

MINUTES of the meeting of the **COUNCIL OVERVIEW AND SCRUTINY COMMITTEE** held at 10.00am on Friday 20 January 2012 at County Hall, Kingston upon Thames.

These Minutes are subject to confirmation by the Select Committee at its meeting on 15 February 2012.

Members:

- A Ms Denise Le Gal (Chairman)
- * Mr Mel Few (Vice-Chairman)
- * Mark Brett-Warburton
- * Mr Stephen Cooksey
- * Steve Cosser
- * John Furey
- * Dr Zully Grant-Duff
- * Mr David Harmer
- * Mr Eber A Kington
- * Steve Renshaw
- * Mrs Dorothy Ross-Tomlin
- A 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)

A = apologies

* = present

PART 1

IN PUBLIC

01/12 **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Denise Le Gal and Nick Skellett. Mel Few chaired the meeting.

02/12 **MINUTES OF PREVIOUS MEETING: 7 DECEMBER 2011 [Item 2]**

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

03/12 DECLARATIONS OF INTERESTS [Item 3]

There were no declarations of interests.

04/12 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions.

05/12 RESPONSE BY THE EXECUTIVE TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

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

06/12 ONE COUNTY ONE TEAM, CORPORATE STRATEGY 2012-2017 [Item 6]

Declarations of interest: None.

Witnesses: Julie Fisher (Strategic Director for Change & Efficiency)
Justin Newman (Performance and Change Lead Manager)
Dan Shurlock (Senior Performance Manager)

Helyn Clack (Cabinet Member for Change & Efficiency)

Key points raised during the discussion:

- The Committee noted the range of more specific strategies which will support the delivery of the Council's overall priorities. Overall the Committee felt that the Corporate Strategy was clear and easy to read, and that the introductory paragraph, whilst quite forthright, set the context for the Council's progress since 2008 and demonstrated the commitment to being open and honest.
- The Committee accepted the principle that a strategy document should be aspirational and challenging, but cautioned against including commitments which were not necessarily within the control of the County Council. For example, whilst the sentiment that 'every child has a great start to life' was inherently worthy, there were many aspects in relation to this which were beyond the influence of the County Council. It was felt that residents would read statements included in the Strategy as a list of promises, and therefore the commitments should be qualified to keep them relevant to the role of the Council. The Council might otherwise be perceived as having failed in relation to its targets.
- The need to ensure that the priorities in the Strategy were measurable was stressed by the Committee. Also, whilst recognising the value of keeping the document as brief as possible, it was felt that investments proposed in the 'key actions' box on the first page (for example improving roads and tackling congestion) should be reflected in the priorities listed for 2012/2013.

- Finally, while the Strategy mentions devolving decision-making to a more local level as one of the priorities for 2012/2013, the Committee felt that the subject of localism could be given greater emphasis in the document.

Actions/further information to be provided:

None.

Recommendations (to Cabinet):

- a) That, subject to the comments above, the *One County One Team* Corporate Strategy 2012 - 2017 be endorsed and presented to the County Council for approval at its meeting on 7 February 2012.

Committee next steps:

None.

07/12 **BUDGET MONITORING REPORT FOR NOVEMBER 2011 (PERIOD 8)**
[Item 7]

Declarations of interest: None.

Witnesses: Julie Fisher (Strategic Director for Change & Efficiency)
Kevin Kilburn (Financial Reporting Manager)

Helyn Clack (Cabinet Member for Change & Efficiency)

Key points raised during the discussion:

- Officers informed the Committee that Cabinet had approved £16.8 million of carry forwards. However concern was expressed at the fact that revenue carry forwards run the risk of boosting income for next year and then put strain on the budget for the following year. It was also noted that the underspend in Adult Social Care was due to the mild weather so far this winter, but that this situation could change. The meeting was briefed on the status of the Dilnot Review and its likely implications on the Adults service was outlined.
- It was noted that there may be further savings against budget could accrue in Environment & Infrastructure as a result of a lack of severe winter weather, and that carry savings may be expected.
- Officers agreed to confirm what the “New Dimension Draw Down Grant” was intended to fund, although it was believed that this was for recruitment and retention of teachers.
- It was stated that the projected underspend in Children and Families was a result of the Government changing targets with regards to young people having to be in education or training up to age 18. It was also suggested that flexibility needed to be built into budgets in order to account for circumstances beyond Surrey County Council’s control.

