

MINUTES of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 10.00 am on 13 February 2013 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 13 March 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
- * Mr Nick Skellett CBE
- * Mr Chris Townsend
- * Mrs Denise Turner-Stewart
- * Mr Richard Walsh
- * Mrs Hazel Watson

Ex-officio Members:

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

* = present

15/13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Steve Cosser and Steve Renshaw. There were no substitutions.

16/13 DECLARATIONS OF INTEREST [Item 2]

There were no declarations of interest.

17/13 QUESTIONS AND PETITIONS [Item 3]

There were no questions or petitions.

18/13 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 4]

1. The Committee noted a response from Cabinet with reference to the recommendations made regarding Business Planning 2013/14 and the Treasury Management Strategy at its meeting on 1 February 2013.
2. These responses are included as an additional annex in these minutes.

19/13 RECOMMENDATION TRACKER [Item 5]

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

1. In reference to COSC139 the Committee was informed that the Vice-Chairman was currently corresponding with officers and would provide feedback at the next meeting.
2. In reference to COSC94 it was confirmed that there was work being developed that would be shared with Members. It was clarified that these would include a change to the call-in process. Members queried whether there would be a wider review of the Constitution as part of this work. It was confirmed that a review was not imminent, but that this was likely to be scheduled for the new Council.
3. The Chairman highlighted COSC140 and requested that Select Committee Chairmen approach this scrutiny of the individual service budgets with a view towards ensuring that assigned resources aligned with the strategic priorities.
4. Members discussed the process for budget setting and it was clarified that the overall budgets for individual directorates were set. The Committees would be required to scrutinise the detailed service budgets and feedback to Cabinet any concerns.

Recommendations:

None.

Actions/further information to be provided:

Committee Chairs to report on the outcome of their individual budget discussions at the next Council Overview & Scrutiny Committee meeting.

Committee Next Steps:

None.

20/13 FORWARD WORK PROGRAMME [Item 6]

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

1. The Committee noted its Forward Work Programme and a number of amendments. The Committee was informed that the Procurement item in March 2013 would include a discussion about how the Council's

procurement process works. The Property Services Strategic Asset Management Plan would be added to the agenda for March 2013.

2. The scrutiny of detailed budgets and review of the directorate-level strategy would be added to the agenda for March 2013. A full list of carry-forward requests would be brought to the Committee in April 2013.
3. The Committee was informed that the Business Continuity and Financial Trust Management items to be deferred to the April 2013 meeting.

Recommendations:

None.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

21/13 SUPERFAST BROADBAND - QUARTERLY MONITORING [Item 10]

Declarations of interest: None.

Witnesses:

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

Key points raised during the discussion:

1. The Committee were provided with an update on the current status of the superfast broadband project.
2. Members questioned whether a full postcode search would be available on the website for residents and businesses to see whether they would have access to superfast broadband. Officers confirmed that this would be the case.
3. The Committee asked for clarification with reference to private roads and the installation of superfast broadband. Officers commented that this decision was a commercial one and lay with BT, who had a process in place for such circumstances. However, it was noted that the programme team did not currently have oversight of this process and whether private roads were covered within the intervention area. It was agreed that this would be followed up. The Committee was informed that the need for access for all had been specified as part of the contract with BT.
4. The Committee asked for further details regarding the areas that would not receive coverage in the initial phases of the project being

implemented. Officers confirmed that it was a small percentage of the County, and there was an identified separate work stream and funding behind addressing these areas. The Committee was informed that in most of the cases identified it was due to there being an absence of BT-invested infrastructure available, and that BT and Surrey County Council would be working together to look at innovative solutions.

