

County Council Meeting –15 October 2013

REPORT OF THE CABINET

The Cabinet met on 23 July and 24 September 2013.

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

The minutes containing the individual decisions for both 23 July and 24 September 2013 meetings are included within the agenda at item 13. Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 14 October 2013).

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

1. STATEMENTS/UPDATES FROM CABINET MEMBERS

The Cabinet Member Schools and Learning will table a statement at the meeting in relation to the Services for Young People transforming the lives of Surrey's young people.

2. RECOMMENDATIONS ON POLICY FRAMEWORK DOCUMENTS

23 July 2013

A REVISION OF PROCUREMENT STANDING ORDERS

1. The Procurement Standing Orders (PSOs) set out how the Council governs spending by Officers on goods, works and services. The PSOs (as set out in Annex 1) have been revised to take account of recent changes in the law and to ensure that they reflected best practice and Council priorities.

2. The Cabinet RECOMMENDS:

That the proposed changes to Procurement Standing Orders (PSOs) be noted and commended to full Council for final approval.

3. REPORTS FOR INFORMATION / DISCUSSION

A INVESTMENT STRATEGY

1. The Council's MTFP (2013-18) set out the challenges facing the council in terms of financial resilience and its long term financial position. In addition to considering the scope for improving the efficiency of service delivery and for making substantial savings in existing budgets, the Council is examining new approaches to generate additional income that can be used to support its functions and the delivery of services. The Budget report to Council in February 2013 identified the need to enhance income and in March 2013 the Cabinet also approved arrangements for the development of trading vehicles. The paper considered in March identified that trading would improve the delivery of services but could also generate income for the council to help deliver longer term financial resilience.
2. The development of a portfolio of investments, covering investment in property and assets and in new models for service delivery, supports the Council's stated intentions of enhancing financial resilience in the longer term and will be delivered through:
 - the adoption of an Investment Strategy; and
 - the establishment of appropriate governance arrangements, including the creation of an Investment Advisory Board within the Council to provide advice to Cabinet on the implementation of the Investment Strategy.
3. In addition, these arrangements would also allow for investment in schemes that will support economic growth in Surrey provided that these schemes are consistent with the agreed Investment Strategy
4. Decisions on taking forward investment opportunities will be taken by Cabinet. However, the development of the Investment Strategy is likely to mean more decisions coming forward for consideration and an Investment Advisory Board will be established to provide advice to Cabinet.
5. The objective for the Investment Strategy is to help ensure that the Council has a sustainable financial position over the medium to long term. The Investment Advisory Board will consider and provide advice to Cabinet on all opportunities that require an initial investment, including property, assets and service delivery vehicles. Each investment opportunity will be assessed through a two stage (or gateway) process.
6. Gateway One comprises a number of criteria to determine whether there is an opportunity to consider and take forward. Gateway One establishes whether the opportunity can be recommended to Cabinet for in-principle agreement or full agreement, or that the opportunity does not meet the decision criteria and therefore proceeds no further. Gateway Two involves the development of a much more detailed business case to be considered by the Investment Advisory Board, and for approval by Cabinet as appropriate.

7. To comply with legislation to operate property investment on a commercial basis, the Council would need to establish a property investment company. Section 1 of the Localism Act 2011 (the power of general competence) enables local authorities to do anything that a private individual is empowered to do, subject to certain statutory limitations.

8. The Cabinet AGREED that:

1. The Investment Strategy including the proposed process that will determine which investment opportunities come forward for decision by Cabinet be approved.
2. The governance arrangements be approved and an Investment Advisory Board be established comprising four Cabinet Members supported by appropriate officers (including the Monitoring Officer and the Chief Finance Officer) who will consider individual investment opportunities and provide advice to Cabinet on investment decisions.
3. The commencement of the procurement process for the appointment of an Investment Advisor or Advisors to provide advice to the Council be approved, with the contract award being approved in line with the standard process.
4. A full business case for the establishment of a Property Investment Company to be wholly owned by the County Council be developed by the Strategic Director for Business Services and be presented for consideration at a future Cabinet meeting.

B PUBLIC SERVICE TRANSFORMATION

1. The Chancellor's Budget Statement in March 2013 referenced the Government's four whole place community budget pilots and announced that further support would be provided for areas interested in developing the community budget approach through the creation of a new Public Service Transformation Network.
2. Following this announcement, local authorities were invited by the Department for Communities and Local Government (DCLG) to put forward an expression of interest to become one of the areas to work intensively with the Network on Public Service Transformation. The Leader of the Council submitted an expression of interest on behalf of all key public sector partners in Surrey on 12 April 2013.
3. At the LGA Conference on 3 July 2013 the Secretary of State for Communities and Local Government announced that Surrey has been successful and is one of nine areas that would receive support. The types of support that the Network is likely to offer include access to learning, tools and expertise from the existing four pilots, facilitating discussions with government departments, and some resource to support the development of the proposals. There is an

expectation that the county council and its partners will also contribute resources, and share learning with other areas as part of the Network as the programme develops.