- A question was asked regarding the ringfenced grant for schools, as current government policy was to move away from ringfencing. Officers responded that although this was the case, the Council was still able to focus funding on specific areas.
- The Committee was informed that underspending in the Primary Capital Programme occurred because capital projects were running behind programme dates.
- Concern was expressed that year to date only 13% of the target efficiencies and savings had been achieved, with 69% green but not achieved, and 18% amber. Officers responded that a blue rating would only be reached once the savings target in the Medium Term Financial Plan had been achieved, though green ratings are a positive indicator that savings were likely to be made.
- Officers informed the Committee that money put aside for the Council's revenue account was placed in the Capital Financing Reserve and that this money could be used to borrow against. Concern was expressed that minimum revenue provision (MRP) was preventing the Council from having an accurate understanding as to how much money it has. Officers responded that MRP aims to ensure that when local authorities are setting their budgets, their loans can be repaid.
- Officers confirmed that the re-profiling of £9.6 million for schools referred to the carry forward of funding. Concern was expressed that changes to the scope of projected works for schools may have negative long term implications. Officers responded that the savings being made were focused on getting better commercial arrangements in place and increasing the Council's buying power, which would provide long-term benefits.
- Information was requested on the requested on the vacancy levels in each Directorate as well as details of which vacant posts were likely to be filled. It was noted that services did not automatically fill vacancies as they arose in order to help meet savings targets.

Actions/further information to be provided:

- a) Officers to confirm what elements of the budget were funded by the New Dimension Draw Down Grant.
- b) Details to be provided on staff vacancy levels by Directorate.

Recommendations:

None.

Committee next steps:

The Committee to review the budget monitoring report for December 2011 (Period 9) at its meeting on 15 February 2012.

08/12 **EXCLUSION OF THE PUBLIC**

The Committee resolved that under r Section 100(A) of the Local Government Act, 1972, the public be excluded during consideration of the above item on the grounds it involved the likely disclosure of exempt information under the relevant paragraphs of Part 1 Schedule 12A of the Act.

[Note: The Committee considered the following item in private at the meeting. However, the information set out below is not confidential.]

09/12 **DRAFT BUDGET 2012/2013 [Item 8]**

Declarations of interest: None.

Witnesses: Julie Fisher (Strategic Director for Change & Efficiency)
Kevin Kilburn (Financial Reporting Manager)

Helyn Clack (Cabinet Member for Change & Efficiency)

Key points raised during the discussion:

- The Committee received an oral update on the proposed budget for 2012/2013 and discussed the proposal not to accept the Council Tax Freeze Grant, and were generally in agreement with the direction taken.
- The Committee also reflected on the process of Member involvement in the budget process, and felt that the series of Select-Committee budget workshops held since in the autumn had provided a good opportunity for Members who attended, to understand and discuss the concepts and direction for specific Directorates. These had been open to all interested Members to attend, and built on the information provided at the more general Member Seminars.
- Concern was expressed that detailed figures for CAE/Corporate/CEO areas were not made available to the Committee at its workshop in January or at the following formal Committee meeting, which reduced the ability of members of the Committee to understand and scrutinise the service budgets. It was proposed that the overall process should be reviewed with officers in order to ensure that this Committee and the Select Committees could provide the most effective scrutiny of the budget in future.
- Select Committee chairmen reported on their Committee's deliberations of their respective Directorate-level budgets and highlighted specific risks which had been identified, although overall it was not felt necessary for the Council Overview & Scrutiny Committee to make any recommendations about the relative budget levels between Directorates.
- In relation to the proposed Council Tax increase of 2.99%, it was suggested that this increase should only be included in the budgets of front-line services, rather than to all services equally and the non allocated amount be held in a reserve for virements which became

necessary during the year, including the full increase in the non front line services e.g. CEO would reduce focus on cost reductions required.

Actions/further information to be provided:

None.

Resolved:

That the Chairman and Vice Chairman work with Officers to identify how COSC and Select Committees can be involved more effectively in the budget planning process in future.

Recommendations:

- a) That consideration be given to only applying the proposed Council Tax increase of 2.99% to the budgets of front-line services, rather than to all services equally, with the balance held centrally and allocated during the year to key projects at the Leader's request.

10/12 **TREASURY MANAGEMENT PUBLIC VALUE REVIEW (PVR): TERMS OF REFERENCE [Item 9]**

Declarations of interest: None.

