

**MINUTES** of the meeting of the **COUNCIL OVERVIEW AND SCRUTINY COMMITTEE** held at 10.00am on Tuesday 17 April 2012 at County Hall, Kingston upon Thames.

These Minutes are subject to confirmation by the Committee at its meeting on 16 May 2012.

**Members:**

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

(two vacancies)

**In attendance:**

- \* Ms Denise Le Gal (Cabinet Member for Change & Efficiency)
- \* Mr Tony Samuels (Cabinet Member for Assets & Regeneration Programmes)

\* = present

A = apologies

**PART 1**

**IN PUBLIC**

**46/12 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Stephen Cooksey. There were no substitutes.

**47/12 MINUTES OF PREVIOUS MEETING: 14 MARCH 2012 [Item 2]**

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

**48/12 DECLARATIONS OF INTERESTS [Item 3]**

There were no declarations of interests.

49/12 **QUESTIONS AND PETITIONS [Item 4]**

There were no questions or petitions.

50/12 **RESPONSE BY THE EXECUTIVE TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key Points Raised During the Discussion**

The Committee noted the responses in relation to the Fairness & Respect and Involvement & Transparency Strategies.

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

None.

51/12 **RECOMMENDATIONS TRACKER [Item 6]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key points raised during the discussion:**

- The Committee expressed concern about the lack of progress on some of the actions and recommendations listed in the tracker. It was agreed that a more robust follow-up was required to ensure actions were taken, while acknowledging that some of the items had not been updated to reflect the fact that the action had been completed.. It was also agreed that the Leader be copied in to follow-up requests from Democratic Services when actions had not been completed by the accountable officer.
- That items COSC 51, COSC 52 and COSC 53 for which information had recently been circulated are marked as complete on the recommendations tracker, but that they be reviewed again at the next meeting once Members had had an opportunity to consider the information.
- The Committee was informed that COSC 35 would be addressed following the appointment of a new Pension Fund and Treasury Manager.

**Recommendations:**

None.

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

That the Leader be copied in to requests for further information.

**Committee Next Steps:**

The Committee will review its recommendations tracker at its next meeting on 16 May 2012.

52/12 **FORWARD WORK PROGRAMME [Item 7]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key points raised during the discussion:**

- IT Roll-out Progress Report to be added to the agenda for May as agreed at the last meeting.
- That the Rapid Improvement Event update item scheduled for May should be in the form of a table listing completed and planned RIEs, stating the event title and date, officers and Members responsible, outcomes and whether or not the implementation was on target.
- The Human Resources item to be moved from September 2012 to June 2012 and to include inter alia staff turn-over, the exit process, succession planning and the strategic pay review.
- That the Policy & Performance Team key objectives and work plan be added to the May meeting.
- That a presentation outlining the work of the Communications Team and updating on the use of social media is added to the June meeting.
- That a report on the Community Infrastructure Levy is submitted to the Committee following the conclusions of the task group and once a final decision had been made.
- The Committee was informed that the Environment & Transport Select Committee would be reviewing governance arrangements for the Surrey Wildlife Trust at its upcoming meeting and that this would include looking at the financial situation of the Norbury sawmill.

**Recommendations:**

That the amendments listed above be made to the forward work programme.

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

None.

**Committee Next Steps:**

Noted that the Committee would review its forward work programme at its next meeting on 16 May 2012.

