

Corporate Policy and Resources



20 April 2022

Title	Surrey Forum and Surrey Partnership Boards (County Deal)
Purpose of the report	To make a decision
Report Author	Sandy Muirhead, Group Head Transformation & Commissioning Heather Morgan, Group Head Regeneration and Growth
Ward(s) Affected	All Wards
Exempt	No - except for Appendices C and E
Exemption Reason	<i>This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, Appendix C and E contain commercially sensitive information which if publicly available could have a negative impact on services delivery.</i>
Corporate Priority	Community Affordable housing Recovery Environment Service delivery
Recommendations	Committee is asked to: <ul style="list-style-type: none">• Note Surrey’s existing governance structure and its relationship in terms of any future County Deal, and the role of this Council within that structure• Note the composition of the Surrey Forum, the One Growth Surrey Board, the Greener Future Board, the Health and Wellbeing Board and the Surrey Delivery Board, and that they are already operational (the only exception being Thriving Communities)

	<ul style="list-style-type: none"> • Note the suggested timeline for the implementation of a County Deal (if one is agreed) of Spring 2023 • Determine whether this Council is in support of working collaboratively with Surrey on matters which fall within a possible County Deal • Determine the level of engagement for both councillors and officers on the Surrey Delivery Board • Agree the Terms of Reference of the Collaborative Working Group are amended to include consideration of projects and workstreams arising from the Surrey Delivery Board (if the Committee agree that Spelthorne should engage) • Agree that update reports are put to Corporate Policy and Resources Committee setting out the current and future work of the Surrey Delivery Board (if the Committee agree that Spelthorne should engage)
<p>Reason for Recommendation</p>	<p>Surrey County Council have recently established a Surrey Delivery Board made up of all tiers of local government to support the well-established Surrey Forum and the four Strategic Partnership Boards with delivering county-wide programmes.</p> <p>This report sets out the detail on the strategic partnership and governance landscape, especially as the Surrey Delivery Board will play an important role if a future County Deal is agreed (there is currently a proposed implementation date of April 2023).</p> <p>The Committee are being asked to make a decision on the level of support, engagement and commitment that Spelthorne wishes to make to the prospective future governance arrangements underpinning a County Deal.</p> <p>Committee members are advised that the Leader of Surrey County Council (Cllr Tim Oliver) will be attending to answer questions on the County Deal, along with Michael Coughlin, Executive Director of Prosperity, Partnerships and Growth.</p>

1. EXECUTIVE SUMMARY

- 1.1 The governments recently published Levelling Up White Paper will change the political landscape – one of its stated aims is to have County Deals in place across the UK by 2030.
- 1.2 Moves towards a potential Surrey County Deal are already moving apace. The strategic governance arrangements to deliver such a Deal (if agreed) are already in place and operating. Terms of reference are agreed, board members in place and decisions are being made.
- 1.3 The multi-agency Surrey Forum is clear on its purpose – to deliver the Surrey 2030 Community Vision. This is directing the work of the 4 Countywide Boards which sit beneath the Forum, which then filters down to the Surrey

Delivery Board to implement. It is only at this third-tier level that all Districts and Boroughs (Chief Executives and Leaders) have a direct input – “drawing direction from and feeding into” the Forum and the Boards.

- 1.4 There are changes to Surrey Heartlands which mean that individual districts and boroughs will no longer have a direct seat at the table – with decisions on investment, provision and resources being made at a strategic level. The White Paper sets out that Local Enterprise Partnerships (such as EM3) will only exist until a County Deal is in place.
- 1.5 Under current proposals, Surrey are looking to spend this spring and summer working up a possible County Deal proposition, with a view to discussing with government in the autumn, leading to possible implementation as early as April 2023.
- 1.6 It is understood they are currently focusing on bidding for Level 2 powers (a single institution or County Council without a directly elected leader/ mayor across a whole county area). This would enable them for example to - pool services at a strategic level, undertake strategic role in delivering services, and support local business with LEP functions (e.g. funding and grants).
- 1.7 Areas previously under consideration for inclusion were – economic development, strategic community infrastructure levy, countywide waste and grass cutting contracts, greener futures and climate change, tax raising powers and additional council tax precept, non-statutory Surrey Spatial Framework to provide framework for Local Plans, and the co-ordination of new fundings streams through the county.
- 1.8 A report is going to Surrey Cabinet on 26 April for them to consider what a possible County Deal could look like. It is with this backdrop that the Committee are being asked to determine the level of engagement that this Council wishes to make on a potential County Deal.

2. Summary of the report

- 2.1 Early in 2022, Surrey County Council initiated discussions with Surrey Chief Executives around a Surrey Delivery Board made up of all tiers of local government to support the new Surrey Forum and the four Strategic Partnership Boards with delivering county-wide programmes. Draft terms of reference were shared at that meeting after having been agreed by Surrey Leaders.
- 2.2 The Delivery Board will play an important role in identifying and developing new ideas for effective and efficient shared service models that reduce duplication and improve value for money across local government in Surrey. (The County have confirmed that the Terms of Reference are now agreed, and the first meeting was held on 1 April 2022).
- 2.3 The government has indicated their interest in working with county councils to develop County Deals as part of their levelling-up devolution agenda. If in the future Surrey was granted a County Deal by government, then the Surrey Forum could provide an effective model for governance and accountability to oversee and guide delivery of any deal. The Surrey Delivery Board would then support the Surrey Forum in bringing all tiers of local government together to coordinate delivery.

