Notice of Meeting

Council Overview & Scrutiny Committee

Date & time	Place	Contact	Chief Executive
Thursday, 3 October 2013 at **10.30 am**	Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN	Bryan Searle, Jisa Prasannan or Andrew Spragg Room 122, County Hall Tel 020 8541 9019 or 020 8213 2673 bryans@surreycc.gov.uk or jisa.prasannan@surreycc.gov.uk or andrew.spragg@surreycc.gov.uk	David McNulty

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9068, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email bryans@surreycc.gov.uk or jisa.prasannan@surreycc.gov.uk or andrew.spragg@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Bryan Searle, Jisa Prasannan or Andrew Spragg on 020 8541 9019 or 020 8213 2673.

Members

Mr Nick Skellett CBE (Chairman), Mr Eber A Kington (Vice-Chairman), Mr Mark Brett-Warburton, Mr Bill Chapman, Mr Stephen Cooksey, Mr Bob Gardner, Dr Zully Grant-Duff, Mr David Harmer, Mr David Ivison, Mr Adrian Page, Mrs Denise Saliagopoulos, Mr Chris Townsend, Mrs Hazel Watson, Mr Keith Witham and Mrs Victoria Young

Ex Officio Members:

Mr David Munro (Chairman of the County Council) and Mrs Sally Ann B Marks (Vice Chairman of the County Council)

TERMS OF REFERENCE

The Committee is responsible for the following areas:

Performance, finance and risk monitoring for all Council services	HR and Organisational Development
Budget strategy/Financial Management	IMT
Improvement Programme, Productivity and Efficiency	Procurement
Equalities and Diversity	Other support functions
Corporate Performance Management	Risk Management
Corporate and Community Planning	Europe
Property	Communications
Contingency Planning	Public Value Review programme and process

PART 1
IN PUBLIC

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 12 SEPTEMBER 2013 (Pages 1 - 8)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (27 September 2013).
2. The deadline for public questions is seven days before the meeting (26 September 2013).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE

The Committee did not refer any items to the Cabinet at its last meeting, so there are no responses to report.

6 DIGITAL BY DEFAULT (Pages 9 - 28)

Purpose of report: Policy Development and Review

The Committee will be looking at the Council's approach to Digital by Default. This is a far ranging piece of work with the potential to take an overview across all the Council's directorates. This meeting will be used as an opportunity to look at the following, with a possibility for further scrutiny at a later date:

Session 1: Digital by Default – Setting the context

- What do we mean when we talk about digital by default?
- What is happening in central government around digital by default?
- What are other public sector organisations doing in relation to digital by default?

Session 2: Digital by Default – Surrey and its Digital Strategy

- What services do the Council already deliver digitally, and what benefits are there in expanding their digital services?
- What are the costs, savings and risks attached to a digital by default approach?
- How is the Council ensuring a consistent and joined-up approach to implementation across the directorates?

7 BUDGET MONITORING: AUGUST 2013 (Pages 29 - 58)

Purpose of the report: Scrutiny of budgets

This report presents the revenue and capital budget monitoring update for August 2013 with projected year-end outturn. The Performance and Finance Sub-Group will report back on any key issues following the detailed discussion of this item at their meeting on 30 September 2013.

8 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME (Pages 59 - 66)

The Committee is asked to monitor progress on the implementation of recommendations from previous meetings, and to review its Forward Work Programme.

9 DATE OF NEXT MEETING

The next meeting of the Committee will be held at 10.30am on 7 November 2013.

David McNulty
Chief Executive
Published: Wednesday, 25 September 2013

MOBILE TECHNOLOGY – ACCEPTABLE USE

Use of mobile technology (mobiles, BlackBerries, etc.) in meetings can:

- Interfere with the PA and Induction Loop systems
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- Mean that you miss a key part of the discussion

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Thank you for your co-operation

MINUTES of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 10.30 am on 12 September 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 Thursday, 3 October 2013.

Members:

*	Mr Nick Skellett CBE (Chairman)
*	Mr Eber A Kington (Vice-Chairman)
A	Mr Mark Brett-Warburton
*	Mr Bill Chapman
*	Mr Stephen Cooksey
*	Mr Bob Gardner
*	Dr Zully Grant-Duff
*	Mr David Harmer
*	Mr David Ivison
*	Mr Adrian Page
*	Mrs Denise Saliagopoulos
*	Mr Chris Townsend
*	Mrs Hazel Watson
*	Mr Keith Witham
A	Mrs Victoria Young

Ex-officio Members:

Mr David Munro, Chairman of the County Council
Mrs Sally Ann B Marks, Vice Chairman of the County Council

In attendance:

* Ms Denise Le Gal, Cabinet Member for Business Services

* = present

55/13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Victoria Young and Mark Brett-Warbuton. There were no substitutions.

56/13 MINUTES OF THE PREVIOUS MEETING: 17 APRIL 2013 [Item 2]

These were agreed as an accurate record of the meeting.

57/13 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

58/13 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions to report.

59/13 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

There were no referrals made to Cabinet at the last meeting so there were no responses to report.

60/13 BUSINESS PLANNING 2014-19 UPDATE [Item 6]

Declarations of interest: None.

Witnesses: David McNulty, Chief Executive
Kevin Kilburn, Deputy Chief Finance Officer

Key points raised during the discussion:

1. The Committee was informed that significant work was being undertaken to identify savings in the Medium Term Financial Plan (MTFP). One of the key factors was uncertainty in terms of central government funding, as there were no clear proposals for a return to the former three-year spending reviews. It was acknowledged that this made it difficult to develop a five-year financial plan.

2. The Committee heard that the increasing demand on Council services was also a factor in creating uncertainty in relation to the MTFP. Members queried what the biggest challenge was in relation to forecasting increased demand. Officers commented that the future of public finances as a whole presented a challenge, but expressed confidence that the forecasting methodology being used by the council was robust. It was highlighted that 3,000 additional school places had been secured in Surrey for the current academic year. The Committee was informed that the demographic pressures in Surrey did not always translate into additional need for services, but that there was a work being undertaken in relation to demand management and reduction. It was also highlighted that there were ways in which technology and service re-design would support the delivery of services in Surrey.

3. The Committee questioned why savings marked as “red-risk” were not shown as unachieved in the year end forecast in the budget’s monthly report. It was clarified that the monthly services forecast reported on areas where savings had been confirmed as being achievable within the current financial year. It was recognised that “red-risk” savings may require determined management action, and that the categorisation was intended to signpost a likely level of difficulty in achieving them.

4. The Committee asked for further detail in relation to £23 million drawn down from the Council’s reserves in 2013/14 and how much remained. Officers confirmed that this was from two sources. £12m came from unallocated general balances, leaving £16m. This size of unallocated general balances is considered to be an appropriate amount given the size of the council. The remaining £11m came from a specific reserve set up to fund the 2013/14 budget.

5. The Committee was informed that an additional £3.8 billion funding had been announced from central government to support the

integration of social care and health nationally in 2015/16. There were ongoing discussions about how much of this funding the Council was likely to be allocated. The Committee was informed that a large proportion of the funding was being allocated to the core budgets of Clinical Commissioning Groups (CCGs), and that it was possible this could be used to strategically commission work that would reduce demand pressures on the Council.

6. The Committee discussed the role of social capital in achieving savings within the Adult Social Care directorate. It was highlighted that the Adult Social Care Select Committee had been scrutinising this topic. Officers expressed the opinion that the savings that could be made were realistic; however, there was an uncertainty about whether they would be achievable in the current financial year. The Committee was informed that Whole Systems funding had been utilised to meet some of the savings that were no longer achievable for 2013/14.

7. The Committee was informed that many of the savings contained in the MTFP were now extensions on actions previously agreed, and that there would be an increasing difficulty in identifying new savings. The view was expressed that in order to meet the future challenges within the public sector it would be necessary for the Council to secure and expand its funding base.

Recommendations:

None.

Actions/further information to be provided:

In order to assess the impact on Surrey residents of reduced funding for the Council's services, the Committee requested that the Chief Executive return to explain how the leadership proposes to allocate the necessary savings after the Local Government settlement, and in particular deal with the large unidentified savings shown in the Medium Term Financial Plan for 2014/15.

Committee Next Steps:

The Committee will continue to scrutinise the Medium Term Financial Plan and consider it alongside future budget proposals.

61/13 THE IMPACTS OF WELFARE REFORM IN SURREY [Item 7]

Declarations of interest: None.

Witnesses: Mary Burguieres, Lead Manager Policy and Strategic Partnerships
Daphne Fraser, Senior Principal Accountant, Funding

Key points raised during the discussion:

1. The Committee was provided with an outline of the work undertaken by the cross-Surrey Welfare Reform Co-ordination Group. Officers

commented that significant progress to identify the financial impacts of welfare reform, both on an incremental and cumulative level. It was highlighted that the group most likely to be affected by the reforms was low-income working families. The Committee was informed that there was a challenge in developing an early help offer and other preventative services, as many of these families were not receiving high-level support from Council services. It was commented by officers that one of the key challenges was developing co-ordination between different provisions in order to provide effective transition between services, and consistent support to those who needed it.

2. The Committee asked what additional support was being put into advice services. Officers highlighted that £1.5 million of funding had been used to commission ‘GetWise’, an information, advice and guidance resource that also provided outreach support. The Committee questioned why funding had been allocated to develop a new offer, when organisations such as the Citizen’s Advice Bureau (CAB) offered similar services. Officers commented that GetWise was developing a complementary offer to existing provisions. The Committee was informed that commissioners had followed an open procurement process when considering a number of different bids in relation to the awarding of funding. Members highlighted that questions about this process had been raised a meeting of the Adult Social Care Select Committee on 11 April 2013, and that the Committee had recommended that GetWise’s performance be reviewed after one year into its current three year funding. Officers highlighted that representatives from both GetWise and CAB sat on the cross-Surrey Welfare Reform Co-ordination Group.

3. The Committee had a discussion around Universal Credit, and the need to support claimants in developing both their financial-management and digital skills. Officers commented that the intention was to weave this support into existing services, such as libraries, and a scheme was currently being piloted in Reigate with the intention of extending this provision in the future.

4. Members asked what work was being undertaken to identify the likely impact of welfare reform on the economy. It was confirmed that the Council was working with Local Enterprise Partnerships to consider what support could be developed around employment and skills across the County.

5. The Committee praised the report, but also highlighted that it was not clear what action plans were being developed in relation to welfare reform. It was also commented that further consideration would need to be given to how services were responding to the changes, and whether there would need to be alterations in individual service priorities in order to take the effect of welfare reform into account. It was proposed that a Member Task Group be set up and report back to the Committee at a later date. The following Members volunteered to join the task group: Stephen Cooksey, Bob Gardner, David Harmer, Denise Saliagopoulos and Chris Townsend.

Resolved:

- That the Committee set up a Member Task Group to gather evidence from a range of stakeholders on the impacts of welfare reform and key issues for Surrey County Council and partners.

Actions/further information to be provided:

None.

Committee Next Steps:

The Committee to consider a report and recommendations once the Task Group has completed its work.

62/13 BUDGET MONITORING - JULY 2013 [Item 8]

Declarations of interest: None.

Witnesses: Nick Carroll, Finance Manager, Funding and Planning
Kevin Kilburn, Deputy Chief Finance Officer

Key points raised during the discussion:

1. The Committee asked officers to comment on the delay in Children's Services in achieving efficiencies. It was confirmed that this was in relation to reductions in the Children with Disabilities budget. Children's, Schools and Families Heads of Service are looking for alternative savings as a key management action. Any compensating savings not made would be included in the required savings for 2014/15. The Committee was also informed that an overspend in relation to support of bus routes was a result of difficulties in achieving planned savings and some bus routes are no longer commercially viable and need financial support.

2. The Committee was informed that £29 million of the 2013/14 'red risk' savings identified in the Medium Term Financial Plan (MTFP) had been identified in the Adult Social Care budget at the beginning of the financial year. It was confirmed by officers that £10.3 million of 'red risk' savings remained to be made, and these were mostly savings to be made within Adult Social Care. The Committee was asked to note that of the £15 million savings attributed to social capital, the service had arranged a contingency of £7.5 million against non-achievement of these savings. The £7.5 million contingency would be drawn from the Whole Systems funding, an amount allocated by the NHS to the Council. The Cabinet had not decided to draw down the contingency yet and the savings remained a red risk. It was highlighted that the pressures that existed in the Adult Social Care budget were being built into future business planning.

Recommendations:

None.

Actions/further information to be provided:

The Finance Officer was asked to confirm that it was allowable to use Whole Systems funding (NHS monies delegated specifically for collaborative working) to fund an expected general overspend in Adults Services, due mainly to an anticipated shortfall in "Social Capital" savings for 2013/14.

Committee Next Steps:

The Committee will continue to monitor the Council's budget through its Performance and Finance Sub-Group.

63/13 PERFORMANCE MONITORING 2013-14 - QUARTER 1 [Item 9]

Declarations of interest: None.

Witnesses: Ben Unsworth, Senior Performance and Research Manager
Denise Le Gal, Cabinet Member for Business Services

Key points raised during the discussion:

1. The Committee questioned why historic data had not been included in the 'Residents/Value' section of the report. It was clarified that the Cabinet had decided to report afresh following election of the new Council. It was highlighted that the results range for 2009-2013 had been included.

2. The Committee was informed that there was no national standard for such surveys and different methodologies were used by different local authorities. As consequence, it was felt that publishing benchmark data alongside the residents' survey in order to make direct comparisons could prove misleading. However, it was agreed that future reports could include a comparison of trends with other councils.

3. The Cabinet Member for Business Services informed the Committee that the survey data was used to monitor and inform service development, as well as to identify trends in residents' perceptions. It was clarified that the survey featured a number of detailed questions related to different aspects of the Council's services.

