

Notice of Meeting

Council Overview & Scrutiny Committee



Date & time
Thursday, 11
September 2014
at 11.00 am
(A private session
for members of the
Committee will
start at 10.00am)

Place
Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact
Bryan Searle or Rianna
Hanford
Room 122, County Hall
Tel 020 8541 9019 or 020
8213 2662

Chief Executive
David McNulty

bryans@surreycc.gov.uk or
rianna.hanford@surreycc.gov.
uk

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 rianna.hanford@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 or Rianna Hanford on 020 8541 9019 or 020 8213 2662.

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, Mrs Denise Saliagopoulos, Mr Chris Townsend, Mr Richard Walsh, Mrs Hazel Watson and Mr Keith Witham

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

PART 1 IN PUBLIC

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING

(Pages 1
- 6)

To agree the minutes of the last meeting held on Wednesday 2 July 2014.

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 (*Friday 5 September 2014*).
2. The deadline for public questions is seven days before the meeting (*Thursday 4 September 2014*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 IMPROVING STAFF MORALE AND WELL-BEING

(Pages 7
- 8)

The purpose of this report is to share the feedback from the informal staff discussions held following the last meeting of the Committee, and to agree the next steps for the review of staff morale and wellbeing.

6 DIGITAL TRANSFORMATION WITHIN SURREY COUNTY COUNCIL

(Pages 9
- 40)

Purpose of report: Performance Management

Progress report for the past year.

7 BUDGET MONITORING REPORT

(Pages
41 - 86)

Purpose of the report: This report presents the revenue and capital budget monitoring up-date for June 2014.

- 8 SCRUTINY ANNUAL REPORT** (Pages 87 - 102)

Purpose of the report: Scrutiny of Services

- 9 SCHOOL GOVERNANCE TASK GROUP SCOPING DOCUMENT** (Pages 103 - 112)

Purpose of report: The Children & Education Select Committee has identified School Governance as a topic for a task and finish group. This scoping document is presented to the Council Overview & Scrutiny Committee to review.

- 10 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME** (Pages 113 - 134)

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

- 11 DATE OF NEXT MEETING**

The next meeting of the Committee will be held at 10.30am on 2 October 2014.

David McNulty
Chief Executive

Published: Wednesday, 3 September 2014

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Thank you for your co-operation

MINUTES of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 12.00 pm on 2 July 2014 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, 11 September 2014.

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
Mrs Denise Saliagopoulos
- * Mr Chris Townsend
- * Mr Richard Walsh
- * Mrs Hazel Watson
- * Mr Keith Witham
Ms Denise Le Gal

Ex-officio Members:

Mr David Munro
Mrs Sally Ann B Marks

Substitute Members:

Mrs Fiona White

Present:

Ms Denise Le Gal

* = present

54/14 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Mark Brett-Warburton, Bill Chapman Stephen Cooksey and Denise Saliagopoulos

Fiona White substituted for Stephen Cooksey.

55/14 MINUTES OF THE PREVIOUS MEETING: 4 JUNE 2014 & 16 JUNE 2014 [Item 2]

The Minutes were agreed as accurate records of the meetings.

56/14 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interests.

57/14 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions.

58/14 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

The outcome from the Committee's call-in of the Cabinet decision relating to the Grant Criteria and Funding Opportunities Guide was noted under item 6.

59/14 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Declarations of interest: None

Witnesses: None.

Key points raised during the discussion:

- 1 In relation to the call-in of the Cabinet decision relating to the Grant Criteria and Funding Opportunities Guide (COSC 40), it was noted that, whilst the Cabinet supported the principle that high priority should be given to supporting the Family, Friends and Community Support Programme, it had not felt it appropriate to single-out specific programmes in the guide. The Committee's other two recommendations were accepted, and the proposed changes to the Guide as a result of recommendation (b) would be shared with the Chairman of the Committee.
- 2 The Committee did not feel that the response from the Assistant Director of Schools & Learning in relation to COSC 41 adequately addressed its concerns about completion of the programme of works for the provision free infant school meals by 1 September 2014. It was therefore agreed that further clarification be sought about how many schools would meet the deadline and what interim measures would be put in place for any schools which would not be ready.
- 3 The Committee was concerned that the data about trends in staff costs and benchmarking data for staff above level S8 (COSC 47) which it requested at its meeting on 4 June 2014 had not been provided, and suggested that the Chairman write to the Chief Executive to request his support in ensuring that officers respond in a timely fashion to requests by the Committee.
- 4 It was agreed that the item on Welfare Reform, scheduled in the Committee's work programme for September 2014, should be deferred to October 2014.

Recommendations:

- (a) That the Assistant Director of Schools & Learning supply details of any schools which would not meet the deadline for the provision of free infant school meals by 1 September 2014, along with the interim measures which would be put in place.

Action by: Bryan Searle

- (b) That the Chairman write to the Chief Executive to request his support in ensuring that officers respond in a timely fashion to requests for information by the Committee.

Action by: Nick Skellett/Bryan Searle

Actions/further information to be provided: None.

Committee next steps: None.

60/14 BUDGET MONITORING - MAY 2014 [Item 7]

Declarations of interest: None

Witnesses:

Julie Fisher, Strategic Director for Business Services

Sian Ferrison, Transformation and Development Manager

Key points raised during the discussion:

- 1 A report from the Committee's Performance & Finance Sub-Group was tabled at the meeting. A copy of this report is included as an annex to these Minutes.
- 2 It was reported that the Sub-Group had been encouraged by the revised approach to achieving savings from the Family, Friends & Community Support programme and had recommended specific issues for the Adult Social Care Select Committee to consider as part of its review of the programme in September 2014.
- 3 The Committee noted that a mechanism had been put in place to track and monitor progress on the development and implementation of robust plans for achieving efficiencies across the whole Medium-Term Financial Plan period. Whilst the Sub-Group had heard from officers that the new process was robust, the Committee was concerned that the Cabinet's agreement that to consult the Committee on the proposals for the mechanism had not been followed through.
- 4 It was highlighted that paragraph 2 and table 2 on page 31 of the report did not adequately explain the position in relation to reserves, as no mention was made of the additional £14M drawn down at the end of the previous financial year. It was agreed that further details would be circulated to the Committee.

Recommendation:

That the Adult Social Care Select Committee consider the following issues as part of its review of the Family, Friends & Community Support programme in September 2014:

- The availability of community support infrastructure in the County, both in terms of its ability to meet a diverse range of needs and its geographical spread.
- The impact on community support capacity of a move by the Council towards contracts with community groups instead of the payment of grants.
- The variance in the availability of support between urban and rural areas in the County.

Action by: Ross Pike

Actions/further information to be provided:

Further details about the position in relation to reserves, to reflect the additional £14M drawn down at the end of the previous financial year, to be circulated to the Committee.

Action by: Kevin Kilburn

Committee next steps: None.

61/14 CABINET MEMBER PRIORITIES 2014/15 [Item 8]

Declarations of interest: None

Witnesses:

Denise Le Gal, Cabinet Member for Business Services
Julie Fisher, Strategic Director for Business Services

Key points raised during the discussion:

- 1 The Committee noted the following amendments to the objectives: bullet point 1 of objective 1 to read 'Increase number of completed appraisals'; and the reference to recruiting a new Head of procurement on page 2 to be deleted.
- 2 It was noted that ensuring that the County Council was an attractive employer was a key priority, particularly for those services where there were staff shortages. It was agreed that an action should be included to reflect the need to ensure that the recruitment process resulted in tangible improvements in the services with the greatest need, such as Adult Social Care.
- 3 Information Technology (IT) was considered by the Cabinet Member to be the top priority for the coming year, and she had been successful in

securing an additional £2M funding for 2014/2015. The progress made in recent years in upgrading the Council's IT was noted, although it was recognised that there was still progress to be made to ensure that the high level of investment was positively reflected in the experience of staff. It was therefore agreed that the third action in relation to objective 1 would be amended to read 'Drive use of new technology and measure outcomes'.

- 4 The opportunity to scrutinise and challenge the Cabinet Member's priorities was welcomed, although it was commented that the wording of some of the objectives would make it difficult to measure the outcomes for residents. It was noted that the objectives as written were intended to be high-level, and more detailed information would be circulated to the Committee. It was agreed that the Cabinet Member would report progress on her objectives to the Committee in early 2015.

Actions/further information to be provided:

The Cabinet Member objectives to be amended to address the points agreed above, and a more detailed version to be circulated to the Committee for information.

Action by: Denise Le Gal

Committee next steps:

The Committee to review progress on the Cabinet Member's objectives in early 2015.

62/14 DATE OF NEXT MEETING [Item 9]

The Committee noted the next meeting of the Council Overview and Scrutiny Committee would be on Thursday 11 September 2014 at 10.30am.

Meeting ended at: 1.12pm

Chairman

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Council Overview & Scrutiny Committee
11 September 2014

Improving Staff Morale and Wellbeing

The purpose of this report is to share the feedback from the informal staff discussions held following the last meeting of the Committee, and to agree the next steps for the review of staff morale and wellbeing.

FEEDBACK FROM GROUP DISCUSSIONS

- The three feedback sessions held at Epsom, Kingston and Leatherhead in November 2013, March and June 2014 involved 43 members of staff. Key issues arising from the feedback are as follows:

Positive Impacts on Morale and Wellbeing

- Staff reported that they enjoy working for SCC and are proud of their work
- There was a strong public sector ethos
- Employee Assistance Programme was mentioned frequently as a key area of support
- Staff felt they were treated with respect and valued for their efforts
- Benefits were considered excellent and wide-ranging, particularly health checks, gym subsidies and childcare discounts
- Flexi-working and opportunity to work from home was very popular
- Managers generally were supportive and provided helpful supervision
- Training on offer was viewed as good, specialised and extensive
- Annual appraisals and weekly 1:1s were generally useful
- Staff felt empowered to work beyond their role
- Appreciated David McNulty visiting teams

Areas for Improvement in Relation to Morale and Wellbeing

- **Communication**
 - Suggestion that staff communication should be multi channel and not simply rely on email and S-Net
 - Communication could improve between different departments, particularly the sharing of information
- **Technology**
 - IT equipment needed vast improvement and investment – Lotus Notes, internet explorer and BT Cloud
 - Concern about lengthy delays in fixing equipment
- **Office space**
 - Many offices needed better climate control and air conditioning as this affects productivity
 - Lack of hot desks
 - Some offices were overcrowded which was placing pressure on desks, toilets, photocopiers etc
- **Work pressure**
 - Members of the public could be very demanding
 - Workload could fluctuate dramatically, very high workload in certain areas such as Highways and social care
 - Some departments had a culture of very long working hours
- **Pay**
 - Desire for more competitive pay rates and unfreezing of pay (although aware of public sector limitations)
 - No progression within grades meant some colleagues doing the same work received different rates of pay
- **General**
 - Some delays in the provision of essential training
 - Reviews and appraisals were not always carried out properly
 - Reorganisation and cuts created concern about the future and fear of job instability
 - Suggestion that staff awards could be introduced to increase morale, such as 'team of the week'
 - Team days away seem to have lost funding and support

RECOMMENDATION

That the Committee reviews the feedback from the staff discussion sessions and considers any further work and/or recommendations it wishes to make in relation to staff morale and wellbeing.

Report contact: Bryan Searle, Senior Manager (Scrutiny & Appeals).

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



Council Overview and Scrutiny Committee
11 September 2014

Digital Transformation within Surrey County Council

Purpose of the report: Scrutiny of Services and Budgets/Performance Management/Policy Development and Review

Background:

In October 2013 the Council Overview & Scrutiny Committee received a report as part of its initial consideration of issues relating to the 'digital by default' approach to service delivery.

The Committee recommended to the Cabinet that consideration was given to:

- developing a high-level strategy document to help guide its approach to digital delivery and;
- identifying a Cabinet Member to take lead responsibility for the Council's overall approach to the digital delivery of services.

Since the above recommendations were made, a Chief Digital Officer post was created and recruited to, and the Cabinet Member for Business Services was allocated lead responsibility for digital services.

The Chief Digital Officer is invited to the Council Overview & Scrutiny to Committee to report progress of digital transformation within Surrey County Council. The proposed platform approach is attached at **Annex 1**.

Progress report highlights:

- Lucie Glenday appointed Chief Digital Officer 13 Jan 2014
- Initial 100 day plan agreed by CLT on 20 Jan 2014
- 100 day plan delivered on time (see **annex 2**):
 1. External Advisory board created and members invited
 2. Principles around Technical Architecture, Data, Procurement and Platform agreed within the organisation.
 3. The Digital Leadership Certificate and the Digital Leadership one day light course, have been created.
 4. A networked team created to deliver on the four programmes of work
 5. Communications strategy agreed to sit alongside the network leadership communication
 6. Statutory duties and powers mapped and broken down into component functions
 7. Data flows mapped across common functions

8. Four programmes of work identified to join up common data sets (see **annex 4, 5, 6, 7**).

- Programme teams have expanded into service areas since the first 100 days were completed.
- The individual programme 100 days started and the September deadline and deliverables agreed (see **annex 3**)

Recommendations

That the Committee scrutinises the progress of digital transformation within Surrey County Council and;

- Agrees the focus of any future work by the Committee on this topic
- Considers whether it wishes to make any recommendations to Cabinet or officers

Next steps

Identify future actions and dates.

Report contacts:

Lucie Glenday, Chief Digital Officer, Business Services Directorate
(lucie.glenday@surreycc.gov.uk, 020 8541 7621)

Helen Rankin, Scrutiny Manager, Legal & Democratic Services
(Helen.rankin@surreycc.gov.uk, 020 8541 9126)

Sources/background papers:

Council Overview & Scrutiny Committee Papers, 3 October 2013
Cabinet Papers, 23 October 2013

Proposed Platform Approach V1

What do we mean by platform?

Platforms are most commonly talked in the context of digital businesses such as Twitter, Facebook and Amazon. Essentially they provide the technology platform for others to communicate or trade on. Bar providing this platform they actually do very little if any of the content and services offered. The user value is in the ecosystem that organically grows from the availability of such a platform. Ebay would not be unique and as successful if only they themselves listed items for sale.

A mainly offline business that creates a similar ecosystem would be Selfridges.

SELFRIDGES&CO

Selfridges is a department store that has designed itself as a retail platform for other successful businesses to sell their products. They use their trusted brand, buildings and digital infrastructure to attract and support those retailers. They offer scalable space so small innovative businesses can compete alongside large mainstream brands. And critically they only sell products themselves where there is no other business that could deliver the same offering.

So how does all this apply to Surrey County Council? What if we could redesign ourselves as a platform for service delivery rather than do most of it ourselves? Using the Selfridges model we could use our trusted brand and buildings to support partners deliver services out to our residents and businesses, then deliver the core services that only we can. To do this effectively we would need a platform strategy that incorporated buildings, commissioning/trading, data and digital platform approaches.

This proposal will try to show how it fits within the concept of public value and answer questions around the use of big data to support it.

It will also focus on the following key themes and why they are critical to the success of the proposal:

- Inter-operability
- Platform as assets
- Brand SCC and what needs to be done to develop/preserve/optimize that
- Our proposition to residents (and businesses)

Public Value

Government can deliver value to the public in many ways however services, outcomes and trust are three of the most influential areas that define the value add to our residents.

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Value created by services for residents

It is becoming increasingly rare that we have the unique responsibility to deliver a service without an external 'paid for' market offering running alongside it. Libraries would be one example of such a service, however for the most part there will be commercial offerings that offer value added benefits. In these areas user satisfaction is critical to public value.

