

*County Council Meeting – 22 May 2018***REPORT OF THE CABINET**

**The Cabinet met on 27 March and 24 April 2018.**

**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 27 March and 24 April meetings are included within the agenda at item 18. Any 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 21 May 2018).**

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

<b>REPORTS FOR INFORMATION / DISCUSSION</b>
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**A. FORMATION OF RUNNYMEDE JOINT COMMITTEE**

Cabinet (and now County Council) approval was sought to establish this Joint Committee. As part of this process, approval was also sought from Runnymede Borough Council (RBC). It is intended that the Joint Committee would be in place from 18 June 2018, when it would hold its first meeting.

Discussions between RBC and SCC had revealed a shared aspiration for the councils to create a Joint Committee which would take the place of the current Surrey County Council Local Committee in Runnymede.

The Joint Committee would be a true partnership between SCC and RBC enabling more joined-up and cohesive decision making on issues that affect residents. It would operate in place of the current Local Committee which can only take decisions on county council functions that are delegated to it, and which has limitations on the voting rights of the co-opted borough members who are unable to vote on education and youth matters.

The Runnymede Joint Committee will help deliver the following aims:

- Increase the involvement of residents, local communities, businesses and partners;
- Improve decision making, speed-up processes and reduce duplication in governance;
- Support Councillors in their role as community leaders, game changers and champions;
- Promote greater accountability and local scrutiny;
- Provide an innovative two tier response to central government policy initiatives and a platform on which future joint arrangements can be strengthened.

***The Cabinet RECOMMENDS that the County Council approves***

1. That Council agrees to the establishment of the Runnymede Joint Committee.
2. That Council agrees to the delegation of the non-executive functions to the Runnymede Joint Committee.
3. That Council appoint a Chairman of the newly formed Runnymede Joint Committee from 18 June 2018, when the Joint Committee would hold its first meeting.
4. That authority be delegated to the Head of Legal Services, in consultation with the Leader of the Council, and the SCC-appointed Chairman or Vice-Chairman of the Runnymede Joint Committee, to agree to any minor amendments to the Constitution, which may be required.

**B. MEDIUM TERM FINANCIAL PLAN 2018 - 2021**

Cabinet considered the Council's year-end financial outturn position for 2017/18 and services' requests to carry forward funding amounts into 2018/19 and were asked to note or approve a series of recommendations given below.

Cabinet agreed that there would be further discussions between the Leader, Chief Executive and Director of Finance, about carry forward requests before making a decision on that in May.

The report stated that Surrey County Council set its gross expenditure budget for the 2017/18 financial year at £1,672m. A key objective of MTFP 2017-20 is to increase the Council's overall financial resilience. As part of this, the Council's 2017/18 budget requires it to make efficiencies totalling £104m including £9m savings it has yet to identify.

With regard to the capital budget creating public value by improving outcomes for Surrey's residents was a key element of the Council's corporate vision and was at the heart of its £387m capital programme in MTFP 2017-20 and £185m budget for 2017/18.

**Cabinet noted that:**

1. The Council achieved £1.3m overall revenue underspend for 2017/18 (Annex 1, paragraph 1 of the submitted report). This was the eighth successive year the Council had achieved a small underspend or balanced outturn. The £1.3m underspend was less than 0.08% of the Council's £1,672m gross expenditure budget for 2017/18.
2. Services achieved £80m total savings against £95m agreed savings plans and £104m target (Annex 1, paragraph 52 of the submitted report).
3. The Council planned to transfer £11.8m from reserves to balance 2017/18. After transferring the net underspend for 2017/18 and other movements in the year, the closing balance for earmarked reserves as at 31 March 2018 was £81.4m. After deducting planned use of £20.9m earmarked reserves to balance 2018/19, this left £60.5m earmarked reserves and £21.3m general

balances, which the Director of Finance considered to be the minimum safe levels.

