community Recycling Centres (CRCs).

The Leader of the Council made the following comments in response:

- he recognised the challenges the council faced.
- that all services should demonstrate the highest standards.
- that optimisation of the property portfolio was a priority.
- he was looking to reduce the council's operational buildings from 300 to 100.
- there was a need to improve the select committee and scrutiny process.
- he understood concerns related to the cost of interim management and that he hoped to be less dependent on them in the future.
- that it was important for all Members to engage as the transformation programme unfolds.

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:

Ms Azad, Mr Bennison, Mrs Bramhall, Mr 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, Miss Griffiths, Dr Grant-Duff, Mr Gulati, Mr Hall, Mrs Hammond, Mr Harmer, Mr Harris, Mr Hawkins, Miss Heath, Mr Hussain, Mrs Iles, Mr Islam, Mr Kemp, Rachael Lake, Mrs Lewis, Mr McIntosh, Mr Mansfield, Mr Martin, Mrs Mooney, Ms Morley, Mrs Moseley, Mrs Mountain, Mrs Muir, Mr Nuti, Mr Oliver, Mr O'Reilly, Dr Povey, Mr Ramsdale, Mrs Rush, Mr Samuels, Mrs Steeds, Dr Szanto, Mr Taylor, Ms Turner-Stewart, Mr Walsh, Mr Witham, Mrs Young

And the following Members voted against it:

Mr Beckett, Miss Boote, Mr Botten, Mr Cooksey, Mr Darby, Mr Essex, Mr Robert Evans, Mr Foster, Mr Goodwin, Mrs Goodwin, Mr Kington, Mrs Mason, Mrs Rivers, Mr Spence, Mr Townsend, Mrs Watson, Mrs White.

The following Members abstained:

Mr Harrison, Mr MacLeod, Mr Mallett.

Therefore, it was:

RESOLVED:

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

1. The Executive Director of Finance's statutory conclusions in his Section 25 statement. (**Annex A**)

Proposed budget: That the following revenue and capital budget decisions be approved:

2. the net revenue budget requirement be set at £886.2m (net cost of services after service specific government grants) for 2019/20 (**Annex A**), subject to confirmation of the Final Local Government Financial Settlement
3. the total council tax funding requirement be set at £731.6m for 2019/20. This is an increase in the level of the council tax of 2.99% (**Annex A**).
4. noted that for the purpose of section 52ZB of the Local Government Finance Act 1992, the council formally determines that the increase in council tax is not such as to trigger a referendum.
5. that the Surrey County Council precept for Band D council tax be set at £1,453.50, which represents a 2.99% up-lift. This is a rise of 81p a week from 2018/19's precept of £1,411.29. This includes £102.39 for the Adult Social Care Precept, which remains at the same rate as last year.

6. the Council Tax for each category of dwelling as set out in the table below

Council Tax Band	2018/19 £	2019/20 £
Band A	940.86	£969.00
Band B	1,097.67	£1,130.50
Band C	1,254.48	£1,292.00
Band D	1,411.29	£1,453.50
Band E	1,724.91	£1,776.51
Band F	2,038.53	£2,099.51
Band G	2,352.15	£2,422.51
Band H	2,822.58	£2,907.01

7. the payment for each billing authority, including any balances on the collection fund, will be as set out in **Annex B**.
8. that powers be delegated to the Leader and the Executive 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. the Flexible Use of Capital Receipts Policy for 2019/20 to meet the statutory guidelines for the use of capital receipts to fund the transformation and reform of services (**Annex 3**)
10. the application of a further £7.2m in the current 2018/19 financial year to fund the transformation under the capital receipt flexibilities policy (**Annex 3**).
11. the use of £16.3m in the 2019/20 financial year, to fund the transformation under the capital receipt flexibilities policy (**Annex 3**).
12. that the underlying balance on the general fund remains set at £21.3m as at 1 April 2019.
13. the Total Schools Budget of £492.9m to meet the council's statutory requirement on schools funding. (**Annex 1**).
14. the overall indicative budget envelopes for Executive Directorates and individual services for the 2019/20 budget (**Annex 1**).
15. noted the indicative budget envelopes for 2020-24 (**Annex 1**).
16. the £413.8m indicative five year capital programme, with £129.2m capital investment in 2019/20 (Annex 1) and requested business cases for further capital investment to increase SEND school places in Surrey and assess viability of bringing more residential care of children and adults in house.

Capital Strategy: That the following be approved:

17. The Capital and Investment Strategy for 2019-24 (**Annex 4**)
18. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provisions policy) (**Annex 4a**)
19. That the increase of £0.1m in the council tax collection fund surplus be included within the Contingency Budget.