- 2.4 This report sets out the detail around the strategic partnership and governance landscape to ensure that everyone understands the interrelationships between the different county-wide strategic partnerships.
- 2.5 The intention is for the Corporate Policy and Resources Committee to agree the level of support, engagement and commitment that Spelthorne members wish to make to the prospective future governance arrangements underpinning a County Deal.

3. Key issues

Background

- 3.1 **Appendix A** sets out the historic background to this Councils approach to the threat of a potential Unitary authority in 2020. Councillors were very clear in their opposition to a single Surrey-wide Unitary Authority (4 motions considered at and Extraordinary Council meeting on 24 September 2020).
- 3.2 We understand that Surrey County Council are no longer pursuing a Unitary proposition, and is instead focusing on options for a new 'County Deal' which involves more collaborative working between County and Districts/Boroughs. More detail on this is set out in the following section.

Whilst we gather the 'threat' of a single unitary has dissipated, this Council has not stood still, and has started to make inroads into what opportunities are out there which can work for us, on our terms. The 'Putting Residents First' ethos which was created by the 11 Districts and Boroughs in response to the Unitary threat (see para 1.1 of **Appendix A**) has been firmly embedded throughout this Councils New Corporate Plan 2021 – 2023 which was approved at Council on 9 December 2021. There are specific actions (under Service Delivery) in relation to

- looking for opportunities for partnership working/shared service provision with other local authorities which would benefit residents.
- *But also* - resisting any change in local authority structure which would erode the quality of service available to communities.

<https://www.spelthorne.gov.uk/article/16732/Corporate-publications>

- 3.3 On 29 November 2021 the Corporate Policy and Resources Committee considered and agreed a report on 'Opportunities for collaborative working with other Councils'.
- <https://democracy.spelthorne.gov.uk/documents/s39751/CPRC%2029.11.21%20-%20Opportunities%20for%20collaborative%20working%20final.pdf>
- 3.4 A Collaborative Working Group has now been set up with key councillors and senior officers with the express purpose of considering and assessing opportunities for partnership working with other districts and boroughs - where it makes sense to do so.

Levelling Up White Paper and County Deals

County Deals

- 3.5 Last year (2021), the landscape became far more complex when the government set out their initial views on 'levelling up'. This included taking a more flexible approach to devolution and the prospect of new 'County Deals',

to support the conditions for long-term growth and productivity. County Deals will potentially see powers, freedoms and flexibilities devolved from central government to local government. They are intended to primarily offer the same powers metro mayors have to other parts of the country and will be *negotiated and led by upper tier Councils* (our italics). There will be no new or additional funding for them, and they will not require local government reorganisation.

3.6 At the heart of County Deals will be powers and resources, along with additional freedoms and flexibilities, devolved to counties to 'facilitate accelerated economic growth, the health and wellbeing of individuals and communities and protection and enhancement of towns, villages and countryside as well as the wider environment'.

3.7 The Levelling Up White Paper sets out three options for a devolution framework:

Level 1 – where local authorities work across an area together through a Joint Committee for example (e.g. powers to pool services at a strategic level, strategic role in delivering services, adopting innovative local proposals to deliver action on climate change and net zero)

Level 2 – a single institution or County Council without a directly elected leader/ mayor across a whole county area (e.g. powers as above plus supporting local businesses with LEP functions, some local control of sustainable travel, devolution of adult education functions, clear defined role in local resilience). *It is understood that this is likely to be Surrey's preferred model.*

Level 3 – a single institution or County Council with a directly elected leader/mayor across a whole county area (e.g. powers as above plus new rail partnerships, ability to set up Mayoral development corporations, consolidation of existing core local transport funding, ability to introduce a precept on Council tax and supplement on business rates.

Below is a link to the Levelling Up White Paper and the devolution framework table is set out on page 171.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052708/Levelling_up_the_UK_white_paper.pdf

Local Enterprise Partnerships

3.8 In parallel, there was a prospect that Local Enterprise Partnerships (in our case the Enterprise M3 LEP) would disappear, with their expertise and resources being subsumed into those areas with County Deals.

3.9 Enterprise M3 has a business-led board made up of 20 members split across the private, public and not-for-profit sectors. They are also Directors of the EM3 LEP company. Public sector representation comprises the Leader of Surrey County Council, the Deputy Leader of Hampshire County Council, plus the Leaders of Test Valley, East Hampshire, Runnymede and Guildford. As an authority we 'sit' at a lower Chief Executive and Leader level, and feed into this Board (i.e. able to influence upwards, but not to make decisions on strategic direction).

