

**MINUTES** of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 10.00 am on 5 December 2012 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on 1 February 2013.

**Members:**

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

**Ex-officio Members:**

Mrs Lavinia Sealy, Chairman of the County Council  
Mr David Munro, Vice Chairman of the County Council

**Present:**

Denise Le Gal, Cabinet Member for Change & Efficiency  
Peter Martin, Deputy Leader

\* = present

**143/12 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Hazel Watson and Nick Skellett. There were no substitutions.

**144/12 MINUTES OF THE PREVIOUS MEETING: 14 NOVEMBER 2012 [Item 2]**

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

**145/12 DECLARATIONS OF INTEREST [Item 3]**

There were no declarations of interests.

**146/12 QUESTIONS AND PETITIONS [Item 4]**

There were no questions or petitions.

**147/12 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE  
SELECT COMMITTEE [Item 5]**

**Key points raised during the discussion:**

1. The Committee was asked to note the Cabinet response to the issues raised at the meeting of Council Overview & Scrutiny Committee (COSC) on 14 November 2012.
2. Members expressed disappointment with the Cabinet response. It was felt that the response suggested that the work of the Localism Task Group had been incorporated into the Community Partnerships Public Value Review (PVR). However, the Committee was concerned that although the Localism Task Group had provided a framework for debates around Localism to take place, the opportunity to have these discussions had not been taken by the Cabinet as not all the Task Group's recommendations had been addressed.
3. Members discussed the lack of a consistent definition of Localism. It was felt by some Members that there was a risk of it being solely an exercise in branding, rather than a robust opportunity to define an effective Localism agenda. The Committee acknowledged the importance of Localism and expressed a desire to ensure that it was implemented effectively.

**Recommendations:**

None.

**Resolved:**

That the Chairman of Council Overview & Scrutiny Committee and the Chairman of the Communities Select Committee organise a meeting with Cabinet Member for Community Services and 2012 Games and the Leader of the Council, in order to discuss the implementation of the Localism Task Group's recommendations.

Action by: Mel Few and Steve Cosser

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

None.

**Committee Next Steps:**

None.

**148/12 RECOMMENDATION TRACKER [Item 6]**

**Declarations of interest:** None.

**Witnesses:**

Carmel Millar (Head of HR and Organisational Development)

Denise Le Gal (Cabinet Member for Change and Efficiency)

**Key points raised during the discussion:**

1. The Chairman informed the Committee that he had written to the Leader of the Council in response to COSC 121. The Leader of the Council had responded that the issue was in hand.
2. The Committee was informed that COSC 122 was currently being implemented and would be available in future finance reports.
3. Responses were made available at the meeting in reference to COSC 123, COSC 124 and COSC 125. The Chairman adjourned the meeting from 10.20am to 10.30am in order to allow Members the opportunity to read the responses.
4. The Committee discussed the responses. It was recognised that in reference to COSC 123 the terminology had the benefit of reinforcing the concept of the “psychological contract” between employer and employee. However, it was emphasised that there was a need to ensure that the “psychological contract” was supported by the formal contract of employment. The Committee still believed that the wording “promise” raised expectations that could not be met and urged that this wording be reconsidered.
5. Members continued to voice their concerns that the target of 100% effective appraisals by 2017 was still not acceptable. It was expressed that appraisals were an opportunity to cascade down the key strategic objectives through the workforce, and that by deferring a target of 100% effective appraisals until 2017 it left the potential to create gaps in communicating key priorities.
6. The Committee outlined the need for regular performance appraisals and questioned whether there were problems with conducting and monitoring the appraisal process. The Head of Human Resources & Organisational Development outlined that appraisals were a top priority for the organisation, that the appraisal process itself was sound and that there were a number of initiatives in place to drive the emphasis on regular appraisals forward. This included training of both appraisees and appraisers.
7. The Committee was informed that there was a need to ensure that the appraisal system worked within individual service requirements. There was a discussion about the role of whole team appraisals as a means of addressing areas where there were large spans of line management responsibility. Members expressed concerns that whole team appraisals were not effective in addressing the needs and requirements of an individual employee. The Committee discussed the possibility of having specific resource managers based within HR who could support the appraisal process in areas where it was proving difficult to deliver the 100% target.

