

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 27 MARCH 2018 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 Mike Goodman
*Mr John Furey (Vice-Chairman)	*Mrs Mary Lewis
*Mrs Helyn Clack	*Mr Colin Kemp
*Mrs Clare Curran	*Mr Tim Oliver
*Mr Mel Few	*Ms Denise Turner-Stewart

Associate Member:

* Ms Charlotte Morley

* = Present

Members in attendance:

Mrs Hazel Watson, Member for Woking South
Mr Jonathan Essex, Member for Redhill East
Mr Nick Harrison, Vice-Chairman of Overview and Budget Scrutiny Committee

PART ONE
IN PUBLIC

45/18 APOLOGIES FOR ABSENCE [Item 1]

There were no apologies.

46/18 MINUTES OF PREVIOUS MEETING: 27 FEBRUARY 2018 [Item 2]

The Minutes of the meeting held on 27 February 2018 were agreed.

47/18 DECLARATIONS OF INTEREST [Item 3]

There were none.

48/18 PROCEDURAL MATTERS [Item 4]

1 MEMBERS' QUESTIONS [Item 4a]

There were three questions received from two Members. The questions and responses were published as a supplement to the agenda.

Supplementary questions were as follows:

Question 1 – Mrs Watson asked that, following the Council admitting its failings when working with other agencies if it would review its conduct and publish the findings. The Leader of the Council responded that he would take advice and respond later to this supplementary question.

Question 2 – Mrs Watson asked for confirmation that rental income from investment properties purchased by the Council had been used for public Services. The Cabinet Member for Property and Business Services explained that the MTFP showed that funds had been put into the investment fund which was then used to support front line services. However, those funds would not be attributable to an individual service.

Question 3 - Mr Essex asked what public consultation and stakeholder engagement would be used to feed into the joint response for this consultation. The Cabinet Member for Health explained that the Joint Committee of Surrey Heartlands Partnership and the Health and Wellbeing Board would provide a joint response in relation to the consultation.

49/18 PUBLIC QUESTIONS [Item 4b]

There were two questions received from members of the public. The questions and responses were published as a supplement to the agenda.

Members of the public asked the following supplementary questions:

Mr Hesse asked that Farnham Town Council be kept informed of ongoing improvement works and requested further access over the Easter weekend and Bank Holidays as well as the tennis court being made available when works were not taking place.

The Cabinet Member for Property and Business Services responded that he would be happy to keep the Town Council informed, that access was in line with library opening hours and cited the level of vandalism that had occurred over a 15 month period. The Cabinet Member also explained that chemicals were being used to treat Japanese Knotweed which was why the tennis courts could not be open.

Ms Bannatyne had a list of environmental saving suggestions that she wished the Cabinet to consider. The Leader of the Council asked her to leave the list and her suggestions would be considered. The Cabinet Member for Environment and Transport stated he would be happy to receive any suggestions from Ms Bannatyne.

50/18 PETITIONS [Item 4c]

There were no petitions.

51/18 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

52/18 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL AND JOINT COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

A report was received from the Overview and Budget Scrutiny Committee relating to item 8 on the agenda. A response to this was published as a supplement to the agenda.

The Vice-Chairman of the Overview and Budget Scrutiny Committee introduced the report that detailed the conclusions and recommendations of the Council's Select Committees in relation to service plans and fees and charges produced as part of the 2018/19 budget planning process. He requested that discussions be set up for each of the Select Committee Chairmen with officers and Cabinet Members to look at each individual set of recommendations.

The Leader responded that Cabinet Members would look at the recommendations over the next month and would contact the Select Committee Chairmen to start that dialogue.

**53/18 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/
INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING
[Item 6]**

RESOLVED:

That the decision taken by the Cabinet Member for Highways under delegated authority be noted.

Reason for Decision:

To inform the Cabinet of decisions taken by the Leader / Cabinet Members under delegated authority.