Surrey Heartlands - Health

- 3.10 The final layer of complexity are the imminent changes to the health sector in Surrey. Spelthorne currently sits within the Surrey Heartlands Clinical Commissioning Group (CCG), which covers around one million people across Elmbridge, Epsom and Ewell, Guildford, Mole Valley, Reigate and Banstead, Runnymede, Spelthorne, Tandridge, Waverley and Woking. This represents around three quarters of the Surrey population. That CCG is currently split into four areas – North West Surrey (comprising Spelthorne, Runnymede, part of Elmbridge and part of Surrey Heath), Guildford and Waverley, Surrey Downs and East Surrey.
- 3.11 As a Council, we (alongside the other boroughs) currently have a seat on the North West Surrey Alliance Board, which is taken by our Chief Executive. We are able to directly influence decision making and put forward our case directly for funding and interventions to meet the needs of our residents. Recent successes have involved continued funding for Step Up/Step Down properties and backing for a new state of the art Staines health and wellbeing centre.
- 3.12 Above this sits the Surrey Heartlands Integrated Care System (ICS) Board (chaired by the Leader of SCC) which has responsibility for delivering healthcare services in Surrey. The CCG is currently one of 10 organisations that make up the wider partnership of the Surrey Heartlands ICS. It is a partnership where health organisations, the local authorities and others take a collective responsibility for improving the health of the local population, managing resources (including money), and making sure services are high quality.

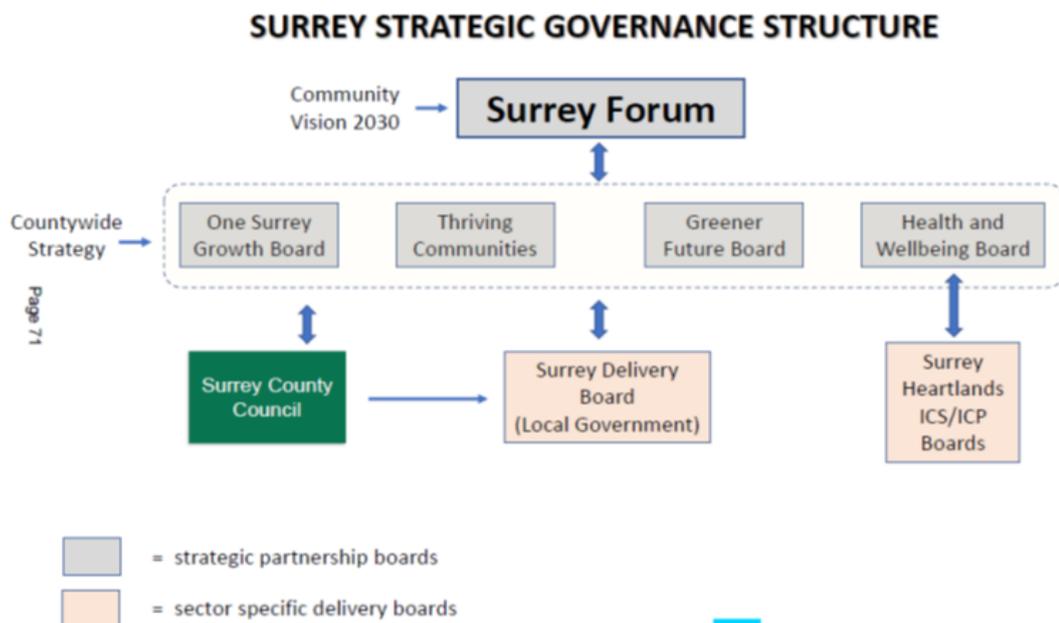
Surrey – governance structures

- 3.13 As members of this Committee will be aware, Surrey County Council expressed an interest in being considered as a County Deal pilot area. The list below sets out the principles of the deal which were under consideration at the end of September 2021. The full detail was attached as Confidential Appendix 3 in the report what came to Corporate Policy and Resources Committee on 29 November 2021 on 'Opportunities for collaborative working with other Councils'.
<https://democracy.spelthorne.gov.uk/documents/s39751/CPRC%2029.11.21%20-%20Opportunities%20for%20collaborative%20working%20final.pdf>
- 3.14 At a high level, the County Deal at that stage was looking at areas such as:
- economic development and specifically inward investment
 - countywide strategic community infrastructure levy
 - countywide waste contracts and grass cutting contracts
 - greener futures - climate change – low carbon
 - non-statutory Surrey Spatial Framework to provide framework for Local Plans (statutory)
 - tax raising powers and additional council tax precept
 - new funding streams being co-ordinated through the county

This proposal was never formally put into the public domain. **Confidential Appendix C** sets out what was being proposed around September 2021.

- 3.15 Recently, a piece of work has been completed by Surrey to collate and analyse the corporate plans and high-level priorities of each of the 12 Surrey councils to highlight areas of alignment and partnership. As a result of this work at least three areas have been identified for further discussion with all partners on the possibility for greater collaboration – waste and recycling, housing and economic development..
- 3.16 Work has been on-going at the County level, with partners, to set up governance structures to enable some of the work envisaged by the County Deal to happen informally. A number of these are now in place, and the chart below sets out the hierarchy which was presented to Surrey’s Cabinet on 21 December 2021.