User satisfaction is usually shaped by:

- Customer service: How people are treated and communicated with ranks only just behind quality and price of product in determining their satisfaction.
- Information: The information that is made available about the services people receive helps set expectations around that service provision and thus measure their satisfaction against those expectations.
- Choice: there is some evidence that enhanced levels of choice can boost user satisfaction even if it does not have a discernible impact on service outcomes.
- Fairness: residents value the service received by others as well as the service they themselves benefit from. Establishing the appropriate terms of access for services will be an important factor in satisfaction levels.¹

Value of outcomes

Outcomes are distinct from services but are seen as a critical measure of the government's success. An outcome of safer streets could come from a number of services successfully delivering their distinct part towards it, likewise a reduction in safety could impact the perceived value with all services despite it only being due to the poor delivery of one of them. What complicates things further is that public value can and is derived as a joint effort between residents and government. Government alone cannot deliver lower crime

¹ 79% of residents agree with the statement "public services should be targeted at those with greatest need" suggesting that they are not just interested in their own needs being met. However, 77% reject the idea that services such as the NHS should only be available to the poor.

and better health: social norms of behavior are critical. For example, better diet and exercise is as critical to health outcomes as service delivery; however when making judgments about public value derived from outcomes in many cases the public still overestimates what government can and cannot do.

Value of trust

Trust is a major factor in deriving public value. As a local authority we act as a steward for allocation of public funds, the trust to do this correctly is at the heart of our relationship with residents and businesses. Being open, fair and democratic in everything we do increases confidence in our decision-making skills.

Using a platform and data to increase perception of Public Value

Making sure that services, bound together to deliver a common outcome, can work together seamlessly in the leanest possible way requires an understanding of our business architecture and data flows associated with them. Once we understand this we can build a platform that supports outcome focused service delivery whether is by us, or our partners, ensuring that customer and transparency sit around everything we do. Interoperability is at the heart of successful outcomes delivery.

One of the major challenges most county councils face is the lack of knowledge within our customer community of the number and scale of services we deliver across the county. The remit of the County Council is so vast that the scope of our work is a difficult thing to remember even for staff. Understanding and publishing the outcomes we are looking to achieve and the services we deliver to meet them provides information and transparency to our customers. To complete the picture we should publish regular performance data on what we are doing both internally and externally both at a service level and an outcome level. This would give a higher level of visibility of our activities and allow residents, businesses and staff to understand the things we do that provide value.

This would also force us as an organisation to take stock of how we're delivering on them. Doing this will have the knock on effect of allowing us and our potential partners to see where we are delivering value and where there might be opportunities for others to deliver better.

Opening up performance data is a great informational tool for our customers and potential partners but opening up our data in a wider context could see some of our duties and powers being delivered by a third parties that we have no relationship with. One example could be the power we have to provide transport timetable information. If we opened up real time data in an accessible format the app development community would likely build a

public transport journey planner without any additional investment from the County Council. If we added highways data to the same place an app could be developed that showed roadworks and gritting activities. Add in traffic information and we end up with a pretty comprehensive journey planner for Surrey; an app developers dream. We will have fulfilled our responsibility purely by opening up those sets of data.

Undertaking architecture exercise will inform not only how we build ourselves as a platform but also support and inform our options analysis work around trading and commissioning.

Inter-operability

One of the key areas to get right when looking at delivering services through an ecosystem of commissioned partners and third parties is ensuring that systems and process are interoperable. Without this we will struggle to achieve the efficiency savings required and hamper the delivery of excellent services to our customers.

Our commissioning strategy and processes have to allow for fluid change between delivery partners to ensure we're getting best value for our customers. To do this we need to be clear on three things:

Process

One of the benefits in taking a platform approach for the delivery of services is that so long as the 3rd party is providing value to our customers the County Council will have little need to intervene in the process it uses to deliver. This coupled with the publishing of performance data encourages innovation within the third party who will want to stay the best and continue to deliver the service on our behalf.

Contracts and SLA's will have stipulate process hand off points and governance processes to ensure the leanest possible delivery timeline.

Data

Any data that allows the delivery of services through a third party whether collected by them or centrally by us must sit under the County Councils ownership and management. This will avoid migration issues when moving to a different provider. To do this we will need a data platform that allows different providers to plug in to the relevant data in order for them to do their job.

Technology

From a technology point of view there are now standard ways to ensure interoperability, allowing the flow of data from one party's system to another. In a fully formed platform strategy the principles around this digital approach would likely contain the following;

- Open source (code) where possible
- Open standards for systems interoperability
- Use of common technology components to avoid duplication of data

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How it fits with our 'One team' ethos and our values

Regardless of the culture, size, industry sector or office environment, one of the biggest battles facing organisations today is the creation of an effective team ethos. This is especially true when trying to engender a cross directorate team spirit with employees, who are individually rewarded for their achievements within the team or service they work in.

We should place more emphasis on rewarding teams for their cross directorate/service and partnership work in pursuit of better public value outcomes. The platform should be seen as an enabler to this join up, both in terms of seeing where benefits are being derived through performance reporting and through its ability to connect data and automate process where possible.

Platform as assets

Our assets can be seen as people, digital/data and property. (People, platform, place)

People - Most of our delivery culture stems from the value we place on our self to serve the people and manage the resources of others. Along with this stewardship, there is an expectation from the public that in conducting daily activities, we will practice fairness and equality. Culture has emerged as one of the dominant barriers to effective commissioning between commercial and public sector bodies. There are many elements of this culture that we would expect our service delivery partners to adopt. We could solve this by creating a culture standards framework that 3rd parties sign up to and are measured against. This means that we need to very specific on what value is for each service and the cultural attributes it's delivery will be measured against.

We should also train and support our own staff on the acceptance of different business cultures and to deal with constant change. We will need to move from a culture of doing

more with less to one that accepts other people delivering value even if it is not exactly how we would do it ourselves.

Customers also sit under this 'people' header. Our customers provide us with insight into what is valuable to them, and through them we understand community need. Ensuring that we have the right engagement platforms in place is essential to make the most of them.

Digital/ Data – We should build a digital platform that allows both ourselves and 3rd parties to deliver services in the most efficient way possible. This means ensuring interoperability and a flexible componentised architecture. For a useful plain English explanation of digital platforms follow this link; http://www.youtube.com/watch?v=02_3UTqXmU

Data is a huge asset we don't currently make enough of; both in terms of internal performance analytics and data we create through the delivery of services. Transport and highways data was one example given earlier but there are multiple other sets across the services that we could open up to see what the market does with it. One of the first things that would need to be done is to define our approach to data and understand where it currently resides (this should be part of the business architecture exercise).

Property – We're already working hard to make the most of our property assets but we lack the usage data to drive real efficiencies and to make them work harder to support those 3rd parties that are delivering services on our behalf. How do we ensure both staff and partners have minimal set up costs and are able to plug into our technology platform?

Brand SCC and what needs to be done to preserve and develop that?

We strive to deliver as an organisation around core values

- Listen - We actively listen to others and expect to be listened to.
- Responsibility - We take responsibility in all that we do at work.
- Trust - We work to inspire trust and we trust in others.
- Respect - We are supportive and inclusive and committed to learning from others.

The councils brand strategy lays out how working towards these tells a story about us as an organisation:

'We can't and don't have all the answers. We are always looking at ways in which we can improve what we do, for new and innovative ways of working with working with people and organisations across the county and beyond. If something improves what we do for residents we will look at it. We have not limited ourselves

to a single way of offering services or tied ourselves to a single delivery mechanism or partner. If an idea means we can improve we will consider it.

We test ideas and take responsibility for changing and adapting them as we listen to and learn from residents, service users, partners and others who have an interest and role in a service. We respect the ideas and skills of others.'

To be able to achieve this effectively we have to create and manage a flexible platform that allows us to be open, listen and work innovatively.

By being public about our performance data we will increase our customers awareness of what we do and therefore perhaps promote a better understanding of the value we deliver across all services. However it will also mean we are more susceptible to public praise and criticism, especially during the first few months of scrutiny. To manage this we should release performance data in batches that we're confident about. We also should not delay in getting others to deliver services on our behalf where we can't deliver equivalent value.

Work undertaken by our Central Comms team is beginning to move us away from a County Council brand towards a Surrey public services brand. We could take this approach one step further and use our brand as a mark of quality across all 3rd parties that are delivering public services on our behalf. For 3rd parties, an association with the brand brings guarantees to customers around quality and professionalism and therefore makes it a desirable thing.

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Sprint Zero 100 day plan

setting out the platform transformation pipeline and the processes and governance models associated with it

Deliver
 Create an initial delivery model of platform components and related public sector transformation

Principles
 Agree and adopt a set of principles around data governance and control architecture for the organisation going forward

Location
 Agree and formalise a residential centre to house the platform approach to key staff transfers. Make sure the physical space is ready by taking them on in Teams with IT and service managers

Delivery capability
 Build on existing budgets and resources to set the automatic team up to deliver the operations and product maintenance projects

Communication
 Define and agree a communication approach for the strategy, and other messaging to staff and members about outcomes based change and the role of the DT

Control
 Define the right questions to ask on the data and the other core capabilities compliance with the public principles. Treatment decisions are made by regional digital adaptation of principles

Process Architecture
 Define public sector and data flow across the organisation. Map shared activities, critical events and customer interaction points

People
 Define 3 exemplar service areas for the current to transform and create an open data pipeline

Sprint 1 the next 100 days delivery

day 1:
publish platform strategy
name exemplars
publish first sets of open data



Sprint Zero 100 day plan

setting out the platform
transformation pipeline and the
processes and governance models
associated with it

Guidance

Create an external advisory board of specialist companies and individuals to guide SCC's transformation

Principles

Agree and adopt a set of principles around data, procurement and technical architecture for the organisation going forward

Education

Agree and coordinate a masterclass series to disseminate the platform approach to key staff members. Make outcome focused work more visible by holding show and tell sessions with CPT and senior managers.

Delivery capability

**Build using existing budgets and resource
a full time outcomes team (OT) to define
the proposition and manage
transformation projects**

Control

Define the right questions to ask at the right points to ensure cross organisation compliance with the platform principles. Implement service level monthly reporting against adoption of principles.

Business Architecture

Where possible understand data flows across the organisation. Map change activities, contract breaks and customer satisfaction rates.

Pipeline

Select 3 'exemplar' service areas for the council to transform and create an open data pipeline

Sprint 1

the next 100 days delivery

day 1:

publish platform strategy

name exemplars

publish first sets of open data

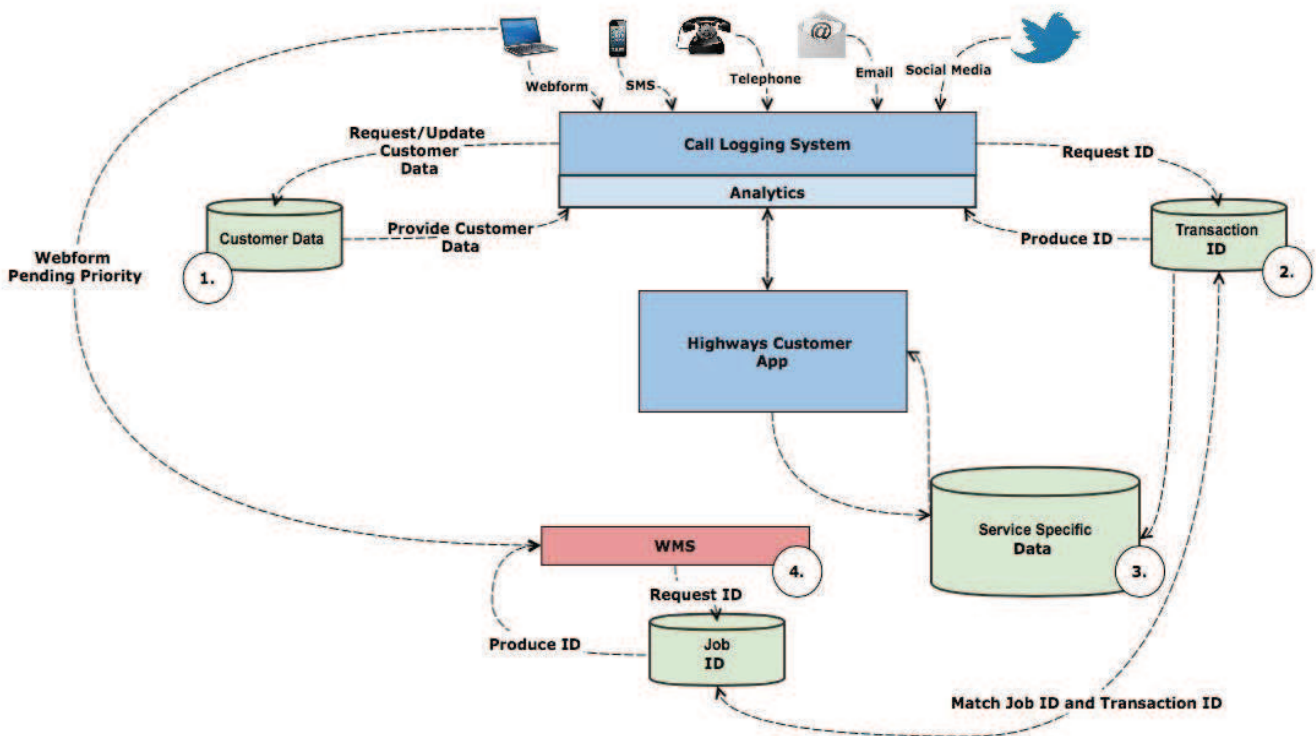
	SEPT	DEC
CUSTOMER	<ol style="list-style-type: none"> 1. Document business process 2. Design and agree architecture 3. Select and procure Helpdesk 4. Begin Helpdesk roll out 5. Build Customer App 6. Integrate with WMS 	<ol style="list-style-type: none"> 1. Identify business owners for future customer apps 2. Agree and build next 'app' to integrate after understanding it's capabilities 3. Build customer record shell 4. Start to integrate big data sets
VULNERABLE ADULTS	<ol style="list-style-type: none"> 1. Create user stories from our communities 2. Deliver a multiagency workshop to identify location of data and propensity to share 3. Agree architecture with ASC and IMT 4. Agreement from 4 D & B's to use CIS 5. Business case to Investment panel 	<ol style="list-style-type: none"> 1. Beta CIS system in use by 4 D & B's 2. False Scenario test 3. Vulnerable adults App built to pull data together 4. Wider sign up with other D & B's 5. Initiate pilot with CCG
TRANSPORT	<ol style="list-style-type: none"> 1. Get stakeholder sign up for the big data approach 2. Agree with university the Big data analytics support provision 3. Create data schema 4. Collect and cleanse data 	<ol style="list-style-type: none"> 1. Send data to University for them to analyse and visualise 2. Work with the university to gains valuable results 3. Publish results of exercise publically 4. Report findings to CIB
DATA & KNOWLEDGE	<ol style="list-style-type: none"> 1. Agree open and published data principles 2. Agree internal data sharing principles 3. Evaluate and build requirements for data platform based on the agreed principles 4. Launch knowledge and data share campaign 5. Agree a Pilot approach 	<ol style="list-style-type: none"> 1. Launch Digital Leadership course 2. Set Data publishing KPI's 3. Evaluate the success and outcomes of the knowledge and data share campaign, iterate. 4. Provide Product management and Agile delivery training

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Customer Records

Customer Records project looks to try to use the digital platform approach to improve Surrey County Council view of our Customers. The idea being that we will use different data sources to pull together a single picture of the customer. The Data sources will be internal systems (AIS, Swift, Libraries, S.A.P) and external systems (Schools, Electoral register Council tax info, NHS info)

These sources will be pulled to create a dynamic record visible to relevant parties in Surrey and certain partner organisations (Fire and Rescue etc) ensuring the relevant security is in place. This will be created through a phased approach building in data sources over time. Initially the focus will be on E&I Highways areas looking at the end to end interaction with customers.