7/19 MEMBERS' QUESTION TIME [Item 7]

Notice of nine questions had been received. The questions and replies were published in a supplementary agenda on 4 February 2019.

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

(Q1) Mr Robert Evans asked the Leader of the Council if the council had received any updates from central government relating to Brexit preparation and if there was any cooperating between councils to collaborate on the matter. The Leader confirmed that there were discussions regarding collaborative work at a recent meeting on the South East 7 Councils. It was further stated that there was little guidance from Central Government on Brexit preparation.

(Q2) Mrs Angela Goodwin asked Cabinet if they would be willing to lead the way by putting the council forward for the carers' accreditation assessment in order to show that it was an inclusive place for staff who are, or will become, carers. The Cabinet Member for Adults agreed to provide a response outside the meeting.

(Q4) Mr Jonathan Essex asked the Cabinet Member for Environment and Waste if the relaunch of the Surrey Energy and Sustainability Partnership would be held in public and if it would include the agreement of its priorities relating to environmental sustainability in Surrey. The Cabinet Member stated that the council took environmental sustainability seriously and that the service had been informed that robust targets were required. The Cabinet Member further stated that he would confirm outside of the meeting whether the partnership would be meeting in public.

(Q5) Mr Robert Evans asked the Cabinet Member for Highways for confirmation on the annual number of filled potholes that required further repair after damage. The Cabinet Member confirmed that each pothole was issued with a two year warranty period and agreed to provide a specific response outside the meeting.

(Q7) Mr Jonathan Essex asked the Cabinet Member for Environment and Waste if the council would meet the ambitions of the Surrey Cycling and Walking Strategy and if the service responsible for cycling was impacted by the recruitment freeze. The Cabinet Member confirmed that the council was committed to promoting cycling in the county while also promoting other forms of public transport. It was further noted that officer posts were considered on a case by case basis and that roles may continue but be reframed and adapted.

(Q9) Mr Jonathan Essex asked the Cabinet Member for Corporate Support if Julian Wain was currently employed as an Interim Programme Director for Asset and Place Strategy. The Cabinet Member agreed to provide a response outside of the meeting.

8/19 STATEMENTS BY MEMBERS [Item 8]

Mrs Jan Mason made a statement raising concern over the lack of service at The Edge youth centre in Watersedge, Epsom over the last 18 months.

9/19 APPOINTMENT OF INTERIM MONITORING OFFICER [Item 9]

RESOLVED:

It was agreed that Geoff Wild be appointed as Interim Monitoring Officer from 5 February 2019.

10/19 REPORT OF THE CABINET [Item 10]

The Leader of the Council presented the report of the Cabinet meetings held on 18 December 2018 and 29 January 2019. It was noted that the papers for this item were included in the main agenda on page 249 and in the supplementary agenda circulated on 1 February 2019 on page 5.

Reports for Information/ Discussion

A. Local Government Ombudsman

During discussion of this item, a Member stated that they felt it was important for Cabinet Members to take responsibility for failures within their respective portfolios. The Leader of the Council confirmed that making sure the appropriate Cabinet Member was sighted on any future Ombudsman investigations would give them the opportunity to take steps to prevent the recurrence of any failures..

Recommendations on Policy Framework Documents

B. Admission Arrangements for Surrey's Community and Voluntary Controlled Schools, The Coordinated Schemes that will apply to all Schools for September 2020 and Surrey's Relevant Area.

RESOLVED:

That the admission arrangements for community and voluntary controlled schools and co-ordinated schemes for September 2020 be approved as set out in the submitted Cabinet report from 29 January 2019.

C. Revenue And Capital Budget 2019/20 and Key Financial Strategies to 2023/24

Noted.

Reports for Information/ Discussion

D. Transformation Proposals – Delivering Better Services for Residents

Noted

**E. Quarterly Report On Decisions Taken Under Special Urgency
Arrangements: 1 December – 1 February 2019**

Council noted that one urgent decision had been taken by the Leader of the Council on 1 February 2019.

RESOLVED:

That the reports of the meetings of the Cabinet held on 18 December 2018 and 29 January 2019 be adopted.

11/19 REPORT OF THE MEMBER CONDUCT PANEL [Item 11]

RESOLVED:

Noted

12/19 MINUTES OF CABINET MEETINGS [Item 12]

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: 12.00 pm]

Chairman

County Council speech

5 February 2019

Mr Chairman and members, let me begin by thanking the great many residents and partners who took the time to respond to the Council's consultation and engagement exercise.

Over twenty eight thousand responses were received on the five service areas that were consulted on and whilst of course there was a mixture of views, we have listened very carefully to the feedback.