<https://mycouncil.surreycc.gov.uk/documents/s83438/Cabinet%20Report-%20Surrey%20Forum%20and%20delivering%20through%20partnership%20FINAL.pdf>



- 3.17 The **Surrey Forum** is “a high level, multi-agency, overarching partnership which sets, leads, directs and monitors the delivery of the countywide Community Vision over the longer term”. It is understood that partners are ‘empowered to make decisions on behalf of their organisations’ and will ensure delivery plans are implemented across the partnership. It replaces previous informal arrangements.
- 3.18 It meets quarterly and comprises the County Council Leader and Chief Executive, representatives of District and Borough Councils, Town and Parish Councils, MP representation, Surrey Police Chief Constable, Police and Crime Commissioner, Chief Fire Officer, NHS ICB Chair and CEO, representatives from the business community, the Surrey Universities and FE colleges, Voluntary, Community and Faith Sector and Probation Service. All representatives can make recommendations to the County Council on strategic priorities, resource allocation and the content and delivery of the County Deal. The Forum is chaired by the County Council Leader at the time

to provide visible and accountable leadership. (The first meeting was held in October 2021).

- 3.19 There is no direct role for individual Borough Leaders (they are represented by the chair of the Surrey Leaders – currently Cllr Bigmore from Guildford) or Borough Chief Executives (the local government lead is the Chief Executive of Surrey). There may be opportunities for direct District and Borough representation if they take up either of the vacant seats as either a Growth Board representative or a Greener Futures representative. (It is understood these roles are in the process of being filled but have not yet been formally agreed).
- 3.20 There are **4 Countywide Boards** which sit immediately beneath the Surrey Forum – One Surrey Growth Board (to deliver ‘growing a sustainable economy so everyone can benefit’), Thriving Communities (to deliver ‘empowered and thriving communities’), Greener Future Board (to deliver ‘enabling a greener future’) and Health and Wellbeing Board (to deliver ‘tackling health inequality’).
- 3.21 **Appendix D** sets out the Terms of Reference for these Boards and Forums (from SCC Cabinet report December 2021 which excluded ‘Thriving Communities’). These are focused on delivering agreed strategic priorities through joint partnership working.
- 3.22 One Surrey Growth Board has one Leader and one Chief Executive at District and Borough level (amongst 22), the Greener Future Board has 3 District and Borough seats out of 13, and the Health and Wellbeing Board has 2 Leaders and 2 Chief Executives out to 22. There is currently no Spelthorne representation at this level.
- 3.23 Beneath these Boards, sits the **Surrey Delivery Board**. “The Board will draw strategic priorities and direction from, as well as feeding in to:
Surrey Forum,
Health and Wellbeing Board,
One Surrey Growth Board,
Greener Future Board
and in time, a Thriving Communities body.”
- 3.24 The draft terms of reference (**Appendix D**) state “The Surrey Delivery Board exists to bring together, in partnership, representatives of all tiers of local government in Surrey, to align and co-ordinate the practical delivery of the Surrey Community Vision 2030 (and embryonic Vision 2050), shared priorities and activities across the county, for the benefit of Surrey residents”.
- 3.25 The Delivery Board will play an important role in identifying and developing new ideas for effective and efficient shared service models that reduce duplication and improve value for money across local government in Surrey.
- 3.26 The Board is made up of:
District and Borough Council Leaders or their deputies (D or B will chair)
County Council Leader or their Deputy
Chair of Surrey Association of Local Councils or their Deputy
The Chairs of up to three Town or Parish Councils’, as determined by Surrey Association of Local Councils for each meeting
District and Borough Council Chief Executives or their Deputies

County Council Chief Executive or their Deputy
Chief Executive of Surrey Association of Local Councils

- 3.27 This is the only Board where Spelthorne will have direct representation at both Leader and Chief Executive level. It is understood from Surrey that these terms of reference have now been formally agreed, and the first meeting of the Board took place on 1 April 2022.
- 3.30 There are also a number of **professional officer groups** across Surrey (Housing Officers, Planning Officers, Economic Development Officers, Surrey Treasurers for example) which provide an existing pool of expertise. Surrey have advised they wish to engage with these groups more fully in terms of exploring the opportunities for collaboration and more effective working.

Surrey – policies

- 3.31 The Surrey Community Vision 2030 sets out the county's ambitions.
https://www.surreycc.gov.uk/_data/assets/pdf_file/0007/197917/Partnership-Commitment_FINAL-accessible.pdf

- 3.32 In line with this Community Vision, the County Council has set out its Organisation Strategy to contribute to delivery of this shared vision, and highlighted four key strategic priorities, as follows:

Growing a sustainable economy, from which everyone can benefit
Improve wellbeing and reduce health inequalities
Enable a greener future
Empower communities to thrive

https://www.surreycc.gov.uk/_data/assets/pdf_file/0008/251648/CS4153-OrgStrategy_one_pager_2021-26_accessibility.pdf

It is this 2030 Vision that is directing all the work which is being undertaken at a strategic level by the Surrey Forum.

There are existing strategies for each of these priorities, with the most relevant ones being the One Surrey Growth Board's Plan for Growth – 'Our Economic Future',

<https://mycouncil.surreycc.gov.uk/mgConvert2PDF.aspx?ID=74942>.

Current position

County Deal

- 3.33 The Levelling Up White Paper published on 2 February 2022 invited nine areas of England to start formal negotiations to agree new county deals taking on devolved powers. The areas invited for a county deal were Cornwall; Derbyshire and Derby; Devon, Plymouth and Torbay; Durham; Hull and East Yorkshire; Leicestershire; Norfolk; Nottinghamshire and Nottingham; and Suffolk.
- 3.34 Surrey was not among the first tranche, but Cllr Tim Oliver said that "we will take note of progress and continue discussions with other areas and

government to ensure that we are in a position to grasp any future opportunities that will have a positive impact for Surrey.” He also indicated the County would urge “government to roll out county deals to further areas as soon as possible, alongside appropriate funding and support”.