4. Members asked for more detail regarding the red performance indicator in relation to road defects. The Committee was informed that the Environment & Transport Select Committee had scrutinised the matter on 11 September 2013. It was confirmed that the performance was due to difficulties meeting the 28 day medium-risk repair deadline. The Committee was informed that this performance indicator was expected to improve before the end of 2013.

[Keith Witham left the meeting at 12.30pm]

Recommendations:

None.

Actions/further information to be provided:

Future reports to include comparisons with other councils.

Committee Next Steps:

The Committee will continue to monitor the Council's performance through its Performance and Finance Sub-Group.

64/13 INVESTMENT AND TRADING [Item 10]

Declarations of interest: None.

Witnesses: Simon Laker
John Stebbings, Chief Property Officer
David Kelly, Corporate Group Legal Services Manager
David Cogdell, Trainee Solicitor
Julie Fisher, Strategic Director for Business Services

Denise Le Gal, Cabinet Member for Business Services

Key points raised during the discussion:

1. The Committee was informed that officers were confident that they had the capacity and capability in-house to meet the demands related to developing Local Authority Trading Companies (LATC). Officers from Legal Services commented that if it was felt they were unable to advise in some instances then there was the potential to seek external advice. Officers from Business Services highlighted that a number of staff had been recruited with proven commercial and business expertise.

2. The Committee was informed that there were a number of challenges in legislative terms in relation to trading and investment. The Council was working with Chartered Institute of Public Finance and Accountancy (CIPFA) to identify where these barriers might be overcome.

3. The Committee asked for clarification around the proposed membership of the Shareholder Board. It was confirmed that this would be the Leader of the Council, the Chief Executive, the appropriate portfolio holder and up to two other Cabinet Members. The Committee was informed that the terms of reference for the Shareholder Board would be ratified in September 2013.

Recommendations:

None.

Actions/further information to be provided:

None.

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Committee Next Steps:

The Committee to receive further updates in 2014 summarising progress and outlining potential trading models and investment opportunities emerging from discussions with services.

65/13 FORWARD WORK PROGRAMME [Item 11]

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

1. The Committee reviewed its Forward Work Programme. The Chairman invited the Committee to send him any comments they may have on the Forward Work Programme.

Recommendations:

None.

Actions/further information to be provided:

None.

66/13 DATE OF NEXT MEETING [Item 12]

The Committee noted that the next meeting of the Council Overview & Scrutiny Committee would be on 3 October 2013 at 10.30am.

Meeting ended at: 12.45 pm

Chairman

SURREY
COUNTY COUNCIL

Council Overview & Scrutiny Committee
3 October 2013

Digital by Default

Purpose of the report: Policy Development

The Committee will be looking at the Council's approach to Digital by Default. This is a far ranging piece of work with the potential to take an overview across all the Council's directorates

Introduction:

1. This meeting will be used as an opportunity to look at the following questions raised at the Committee's forward planning workshop in July 2013, with a possibility for further scrutiny at a later date:

Session 1: Digital by Default – Setting the context

- What do we mean when we talk about digital by default?
- What is happening in central government around digital by default?
- What are other public sector organisations doing in relation to digital by default?

Session 2: Digital by Default – Surrey and its Digital Strategy

- What services do the Council already deliver digitally, and what benefits are there in expanding their digital services?
- What are the costs, savings and risks attached to a digital by default approach?
- How is the Council ensuring a consistent and joined-up approach to implementation across the directorates?

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2. Attached are the following annexes:

Annex 1 is a general briefing prepared by Lucie Glenday, Programme Director for the Superfast Broadband Project, outlining the Digital by Default approach in both a national and local context.

Annexes 2-4 are briefing notes prepared by Democratic Services and circulated to the Committee in advance of the meeting, aimed at providing detailed context and expanding on the key issues.

Appendix 1 is the executive summary of the Society of IT Management (SocITM) report 'Planting the Flag: a strategy for ICT-enabled local public services reform'.

Recommendations:

That the Committee considers the key factors related to a Digital by Default approach in Surrey for residents, Surrey County Council and partners, and agrees the focus of any future work by the Committee on this topic.

Next steps:

Identify future actions and dates.

Report contacts:
Lucie Glenday, Programme Director, Superfast Broadband Project

Andrew Spragg, Committee Assistant, Legal & Democratic Services

Contact details: lucie.glenday@surreycc.gov.uk
andrew.spragg@surreycc.gov.uk

Sources/background papers: These are listed as footnote references in each of the annexes.

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SURREY
COUNTY COUNCIL

Digital by Default

Council Overview & Scrutiny Committee Briefing

3 October 2013

What do we mean when we talk about digital by default?

6 There have been lots of interpretations of 'Digital by Default' since Francis Maude coined the phrase in his response to Martha Lane Fox's report on Digital within Government.

Sadly some interpretations have led many to believe that he meant services should be delivered online only. This is was not the case. What was meant is that the way government delivers services, including all back end office process, should be reviewed with digital capability in mind. Reviewing entire agencies' operations and automating process via digital technology solutions streamlines the time it takes to do the administration around the service and thus reduces significantly the man-hours required to support it. The Cabinet Office has set out a number of areas that savings can be made by adopting a digital by default approach. These are:

- total employment costs of those providing the service, including training
- estate and accommodation
- postage, printing and telecommunications
- office equipment, including technology systems[1]

There are additional financial benefits to putting some transactional services online for our customers to use: "A 2012 SocITM study across 120 local councils estimated that the cost of contact for face to face transactions averages £8.62, for phone £2.83, but for web only 15 pence."[2]

What is happening in central government?

As part of the Government Digital Strategy, the seven government departments that handle the majority of central government transactions agreed to each develop at least three "digital exemplars" services.

As of July 2013, 25 services were identified as exemplars. 13 were in development, 11 in testing and 1 was live.[3] The progress of these can be tracked through the Digital Transformation Dashboard.

Student finance is the first exemplar service to go live. It has estimated 1.16 million transactions per year in the first quarter of 2013, and estimates its digital

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1 Cabinet Office, *Digital Efficiency Report*, November 2012
2 Cabinet Office, *Government Digital Strategy*, November 2012
3 Cabinet Office, Government Digital Services (GDS) July 2013 Quarterly Progress Report, July 2013

take-up at 92.4%.[4] Further work is now being done to replace all its back end systems including the technology to manage its £80m loan book.

DVLA is undergoing significant transformation. They have 40 years of legacy IT supporting their business. They were due to spend £250m to maintain and support these systems for the next 5 years. Since Cabinet Office involvement significant savings having been made against that figure and a low-risk digital technology approach to moving away from those legacy systems has been put in place. The first exemplar to be delivered is View my driving record.

DWP's Carer's Allowance Unit is also being transformed. Both the online application and the back-end systems are being overhauled. Efficiency savings within the business are expected to be at over 50%. This is being achieved by streamlining and automating much of the administration process.

What are other public sector organisations doing?

Many organisations have started digital transformation by redesigning and re-platforming their website. Whilst it's important to have a good and useful website, it doesn't deliver the largest of savings and should been seen as a stepping stone to putting some transactional services online and therefore driving efficiency.

However, a well designed website can reduce contact centre traffic, and increase trust in the organisation's ability to deliver. Smart answers and basic tools will help customers get to the information they need quickly even in complex policy areas. Good examples of website redesign are Gov.uk and Lambeth Council

The London Borough of Hounslow, however, did not put their website redesign first. They selected Salesforce.com to help it harness social, mobile and cloud-based solutions in the delivery of services for residents of the borough. The strategy, to begin this year, will reportedly save £600,000 in the current financial year, with further savings to come as legacy applications are retired. The majority of the project is expected to be completed during the first quarter of 2014. To date they are the first council to look at a digital platform approach to transformation. What is meant by this is a whole council holistic approach to building and procuring digital software, not siloed around services as is the norm. This alternative approach means maximum efficiency can be achieved, but requires an appetite for huge cultural change within an organisation.

[4] Figures taken from the Cabinet Office's Transactions Explorer (accessed 14 August 2013)

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Digital by Default

What is Digital by Default?

- The Government Digital Strategy defines Digital by Default in its introduction: "Digital by default means digital services which are so straightforward and convenient that all those who can use digital services will choose to do so, while those who can't are not excluded."[1]

National Context

- In 2010 the Government's Digital Champion, Martha Lane Fox, produced a strategic review of Directgov (*Directgov 2010 and Beyond: Revolution Not Evolution*). Contained within the review was the following view: "for me, the acid test for Directgov is whether it can **empower, and make life simpler for, citizens** and at the same time allow government to **turn other things off.**"[2]

- Gov.uk was launched on 17 October 2012, replacing Directgov. The site now acts as the web-page for all 24 of the ministerial departments in central government. Other governmental departments and public bodies have also based their services with gov.uk and the intention is that it will centralise digital services for more in the future.

- At this stage there is no plan to extend gov.uk to cover local authorities' digital services. However, there is an acknowledgement within the Government Digital Strategy that: "in order to provide public services digitally by default, all public bodies will need to work together. Most public services are provided by local organisations such as local councils and the NHS. People often use a range of services, not just one at a time. Most people and businesses don't differentiate between different levels and types of public services; they just want a good service."[3]

- There is also the following commitment to "make the digital assets (standards, designs and code) generated as a result of this strategy widely available."[4]

[1] Cabinet Office, *Government Digital Strategy*, November 2012
[2] Cabinet Office, *Directgov 2010 and Beyond: Revolution Not Evolution*, Martha Lane Fox, 14 October 2010
[3] Cabinet Office, *Government Digital Strategy*, November 2012
[4] Ibid.

National Savings

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- Martha Lane Fox's review estimated that: "shifting 30% government service delivery contacts to digital channels would deliver gross annual saving of more than £1.3 billion, rising to £2.2 billion if 50% of contacts shifted to digital."[5] These figures were provided by the Efficiency and Reform Group (ERG), but the National Audit Office has since challenged the methodology on which many of these savings are being calculated[6].

- The view that the savings assumptions connected to "channel shift" over to digital services need to be reviewed is also supported by the House of Commons Science and Technology Committee[7], as indicated in their letter to Francis Maude, MP, dated 9 July 2013.

- This letter also highlights several concerns around the security of data, awareness and uptake of digital services, ID assurance, data accuracy and public confidence. The Government is expected to respond in writing to these points by October 2013.

- The Cabinet has set out a number of areas that savings can be made by adopting a digital by default approach. These are:

    - total employment costs of those providing the service, including training
    - estate and accommodation
    - postage, printing and telecommunications
    - office equipment, including technology systems[8]

- The Digital Efficiency Report estimates 78% of the savings will be made through a reduction in total employment costs.

- The Government Digital Strategy does acknowledge there is a potential to reduce costs for local councils: "A 2012 SOCITM study across 120 local councils estimated that the cost of contact for face to face transactions averages £8.62, for phone £2.83, but for web only 15 pence."[9]

- However, the National Audit Office has commented that "the savings estimate does not include the costs that may be required to create or redesign digital services."[10]

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[5] Cabinet Office, Directgov 2010 and Beyond

[6] National Audit Office, *The 2012-13 savings reported by the Efficiency and Reform Group*, 8 July 2013, p.45-47,

[7] "It is not evident to the Committee that the Government has a handle on measuring these savings." House of Commons, Letter to Francis Maude, MP, Science and Technology Committee, 9 July 2013

[8] Cabinet Office, *Digital Efficiency Report*, November 2012

[9] Cabinet Office, *Government Digital Strategy*, November 2012

[10] National Audit Office, *Digital Britain 2: Putting users at the heart of the government's digital services*, 28 March 2013, p.6

Digital by Default

National "Exemplar" Services

- As part of the Government Digital Strategy, the seven government departments that handle the majority of central government transactions agreed to each develop at least three "digital exemplars" services.

- As of July 2013, 25 services were identified as exemplars. 13 were in development, 11 in testing and 1 was live.[1] The progress of these can be tracked through the Digital Transformation Dashboard.

- Student finance is the first exemplar service to go live. It has estimated 1.16 million transactions per year in the first quarter of 2013, and estimates its digital take-up at 92.4%.[2]

- The current cost per transaction is estimated at £47. This cost takes into account, "the total cost for all aspects of processing a student finance application within the associated service level agreements, including mail handling (incoming & outgoing), staff processing time (including exceptions handling), customer advice (telephone, IAG etc) and subsequent payment (up to 9 per applicant per annum)."[3]

- The methodology of calculating a cost per transaction has only been used by the government since late 2012, so there are currently no meaningful data-sets on which to make a comparison. However, this will change as the Transaction Explorer continues to publish this data regularly.

[1] Cabinet Office, Government Digital Services (GDS) July 2013 Quarterly Progress Report, July 2013
[2] Figures taken from the Cabinet Office's Transactions Explorer (accessed 14 August 2013)
[3] Cabinet Office, 'Apply for Student Finance: Key Performance Indicators' Transactions Explorer (accessed 14 August 2013)

Identity Assurance Principles

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- In order to support the delivery of digital services the government has set up a Privacy and Consumer Advisory Group (PCAG). The group's function is to advise on an Identity Assurance Scheme intended to "allow individual users to control when to reveal their own identifying information and the minimum detail to reveal."[4]

- PCAG have produced a set of nine Identity Assurance Principles "that gives real meaning to terms such as "individual privacy" and "individual control"[and] ensure that those participating in an Identity Assurance Service are left in no doubt it is designed around the needs of the individual (and not on the needs of any state body or commercial corporation)."[5]

- The draft principles are as follows:

  1. **User Control:** "Identity assurance activities can only take place if I consent or approve them."
  2. **Transparency:** "Identity assurance can only take place in ways I understand and when I am fully informed."
  3. **Multiplicity:** "I can use and choose as many different identifiers or identity providers as I want to."
  4. **Data Minimisation:** "My request or transaction only uses the minimum data that is necessary to meet my needs."
  5. **Data Quality:** "I choose when to update my records."
  6. **Service-User Access and Portability:** "I have to be provided with copies of all of my data on request; I can move/remove my data whenever I want."
  7. **Governance/Certification:** "I can have confidence in any Identity Assurance System because all the participants have to be accredited."
  8. **Problem Resolution:** "If there is a problem I know there is an independent arbiter who can find a solution."
  9. **Exceptional Circumstances:** "Any exception has to be approved by Parliament and is subject to independent scrutiny."

