

MINUTES of the meeting of the **COUNCIL OVERVIEW AND SCRUTINY COMMITTEE** held at 10.00am on Wednesday 11 July 2012 at County Hall, Kingston upon Thames.

These Minutes are subject to confirmation by the Committee at its meeting on 12 September 2012.

Members:

- * Mr Mel Few (Chairman)
- * Mark Brett-Warburton
- * Mr Stephen Cooksey
- * Mr Steve Cosser
- A Mrs Clare Curran
- A Dr Zully Grant-Duff
- * Mr David Harmer (Vice-Chairman)
- * Mr Eber A Kington
- * Mrs Sally Marks
- * Mr Steve Renshaw
- * Mr Nick Skellett CBE
- * Mr Chris Townsend
- * Mrs Denise Turner-Stewart
- A Mr Richard Walsh
- * Hazel Watson

Ex-officio Members:

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

In attendance:

- * Ms Denise Le Gal (Cabinet Member for Change & Efficiency)
- * Mrs Lavinia Sealy (Chairman of the Council)

Substitutes:

- * Mr David Ivison

* = present
A = apologies

PART 1

IN PUBLIC

87/12 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Clare Curran, Dr Zully Grant-Duff and Richard Walsh. David Ivison substituted for Dr Zully Grant-Duff.

88/12 **MINUTES OF PREVIOUS MEETING: 13 JUNE 2012 [Item 2]**

It was agreed that the following wording should be added to minute number 84/12:

The Committee was informed that the Winter Maintenance Task Group had been shortlisted for two awards from the Centre for Public Scrutiny, and was a joint runner-up in the category for 'Transforming Services/Responding to Change', and came joint fourth in the 'Scrutineer's Choice' category from a field of 18 shortlisted entries.

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

89/12 **DECLARATIONS OF INTERESTS [Item 3]**

There were no declarations of interests.

90/12 **QUESTIONS AND PETITIONS [Item 4]**

There were no questions or petitions.

91/12 **RESPONSE BY THE EXECUTIVE TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]**

Noted that the recommendation in relation to lobbying Surrey MPs and MEPs to support a change to procurement law would be made to the Cabinet at its meeting on 24 July 2012, and that the outcome would be reported to the Committee in September 2012.

92/12 **RECOMMENDATIONS TRACKER [Item 6]**

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

- It was recommended that Committee Chairmen review the Cabinet forward plan to consider whether any items within their remit required scrutiny at their Committees or provided opportunities for input at an early stage as part of their policy development role.
- It was suggested that the Committee look at the award of the Council's cloud technology contract, whereby data would be stored over a network. The Chairman responded that this could form part of the Committee's detailed review of the IMT service at a future meeting.

(Steve Cosser entered the meeting at 10.16).

- It was suggested that the Committee consider scrutinising the relative value of the Council's contract with Manpower.
- It was noted that the finance sub-group had considered the revised Financial Regulations, and these would be submitted to the Committee in September 2012 prior to consideration at the Council meeting in October 2012.

Recommendations:

None.

Actions/further information to be provided:

- That the new Pension Fund and Treasury Manager be invited to attend the Committee in December 2012 to discuss the treasury management arrangements as part of the proposed review of the finance service.
- That a special meeting be arranged in order for Tony Samuels to provide the Committee with an update on his work relating to the Council's property portfolio.
- Chairman to discuss the process for establishing Member Reference Groups with the Cabinet.
- Officers to circulate final version of Scrutiny Annual Report to Members of the Committee.

Committee Next Steps:

The Committee will review the recommendations tracker at its next meeting on 12 September 2012.

93/12 **FORWARD WORK PROGRAMME [Item 7]**

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

- The Committee was informed that the 2013/14 Capital Programme item would include information in response to the relevant audit reports and also plans to monitor the Capital Expenditure of the Council.
- Concern was expressed at the rescheduling of the Communications Team item, as it was felt that discussion of the role of Localism within the strategy would be appropriate while the work was current and during the One Team Review. The Chairman responded that the item had been rescheduled as a result of the Communications Team's Olympic commitments and to ensure the involvement of the Committee at appropriate stages of the One Team Review.

- It was noted that the Council's Quarterly Business reports would in future be discussed by the Chairman and Vice-Chairman at their Draft Report meetings and circulated to other Members of the Committee. Any issues of concern would then be considered at the following Council Overview and Scrutiny Committee meeting with the relevant service officers.