4. The underspend did not include £1.0m revenue carry forward requests for spending on planned service commitments that continue beyond 2017/18 (Annex 1, paragraphs 49 to 51 and Annex 3 of the submitted report). If Cabinet agreed to fund all carry forward requests, earmarked reserves brought forward as at 1 April 2018 would fall to £59.5m.
5. The Council invested £212m through its capital programme in 2017/18, comprising £109m service capital programme (59% of the original service capital programme) and £103m long term investments (Annex 1, paragraph 65 of the submitted report). Services had requested to carry forward and reprofile £35m capital expenditure.
6. The Council's year end earmarked reserves and balances, debt analysis and treasury management report (Annex 1, paragraphs App 7 to App 23 of the submitted report).
7. All services must continue to take all appropriate action to keep costs down and optimise income (e.g. minimising spending, managing vacancies wherever possible).
8. The Section 151 Officer's commentary and the Monitoring Officer's Legal Implications commentary in paragraphs 16 to 19 of the main budget monitoring report to Cabinet state that the Council had a duty to ensure its expenditure did not exceed resources available and move towards a sustainable budget for future years.

**Cabinet approved:**

9. £1.3m transfer of net 2017/18 underspend to the Budget Equalisation Reserve.
10. £1.0m revenue carry forward requests to be funded from the Budget Equalisation Reserve (Annex 1, paragraph 50 and Annex 3 of the submitted report).
11. £2.1m capital virement requests within Highways & Transport (Annex 1, paragraph 67 of the submitted report).
12. As in 2017/18, that Cabinet approves services' draw down of amounts carried forward, as and when they are needed, as part of the monthly budget monitoring process (Annex 1 of the submitted report, paragraph 51 for revenue and paragraph 69 for capital).
13. £3.9m transfer of Revolving Infrastructure & Investment Fund net income to the Budget Equalisation Reserve (Annex 1, paragraph 71 of the submitted report).
14. That the £34.9m capital programme reprofiling and carry forward requests as in (Annex 1, paragraphs 68 to 70 and Annex 3 of the submitted report) be subject to further discussions involving the Leader, Chief Executive and

Director of Finance before coming back to the next meeting of Cabinet for a decision.

### **C. FUTURE COMMISSIONING OF SCHOOL SUPPORT SERVICES**

Cabinet were asked to agree the future commissioning arrangement for school support services. Over the past 14 years SCC has worked in partnership with B4S to deliver a range of support services to Surrey schools and to the Council. The Council's contract with B4S (not the traded service with schools) is scheduled to end on 31 March 2019 and cannot be significantly extended without a retendering process.

There are now only a small number of statutory and key strategic duties commissioned from B4S but in delivering these, B4S is providing a key assurance function that minimises risk to the Council.

The following service areas currently provided through the B4S contract are in scope and will require new delivery arrangements:

- statutory assessment
- support for newly qualified teachers
- strategic Financial Processes and Monitoring of schools' and LA budgets'
- schools' data collection
- support for the implementation of the Council's staffing policies and employer's responsibilities in maintained schools
- maintenance of the school governor database and Local Authority governor appointment support
- health and safety advice to schools
- professional support for the Standing Advisory Council for RE (SACRE)
- Special Educational Needs and Disabilities quality assurance monitoring in a cross section of Independent special schools with Surrey pupils on roll
- other Special Educational Needs and Disabilities support for the Local Authority in maintained schools and specialist centres
- regular tree inspections on maintained school sites
- the implementation and support for Public Health funded priorities in schools.

#### **The Cabinet AGREED:**

That the future commissioning approach for the LA/school support services funded by the Council and set out in paragraphs 14 a-c (financial details in part 2) of the submitted report be agreed – See Annex A to this report.

### **D. QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS: 1 JANUARY – 31 MARCH 2018**

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.

***The County Council is asked to note that there have been no urgent items in this quarter.***

**Mr David Hodge, Leader of the Council  
9 May 2018**

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