- 3.35 The Leader of Surrey County Council has stated that the County is looking to work with partners including Districts and Boroughs, on a ‘Opt In’ basis. Authorities will not be obliged to enter into any partnerships under the County Deal, but clearly if a Council is not at the table, then it is not in a position to influence any outcomes. Surrey have advised that they want to actively involve Districts and Boroughs if and when they start to negotiate with Government on a County Deal.
- 3.36 The team in Surrey are currently refining the previous draft County Deal proposition in light of the information contained within the Levelling Up White Paper on the Government’s expectations around devolution. The refreshed draft County Deal proposition is due to be considered by Surrey Cabinet on 26 April 2022. Prior to that the draft proposition will be considered by the Surrey Delivery Board on 21 April. **Confidential Appendix E** sets out some of the potential areas which have already been flagged up as possible areas, but which have not yet been subject to formal review and agreement by the County, or District and Boroughs. Members will be forwarded further information on a confidential basis if it is available before the Corporate Policy and Resources committee on 20 April.
- 3.37 It is also worth the Committee being aware that presentations from Surrey are currently in the process of being rolled out to the various professional officer groups - setting out the work they have been doing and where they consider there are opportunities for collaborative and joint working. Recent presentations have focused on housing (potentially establishing shared priorities across the county, looking at key worker housing, social care provision (old and young), housing delivery, homelessness, affordability, community infrastructure and unlocking land and funding to speed up delivery of affordable housing) and finance (see section 5 below on their proposed ‘twin track efficiency’ programme).
- 3.38 If in the future Surrey was granted a County Deal by government, then the Surrey Forum could provide an effective model for governance and accountability to oversee and guide delivery of any deal. The Surrey Delivery Board would then play an important role in supporting the Surrey Forum and bringing all tiers of local government together to coordinate delivery.

Joint Committee

- 3.39 Committee members will be well aware of the Joint Committee system that has been operating for a number of years jointly between Surrey and Spelthorne Borough Council. Until recently, the terms of reference for that Committee were “to bring decision making closer to residents by meeting in Spelthorne Borough Council Chamber (Staines) to discuss and make decisions on issues such as highways, parking and public rights of way”. There was also the opportunity for the public to participate by asking questions at the committee on local topics or submitting a petition. The Committee is made up of the seven county councillors who represent each of

the divisions within the borough and seven members from Spelthorne Borough Council.

- 3.40 However, County recently agreed at Cabinet on 22 February 2022 to make changes regarding the highways executive function which were delegated to the Joint Committee.
<https://mycouncil.surreycc.gov.uk/documents/s84467/Cabinet%20Report%20LC%20JC%20Highway%20Functions%20Final.pdf>
- 3.41 This report sought Cabinet approval to “a change in the way that executive highway functions are taken, transferring them from Local and Joint Committees (LC/JCs) to enable Surrey officers to take such decisions in more direct consultation with the relevant Surrey County members. These changes will take effect from April 2022. This change will sit alongside the development of new engagement methods and tools to enable members and officers to reach out more effectively to residents than is possible through the current model.”
- 3.42 The rationale given was “this report will support more efficient local decision making, whilst ensuring that there is transparency and proper scrutiny. These proposals will enable more people to be heard and participate in decision making, leading to better outcomes for our residents”.
- 3.43 As a result, from April 2022, executive highway functions will be delegated to Surrey officers in consultation with the relevant Divisional Member. As part of this process, the report makes it clear that Surrey Members will be able to draw on an increasing range of engagement methods and tools, to reach out to more of their residents to better understand their priorities, before requesting an officer to make a decision. To address concerns about the potential loss of a more local district and borough dimension, Surrey Divisional Members will continue to be able to consult with District and Borough Councillors and neighbouring County Councillors, particularly for consideration of local integrated transport and wider infrastructure schemes.

LEPs

- 3.44 Government has advised that it is important to retain the key strengths of these local, business-oriented institutions in supporting private sector partnerships and economic clusters, while at the same time better integrating their services and business voice into the UK Government’s new devolution plans. Within the Levelling Up White Paper it was made clear that:
- Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy
 - LEP functions including hosting strategic business voice within potential scope of Level 2 and Level 3 devolution deals
 - The UK Government is encouraging the integration of LEPs and their business boards into MCAs, the GLA and County Deals, where these exist.
- 3.45 The EM3 LEP are currently discussing with Surrey County Council and the Coast to Capital LEP (east side of the county) how they could all work together to deliver a more consistent and joined up service across Surrey. There are also parallel discussions with Hampshire. EM3 will still be focused

on business (partnerships with the private sector, support for inward investment, increasing business productivity, developing high potential sectors and clusters, access to funding and co-investment, business led skills projects, connecting business and education, strengthening business intelligence capability, and driving the transition to a net zero economy).

