

MINUTES of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 10.30 am on 4 March 2015 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 1 April 2015.

Members:

- * Mr Nick Skellett CBE (Chairman)
- * Mr Eber A Kington (Vice-Chairman)
- Mr Mark Brett-Warburton
- Mr Bill Chapman
- * Mr Stephen Cooksey
- * Mr Bob Gardner
- * Dr Zully Grant-Duff
- * Mr David Harmer
- * Mr David Ivison
- * Mrs Denise Saliagopoulos
- Mr Chris Townsend
- * Mr Richard Walsh
- * Mrs Hazel Watson
- * Mr Keith Witham

Ex-officio Members:

Mr David Munro, Chairman of the County Council
Mrs Sally Ann B Marks, Vice Chairman of the County Council

Present:

- * Mr Denis Fuller
- * Mr Richard Walsh

* = present

12/13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Bill Chapman, Mark Brett-Warburton and Chris Townsend.

Denis Fuller and Richard Wilson acted as substitutes.

13/13 MINUTES OF THE PREVIOUS MEETING: 29 JANUARY 2015 [Item 2]

The minutes of the previous meeting were agreed as a true and accurate record of the meeting.

14/13 DECLARATIONS OF INTEREST [Item 3]

No declarations of interest were received.

15/13 QUESTIONS AND PETITIONS [Item 4]

No questions or petitions were received.

16/13 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

There were no responses to report.

17/13 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME [Item 6]**Key points raised during the discussion:**

1. The Committee were informed that an item on the Shareholder Board item had been requested to come to Committee in April and the South East Business Services Partnership would come in July before it goes to Cabinet.
2. The Committee questioned the figure of £900k given as the loss to the council from failing to sign the Manpower contract. The Committee requested a written answer from the Cabinet Member on an accurate figure.

18/13 DIGITAL TRANSFORMATION PROGRESS REPORT [Item 7]**Witnesses:**

Chris Millard, Strategy Manager

Mark Edridge, Digital Programmes Manager

Joanne Juniper, Consultant (Business Analyst)

Key points raised during the discussion:

1. The Strategy Manager introduced the 6 month progress report. It was noted that the Digital Transformation programme included four exemplar projects that aimed to prove that a digital approach could help solve problems faced by the County and its residents. Officers demonstrated examples of the Vulnerable Adults and the Customer Management systems to the Committee.
2. The Committee was informed that the vulnerable adult's list exemplar was an outcome of the recent challenges brought about by flooding challenge in the County. Information about vulnerable adults is currently held by a number of agencies including health services and District and Borough's. Sharing information was currently a manual process across many systems and agencies; an automatic process system was being developed as part of Digital Transformation programme to pool information regarding vulnerable people based on

- location. The system would assist professionals involved in emergency response situations to identify and locate vulnerable people. Engagement activities and collaborative working had taken place between the Emergency Management Team, Adult Social Care, Surrey Fire and Rescue Service and other external services for data contribution and to overcome any concerns regarding information governance. The service was working with Adult Social Care Information Governance Team to address provisions of holding data.
3. It was clarified that on the new system emergency officers could search at 'street level' such as Fire Fighters on the way to an emergency to help prioritise when responding to an incident. The system was currently a prototype and was estimated to be fully functional by July 2015.
 4. With regards to the Customer Management System, it was noted that the Contact Centre currently must log into eighteen different systems to access information across the services and communicate with residents and customers. The new approach aims to reduce the number of service delivery systems used by the Contact Centre and provide one central inbox for incoming enquiries.
 5. In an effort to reduce the number of service delivery systems the Contact Centre makes use of, the Customer exemplar project was focussing on highways enquiries. The Committee heard that the service was working with Kier and Highways to integrate systems with a Customer Management System. The Committee suggested Members be alerted to certain trends as their local knowledge could assist the programme.
 6. Members asked how innovative and pioneering the Council was being in terms of the digital transformation programme. Officers responded by citing Central Government progress and noting that Surrey County Council was amongst the first wave of Council's to be taking this approach. As the problems that the programme was looking to solve were similar across a number of organisations, there was the opportunity to share best practice and potentially generate income through systems generation.
 7. The Committee queried whether income generation could be sourced through the programme; officers responded that this could be possible. It was suggested that predictive data could be used to assist ambulance services and the distribution of flooding equipment in certain areas.
 8. Members thanked officers for the update and congratulated the team on the progress they had made since they last presented to the Committee.