- The principles were broadly supported by the House of Commons Science and Technology Committee[6] in their letter to Francis Maude, MP, dated 9 July 2013. However, concern was expressed over the security of people's data due to inadequacies in government software[7].

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[4] Cabinet Office, Privacy and Consumer Advisory Group: Draft Identity Assurance Principles, 17 June 2013
[5] Ibid.
[6] House of Commons, *Letter to Francis Maude, MP*, Science and Technology Committee, 9 July 2013
[7] "The Committee is concerned that sensitive personally identifiable data could be compromised and be the subject of unauthorised use." Ibid.

Digital by Default

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Local Government and Digital by Default

- The Transaction Explorer for Gov.uk estimates local government transactions as being 572 million per year across the country. This is the second highest for government (the first being HM Revenue & Customs at 978 million transactions).

- The Department for Communities and Local Government is the only central government department currently without a published digital strategy.

- The *Better Connected 2013* Society of IT Management (SocITM) survey of council website performance concluded that, “with notable exceptions, local government organisations are not yet signed up to the 'digital by default' agenda set by the Government.”[1]

- Surrey’s own website saw a drop in its rating from 4 stars (the maximum possible) in 2012 to 2 stars in 2013. The website was assessed on whether “website design and navigation enables quick and simple customer journeys for website users from search engine or home page through to resolution.”[2]

- Comparable councils that scored highly in the survey included East Sussex, Kent, West Sussex and Hampshire.

- In its summary of the general survey findings, SocITM commented that “failure to improve websites, or even maintain existing standards, will undermine the potential to deliver savings and efficiencies associated with channel shift, and to meet customers' growing expectations of what service delivery online should be like.”[3]

- SocITM has prepared a strategy document titled *Planting the Flag: a strategy for ICT-enabled local public services reform*. It sets out three core principles for reform, six strategic capabilities that need to be in place in order to achieve reform, and six key issues for consideration. These are as follows:

[1] SocITM ‘Local government not signed up to 'digital by default' agenda suggest results from latest Better connected survey of council website performance’ 1 March 2013 (accessed 21 August 2013)
[2] Ibid.
[3] Ibid.

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Core Principles:

- **Collaborate, share and re-use assets** across public service organisations.
- **Redesign services to simplify, standardise and automate** holistically taking people, processes, information and technology into account when designing services.
- **Innovate to empower citizens and communities** shifting ownership and use of information and technology towards the service user.

Strategic capabilities

- **Leadership** “Politicians, managers, staff and citizens will need to be engaged and energised to address the problem of fragmented services and the legacy of paternalistic approaches.”
- **Governance** “proper accountability and separation of policy, implementation and audit will be essential.”
- **Organisational change**
- **Strategic commissioning and supplier management**
- **Shared services “**senior professionals managing and running ICT infrastructure and support desks, and technical specialists should be shared”
- **Professionalism “**technical and digital professionals should be accessing the same sort of accreditation schemes as legal and finance professionals do, so that organisations can be confident their skills and capabilities are fit for purpose now and in the future.”

Key issues

- **Information governance –** How the information is controlled.
- **Information management, assurance and transparency –** How the information is organised and shared.
- **Digital access and inclusion –** How users and staff access and use the information.
- **Local public services infrastructure –** How the technical structure supports public services.
- **Business change –** How public services change in order to address people, process, information and technology, as well as overcoming organisational boundaries.
- **ICT polices of central government departments –** How central government ICT policy, decision-making and practice impacts on local public services.

• A more detailed executive summary of the above is attached.

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Local CIO Council

Planting the Flag:
a strategy for ICT-enabled local public services reform

Executive summary

May 2011

Planting the Flag is a Local CIO Council initiative led by Socitm's Futures group. It sets out how technology can enable public service reform across the whole range of local services and deliver significant savings and better outcomes for people where they live and work. It assumes commitment to the sort of value-driven, cost reducing, organisational change that we advocate.

Planting the Flag is primarily a guide for chief executives, elected members, and senior management teams in local public services. A more detailed version is available for CIOs/Heads of ICT, ICT specialists, and the private sector.

Planting the Flag is the result of open and wide consultation across the public, private, and civil society sectors, including central government colleagues and the ICT industry. It builds on work done by LG Group, SOLACE, CIPFA, and others on the future of public services. Most crucially, it offers a local dimension to the recently published national *Government ICT Strategy*.

Above all, it is a 'call to arms'. The next phase, *Planning the Route*, will involve developing detailed action plans with cross-sectoral support. This will be facilitated by Socitm's regional groups working alongside local partners.

A strategy for ICT-enabled reform

Planting the Flag embraces the full scope of local public services through the lens of local government – the constitutional source of local democratic participation and leadership.

There has never been a strategy of this kind to guide the deployment of ICT to modernise the delivery of services across the local public sector. In this first phase of the strategy, we 'stake out the territory' for ICT as an enabler of change and a key ingredient for better public service outcomes and major savings.

Implementation of public service reform at a local level must take account of local circumstances – demographics, previous investment and geography. Successive governments have mistakenly assumed that 'one size fits all' for local public services, and this has led to rigid, large-scale technology-led programmes driven from Whitehall that have struggled to deliver value.

Planting the Flag offers an alternative approach – one which assumes national standards and policies, but which allows local choice and pragmatic implementation, supported by relevant guidance. It builds on local public services' cost effective and innovative deployment of ICT, but also acknowledges that economies of scale and scope are essential for efficiency and sustainability.

Planting the Flag addresses local authorities, emergency services, health, education and civil society organisations. It assumes that services must be delivered through unprecedented collaboration across agencies, with businesses, with communities and with citizens. It draws on the strong body of evidence Socitm has gathered to show how ICT can enable collaboration, innovation and re-design of service delivery.

Crucially, *Planting the Flag* sets out how local public services can derive **significantly more value from ICT**, but also how they can **reduce the cost of ICT**. Our focus is less on technology and more on specific principles about the 'what and how' of organisational change – in particular, how to get rid of the unhelpful, technology-led cultures and practices that all too frequently have accompanied ICT procurement, deployment and management in the past.

Three core principles

We set out three core principles for reform of local public services - collaborate, redesign and innovate:

Collaborate, share and re-use assets: Local public service organisations should join-up service delivery strategies and support them with collaboratively developed, ICT-enabled, delivery processes and communications functions. They should jointly commission ICT and other infrastructure and services, pool budgets, share staff, and measure, capture and share benefits and savings.

Redesign services to simplify, standardise and automate: Services needed to deliver priority local public service outcomes should be re-designed and ICT-enabled, using open and reusable standards to meet aspirations for 'anytime, anywhere, any device' access. The outcomes that service users value will be delivered by people, performing processes, with information, underpinned and enabled through technology.

Only when all four elements are considered together, through formal change management, will 'change' deliver value to our citizens and their public service organisations. Services, whether internal or external, should be designed as 'digital by default'. Action should be taken to improve significantly the ICT, change, and information management skills of all managers, staff and service users.

Innovate to empower citizens and communities: Social and digital inclusion should be built by shifting ownership and use of information and technology towards the service user. Service users, SMEs and the technology sector should be engaged in service design and delivery, and resources, information and skills should be used in the community to build local systems and services. Local public service organisations should act quickly and not be afraid to take considered and controlled risks.

Six strategic capabilities

Our research identifies six strategic capabilities that need to be in place if ICT-enabled local public services reform is to be achieved in any given locality:

Leadership: Strong leadership will be needed to realise change. Politicians, managers, staff and citizens will need to be engaged and energised to address the problem of fragmented services and the legacy of paternalistic approaches. CIOs have a key role to play in building collaboration and delivering redesigned services.

Governance: Provisioning of technology to support reformed local public service should be governed and managed at a regional or sub-regional level. Formal governance processes and structures, including organisational change programme boards and project boards will be required to enable joined-up technology strategies, architectures and plans for delivery. Proper accountability and separation of policy, implementation and audit will be essential.

Organisational change: Currently services are duplicated, misaligned, and configured around the convenience of organisations. They may be housed in multiple tiers of government, or fragmented across other providers. Specific, organisational change management capability is required to implement new ICT-enabled, service-led operating models that cross traditional organisation boundaries and are focused on the needs of service users and their communities.

Strategic commissioning and supplier management: A joined-up approach to specification and commissioning of services (ICT or otherwise) will deliver increased value through aggregation and rationalisation, and a focus on outcomes. Managing risk and innovation can then be based on the needs of the citizen. Reuse of existing contracts can be maximized and input-based specifications and single organisation tenders reduced.

Shared services: ICT infrastructure (e.g. public sector networks and data centres) and associated services should be aggregated and managed by fewer organisations. Senior professionals managing and running ICT infrastructure and support desks, and technical specialists should be shared. ICT should be put in place to enable organisational change, information sharing and integration, and the joint communications and systems required for shared local public services.

Professionalism: Capability for leading and managing ICT-enabled reform and efficiency needs to be further developed. Without it, local public service leaders and managers will continue to undervalue the role of information and technology. Organisational change, information, technology and digital professionals should be accessing the same sort of accreditation schemes as legal and finance professionals do, so that organisations can be confident their skills and capabilities are fit for purpose now and in the future.

Six key issues around information and technology

Effective information management and deployment of technology within a context of fundamental organisational change are key to redesigning local public services so that they deliver better for less. There are six key issues:

Information governance: Efficient, effective, local public services depend on fast, secure access by authorised personnel to 'a single version of the truth' about people, assets, finance, service usage and performance. This requires changes to current practice in information governance, architecture and responsibilities that span local public services.

Information management, assurance and transparency: Most managers do not recognise the value of information or appreciate the importance of its quality. Failure to share and a tendency to duplicate information across local public services are endemic. There is no common, local public services security framework. Release of 'public' information (i.e. information without privacy or state security issues) is not routine. All of these issues need to be addressed with new, shared, information management policy and practice across local public services.

Digital access and inclusion: Processes and information systems should be designed assuming digital access 'by default' for citizens and employees. Local public service organisations should publish data to open standards to allow third parties, including local technology companies and community groups to use it to deliver applications and services.. Strategies and policies for exploiting social media and networking tools should be developed to support citizen engagement and service delivery. Digital literacy programmes should be joined-up across "place" and offered to both employees and citizens.

Local public services infrastructure: Local public service organisations should converge parts of their ICT functions over time. Routemaps, supported by action plans, should be developed at a regional or sub-regional level, and wherever possible across local public services, for moving towards shared ICT infrastructure, contracts and support arrangements. This process should start with converged public sector networks, the rationalisation and sharing of data centres and other foundation infrastructure services. Technologies should be implemented to allow staff to work securely anytime, anyplace, anywhere and from most devices - including personally owned consumer devices. This would enable substantial reductions in property costs, support localised and community-based working, and improve productivity and work-life balance for employees. Sustainability and green outcomes should underpin all decisions. Business processes should be standardised and interoperable to minimise system implementation and maintenance costs. Routine processes should be automated and paper ones removed. Information systems should work to open and agreed standards and their specification should enable internal and external interoperability.

Business change: Information and technology are necessary, but not sufficient, for the scale of change required of local public services. Organisational change will need to be systemic, addressing people, process, information and technology and be delivered across organisational boundaries. Strategies and policies should be developed for designing and implementing new operating models cross local public services, that are sensitive to local circumstances and co-produced with partners and service users. New approaches to risk and value management and to multi-partner change governance should be explored and best practice shared.

ICT polices of central government departments: Efficiency of local public services is impacted by ICT policy, decision-making and practice by central government departments. We would like to see common information assurance approaches and standards, especially around health services. Mandating all public service organisations to move to the proposed Public Sector Network would usefully standardise networks and services. A single identity management and verification standard for employees and citizens to access all government services (excluding the highest levels) would also help, as would the application of appropriate levels of information assurance management for local public services delivery, based on associated threats or risks.

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Planning the Route

Planting the Flag is a ‘call to arms’ from the Local CIO Council.* The next phase of the strategy, *Planning the Route*, will involve regional and sub-regional development of more detailed action plans.

These plans will be:

- facilitated by Socitm’s regional groups working alongside local partners
- aligned with the recent Government ICT Strategy and equivalent strategies for the devolved administrations
- enabled by common information, security and technology standards, brokered by the Local CIO Council with partners (including the Local e-Government Standards Body) across local public services
- supported by Socitm through benchmarking, case studies and guidance
- documented on the Socitm website www.socitm.net

* The Local CIO Council was set up in 2008 at the invitation of the Government’s Chief Information Officer. It represents the views and interests of local government to the main government CIO council run by the Cabinet Office

design: Boilerhouse.co.uk

This document has been prepared by Socitm *Futures* on behalf of Socitm and the Local CIO Council. The full version of *Planting the Flag* can be downloaded from www.socitm.net

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SURREY
COUNTY COUNCIL

Council Overview and Scrutiny Committee
3 October 2013

BUDGET MONITORING REPORT FOR AUGUST 2013 (PERIOD 5)

Purpose of the report: This report presents the revenue and capital budget monitoring up-date for August 2013 with projected year-end outturn.

Introduction:

1. The August 2013 month end budget report was presented to the cabinet meeting on Tuesday 24 October 2013.
2. Annex 1 to this report sets out the council's revenue and capital forecast of the year-end outturn at the end of August.
3. The forecast is based upon current year to date income and expenditure and projections using information available at the end of the month. The report provides explanations for significant variations from the budget.