Highways Approach

The initial project with Highways has the aim to introduce

- An omni-channel entry point to Surrey (it doesn't matter if your customer tweets, emails or phones all queries will be logged and managed through the same system automatically)
- A seamless query process. Customer query journey visible to all teams through the process with the ability to see when key events occurred, and who carried them out.
- One Reference. Customer receives one reference number and receives updates from one source

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Data and Knowledge Share

Five years ago the council underwent necessary restructure and reorganisation. The changes successfully mitigated against challenges the organisation faced in light of forthcoming financial restraints, as well as existing behavioural, systemic and channel inefficiencies. Five years on, it is acknowledged that the changes were necessary for progress, but the current situation strongly indicates that the silo behaviour of not only our directorates, but also our services and teams, prevents us from delivering public value. Therefore the problem to be addressed how do we join-up our people, information and solutions.

This piece of work was borne out of a series of drivers:

1. Acknowledgment of the inaccessibility/ closed nature of data that we own
2. Acknowledgment of the lack of knowledge sharing across the organisation
3. Central government directives and GDS behaviour and approach to open data, open source, open standards

The purpose of this project is to facilitate and deliver join-up throughout the organisation by: building and/or procuring a platform to open up our data; utilising collaboration tools and our digital resources to allow/encourage/provide a space for people to connect virtually.

Data

1. In light of the central government transparency code, local authorities must look to further open up data and there are forthcoming statutory requirement regarding which data sets must be published. Our aim is two-fold: we intend to look at how this data can be published, ensuring its accessibility and usability. We also intend to discover if we can go further than the statutory requirements, and discuss with stakeholders the potential of opening up additional non-sensitive data.
2. Internally our aim is for colleagues to share all data that can be shared (in accordance with the Caldicott principles and our internal data principles).

Digital architecture

1. Ensuring that a digital platform exists to support the objective of connecting people to: people, communities, information, and solutions
2. Encouraging integration and streamlining a single digital platform so that it's user-friendly, valued as useful, and data is not duplicated.
3. Exploring the functionality of our current digital architecture as well as other products on the market to ensure our architecture provides space for collaboration.

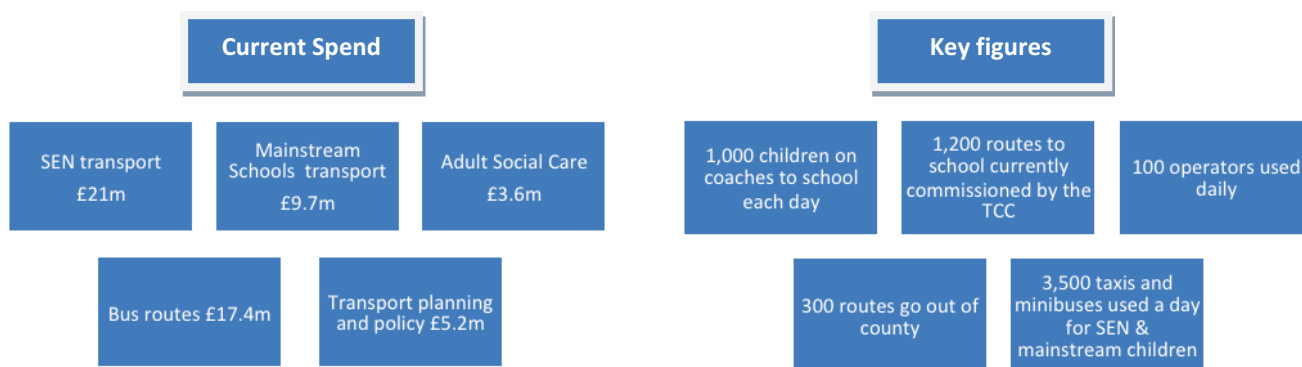
Knowledge layer

1. Help enable better conversations through practice of knowledge sharing and problem solving collaborative tools
2. Support the drive for networks and culture change through community building and engagement

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Transport

The County Council and our public sector partners provide a wide range of transport to meet the needs of Surrey residents. This includes services we provide, commission and subsidise. This project will look at transport across Surrey, and bring together all the relevant data that the council and our partners hold. By looking at transport as a whole system rather than individual components we hope to identify potential efficiencies for the council and ways to improve experiences for customers.



Scope

The services in scope are those that are either provided by or subsidised by the council, Districts and Boroughs or NHS.

- Home to school transport for entitled mainstream children,
- home to school transport for entitled children with Special Educational Needs (SEN)
- non-routine journeys for vulnerable children and adults
- home to day centre transport for adults
- transport to and from respite care
- Voluntary car schemes
- Rural bus routes
- Boroughs and districts subsidised rural routes and voluntary schemes
- Hospital discharge
- Non-emergency hospital transport

Use of Big Data techniques

Surrey University has expressed an interest in assisting with the analysis of the transport data. Students will be using their data analytics tools to pull together the data we collect and make sense of the information.

Outputs

This is initially an exploratory piece of work. Our aspiration is that by December 2014, we will have a better understanding of heat spots, up times, down times and patterns across a diverse range of transport methods. The analysis will help us to:

- understand what is possible in terms of digital technology platforms to aid effective transport provision
- Work with partners to aid big picture thinking in terms of how transport provision is organised.

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Vulnerable Adults List

Sharing information about vulnerable adults is a complex matter. There is a variety of data and information held about adults deemed to be vulnerable across Surrey, held in different places, in different ways, by different agencies, services and organisations. Existing databases are generally incompatible, creating additional challenges for professionals and organisations who are working with vulnerable adults.

The subject of sharing information regarding vulnerable adults was raised by SCC Adults Social Care (ASC) during a 100 day consultation process to identify key priorities across Surrey County Council. In particular, ways need to be found to allow easier and quicker access to data and information regarding vulnerable adults during incidents and emergency situations within Surrey. Recent events, such as the floods across Surrey, have highlighted the impact of not having an overarching view of adults deemed vulnerable during that time.

The approach

It is recognised that there are diverse, disparate and non-interoperable systems related to the recording of data pertaining to vulnerable people.

Different organisations look at needs in different ways so it would be very difficult to attempt to create a centralised system that could work for everyone; in addition vulnerability and needs can change on a daily basis therefore flexibility is needed.

Therefore the main aim of this project is to create an independent 'platform' that the various systems could feed into, effectively joining up all the vulnerable peoples lists and enabling a centralised view across the agencies' and organisations' relevant data without them needing to change their business process around assessment or classification of needs.

Stakeholders

There are a variety of different agencies, services and organisations across Surrey who provide services and work with vulnerable adults. Key stakeholders include:

- SCC Surrey Fire and Rescue Service
- Surrey Police
- Surrey Districts and Boroughs
- SCC Emergency Management Team
- SCC Adult Social Care (ASC)
- SCC Children's Services
- CCGs (clinical Commissioning Groups)
- NHS England Surrey and Sussex Area Team - Operations & Delivery Directorate
- Surrey and Borders Partnership NHS Foundation Trust
- Utilities – Water, Electricity and Gas
- Military
- 3rd Sector including charities, volunteers, and independent providers

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Council Overview and Scrutiny Committee
11 September 2014

BUDGET MONITORING REPORT

Purpose of the report: This report presents the revenue and capital budget monitoring up-date for June 2014.

Introduction:

1. The June 2014 month end budget report was presented to the cabinet meeting on 22 July 2014.
2. This report presents the council's financial position at the end of the first quarter of the 2014/15 financial year, including the council's balance sheet as this is the end of quarter 1. It also includes an up-date on the implications of the first quarter position for the future Medium Term Financial Plan, and the financial impact of the winter's severe weather on the council's revenue and capital budgets.

Report contact: Kevin Kilburn, Deputy Chief Finance Officer

Contact details:

kevin.kilburn@surreycc.gov.uk

020 8541 9207

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SURREY COUNTY COUNCIL

CABINET

DATE: 22 JULY 2014

REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: FINANCE AND BUDGET MONITORING REPORT FOR JUNE 2014



7

SUMMARY OF ISSUE:

The council takes a multiyear approach to its budget planning and monitoring, recognising that the two are inextricably linked. This report presents the council's financial position at the end of the first quarter of the 2014/15 financial year, including the council's balance sheet as this is the end of quarter 1. It also includes an up-date on the implications of the first quarter position for the future Medium Term Financial Plan, and the financial impact of the winter's severe weather on the council's revenue and capital budgets.

The details of this financial position are covered in the Annexes to this report.

RECOMMENDATIONS:

Cabinet is asked to note the following:

1. the revenue budget to the end of June 2014 and the forecast outturn for 2014/15;
2. the forecast ongoing efficiencies and service reductions achieved by year end;
3. the capital budget position to the end of June 2014 and the forecast expenditure for 2014/15;
4. the first quarter balance sheet, reserves, debt and treasury management report, including debt written off under the Director of Finance's delegated authority;
5. the Chief Executive's and Director of Finance's assessment of the council's efficiency savings programme.

The Cabinet is asked to approve the following:

6. request from Environment & Infrastructure for £0.3m additional funding to cover planning & development work on the schools expansion programme;
7. the re-profiling of the council's capital programme for the years 2014 to 2019;
8. use of £1.8m revenue and £1.2m of capital developer contributions to fund the costs of response and recovery from the severe weather and flooding;
9. use of £10m of the current capital budget to fund the capital costs incurred in 2014/15; and
10. Highways realigns the revenue budget to respond to service pressures including flood repairs.

REASON FOR RECOMMENDATIONS:

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary. Additionally, there is an up-date on the wider Medium Term Financial Plan (MTFP 2014-19), in terms of the implications for savings delivery and the severe weather on the councils revenue and capital budgets. This up-date was requested when the MTFP was agreed in March 2014.

The Cabinet approved the carry forward of capital budget from 2013/14 at its meeting in May 2014. Since the setting of the capital budget, the schools basic need and property programmes have been reassessed. The recommendation of this report is to re-profile the council's capital programme to ensure that its objectives are delivered and value for money is achieved.

DETAILS:

1. The Council's 2014/15 financial year commenced on 1 April 2014. This report includes the second budget monitoring report of the financial year. As this is the end of the first quarter, the report also includes additional information from the council's balance sheet, in particularly the level of reserves, balances and debt.
2. The Council has a risk based approach to budget monitoring across all services. This approach is to ensure we focus resources on monitoring those higher risk budgets due to their value, volatility or reputational impact.
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. The annex to this report sets out the Council's revenue budget forecast year end outturn as at the end of June 2014. 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. The annex also updates Cabinet on the Council's capital budget. This includes the progress on delivering the programme to the end of June, the forecast for this financial year, and the re-profiling of budgets following an assessment of projects and schemes within the programme.
8. As a part of the overall budget monitoring process, the report additionally provides a commentary on the wider implications on the MTFP of the progress and deliverability of savings and efficiencies within the MTFP, following the work undertaken by the Chief Executive and the Director of Finance.
9. The country, and the county of Surrey, in particular faced unusually severe weather during the course of the winter. This had a significant impact on residents, the council's services and its physical infrastructure. As a response to this crisis the Government has made a number of sources of funding available for the response to and recovery from this severe weather.
10. The severe weather has had a significant impact on the council's revenue and capital budgets as it coordinated the initial response and then recovery from the severe weather and flooding. As a consequence the council has applied for government funding that has been made available. The annex of this report details and costs and the funding that relate to severe winter weather.

Consultation:

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

Risk management and implications:

12. 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

13. 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

14. 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.

Legal implications – Monitoring Officer

15. There are no legal issues and risks.

Equalities and Diversity

16. 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

17. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
18. 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, Director of Finance
Tel: 020 8541 7012

Consulted:

Cabinet / Corporate Leadership Team

Annexes:

Annex 1 – the revenue and capital budget monitoring to the end of June 2014 and year end forecasts. As the end of the first quarter of the financial year, it also includes information on the council's balance sheet; up-date on the implications of the first quarter position for the future Medium Term Financial Plan, and the financial impact of the winter's severe weather on the council's revenue and capital budgets.

Sources/background papers:

None

Budget monitoring period 3: 2014/15 (June 2014)

Summary recommendations

Cabinet is asked to note the following.

- 1.1. The council forecasts a balanced revenue position for 2014/15 (paragraph 1).
- 1.2. Services forecast achieving ongoing efficiencies and service reductions by year end of £71.0m (paragraph 42).
- 1.3. Quarter end balance sheet as at 30 June 2014 and movements in earmarked reserves and debt outstanding (paragraphs 48 to 52).

Cabinet is asked to approve

- 1.4. Request from Environment & Infrastructure for £0.3m additional New Homes Bonus funding to cover planning & development work on the schools expansion programme.

Revenue summary

Surrey County Council set its gross expenditure budget for the 2014/15 financial year at £1,652m. In line with the council's multi year approach to financial management which aims to smooth resource fluctuations over five years, Cabinet approved the use of £20.1m from previous years' underspends, £5.8m from other reserves to support 2014/15, £14m to support the Adult Social Care budget in 2014/15 and £5.5m revenue carried forward from 2013/14 to fund committed expenditure.

The financial strategy has a number of long term drivers to ensure sound governance, managing the council's finances and compliance with best practice.

- Keep any additional call on the council taxpayer to a minimum, consistent with delivery of key services through continuously driving the efficiency agenda.
- Develop a funding strategy to reduce the council's reliance on council tax and government grant income. The council is heavily dependent on these sources of funding, which are being eroded.
- Balance the council's 2014/15 budget by maintaining a prudent level of general balances and applying reserves as appropriate.
- Continue to maximise our investment in Surrey.

Keep the additional call on the council tax payer to a minimum, consistent with delivery of key services

For the fourth year in succession, the council ended 2013/14 with a small underspend, demonstrating its tight grip on financial management. As at 30 June 2014, the council forecasts a balanced outturn for 2014/15. The council will seek over £72m further efficiency savings in 2014/15 in line with the corporate strategy of using our resources responsibly to plan for future years of financial uncertainty.

In setting the 2014-19 MTFP, Cabinet required the Chief Executive and Director of Finance to establish a mechanism to track and monitor progress on the further development and implementation of robust plans for achieving the efficiencies across the whole MTFP period. The Chief Executive and Director of Finance have conducted support sessions with strategic directors and heads of service focusing on those areas of the MTFP presenting the biggest risks. These sessions are making progress in gaining assurances about the robustness of services' savings plans and in managing the risks in the MTFP. The support sessions will continue to be on-going and are additional to the council's existing challenge and scrutiny processes.

The Chief Executive and Director of Finance have and will continue to report progress at the council's regular briefings to all members and will integrate outputs, in terms of robust planning and implementation of savings programmes, into the medium term financial planning process.

In response to the scale of the challenge facing local government in the current financial climate of Government reductions in funding, Cabinet has already been considering strategic financial planning options for 2015-20. The schedule is for Cabinet to reach some key budget conclusions before Christmas (subject to the local government financial settlement). In accordance with this, Cabinet will receive a progress report on the 2015-20 MTFP with the second quarter's budget monitoring report.

7

Continuously drive the efficiency agenda

A key objective of MTFP 2014-19 is to increase the council's overall financial resilience, including reducing reliance on government grants over the long term. The council plans to make efficiencies and reductions totalling £72.3m in 2014/15 (£253m for 2014-19). At the end of June 2014, services forecast to achieve £71.0m efficiencies by year end. Most services are on track to achieve their planned efficiencies. Services in Adult Social Care and Environment & Infrastructure are supporting their efficiencies programmes with further cost savings together totalling less than £1m.