**54/18 APPROVAL TO AWARD A CONTRACT FOR PROVISION OF A HOME
BASED CARE SERVICE IN EXTRA CARE SCHEME AT BROCKHILL
SHELTERED HOUSING SCHEME [Item 7]**

The Cabinet Member for Adults introduced the report which set out the recommended approach to the re-procurement of services at Brockhill, Mitchison and Beechwood facilities including the procurement processes used. He sought approval to award a three year contract with an option to extend for up to two additional two year periods to the successful provider of the Brockhill home and for delegated authority to the Cabinet Member for Adults and Strategic Director for Adult Social Care and Public Health to approve the contract awards for Mitchison Court and Beechwood Court upon completion of the procurement processes. He also reported an amendment to the second recommendation which was to include the Leader of the Council being consulted. The Cabinet Member also referred to paragraph 22 of the report which stated 'three months' notice' would be given if a termination of contract was needed but that this would happen as quickly as possible.

He explained how the Council was committed to improving the wellbeing of residents by ensuring that people can live and age well at home in their community. The provision of Extra Care housing was beneficial for continued resident wellbeing for eligible elderly people. It offered a choice of independent living in a community setting, with person-centred care and support services directed by the individual and which were responsive to their changing needs. It helped people continue to live as independently as possible as their care and support needs increased, without the need to move into more institutionalised forms of accommodation.

The Accommodation with Care and Support Strategy was approved by Cabinet in December 2015 and stated the aim of increasing options available for residents needing accommodation with care and support. There were a number of live projects, both strategic and operational, underway to ensure there were services in place for residents in the short and long term and that they had access to the right support regardless of tenure.

In addition to these projects the Council, currently in partnership with Borough and District Councils, provided Extra Care housing and services in which the County had retained a number of units within their facilities. As the contracts for these facilities would shortly end it was necessary to renew the tenures though a re-procurement process of the three existing Extra Care contracts (Brockhill, Mitchison and Beechwood), including taking the opportunity of reviewing the commercial and delivery models of these schemes.

In addition, there were other renewals in the pipeline which would come to Cabinet this year.

Due to the commercial sensitivity involved in the contract award process, the Value for Money details had been included as a Part 2 report.

In response to a query the Cabinet Member explained that living in these settings was a bridge between living in one's own home and going into residential care. Residents were eligible under the Care Act Eligibility Criteria and an assessment for this could be done online. Residents would stay in these settings until it was identified as part of ongoing assessments that the resident needed different care.

RESOLVED:

1. That the award of the contract for the provision of Extra Care support at Brockhill Sheltered Housing Scheme (Home Based Care services in an Extra Care setting) to A2 Dominion Housing Group Limited, starting from 1 June 2018 for a period of three years with an option to extend on an annual basis for two periods of up to two years for each period, be approved.
2. That authority be delegated to the Cabinet Member for Adults and the Strategic Director for Adult Social Care and Public Health, in consultation with the Leader of the Council, for the approval of the award of contracts at Mitchison Court and Beechwood Court.

Reasons for decisions:

The contract awards would support the Accommodation with Care and Support Strategy in Surrey. They would deliver services to residents who were eligible for accommodation in Extra Care schemes, thereby retaining their independence in the community while offering flexible and responsive care and support arrangements to meet their needs, enhance quality of life and improve outcomes.

A summary of the current expiry dates for the existing operational Extra Care schemes and new contract start dates were as follows:

- Brockhill Sheltered Housing Scheme (Woking) contract expires on the 31 May 2018. The new contract will commence on the 1 June 2018.
- Mitchison Court Scheme (Spelthorne) contract expires on the 2 September 2018. The new contract will commence on the 3 September 2018.
- Beechwood Court Scheme (Spelthorne) contract expires on the 2 September 2018. The new contract will commence on 3 September 2018.