5. Continuing with the discussion on “hard to reach” properties, officers clarified that providing solutions for these properties would have to be within certain cost constraints, but there would be best efforts to source funding in collaboration with residents where possible. Members asked what the cost constraint was, and officers confirmed that there was a contractual cut-off of £1,700 per household. The Committee was informed that there was not a wish to pre-determine the response in such instances as the intention would be to work closely with those affected. A provision of £0.5m was set aside to reach these properties.
6. The Committee drew attention to the original estimation that 1,200-1,300 households would not be covered in the main deployment of superfast broadband, and queried whether this number had changed. It was highlighted by Members that £0.5 million set aside would not meet the cost of installation for 1,300 households. Officers explained that the estimation would continue to change in the lead up to the main deployment, and there were a number of technological improvements in development that could address these issues in a more cost effective way.
7. The Committee raised a question about the possibility of legal challenges from those residents and business not covered in the main deployment, and what contingencies had been put in place to meet these challenges. Officers confirmed that they would be briefed by Legal Services in the lead up to deployment. The Committee was informed that officers had been pro-active in sharing data and that they felt that this would mitigate any potential challenges.
8. The Committee raised a number of queries with reference to the telecoms cabinets used by BT. Amongst these concerns was the level of graffiti and delays in the removal thereof, the placement of the boxes, and the use of advertising on them. Officers confirmed that they met regularly with Highways officers and BT and would take the issues forward.
9. The Committee was informed that the superfast broadband project team were developing stickers to be placed on the telecoms cabinets that would communicate the presence of superfast broadband. Officers clarified that these were being designed with the intention of being discreet, and were being driven by user group feedback. Members voiced concerns that this was setting a precedent for advertising on the telecoms boxes.
10. Officers informed the Committee of a contractual clause with BT that stipulated if more than 20% of residents took up superfast broadband then a percentage of the income would be paid to the County Council.

11. Members raised a question about the benefits of fibre optics in comparison to mobile technology. Officers clarified that fibre optics were a better investment as any future network improvements would rely on them. It was also explained that wireless networks required fibre optics. The Committee was informed that fibre optics were better able to meet high demand in regards to network traffic.
12. The Committee asked for details of how deployment had been negotiated with BT's competitors, such as Virgin Media. Officers commented that they had been robust in meeting the challenge, and set a legal precedent in terms of working with Virgin to agree use of one another's network infrastructure.
13. The Committee queried whether officers were confident that BT would continue to provide the level of service they had promised following the main deployment. Officers stated that they were confident this would be the case, and that a number of milestones had been written into the contractual arrangements.
14. The Committee held a discussion about the wording of the report. In particular they highlighted a concern about the use of the word "necessity" to describe the right to access the internet. Officers acknowledged that this was strongly worded, but felt that it reflected the importance of internet access. Members also commented that BT had found that there were strong links between the quality of telecommunications networks and economic performance.

Recommendations:

None.

Actions/further information to be provided:

The Superfast Broadband Project team to revert on discussions on private roads & removal of graffiti.

Committee Next Steps:

None.

22/13 COMPLETED INTERNAL AUDIT REPORTS [Item 7]

Declarations of interest: None.

Witnesses:

Sue Lewry-Jones, Chief Internal Auditor

Key points raised during the discussion:

1. The Committee was informed that the audit report on Direct Payments had been discussed at the Adult Social Care Select Committee meeting on 30 November 2012. A further follow up was to be scheduled.