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SURREY COUNTY COUNCIL

CABINET

DATE:	**24 SEPTEMBER 2013**
REPORT OF:	**MR DAVID HODGE, LEADER OF THE COUNCIL**
LEAD OFFICER:	**SHEILA LITTLE, CHIEF FINANCE OFFICER AND DEPUTY DIRECTOR FOR BUSINESS SERVICES**
SUBJECT:	**BUDGET MONITORING REPORT FOR AUGUST 2013**

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SUMMARY OF ISSUE:

This report presents the council's financial position at the end of period 5 – August of the 2013/14 financial year, with particular focus on the year end revenue and capital budgets forecasts and the achievement of efficiency targets.

Please note that Annex 1 to this report will be circulated separately prior to the Cabinet meeting.

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. notes the:
   - forecast revenue budget underspend for 2013/14 (Annex 1, paragraph 1);
   - forecast ongoing efficiencies & service reductions achieved by year end (Annex 1, paragraph 62);
   - forecast capital budget position for 2013/14 (Annex 1, paragraph 67)
   - management actions to mitigate overspends (throughout Annex 1);

REASON FOR RECOMMENDATIONS:

To comply with the agreed strategy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

DETAILS:

1. The Council's 2013/14 financial year commenced on 1 April 2013. This is the third budget monitoring report of 2013/14. The budget monitoring reports for this financial year have a greater focus on material and significant issues, especially the tracking of the efficiency and reduction targets within the Medium Term Financial Plan. The reports also have a greater emphasis on proposed actions to be taken to resolve any issues.

2. The Council has implemented a risk based approach to budget monitoring across all directorates and services. The risk based approach is to ensure we focus resources on monitoring those higher risk budgets due to their value, volatility or reputational impact.

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3. There is a set of criteria to evaluate all budgets into high, medium and low risk. The criteria cover:
   - the size of a particular budget within the overall Council's budget hierarchy (the range is under £2m to over £10m);
   - budget complexity relates to the type of activities and data being monitored (the criterion is about the percentage of the budget spent on staffing or fixed contracts - the greater the percentage the lower the complexity);
   - volatility is the relative rate at which either actual spend or projected spend move up and down (volatility risk is considered high if either the current year's projected variance exceeds the previous year's outturn variance, or the projected variance has been greater than 10% on four or more occasions during this year)
   - political sensitivity is about understanding how politically important the budget is and whether it has an impact on the Council's reputation locally or nationally (the greater the sensitivity the higher the risk).

4. High risk areas report monthly, whereas low risk services areas report on an exception basis. This will be if the year to date budget and actual spend vary by more than 10%, or £50,000, whichever is lower.

5. Annex 1 to this report sets out the Council's revenue budget forecast year end outturn as at the end of August 2013. The forecast is based upon current year to date income and expenditure as well as projections using information available to the end of the month.

6. The report provides explanations for significant variations from the budget, with a focus on staffing and efficiency targets. As a guide, a forecast year end variance of greater than £1m is material and requires a commentary. For some services £1m may be too large or not reflect the service's political significance, so any variance over 2.5% may also be material.

7. Also, Annex 1 to this report updates Cabinet on the Council's capital budget.

8. Appendix 1 provides details of the directorate efficiencies and revenue and capital budget movements.

Consultation:

9. All Cabinet Members will have consulted their relevant Strategic Director on the financial positions of their portfolios.

Risk management and implications:

10. Risk implications are stated throughout the report and each Strategic Director has updated their strategic and or service Risk Registers accordingly. In addition, the Leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council.

Financial and value for money implications

11. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus. The Council continues

to have a strong focus on its key objective of providing excellent value for money.

Section 151 Officer commentary

12. The Section 151 Officer confirms that the financial information presented in this report is consistent with the council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks..

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Legal implications – Monitoring Officer

13. There are no legal issues and risks.

Equalities and Diversity

14. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary.

Climate change/carbon emissions implications

15. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.

16. Any impacts on climate change and carbon emissions to achieve the Council's aim will be considered by the relevant service affected as they implement any actions agreed.

WHAT HAPPENS NEXT:

The relevant adjustments from the recommendations will be made to the Council's accounts.

Contact Officer:
Sheila Little, Chief Finance Officer and Deputy Director for Business Services
020 8541 7012

Consulted:
Cabinet / Corporate Leadership Team

Annexes:
Annex 1 – Revenue budget, staffing costs, efficiencies and capital programme summary.
Appendix 1 – Directorate financial information (revenue and efficiencies) and revenue and capital budget movements.

Sources/background papers:
None

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Budget monitoring period 5 2013/14 (August 2013)

Summary - Revenue

The Council set its budget for the 2013/14 financial year in the context of the Government's continuing austerity programme, with reducing public spending and rising demand for services. In setting a balanced 2013/14 budget, the Council developed plans for efficiencies and service reductions totalling £68m and approved the use of £11m earmarked reserves and £12m general balances. In developing its five year Medium Term Financial Plan (MTFP 2013-18), the Council approved plans to achieve efficiencies and service reductions totalling £167m, following achievement of £225m efficiencies from 2009 to 2012. Cabinet carried out a review of the MTFP after the first quarter of 2013/14. The review identified additional savings services can realistically deliver for 2014-18 of £56.0m (£19.5m in 2014/15). 7

The Local Government Peer Review of March 2013 recognised the Council's longer term view and multi-year approach to financial management. As part of this, Cabinet approved carry forward of £7.9m underspend from 2012/13 to fund projects and commitments in 2013/14.

At the end of August 2013, services forecast a total overspend of +£0.6m (+£1.7m at the end of June). This excludes use of the 2013/14 budget's £13m risk contingency and -£0.8m net income on the Revolving Infrastructure and Investment Fund, which will be re-invested in the fund.

The overall forecast position is -£12.4m underspend.

The slight net forecast overspend on services is a result of: Children's Services' delays in achieving efficiencies (+£1.5m) and net additional pressures (+£0.2m); plus support for local bus routes (+£0.6m); offset by underspends within Business Services, Customer & Communities and Central Income & Expenditure (-£1.4m refund on the Local Authority Central Spend Equivalent Grant (LACSEG)).

One third of Adult Social Care's (ASC) demanding (£46m) savings requirement relies on the success of the policy to maximise use of social capital. Given the scale of the challenge for the first year of these ambitious plans, there is a risk of slippage. If that happens, ASC will seek to draw down available funding to offset it on a one-off basis. £7.5m Whole Systems funding carried forward from previous years has been identified for this contingency.

Summary – Efficiencies

The MTFP 2013-18 is based on achieving planned efficiencies and reductions in ongoing spending totalling £68.3m in 2013/14 (£167m for 2013-18). At the end of August 2013, services forecast to achieve £66.2m efficiencies by year end. The -£2.1m underachievement is due the delays within Children Services and bus issues outlined above. This position also includes £10.6m ASC savings re-categorised as one-off measures. These delayed savings from 2013/14 will need to be made in 2014/15.

Summary - Capital

MTFP 2013-18 set a £699m five year capital programme. Cabinet approved re-profiling of carry forwards and virements means the revised 2013/14 capital budget is £188.3m. At the end of August 2013, services' overall capital spending is forecast to achieve a small underspend (-£2.4m) by year end (-£0.5m at the end of June). This is mainly due to the delays: experienced at Guildford Fire Station from archaeological finds (-£3.0m); in obtaining planning permission for the improvement of a travellers' site (-£0.5m); and the local area network (LAN) element of the Unicorn project (-£0.4m). These are offset by projects bringing expenditure forward, particularly school modular building (+£1.4m) and SEN strategy (+£0.1m).

Cabinet is asked to note the:

1. forecast revenue budget underspend for 2013/14 (paragraph 1);
2. forecast ongoing efficiencies & service reductions achieved by year end (paragraph 62);
3. forecast capital budget position for 2013/14 (paragraph 67);
4. management actions to mitigate overspends (throughout this report).

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Revenue budget

1. The updated revenue budget for the 2013/14 financial year, including schools, was supported by £23.0m of earmarked and general reserves, plus £7.9m revenue carried forward from 2012/13 to fund committed 2013/14 expenditure. The current projection for the council funded service net revenue budget is +£0.6m overspend. This excludes use of the £13m risk contingency in the 2013/14 budget and the -£0.8m net income on the Revolving Infrastructure and Investment Fund, which the Council will re-invest in the fund. The overall forecast year end position for the Council is -£12.4m underspend (-£11.3m at the end of June).

2. Table 1 below shows the revenue position supported by general balances.

Table 1: 2013/14 Revenue Budget - Forecast position as at end of August 2013

	Year to Date Budget £m	Year to Date Actual £m	Year to Date Variance £m	Full Year Budget £m	Sep – Mar remaining Forecast £m	Full Year Projection £m	Full Year Variance £m
Income							
Local taxation	-244.1	-244.7	-0.6	-599.3	-354.6	-599.3	0.0
Government grants	-471.0	-473.0	-2.0	-924.7	-453.6	-926.6	-1.9
Other income	-59.5	-60.3	-0.8	-148.1	-97.5	-157.8	-9.7
Income	**-774.6**	**-778.0**	**-3.4**	**-1,672.1**	**-905.7**	**-1,683.7**	**-11.6**
Expenditure							
Staffing	130.5	126.9	-3.6	314.4	185.2	312.1	-2.3
Non staffing	309.3	305.9	-3.4	848.0	543.6	849.5	1.5
School expenditure	215.8	214.8	-1.0	521.6	306.8	521.6	0.0
Expenditure	**655.6**	**647.6**	**-8.0**	**1,684.0**	**1,035.6**	**1,683.2**	**-0.8**
Funded by:							
General balances	**-119.0**	**-130.4**	**-11.4**	**11.9**	**129.9**	**-0.5**	**-12.4**

3. Table 2 below shows the updated net revenue budget for each directorate and schools and the year end variance.

Table 2: 2013/14 Revenue budget - net positions by directorate

June's projected variance £m	**Directorate**	YTD budget £m	YTD actual £m	**YTD variance £m**	Full year (revised) Budget £m	Sep – Mar remaining forecast £m	Full year projection £m	**Full year variance £m**
0.0	Adult Social Care	140.9	146.6	5.7	338.1	191.5	338.1	0.0
2.0	Children, Schools & Families	73.0	70.3	-2.7	179.1	110.5	180.8	1.7
0.0	Schools (gross exp £521.8m)	0.1	-0.9	-1.0	0.1	1.0	0.1	0.0
-0.3	Customer & Communities	25.2	24.5	-0.7	60.0	35.3	59.8	-0.2
0.5	Environment & Infrastructure	50.6	48.5	-2.1	131.9	84.5	133.0	1.1
-0.6	Business Services	32.2	30.4	-1.8	83.0	52.2	82.6	-0.4
-0.1	Chief Executive's Office	7.8	3.6	-4.2	16.0	12.2	15.8	-0.2
0.2	Central Income & Expenditure	-204.7	-208.4	-3.7	-210.0	-3.0	-211.4	-1.4
1.7	**Service position**	**125.1**	**114.6**	**-10.5**	**598.2**	**484.2**	**598.8**	**0.6**
0.0	Local taxation	-244.1	-244.7	-0.6	-599.3	-354.6	-599.3	0.0
0.0	Revolving Infrastructure & Investment Fund	0.0	-0.3	-0.3	0.0	0.3	0.0	0.0
-13.0	Risk Contingency	0.0	0.0	0.0	13.0	0.0	0.0	-13.0
-11.3	**Overall position**	**-119.0**	**-130.4**	**-11.4**	**11.9**	**129.9**	**-0.5**	**-12.4**

4. Below, each directorate reports a summarised income & expenditure statement and service and policy financial information that explain any variances, their impact and services' actions to mitigate any adverse variances.

5. The background information appendix gives the updated budget with explanations of the budget movements.

Dashboard and Forecasting tool update

6. Over the summer, the new reporting and forecasting tools were successfully implemented. The tools are being used by Business Services, Chief Executive Office and Public Health managers at the moment with Finance supporting the rest of the organisation. There is a phased implementation plan to wider usage over the financial year.

Adult Social Care

Table 3: Summary of the revenue position for the directorate

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Summary	YTD Budget £m	YTD Actual £m	YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-28.3	-28.6	-0.3	-67.9	-48.3	-76.9	-9.0
Expenditure	169.2	175.2	6.0	406.0	239.8	415.0	9.0
Net position	**140.9**	**146.6**	**5.7**	**338.1**	**191.5**	**338.1**	**0.0**
Summary by service	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Income	-28.3	-28.6	-0.3	-67.9	-48.3	-76.9	-9.0
Older people	65.7	73.2	7.5	157.6	93.8	167.0	9.4
Physical disabilities	20.3	20.8	0.5	48.8	27.4	48.2	-0.6
Learning disabilities	54.1	53.9	-0.2	129.7	78.1	132.0	2.3
Mental health	3.8	3.9	0.1	9.2	5.5	9.4	0.2
Other expenditure	25.3	23.4	-1.9	60.7	35.0	58.4	-2.3
Total by service	**140.9**	**146.6**	**5.7**	**338.1**	**191.5**	**338.1**	**0.0**

7. The August projected outturn for Adult Social Care is a balanced budget (as reported at the end of June) but with a significant risk of an overspend occurring.

8. As highlighted in the MTFP preparation, the ASC budget faces considerable pressures and equally demanding savings targets, even after the addition of £11m during budget preparation to the previously-planned MTFP cash limit for 2013/14. Good progress has been made in many of the savings actions, and it is judged that £21.4m of savings have either been achieved or will be achieved without further action being required. It is indicative of the pressures that the year to date position at the end of August is a +£5.7m overspend. The Directorate plans to improve this position and offset future demand pressures in the rest of the year by implementing the remaining £24.4m management action savings plans.