Witnesses: Nick Harrison (Chairman, Audit and Governance Committee)
Tracy Milner (Pension Fund and Treasury Manager)

Key points raised during the discussion:

- Officers informed the Committee that the Council's fall back position to achieve its borrowing needs was to obtain funds from the PLB.
- It was requested that any recommendations from Sector (the independent consultant) in relation to Treasury Management that have or will be shared with the Member Reference Group be made available to the the Committee for information.
- The Committee was informed that the treasury departments overheads as expressed as a percentage was one of the lowest of the comparative councils.
- It was requested that further information regarding who would be appointed as the external challenge of the PVR be given to the Committee when it is confirmed.

Actions/further information to be provided:

- Officers to confirm details of external challenge for the Treasury Management PVR to the Committee.

- That recommendations from Sector in relation to Treasury Management that have been submitted to the Member Reference Group be shared with the Committee for information.

Recommendations:

- a) That the terms of reference for the Treasury Management PVR as set out in the report be endorsed.

Committee next steps:

None.

11/12 **COMPLETED AUDIT REPORTS AND THE ANNUAL PLANNING PROCESS [Item 10]**

Declarations of interest: None.

Witnesses: Sue Lewry-Jones (Chief Internal Auditor)

Key points raised during the discussion:

- The Adult Social Care Select Committee would be reviewing any relevant issues arising from the audit of the Transport Co-ordination Centre Public Value Review.
- Officers confirmed that work was currently underway to audit the Council's procurement arrangements with Babcock 4S, and that governance of the Surrey Wildlife Trust and implementation of the new highways contract with May Gurney was on this year's audit plan. The Committee was also informed that a draft report on the subject of Adult Social Care debt had been produced, and Internal Audit would be reviewing this shortly.
- The following topics were suggested for inclusion in the 2012/13 Audit Plan, subject to risk assessment and availability of staff resources:
 - Making a Difference – process and achievements in light of resources allocated
 - Concessionary bus scheme – data collection process for attributing income from cross-border journeys.
 - Youth transformation.

Actions/further information to be provided:

None.

Recommendations:

- a) That consideration be given to including the topics listed above in the Internal Audit Plan for 2012/13.

Committee next steps:

The Committee to receive a further audit report at its meeting on 15 February 2012.

12/12 **REVIEW OF CABINET MEMBER PRIORITIES [Item 11]**

Declarations of interest: None.

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

Key points raised during the discussion:

- Due to the absence of the Portfolio holder of Assets and Regeneration It was agreed that discussion of item 11a (Assets and Regeneration Programmes portfolio priorities) be deferred to the next meeting.
- It was suggested that increased Member attendance at training sessions needed to be ensured, because at present numbers are not high enough.
- The Cabinet Member for Change & Efficiency informed the Committee that a reduced reliance upon Council Tax (priority two) would be made possible through better procurement and partnership working.
- It was felt that the focus of the Member development target (priority five) should be on training and support pre- as well as post-2013 Council elections.
- The priorities currently contained no mention of the AE, CEO and CIE services, and it was felt these should be included.

Actions/further information to be provided:

None.

Resolved:

That the priorities of the Cabinet Member for Assets and Regeneration Programmes be reviewed at the next meeting.

Committee next steps:

The Committee will review the relevant Cabinet Members' priorities twice-yearly.

13/12 **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 15 February 2012.

14/12 **RECOMMENDATIONS TRACKER [Item 13]**

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

The Committee noted the Recommendations Tracker.

Actions/further information to be provided:

None.

Recommendations:

None.

Committee next steps:

The Committee will review its Recommendations Tracker at its meeting on 15 February 2012.

15/12 **DATE OF NEXT MEETING [Item 14]**

Noted that the next meeting of the Committee would be at 10.00am on Wednesday 15 February 2012.

16/12 **EXCLUSION OF THE PUBLIC [Item 15]**

The Committee resolved that under under Section 100(A) of the Local Government Act, 1972, the public be excluded during consideration of the following item on the grounds it involved the likely disclosure of exempt information under the relevant paragraphs of Part 1 Schedule 12A of the Act.

[Note: The Committee considered the following item in private at the meeting. However, the information set out below is not confidential.]

17/12 **BUSINESS CASE FOR JOINT PROCUREMENT PARTNERSHIP
[Item 16]**

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:

- The Committee considered a report on the business case for a proposed procurement partnership with East Sussex County Council.

Recommendations (to officers):

- a) That a progress report on operation of the procurement partnership with East Sussex County Council be submitted to the Committee in September 2012.

18/12 **PUBLICITY FOR PART TWO ITEMS [Item 17]**

Resolved:

That the items considered under Part Two of the agenda should remain confidential and not be made available to the press and public.

[Meeting ended: 1.10pm]

Chairman