Actions/Further information to be provided:

- Officers to return to the Committee with a progress report in 6 months, or when the work to connect the Highways system with the Contact Centre system was ready to demonstrate (whichever is sooner).

Recommendations:

The Committee recommend that the Cabinet Member for Business Services works with the Leader of the Council and partner organisations to encourage all relevant partners and stakeholders to share data for use within the system.

Committee next steps:

To receive an update in 6 months.

19/13 NEW MODELS OF DELIVERY PROGRAMME [Item 8]**Witnesses:**

Rachel Crossley, New Models of Delivery Lead
Susan Smyth, Strategic Finance Manager

Key points raised during the discussion:

1. The Cabinet Member for Business Services introduced the item and provided a brief update on the key achievements of the New Models of Delivery Programme since it was last presented to Committee.
2. With regard to the Surrey Outdoor Learning and Development (SOLD) item, the Committee questioned how officers could ensure that high charges could be prevented if the service was delivered through a different method in the future. Members were informed that a reference group was in the process of being established which would include Head Teachers and would take into account more than finances and income when considering the most appropriate next steps for the service.
3. It was clarified that Local Authority Trading Companies would be subject to tendering for a contract, if supplying services to the council, to ensure fair competition. There was a discussion around the new company, set up to manage TRICS (Transport Trip Rate Database). The Committee was informed that this was a transport database that held survey information around travel. This had been developed with five councils and was owned as a consortium who now form the shareholders of the company and each shareholder had one director representing them. The Committee questioned the possibility of a business that competed with TRICS being set up in the future. It was stated that TRICS had data from over 10 years, meaning it was well established to carry out the role with minimal threat of competition.
4. It was highlighted that there was scope to expand the reach of the database to other countries with similar travel patterns to the UK.
5. The Committee was informed that the New Models of Delivery process is a five-step process; it took around six months from 'deciding' to 'mobilising' a work stream, however each project is different and some may take longer.

6. It was noted that business cases for all new trading models would be considered by Cabinet before a decision was made. It was clarified that not all 'new models' were trading companies, such as the recent partnership arrangement between Buckinghamshire and Surrey's trading standards departments.

It was noted that youth work had been prioritised as Cabinet had previously agreed to look at new models for this service; the service had won a grant from the Cabinet Office to work on this and as the grant needed to be spent before the General Election, this piece of work had been prioritised.

Actions/Further information to be provided:

- Officers to provide Annual Accounts for trading companies that have reported, as part of a report from the Shareholder Board..

Recommendations:

None.

Committee next steps:

The Committee to receive a further update on the Shareholder Board and specific New Models Projects (such as the South East Business Services Partnership) at the appropriate meeting.

20/13 BUDGET MONITORING PAPERS [Item 9]

Witnesses:

Kevin Kilburn, Deputy Chief Finance Officer

Key points raised during the discussion:

1. A report was tabled from the Performance & Finance Sub Group, which met on Monday 2 March 2015. An update was also provided, alongside the report, with a response from officers about queries that had been raised. This update is attached at Annex A to these minutes.
2. With regards to carry forwards, the Committee were informed that property maintenance and IT would most likely be carried forward due to the project management nature of the work.
3. The Deputy Chief Finance Officer commented that the under spend within Property Maintenance was mostly due to the concentration on schools building maintenance.
4. Members received the following update regarding recommendations they had made to Cabinet in January 2015:

Update on Recommendations

- a. That consideration be given to the Decision Making Accountability Model of Organisational Redesign process, promoted by the LGA.

Adult Social Care

- b. That a Resource Allocation Rate of 75% be applied to the Friends, Family & Community Support programme in order to maximise the chances of exceeding the required full-year savings of 20%.
 - The Committee were informed that the target for the Resource Allocation Rate had been stretched already. Officers were concerned that stretching it further this would cause issues and concerns for those affected. It was noted that if this went any further, it could have an impact on users. The Committee agreed after some debate to request the Cabinet to consider this further.
- c. That consideration be given to securing more Continuing Healthcare support for affected clients to reduce social care costs.
 - The Committee noted that there are some potential barriers to continuing health care, it was expressed that if CCG's were supporting more people then there would be less of an impact on the council's services.