Recommendations:

None.

Actions/further information to be provided:

- That the financial performance of the Council's street-lighting contract, including progress towards a reduction in CO2 emissions, be added to the Committee's forward work programme for September 2012. [Action by: Bryan Searle/Tom Pooley/Keith Atkins].
- That the following issues be considered as part of the Committee's finance review at its meeting in December 2012:
 - Review of the dashboard monitoring system.
 - SAP
 - Scrutiny of the Council's treasury management arrangements

Committee Next Steps:

The Committee will review the forward work programme at its next meeting on 12 September 2012.

94/12 **TASK GROUP SCOPING DOCUMENT [Item 8]**

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

- The Committee was informed that a key aim of the task group would be to reprioritise the Council's countryside management in terms of relationships and financial impacts, with a focus upon the Surrey Wildlife Trust (SWT). This would form the first phase of the review and other issues would be explored at a later date. The importance of improving performance and communication from SWT was emphasised.
- It was suggested that the Council's countryside property portfolio be addressed as a priority as part of the review. The Committee was informed that this would be included as part of the 2013/14 Capital Programme item, due to be submitted to the Committee in September 2012.
- Concern was expressed that the list of witnesses did not include representatives from Chobham Common, which formed a significant portion of the Council's countryside portfolio.

Recommendations:

That the task group scoping document be approved.

Actions/Further Information to be provided:

None.

Committee Next Steps:

The Committee will consider further task group scoping documents as required.

95/12 **BUDGET MONITORING FORECAST 2012/13 (PERIOD ENDING MAY 2012) [Item 9]**

Declarations of interest: None.

Witnesses: Kevin Kilburn (Financial Reporting Manager)

Denise Le Gal (Cabinet Member for Change & Efficiency)

Key points raised during the discussion:

- The Committee was informed that the 'vacancies not occupied by contracted FTEs' data in table A4 needed to be read in the context of statutory costs. Some positions were not filled by permanent staff as the Council needed flexibility in order to respond quickly to certain vacancies.
- It was stated that the risk areas identified around waste disposal were related to volume of waste.
- A query was raised in relation to the decision process for the Surrey Growth Fund. It was suggested that further information be sought from the Deputy Leader.

Recommendations:

None.

Actions/Further Information to be provided:

That a Year to date budget column be included in the monthly reports [Action by: Kevin Kilburn].

Committee Next Steps:

The Committee will receive a Budget Monitoring Report at its meeting in September 2012.

96/12 **PROCUREMENT AND COMMISSIONING SERVICE PERFORMANCE [Item 10]**

Declarations of interest: None.

Witnesses: Ross Duguid (Category Manager)
 Andrew Forzani (Head of Procurement and Commissioning)
 Christian George (Category Manager)
 Laura Langstaff (Procurement and Commissioning Manager)

 Denise Le Gal (Cabinet Member for Change & Efficiency)

Key points raised during the discussion:

- The Committee was informed that engagement between the Procurement Service and Highways had improved in the last six months and this was having a positive impact upon performance targets.
- Concern was expressed at the procurement arrangements for working with the voluntary sector. It was suggested that the process should be co-designed with relevant groups prior to the tendering process. Officers responded that this was a difficult balance to make, however a significant amount of time had been spent working with the Surrey Voluntary Action Network and additional staff had been recruited to support the procurement process with the voluntary sector. Members were informed that the current strategy involved continuing to run the procurement exercises while giving support to voluntary groups. Concern was expressed that smaller groups would be unable to compete with large organisations in this process.

(Chris Townsend left the meeting at 11.45am).

- The view was expressed that the outcomes of procurement processes were not appropriate for all groups. It was suggested that Surrey Youth Focus be approached for their views on youth services procurement. It was also suggested that Local Members should be involved in discussions around procurement in their area.
- The Committee was informed that services were included in procurement discussions and that decisions helped to deliver service objectives included in directorate strategies.
- It was suggested that the Council consult with the Local Government Association for advice on how to tackle national issues around procurement in the voluntary sector. Officers responded that they were aware of 'good practice' examples of Local Authorities engaging with the voluntary sector.
- Members were informed that individual services were responsible for setting the size of their client teams and for their day-to-day management, though Procurement provided guidance and advice.
- The Committee was informed that approximately £400,000 of savings had been made through renegotiation of the SITA Surrey contract.