9. Planned management actions have decreased by £0.2m since June month end, mainly due to savings achieved through the renegotiation of block contracts. However, they remain challenging as the majority of the planned savings relate to individually commissioned care where costs increased by £1.4m in August due to additional service volumes.

10. The savings target for social capital this year is £15.5m, against which £8.8m of savings are currently being projected. This projection is made up of £0.8m of savings relating specifically to forecast over projection of Older People home care costs based on previous years trends and £8.0m of savings that the Directorate plans to achieve in the remainder of 2013/14. The August position suggests that slippage of £6.7m is likely against the social capital savings target. Some slippage was recognised as a risk in budget planning and the Directorate is likely to seek to draw down £7.5m of unused 2011/12 Whole Systems funding to offset this and other slippage.

11. The key driver of the underlying pressures that the service faces is individually commissioned care services. The gross spend to date on spot care excluding Transition has been £21.6m per month over April - August. That compares with £21.4m per month at the end of 2012/13, indicating that while new in year demand pressures due are largely being contained, expenditure has not yet decreased as planned. Assuming that all savings occur as currently forecast or are replaced by other means, then the Directorate can afford to spend only £19.4m per month in order to achieve an overall balanced budget. Therefore, a 10.2% reduction in expenditure on individually commissioned care services is needed.

12. Overall whilst a balanced budget remains a feasible outcome and one which every effort will be made to achieve, there is a significant risk of an overspend occurring. That remains consistent with the judgment of risk when setting the budget, when it was stated that 'realistically, some overspend is judged possible, as has been recognised corporately by the increase in the centrally-held risk contingency'.

13. Summary of Adult Social Care forecast

• ASC MTFP efficiency target	-£45.8m
• Demand related savings identified in current projections	-£3.0m
• Other savings identified in current projections	-£18.4m
Total within current projections	-£21.4m
• Savings in remainder of the year through the use of social capital	-£8.0m
• Other savings plans forecast in the remainder of the year and included as management actions.	-£8.9m
Total forecast savings before draw downs	-£38.3m
Contingent drawdown of 2011/12 Whole Systems funding	-£7.5m
Total forecast spending reductions 2013/14	-£45.8m

Children, Schools & Families

Table 4: Summary of the revenue position for directorate

Summary	YTD Budget £m	YTD Actual £m	YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-56.6	-57.0	-0.4	-150.7	-94.3	-151.3	-0.6
Expenditure	129.6	127.3	-2.3	329.8	204.8	332.1	2.3
Net position	**73.0**	**70.3**	**-2.7**	**179.1**	**110.5**	**180.8**	**1.7**
Summary by service	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Income	-56.6	-57.0	-0.4	-151.2	-94.3	-151.3	-0.1
Strategic Services	2.2	2.0	-0.2	5.3	2.9	4.9	-0.4
Children's Services	36.7	37.9	1.2	88.5	53.6	91.5	3.0
Schools and Learning	82.6	78.9	-3.7	214.2	134.5	213.4	-0.8
Services for Young People	8.1	8.5	0.4	22.3	13.8	22.3	0.0
Total by service	**73.0**	**70.3**	**-2.7**	**179.1**	**110.5**	**180.8**	**1.7**

14. The forecast outturn position for the Children Schools and Families directorate (CSF) is for an overspend of +£1.7m. This is £0.3m less than forecast at June month end. The main reasons for the overspend is continuing pressures in Children's services and increasing demand for transport in relation to children with special education needs (SEN). The Directorate Leadership Team is currently reviewing the overall position with an aim to balancing the overall 2013/14 budget.

15. The year to date underspend of -£2.7m is mainly due to Dedicated School Grant underspends on nursery provision (-£1.8m) which are not reflected in the forecast as they are Dedicated School Grant funded services. The remainder is staffing across the directorate (-£1.0m) that are reflected in the forecast.

Children's Services

16. In Children's Services the projected overspend increased from June month end by +£0.7m to +£3.0m. The main reasons for the forecast overspend in Children’s Services are:

- The budgets for services for children with disabilities are overspending by +£2.1m, of which +£1.5m is the budget reduction for the proposed MTFP efficiency in this service area. This is not going to be achieved this financial year and alternative savings are being looked at as a key management action for CSF heads of service. The remaining element of the overspend +£0.6m is because of increasing agency placements.
- Area care services are forecasting an overspend of +£0.5m due to increase in the instances of court proceedings together with an increase in the fees. There are currently 144 proceedings cases compared to 169 for the whole of 2012/13.
- A +£0.5m overspend is anticipated due to ongoing difficulties recruiting permanent social workers and a resulting reliance on more expensive agency staff. The market for good quality agency staff is increasingly competitive which is pushing agency costs even higher. This has been an ongoing problem and plans are in place to improve recruitment and retention of social workers through the career progression framework and the recruitment programme in the north east area of Surrey to grow our own skilled workforce, though the results of these initiatives will take time to be realised.
- The budgets for leaving care and asylum seekers are expected to overspend by +£0.4m as the number of cases continues at similar level as experienced in 2012/13 when a similar overspend occurred.
- The pressure on fostering and adoption allowances continues at +£0.3m. The number of foster placements is 17 higher than at the beginning of the year. In addition the number of Special Guardianship Orders (SGO) continues to increase, the projection assumes that an additional 65 SGOs will be made this year compared to 45 in 2012/13.
- Offsetting these overspends are net underspends of -£0.5m across Children’s Services and these are planned to continue in order to help alleviate the cost pressures.

Schools and Learning

17. The Schools and Learning forecast position is an underspend of -£0.8m on county funded services.

18. The main pressure on the Schools and Learning budget is a -£2.1m overspend on transport. This is mainly in relation to SEN (£1.9m overspend). The school transport service already had a budget pressure of £0.7m which was reported as an overspend in the 2012/13 outturn report. In addition to this pupil numbers and costs have continued to rise, particularly around SEN, with total SEN pupil numbers being transported at 2,500, which is 78 higher than the same period last year and therefore causing an additional cost of £0.8m, plus there are four extra academic days this financial year which adds an additional funding pressure of £0.8m.

19. The Head of Service is working to confirm the position on demand-related SEN service budgets, in particular transport. As in previous years, the start of the new academic year will provide the more detailed information around actual pupils and the forecasts from October will reflect this more accurate service information.

20. Off-setting the transport overspend is a-£2.5m underspend on the centrally held budget. This budget consists of the additional funding for demographics and some of the inflation and is intended to cover budget pressures arising from the demand led budgets for the new academic year as referred to in the previous paragraph. For this reason and the fact that the service is having to make £7.0m savings and there have been significant funding changes to pre and post 16 SEN, a prudent decision was taken at the start of the financial year to retain a central budget until the start of the new academic year.

Services for Young People and Strategic Services

21. Services for Young People and Strategic Services forecast a balanced position at this stage. Within Strategic Services an underspend of -£0.4m is anticipated mainly due to recognition that resources set aside for one off service initiatives are unlikely to be required this financial year.

Schools (delegated budget)

Table 5: Summary of the revenue position for the delegated schools budget

	YTD Budget £m	YTD Actual £m	YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Summary							
Income	-215.7	-215.7	0.0	-521.5	-305.8	-521.5	0.0
Expenditure	215.8	214.8	-1.0	521.6	306.8	521.6	0.0
Net position	**0.1**	**-0.9**	**-1.0**	**0.1**	**1.0**	**0.1**	**0.0**

22. The position is unchanged since the beginning of the year. The schools delegated budget will be reviewed in October, after the new school year has commenced.

Customer & Communities

Table 6: Summary of the revenue position for directorate

Summary	Aug YTD Budget £m	Aug YTD Actual £m	Aug YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-9.8	-10.1	-0.3	-24.0	-14.2	-24.3	-0.3
Expenditure	35.0	34.6	-0.4	84.0	49.5	84.1	0.1
Net position	**25.2**	**24.5**	**-0.7**	**60.0**	**35.3**	**59.8**	**-0.2**
Summary by service	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Cultural Services	4.5	4.7	0.2	10.8	6.0	10.7	-0.1
Fire & Rescue	15.2	15.1	-0.1	35.6	20.5	35.6	0.0
Customer Services	1.7	1.5	-0.2	4.0	2.5	4.0	0.0
Trading Standards	0.9	0.8	-0.1	2.2	1.4	2.2	0.0
Community Partnership & Safety	1.5	1.0	-0.5	4.1	3.1	4.1	0.0
County Coroner	0.5	0.7	0.2	1.1	0.5	1.2	0.1
Directorate Support	0.9	0.7	-0.2	2.2	1.3	2.0	-0.2
Total by service	**25.2**	**24.5**	**-0.7**	**60.0**	**35.3**	**59.8**	**-0.2**

23. The year to date underspend is -£0.7m, mainly due to the timing of expenditure on third party grants and member allocations within Community Partnership and Safety.

24. The directorate is currently projecting a small underspend of -£0.2m (-£0.3m at the end of June). This is predominantly from early achievement of the 2014/15 MTFP efficiency on Directorate Support costs, due to holding posts vacant and sharing costs (-£0.2m). A further underspend is expected from the continued increase in income generated by Registration (-£0.1m), which is due in part to the three yearly cycle of venue licensing income. This will be reflected appropriately within future MTFP income targets. There are legislative changes that are affecting the directorate within the Coroners service (+£0.1m).

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The full year pressure that will affect 2014/15 is expected to create an ongoing annual pressure in the region of £0.2m.

Environment & Infrastructure

Table 7: Summary of the revenue position for directorate

Summary	Aug YTD Budget £m	Aug YTD Actual £m	Aug YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-7.8	-7.0	0.8	-18.7	-12.2	-19.2	-0.5
Expenditure	58.4	55.5	-2.9	150.6	96.7	152.2	1.6
Net position	**50.6**	**48.5**	**-2.1**	**131.9**	**84.5**	**133.0**	**1.1**
Summary by service	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Environment	23.5	23.6	0.1	61.5	38.2	61.8	0.3
Highways	16.0	14.1	-1.9	44.7	30.9	45.0	0.3
Economy, Transport & Planning	11.0	10.7	-0.3	25.5	15.3	26.0	0.5
Other Directorate Costs	0.1	0.1	0.0	0.2	0.1	0.2	0.0
Total by service	**50.6**	**48.5**	**-2.1**	**131.9**	**84.5**	**133.0**	**1.1**

25. The year to date position is an underspend of -£2.1m. This primarily relates to highway maintenance works (-£1.9m) including road maintenance for some project delays on winter damage, local schemes and street lighting works.

26. The forecast outturn for Environment & Infrastructure is currently an overspend of +£1.1m (+£0.5m forecast at the end of June).

27. There is an expected +£0.6m overspend on local bus support as a result of difficulty achieving planned savings and instances where bus routes are no longer commercially viable and need financial support from the Council.

28. A +£0.4m overspend is also expected on waste management budgets due to costs of external specialist advisors associated with the contract variation.

29. Additional employee costs of +£0.3m are expected to be largely offset by additional income later in the year. Additional Highway costs associated with the Tour of Britain are anticipated (+£0.2m including road closures and diversions) is partly offset by other small underspends totalling -£0.4m across the directorate.

30. The directorate is looking at ways for bringing expenditure back in line with its budget.

31. The Directorate faces a number of further risks around costs and income this year. Responsibility for making fuel duty rebate payments to bus operators is due to transfer to local authorities in January 2014. The Government has issued guidance, but funding remains unclear and it is uncertain if this will create a cost pressure for the Council.

32. The cost of waste disposal remains dependant on waste volumes and treatments, and the contract variation will have cost implications as it progresses.

33. The Directorate also plans to achieve a number of challenging efficiency savings and cost reductions this financial year, including reducing contract costs and increasing income and recharges. A number of these were given an amber risk rating in the MTFP reflecting uncertainties around amounts and deliverability.

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Business Services

Table 8: Summary of the revenue position for directorate

Summary	YTD Budget £m	YTD Actual £m	YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-5.8	-6.3	-0.5	-14.8	-8.5	-14.8	0.0
Expenditure	38.0	36.7	-1.3	97.8	60.7	97.4	-0.4
Net position	**32.2**	**30.4**	**-1.8**	**83.0**	**52.2**	**82.6**	**-0.4**
Summary by service	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Property	11.5	11.1	-0.4	32.4	20.8	31.9	-0.5
Information Management & Technology	9.3	9.0	-0.3	23.3	14.3	23.3	0.0
Human Resources & OD	3.5	3.3	-0.2	8.4	5.5	8.8	0.4
Finance	3.6	3.4	-0.2	8.6	4.9	8.3	-0.3
Shared Services	1.8	1.6	-0.2	4.2	2.6	4.2	0.0
Procurement & Commissioning	1.4	1.4	0.0	3.3	1.9	3.3	0.0
Business Improvement	1.1	0.6	-0.5	2.8	2.2	2.8	0.0
Total by service	**32.2**	**30.4**	**-1.8**	**83.0**	**52.2**	**82.6**	**-0.4**

Note: All numbers have been rounded - which might cause a casting error

34. The year to date underspend of -£1.8m relates primarily to Business Improvement (-£0.5m), Property (-£0.4m) and the phasing of project delivery within IMT (-£0.3m). The Business Improvement project budget is a multi-year project and includes a £0.6m carry forward from 2012/13, the Property position is due to an underspend in the rent budget. The IMT budget is expected to be fully spent at year end as new projects commence.

35. There is no change to the revenue forecast this month. However, IMT has identified several pressures. The number of IT users across the Council has increased from 7,700 in 2011/12 to just under 10,000 this year, with associated equipment, licence and support costs. This pressure is being addressed through the 2013/14 budget planning process and will be managed within this year’s budget.

36. The directorate is projected to underspend by -£0.4m this year (-£0.6m forecast at the end of June). The main items are a projected underspend on property rents (-£0.5m), the 2013/14 audit fee (-£0.2m) and Business Services staffing (-£0.2m). This underspend is offset by an expected overspend on corporate training and recruitment (+£0.5m).