8. It was reported to the Committee that the previous full staff surveys had indicated that 69% of staff had received an appraisal within the previous 12 months in 2011, and 73% in 2010. The Committee was informed that the results of the 2012 mini-survey indicated an improvement, particularly in the quality of appraisals, however these were pending publication.
9. The Committee asked to be provided with the individual service performance data in relation to the completion of annual appraisals. It was agreed that this would allow the relevant Select Committees to scrutinise areas where improvement could be implemented. It was explained by officers that the next opportunity for capturing appraisal completion data would be the staff survey in September 2013 and consequently figures provided to the Committee would not be the most recent.
10. The Committee noted in reference to COSC 126 and COSC 127 that the recommendations were being explored and would form part of the update report to Committee on 13 February 2013.
11. The Committee noted in reference to COSC 129 and COSC 130 that an update would be provided on 1 February 2013.

**Recommendations:**

That the Council Overview & Scrutiny Committee be provided with a break-down of appraisal data on a directorate by directorate level at its meeting in March 2013 in order to facilitate appropriate scrutiny by the relevant Select Committees.

Action by: Carmel Millar

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

None.

**Committee Next Steps:**

None.

**149/12 FORWARD WORK PROGRAMME [Item 7]**

**Declarations of interest:** None.

**Witnesses:** None.

**Key points raised during the discussion:**

1. The Chairman advised the meeting that he would be requesting a comprehensive list of all financial trusts the Council managed in order to scrutinise the governance and financial management thereof.

2. Subject to the review of this information it was proposed that this item be added to the Forward Work Programme as an agenda item for March 2013.
3. The Cabinet Member for Change and Efficiency welcomed the Committee's decision to scrutinise the issue. The Committee discussed the possibility of developing a framework for governance and the investment strategy as being two potential outcomes of looking at this item.

**Recommendations:**

None.

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

Financials and full details to be supplied to the Chairman.

**Committee Next Steps:**

The Committee will scrutinise the financial trusts managed by the County Council at its meeting held in March 2013.

**150/12 CHANGE & EFFICIENCY SERVICE REVIEW - FINANCE [Item 8]**

**Declarations of interest:** None.

**Witnesses:**

Sian Ferrison, Transformation and Development Manager  
Kevin Kilburn, Deputy Chief Finance Officer

**Key points raised during the discussion:**

1. The Committee was presented with an update on the progress of the Financial Management Public Value Review (PVR). It was reported that the focus has been on financial management across the organisation, and that the emphasis has been on both developing appropriate tools and training to enable good financial management.
2. In response to a question on the impact of training, the Committee was informed about the development of a new Financial Management training and development pathway programme. The training pathway programme had been directed at budget holders, and the feedback had been positive. Attendance had been at capacity for the training since its implementation and there was a waiting list for courses run from December 2012 to Spring 2013. Members raised a question regarding the logistics of the training programmes and queried what provisions were in place to deliver the training to those members of staff with workload pressures. The meeting was advised that the training sessions had been designed with these factors in mind, sessions were 3 hours long and delivered internally to 8-12 people at a time. New e-learning training packages were also in the process of being developed.

3. Members raised a question as to the progress of finalising the dashboard programme and whether there were any issues being experienced in this regard. The Transformation and Development Manager responded by explaining that IMT and Finance Services had been working jointly to develop the customisation of the programme and were confident in the delivery of the budget monitoring forecasting tool and dashboard. The Committee was informed that the new dashboard worked in an intuitive manner and presented information in a clear way. The dashboard would be widely available to budget holders from the beginning of 2013. The Committee expressed an interest in having an opportunity to use the dashboard.
4. The Committee asked for examples of how the Financial Management PVR had reduced the level of bureaucracy. It was reported that this had been achieved through a number of measures; these included a risk-based approach to budget monitoring where those with stable (low-risk) budgets were no longer required to report on a monthly basis, to enable the organisation to focus resources on financial management of more complex, high risk budgets. In addition some transactions in the transfer journal processes had been automated.
5. The Committee acknowledged the achievements of the Financial Management PVR.

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

None.

**Recommendations:**

That a detailed report on the implementation of the financial dashboard and Member training programme are presented to COSC after May 2013.

Action by: Sian Ferrison

**Select Committee next steps:**

None.

**151/12 BUDGET MONITORING REPORT [Item 9]**

**Witnesses:**

Kevin Kilburn, Deputy Chief Finance Officer

**Key points raised during the discussion:**

1. The Chairman began by giving a verbal update regarding the Finance Sub-Group meeting held on 3 December 2013. The Sub-Group had met with the Cabinet Member for Assets and Regeneration

Programmes and had received assurances that a Strategic Asset Paper would be published by January 2013. The Sub-Group had also met with the newly appointed Treasury Manager. It was reported that this had been felt to be a positive meeting with an assurance that a funding strategy was in the process of being developed.