2. The Committee raised a question as to Management Action Plan (MAP) following the LASER Contract Governance audit report, and what provision had been made for the recommendation regarding Member scrutiny. Officers informed the Committee that a report would be brought to the Committee meeting in July 2013.
3. The Committee asked about the estimated costs to Surrey as result of the fraud related to the former LASER Head of Energy Procurement. The Chief Internal Auditor confirmed that this was believed to be in the region of £120,000. Efforts were being made speed up the recovery of these monies.
4. Members raised a question regarding the audit report on Corporate Purchasing Cards and where failures had been identified. The Chief Internal Auditor clarified that corporate purchasing cards were used across a number of services including those with remote establishments; examples included children's centres and countryside properties. The audit had looked at 30 card holders in areas that had been identified as "high risk" or that hadn't been previously audited. In some instances it was the case that management and monitoring of card use was not happening. The Chief Internal Auditor confirmed that concerns had been identified in the Countryside Group and disciplinary action had been taken.
5. Members asked for clarification as to whether the audit report of Corporate Purchasing Cards was a review or follow-up audit. Officers explained that the process with new audits was to look at previous audits undertaken and identify whether the actions identified in the previous MAP had been carried out.
6. The Committee was informed that one of the issues identified was that the guidance on corporate purchasing cards was not always being shared when new managers had been appointed. The Committee commented that there was a need to address this as part of the STARS programme.
7. The Cabinet Member for Change and Efficiency informed the Committee that she had met with officers within Procurement to discuss the audit on Corporate Purchasing Cards. She had directed officers to address the issues raised by improving and updating the criteria around the purchasing cards.
8. Members asked whether Internal Audit could undertake spot checks in order to ensure that the corporate purchasing cards were being used appropriately. The Chief Internal Auditor commented that this would not be appropriate, as Internal Audit should not act as regular management check for individual services. The Committee was informed that the expectation would be that Procurement would undertake its own checks to safeguard against misuse.
9. Members raised a question regarding the audit of Special Schools – Funding of Residential Provision. It was clarified that there was a new data collection process being implemented in April 2013 and the Education Select Committee would scrutinise this in a future meeting.

Recommendations:

None.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

23/13 2012/13 QUARTER THREE BUSINESS REPORT [Item 8]

Declarations of interest: None.

Witnesses:

Ben Unsworth, Senior Performance & Research Manager
Carmel Millar, Head of HR and Organisational Development
Neil Bradley, HR Group Manager

Denise Le Gal, Cabinet Member for Change & Efficiency

Key points raised during the discussion:

1. The Committee was presented with the Quarter Three Business Report for 2012/13. Members expressed the view that quoting 95% of residents being as satisfied with their neighbourhood did not prove the statement regarding Surrey County Council being a council that was performing well, as it was felt that the two did not directly correlate.
2. The Committee praised the performance in relation to sickness absence. However, Members highlighted that the use of the Chartered Institute of Personal Development (CIPD) Local Government Average in comparison to the County Council sickness absence rate quoted did not compare like-for-like, as the latter excluded staff working with vulnerable adults and schools. It was noted that the graph contained in annex 1 included more comprehensive figures.
3. The Committee queried the inclusion of the percentage of residents' who feel they can influence decisions in the 'Residents/Value' section of annex 1, given that there had been no significant change in the number since March 2011. It was expressed by Members that they did not feel there was an alignment between the desired targets and service development in this particular instance. Officers commented that the service data produced is shared with the individual services and this impacted on policy development. However, it was also observed that some indicators proved difficult to influence.
4. Members commented that the percentage of local residents who felt they could influence decisions was not dissimilar to the number that voted in local elections. Officers expressed the view that this was coincidental, and added that the statistic reflected a national trend for

areas of relative affluence reporting a lower percentage than those areas of greater deprivation. It was stated by Members that they would like feedback on how local committees had impacted on this statistic.

5. Members raised a question about the use of complaints data in guiding services. It was clarified that the Communities Select Committee had scrutinised the use of customer feedback at their meeting on 16 January 2013 and had made recommendations to Cabinet.
6. The Committee asked for clarification regarding the report and its intended audience. Officers commented that it was published as a Cabinet report and intended for the public and officers. The Chairman commented that he felt that the report would be more effective if it highlighted targets and the Council's direction of travel. This would include a year-to-date performance, an outlook indicator and key challenges going forward.
7. The Committee stated that there were still felt to be a number of concerns in relation to the lack of link between the One County, One Team: People Strategy 2012-2017 and the promises being used as performance measures.
8. The Head of HR commented that the People Strategy had been circulated to the Directorate Leadership Teams and that each directorate had then integrated them into their own strategy. An example of this was the Adult Social Care 'Supporting You' strategy. The Committee was informed that this had been in recognition of the fact that different directorates had identified different starting points, and different action plans required to achieve their strategic goals.
9. It was raised by the Committee that the statistics reported from the employee survey in Annex 3 indicated that 56% of respondents had reported that they had an opportunity to discuss their career development in the past 12 months. However, the number of respondents who reported having an annual appraisal was 70%. It was felt that these statistics should reflect one another more closely, and the Committee queried the benefit of the reported statistics when they raised ambiguities about their inter-relation.
10. The Head of HR commented that the Directorates recognised the need to address concerns about appraisals. She stated that the full-staff survey due to be undertaken in 2013 would identify and target areas of low performance on a team-by-team level. It would then be a case of putting extra input and resource into supporting the appraisal process in these areas.
11. The Chairman commented that the figures presented in the Quarterly Business report were often top-level and failed to assist in identifying areas for further scrutiny. The Committee queried whether the report could be re-structured to present the information at a service or directorate level. This would enable the Committee to direct concerns to the appropriate Select Committee.