All tenders had been conducted under the Light Touch Regime in compliance with the requirement of Public Contract Regulations and Procurement Standing Orders and very similar approaches, evaluation methodologies and commissioning models had been applied to each scheme.

55/18 MEDIUM TERM FINANCIAL PLAN 2018 - 2021 [Item 8]

The Leader of the Council introduced the report and set out the main changes and highlights of the report and the Medium Term Financial Plan (MTFP). He explained that the Minister for Housing, Communities and Local Government (MHCLG) had published its final local government finance settlement on 7 February this year – the day after Surrey County Council set its overall budget for 2018/19. The modest good news was an additional £2.5m for the Adult Social Care Grant. Although welcome, this was small compared to the cost and demand pressures the service was facing. The Council would use this to fund the cost pressures in the Learning Disabilities market that emerged around the time of setting the budget.

The Leader also reported that the final estimate of the growth gain from the Business Rate retention pilot in 2018/19 was issued by the MHCLG with a minimal change to Surrey's figures. An official launch event for the Pilot areas was planned for 26 March 2018. The impact on this additional funding was to reduce the use of reserves to support the budget to £21.3m for 2018/19. As quoted in the Council Budget Report, the Council needed to deliver £66m of savings in 2018/19. These had been assessed on the risk of their achievement using a Red Amber Green approach and were as follows; Red £13m, Amber £27m and Green £26m.

The Leader further explained that the Chief Executive and the Director of Finance were planning to carry out an in-depth review on the plans for the 2018/19 savings to ensure these were delivered in full. In the following two years, the Council had already identified a further £67m of spending reductions. However, despite this, the funding shortfall would still be £86m in 2019/20, rising to £94m the following year. Under the Leadership of the new Chief Executive, working with the Executive and Cabinet Team, the Council was developing plans to transform its services to achieve a sustainable financial plan over the next three years and assure longer-term financial sustainability in the context of uncertain future funding.

On the capital budget, the Cabinet was proposing to increase the spending on highways by £5m in 2018/19 as a consequence of the recent severe weather. This would increase the total capital programme to £322m over the next three years.

The capital budget presented in the MTFP also included some re-profiling of spending, especially in regards to the residential refurbishment and an update to the capital programme relating to Environment & Planning Strategic Economic Plan Schemes (Local Growth Deal) and schemes funded by developers or as part of the cross directorate CIL (Community Infrastructure Levy) schemes. In addition, the IT and Digital projects budget had increased to include the network refresh spend which would be funded from the equipment replacement reserve.

Finally, the Leader reported that an amended report and annex 1 (MTFP) had been published as a supplement to the agenda and he explained the minor amendments made to the MTFP. The amended cover report contained further information in the Legal Implications paragraphs 63 – 65.

The Leader of the Council asked each Cabinet Member to provide the financial context as well as the equality and diversity (E&D) aspects for their specific service and received the following updates:

The Cabinet Member for Adults reported that the adult precept of 3% would not be enough to cover costs. With regards to E&D he reported that there were ongoing discussions with the NHS around integration.

The Cabinet Member for Children reported on the year-on-year increasing need around looked after children and fostering. This had meant a rise in staffing budgets. The subsidy for asylum-seeking children was £4m in 2017 and was an area of risk. Savings were being sought through the Early Help system.

The Cabinet Member for Education also explained the increasing need around the education service. She explained the national issue around Education Health Plans and the challenge around Special Educational Need. The Cabinet were being asked to agree the Early Years funding formula in recommendation eight of the report. She also explained that a working group of schools had been set up to look at delivery and savings - £7m of the £10m savings identified had been achieved.

The Cabinet Member for Health reported that the grant for public health had always been low and despite increasing responsibilities the grant was reducing. The grant this year was £35m which would leave a £17m funding gap. The Cabinet Member and the Leader of the Council agreed to write a joint letter to Parliament.

The Cabinet Member for Property and Business Services reported on the savings achieved by Orbis. There were no E&D impacts except those around IT.

