

**MINUTES** of the meeting of the **COUNCIL OVERVIEW AND SCRUTINY COMMITTEE** held at 10.00am on Wednesday 7 December 2011 at County Hall, Kingston upon Thames.

These Minutes are subject to confirmation by the Select Committee at its meeting on 20 January 2012.

**Members:**

- \* Ms Denise Le Gal (Chairman)
- \* Mr Mel Few (Vice-Chairman)  
Mark Brett-Warburton
- \* Mr Stephen Cooksey
- \* Mr Steve Cosser
- \* John Furey
- \* Dr Zully Grant-Duff
- \* Mr David Harmer
- \* Mr Eber A Kington
- \* Steve Renshaw
- \* Mrs Dorothy Ross-Tomlin
- \* Mr Nick Skellett CBE
- \* Mr Chris Townsend
- \* Mr Richard Walsh
- \* Hazel Watson

**Ex-officio Members:**

- Mrs Lavinia Sealy (Chairman of the Council)
- Mr David Munro (Vice-Chairman of the Council)

**Other Members:**

- \* Helyn Clack (Cabinet Member for Change & Efficiency)

\* = Present

**PART 1**

**IN PUBLIC**

55/11 **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Mark Brett-Warburton.

56/11 **MINUTES OF PREVIOUS MEETING: 16 NOVEMBER 2011: [Item 2]**

The minutes were agreed as an accurate record of the meeting.

57/11 **DECLARATIONS OF INTERESTS [Item 3]**

There were no declarations of interests.

58/11 **QUESTIONS AND PETITIONS [Item 4]**

- The following public question was received from Mr John Bosten:

“Item 6 of the Audit & Governance meeting of 5 October 2011 deals with ‘Getting fit for the future’ identifying savings of £4.2million over four years; this does not identify the Headcount number.

However, I find that on 1 January 2010 there was a 9,754 Headcount (refer to Corporate Management Select Committee 11 February 2010 page 14 of Item 5 Appendix) compared with 10,070 on 31 March 2011.

May I be informed how the savings of £4.2million over four years will relate to the Headcount in four years time?”

- The Chairman provided the following response:

“The head count figures provided to the Corporate Management Select Committee in February 2010 were to total number of employees, which include part time staff. The number of full time equivalent (FTE) staff at that time was 7,301.

The number of FTE staff at 31 March 2011 was 7,229 and by the end of August 2011, this figure was 7,084 (Council Overview & Scrutiny Committee 16 November 2011 Item 9).

The 'Fit for the Future' publication was a report on the Public Value Review programme the Council is undertaking as a part of achieving its targets for savings and efficiencies. Some of these savings will be through staffing reductions, others through improved procurement. The savings of £4.2million in the report relate to the reviews of the Recruitment Service and also People with Sensory Disabilities. In both cases the savings will be achieved through procurement”.

Mr Bosten did not feel that his question had been fully answered, and asked a supplementary question about the headcount figures for 2011. It was explained that the County Council's preferred measure was full-time equivalent rather than headcount. This was because headcount measured the total number of people employed and, as the County Council employed a high number of part-time staff, full-time equivalent was a useful measure.

59/11 **RESPONSE BY THE EXECUTIVE TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]**

No responses were referred to the Cabinet at the previous meeting.

60/11 **TIME FOR LEADERSHIP: LEADING THE CHANGE AGENDA [Item 6]**

**Declarations of interest:** None.

**Witnesses:** Julie Fisher (Strategic Director for Change & Efficiency)  
Andrew Forzani (Head of Procurement and Commissioning)

Helyn Clack (Cabinet Member for Change & Efficiency)

**Key points raised during the discussion:**

- Officers informed the Committee that there were three key benefits to pursuing joint procurement with East Sussex County Council. There would be financial benefit in terms of spending, as the combined budgets of the two authorities would be approximately £1 billion (similar to that of Kent County Council), which would provide a stronger negotiating position with suppliers. Initial analysis had indicated that the two authorities shared 40% of their top 100% suppliers in terms of spend. By pooling resources and expertise it was believed that a better capability and capacity could be established for both local authorities. The arrangement would build on the drive for joint working already being pursued through the South East Seven partnership.
- Officers confirmed that as part of the integrated leadership structure Heads of Service would report to Strategic Directors from both County Councils. It was stated that the proposals would benefit Surrey taxpayers as a partnership with East Sussex would provide greater buy-in power and establish better commercial deals.
- The Chairman expressed concern that the framework of the proposed partnership was unclear. Officers responded that they were not seeking to create a new entity but rather a joint procurement exercise, whereby Surrey and East Sussex County Councils would still receive separate contracts.
- Officers confirmed that issues of accountability would be explained in the business case, and that a legal requirement could be set so that Surrey does not take on any liability for East Sussex.
- It was stated that the concept of co-operation was positive, though concern was expressed as to who would be monitoring results. It was therefore proposed that formal controls needed to be established so that Members could be satisfied with the proposals.
- Concern was expressed that the proposals sought to take the Council down a commissioning path and that this strategy had not yet been fully debated. It was stated that many of the County's Voluntary, Community and Faith Sector organisations had also advised the Council to consider a move towards joint commissioning very carefully.
- It was requested that potential risks and savings be clearly quantified in the business case. Concern was also expressed at the fact that East Sussex may be the principal beneficiaries from the partnership, and that

Surrey must ensure that East Sussex were charged for use of the Council's expertise. Officers informed the Committee that the Council would not sign an agreement until the benefits and risks were clearly understood. The final business case would analyse this, along with tracked benefits. The Committee expressed concern at the fact that the recommendations of the report did not state this, and at the proposal to delegate decision-making powers to the Deputy Leader of the Council.