53/12 **BUDGET MONITORING REPORT FOR FEBRUARY 2012 (PERIOD 10)**  
**[Item 8]**

**Declarations of interest:** None.

**Witnesses:** Kevin Kilburn (Financial Reporting Manager)  
Susan Smyth (Senior Finance Manager)

**Key points raised during the discussion:**

- The view was expressed that spending on Olympic communications was important as SCC needed to ensure it was keeping residents well-informed.
- The Committee was informed that although the number of redundancies had increased, the average cost of redundancies had decreased. Some members of staff may be redeployed and redundancy costs would be saved if they do not leave the Council..
- The question was asked as to whether the Surrey Growth Strategy linked with the Central Income and Expenditure budget. Officers responded that the Growth Strategy was managed by the Deputy Leader and that initiatives were still being determined.
- Officers were requested to provide further details on the financial benefits following the Zibo ceramics exhibition in Woking, though early indications suggested that the exhibition was well-received.
- Given the significant sums of money being carried forward to next year, it was suggested that future budget monitoring reports include reference to the impacts of under spends and carry-forwards on the Medium Term Financial Plan.
- The Committee was informed that Olympics expenditure had been carried forward and the overall overspend from the prior year would be taken from the current year's budget. This was because when the budget was set, it was not known when the expenditure would actually fall.
- The view was expressed that assurances needed to be made that carry forwards were for one-off projects and not for supporting future budgets. Officers responded this was often the case, though carry forwards often support Directorate attempts to make savings targets.

**Recommendations:**

That future budget monitoring reports include reference to an updated Medium Term Financial Plan.

**Actions/Further Information to be provided:**

- Further information to be provided on the financial benefits following the Zibo ceramics exhibition.

**Committee Next Steps:**

The Committee will receive a further budget monitoring report at its meeting on 16 May 2012.

54/12 **STAFF VACANCY LEVELS [Item 9]**

**Declarations of interest:** None.

**Witnesses:** Neil Bradley (Human Resources Group Manager)  
Kevin Kilburn (Financial Reporting Manager)  
Carmel Millar (Head of Human Resources and Organisational Development)

Denise Le Gal (Cabinet Member for Change & Efficiency)

**Key points raised during the discussion:**

- Officers provided an overview of the process for the removal of posts, and informed Members that service budget holders made the relevant decisions in conjunction with their Head of Service and Strategic Director.
- Concern was expressed that the filling of vacancies by temporary staff was shifting the costs of permanent staff elsewhere. Officers responded that the use of temporary and complementary staff comes at a variable cost and provided managers greater flexibility in managing their budgets.
- Concern was expressed that although a saving of £6.3m had been made in the cost of full time equivalents (FTEs), an additional £4.7 million had been spent on temporary staff. Officers responded that managers would not want to recruit for a permanent post if it was going to be removed at the end of the year because of the resultant redundancy costs, and as such the use of temporary staff avoided this expense. Concern was also expressed about the effect the use of temporary staff had upon productivity had not been determined.
- Officers confirmed that budgeted full-time equivalents for 2012/13 took the targeted £71m savings into account. Members were informed that an allowance for temporary staff was not included in the total figure for budgeted FTEs.
- Officers were asked how overall savings had been achieved given that a total of only £1.6m had been taken out of staffing costs. Officers responded that this saving in permanent staff costs was £6.3 million in comparison to the same period in 2010/11, although there had been increased spending on temporary staff to meet short-term needs within the organisation.
- Concern was expressed that the definition between vacancies and temporary staff was too loose, and that SCC was underachieving in its budget because too many vacancies were being held. It was suggested that if a vacancy was held for nine months or longer the post should be eliminated. Concern was also expressed at the fact that savings resulting

from a reduction in headcount had been largely cancelled out by spending on temporary staff.

**Recommendations:**

That the Finance Sub-Group investigates further how decisions about vacancies are handled by services, and the impacts of these decisions on budgets.

**Actions/Further Information to be provided:**

None.

**Committee Next Steps:**

The Committee's Finance Sub-Group will continue to investigate this subject..