- The importance of recognising the expertise of local groups when awarding procurement contracts was emphasised. It was stated that a lot of work was currently being done with such groups, and that 60% of contracts were being directed towards local providers.
- It was suggested that procurement and purchasing decisions be decentralised as much as possible. Officers responded that this had been the case with regards to maintenance projects and as a result a local list of groups had been created, however the majority of procurement was tailored around services and not centralised.
- It was suggested that the Committee be provided with further information regarding the outcome of training aimed to address skills gaps around contract management.
- The Committee commended the Procurement Team on the success it had achieved in terms of contract performance and savings.

Recommendations:

That the Procurement Service/Education Select Committee reconsiders the effectiveness of procurement arrangements for youth services.

That officers reconsider the current contract review procedures in order to more accurately assess performance over the lifetime of the contract: reviews to be held at an appropriate time before the end of the contract in order to inform any retendering process.

Actions/Further Information to be provided:

None.

Committee Next Steps:

None.

(Mrs Lavinia Sealy left the meeting at 12.00pm)

97/12 **COMPLETED INTERNAL AUDIT REPORTS [Item 11]**

Declarations of Interest: None.

Witnesses: Diane Mackay (Audit Performance Manager)

Key Points Raised During the Discussion:

Concern was expressed that audit reports had not yet been made available on the Surrey County Council intranet. The meeting was advised that this would be accomplished when the new software had been installed.

Recommendations:

None.

Actions/Further Information to be provided:

None.

Select Committee Next Steps:

The Committee will review a further audit report at its next meeting in September 2012.

98/12 **DATE OF NEXT MEETING [Item 12]**

Noted that the next meeting of the Committee would take place on 12 September 2012.

99/12 **EXCLUSION OF THE PUBLIC [Item 13]****Resolved:**

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item on the grounds that it involves the likely disclosure of exempt information under paragraph 3 of Part 1 Schedule 12A of the Act:

The following item of business was considered in private at the meeting. However, the information set out below is not confidential.

100/12 **SUPERFAST BROADBAND [Item 14]****Key Points Raised During the Discussion:**

- The Committee noted that delivery of the contract as proposed would be unprecedented nationally in terms of the level of access to superfast broadband which would be achieved in the County. Although the project was an investment in infrastructure and was not intended to provide direct financial benefit to the Council, the Committee acknowledged the economic, social and environmental benefits which it would bring to Surrey overall. It was noted that there would also be reputational benefits for the County Council arising from the fact that the project would enable the delivery of superfast broadband for residents significantly earlier (and with greater coverage) than most other councils.
- The Committee was keen to ensure that the opportunities for positive publicity arising from the project were realised, but cautioned against raising unrealistic expectations. It was noted that the solution proposed in one of the bids would mean that a very small minority of properties in the County (0.3%) would need to be subject to individual consideration about the viability of providing superfast broadband, and therefore the publicity would need to acknowledge the experience and expectations of those affected. It was also agreed that the criteria for determining the viability of those properties subject to individual consideration would be shared with the Committee.

- The proposal to establish a Joint Operations Centre (JOC) between the County Council and the contractor to oversee the implementation of the project was noted, and the Committee recommended that the JOC roles, goals and processes be determined and agreed before the final contract signing and requested that details of the proposed governance arrangements and organisation structure be shared with the Committee.
- Overall the Committee recognised the economic benefits which could arise from the availability of superfast broadband throughout the County and endorsed the procurement process so far. The Committee noted that although the final contract was not available the process adopted by the team as set out in the report and discussed at the meeting were sound, and supported the proposal to seek Cabinet approval of the preferred supplier.
- The Project Team was commended and thanked for its work.

Recommendations (to Cabinet):

- (a) That the proposal to award a contract for the provision of superfast broadband to the preferred supplier be approved.
- (b) That a comprehensive communication strategy be put in place to ensure that the opportunities for positive publicity arising from the project are realised, whilst recognising the need to be realistic and reflect the experiences of the minority of residents for whom there will need to be further consideration of the viability of providing superfast broadband.

Actions/Further Information to be provided:

Details of the proposed governance arrangements and organisation structure for the Joint Operations Centre to be shared with the Committee.

Select Committee Next Steps:

The Committee will receive a response from the Cabinet at its meeting in September 2012.

101/12 PUBLICITY FOR PART TWO ITEMS [Item 15]

Resolved:

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

Meeting ended: 1.05pm

Chairman