Business Services

- d. That consideration be given to further reducing the assumption regarding utilities inflation.
 - The Committee was informed regarding utilities that the inflation had been reduced from 10% to 8%, there was also a further £90k less expenditure than originally budgeted for.
- e. That a further reassessment be carried out regarding the contribution to the self insurance fund to determine whether a further reduction could be made.
 - In relation to self insurance, the Committee was informed the amount the council would self insure for was increased to £500k from £100k. This would be monitored and adjusting this would be considered at the end of March 2016 as part of the actuarial valuation. It was added around £200k would be saved on the premium.

Children, Schools & Families

- f. That the investigation into Special Educational Needs and Disabilities (SEND) transport costs be accelerated so that some of the benefit (for example through the use of personal budgets) can be achieved within the latter part of 2015/16.
 - It was noted that the SEND Transport budget was leading up to the summer refresh; this was an area that would be looked by Committee's during the summer refresh period.
- g. That the Cabinet review current policy and practice to ensure that the School Expansion Programme maximises its use of funds available through Section 106 agreements, Community Infrastructure Levies (CIL) and other related planning and development means.

- It was noted work on this was ongoing and further work was required.
 - The Committee stated Central Government had recently announced changes to housing; this meant possible implications of the new first time buyer schemes on CIL and Local Government funding.
 - It was added that development money would be scrapped to encourage the building of 200 new houses, if there was no CIL money then development would not be possible.
 - It was stated that District and Boroughs had not completed the requirements to establish CIL.
 - The Environment and Infrastructure Committee would look into the concept of CIL and Section 106.
- h. That any reduction in the number of Children's Centres required to achieve the Early Years Service savings be not in an area of significant deprivation or where necessary support is provided.
- The Committee were informed this was ongoing and would be discussed at the Children and Education Select Committee.
 - It was agreed that this recommendation would be reemphasised to Cabinet.
- i. That the Cabinet examine whether further savings can be obtained by 'effective commissioning' so that there is some scope for reconsidering the savings in Early Years and Services for Young People.
- The Committee were informed this was being looked at as part of the summer refresh would consider this. It was expressed there was likely to be savings on both Early Years and Services for Young People.
- j. That the Council should continue to hold a ring-fenced reserve in 2015/16 to meet possible further pressures in Children's Services such as increases in Child Protection referrals.
- It was noted this was being looked at as part of the summer refresh.

Environment & Infrastructure

- k. That any savings proposed for highway winter maintenance be reconsidered on the grounds of public safety.
- The Committee was informed that this recommendation was not accepted by the Cabinet for the time being.
- l. That any significant reduction in the Local Highway Revenue budget be reconsidered, as this will affect our ability locally to respond to ongoing residents' concerns over the state of local roads, drainage and environmental problems.
- It was noted that the service was currently considering ways of handling these savings. The Environment and Transport Select Committee would be discussing this.
5. There was a discussion around Adult Social Care savings, it was stated that £250m is currently spent on social care packages. If a

small saving from this was made it would be used on other service users, it was expressed savings could be made through other streams such as social worker recruitment and retention. The Cabinet Member noted she would take this back to Cabinet.

Hazel Watson left at 12.50pm

6. The Chairman of the Committee said he had attended almost all the COSC and Select Committee Performance and Finance sub groups where savings had been suggested and discussed for each directorate. At those meetings it had been very useful when the relevant Portfolio holders attended and we should make that a recommendation for future meetings of those sub groups. The Committee also thought it would be a good idea for the sub groups to challenge the detailed directorate budgets.

Stephen Cooksey out at 1.03pm

Actions/Further information to be provided:

- None.

Recommendations:

That recommendations B and H above be restated to Cabinet

Committee next steps:

Select Committee Performance & Finance sub groups be reconvened to consider budget matters ahead of the summer refresh.

21/13 DATE OF NEXT MEETING [Item 10]

The date of the next Council Overview and Scrutiny Committee is Wednesday 1 April at 10.30am in the Ashcombe Suite, County Hall.

Meeting ended at: 1.14 pm

Chairman