37. Property is projecting an underspend of -£0.5m. The 2013-18 MTFP assumed the number of leasehold properties would increase. The number of properties has not increased but if it does then this underspend will not occur. The July MTFP re-fresh includes a saving of £0.3m on the assumption that there will be more staff moving into District and Boroughs.

38. The HR budget is expected to overspend by +£0.4m. This is mainly due to pressures on corporate training (+£0.3m) and corporate recruitment (+£0.2m). The training budget within the HR service funds the ASC social workers’ training, including their salaries, and this area of the budget is expected to overspend by +£0.2m. The service is in discussion with ASC to manage this pressure in 2014/15 onwards. The corporate recruitment overspend is due to the cost of more specialist recruitment. Numbers have remained stable however the specialist nature of the recruitment means the cost per recruitment is rising by about 5%. These overspends are offset by a -£0.1m underspend on staffing.

39. The Finance Service is forecasting an underspend of -£0.3m. The Council's audit is complete and cost -£0.2m less than the budget. This cost saving will continue and hence is delivering the 2014/15 MTFP savings early. Further savings in Finance relate to a -£0.1m staffing underspend due to in year vacancies, partly to meet the MTFP saving required in 2014/15.

40. Business Services' 2013/14 revenue budget includes savings of £2.9m. Of these, £1.0m are PVR organisational review savings. Almost all of the new staffing structures are in place and the directorate is on track to achieve the savings target for the year. The budget also includes the new East Sussex County Council partnership and Local Assistance Scheme budgets. Processes are in place to monitor these new budgets closely.

Chief Executive's Office

Table 9: Summary of the revenue position for directorate

Summary		YTD Budget £m	YTD Actual £m	YTD Variance £m	Full Year (Revised) Budget £m	Sep - Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income		-11.8	-10.4	1.4	-28.4	-17.6	-28.0	0.4
Expenditure		19.6	14.0	-5.6	44.4	29.8	43.8	-0.6
Net position		**7.8**	**3.6**	**-4.2**	**16.0**	**12.2**	**15.8**	**-0.2**
Summary by service		**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Strategic Leadership		0.2	0.2	0.0	0.5	0.3	0.5	0.0
Legacy		0.2	0.2	0.0	0.4	0.2	0.4	0.0
Emergency Management		0.2	0.2	0.0	0.5	0.3	0.5	0.0
Communications		0.8	0.8	0.0	2.0	1.2	2.0	0.0
Legal & Democratic Services		4.9	5.0	0.1	9.6	4.6	9.6	0.0
Policy & Performance		1.5	1.4	-0.1	3.0	1.4	2.8	-0.2
Public Health		0.0	-4.2	-4.2	0.0	4.2	0.0	0.0
Net Budget		**7.8**	**3.6**	**-4.2**	**16.0**	**12.2**	**15.8**	**-0.2**
Public Health –	grant income	-11.2	-9.8	1.4	-27.0	-16.7	-26.5	0.5
Public Health –	expenditure	11.2	5.6	-5.6	27.0	20.9	26.5	-0.5
Public Health –	net expenditure	0.0	-4.2	-4.2	0.0	4.2	0.0	0.0

41. The Chief Executive's Office (CXO) is currently projecting a small underspend of -£0.2m against a total revenue budget of £15.9m (-£0.1m forecast at the end of June). This is predominantly due to holding vacancies within Policy & Performance in preparation for achieving 2014/15 efficiency savings, offset by pressures in Legal due to the cost and volume of child protection cases.

42. CXO has taken on the Council's new responsibility for Public Health this year. Some uncertainties remain in this first year of Public Health budgets. Nonetheless, it is expected they can be managed to achieve a balanced position.

43. Public Health Income: £3.3m of funding for sexual health services was allocated to the Clinical Commissioning Groups (CCG) in error by the Department of Health (DoH). Discussions are ongoing with CCGs to recover this funding. For future years, DoH has confirmed this misallocation will be rectified.

44. In addition a further £0.5m was budgeted to be recovered from the Police and Crime Commissioner (PCC) in relation to Drug and Alcohol services. The PCC's priorities have

changed from those of the Police Authority and they have confirmed that this funding will not be provided in 2013/14. As part of the forward budget process this service will be reviewed and a decision made on how this will continue in the future. In the current year the under recovery will be offset against the under spend on staffing, explained below.

45. A new budget issue which is being investigated is the cost of prescribing drugs related to the Public Health (PH) programme. It has come to light nationally in the last month that local authorities may be recharged for such costs by the NHS Business Services Authority and that this amount had not been included in the Council's baseline allocation. The Surrey PH team are gathering information on the potential size of these charges to assess the extent of the impact and the current estimate is that it will be in the region of £3m. As this is a country wide issue the Director of Public Health is linking into other PH teams to progress this matter nationally.

46. Public Health Expenditure: Because some staff did not transfer to the Council from NHS Surrey as part of the changes to the NHS from 1 April 2013, PH currently has a number of vacancies throughout its team, including many at senior level. Progress is continuing with the recruitment to these posts and some new staff have already been appointed, including three public health consultants. The majority of these staff are not expected to be in post before November 2013.

47. One off initiatives are being put in place to ensure the ring fenced grant is fully utilised by the year end where there has been a short lag due to the transfer on 1 April 2013.

48. The full year position is forecast to be balanced.

Central Income & Expenditure

Table 10: Summary of the revenue position for directorate

Summary	**YTD Budget £m**	**YTD Actual £m**	**YTD Variance £m**	**Full Year (Revised) Budget £m**	**Sep - Mar Forecast £m**	**Full Year Projection £m**	**Full Year Variance £m**
Income	-194.5	-197.8	-3.3	-246.8	-50.4	-248.2	-1.4
Expenditure	-10.2	-10.6	-0.4	36.8	47.4	36.8	0.0
	-204.7	**-208.4**	**-3.7**	**-210.0**	**-3.0**	**-211.4**	**-1.4**
Local taxation	-244.1	-244.7	-0.6	-599.3	-354.6	-599.3	0.0
Risk contingency				13.0	0.0	0.0	-13.0
Net position	**-448.8**	**-453.1**	**-4.3**	**-796.3**	**-357.6**	**-810.7**	**-14.4**

49. The year to date variance is primarily caused by additional government grant income in 2013/14 being received that is not included in the MTFP. £1.4m was received as a refund on Local Authority Central Spend Equivalent Grant (LACSEG) grant on the transfer of schools to academy status; £0.25m was received as Surrey's share of the Council Tax Transition Grant due to the Boroughs and Districts having compliant local council tax support schemes; £1.0m as an Adoption Reform Grant; £0.5m Local Services Support Grant; and £0.1m for HM Courts Service Grant. In addition to this £1.2m more has been received in PFI grants compared to the budget profile. These additional grants are partially off-set by £1.5m DSG budgeted for, but not received.

50. The Council no longer expects to receive £2.4m of business rates top up grant that was included in the MTFP. The reduction is due to increased call on the safety net nationally. This resulted in a full year expected shortfall in income in 2013/14 and will also be a continuing pressure in 2014/15. However in 2013/14 the additional grant income which was not included in the MTFP will now be greater than the shortfall.

7

Revolving Infrastructure & Investment Fund

Table 11: Summary position

Summary	YTD Actual £m	Full Year Forecast £m
Income	-1.0	-2.2
Expenditure	0.7	1.4
Net revenue position	**-0.3**	**-0.8**
Capital spend	**26.7**	**28.2**

51. The Revolving Infrastructure & Investment Fund was established in the 2013-18 MTFP to provide the revenue costs of funding initiatives that will deliver savings and enhance income in the longer term. This reserve will be enhanced further by adding net returns achieved from investments and projects in the short-term.

52. Net income, after deducting funding costs, is being delivered this financial year by the joint venture project to deliver regeneration in Woking town centre (Bandstand Square) and from property acquisitions that have been made for future service delivery. These are Ranger House (Guildford), High Street Egham, Abbey Moor in Chertsey, and the latest purchase being Parkside House, Epsom.

53. The Ranger House (£14.4m) and Egham purchases (£1.8m) completed early this financial year. Following the approval of Cabinet the purchase of Parkside House (£10m) completed in early August and is now included in the year to date spend figures. The remainder of the forecast capital spend includes an estimate of the expected loans to be made during the remainder of the year to the Woking Bandstand joint venture company.

Staffing Costs

54. The Council employs three categories of staff.

- Contracted staff are employed on a permanent or fixed term basis and paid through the Council's payroll. These staff are contracted to work full time, or part time.
- Bank staff are contracted to the Council and paid through the payroll but have no guaranteed hours.
- Agency staff are employed through an agency with which the Council has a contract. 7

55. Bank and agency staff enable managers to manage short term variations in demand for services or vacancies for contracted staff.

56. A sensible degree of flexibility in the staffing budget is good, as it allows the Council to keep a portion of establishment costs variable. The current level is that approximately 92% of costs are due to contracted staff.

57. The Council sets its staffing budget based upon the estimated labour required to deliver its services. This is expressed as budgeted full time equivalent staff (FTEs) and converted to a monetary amount for the budget. This budget includes spending on all three categories of staff and is the key control in managing expenditure on staffing.

58. The Council's total full year budget for staffing is £314.4m based on 8,025 budgeted FTEs. The year to date budget for the end of August 2013 is £130.5m and the expenditure incurred is £126.9m. At the end of August 2013, the Council employed 7,342 FTE contracted staff.

59. Table 12 shows the staffing expenditure and FTEs for the period to August against budget, analysed among the three staff categories for each directorate. The table includes staff costs and FTEs that are recharged to other public services for example: Districts and Boroughs, NHS Trusts, outsourced to South East of England Councils or capital funded (Super Fast Broadband). The funding for the recharges is within other income.

Table 12: Staffing costs and FTEs to end of August 2013

	Staffing Budget to Aug 2013 £m	Staffing spend by category						
		Contracted £m	Agency £m	Bank & Casual £m	Total £m	Variance £m	Budget FTE	Aug 2013 occupied contracted FTE
Adult Social Care	30.5	26.7	1.4	0.6	28.7	-1.8	2,187	1,908
Children Schools & Families	43.6	38.9	2.0	1.7	42.6	-1.0	2,690	2,430
Customer and Communities	23.7	21.4	0.4	1.8	23.6	-0.1	1,507	1,454
Environment & Infrastructure	9.6	9.1	0.4	0.2	9.7	0.1	524	495
Business Services and Central Income & Expenditure	17.5	16.0	1.2	0.0	17.2	-0.3	892	825
Chief Executive's Office	5.6	4.8	0.2	0.1	5.1	-0.5	225	230
Total	**130.5**	**116.9**	**5.6**	**4.4**	**126.9**	**-3.6**	**8,025**	**7,342**

Note: All numbers have been rounded - which might cause a casting error

60. The most material variance is an underspend of -£0.5m in the Chief Executive's Office relating to Public Health. A number of staff did not transfer over from NHS Surrey and the service is currently recruiting.

7

61. Table 13 shows there are 196 “live” vacancies, for which active recruitment is currently taking place. The remaining vacancies are either filled by agency and bank staff on a short term basis or not being actively recruited to at present.

Table 13: full time equivalents in post and vacancies

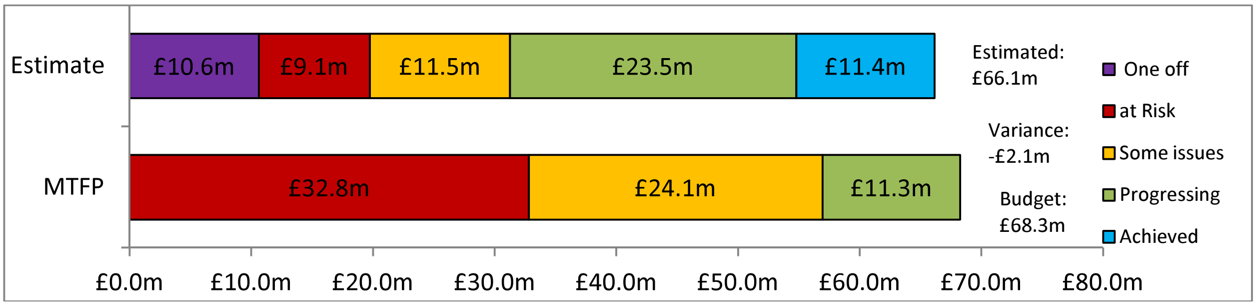
	Aug FTE
Budget	8,025
Occupied contracted FTE	7,342
“Live” vacancies (i.e. actively recruiting)	196
Vacancies not occupied by contracted FTEs	487

7

Efficiencies

62. The MTFP incorporates £68.3m of expenditure efficiencies. Overall, the Council forecasts achieving £66.2m by year end, a small under achievement of -£2.1m (balanced position forecast at the end of June). The appendix to this document (from page 18) includes each directorate's efficiencies and a brief commentary on progress.

Graph 1: 2013/14 ragged overall efficiencies



63. The current estimate highlights that actions to achieve £11.4m of the £68.3m planned efficiencies have been completed. A further £2.9m savings from one off measures have also been achieved. £9.1m of efficiencies face significant barriers to achievement and an additional £7.7m of these have been reclassified as one-off measures due to slippage. The £10.6m of one-off savings in 2013/14 add to the efficiencies needed in 2014/15.

64. The under achievements on efficiencies are within CSF (-£1.8m) and E&I (-£0.4m). CSF is experiencing delays in achieving the efficiencies planned in services for children with disabilities together with increasing demand for care packages. This means the planned saving in that area of £1.5m is unlikely to be achieved in 2013/14. Given the pressure on the transport budget, it is also unlikely that the planned efficiency of £0.3m will be achieved. E&I forecasts -£0.4m underachievement on the bus service contract savings.