Maintain a prudent level of general balances and apply reserves appropriately

In addition to meeting on-going demand and funding pressures, the council ensures it is prepared for emergencies, such as the recent severe weather and flooding. Part of this preparedness is having adequate balances and reserves. The council currently has £21m in general balances.

Capital summary

Maximising our investment in Surrey

A key element of Surrey County Council's corporate vision is to create public value by improving outcomes for Surrey's residents. This vision is at the heart of the capital programme and MTFP 2014-19 set a £760m five year capital programme.

Following the severe weather during the winter of 2013/14 and the carry forward of capital amounts from 2013/14, officers have re-examined the deliverability of the capital programme. Annex 2 recommends reprofiling the capital programme to accommodate capital funds carried forward from 2013/14.

The council also wants to reduce its reliance on government funding and the council tax payer. To this end, it invested £40.2m in long term capital investment assets in 2013/14 and a further £4.7m in the first three months of 2014/15.

As at 30 June 2014, the council forecasts +£6.6m overspend against the reprofiled capital budget for 2014/15. This includes +£6.7m overspend on long term capital investments.

Revenue budget

- The updated 2014/15 revenue budget, is supported by £25.9m of reserves, £14m of earmarked reserves to support Adult Social Care for one year and £5.5m revenue carried forward from 2013/14 to fund committed expenditure. Services' net revenue budget forecast is balanced.
- In line with the council's multi year approach to financial management which aims to smooth resource fluctuations over five years, Cabinet approved the use of £20.1m from the Budget Equalisation Reserve (including £13m contribution from 2013/14's unused risk contingency) plus £5.8m from other reserves to support 2014/15, £14m to support the Adult Social Care budget in 2014/15 and £5.5m revenue carried forward from 2013/14 to fund committed expenditure.
- The budget variance at the end of June is -£5.1m underspent mainly due to:
 - Business Services -£1.0m mainly because HR transferred training budgets to services in June and Property will re-profile the maintenance budget;
 - Children, Schools & Families -£1.9m due to underspends on Schools & Learning's demographics and inflation budget partly offset by reduced income;
 - Environment & Infrastructure -£1.6m largely due to Highways' response to 2013/14's flooding, which it expects to fund through a combination of existing budgets and government grants.
 - Central Income and Expenditure - £1.0 is due to timing of the contribution to interest payable from the investment properties.
- Table 1 shows the year to date and forecast year end net revenue position for services and the council overall. Net revenue position for services is gross expenditure less income from specific grants plus fees, charges and reimbursements.

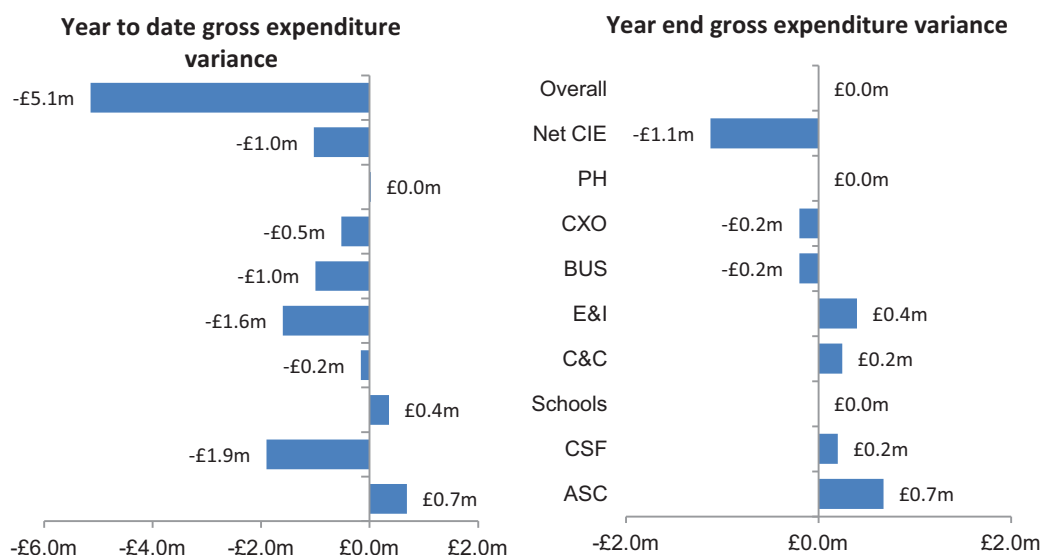
Table 1: 2014/15 Revenue budget - net positions

May Forecast variance £m	YTD budget £m	YTD actual £m	YTD variance £m	Full year (revised) budget £m	Jul – Mar remaining forecast £m	Full year forecast £m	Full year variance £m
	77.6	78.3	0.7	340.7	263.0	341.4	0.7
-0.2	47.0	45.1	-1.9	186.5	141.6	186.7	0.2
	0.0	0.4	0.4	0.0	-0.4	0.0	0.0
-0.6	12.3	12.1	-0.2	47.5	35.6	47.7	0.2
0.1	31.5	29.9	-1.6	130.5	101.0	130.9	0.4
	19.6	18.6	-1.0	83.9	65.1	83.7	-0.2
0.3	7.3	6.8	-0.5	25.6	18.6	25.4	-0.2
-1	-156.8	-157.8	-1.0	-172.9	-16.2	-174.0	-1.1
-1.5	38.5	33.4	-5.0	641.8	608.3	641.7	0.0
	-184.4	-184.4	0.0	-615.8	-431.4	-615.8	0.0
		-0.1	-0.1		0.1		0.0
-1.5	-145.9	-151.1	-5.1	25.9	177.0	25.9	0.0

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

5. Schools' funding is determined by an agreed formula under statute and expenditure decisions are the responsibility of each school's governing body.
6. Both the year to date and forecast revenue budget positions are shown in the graphs below. Table App 3 in the appendix shows the overall income and expenditure for the year to date and year end forecast positions.
7. The balanced forecast year end underspend on services is a result of additional costs due to the following: pressures in Children's Services, Planning & Development for the schools expansion programme, local bus contracts, Emergency Management's response to flooding; offset by underspends in Schools & Learning, Cultural Services' additional income, and additional grant income for Special Educational Needs Reform and Education Services.
8. Figure 2 shows services' gross expenditure variances for year to date and forecast year end positions.

Figure 2: Year to date and forecast year end expenditure variance



9. Below, services summarise their year to date and forecast year end income and expenditure positions and financial information. These explain the variances, their impact and services' actions to mitigate adverse variances. The appendix gives the updated budget with explanations of budget movements.

Adult Social Care

Table 2: Summary of the revenue position Adult Social Care services

	YTD Budget £m	YTD Actual £m	YTD Variance £m	Full Year Revised Budget £m	Jul-Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-16	-15.1	0.9	-72.4	-57.1	-72.2	0.1
Expenditure	93.6	93.4	-0.2	413.0	320.2	413.6	0.6
Net position	77.6	78.3	0.7	340.7	263.0	341.4	0.7
Service summary							
Income	-16.0	-15.1	0.9	-72.4	-57.1	-72.2	-1.1
Older People	38.6	39.1	0.5	170.4	130.3	169.4	-1.0
Physical Disabilities	11.1	10.7	-0.4	48.5	37.1	47.8	0.7
Learning Disabilities	28.9	29.2	0.3	132.9	104.4	133.6	0.7
Mental Health	3.2	2.8	-0.4	13.9	11.1	13.9	0.0
Other Expenditure	11.8	11.6	-0.2	47.3	37.3	48.9	1.6
Total by service	77.6	78.3	0.7	340.7	263.0	341.4	0.7

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

10. The June projected outturn for Adult Social Care (ASC) is an overspend of £0.7m.
11. This was highlighted as a challenging year in the 2014/15 budget planning process with a significant savings target of £42m plus additional income of £4m to be generated. ASC has made good progress in many of the savings actions and judges that £16m of efficiency savings have either been achieved or will be achieved without needing further management action.
12. The current year end projection relies on ASC implementing management actions to secure £25.6m efficiency savings. Table 3 outlines the management actions included in the June projections.
13. The most significant element of ASC's efficiency savings plans in 2014/15 is the Family, Friends and Community (FFC) support strategy. That is currently at the mobilisation stage, and some delays have occurred such that there is a need to accelerate and broaden the action taken in the remaining nine months. There were two key measures through which the service planned to achieve the FFC savings. Firstly through an improved assessment process for individuals requiring new care packages, supported by a recalibration of the Resource Allocation System (RAS) which was implemented in mid-May. The second element is a programme of re-assessments of existing packages to ensure that FFC is fully incorporated into their personalised support plans. Locality Teams have been working to draw up local project plans for the delivery of the re-assessments. As plans are finalised it has also become clear that one effect will be to reduce the likelihood of underspends occurring against Direct Payments: the two savings streams are effectively connected. Putting them together makes for a relevant MTFP target of £13m. At this stage, given that mobilisation has taken slightly longer than anticipated, there has been some slippage in the timing of the reassessments. This has reduced the in-year savings forecast against the original plans to £9.6m, incorporating the impact of DP reclaims (with £1.2m being achieved to date and a further £1.7m forecast to year end). An Acting Assistant Director has recently been allocated full time to lead on implementing FFC, and by looking at these areas of efficiency savings in a joined-up way it is hoped to

cover an additional £3m through new actions. Accordingly, the position is reported on the basis of delivering £12.7m of the £13m target.

14. Uncertainties remain in three other significant areas of planned efficiency savings: the renegotiation of block contract arrangements (the relevant negotiations are taking longer than was expected), the correct application of Continuing Health Care arrangements (discussions regarding the approach are ongoing with CCGs) and the derivation of social care benefit from the Whole Systems Funds (discussions continue as part of the local planning processes jointly with CCGs which feed into that aim). Furthermore, a prudent approach has been taken to the original aim of finding £2.6m of additional as-yet-unidentified efficiency savings, reducing the expectation to £1.7m in view of the no plans yet having been put in place, pending the outcome of partnership discussions as outlined above.

Table 3: Summary of Adult Social Care management actions to achieve efficiency savings

	£m	£m
MTFP efficiency savings target		-42.0
Total efficiency savings achieved (or needing no further management action) to date		-15.7
Efficiency savings forecast for the rest of the year through use of FFC	-9.6	
FFC applied to DP reclaims	-1.8	
Other efficiency savings for the rest of the year needing management actions	-14.2	-25.6
Total efficiency savings forecast in remainder of year		-41.3
Under/(over) performance against MTFP target		0.7

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

Children, Schools & Families

Table 4: Summary of the revenue position for Children, Schools & Families services

	YTD budget £m	YTD actual £m	YTD variance £m	Full year (revised) budget £m	Jul- Mar forecast £m	Full year projection £m	Full year variance £m
Income	-36.7	-35.1	1.6	-150.8	-116.3	-151.4	-0.6
Expenditure	83.7	80.2	-3.5	337.3	257.9	338.1	0.8
Net position	47.0	46.1	-1.9	186.5	141.6	186.7	0.2
Service summary							
Income	-36.7	-35.1	1.6	-150.8	-116.3	-151.4	-0.6
Strategic Services	0.8	1.1	0.3	3.2	2.0	3.1	-0.1
Children's Services	22.9	22.5	-0.4	91.8	72.3	94.8	3.0
Schools and Learning	53.1	49.4	-3.7	214.7	162.8	212.2	-2.5
Services for Young People	6.9	7.2	0.3	27.6	20.8	28.0	0.4
Total by service	47.0	45.1	-1.9	186.5	141.6	186.7	0.2

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

15. Children, Schools & Families (CSF) has a -£1.9m year to date underspend (most of this is attributable to Dedicated Schools Grant services and is unavailable for general county council services) and forecasts a broadly balanced year end position.

16. Children's Services forecasts a +£3.0m year end overspend (less -£0.4m additional income). This forecast overspend includes:
- +£1.6m on care of looked after children (agency placements, fostering and adoption allowances, and leaving care and asylum seekers); and
 - +£0.6m on care packages for children with disabilities.
17. Schools & Learning forecasts -£2.5m year end underspend on county funded services. The main underspend is on the demographics and inflation budget, offset by an overspend on transport, mainly for children with SEN.

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	Jul-Mar Forecast £m	Full Year Projection £m	Full Year Variance £m
Income	-115.0	-119.9	-4.9	-468.2	-348.3	-468.2	0.0
Expenditure	115.0	120.3	5.2	468.2	348.0	468.2	0.0
Net position	0.0	0.4	0.4	0.0	-0.4	0.0	0.0

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

18. The year end forecast is for a balanced position. The year to date variance is due to the lag on reporting expenditure by schools that passes through local bank accounts.

Customer & Communities

Table 6: Summary of the revenue position for Customer & Communities services

	YTD budget £m	YTD actual £m	YTD variance £m	Full year (revised) budget £m	Jul- Mar forecast £m	Full year projection £m	Full year variance £m
Income	-3.1	-3.4	-0.3	-12.2	-8.9	-12.3	-0.1
Expenditure	15.4	15.5	0.1	59.7	44.5	60.0	0.3
Net position	12.3	12.1	-0.2	47.5	35.6	47.7	0.2
Service summary							
Fire & Rescue	9.3	9.4	0.1	35.6	26.5	35.9	0.3
Customer Services	0.8	0.7	-0.1	3.3	2.6	3.3	0.0
Trading Standards	0.5	0.5	0.0	2.1	1.6	2.1	0.0
Community Partner & Safety	1.0	0.9	-0.1	3.7	2.8	3.7	0.0
C&C Directorate Support	0.4	0.3	-0.1	1.6	1.2	1.5	-0.1
County Coroner	0.3	0.3	0.0	1.2	0.9	1.2	0.0
Total by service	12.3	12.1	-0.2	47.5	35.6	47.7	0.2

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

19. Customer & Communities (C&C) has a balanced year to date position and forecasts a small overspend at year end. This forecast is mainly due to a shortfall in Fire Service income.
20. Cultural Services' £10.6m budget is now part of Chief Executive's Office in line with changes in management responsibilities.

Environment & Infrastructure

Table 7: Summary of the revenue position for Environment & Infrastructure services

	YTD budget £m	YTD actual £m	YTD variance £m	Full year revised budget £m	Jul- Mar forecast £m	Full year projection £m	Full year variance £m
Income	-4.5	-3.4	1.1	-17.9	-14.4	-17.8	0.1
Expenditure	36.0	33.3	-2.7	148.4	115.4	148.7	0.3
Net position	31.5	29.9	-1.6	130.5	101.0	130.9	0.4
Service summary							
Environment	20.5	19.2	-1.3	82.1	62.8	82.0	-0.1
Highways	10.5	10.0	-0.5	46.4	36.7	46.7	0.3
Other directorate costs	0.5	0.7	0.2	20.	1.5	2.2	0.2
Total by service	31.5	29.9	-1.6	130.5	101.0	130.9	0.4

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

21. Environment & Infrastructure (E&I) has a -£1.5m year to date underspend and forecasts a small overspend at year end.
22. E&I services face additional costs including:
 - +£6m to repair highways damaged in last year's flooding, which the service expects to fund from existing budgets and government grant; and
 - +£0.3m planning & development work on the schools expansion programme, for which the service requests New Homes Bonus funding

Business Services

Table 8: Summary of the revenue position for Business Services

	YTD budget £m	YTD actual £m	YTD variance £m	Full year revised budget £m	Jul- Mar forecast £m	Full year projection £m	Full year variance £m
Income	-3.7	-4.1	-0.4	-15.4	-11.3	-15.4	0.0
Expenditure	23.3	22.7	-0.6	99.3	76.4	99.1	-0.2
Net	19.6	18.6	-1.0	83.9	65.1	83.7	-0.2
Service summary							
Property	7.1	6.8	-0.3	33.2	26.4	33.2	0.0
Information Management & Technology	6.1	6.0	-0.1	25.2	19.2	25.2	0.0
Human Resources & OD	2.3	1.7	-0.6	9.2	7.3	9.0	-0.2
Finance	2.2	2.2	0.0	8.9	6.7	8.9	0.0
Shared Services	1.1	1.0	-0.1	4.0	3.0	4.0	0.0
Procurement & Commissioning	0.8	0.9	0.1	3.4	2.5	3.4	0.0
Total by service	19.6	18.6	-1.0	83.9	65.1	83.7	-0.2

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

23. Business Services has a -£1m year to date underspend and forecasts a small underspend at year end.
24. -£0.6m of the year to date underspend is in HR, including -£0.15m apprenticeships and -£0.15m leadership development. The full year effect of the apprenticeships

underspend is -£0.2m, which the service would like to carry forward. HR expects leadership development volumes to rise later in the year to spend the budget fully.