4 Options analysis and proposal

- 4.1 The governance structures are already in place at a strategic level, and whilst they bring many parties to the table, it is a Surrey County Council led initiative (as part of a possible future County Deal). The Surrey Delivery Board is effectively the only forum where Spelthorne currently have a direct input. As its title implies, if we were to sit at this table, we would be involved in the delivery of a strategic direction set by the Boards and Forums which sit above (where we have no influence or involvement).
- 4.2 Spelthorne needs to decide the extent to which it wants to be actively involved in the Delivery Board, bearing in mind that if a County Deal were to come about that Board would play an important role in supporting the Surrey Forum and bringing all tiers of local government together to coordinate delivery. There are risks around being actively involved, passively involved, or choosing not to be involved.
- 4.3 To a greater or lesser extent, each of these options will have potentially significant ramifications for the future of this borough, its sovereignty, and the services which we deliver for our residents. Its importance is such that a decision needs to be made at a political level by councillors at this authority. Once officers have a clear political steer on the direction of travel, they will be able to tailor their involvement and responses at meetings and boards accordingly.
- 4.4 As such, it should be noted that no officer recommendation is being made in this report in terms of which 'strategic direction' option is preferred. A political steer is being sought which will determine how officer and politicians (the Leader or Deputy Leader in their absence) engage moving forwards. It would be inappropriate for officers at this stage to indicate a preference.

Option 1 - Full active support for a future County Deal and engagement at Surrey Delivery Board

- 4.5 Under this option, the Council would participate actively and fully in the initiatives which are determined by the Surrey Forum and other Boards. Spelthorne will also endeavour to ensure that when and where there is an opportunity, we look to obtain a seat on one of the Boards. This will enable us to exert a greater degree of influence at a more strategic level, potentially to the advantage of this authority (either in terms of grasping positive outcomes or at least cushioning from less favourable outcomes).
- 4.6 The advantage of this option is that not only will we be at the table, but we will also be able to make our voice clearly heard on new ways to bring local government services and functions together in Surrey, to reduce duplication and improve value for money. Spelthorne will be able to share best practice with others and potentially influence the direction of travel on matters which

we feel are of particular importance to our residents. One of these will no doubt be to give views and feed into the ambition of the Surrey Forum to a deliver a county wide vision (which is currently the Community Vision 2030) “to help realise the full economic, social, and environmental potential of the County”.

- 4.7 However, this approach does come with a number of potential disadvantages which primarily relate to the limited resources and capacity that we have available to us (see section 5 for more detail). The other key one is that full engagement will inevitably dilute the ability of the Council to deliver fully all the aims and ambitions set out in our Corporate Plan 2021 -23 which was adopted by Council on 9 December 2021. Whilst there might be some synergies in some areas under a County Deal, there will inevitably be areas which will fall outside of this remit as they are unique to our borough and the needs of our residents and businesses.
- 4.8 Councillors would then need to potentially make some difficult decisions on whether more strategic matters should take priority over those areas which we know our residents particularly value.

Option 2 – ‘Engagement with caveats’ for a future County Deal and engagement at Surrey Delivery Board

- 4.9 A second option would be for the Council to signal, *at least in principle*, that it was open to the prospect of a future County Deal in order to actively participate on the Surrey Delivery Board. Without a seat at the table, the Council will not be able to understand how the landscape is changing.
- 4.10 This would not be signalling a ‘green light’ for all elements of the County Deal but such an approach which allows for ‘bespoke’ interventions will enable the Council to take a more measured approach in considering those elements which are likely to be of most benefit to our resident and moving forward just with those. Conversely, it will be able to take a back seat or make concerns clearly known on those aspects which the Council and our residents would be not support.
- 4.11 There would be no endorsement by officers of any collaborative or partnership options without the appropriate early engagement with councillors or the relevant committee (see section below on governance). This would be made clear to the Surrey Delivery Board if this option is the one that the committee decide to take.
- 4.12 A bespoke intervention has the obvious benefit of allowing the Council to use its limited resources wisely and add value where it was felt projects would be particularly beneficial for the borough. However, for such an approach to succeed it will require considerable upfront time and resource, both at political and officer level, to understand what the opportunities are that should be taken and those where a ‘stand’ should be made. The need for quick in principle decision making at this early stage should not be under-estimated.

Option 3 - No support for a future Council Deal and no engagement at Surrey Delivery Board

- 4.13 At the other end of the scale, the Council could decide that it does not support in principle the County Deal, and therefore the whole governance structure that exists to deliver the County's Community Vision 2030. In this instance, neither the Chief Executive nor the Leader would attend the Surrey Delivery Board.
- 4.14 In taking this approach the Council would be signalling that it does not wish to cede a potential loss of sovereignty of this borough, by entering collaborative relationships which may offer opportunities at a strategic level at the expense of what matters locally.
- 4.15 This approach means Spelthorne would be excluded from any opportunities coming out of the Surrey Forum and the Boards, which may mean we are not able to reap the potential benefits of strategic collaborative working. It would allow us to focus on delivering what we as a Council know is important to Spelthorne.
- 4.16 However, this approach would not preclude the Council from continuing to undertake collaborative working with other Districts and Boroughs as set out in the report on Collaborative Working which this committee considered on 29 November 2021. The advantage of this would be that we would be working in an equal partnership with other likeminded Councils rather than sitting on a Surrey Delivery Board where all the strategic decisions have been made higher up in the governance structure where we have no say or influence.