The Cabinet Member for Highways referred to recommendation two of the report and reported that there would be £0.5m extra funding for pot holes this year. He also explained how he was engaging with Local Committees to spread understanding of highways spending.

The Cabinet Member for Environment and Transport reported on the savings made in the waste service and the increase in spending on the Eco Park.

The Cabinet Member for Communities reported that whilst challenging the savings targets had been met last year, further work was being undertaken on collaboration. She thanked staff of all services for helping services to come in on budget.

RESOLVED:

That the following be approved:

1. £21.3m use of reserves in 2018/19, reduced from £23.6m due to receipt of additional funding announced in the Final Settlement on 7 February 2018 (paragraph 16 of the submitted report).
2. Changes to the capital programme as outlined in paragraphs 28 and 29 of the submitted report, including £5m increase in 2018/19 for highways as a result of recent severe weather, funded by use of capital receipts. This brought the three year capital programme to £322m, with £144m in 2018/19.
3. A savings programme over the three years of MTFP 2018-21 to build the Council's financial resilience (paragraph 17 of the submitted report).
4. The 2018/19 service strategies (Annex 1 of the submitted report).
5. The detailed service revenue and capital budgets for the year 2018/19 and indicative budgets for the years 2019-21, including amendments resulting from the Final Local Government Financial Settlement and other Government funding changes announced since 7 February 2018 (Annex 1 of the submitted report).
6. The Council's proactive and systematic engagement in: responding to proposed changes in local government funding to ensure these changes do not further disadvantage Surrey, and seeking appropriate recognition by the Government of the costs of delivering services in Surrey.
7. Publication of the service revenue and capital budgets as the Medium Term Financial Plan 2018-21 (MTFP 2018-21).
8. Decisions related to the Early Years single funding formula (paragraphs 50 and 51 of the submitted report):
 - the local authority retained £3.4m of the Early Years Dedicated Schools Grant to manage the sector, support providers and secure the supply of places;
 - the SEN Inclusion Fund to provide additional funding to providers for 3-4 year olds with special educational needs was set at £1.4m (£1.2m in 2017/18)
 - fund individual Early Years providers at rates which were commensurate with the levels of funding in the Early Years DSG:
 - £4.60 / hour for three and four year olds (£4.51 in 2017/18);
 - £5.88 / hour for two year olds (unchanged); and
 - £2.77 / hour additional deprivation funding based on eligibility for the early years pupil premium on economic grounds.

That the following be noted:

9. The Director of Finance's letter to the Ministry for Housing, Communities and Local Government confirming the Council would spend the Adult Social Care Precept entirely on adult social care functions (Annex 2 of the submitted report);
10. Fees & charges approved under delegated powers (Annex 3 of the submitted report).
11. Equality Impact Assessments of the savings proposals within directorate and service budgets (Annex 4 of the submitted report).

Reasons for decisions:

The Council has a legal duty to prepare a balanced and sustainable budget and to deliver statutory services to residents.

The Medium Term Financial Plan 2018-21 (MTFP 2018-21) is a three year budget that reflects assumptions about the current local and national financial, economic and political environment. Setting a three year budget is a key element of the Council's multi-year approach to financial management and its aim of achieving a sustainable financial position. Regular reporting through the year will enable effective tracking and management of progress with the strategy and the budget.

The Leader left the room for one minute during Cabinet Member updates.

56/18 MONTHLY BUDGET MONITORING REPORT [Item 9]

The Leader of the Council presented the budget monitoring report for period eleven of 2017/18, up to 28 February 2018.

He stated that the report's headline was that continued hard work by the Council's staff, partners and Members had once again reduced the forecast overspend. As at 28 February 2018 the forecast overspend was £3.6m. This was a £2.6m improvement on last month, and an improvement of over £20m since the end of June 2017. The Leader was confident that with continued efforts, this could be brought down further by the year end. The action in reducing the Council's overall spending in 2017/18 was important because any overspends needed to be met from reserves. It was planned to use £21m reserves to balance 2018/19 budget, which the Director of Finance advised left reserves at the minimum safe levels.