That's why Cabinet last week removed the proposal to close four community recycling centres pending a thorough review of our waste and recycling service.

This will allow us to pick up the details in the Government's recent waste strategy – which was only released after we had begun the consultations. I am grateful to Dr Povey who has agreed to chair a cross party working group to look at all of the options.

However, there can be no doubt that these remain extremely challenging times. The impact of austerity has meant that local government has lost 60% of its funding since 2010 and this Council has had to use over £80m of its reserves since 2014 to supplement its revenue budget.

Mr Chairman, in truth we have not done enough in the past to ensure our finances are sustainable and this is now a major piece of work – but I am determined that we will put the council's finances on a solid footing as quickly as possible. This financial year we will have delivered £106m of savings as our transformation programmes start to take shape, and we will not have had to rely on our very limited reserves to achieve a balanced budget.

But given the pressures the county faces and the financial challenges that need addressing we are left with no choice but to recommend an increase in council tax by 2.99% for the municipal year 2019/20.

It gives neither me nor indeed any of us any pleasure in making this recommendation, particularly as Surrey residents pay some of the

highest Council tax in the country, but it is my genuine hope that we will get to a position in the future where we can limit further increases.

Mr Chairman, I read the funding settlement with interest.

Having worked so closely and productively with our District and Borough partners over the past 12 months to make a success of the Business Rates Retention pilot and promote economic growth, we were disappointed that Surrey was not chosen as one of the authorities to pilot the scheme in year 2.

However, I was pleased that common sense prevailed in relation to the elimination of negative revenue support grant, which on any view would have been unfair and inequitable.

Mr Chairman, none of us in this chamber want to see a reduction in services, but there can be no doubt that we need to radically re-design the way in which we deliver them.

Whilst we now have a strategy in place that will ensure the council has a sustainable financial plan, the main catalyst for the consultations was **not** financial, but to provide better outcomes, particularly within Children's Services, where we are behind the curve compared to neighbouring authorities.

I know there has been widespread concern about the closure of Children's Centres but the truth is that the proposals approved by Cabinet last week will help us to better target support to the most vulnerable and most in need.

Research has told us that many of the most vulnerable in our communities do not currently use Children's Centres so our proposals will allow us to take the service to them and visit people in their homes. There are many other authorities who have implemented a very similar structure to their children's services with extremely positive results for children and families. To that extent we are following an established path and will need to work closely with our partners to make sure no one is left behind.

Looking forward, Mr Chairman, there will be a second round of consultations later in the year, which will focus on how we can improve the way in which we deliver our library and bus services.

It is vital that we look at and understand what alternative proposals in each place would look like on a case by case basis. That is why we have already started to engage with our District and Borough Partners as there cannot and should never be a one size fits all approach to how our services are delivered.

And it is also vital that as many services as possible are delivered in partnership. This will not only ensure we provide residents with value for money but also that we provide more efficient and seamless services to the people of Surrey.

There are already a number of examples such as:

- The ten year plan for health and wellbeing in Surrey which we shall shortly publish, setting out how we can work together with our local communities to transform outcomes across Surrey. This is largely thanks to unprecedented levels of collaboration.
- The integrated approach to delivering a youth strategy with Woking Borough Council, as agreed through the Woking Joint Committee, which aims to improve young people's emotional wellbeing and mental health whilst supporting the transition from adolescence to adulthood.
- And the SHAPE board, which has come together with a number of public authorities to think more creatively about publicly-owned assets across the county.

Mr Chairman, in my eight weeks as Leader I have been humbled by numerous messages of support and encouragement.

I have enjoyed getting out and meeting residents, staff, partners, MPs – and even opposition groups!

And one thing is absolutely clear: we all have the welfare of Surrey residents at heart.

I strongly encourage all of us as elected members to make residents aware of the outcome of the first phase of consultations, and promote

the second phase when it begins. Each of us has a unique place at the heart of our communities and your voice will be vital as we go through a period of significant change. But with that voice comes a responsibility to represent the authority within those communities.

Some double-hatters amongst us face district and borough elections in May and many more of us will be out on the doorstep supporting colleagues over the next 90 days.

This provides an excellent opportunity to listen to residents' concerns and their ideas for how services can be delivered. It also provides an opportunity for us to inform them about the work we have already started to improve services for those most in need of our support and to look for solutions that will enhance services for everyone.

Mr Chairman, we all signed up to the 2030 Vision that Surrey will be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, contribute to their community, and no one is left behind.

I am confident that this budget, and more particularly the transformation programmes that sit beneath it, will take us one step closer to achieving that vision and I therefore commend this budget to members.

Thank you.