Chief Executive's Office

Table 9: Summary of the revenue position for Chief Executive's Office services

	YTD budget £m	YTD actual £m	YTD variance £m	Full year revised budget £m	Jul- Mar forecast £m	Full year projection £m	Full year variance £m
Income	-9.2	-5.6	3.6	42.6	-37.5	-43.1	-0.5
Expenditure	16.5	12.4	-4.1	68.2	56.1	68.5	0.3
Net	7.3	6.8	-0.5	25.6	18.6	25.4	-0.2
Summary by service							
Strategic Leadership	0.1	0.1	0.0	0.4	0.3	0.4	0.0
Magna Carta	0.1	0.0	-0.1	0.3	0.3	0.3	0.0
Emergency Management	0.1	0.2	0.1	0.5	0.6	0.8	0.3
Communications	0.4	0.4	0.0	1.7	1.3	1.7	0.0
Legal & Democratic Services	2.1	1.8	-0.3	8.6	6.7	8.5	-0.1
Policy & Performance	0.8	0.8	0.0	3.2	2.4	3.2	0.0
Cultural services	2.5	2.3	-0.2	10.6	7.9	10.2	-0.4
Public Health	1.1	1.2	0.0	0.3	-0.8	0.3	0.0
Total by service	7.3	6.8	-0.5	25.6	18.6	25.4	-0.2
Public Health – income	-5.6	-1.7	3.9	-28.9	-27.3	-28.9	-0.1
Public Health - expenditure	6.7	2.8	-3.9	29.2	26.4	29.2	0.1
Public Health - net expenditure	1.1	1.2	0.0	0.3	-0.8	0.3	0.0

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

25. Chief Executive's Office (CEO) has a small year to date underspend and forecasts a small underspend at year end.
26. The CEO budget has increased by £10.7m, including £10.6m for the transfer in of Cultural Services.
27. Following robust negotiations Public Health (PH) has now had agreement to invoice the Clinical Commissioning Groups (CCGs) for the £3.3 million genitourinary medicine (GUM) funding which was misallocated from the government grant. Work is now underway to ensure that the GUM funding is in the base budget for 2015/16.
28. The £0.3m difference between the full year income and expenditure budgets is for the SADAS contract (drug and alcohol support). This is funded jointly by ASC and PH. As the lead service, PH holds the expenditure budgets, ASC funds the difference.
29. Public Health has identified £0.5m efficiency savings in 2014/15 by using grant to fund the following activities.

Description	Value	Service	Public Health area
New HENRY programme (Health, Exercise and Nutrition for the Really Young)	£32,000	CSF services	Obesity
Healthy Schools - Babcock 4s	£88,000	CSF services	Children 5-19
Eat Out Eat Well scheme	£24,379	Trading Standards	Obesity
CAMHS (Children and Adolescents Mental Health Service) school nursing	£100,000	CSF services	Children 5-19
Substance misuse adults	£255,621	ASC services	Substance misuse
	£500,000		

7

Central Income & Expenditure

Table 10: Summary revenue position

Central Income & Expenditure	YTD budget £m	YTD actual £m	YTD variance £m	Full year revised budget £m	Jul- Mar forecast £m	Full year projection £m	Full year variance £m
Income	-159.1	-159.3	-0.2	-229.9	-71.6	-230.9	-1.0
Expenditure	2.3	1.5	-0.8	57.0	55.4	56.9	-0.1
Net	-156.8	-157.8	-1.0	-172.9	-16.2	-174.0	-1.1
Local Taxation	-184.4	-184.4	0.0	-615.8	-431.4	-615.8	0.0
Total net	-341.2	-342.2	-1.0	-788.7	-447.6	-789.8	-1.1

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

30. Central Income & Expenditure (CIE) has a -£1.0m year to date underspend and forecasts a -£1.1m year end underspend.
31. The year to date underspend is due to the net interest receivable from the long-term capital strategy investment properties, which have needed no external borrowing.
32. The forecast -£1.1m full year underspend is due to additional government grant income not known when setting the Medium Term Financial Plan. These include:
 - -£0.8m Special Educational Needs (SEN) Reform Grant
 - -£0.3m Education Services Grant (ESG) this depends on the number of schools transferring to academy status during the year.

Revolving Infrastructure & Investment Fund

Table 11: Summary revenue and capital expenditure positions

Revenue expenditure summary	YTD actual £m	Full year forecast £m
Income	-0.8	-3.3
Expenditure	0.1	0.2
Net income before funding	-0.7	-3.1
Funding	0.6	2.5
Net income after funding	-0.1	-0.6
Capital expenditure	4.7	6.7

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

33. The Revolving Infrastructure & Investment Fund (RIIF) forecasts -£0.6m net income for the year, comprising -£3.1m income and +£2.5m for the opportunity cost of internal capital resources credited to CIE.
34. Year to date capital expenditure is £3.8m to purchase 61 High Street, Staines and £0.9m loans to Woking Bandstand Joint Venture company. The £6.7m forecast year end position included £0.4m works at the Staines property and further loans to the Joint Venture company.

Staffing costs

35. 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.
36. Bank and agency staff enable managers to manage short term variations in service demand, or contracted staff vacancies. This is particularly the case in social care.
37. 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 approximately 92% of costs are due to contracted staff.
38. 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 staffing expenditure.
39. The council's total full year budget for staffing is £310.7m based on 8,081 budgeted FTEs. The year to date budget for the end of June 2014 is £77.5m and the expenditure incurred is £76.8m. At the end of June 2014, the council employed 7,324 FTE contracted staff.
40. Table 12 shows the staffing expenditure and FTEs for the period to June against budget, analysed among the three staff categories for services. The table includes staff costs and FTEs that are recharged to other public services for example: other councils, 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 June 2014

	Staffing budget to June 2014 £m	Staffing spend by category					Variance £m	Budget FTE	2014 occupied contracted FTE
		Contracted £m	Agency £m	Bank & casual £m	Total £m				
Adult Social Care	17.9	16.2	0.8	0.6	17.6	0.3	2,145	1,875	
Children Schools & Families	26.6	23.6	1.1	0.9	25.7	-0.9	2,828	2,491	
Customer and Communities	9.3	8.8	0.2	0.4	9.3	0.0	1,454	1,381	
Environment & Infrastructure	5.3	5.6	0.2	0.0	5.8	0.5	501	508	
Business Services and Central Income & Expenditure	10.4	9.7	0.8	0.0	10.6	0.2	900	827	
Chief Executive's Office	7.9	6.8	0.1	0.9	7.8	-0.1	253	242	
Total	77.5	70.8	3.2	2.8	76.8	-0.7	8,081	7,324	

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

41. Table 13 shows there are 713 "live" vacancies, for which active recruitment is currently taking place, with 569 of these in social care. Many vacancies are covered

on a temporary basis by either agency or bank staff, the costs of which are shown in Table 12. The number of temporary staff does not translate easily into an FTE number as these may be for a few hours only, part time etc. The easiest way to measure this is to look at the actual expenditure as shown in Table 12 (agency staff and bank & casual staff)

Table 13: full time equivalents in post and vacancies

	<u>June FTE</u>
Budget	8,081
Occupied contracted FTE	7,324
“Live” vacancies (i.e. actively recruiting)	713
Vacancies not occupied by contracted FTEs	44

The increase in the live vacancies this month is due to a large adult social care campaign.

Efficiencies

42. As reported for May, the council's overall efficiencies target is £72.3m. Against this, the council forecasts achieving £71.0m by year end, an under achievement of -£1.3m. This includes £0.9m of unplanned efficiencies.
43. The appendix to this annex includes services' efficiencies and a brief commentary on progress. Services 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;
 - and
 - PURPLE – unplanned one off savings found during the year to support the programme, but are not sustainable in subsequent years.

Figure 3: 2014/15 overall risk rated efficiencies



44. Figure 3 and Table 14 below show most services are on track for achieving their planned efficiencies. ASC services and E&I services are supporting their programmes with further efficiencies. The appendix to this annex gives further details.

Table 14: 2014/15 Efficiency programme forecasts

	MTFP £m	Forecast £m	Unplanned £m	Variance £m
Adult Social Care	45.8	44.8	0.3	-0.7
Children, Schools & Families	9.6	9.6	0.0	0.0
Customer & Communities	1.9	1.6	0.0	-0.3
Environment & Infrastructure	4.0	3.2	0.5	-0.3
Business Services	2.2	2.2	0.0	0.0
Chief Executive's Office	1.2	1.2	0.0	0.0
Central Income & Expenditure	7.6	7.6	0.0	0.0
Total	72.3	70.2	0.8	-1.3

Capital

45. By planning significant capital investment as part of MTFP 2014-19, the council demonstrated its firm long term commitment to stimulating economic recovery in Surrey.
46. Table 15 shows current forecast expenditure for the service capital programme and long term investments of £185.4m against a budget of £195.8m. The most significant variance is the overspend on long term investments (£6.7m)

Table 15: 2014/15 Capital expenditure position

	Revised full year budget	Apr - Jun actual	Jul - Mar projection	Full year forecast	Full year variance
	£m	£m	£m	£m	£m
2014/15 Monitoring					
Adult Social Care	1.3	0.2	1.0	1.2	-0.1
Children, Schools & Families	4.3	1.1	3.3	4.3	0.0
Customer & Communities	5.6	0.4	5.2	5.6	0.0
Environment & Infrastructure	70.7	30.4	40.3	70.7	0.0
School Basic Need	54.3	24.1	30.1	54.3	0.0
Business Services	47.1	9.5	37.6	47.1	0.0
Chief Executive Office	12.3	4.3	8.0	12.3	0.0
Service programme	195.6	70.0	125.5	195.5	-0.1
Long term investments	0.0	4.7	2.0	6.7	6.7
Overall programme	195.6	74.7	127.5	202.2	6.6

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

47. The council initially approved the 2014/15 capital expenditure budget at £216.8m. Annex 2 contains further details on the capital programme reprofiling summarised in Table 16.

Table 16: Capital programme reprofiling

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
MTFP	217	164	150	122	106	759
Carry forward	14	13	8	-3	1	33
Re-profile	-34	15	3	0	18	2
Grant changes	-2	-3	-3	-3	-3	-14
Reprofiled MTFP capital programme	195	189	158	116	122	780

Balance sheet

48. The council's balance sheet as at 30 June 2014 shows an increase in net assets of £168m. This is mainly due to an increase in cash & cash equivalents from the receipt of the majority of the annual Revenue Support Grant in quarter 1. Table App 6 shows details of the balance sheet at 30 June 2013.

Reserves

49. The council's earmarked reserves have reduced in the quarter to 30 June 2014. This was mainly due to drawing down reserves as planned in the MTFP. Table App 7 shows details of the council's earmarked reserves as at 30 September 2013.

Debt

50. During the quarter to June 2014, the council raised invoices totalling £44.1m.
51. The council's total debt outstanding at 30 June 2014 is £32.6m, split evenly between care related debt and non-care related debt. Table App 6 shows details. The average number of debtor days for the period 1 April to 30 June 2014 was 29 days.
52. Between 1 April and 30 June 2014 the Director of Finance has written off 123 debts under delegated authority with a total value of £172,156, comprising £118,403 care related and £53,753 non care related debt.

Appendix to Annex

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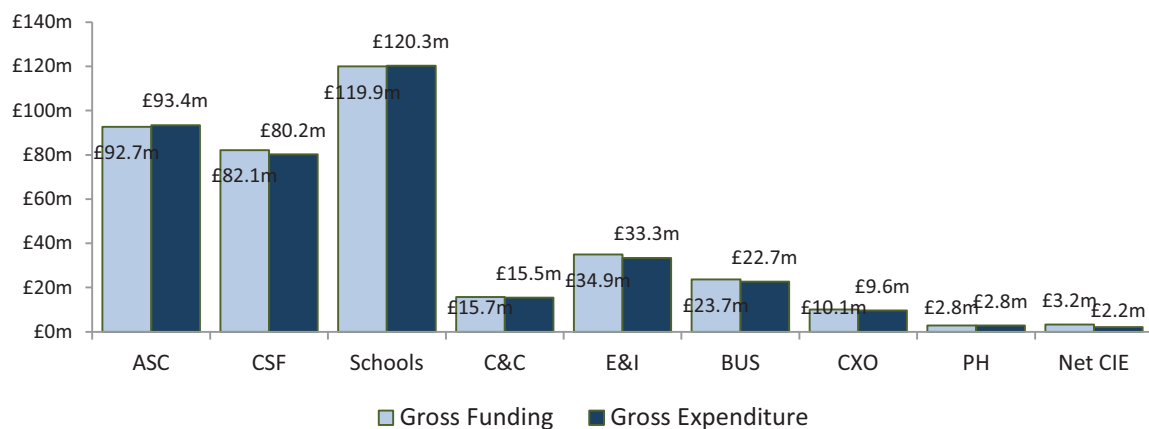
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Corporate performance scorecard – finance

App 1. Figure App 1 shows the gross funding and expenditure for the council for the year to date (as included in the quarterly corporate performance scorecard). Gross funding for a service is its receivable income plus its budgeted share of funding from the council's overall resources. The difference between gross funding and gross expenditure is the net budgetary variance. The amounts relate to the June month end position. Net CIE comprises Central Income & Expenditure, local taxation and the Revolving Infrastructure & Investment Fund.

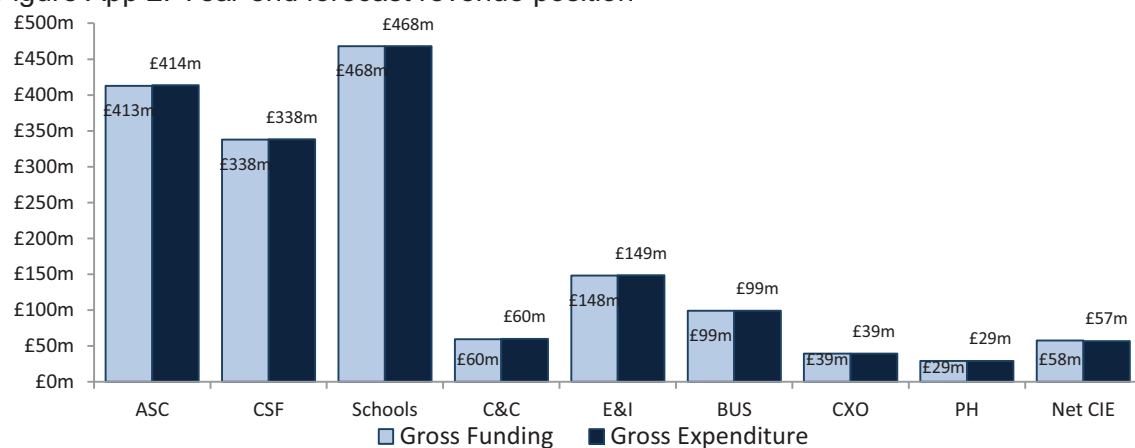
App 2. The corporate performance scorecard also includes the year end forecast revenue position shown above in the main annex in Figure 1.