65. Within the background appendix to this annex are each directorate's efficiencies as at August 2013. Directorates have evaluated efficiencies on the following risk rating basis:

- RED – significant or high risk of saving not being achieved, as there are barriers preventing the necessary actions to achieve the saving taking place.
- AMBER - a risk of saving not being achieved as there are potential barriers preventing the necessary actions to achieve the saving taking place
- GREEN – Plans in place to take the actions to achieve the saving
- BLUE – the action has been taken to achieve the saving.

7

Capital

66. In agreeing significant capital investment as part of the MTFP for 2013-18 in February 2013, the Council demonstrated its firm long term commitment to stimulating economic recovery in Surrey.

67. The total capital programme is £699m over the five year MTFP period 2013-18. The Council initially approved the 2013/14 capital expenditure budget at £187.3m. Subsequently, Cabinet amended the budget by approving reprofiling and carry forwards from the 2012/13 financial year of -£32.6m in total, including -£2.5m for 2013/14. This decreased 2013/14's capital budget to £184.8m. The capital budget up to 30 June 2013 was updated for new approved schemes, re-profiling requests and new grant funded schemes totalling +£3.2m. July and August budget changes are for: drawing down capital grants for Walton Bridge (£0.6m); wellbeing centres (£0.1m); and external funding from sources such as schools' parent teacher associations of £0.2m. The revised capital budget for 2013/14 is £188.3m. There are no virements over £0.25m. The budget changes are summarised in Table App 3 (page 24).

68. The current forecast for the service programme is a small underspend of -£2.4m (-£0.5m forecast at the end of June) due predominately to delays :

- experienced at Guildford Fire Station from archaeological finds (-£3.0m),
- in obtaining planning permission for the improvement of a travellers' site (-£0.5m), and
- in the local area network (LAN) element of the Unicorn project (-£0.4m)

69. These are offset by:

- projects being brought forward especially school modular building (+£1.4m), and
- SEN strategy which is expected to bring forward +£0.1m expenditure.

70. The underspend relates to project duration rather than spending savings. Therefore the overall capital programme will spend the same and funding is unaltered.

71. The revised 2013/14 budget is in the appendix to this annex on page 24.

Table 14: 2013/14 Capital expenditure position

2013/14 Monitoring	**Revised Full Year Budget £m**	**Apr - Aug actual £m**	**Sept - Mar projection £m**	**Full year forecast £m**	**Full year variance £m**
Adult Social Care	1.9	0.8	1.0	1.8	-0.1
Children, Schools & Families	4.8	2.8	2.0	4.8	0.0
Customer & Communities	5.1	1.2	3.9	5.1	0.0
Environment & Infrastructure	58.2	34.8	23.5	58.3	0.1
School Basic Need	54.3	23.2	31.1	54.3	0.0
Business Services	52.5	14.9	35.2	50.1	-2.4
Chief Executive Office	11.5	0.3	11.2	11.5	0.0
Service programme	**188.3**	**78.0**	**107.9**	**185.9**	**-2.4**
Long term investments	0.0	26.8	1.4	28.2	28.2
Overall programme	**188.3**	**104.8**	**109.3**	**214.1**	**25.8**

Appendix to Annex

7

Contents

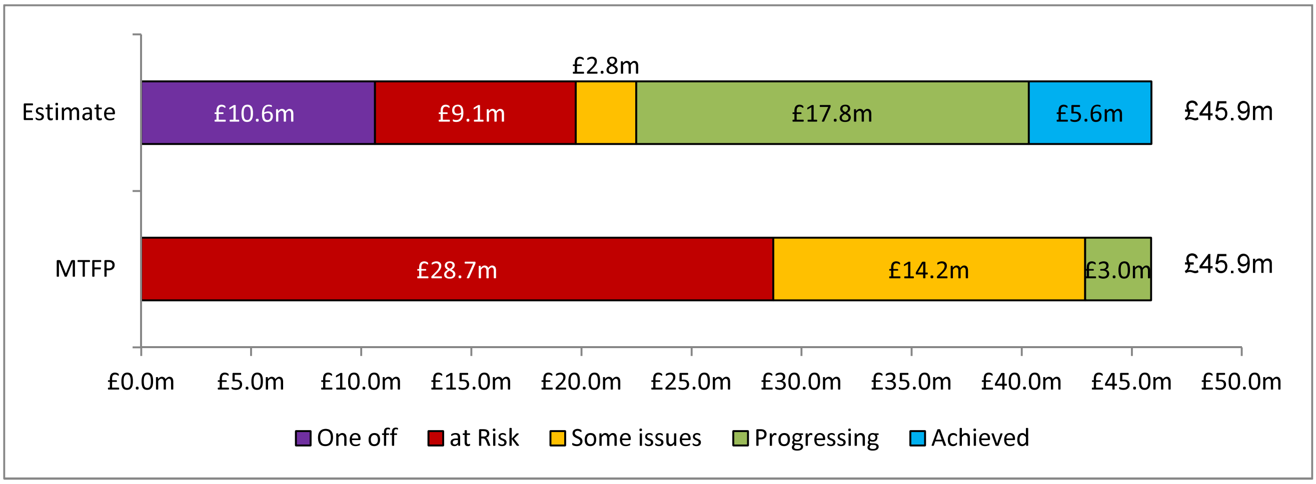
7

Efficiencies & service reductions

App. 1. The graphs of directorate efficiencies & service reductions below track progress against directorates' MTFP ragged expenditure efficiencies & service reductions.

App. 2. All the graphs use the same legend:
Red – At risk, Amber – some issues, Green – Progressing and Blue – Achieved.
Each graph is based on the appropriate scale and therefore they are not directly comparable one against another.

Adult Social Care

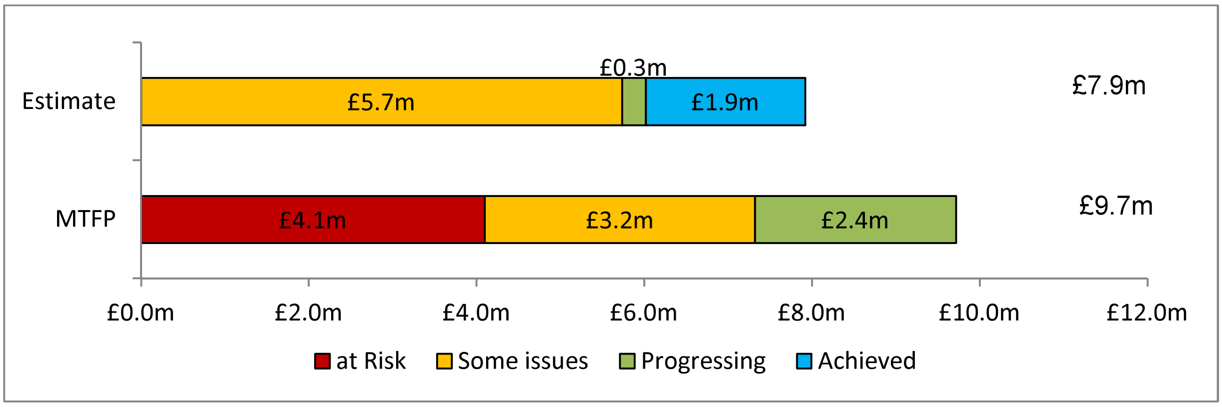


App. 3. The directorate has already achieved savings of £8.5m this year, including £5.2m of savings to constrain inflation for individually commissioned care services. A further £17.8m is on target to be achieved. The most significant element of ASC's savings plans in 2013/14 is the social capital strategy, which has a £15.5m savings target. Given the scale of the challenge and that this is the first year of these ambitious plans, slippage was highlighted as a risk and the August position indicates some slippage has occurred, with £8.8m of social capital currently forecast against the £15.5m target. The projected social capital slippage combined with minor slippage against other savings plans is being offset by £7.7m of one-off savings. The main one-off savings measure is the contingent draw down of £7.5m of unused 2011/12 Whole Systems funding set aside by the directorate as a contingency for this year's budget. This draw down is pending Cabinet approval, which will not be sought until a fuller assessment of the likely financial success of the social capital strategy this year can be made in the September monitoring cycle.

App. 4. The directorate has already achieved £2.9m one-off savings in 2013/14 and along with the £7.7 delayed savings from 2013/14, the whole £10.6m savings will need to be made in 2014/15.

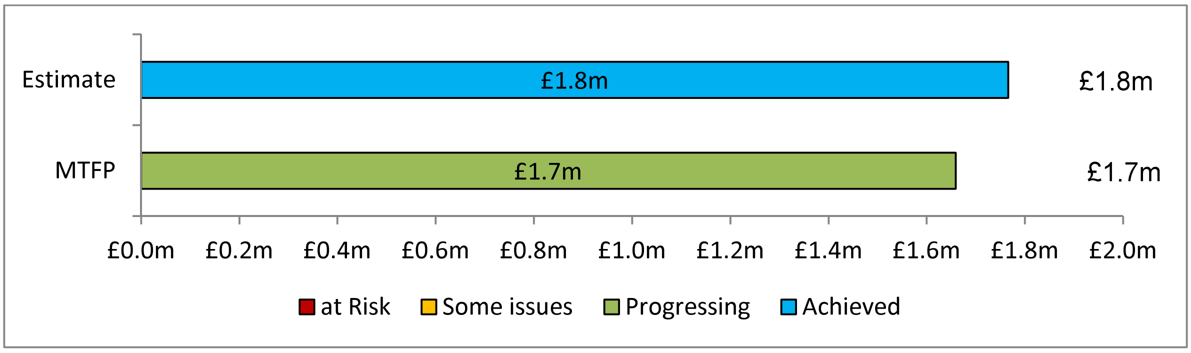
7

Children, Schools & Families



App. 5. The forecast budget position for CSF means that two of the planned efficiencies are unlikely to be achieved. Delays in achieving the efficiencies planned in services for children with disabilities together with increasing demand for care packages mean that the planned saving of £1.5m is unlikely to be achieved in 2013/14. Also, given the pressure on the transport budget, it is now unlikely that the planned efficiency of £0.3m will be achieved.

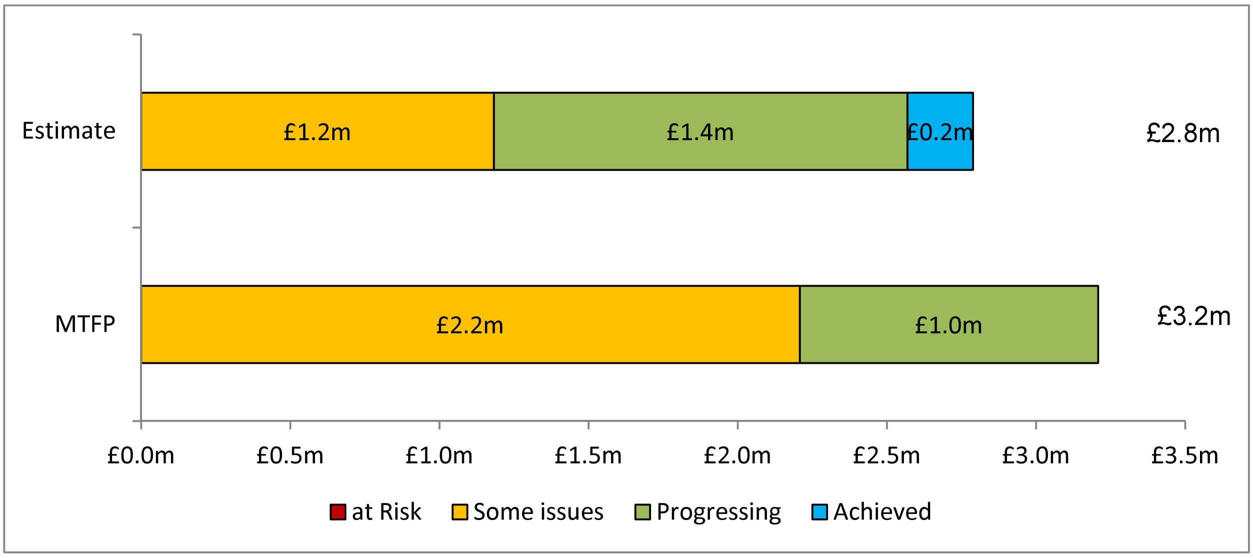
Customer & Communities



App. 6. The efficiencies summary shows an over-achievement of +£0.1m against the 2013/14 target of £1.7m. This is due to the early achievement of the 2014/15 Directorate Support staff saving. Actions to achieve the 2013/14 efficiencies have already been completed.

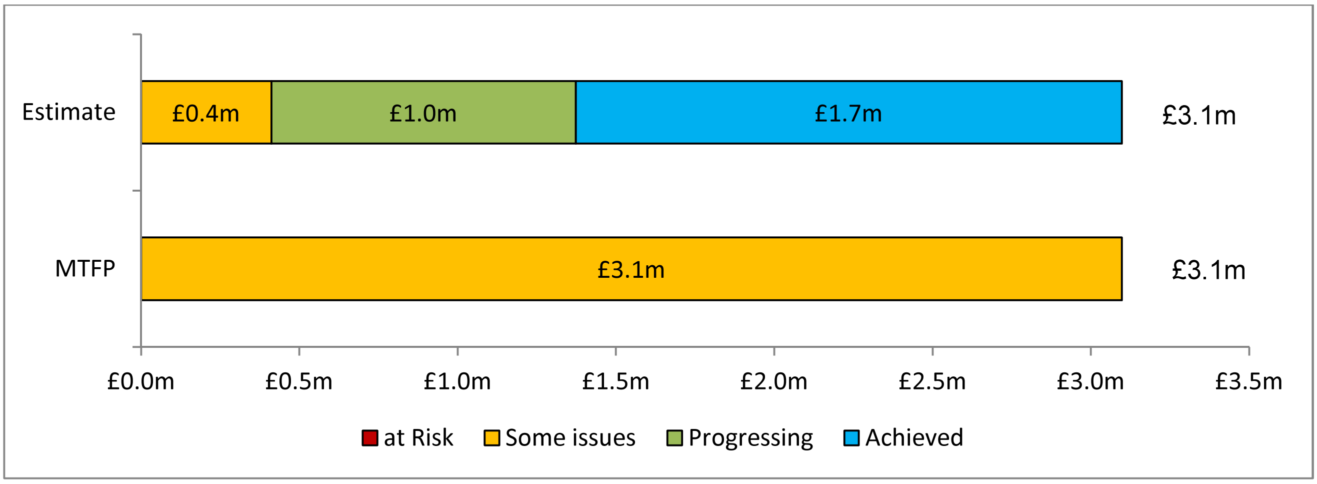
7

Environment & Infrastructure



App. 7. The directorate currently expects to deliver all efficiency savings, except bus service contract savings (£0.4m). A number of risks remain and in some cases detailed plans are still in development. Some savings, including one off savings from parking income, have already been achieved.