- It was suggested that officers look at the Surrey First model when creating the business case for a partnership with East Sussex, as the envisaged savings for Surrey First could be as high as £500,000. Officers stated that the business case for East Sussex would be complete by the end of the year, and acknowledged that Surrey First provided a positive example.
- Officers were congratulated for the professionalism they had shown in making improvements to the Council's procurement processes.
- It was suggested that a Member Task Group may help to shape and inform the proposals, as was the case in other policy areas. Concern was expressed that Members would not be adequately consulted prior to a final decision being made on the proposals. The Committee felt that it should have greater input into the process as its terms of reference include policy development. The Cabinet Member for Change & Efficiency stated that the Committee would be consulted regarding the business case, and that a private workshop on this subject could be held in order to provide Members with further information.
- Concern was raised that the purchasing structure would restrict the ability of Surrey to make decisions for the benefit of its residents, and that cost savings may be overridden following the establishment of a formal framework. Officers reassured the Committee that the proposed savings would still be delivered. It was also stated that the partnership would be on a category by category project basis, and that there would not be one overarching commitment.
- Concern was expressed at the effect resources used for the business case would have upon the targeted savings for the Council's Procurement.
- It was recommended that the Committee continue to scrutinise progression of the process.

**Actions/further information to be provided:**

None.

**Recommendations:**

- a) That the Committee supports the principle of a partnership with East Sussex County Council, and that any proposal for new inter-authority structures is shared with the Committee before any decisions are made.

- b) That the Committee reviews the Business Case for the partnership with East Sussex at its meeting on 20 January 2012.

**Committee next steps:**

The Committee will review the Business Case for the partnership with East Sussex at its next meeting, and make recommendations to Cabinet as appropriate.

61/11 **UPDATE ON SOLAR VOLTAIC PROJECT ON CORPORATE ESTATE  
[Item 7]**

**Declarations of interest:** None.

**Witnesses:** Helyn Clack (Cabinet Member for Change & Efficiency)

**Key points raised during the discussion:**

- The question was asked as to why the Council's focus on this type of scheme was 'so late in the day' while other local authorities had schemes in place and were achieving environmental benefits. It was noted that the focus had been on establishing the feasibility of solar panel arrays and that when the Council became aware of proposed changes to the tariffs the viability of the scheme was reviewed. The Committee was also informed that many authorities that had planned schemes had now withdrawn them given issues with short timescales and low levels of return.
- It was suggested that the Committee be informed of the outcome of a judicial review on the subject of Solar PV projects.

**Actions/further information to be provided:**

None.

**Recommendations:**

- a) That the decision not to continue with the solar PV project in its approved format be supported.
- b) That the Committee be informed of the outcome of the Judicial Review of the Government's consultation on the review of feed-in tariffs for Solar PV projects.

**Committee next steps:**

None.

62/11 **BUDGET MONITORING REPORT [Item 8]**

**Declarations of interest:** None.

**Witnesses:** Kevin Kilburn (Financial Reporting Manager)  
Helyn Clack (Cabinet Member for Change & Efficiency)

**Key points raised during the discussion:**

- Concern was expressed at the fact that expenditure was expected to be higher than anticipated with regards to Workplace Relocation costs within the Making a Difference Programme. Officers responded that this was a result of the budget being based on estimates.
- It was suggested that the effect of carry forwards and reserves on the Medium Term Financial Plan (MTFP) should be reflected in reports to the Committee. Officers responded that Member seminars would provide this information, and that progress was being made towards the provision of a quarterly update of the MTFP. This would be available by the start of the 2013/14 financial year, as new systems needed to be in place first. Information would be provided in narrative form in the meantime.
- A question was asked as to whether increased income for Early Years would continue to increase in the future. Officers agreed to respond outside of the meeting.
- A question was asked regarding how much money the Council had spent on a schools broadband arrangement with BT Openreach. Officers agreed to respond outside of the meeting.
- Concern was expressed that a large amount of funding allocated for Highways would go unspent. The Committee was informed that the Environment & Transport Select Committee had requested that Cabinet agree that money allocated to specific schemes should be rolled over to enable their completion in 2012. It was also stated that this arrangement allowed highway schemes to be completed at appropriate times and not rushed unnecessarily.
- The Committee was informed that a Rapid Improvement Event had taken place to review the subject of planning for school places, and that the results of this would feed through to capital expenditure and the relevant budget.
- It was requested that the projected £30 million underspend in the capital budget be quantified. Officers responded that the report had been prepared for the Cabinet and provided an overview of the Council's finances rather than a specific analysis. It was noted that the information required by the Committee would be discussed in an upcoming meeting between the Chairman, Vice Chairman, Leader of the Council and Section 151 Officer.
- Concern was expressed regarding the £800,000 overspend in Fire and Rescue. The Committee was informed that this was a consequence of

income targets that had not been met, though the Chief Fire Officer is taking action to ensure that this overspend would be reduced.