Figure App 1: Year to date revenue position



App 3. Figure App 2 shows the balanced services forecast position. This excludes -£0.1m net income on the Revolving Infrastructure & Investment Fund.

Figure App 2: Year end forecast revenue position



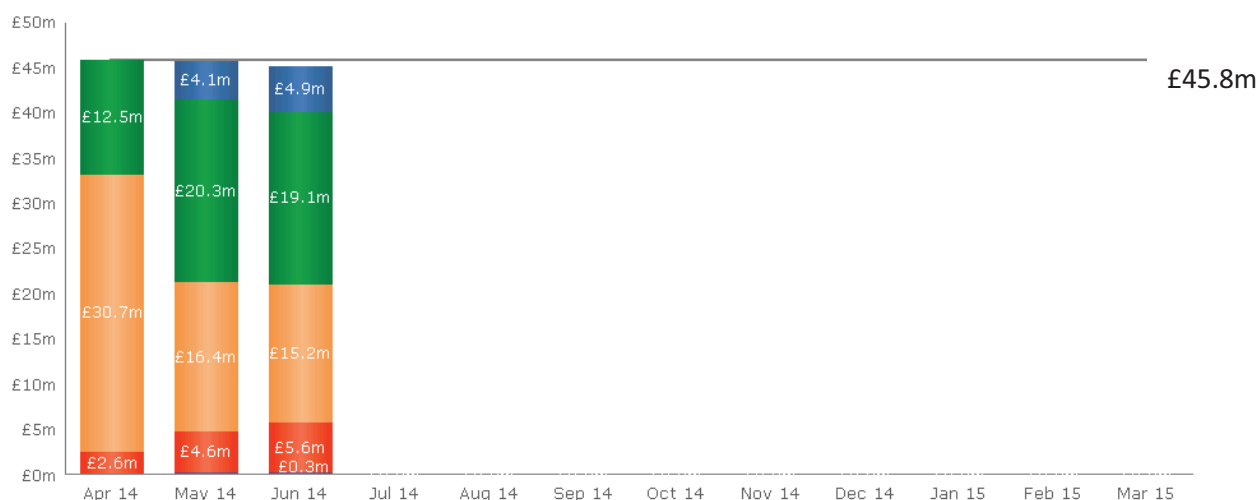
Efficiencies and service reductions

App 4. The graphs below track progress against MTFP 2014-19's ragged expenditure efficiencies and service reductions.

App 5. All the graphs use the same legend:
 Red – At risk, Amber – Some issues, Green – Progressing, Blue – Achieved.
 Purple - additional one-off savings projects to those planned in the MTFP
 Each graph is based on the appropriate scale and so they are not directly comparable one against another.

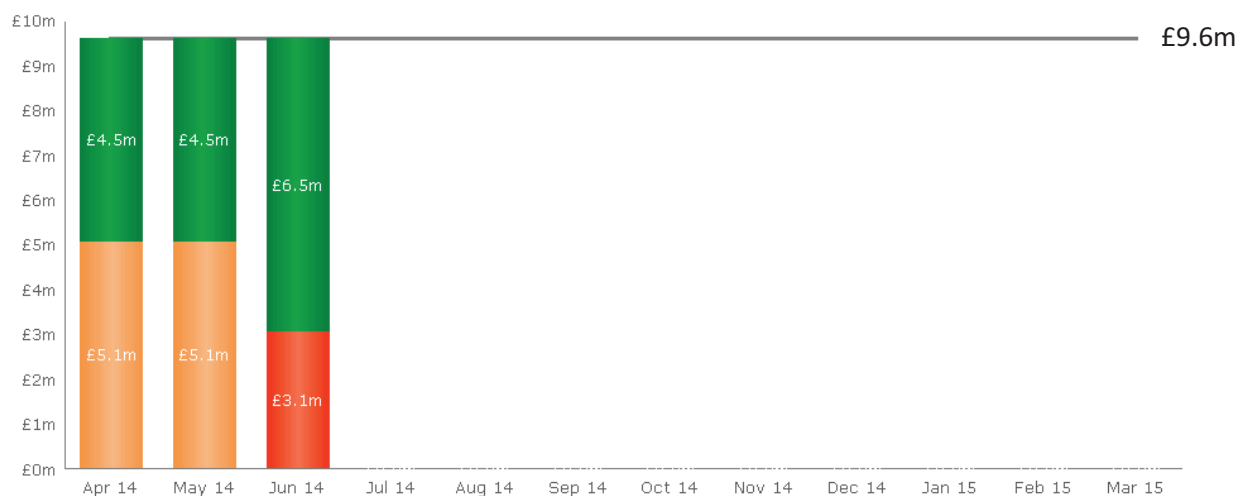
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Adult Social Care



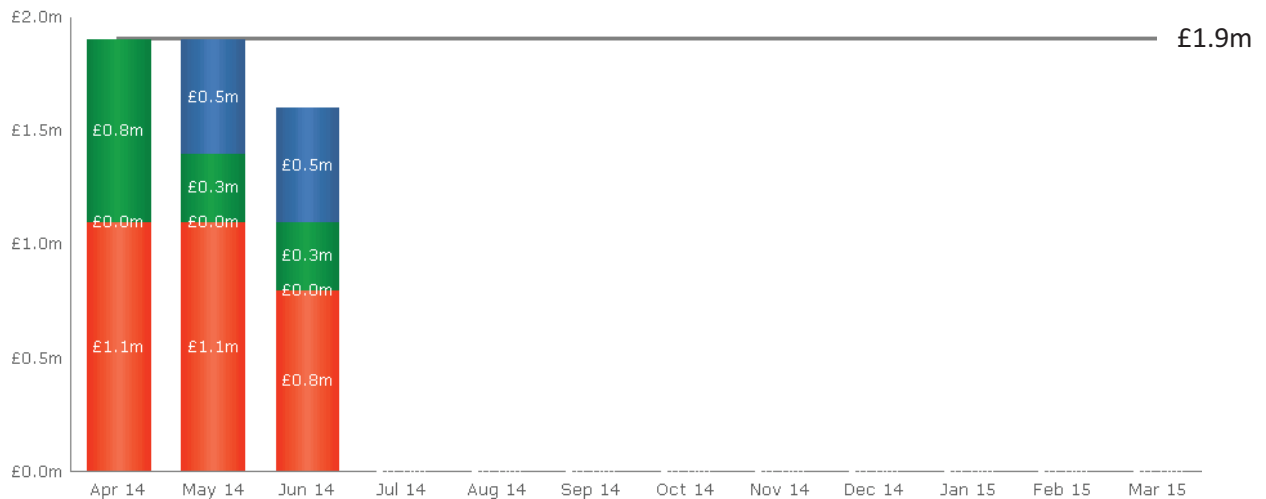
App 6. ASC forecasts a shortfall of £0.7m against its £45.8m efficiency target. It has already achieved savings of £4.9m this year and is on target to achieve a further £19.1m by year-end. Issues remain with £15.2m of efficiencies and £5.6m is at risk.

Children, Schools & Families



App 7. About one third of CSF efficiencies in are at risk as Children's Services has not been able to contain spending within its planned budget.

Customer & Communities



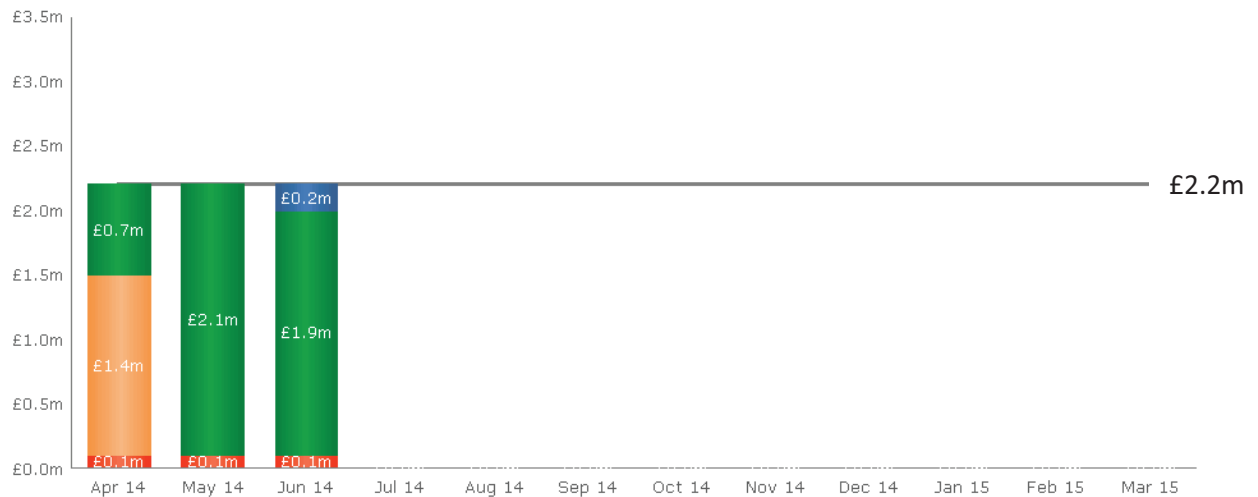
App 8. The efficiencies summary shows a shortfall of -£0.3m. Fire has plans to achieve part of its increased income target which leaves an estimated -£0.3m shortfall for 2014/15. The service is pursuing several schemes to make good this shortfall. Fire is also pursuing options to achieve the station reconfiguration efficiency. However, there is a risk this may not be fully achieved. The service will report a more accurate position once it knows the outcome. C&C expects to achieve all its other efficiencies.

Environment & Infrastructure



App 9. E&I has established a Savings and Efficiency Panel to oversee the delivery of its efficiency savings. The panel is scrutinising plans to deliver savings to ensure they are robust and stretching. At this stage it is examining several risks. At the end of June, after taking into account compensating savings, E&I expects a shortfall of -£0.3m against its efficiency savings target. The panel will continue to investigate this and the potential for other offsetting savings.

Business Services



App 10. Business Services' is on target to achieve £2.1m of its £2.2m efficiency savings. It is monitoring the £0.1m efficiency at risk, from the managed print service closely. All efforts are being made with the supplier to get implementation back on track.

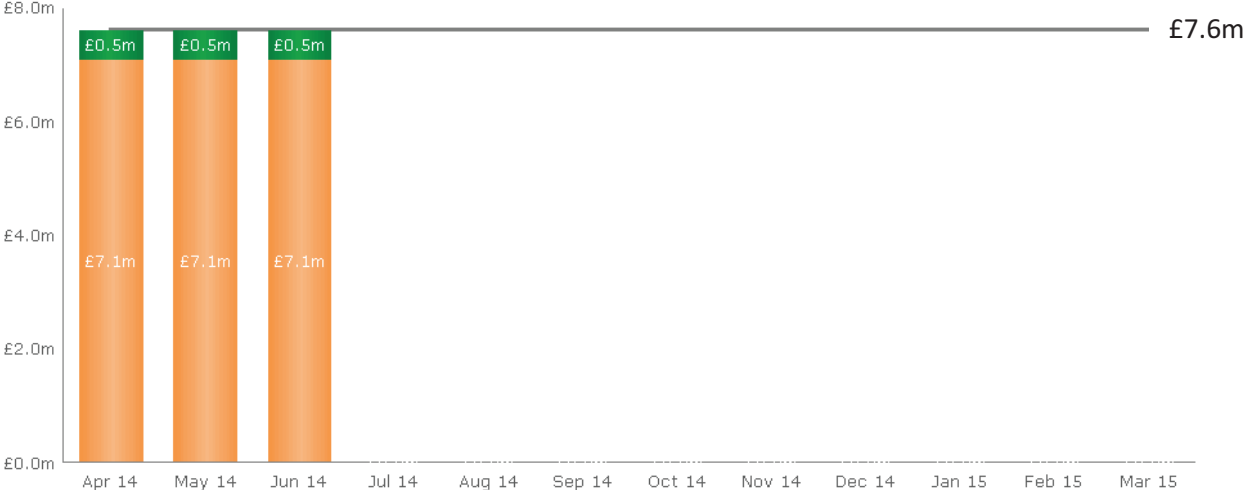
Chief Executive's Office



App 11. CEO is on target to achieve its planned 2014/15 efficiencies.

7

Central Income & Expenditure



7

App 12. CIE is on target to achieve its planned 2014/15 efficiencies.

Updated budget - revenue

App 13. The council's 2014/15 revenue expenditure budget was initially approved at £1,651.8m. Adding virement changes in quarter one decreased the expenditure budget at the end of June to £1,651.6m. Table App 1 summarises these changes.

Table App 1: Movements in 2014/15 revenue expenditure budget

	Income £m	Expenditure £m	Earmarked reserves £m	General balances £m	Total £m	Number of Virements
Original MTFP	-1,625.9	1,651.8	0.0	0.0	25.9	
<u>Quarter 1 changes</u>						
Post budget changes by IMT Leadership team	0.2	-0.2			0.0	1
Budget upload correction	-0.2	0.2				1
Transfer of income and expenditure	0.2	-0.2			0.0	92
Quarter 1 changes	0.2	-0.2	0.0	0.0	0.0	94
Updated budget - June 2014	-1,625.7	1,651.6	0.0	0.0	25.9	94

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

App 14. When Council agreed the MTFP in February 2013, some government departments had not determined the final amount for some 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.

App 15. In controlling the budget during the year, budget managers occasionally need to transfer, or vire, budgets from one area to another. In most cases these are administrative or technical in nature, or of a value approved by the Director of Finance.

App 16. Virements above £250,000 require the approval of the relevant Cabinet Member. There were two virements above £250,000 in June:

- a net figure of £10,621,500 transferred from Customers & Communities to Chief Executive Office for the movement of Cultural Services to the Chief Executive's Office,
- £739,500 transferred from Business Services to services' specific training budgets.

Table App 2: 2014/15 updated revenue budget – June 2014

	Income £m	Expenditure £m	Net budget £m
Adult Social Care	-72.4	413.0	340.7
Children, Schools & Families	-150.8	337.3	186.5
Schools	-468.2	468.2	0.0
Customers and Communities	-12.2	59.7	47.5
Environment & Infrastructure	-17.9	148.4	130.5
Business Services	-15.4	99.3	83.9
Chief Executive's Office	-42.6	68.2	25.6
Central Income & Expenditure	-845.7	57.0	-788.7
Service total	-1,625.3	1,651.2	25.9

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

App 17. Table App 3 shows the year to date and forecast year end gross revenue position supported by general balances.