The Leader went on to say that in February 2017 the Council set its budget for 2017/18 in the face of: significant rising demand pressures (particularly in social care); falling Government funding and continuing restraint on ability to raise funds locally. To balance 2017/18's budget the Council had to make plans to deliver an unprecedented £104m of savings. This significant challenge for the Council came on top of already having made over £450m savings since 2010. To add to this challenge, the Council's 2017/18 budget included significant, additional demand and cost pressures, mostly in social care. For example, in Children's Services, demand continued to increase and was adding a £10m pressure by the end of the financial year. Partially

offsetting these pressures, there were forecast underspends, including Orbis, Central Income & Expenditure, Adult Social Care, Highways & Transport, Waste and elsewhere in Children Schools & Families.

He went on to explain that services had continued to take action to reduce costs and bring forecast overspend down. However, all services needed to keep up this work and take all appropriate action to manage spending within available resources by keeping costs down, managing vacancies, optimising income and being aware of the current financial position before committing to additional future expenditure.

Lastly, he stated that the drive for more efficiencies was unrelenting. To help the Council achieve its medium-term savings programme, Cabinet required the Chief Executive and Director of Finance to ensure services: deliver their existing MTFP efficiencies; monitor their demand and cost pressures; and develop plans to mitigate the impact of any pressures.

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

RESOLVED:

That the following be noted:

1. Forecast revenue budget outturn for 2017/18 was less than £4m overspend (Annex 1, paragraphs 1 and 7 to 45 of the submitted report). This included:
£9m savings to be identified,
£16m net savings considered unachievable in 2017/18,
£14m service demand and cost pressures
less
£35m net underspends, additional savings and income.
2. Forecast planned savings for 2017/18 total £79m against £95m agreed savings and £104m target (Annex 1, paragraph 47 of the submitted report).
3. All services continue to take all appropriate action to keep costs down and optimise income (e.g. minimising spending, managing vacancies wherever possible etc.).
4. The Section 151 Officer's commentary and the Monitoring Officer's Legal Implications commentary in paragraphs 16 to 20 of the submitted report state that the Council had a duty to ensure its expenditure did not exceed resources available and to move towards a sustainable budget for future years.

That the following be approved:

5. Reprofile £8.0m previously reported as capital underspend in Place Development & Waste due to changes within the Local Growth Deal programme of road and transport improvement schemes funded primarily from grant, developer monies and partner contributions (Annex 1, paragraph 63 of the submitted report) as reflected in MTFP 2018-21.

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.

57/18 VOTE OF THANKS - JULIE FISHER

The Leader of the Council led a vote of thanks to the Deputy Chief Executive who had worked with Surrey County Council for the last 12 years and this was her last Cabinet meeting as she was leaving. He paid tribute to the incredible work undertaken by Julie Fisher in her various roles over the years. He commended her loyalty and professionalism and stated that the respect she had earned was well earned and deserved.

The Cabinet wished her well for the future.

58/18 EXCLUSION OF THE PUBLIC [Item 10]

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 the relevant paragraphs of Part 1 of Schedule 12A of the Act.

59/18 PROVISION OF A HOME BASED CARE SERVICE IN EXTRA CARE SCHEME AT BROCKHILL SHELTERED HOUSING SCHEME - CONTRACT AWARD [Item 11]

The Cabinet Member for Property and Business Services introduced this Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

The information contained in this report may not be published or circulated beyond this report and would remain sensitive for the duration of the contract.

RESOLVED:

See Minute 54/18

Reason for decisions:

See Minute 54/18

60/18 PUBLICITY FOR PART 2 ITEMS [Item 12]

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

Meeting closed at 3.49 pm

Chairman