55/12 **SICKNESS ABSENCE [Item 10]**

**Declarations of interest:** None.

**Witnesses:** Neil Bradley (Human Resources Group Manager)  
Carmel Millar (Head of Human Resources and Organisational Development)

**Key points raised during the discussion:**

- The Committee was informed that the Adult Social Care Directorate had endorsed an action management plan for dealing with sickness absence.
- Although a saving of £5.45m in the annual cost of staff sickness had been made, Members were informed that this money was not bankable as it represented opportunity costs for lost work.
- Officers confirmed that it was the policy of the Council to grant people on long term sick leave full pay for the first 6 months of their absence and half pay for the following six months.
- Officers informed the Committee that for next year's figures benchmarking between the public and private sector would take place.
- Officers acknowledged that stress was a significant factor in staff sickness absence in the Council, and outlined a number of measures in place to tackle the issue including advice on the s:net, access to professionals who can provide help, and the promotion of smarter working.
- The Committee was informed of recently implemented preventative absence management processes, including a reduction from twenty days to ten in the trigger for manager discussions of sickness issues, a reduction from twenty days to ten for the period after which any further absence that requires a doctor's note, and the requirement for return to work interviews following a period of sickness. Studies showed that these measures had helped to reduce overall rates of staff sickness absence at the Council.

- Officers confirmed that the Council does not set individual targets for the reduction of sickness absence, though it does track the root cause of each case of sickness which helps to inform appropriate intervention.

**Recommendations:**

That the sickness absence rate in Adult Social Care be reported separately for the County Council's internal monitoring purposes and benchmarked against the rates for equivalent services in other County Councils.

**Actions/Further Information to be provided:**

None.

**Select Committee Next Steps:**

None.

56/12 **BUSINESS CONTINUITY [Item 11]**

**Declarations of Interest:** None.

**Witnesses:** Julie Fisher (Strategic Director for Change & Efficiency)  
Ian Good (Head of Emergency Management)  
Susie Kemp (Assistant Chief Executive)

Kay Hammond (Cabinet Member for Community Safety)

**Key Points Raised During the Discussion:**

- Officers informed the Committee that work had taken place with Procurement in order to improve supply chain resilience, and this included reviewing old contracts to ensure business continuity.
- The Committee was informed that Officers were satisfied they had sufficient resources to deal with emergency management. This included a wide response network containing a number of partners embedded in the County, and mechanisms to escalate issues to the national level if necessary.
- Officers assured Members that the appropriate procedures were in place to counter risks from future organisational change, with key risks highlighted in the appropriate Risk Register.
- The Committee was informed that current partnership arrangements ensured that lessons were learnt following incidents in the County where a response was required from the Emergency Management Team. It was suggested that the Committee review the major incidents.
- Officers informed Members that there was sufficient flexibility within the Emergency Management Team to deal with emergencies independent of the Olympics, and that there was provision to put some Olympic work to one side if necessary. Members were also informed that the Communities

Select Committee had recently discussed this issue and the Chairman was confident that the Emergency Management Team was as prepared as possible.

- Officers confirmed that the two Borough and District Representatives on the Local Resilience Forum Community Resilience Group were able to raise any issues that arose with the relevant Chief Executive to ensure that all Districts and Boroughs were involved in the process.

**Recommendations:**

None.

**Actions/Further Information to be provided:**

That a further report concerning the following issues be submitted to the Committee in July 2012:

- Work underway to ensure the move of the Director for Public Health's team is incorporated into the SCC Business Continuity Management.
- The maintenance of Business Continuity arrangements alongside the current changes in the estate and IMT portfolios.

**Select Committee Next Steps:**

The Committee will receive a further report on Business Continuity at its meeting on 11 July 2012.

**57/12 COMPLETED AUDIT REPORTS [Item 12]**

**Declarations of interest:** None.

**Witnesses:** John Stebbings (Chief Property Officer)

**Key Points Raised During The Discussion:**

- The Committee was informed that as of 10/04/12 the Council's net position for rental arrears was £249,000. To collect the remaining money a comprehensive action plan had been implemented, including measures such as a robust monthly budget reporting process and the compilation of a risk register.
- Officers informed Members that all rents would be recorded on Property Asset Management Systems (PAMS) by the end of 2012, and that current systems would run alongside PAMS during data transition.
- The Committee noted the report.

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

That the Audit & Governance Committee be asked to carry out a review of the operation of the PAMS system in January 2013.



**Recommendations:**

None.