Governance

- 4.17 Officers have considered the process by which projects could be initially considered *if* a decision is made to engage in projects and workstreams as they come forward. Whilst committees will be involved from an early stage (see section 5 below), it is being recommended that a 'first sift' review is undertaken by the Collaborative Working Group which has recently been constituted. Whilst this group was set up to look at collaborative opportunities between Spelthorne and other districts and boroughs, there is a clear synergy/overlap with work which might emerge from the Surrey Forum. Combining the two areas would enable the councillors and officers on that group to build up a level of expertise, enable them to consider options on a strategic and holistic basis, and make best use of very limited resources. A draft revised Terms of Reference are set out at **Appendix F**.
- 4.18 Members will note that, as before, this group has no decision-making powers and will be making recommendations to the various Committees as required.

5 Financial implications

- 5.1 Financially, we know that there is a particular driver for the County to work more collaboratively and in partnership. Their medium-term financial strategy (MTFS) highlights that over the period to 2026/27 there will be a funding gap of £150m which represents 15% of their total budget. This is made up of budget pressures of £226m, borrowing costs £45m and funding reductions of £13m – which is offset by efficiencies which have been identified as £133m.

- 5.2 Their MTFS also identifies a £1.9bn capital programme split between £237m on big infrastructure projects (rethinking town centres to improve local areas), £327m on improving highways and maintaining structures, £210m to reach net zero by 2030 and tackle the climate emergency (including cleaner transport, energy and buildings), £122m on flood defence and alleviation (including the River Thames scheme), £100m on Your Fund Surrey (community led ideas) and £34m on libraries (transforming them to become the centre of the community).
- 5.3 In order to close this £150m gap, Surrey have recognised that they have to change the way they work so 'spending is aligned to outcomes'. This will involve collaboration across services and stakeholders, delivering services in different and smarter new ways, and building on the transformation programme they have undertaken to date. Not surprisingly Surrey have identified many opportunities for efficiencies, some of which offer potential for partnership working between the County and the Districts and Boroughs. A number of these opportunities have been identified by the multi-disciplinary teams that have been brought together by Surrey, or by the enlarged teams that have been resourced and built up over the past year or so.
- 5.4 Areas which might potentially be in scope for consideration are transport and services to maximise independence of residents, improving local tax collection rates, strategic approach to commissioning and procurement, rationalisation of strategic assets (corporate, operational, investment and development) – we understand the County has an asset base of £1.5bn, arrangements for waste, supporting business to deliver net zero, reviewing adult and children's social care system, maximising the use of a single point of contact for residents and businesses, and supporting communities to become more self-reliant.
- 5.5 Whilst the scope and level of ambition of any County deal has not yet been formulated or agreed, even if only a number of the above are developed further that it could have a significant impact on the future of the borough and how services are delivered for our residents and businesses.
- 5.6 Section 2 above sets out some of the financial benefits behind a potential County Deal, specifically tax raising powers and additional council tax precepts, along with new funding streams being co-ordinated through the County. In terms of the latter, it is likely to be the Delivery Board, which is tasked with spending such funds, strategic decision making at the higher level may or may not mean that those monies are directed to Spelthorne and addressing the Borough's residents' needs.
- 5.7 Potential opportunities for more effective working in areas such as countywide waste contracts and grass cutting may well offer economies of scale across Surrey, but it is not clear at this stage whether this would be of financial benefit to this Council or not. Until we see more detail, it is not possible to advise on the medium- or long-term budgetary impact this might have. Members of the Environment and Sustainability Committee received a report on the Resources and Waste Strategy for England on 14 September 2021 which sets out some of the challenges that will be faced if and when these changes come on stream.
<https://democracy.spelthorne.gov.uk/documents/s37271/Report%20-%20Governments%20Proposed%20Resources%20Waste%20Strategy.pdf>

- 5.8 Like all other Surrey authorities, Spelthorne is a member of the Surrey Environment Partnership (SEP). The aim of this partnership is to manage Surrey's waste in the most efficient, effective, economical, and sustainable manner. The partnership also includes other aspects of waste management and has jointly signed up to a County wide joint waste management strategy (JMWS), single use plastics strategy and a fly tipping strategy. The JMWS is currently under review and will be updated shortly taking consideration of the proposals in the Governments new National Resources and Waste Strategy, some of which is due to be implemented in 2022/23. What is not understood now is the potentially very significant impact on service delivery.
- 5.9 Currently, the Council is estimating it will receive around £1m pa of Community Infrastructure Levy (CIL) funding (with 80% of that tied to strategic spend). Monies in the past have been allocated for A308 Improvements highway package (£5m), 10 outdoor gyms (£600k), automated restriction bollards on Staines High Street £110k), plus the reconfiguration of Staines Health Centre (c.£72k) and assisting in the expansion of Bishop Wand school (£400k). The Infrastructure Delivery Plan which will sit alongside the new Local Plan will identify a whole range of infrastructure requirements arising because of new developments. This will include highways, education, and health. In this context, the Surrey councils need to be conscious that our NHS partners are now identifying significantly greater funding needs to be put forward for consideration for CIL funding
- 5.10 There is only a set amount of money which can be extracted from schemes, and there is a risk that a new 'countywide strategic CIL' could top slice a portion of monies, leaving less to address requirements at a borough level.
- 5.11 Through the Greener Futures Delivery Plan Surrey has an ambitious programme on climate change covering four main themes (one net zero public estate, greener futures communities, grow back greener and build back greener). Each theme has underpinning objectives but to deliver will cost (Spelthorne currently has a Green Initiatives Fund but this will need to be looked at in terms of future projects to meet climate change targets beyond the next year).
- 5.12 Surrey have set up a Greener Future Partnership Steering Group to feed into the Greener Futures Board. To date this Steering Group is primarily public sector with district and borough member and officer membership, whilst a review is undertaken as to how other sectors feed into delivery of the Greener Futures Delivery Plan. It is proposed the Steering Group also feeds directly into Leaders and Chief Executives although the Group's role has yet to be closely defined.
- 5.13 There is a Surrey/Borough and District Climate Change Working Group which has been in place for over a year and does seem to be working well with a current focus on delivery and reporting. The one public estate theme in particular is being pushed, and all authorities are undertaking their own projects to reduce carbon emissions. Being involved in Surrey wide activities provides opportunities to share best practice and to collectively seek funding with greater chances of success than as individual authorities e.g Green Homes Grant Local Delivery Scheme. However, longer term it remains to be seen what direction will come from the Delivery Board which may or may not alter the current focus and dynamics.