- It was suggested that the projected £500,000 expenditure on pay and display units to be installed by April 2012 was optimistic. It was stated that this was partially a consequence of Local Committees still going through the consultation phase and officers not being aware of what the outcome would be, although it had been necessary to make provision in the budget.
- The Committee was informed that the forecast £800,000 underspend in the Older People budget was a result of progressing an increase of people receiving care at home. It was also stated that this figure was small in relation to the overall Adult Social Care budget, and could change on a weekly basis.
- It was noted that a proportion of the £19 million underspend in the Change and Efficiency Directorate was a result of procurement savings through partnership working with Hampshire County Council, and money put aside for broadband in schools.

**Actions/further information to be provided:**

- Officers to confirm whether income for Early Years would continue to increase.
- Officers to confirm how much the Council has spent on broadband for schools in Surrey.

**Recommendations:**

None.

**Select Committee next steps:**

The Committee to receive a further budget monitoring report at its meeting on 20 January 2012.

[Eber Kington and Steve Renshaw left the meeting before consideration of the following items]

63/11 **TASK GROUP SCOPING DOCUMENTS – OCCUPATIONAL THERAPY ASSESSMENTS [Item 9]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key points raised during the discussion:**

- It was suggested that carers be specifically included in the proposed survey and witness sessions as some users may have difficulty in answering survey questions.
- It was suggested that a Rapid Improvement Event take place on this subject.
- The Committee endorsed the task group scoping document.

**Recommendations:**

- a) That the Task Group seek the views of carers as part of the proposed survey and witness sessions, and consider whether to recommend that a Rapid Improvement Event be established to consider the assessment process.

**Committee next steps:**

The Committee to review future task group scoping documents as required.

64/11 **COMPLETED AUDIT REPORTS [Item 10]**

**Declarations of interest:** None.

**Witnesses:** Diane Mackay (Audit Performance Manager)

**Key points raised during the discussion:**

- Officers informed the Committee that the Procurement Compliance Team audit had been rated as 'some improvement needed' as only 50% of routine procurement was achieved using catalogues, against a target of 70%.

**Actions/further information to be provided:**

None.

**Recommendations:**

None.

**Committee next steps:**



The Committee to receive a further audit report at its meeting on 20 January 2012.

65/11 **INTERNAL AUDIT – MANAGEMENT ACTION PLAN PROGRESS [Item 11]**

**Declarations of interest:** None.

**Witnesses:** Diane Mackay (Audit Performance Manager)

**Key points raised during the discussion:**

- The Committee noted that the majority of audits were assessed as green in terms of implementation, with the remainder amber.
- It was suggested that the Health and Safety Compliance Audit should be classified as red, as non-compliance was potentially unlawful. It was requested that further information be provided to Members on the subject of fire risk assessments.
- Concern was expressed at perceived slow progress in the addressing of Records Management actions. Officers informed the Committee that this was a consequence of issues surrounding a shredding contract, but that a new contract had now been let.
- Officers were asked to confirm whether the process for Use of Agency/Locums had been launched.

**Actions/further information to be provided:**

- Officers to provide Members with further information regarding compliance of fire risk assessments.
- Officers to confirm when the process for Use of Agency/Locums would be implemented.

**Recommendations:**

None.

**Committee next steps:**

The Committee to receive a further Management Action Plan progress report in six months' time.

66/11 **FORWARD WORK PROGRAMMES [Item 12]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key points raised during the discussion:**

- The Committee noted the Forward Work Programmes.

**Actions/further information to be provided:**

None.

**Recommendations:**

None.

**Committee next steps:**

The Committee will review its Forward Work Programme and the Forward Work Programmes of Select Committees at its next meeting on 20 January 2012.

67/11 **RECOMMENDATIONS TRACKER [Item 13]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key points raised during the discussion:**

- It was agreed that it would be useful for the Committee to scrutinise Cabinet Member objectives.

**Actions/further information to be provided:**

None.

**Recommendations:**

- a) That an item on Cabinet Members' objectives be added to the Committee's Forward Work Programme.

**Committee next steps:**

The Committee to review its Recommendations Tracker at its meeting on 20 January 2012.

68/11 **DATE OF NEXT MEETING [Item 14]**

It was noted that a private business planning workshop for the Committee would be taking place on 11 January 2012.

The next meeting of the Committee would be at 10.00am on 20 January 2012.

[Meeting ended: 12.26pm]

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**Chairman**