**Committee Next Steps:**

The Committee will continue to receive a audit reports future meetings..

58/12 **CABINET MEMBERS' PRIORITIES [Item 13]**

**Declarations of interest:** None.

**Witnesses:** John Stebbings (Chief Property Officer)

Denise Le Gal (Cabinet Member for Change & Efficiency)  
Tony Samuels (Cabinet Member for Assets & Regeneration  
Programmes)

**Key points raised during the discussion:**

- The Committee was informed of a regeneration scheme currently underway in Reigate and Banstead which would create community hubs and new housing. Members were also informed that a long term strategic asset plan was being drawn up, and that a list of 8,000 properties/assets had been compiled thus far. The Cabinet Member for Assets & Regeneration Programmes stated his aim to have property issues dealt 'in house' by Surrey County Council instead of using external consultants.
- The Cabinet Member for Assets & Regeneration Programmes agreed to report back to the Committee with a projected income target, and stated he would be willing to deal with specific mapping issues with the relevant local Members.
- The view was expressed that the opinions of residents and communities needed to be taken into account when making plans regarding the Council's property portfolio. The Cabinet Member responded that it would be important to incorporate the values of localism into these decisions, and that a balance would be struck between the needs of residents and driving income.
- Concern was expressed that problems may arise from the effect changes to the Health Authority will have upon the status of properties the Council leases from them. The Cabinet Member stated that he was aware of such issues and would ensure the Council worked with the correct organisations going forward.
- The view was expressed that the Council needed to strike a balance between a long term commitment to flexibility, and a short term commitment to generate income. The Cabinet Member acknowledged that short-termism had been an issue in the past and stated that he would aim to retain the Council's key long-term assets. The Committee was informed

that all business cases would be challenged in order to ensure viability and transparency.

- It was suggested that greater Member involvement in this process be encouraged following the termination of the Member Asset Panel. The Committee was informed that the Investment Panel and Cabinet now analysed needs of existing buildings and requirements for new buildings. Local Members would be consulted on projects in their area.
- Concern was expressed that certain schemes took too long to commence and officers were asked for assurance that there were measures in place to ensure the capital budget could be spent, particularly with regard to school places. Officers responded that they were working closely with planning colleagues to set key dates for school projects and were looking at how the processes could be improved.
- The Committee was informed that the priorities of the Cabinet Member for Assets and Regeneration Programmes did not have specific timescales because they needed to be flexible in order that they could be realistic, informed and well researched. It was suggested that the Cabinet Member report back to the Committee in September 2012 when timescales and budgets had been determined.

(Hazel Watson left the meeting at 1.00pm).

- The Cabinet Member for Change & Efficiency presented her priorities to the Committee, and informed Members that she intended to take on board the views of the Finance Sub Group in ensuring the delivery of efficiency savings outlined in the Medium Term Financial Plan.
- The Committee was informed that the Cabinet Member was undertaking a significant amount of work on building relationships with Surrey partners and supporting local areas through Surrey Connects.
- It was suggested that Members of the Committee visit the Council's new data centre. Concern was expressed that the Cabinet Member for Change & Efficiency's fifth priority implied that the IMT directorate would be responsible for delivering savings, and that this be clarified to state that individual services would deliver savings.
- The Cabinet Member informed the Committee that she would be supporting the culture change programme for staff and Members by implementing a new comprehensive training programme and charter for Members.

**Recommendations:**

None.

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

That the Cabinet Member for Assets and Regeneration Programmes reports back to the Committee in September 2012 with a progress update

concerning work on his priorities and initial proposals for schemes for inclusion in the 2013/14 Capital Programme.

**Committee Next Steps:**

The Committee will scrutinise the progress made on the priorities of the Cabinet Members for Change & Efficiency and Assets & Regeneration Programmes on a six-monthly basis.

**59/12 DATE OF THE NEXT MEETING [Item 14]**

Noted that the next meeting of the Committee would take place on 16 May 2012.

[Meeting ended: 1.18pm]

---

Chairman