Table App 3: 2014/15 Revenue budget forecast position as at end of June 2014

	YTD budget £m	YTD actual £m	YTD variance £m	Full year budget £m	Remaining forecast spend £m	Outturn forecast £m	Forecast variance £m
Income:							
Local taxation	-184.4	-184.4	0.0	-615.8	-431.4	-615.8	0.0
Government grants	-312.8	-312.8	0.0	-856.2	-544.6	-857.4	-1.2
Other income	-34.4	-33.8	0.6	-153.2	-120.1	-153.9	-0.7
Income	-531.7	-531.1	0.6	-1,625.3	-1,096.1	-1,627.2	-1.9
Expenditure:							
Staffing	77.5	76.8	-0.7	310.7	234.1	310.9	0.2
Service provision	193.2	182.9	-10.3	872.3	691.0	873.9	1.6
Non schools sub-total	270.7	259.7	-11.0	1,183.0	925.1	1,184.8	1.8
Schools expenditure	115.0	120.3	5.2	468.2	348.0	468.2	0.0
Total expenditure	385.7	380.0	-5.8	1,651.2	1,273.1	1,653.0	1.8
Movement in balances	-145.9	-151.1	-5.1	25.9	177.0	25.9	0.0

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

Balance sheet

Table App 4: Balance sheet

As at 31 Mar 2013 £m	As at 31 Mar 2014 £m		As at 30 Jun 2014 £m
1,280.0	1,318.6	Property, plant & equipment	1,339.0
0.7	0.7	Heritage assets	0.7
	29.2	Investment property	29.2
5.9	4.3	Intangible assets	4.2
0.2	0.3	Long term investments	0.3
8.8	10.6	Long term debtors	11.6
1,295.6	1,363.7	LONG TERM ASSETS	1,384.9
104.1	74.0	Short term investments	88.7
0.1	0.0	Intangible Assets	0.0
15.3	6.1	Assets held for sale	6.1
1.3	1.1	Inventories	0.8
141.5	123.7	Short term debtors	135.1
114.1	7.4	Cash & cash equivalents	106.2
376.4	212.3	CURRENT ASSETS	336.9
-82.1	-51.3	Short term borrowing	-27.7
-234.3	-212.4	Creditors	-217.3
-3.3	-4.7	Provisions	-4.2
-0.2	-0.1	Revenue grants receipts in advance	0.0
-0.6	-1.0	Capital grants receipts in advance	0.0
-3.2	-6.1	Other short term liabilities	0.0
-323.7	-275.6	CURRENT LIABILITIES	-249.1
-7.2	-9.4	Provisions	-7.7
-238.1	-237.9	Long term borrowing	-237.9
-1,142.2	-1,295.6	Other long term liabilities	-1,301.6
-1,387.5	-1,542.9	LONG TERM LIABILITIES	-1,547.2
-39.2	-242.5	NET ASSETS / (-) LIABILITIES	-74.4
-288.4	-278.6	Usable reserves	-470.3
327.6	521.0	Unusable reserves	544.7
39.2	242.5		74.4

Earmarked reserves

Table App 5: Earmarked revenue reserves

	Opening balance 1 Apr 2014 £m	Balance at 30 Jun 2014 £m	Forecast 31 Mar 2015 £m
Investment Renewals Reserve	13.0	12.8	10.7
Equipment Replacement Reserve	3.4	3.8	3.6
Vehicle Replacement Reserve	5.4	6.1	3.0
Waste Site Contingency Reserve	0.3	0.3	0.0
Budget Equalisation Reserve	33.6	20.9	0.9
Financial Investment Reserve	1.6	0.6	0.6
Street lighting PFI Reserve	6.2	5.8	5.8
Insurance Reserve	8.8	8.8	8.8
Eco Park Sinking Fund	14.6	14.6	14.6
Revolving Infrastructure & Investment Fund	20.2	20.2	20.8
Child Protection Reserve	3.1	1.9	0.4
Interest Rate Reserve	4.7	4.7	1.0
Economic Downturn Reserve	6.0	4.2	1.7
General Capital Reserve	7.7	7.7	6.7
Pension Stabilisation Reserve	0.0	1.1	1.1
Rates Appeals Reserve	0.0	1.3	1.3
Total earmarked revenue reserves	128.6	114.8	81.0

Debt

App 18. During the first quarter of 2014/15, the Accounts Payable team raised invoices totalling £44.1m.

Table App 6: Age profile of the council's debts

Account group	<1 month £m	2-12 months £m	1-2 years £m	+2 years £m	Total £m	Overdue debt £m
Care debt - unsecured	3.7	2.5	1.3	2.7	10.3	6.5
Care debt - secured	0.2	1.6	1.7	2.7	6.1	
Total care debt	3.9	4.1	3.0	5.4	16.4	6.5
Schools, colleges and nurseries	7.7	0.1	0.0	0.0	7.8	0.1
Clinical commissioning groups	1.0	2.6	0.1	0.0	3.7	2.7
Other local authorities	0.6	0.8	0.0	0.0	1.4	0.8
General debt	2.7	0.5	0.1	0.0	3.3	0.6
Total non-care debt	12.0	4.0	0.2	0.0	16.2	4.2
Total debt	15.9	8.1	3.2	5.4	32.6	10.7

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

App 19. The amount outstanding on these invoices was £32.6m of gross debt at 30 June 2014. The gross debt is adjusted to take into account those balances not immediately due (i.e. less than 30 days old), or collectable (i.e. secured on property). This produces the figures for net debt, shown in Table App 7.

Table App 7: Overdue debt summary as at 30 June 2014

	2014/15 Q1 £m	2013/14 Q4 £m	2013/14 Q1 £m	2012/13 Q4 £m	2011/12 Q4 £m	2010/11 Q4 £m
Care related debt	6.5	6.5	7.4	7.6	6.1	6.8
Non care related debt	4.2	3.1	3.1	3.8	3.0	3.9
Total	10.7	9.6	10.5	11.4	9.1	10.7

53. The council's debt policy includes a target of 30 days to collect non-care debt. The average number of debtor days for the period 1 April to 30 June 2014 was 29 days.
54. The Director of Finance has delegated authority to write off irrecoverable debts in line with financial regulations. This quarter (Q1 2014/15) 123 such debts have been written off with a total value of £172,156, of which £118,403 is care related and £53,753 is non care related debt.

Treasury management

Borrowing

App 20. The council borrows money to finance the amount of our capital spending that exceeds receipts from grants, third party contributions, capital receipts and reserves. The council must also demonstrate that the costs of borrowing are affordable, prudent and sustainable under the Prudential Code.

Table App 8: Long-term borrowing

	£m
Debt outstanding as at 1 April 2014	237.2
Loans raised	0.0
Loans repaid	0.0
Current balance as at 30 June 2014	237.2

App 21. The council is able to undertake temporary borrowing for cash flow purposes. The council also manages cash on behalf of Surrey Police Authority (£28m as at 30 June 2014) which is classed as temporary borrowing.

Authorised limit and operational boundary

App 22. The following prudential indicators control the overall level of borrowing:

- The authorised limit represents the limit beyond which borrowing is prohibited. The limit reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing needed with headroom for unexpected cash flow. This is a statutory limit determined under section 3(1) of the Local Government Act 2003.
- The operational boundary is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It acts as an indicator to ensure the authorised limit is not breached.

Table App 9: Borrowing against the authorised limit and operational boundary

	Authorised limit	Operational boundary
	£m	£m
Gross borrowing	237	237
Limit / boundary	797	719
Headroom	560	482

Capital Financing Requirement

App 23. The Capital Financing Requirement (CFR) represents the council's underlying need to borrow for a capital purpose. The council must ensure that, in any one year, net external borrowing does not, except in the short-term exceed the estimated CFR for the next three years. The council's position against the estimated CFR, as reported to the County Council in March 2014 is shown in Table App 10. The current borrowing position shows a net position of £75m more in borrowing than we hold in short term deposits.

Table App 10: The council's position against the estimated CFR

Capital Financing Requirement			Net borrowing
2014/15	2015/16	2016/17	£m
£659m	£770m	£808m	75

Maturity profile

App 24. The council has reduced its exposure to large fixed rate loans falling due for refinancing in any one year by setting gross limits for its maturity structure of borrowing in accordance with the Prudential Code, as shown in Table App 11. This excludes balances invested on behalf of Surrey Police Authority.

Table App 11: Maturity structure of the council's borrowing

	Upper limit	Lower limit	Actual
Repayable in 1 year*	50%	0%	0%
Repayable in 1-2 years	50%	0%	0%
Repayable in 2-5 years	50%	0%	0%
Repayable in 5-10 years	75%	0%	4%
Repayable in 10-15 years	75%	0%	0%
Repayable in 15-25 years	75%	0%	3%
Repayable in 25-50 years	100%	25%	93%

Early debt repayment and rescheduling

App 25. There has been no early repayment or rescheduling in 2014/15.

Investments

App 26. The council had an average daily level of investments of £282.2m throughout 2013/14, with a projection of £86m expected for 2014/15. The balance of funds managed on behalf of schools within this figure stood at £42m at the end of June.

App 27. Cash is invested on the money markets through one of the council's five brokers, or directly with counterparties through the use of call accounts, money market funds or direct deal facilities. A breakdown of activity during the year to 30 June 2014 is given in Table App 12.

Table App 12: Borrowing activity up to 30 June 2014

Timed deposits	Number	Average value £m
Deals using a broker	7	6.9
Direct deal facilities	3	4.6
Deals with DMO	3	13.9
		Limits
Instant access		£m
- Active call accounts	2	120.0
- Active money market funds	5	100.0

App 28. The weighted average return on all investments received to the end of the first quarter in 2014/15 is 0.38%. This compares favourably to the average 7-day London Interbank Bid rate (LIBID) of 0.34% for the equivalent period. The comparison is shown in Table App13.

Table App 13: Weighted average return on investments compared to 7-day LIBID

	Average 7-day LIBID	Weighted return on investments
Quarter 1	0.34%	0.38%
2014/15 total	0.34%	0.38%
2013/14 total	0.36%	0.41%

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Annex 2 Update and re-profiling of the 2014 – 2019 Capital Programme

Summary recommendations:

The Cabinet recommends that:

- 2.1. £10m of the current capital budget is used to fund the capital highway costs associated with flooding in 2014/15,
- 2.2. The council's capital programme, including the carry forward of budget from 2013/14 is re-profiled to total £195m in 2014/15 and £780m over the period 2014-19.

Summary

1. The Medium Term Financial Plan (MTFP) which was approved in March 2014, set out a five year capital programme totalling £560m. A significant element of this was the provision of school places, through the schools basic need programme, and the recurring programmes for transportation and highways maintenance.
2. In May 2014, Cabinet considered the budget outturn report for the 2013/14 financial year. This included approval to carry forward £32m of capital budget to the 2014/15 financial year in respect of projects and schemes that had not been completed by the 31 March 2014 deadline for the closing of accounts.
3. Table 1 sets out the capital budget included in the MTFP 2014 19 by expenditure type and also by directorate. The MTFP provides further details by capital scheme. The budget was funded from government grants, third party contributions, the council's reserves and borrowing.

Table 1 – Summary capital programme 2014 – 2019 (MTFP)

Expenditure group	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
School Basic Need	105	69	72	49	32	327
Recurring programmes	74	63	60	62	67	326
Projects	38	32	18	11	8	107
Total capital schemes	217	164	150	122	107	760

Service group	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Adult Social Care	1	1	1	1	1	5
Children, Schools & Families	3	3	3	3	3	15
Customer & Communities	3	4	2	2	2	13
Environment & Infrastructure	48	34	37	37	42	198
School Basic Need	105	69	72	49	32	327
Business Services	46	53	35	30	27	191
Chief Executive Office	11	0	0	0	0	11
Total service programme	217	164	150	122	107	760

4. The impact of the severe weather on the county's infrastructure, and potentially the council's capital programme, along with the carry forward of capital budget from the previous financial year has led to a review of all schemes within the capital programme. A significant element of this is the capital budget for school places.

- 7
5. Officers have undertaken a thorough review of the Schools Basic Need programme. This involved re-prioritising and re-profiling the timing of the expenditure considering the delays that can occur with major projects. The revised programme is for 13,000 new school places to be delivered over the next five years when required. The review has also identified some alternative options for school place provision that does not require the purchase of new land.
 6. The overall impact of the review is that the capital budget for Schools Basic Need required in 2014/15 is £54m, and the total over the five years is £313m
 7. The MTFP included assumptions about the level government grant funding for schools' carbon reduction schemes and capitalised maintenance of £54m over the five year period. The review of the capital programme has led to this assumption reducing by £15m in line with changes in the grant. The expenditure budget has been reduced by an equivalent amount.
 8. The severe weather and flooding over the winter months has had a significant impact on the council's highways and bridges. This is described in more detail in Annex 3. The estimated additional cost for 2014/15 to recover from the impact of the winter's weather is £17m. Road repairs are forecast to cost £13m, bridges and structures a further £2m and £2m on drainage works.
 9. The government have responded to the severe weather by allocating highways authorities additional grants through the Additional Highways funding announced in March and the Pothole Fund in April. Surrey County Council has received a total of £5.8m from these funds. Officers have identified £1.2m of developer contributions that can legitimately be used to fund these highways works. The remaining £10m will need to be found from the council's own resources. The overall reduction in the required expenditure on the Schools Basic Need programme will allow the additional £10m for funding highways to be met within the existing capital budget.
 10. The following table summarises the updated capital budget, taking in to account the changes described above. This is shown in detail by scheme in Appendix 2.

Table 2 – Summary capital programme 2014 – 2019 (Re-profiled)

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
Adult Social Care	1	1	1	1	1	5
Children, Schools & Families	4	4	3	3	3	17
Customer & Communities	6	4	1	2	2	15
Environment & Infrastructure	71	34	37	37	42	221
School Basic Need	54	84	75	50	50	313
Business Services	47	62	41	23	24	197
Chief Executive Office	12	0	0	0	0	12
Total service programme	195	189	158	116	122	780

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Expenditure type	£m	£m	£m	£m	£m	£m
School Basic Need	54	84	75	50	50	313
Recurring programmes	92	62	59	59	64	336
Projects	49	43	24	7	8	131
Total capital schemes	195	189	158	116	122	780

Reprofiled capital programme 2014/19

Scheme	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
Adult Social Care						
Major Adaptations	800	800	800	800	800	4,000
In-house capital improvement schemes	325	250	250	250	250	1,325
D&B developments - wellbeing centres	160	0	0	0	0	160
User led organisational hubs	100	100	100	0	0	300
Adult Social Care	1,385	1,150	1,150	1,050	1,050	5,785
Children, School & Families						
Schools devolved formula capital	2,231	2,231	2,231	2,231	2,231	11,155
Foster carer grants	300	300	300	300	300	1,500
Adaptations for children with disabilities	299	299	299	299	299	1,495
Harnessing ICT	440					440
SYP IMT Transformation	60	0	0	0	0	60
Extended schools	18	0	0	0	0	18
School Kitchens	983	982	0	0	0	1,965
Children, School & Families	4,331	3,812	2,830	2,830	2,830	16,633
Customer & Communities						
Fire-Vehicle & Equipment Replacement	4,262	3,698	1,104	1,408	1,820	12,292
Local Committee Allocations	425	385	385	385	385	1,965
Fire mobilising Control	972	0	0	0	0	972
Customer & Communities	5,659	4,083	1,489	1,793	2,205	15,229
Environment & Infrastructure						
Highways						
Highway maintenance	44,292	21,018	21,018	21,018	26,018	133,364
Local transport schemes	4,372	4,000	4,000	4,000	4,000	20,372
Bridge strengthening	3,486	1,956	1,956	1,956	1,956	11,310
Flooding & drainage	2,718	776	776	776	776	5,822
Traffic signals replacement	550	550	550	550	550	2,750
Safety barriers	256	256	256	256	256	1,280
Highways Vehicle Replacement	200	200	200	200	200	1,000
External funding	2,057	1,700	1,700	1,700	1,700	8,857
Walton Bridge (DFT grant funded)	1,275	0	0	0	0	1,275
Highways contract mobilisation	51	0	0	0	0	51
Asset Planning Group	81	0	0	0	0	81
Highways sub-total	59,338	30,456	30,456	30,456	35,456	186,162
Environment						
Maintenance at closed landfill sites	390	100	100	100	100	790
Rights of way and byways	159	85	85	85	85	499
Basingstoke Canal Remedial Works	459	500	500	0	0	1,459
Safe Cycling Bid	1,342	0	0	0	0	1,342
Rights of way structures	66	0	0	0	0	66
Vehicles & equipment for food waste	55	0	0	0	0	55
Environment sub-total	2,471	685	685	185	185	4,211