6 Other considerations

Ongoing commitment for committees

- 6.1 In making their decision, Committee members need to bear in mind that whilst this will set the strategic level of engagement, under this authorities committee system, any proposals which are put forward by the Surrey Forum and Boards will still need to come to Spelthorne councillors for decision. The Terms of Reference acknowledge this and make it clear that the principle of subsidiarity will apply where appropriate (i.e. the lowest level of decision making which in this case would be Spelthorne Borough).
- 6.2 Early engagement of councillors would still need to be sought (whether through briefings or initial reports) to enable views to be aired, before more detailed work was done by officers on any specific proposals. Depending on the proposition, the relevant committee may decide that it wishes to set up a Task Group to steer officers on specific issues.
- 6.3 Depending on the work being take forward there is almost certainly going to be a requirement for us as a Borough to consult the public, key stakeholders, and end users (regardless of whether the Surrey Forum partnership decides to undertake its own engagement). This will be determined on a case-by-case basis as and when projects come forwards (and again the Committees view will be sought on such matters).

Resourcing

- 6.4 The level of engagement and interaction in specific projects will impact on the capacity and staff resources within the borough (as well as councillors in terms of committee meetings and possible task groups). No provision has been made in the 2022/23 budget for additional staff resource to undertake specific projects as these are unknown at present. Whilst the Council has a Transformation and Commissioning team, they are being fully utilised, and service teams are already fully stretched. Decisions will therefore have to be made on whether to agree additional resource is brought in (and how this is to be paid for), or whether it is diverted from elsewhere (with the consequent reduction in services delivery or delay in delivering another agreed corporate objective).

Communications

- 6.5 As an authority, we are keen to ensure openness and transparency around matters that have the potential to affect the future of the borough and its residents. The decision of the committee on the direction of travel which the authority is going to take on our level of engagement with the County Deal will be placed on the Councils website under 'Your Future' along with this report and appendices. As an authority we will endeavour to share as widely as we are able to (subject to confidentiality) the evolving landscape around greater collaboration and closer working, as well as the second round of the County Deal.

7 Equality and Diversity

- 7.1 Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010. There are no immediate equality, diversity or inclusion implications in this report's recommendations. Detailed impact assessments will be required as proposals are considered and if they are approved.

8 Sustainability/Climate Change Implications

- 8.1 The climate change emergency declaration and the urgent target for net zero carbon by 2030 is a critical objective for Spelthorne Borough Council. The Council will be assessing and prioritising the environmental, climate and carbon impacts of any proposals that emerge. It is important we maintain active engagement across Surrey to maximise opportunities for funding and sharing of best practice.

9 Timetable for implementation

- 9.1 The Surrey Forum and three of the Boards are already in situ (the 'Thriving Communities' is still being brought together by Surrey). The Forum met in October last year and agreed the direction of travel. Work under the direction of the Forum and Boards is already underway. The terms of reference for the Surrey Delivery Board have recently been finalised and agreed (March) and the first meeting has been held (1 April 2022). A report is being considered by Surrey County Council Cabinet on 26 April 2022 on what is being considered in terms of a County deal
- 9.2 An indicative timeframe is set out in **Appendix G**. Whilst this may be subject to amendment, it is understood that under the current programme that a County Deal could, if agreed by central government, be implemented as early as April 2023.

10 Contact

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Background papers: There are none.

Appendices:

- A Historic background – Surrey Unitary
B Removed
C Proposals for draft County Deal September 2021 (**confidential**)
D Terms of References – Surrey Forum, Surrey Delivery Board, and Strategic

Partnerships governance from SCC Cabinet report December 2021 (One Surrey Growth Board, Greener Future Fund, Surrey Health and Wellbeing Board- no reference to Thriving Communities)

- E Slides setting out some possible options for a revised draft County Deal **(confidential)**
- F Revised draft Terms of Reference for revised Collaborative Working Group
- G Indicative Timeframe