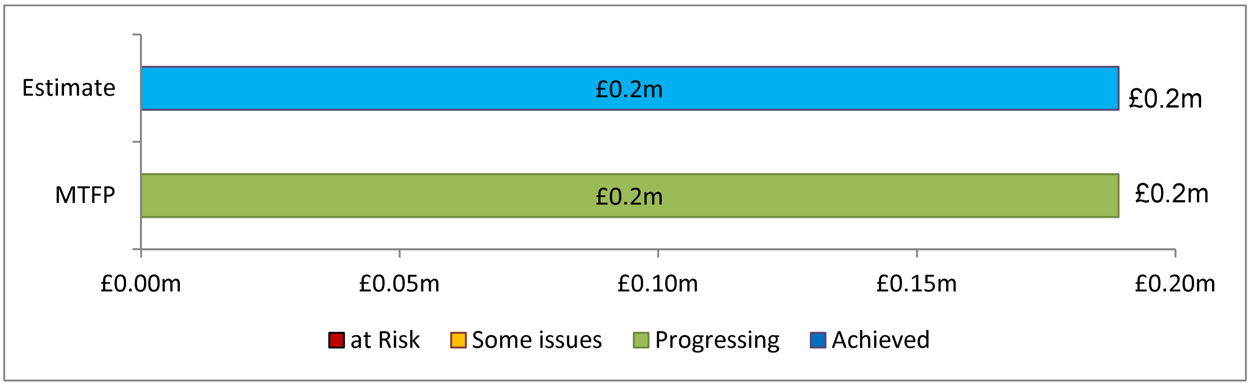
Business Services



App. 8. The efficiencies identified in the MTFP are on track to be realised, all savings have been reviewed and plans are in place to achieve them and the risk of achievement has been appropriately adjusted. The efficiency in corporate training of £0.4m may not be fully realised, however the service is working to achieve its target.

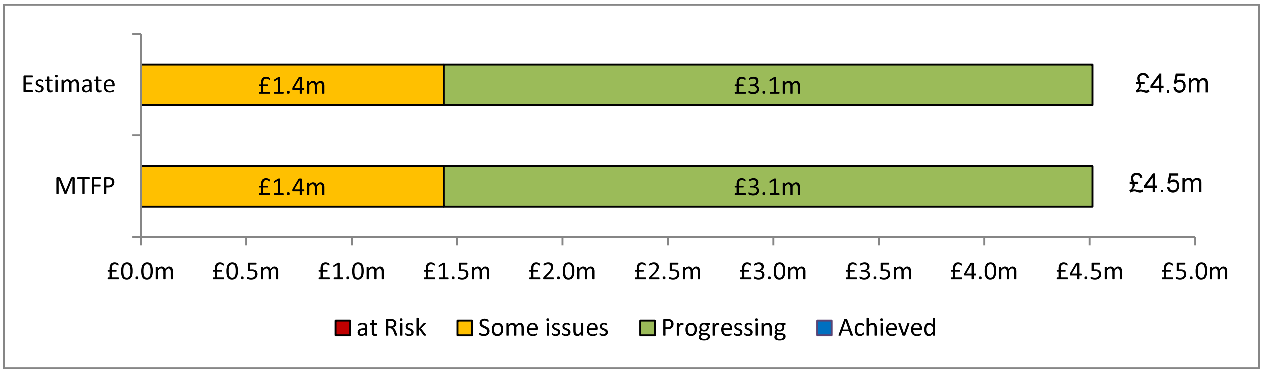
7

Chief Executive's Office



App. 9. The planned 2013/14 efficiencies have been achieved. The Directorate is currently holding vacancies within Policy & Performance in preparation for achieving efficiency savings for 2014/15 and will review these during the year to establish the on-going effect.

Central Income & Expenditure



App. 10. The efficiencies identified in the MTFP are on track to be realised but the risks attached to them remain.

7

Updated Budget - Revenue

App. 11. The Council's 2013/14 revenue expenditure budget was initially approved at £1,685.3m. Subsequently the Cabinet approved the use of reserves built up in 2012/13 to augment this and virement changes in May to June increased the budget to £1,696.3m. There have been a number of virements in July and August that re-profile the income & expenditure budgets. Table App 1 summarises these changes.

Table App 1: Movement of 2013/14 revenue expenditure budget

	Income £m	Expenditure £m	Earmarked Reserves £m	General Balances £m	Total £m	Number of Virements
Original MTFP funded by reserves and balances	-1,662.3	1,685.2	-11.0	-11.9	0.0	
Q1 changes	2.3	11.1	-8.8		0.0	72
Previous budget	**-1,664.6**	**1,696.3**	**-19.8**	**-11.9**	**0.0**	**72**
July & August changes						
Capital funding and creating the Revolving Infrastructure and Investment Fund	-5.2	5.2			0.0	1
Transfer from the severe weather reserve		5.0	-5.0		0.0	1
Transfer of income & expenditure	-2.3	2.3			**0.0**	80
July & August changes	**-7.5**	**7.5**	**0.0**	**0.0**	**0.0**	**82**
Updated budget - August 2013	**-1,672.1**	**1,708.8**	**-24.8**	**-11.9**	**0.0**	**154**
Earmarked reserves:						
Severe weather reserve		-5.0	5.0			
Budget Equalisation Reserve		-18.9	18.9			
Child Protection Reserve		-0.9	0.9			
Revised budget supported only by general balances - August 2013	**-1,672.1**	**1,684.0**	**0.0**	**-11.9**	**0.0**	**154**

App. 12. When the Council agreed the 2013-2018 MTFP in February 2013, some government departments had not determined the final amount for a number of grants. Services therefore estimated their likely grant. The general principle agreed by Cabinet was that any changes in the final amounts, whether higher or lower, would be represented in the service's income and expenditure budget. There were no changes for July and August.

App. 13. In controlling the budget during the year, budget managers are occasionally required to transfer, or vire, budgets from one area to another. In most cases these are administrative or technical in nature, or of a value that is approved by the Chief Finance Officer. Virements above £250,000 require the approval of the Cabinet Member. There were three virements above this amount in July and August.

App. 14. Virements above £250,000, to:

a) transfer of £5.0m from the severe weather reserve to Highways;

b) create an income and expenditure budget for an Operation, Policy and Procedure grant of £603,000 for the Fire Service; and

c) transfer of £5.0m to create the Revolving Infrastructure and Investment Fund.

App. 15. Table App 2 below shows the updated revenue budget that includes the changes in government grants and virements since the beginning of the year:

Table App 2: 2013/14 updated revenue budget – August 2013

	Income £m	Expenditure £m	Net budget £m
Adult Social Care	-67.9	406.0	338.1
Children, Schools and Families	-150.7	329.8	179.1
Schools	-521.5	521.6	0.1
Customers and Communities	-24.0	84.0	60.0
Environment and Infrastructure	-18.7	150.6	131.9
Business Services	-14.8	97.8	83.0
Chief Executive's Office	-28.4	44.4	16.0
Central Income / Exp	-846.1	36.8	-809.3
Service total	-1,672.1	1,671.0	-1.1
Risk Contingency		13.0	13.0
Total	-1,672.1	1,684.0	11.9

7

Updated Budget - Capital

App. 16. The Council initially approved the 2013/14 capital expenditure budget at £187.3m. Subsequently, Cabinet amended the budget by approving reprofiling and carry forwards (-£32.6m in total, -£2.5m for 2013/14) from 2012/13. This decreased 2013/14's capital budget to £184.8m.

App. 17. New virements and reprofiling in May - June added £2.6m to the capital budget. There are small changes to the capital budget totalling £0.9m, increasing the capital budget to £188.3m. There was one change over £0.25m; grant drawdown (Walton Bridge – Department for Transport grant) £0.6m. The residual £0.3m amasses in small changes for capital grant drawdown for wellbeing centres and external funding for schools (i.e. parent teacher associations).

App. 18. These changes are summarised in table App 3.

Table App 3: Movement of 2013/14 capital expenditure budget

2013/14 Monitoring	MTFP Budget £m	C fwd and reprofiled budget £m	Budget virement £m	Revised full year budget £m
Adult Social Care	1.3	0.4	0.2	1.9
Children, Schools & Families	2.8	1.6	0.4	4.8
Customer & Communities	2.0	3.1	0.0	5.1
Environment & Infrastructure	50.1	4.3	3.8	58.2
Business Services	50.5	0.6	1.4	52.5
School Basic Need	69.2	-14.9	0.0	54.3
Chief Executive Office	11.5	0.0	0.0	11.5
Total Overall	**187.4**	**-4.9**	**5.8**	**188.3**

SURREY
COUNTY COUNCIL

Council Overview & Scrutiny Committee
3 October 2013

FORWARD WORK PROGRAMME & RECOMMENDATIONS TRACKER

1 The Committee is asked to review its Forward Work Programme and Recommendations Tracker which are attached.

Recommendations:

That the Committee reviews its work programme and recommendations tracker makes suggestions for additions or amendments as appropriate

Next Steps:

The Committee will review its work programme and recommendations tracker at each of its meetings.

Report contact: Bryan Searle, Senior Manager, Scrutiny and Appeals.

Contact details: 020 8541 9019, bryans@surreycc.gov.uk

Sources/background papers: None.

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COUNCIL OVERVIEW & SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER – UPDATED October 2013

The recommendations tracker allows Committee Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each Select Committee. Once an action has been completed, it will be shaded out to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

Recommendations made to Cabinet

Date of meeting and reference	Item	Recommendations	To	Response	Progress Check On

Select Committee and Officer Actions

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
12 September 2013 COSC 002	63/13 PERFORMANCE MONITORING 2013-14 - QUARTER 1 [Item 9]	Future reports to include comparisons with other councils.	Senior Performance and Research Manager/ Cabinet Member for Business Services	This will be implemented for the publication of the next Performance Monitoring quarterly report.	January 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
COMPLETED ITEMS					
12 September 2013 COSC 001	THE IMPACTS OF WELFARE REFORM IN SURREY [Item 7]	That the Committee set up a Member Task Group to gather evidence from a range of stakeholders on the impacts of welfare reform and key issues for Surrey County Council and partners.	Chairman/ Democratic Services	This Member Task Group has been set up and will give a progress update on 4 December 2013	December 2013

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SURREY
COUNTY COUNCIL

Council Overview & Scrutiny Committee – Forward Work Programme 2013/14

8

Work commenced September 2013 - Welfare Reform: Welfare reform will result in pressure on many Council services as the government changes take effect. What will be the impact on Surrey residents? What could the Council be doing now to minimise the impact?

To be linked to consideration of Surrey's present Medium Term Financial Plan (MTFP)

This work is being undertaken by a Member Task Group throughout autumn 2013. There will progress report back to Committee in December 2013

Work commencing October 2013 – Digital by Default: Like many Councils, Surrey is exploring the benefits and limitations of bringing or delivering services online. How do Surrey residents want to engage with the Council? To what extent should this be reflected in the Council's Digital Strategy? What can we learn from other organisations approach to digital by default?

The Committee will be looking at how the various strands of Digital by Default join up across the Directorates.

Work commencing December 2013 – Budget Savings: Surrey is having to think differently about how it delivers services in light of public sector spending cuts. What is the impact of these cuts and changes on the everyday life of people in Surrey?

It is intended that the work on welfare reform will help inform the Committee's scrutiny of the 2014/15 budget proposals (due to be finalised in February 2014)

Items to be scheduled in 2014

8

Communication (Internal & External): As a Council, are we communicating the right things, in the right way, to the right people?

The Cabinet agreed a Communications and Engagement Strategy at its meeting on 25 June 2013. The Committee will review its progress following a period of 6 months.

Adult Social Care Committee will be looking at this topic in autumn 2013. Following this, Council Overview & Scrutiny Committee will consider what wider opportunities there could be for the council.

Social Capital: When resources are scarce, will residents acting collectively to tackle issues within the community plug the gap?

Trading & Investment: What trading and investment models is Surrey currently utilising and what are the future options for the Council (looking at experiences outside of the County)? What will the governance arrangements be?

The Cabinet is making a decision regarding its first trading company at its meeting on 25 June 2013. The Committee will review its progress following a period of 6 months.

The Committee's Vice-Chairman is currently considering how best the Committee scrutinise this topic. Proposals on a format and approach will follow.

Staff: Given ongoing austerity, what do employees really feel about working for Surrey? Do employees have the appropriate tools and resources to do their job? What is the impact of employee satisfaction and morale on service delivery? How can Surrey best support and value their employees?

Other items coming to Committee

Fairness and Respect Strategy 2013-18 – This was circulated to the Committee for comment prior to it going to Cabinet on 22 October 2013

LASER – The LASER Management Team are coming to the 30 September 2013 Performance & Finance Sub-Group to discuss the current LASER contract arrangements with Surrey

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