2. Members raised a question regarding the reported under spend on the Walton Bridge Project. It was clarified that although the under spend was being reported for this year, the overall cost of the project would remain the same. This was due to the re-profiling of grant payments from the Department for Transport as their contribution had been received earlier than expected, leading to a consequent re-profiling of the County Council's contribution going forward.
3. The Committee raised a number of questions in relation to the Schools & Learning budget. It was queried why there was a reduction in the anticipated cost of providing Special Education Need (SEN) support to Surrey Schools. Members also questioned why an £0.8m saving by an outsourcing of some preventative services had not been pursued in 2012/2013.
4. Members requested further details on the tender process for the replacement of aged demountables in relation to schools projects, and whether this process had contributed to the delay in work beginning.

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

The Financial Reporting Manager agreed to provide further information to Members on the questions raised. This information would also be shared with Committee on 1 February 2013.

Action by: Kevin Kilburn

**Recommendations:**

None.

**Select Committee next steps:**

None.

**152/12 COMPLETED AUDIT REPORTS [Item 10]**

**Witnesses:**

Sue Lewry-Jones, Chief Internal Auditor

Denise Le Gal, Cabinet Member for Change & Efficiency

**Key points raised during the discussion:**

1. The Committee was informed that the internal audit of social media had made 4 high priority recommendations and details were tabled at the meeting. The Chief Internal Auditor informed the Committee that the current manner in which social media was being used meant that it was judged to be an activity with relatively low risk. It was noted that social media was currently managed in a centralised fashion, but as its usage became more widespread across the County there would need to be work undertaken to ensure that appropriate policies and controls were put in place. Members highlighted the need to ensure that older policies were being updated accordingly in order to take into account new technologies.
2. The Committee sought clarification on the technologies covered under the term “Social Media”. The Chief Internal Auditor confirmed that this included social networking sites and applications such as Facebook, Twitter and Flickr. It did not extend to email or telephone communications in this instance.
3. Members asked for further information regarding the Management Action Plan in place for the Review of Rental Income and the amber assessment in relation to the Property Asset Management System (PAMS) implementation. The Chief Internal Auditor explained that the implementation of PAMS was considered to be vital to progressing the Management Action Plan, however there were also appropriate interim measures in place.
4. Clarification would be provided about whether the progress report on the Voluntary, Communities, and Faith Sector (VCFS) framework audit was due to be presented to the Communities Select Committee or COSC
5. The Chairman of the Select Committee requested that the Cabinet Member for Change and Efficiency note the audit assessments of amber and red that fell within her portfolio, and monitor these accordingly.

**Recommendations:**

None.

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

None.

**Committee Next Steps:**

The Committee will receive further updates on completed internal audit reports at future meetings, and continue to focus its attention on audit reports with the audit opinion of either “Major Improvement Needed” or “Unsatisfactory” and/or high priority recommendations.



## **153/12 CHANGE & EFFICIENCY REVIEW - SHARED SERVICE CENTRE [Item 11]**

### **Witnesses:**

Simon Pollock, Interim Head of Shared Services  
Neil Bradley, HR Group Manager

Denise Le Gal, Cabinet Member for Change & Efficiency

### **Key points raised during the discussion:**

1. The Committee was provided with a high-level overview of the work undertaken by Shared Services. The Interim Head of Shared Services gave an account of the work currently underway in developing partnerships, highlighting that £1.1m income was being generated as a result of partnership work.
2. The Interim Head of Shared Services outlined for the Committee the appeal of partnership work with Shared Services to external partners. These factors included competitive pricing, a good reputation and the benefits of the public sector ethos.
3. The Committee questioned the ramifications to the County in relation to the hypothetical implications of Shared Services being unable to deliver services to partners, as a result of problems with capacity or as result of unforeseen circumstances. The Interim Head of Shared Services explained that there were several measures in place in order to ensure that there were robust evaluations of the service's capacity to deliver.
4. The Committee expressed further concerns around a possible risk to the integrity of the Council's data, given the need for partners to access areas of the County Council's IMT network. It was clarified that Shared Services worked in close conjunction with IMT to safeguard and manage any potential risk in relation to the issue.
5. The Committee was informed that challenges for Shared Services included an increase in de-centralised services, which would have potential negative impact on the efficiencies of scale in place. This was considered to be of particular concern in the areas of Education and Adult Services, where schools and care-homes could potentially choose to manage their own payrolls. There was a discussion around the potential impact a slow leakage of service provision away from Shared Services could cause, as it would prove more difficult to identify and implement effective efficiencies.
6. The Committee asked for further details on the Lean savings identified within the report. It was clarified that these referred to identified savings to other services, as a result of Shared Services having undertaken Rapid Improvement Events (RIE). These savings would be implemented at the discretion of individual services.
7. Members raised a question around the implications of the relocation of Shared Services from Conquest House to County Council. It was

reported to Committee that the move was positive as it helped foster closer working relationships with the other services. However, it was also felt that there was a potential barrier to attracting external partners and that this would be something to be explored in the future.