4. The six strands of focus for Surrey's Public Service Transformation programme are set out below:
 - Emergency Services Collaboration
 - The Surrey Family Support Programme
 - Dementia Friendly Communities
 - Better Use of Public Sector Assets
 - Increasing Youth Participation
 - Transforming Justice
5. All the strands offer important development opportunities for Surrey which will improve services and outcomes for residents as well as optimising use of resources. Partners have endorsed the proposals and have been involved in developing them further since the original expression of interest in April 2013.
6. Programme arrangements are being developed by officers to support this work. The next stage will involve the development of outline business cases for each of Surrey's public service transformation strands with partners.
7. Work will begin with the Network over the course of the summer to develop a Joint Statement of Intent, setting out key objectives, milestones and responsibilities across partners including what support the Network will provide. The support will be bespoke to Surrey and, in the early stages, will be aimed at developing the proposals alongside partners.
8. **The Cabinet AGREED that:**
 1. The Secretary of State for Communities and Local Government's endorsement and recognition of Surrey's approach to public service transformation be welcomed and support for the forward programme of work be confirmed.
 2. Officers develop outline business cases for consideration at the October 2013 Cabinet meeting.

C SURREY RAIL STRATEGY

1. The development of a Surrey Rail Strategy, which made recommendations for immediate active engagement with the rail industry and government, and proposed the development of an implementation plan to be integrated with the Surrey Transport Plan is welcomed.
2. Good rail services are vital for maintaining and growing Surrey's economy. They provide fast links to jobs, education and leisure and reduce the number of car journeys adding to congestion. A good rail network is also a key factor in

businesses and residents choosing to live and work in the county. Therefore, whilst the council has no statutory role in planning or delivering rail services or rail projects, active engagement with the rail industry is important to ensure that the council's priorities are reflected in medium and long term rail planning.

3. While the county has a generally comprehensive rail network and a large number of rail stations, many services are at capacity and suffer from peak time overcrowding. Not all parts of Surrey are well served by rail. Some towns have no direct connections to London and some rail connections to Heathrow and Gatwick airports are unsatisfactory within Surrey.
4. The objective for the Surrey Rail Strategy is to identify proposals for strategic investment that the county council could work with others to deliver. Many of these proposals are long term but to secure investment in Surrey the county council needs to actively engage with the rail industry now.
5. The Surrey Rail Strategy includes high-level actions but does not list all the detailed activity needed to deliver investment in infrastructure and an improved rail service for Surrey residents. This will need to be developed through further engagement with the rail industry and other partners.
6. Consultants (Ove Arup & Partners Ltd) were appointed in November 2012 to write this Surrey Rail Strategy (the strategy), as part of the Surrey Future initiative, which brings together Surrey's local authorities and business leaders, to agree the investment priorities to support the county's economy over the next few decades and establish a list of long term infrastructure priorities.
8. It also provides an opportunity to review Surrey's position on rail services. It replaced the outdated Rail Services Strategy in Local Transport Plan 1 (2001/02 – 2005/06) and will be part of the Surrey Transport Plan (LTP3). The strategy is closely linked to the Congestion Programme, a parallel work stream of Surrey Future.
9. **The Cabinet AGREED that:**
 1. That the Surrey Rail Strategy and five suggested priorities: Crossrail 2 (regional route), the North Downs Line, access to airports, access to stations (car parking) and access to London from Camberley, Bagshot and Frimley be noted.
 2. That the list of schemes on which Surrey County Council should immediately begin active engagement with government and the rail industry, including on Crossrail 2 (regional route) and the electrification of the North Downs Line (paragraph 13 of the submitted report) be approved. Also, that further work be conducted to quantify car parking problems at certain stations around the county and if appropriate, further action be considered, in consultation with the rail industry.
 3. That officers work with the Cabinet Member for Transport, Highways and Environment on developing options for Surrey County Council involvement

in specific projects and initiatives. These will be reflected in an implementation plan to be integrated with the Surrey Transport Plan. As part of the Surrey Transport Plan, the implementation plan will need to be approved by Cabinet and Full Council. Proposals which progress specific schemes, including business cases, will be brought back to Cabinet.

D QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS – 1 JULY 2013 TO 30 SEPTEMBER 2013

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

There has been one such decision during the last quarter, as follows:

Treasury Management Issue

Reason for Urgency:

A response to the Local Government Association (LGA) on whether the Council wished the LGA, on Surrey County Council's behalf, to enter into negotiations, was required by 23 July 2013.

**Mr David Hodge
Leader of the Council
4 October 2013**