12. The Cabinet Member for Change & Efficiency stated that the Deputy Leader presented the report to Cabinet, who discussed regularly the information and where there might be areas of concern. It was highlighted that the progress of individual directorate priorities was contained within the report. However, the Committee clarified that the concerns were related to topics, for example where appraisals were not being carried out, rather than individual directorate strategies. The Cabinet Member for Change & Efficiency commented that she would note the Committee's concerns and raise them in discussion with the Deputy Leader.
13. Members queried the increase in Full-Time-Equivalent (FTE) staffing numbers. It was clarified that this was due to the County Council taking on additional responsibilities.

[Clare Curran left the meeting at 11.45 am]

14. The Committee held a discussion about the merits of the HR promises. Some Members commented that they would benefit from a more stream-lined approach, as there were currently areas where they crossed over and created ambiguity. However, the view was expressed that the promises were helpful to officers and that it sent a message to employees regarding the aspirations of the Council as an employer.
15. The Committee went on to explore a number of options about how the information coming out of the Quarterly report could be presented to COSC in the future. Amongst the suggestions was a regular update on the statistics coming from the staff survey, or providing the Committee with an exception report where it identified key areas of concern. It was agreed that Officers would explore these options with Democratic Services.

[Nick Skellett left the meeting at 12 noon]

Recommendations:

- That the Cabinet Member for Change and Efficiency discuss with the Deputy Leader the suggestions raised with regards to the future direction of this report.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

24/13 ONE TEAM COMMUNICATIONS REVIEW [Item 9]

Declarations of interest: None.

Witnesses:

Louise Footner, Head of Communications
Susie Kemp, Assistant Chief Executive

Key points raised during the discussion:

1. The Committee was informed that the intention of the One Team Communications Review was to draw together the various strands of communications within the Council and improve co-ordination. This would include a more strategic approach to communications and ensuring that it continued to deliver clear public value. Officers expressed the view that communications was not just about marketing, but also about engaging and having an active dialogue with residents.
2. The Committee asked for clarification regarding the communications and engagement strategy, in particular what was expected to change in refreshing it. Officers confirmed that it was necessary to update the strategy to reflect the new corporate strategy.
3. The Committee was informed that the recommendations of the Communications Review would be taken to Cabinet in June or July 2013. It was noted that the review had taken longer than originally anticipated due to the 2012 Olympic events in Surrey.
4. The Committee discussed a number of experiences they had encountered where residents had not been aware of key pieces of information pertaining to the County Council, in particular the Surrey "Switch & Save" scheme was highlighted. Officers confirmed they would investigate this further. However, they commented that information had been widely circulated, including to Parish Councils.
5. Members asked whether the Communications team made use of the 'Residents/Value' information reported in annex 1 of the Quarterly Business Report. It was confirmed that these were one of the performance measures used by the Communications team, and the information had been fed into the One Team Communications Review.
6. The Committee discussed concerns that the current emphasis within communications was on a corporate and leadership led perspective, and asked for confirmation that the One Team Communications Review would place a greater focus on a Member and resident based approach. Officers acknowledged that a certain degree of the Council's communications would be focused around Cabinet as its decision-making body. However, it was also stressed that residents and Members were seen as key components in the Communications review. In particular there had been a number of discussions about the role Members have in communicating information.