8. The Committee commended officers for the efficiency of the report.

**Recommendations:**

That a further update report be presented to the Committee in April 2013.

Action by: Simon Pollock

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

None.

**Committee Next Steps:**

None.

**154/12 SUPERFAST BROADBAND [Item 12]**

**Declarations of interest:** None.

**Witnesses:**

Ben Skipp, Superfast Broadband Programme Manager  
Lucie Glenday, Programme Director

Peter Martin, Deputy Leader

**Key points raised during the discussion:**

1. The Committee was provided with a brief update as to the current status of the Superfast Broadband project. Approval had been received from the European Commission to proceed with the project. BT had begun detailed survey work so that a deployment plan could be published in early 2013. A web presence publicising the project was being developed and would go live in the New Year.
2. The Committee questioned the estimated 0.3% who would not receive Superfast Broadband, and asked what measures were in place to identify and address issues around delivery. The Deputy Leader of the Council commented that the cost of addressing these issues had to be balanced against a practical and reasonable use of public money. It was reiterated that there would be a best endeavour to ensure that the coverage of Superfast Broadband access would be to all Surrey homes and businesses.

3. A question was raised as to the governance arrangements for the Superfast Broadband project. The Committee was informed that the work programme was overseen by a Joint SCC and BT Project Board, with a joint SCC/ BT Project Management Office running the day to day project operations from County Hall.
4. The Committee asked whether there had been suitable efforts made to ensure that the County Council was being identified as one of the key organisations in driving and developing this initiative. The Deputy Leader informed Committee that coverage from the trade press had been positive, while the public engagement with the project would be managed through County Council organised publicity events leading up to the launch of the project.

**Recommendations:**

None.

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

None.

**Select Committee Next Steps:**

The Committee to receive a further update report at its meeting on 13 February 2013.

**155/12 STAFFING BUDGET - STAFF NUMBERS AND MANAGEMENT OF VACANCIES [Item 13]**

**Declarations of interest:** None.

**Witnesses:**

Neil Bradley, HR Group Manager  
Kevin Kilburn, Deputy Chief Finance Officer

Denise Le Gal, Cabinet Member for Change & Efficiency

**Key points raised during the discussion:**

1. The Committee was presented with a report outlining the review of the management of staff vacancies within the County Council. The Committee was informed that the purpose of the report had not been intended to question the justification of staffing levels, but to understand the process behind the management and identification of vacancies across the County Council. The Committee was informed that there was no consistent approach across individual services as to how vacancies were identified and managed. The report provided a series of recommendations that aimed to address the issues it had identified.

2. Members raised the question of the relationship between conditions of employment for agency staff and those employed directly by the County Council. It was indicated that current government legislation required employers to apply the same pay and conditions to agency staff as contracted staff after 12 weeks. It was reported that this often meant an increase in pay, as many agency staff were paid at a lower hourly rate. The Committee was also informed that prior to the legislation the cost of employing agency workers had been less than employing contracted staff for the County Council.
3. The Committee discussed the role of Select Committees in scrutinising vacancy management in directorates. It was felt by some Members that the demand-led nature of staffing in some Services, for example Adult Social Care and Children's Services, would make it difficult to scrutinise vacancy management without challenging the justification for staffing levels.
4. The Cabinet Member for Change & Efficiency welcomed the principles behind the report, however also raised questions about the implementation of the recommendations. The Committee was informed that using a zero-based budget to determine staffing levels would be a resource-hungry process and difficult to implement on an annual basis without incurring significant costs.
5. It was agreed that further consideration should be given to the wording of the recommendations arising from the review, and that the report should be brought back to the next meeting of the Committee

**Recommendations:**

None

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

The Committee to review the report at its meeting on 1 February 2013.

**Select Committee Next Steps:**

None.

**156/12 DATE OF NEXT MEETING [Item 14]**

It was noted that the next meeting of the Committee will be at 10.00am on Friday 1 February 2013.

Meeting ended at: 12.52 pm

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**Chairman**