[Mark Brett-Warburton left at 12.20pm]

7. The Committee commented that Members were one of the key resources the Communications team could use in identifying communications channels on a local level. The view was expressed that some Members wished to engage with the methods of digital communication available, but would also wish to receive additional support in this respect. Officers stated that they would welcome

Member feedback, either through informal channels or the Communications Review Member Reference Group.

8. The Committee was informed that the emphasis around communications had shifted from more traditional methods to a new, more digitally-based environment. Officers commented that the One Team Communications Review sought to respond to these changes. It was stated that the emphasis was on developing a strategic focus in getting messages across, as well as joining up these messages across services and partners. The review was also felt to reflect the development of Surrey as a brand, as opposed to the Council as a brand, and this would include recognising partnerships.
9. Members expressed the view that it was difficult to recognise the benefits of the review's recommendations without a breakdown of the associated costs and staffing. It was also queried whether there would be a stream-lining of communications costs, in line with the required efficiency savings outlined in the Medium Term Financial Plan (MTFP). Officers confirmed that the current document was focusing on high-level recommendations, and that a communications review in a large organisation would inevitably involve a degree of complexity. However, it was highlighted that there would be work undertaken with directorates to identify where efficiencies could be made in relation to communications.
10. Members asked for further clarification with reference to the definition of "one team". The Head of Communications confirmed that this was about getting the individual directorates communications to work in a joined-up fashion towards an outcome that was defined by the central Communications Team.
11. It was queried as to the timing of the recommendations and how this could be scrutinised so that it was taken into account in relation to the individual directorates' budgets. It was clarified by officers that the intention was to implement the recommendations across the whole organisation in October 2013, and this would be the timeframe in which it would be advisable for a further update to the Committee.

Recommendations:

- That a further report on the implementation of the recommendations following the Communications review is presented to the Committee in October 2013.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

Declarations of interest: None.

Witnesses:

John Stebbings, Chief Property Officer

Denise Le Gal, Cabinet Member for Change & Efficiency

Key points raised during the discussion:

1. The Committee queried what changes had been effected following the reorganisation of Property Services. A question was raised whether the revised structure had appropriately addressed the issue of serving three Cabinet Members. It was explained to the Committee that the Chief Property Officer brought together the areas of crossover. It was further clarified that this was done with the oversight of the Cabinet Member for Change & Efficiency, who took main responsibility for the execution of the capital budget and programme delivery.
2. Members commented that Property Services operated within two remits, maintaining and developing estates and then the longer term strategic investments. It was queried how decisions were taken into which remit particular decisions fell. Officers commented that the reorganisation had implemented “virtual teams”. This had enabled Property Services to undertake a more holistic view that took into account both asset management, and strategy and planning.
3. The Committee was informed that Property Services was developing a Strategic Asset Management Plan. The intention behind this was to look at the longer term in relation to acquisitions and disposal, and where this related to the day-to-day management of properties. Officers stated that part of this work was ensuring that conversations were being undertaken across the service and with the asset partner to ensure the best value for money.
4. Members commented that they saw the reorganisation as a way of ensuring progressive improvements in building management, but queried how this might play out in practice in relation to the ambiguities around reporting structures. The Chief Property Officer commented that it was not solely guided by the progressive elements, but also about improving understanding about strategic investments and how these worked within the Property Services framework. The Chief Property Officer expressed the view that the restructure had brought about incremental improvements and that he was confident regarding the direction of travel.
5. Members commented that they would like to see more performance management information being made available in conjunction with Property Services. This would include customer satisfaction, the current number of outstanding repairs, and the results of any occupancy surveys undertaken.

Recommendations:

None.

Actions/further information to be provided:

Officers to provide information on the monthly rental income the Council received, as well as a breakdown of rental arrears.

Committee Next Steps:

None.

26/13 DATE OF NEXT MEETING [Item 12]

It was noted that the next meeting of the Committee would be 13 March 2013 at 10am.

Meeting ended at: 12.57 pm

Chairman