Scheme	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
Economy, strategy & transport						
Economic regeneration	2,000	1,000	1,000	1,000	1,000	6,000
Road safety schemes	157	200	200	200	200	957
LSTF grant - large bid	3,580	0	0	0	0	3,580
External Funding	378	2,002	4,576	5,354	5,479	17,789
LSTF grant - key component	515	0	0	0	0	515
LSTF - developer funded schemes	1,433	0	0	0	0	1,433
Redhill Balanced Network	690	0	0	0	0	690
Passenger transport - developer funded schemes	101	0	0	0	0	101
Mobisoft transport software	21	0	0	0	0	21
Economy, strategy & transport sub-total	8,875	3,202	5,776	6,554	6,679	31,086
Environment & Infrastructure						
	70,684	34,343	36,917	37,195	42,320	221,459
Recurring programmes						
Carbon reduction - Schools 1	2,832	2,221	1,500	1,500	1,500	9,553
Schools - Disability Discrimination Act	342	466	477	487	497	2,269
Schools capital maintenance, inc.childrens centres 1	9,351	9,223	9,223	9,223	9,223	46,243
Carbon reduction - Corporate	1,754	1,212	1,239	1,264	1,289	6,758
Fire risk assessments/minor works/DDA	571	555	668	580	592	2,966
Non schools structural maintenance	6,600	6,893	5,683	5,797	5,911	30,884
IT Project Investment	1,265	1,116	2,031	1,459	955	6,826
IT Equipment Replacement Reserve	2,000	2,500	2,500	2,500	2,500	12,000
Total recurring programmes	24,715	24,186	23,321	22,810	22,467	117,499
Projects						
Portesbury SEN School	7,000	7,633	210			14,843
Gypsy Sites	1,729	2,353				4,082
Cultural Services	294	1,250				1,544
Fire Station reconfiguration	2,250	5,750	2,583			10,583
Guildford Fire Station	3,412	0				3,412
Merstham Library & Youth	400	1,900				2,300
Fire training tower replacement	30	485				515
Replace aged demountables	720	1,950				2,670
SEN strategy	450	2,550	7,044			10,044
Woking Magistrates Court	709	0				709
Youth Transformation	156	0				156
Joint Public Sector Property Projects	100	760	1,140			2,000
Land acquisition for waste	1,000	3,000	3,122			7,122
Projects to enhance income	531	876	600			2,007
Projects to reprovision and deliver capital receipts	950	1,930	1,720			4,600
Adults Social Care Infrastructure Grants (IT)	304	304				608
Telephones Unicorn Network (BT)	105	85	95	105	732	1,122
Reigate Priory School	434	500	500			1,434
Trumps Farm Solar Panels	0	3,800				3,800
Short Stay Schools	500	2,468				2,968
Data Centre	238	230		56	169	693
Other	1,047					1,047
Total projects	22,359	37,824	17,014	161	901	78,259

Scheme	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
Business Services	47,074	62,010	40,335	22,971	23,368	195,758
Schools Basic Need	54,273	83,728	75,236	49,595	49,990	312,822
Chief Executive Office						
Community Buildings Grant scheme	150	150	150	150	150	750
Economic Development (Broadband)	11,497	0	0	0	0	11,497
Magna Carta 800th Anniversary	700	0	0	0	0	700
Chief Executive Office	12,347	150	150	150	150	12,947
Overall	195,553	189,076	158,107	115,584	121,913	780,233

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Update on the severe winter weather 2013/14

Summary recommendations:

Cabinet recommends that:

- 3.1. developer contributions of £1.8m revenue and £1.2m of capital are used to fund the costs of response and recovery from the severe weather and flooding; and
- 3.2. £10m of the current capital budget is used to fund the capital costs incurred in 2014/15.
- 3.3. Highways realigns the revenue budget to respond to service pressures including flood repairs

7

Summary

1. The county of Surrey's population was the most affected of any part of the country by the severe weather and flooding in the winter of 2013/14. The county also incurred significant impairment to its infrastructure.
2. Council officers across services responded immediately to help residents, working with partners in boroughs and districts, police and the armed forces. The council has led on the recovery phase of the operation, taking on its responsibility as the Lead Local Flood Authority. The response and recovery from the severe weather will be the subject of a report by a member task group.
3. The aim of this section of the budget monitoring report is to:
 - set out the costs incurred by the county council,
 - how it intends fully to fund these and
 - explain the scope of government funding schemes.

Expenditure incurred and funding

4. The council has incurred or forecasts to incur £27.1m on the response to and recovery from the severe weather and flooding over the winter of 2013/14. The total funding received or bid from central government departments amounts to £11.7m, leaving a gap of £15.4m to find.
5. Table 1 below summarises the costs and potential sources of funding associated with the severe weather.

Table 1 – Costs and potential funding of severe weather

	Bellwin eligible expenditure £000	Other revenue expenditure £000	Capital expenditure £000	Total £000
Highways and Structures	2,460	6,000	17,000	25,460
Fire & Rescue service	942			942
Emergency Planning	343	22		365
Property Services	180	14		194
Children's, Schools & Families	25			25
Adults Social Care	137			137
Total costs	4,087	6,036	17,000	27,123
Sources of funding				
Bellwin Scheme	-2,473			-2,473
Severe weather recovery scheme		-3,400		-3,400
Additional highways funding - DfT			-1,900	-1,900
DfT pothole fund			-3,900	-3,900
Total external funding	-2,473	-3,400	-5,800	-11,673
Funding gap	1,614	2,636	11,200	15,450

6. Capital expenditure amounts to an estimated £17m and relates to capital repairs and improvements to roads, bridges and drainage. The Department for Transport (DfT) provided £104m nationally in March, of which it allocated £1.9m to the council. This is in line with the proportion the council would usually receive from a national allocation. Since then, DfT has announced a £170m national pothole fund for which highways authorities can bid. The application for the bid covered: assets (length of road etc), the authority's approach to repairs, innovation, efficiency and asset management, rather than for an amount of funding. DfT has awarded the council £3.9m, which is greater than a normal allocation. However, this still leaves a funding gap of £11.2m.
7. Officers have identified £1.2m of developer contributions that can legitimately be used to fund these highways works. The remaining £10m will need to be found from the council's own resources, either by: increasing the capital programme and fund it by borrowing, or reducing other capital schemes.
8. Elsewhere in this report, the Schools Basic Need programme is to be re-profiled, with an overall reduction in cost. This will allow the additional £10m for funding highways to be met within the existing capital programme.
9. The total revenue cost to the council of response and recovery is £10.1m, of which £4.1m has been claimed under the Bellwin Scheme. This scheme is to assist local authorities meet the costs of emergencies and disasters above a threshold level. For Surrey County Council this threshold was reduced to £1.6m in March, from its previous level of £2.8m
10. The Bellwin Scheme does not permit the reclaim of road repairs or capital expenditure – even if it is for emergencies. The Environment & Infrastructure directorate incurred costs up to 31 March 2014 of £2.5m that is claimable under the scheme. These costs include the emergency repairs to bridges and embankments; the costs associated with filling, deployment and disposing of sandbags, drainage;

and the emergency maintenance of trees and verges. Table 1 shows the council incurred other costs, bringing the total claimable under the scheme to £4.1m .

11. The council made its claim under the Bellwin Scheme in May 2014, in accordance with the guidance. To date, it has not received any funds.
12. Other revenue costs incurred or being incurred that were not admissible under the Bellwin Scheme total £6m, nearly all for highways. These include the costs of surface patching, investigations and gully and ditch clearance. The council received £3.4m revenue funding under the DfT's Severe Weather Recovery Scheme at the end of 2013/14. The council can apply this funding to the revenue costs of the severe weather that are not eligible under the Bellwin Scheme. However, a funding gap of £2.6m remains.
13. Officers have identified £1.8m of developer contributions the council can legitimately use to fund these revenue highways works and a further £0.8m within the current highways revenue budget.

Government assistance to residents and businesses

14. In the immediate aftermath of the flooding that affected many parts of south and south west England, the Prime Minister stated that "Money is no object in this relief effort. Whatever money is needed for, it will be spent" to end the misery caused by flooding. Over the following weeks government departments announced a series of measures and funding streams to assist households and business affected by flooding.
15. **Council tax relief** is a £4m nationwide scheme, announced by the Prime Minister to support councils in providing council tax discounts for homes with internal flooding. Initially this was for a three month period, but was subsequently extended by the Department for Communities and Local Government (DCLG). Each billing authority (the boroughs and districts in Surrey) has developed its own scheme to offer a discount on council tax, although most of the elements of these are the same. The cost of the discount will be borne by the billing authority's collection fund, which will also receive the government grant. There have been 1,383 applications for council tax relief across the county and it is not expected that this level will lead to a loss of income for the county council.
16. **Business rate relief** is a 100 per cent business rate relief for 3-months for flood affected businesses. The scheme is implemented and administered by the billing authority. The business property must have a rateable value of less than £10m, been flooded as a result of adverse weather conditions and this must have adversely affected business. The government will fully refund the billing authority for loss of business rates, so there should be no impact on the county council. There have been 162 applications for the relief across the county.
17. **Business Support Scheme** is a £10 million nationwide scheme to provide hardship funding for Small and Medium Enterprises (SME) businesses affected by flooding since 1 December 2013. Again, this scheme is administered by billing authorities, who determine the eligible expenditure. This could include: non-recoverable insurance excesses for repair or replacement of buildings, equipment and stock, removal of debris, additional business accommodation or extra staff costs, structural surveys or security measures. The average claim is around £2,500 and there have been 235 applications across the county.

18. **Repair and Renew grants** is a scheme providing up to £5,000 per flood affected home or business that have been flooded since 1 December 2013 to fund additional flood resilience or resistance measures for homes and businesses. This is funded by the Department for Environment, Farming and Rural Affairs. In Surrey the county council administers the scheme on behalf of most of the districts and boroughs to gain economies of scale. Woking BC is administering its own scheme. The council has applied for funds from DCLG to cover administration costs.
19. Table 2 below summarises the number of applications for each of the schemes by billing authority.

Table 2 – Numbers of funding applications by billing authority

	Council tax relief	Business rates	Business support scheme	Repair & renew
Elmbridge	20	7	17	3
Epsom & Ewell	0	0	0	0
Guildford	76	26	23	5
Mole Valley	195	20	10	9
Reigate & Banstead	11	2	0	6
Runnymede	684	40	88	10
Spelthorne	238	47	79	16
Surrey Heath	0	0	0	0
Tandridge	56	6	13	11
Waverley	63	12	3	3
Woking	40	2	2	38
Total	1,383	162	235	101

Revenue implications

20. Highway maintenance revenue budgets have been reviewed & reprioritised in order to respond to service pressures including flood repairs. Savings have been identified, primarily from street lighting and signs & lines, in order to respond to pressures against the road repair and drainage budgets.
21. The Highways service requests to realign its policy revenue budgets as follows:

Policy line	Current budget £'000s	Proposed budget £'000s	Movement £'000s
Bridges and structures	1,068	961	-107
Drainage	2,942	3,077	135
Environmental maintenance	2,868	2,868	0
Local schemes	3,248	3,148	-100
Parking	184	125	-59
Roads	4,507	5,599	1,092
Signs and lines	1,237	975	-262
Staffing and other costs	7,091	6,991	-100
Street lights and furniture	16,119	15,597	-522
Traffic signals	769	769	0
Winter maintenance and safety barriers	2,899	2,823	-76
Strategy	2,409	2,409	0
Total Highways budget	45,342	45,342	0



Council Overview & Scrutiny Committee
11 September 2014

Scrutiny Annual Report 2014

Purpose of the report: Scrutiny of Services

Introduction:

1. The Scrutiny Annual Report 2014 is attached at **Annex A**.
2. The purpose of this report is to highlight a selection of the work carried out by Select Committees during 2013/14. The report starts by setting the Democratic context, followed by four case studies demonstrating examples of good practice where the work of Select Committees has positively influenced outcomes for residents. In this way, the report acts as a platform to demonstrate the positive impact that Select Committees can have when the process works effectively.
3. As well as highlighting some successes from the past year, this report acknowledges that further progress can continue to be made. The 'now and what next?' section at the end of report sets out some of the work, goals and challenges for the year ahead.

Recommendations:

4. That the Council Overview & Scrutiny Committee:
 - a) Considers the effectiveness of scrutiny in Surrey over the past municipal year, making recommendations where appropriate
 - b) Supports the distribution of the report to all Members, internal officers (via the S-Net) and stakeholders

Next steps:

Subject to approval from the Council Overview & Scrutiny Committee the report will be distributed as suggested in recommendation 4(a).

Report contact: Helen Rankin, Scrutiny Manager, Democratic Services

Contact details: 020 85419 126

Sources/background papers: Centre for Public Scrutiny, 4 principles of good scrutiny: <http://www.cfps.org.uk/mission-and-purpose>

Scrutiny Annual Report 2014

Introduction

Last year's annual report showcased some of the work Select Committees carried out during 2012/13 – highlighting particular successes and reflecting the range of different approaches which were taken to help the Council meet the challenges it faced.

2013/14 was always going to be a time of change: the May 2013 County elections resulted in almost 20% new Members and there were changes to the Cabinet structure (with the appointment of Cabinet Associates), as well as changes to select committee remits – as set out on the following pages.

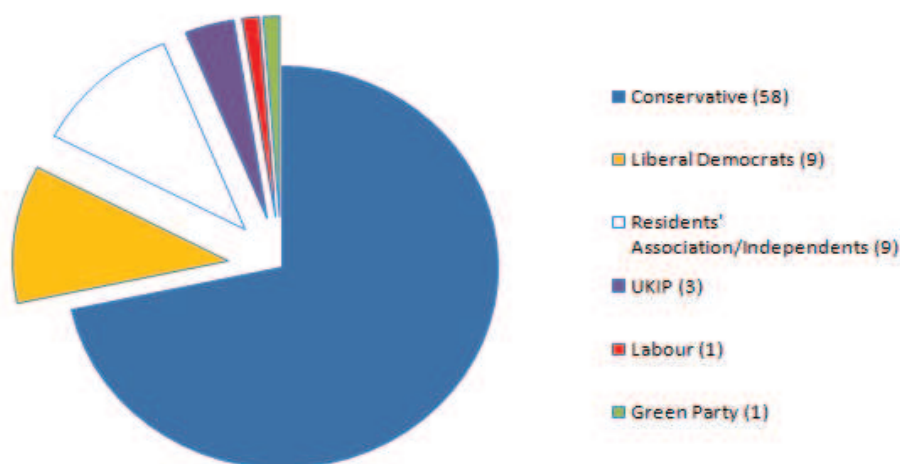
In his address to full Council on 16 July 2013, the Chief Executive set out some of the serious challenges Surrey County Council would face over the coming years. He outlined the very significant progress the Council had made in recent years but also stressed that the Council's job would get harder over the next 5 years. The Council would respond to the challenge by continuing to build on strengths by **working together with residents and partners to find innovative solutions that can improve services and values for residents.**

Select Committees have responded to these challenges by adapting the way that they work to provide meaningful scrutiny and policy development support to services and the Cabinet. This report starts by setting the Democratic context, followed by four case studies demonstrating examples of good practice where the work of Select Committees has positively influenced outcomes for residents.

The case studies in this report are structured around the Centre for Public Scrutiny's four principles of good scrutiny, providing a useful reminder about where the focus of scrutiny should be. As well as highlighting some successes from the past year, this report acknowledges that further progress can continue to be made. The 'now and what next' section at the end of the report sets out some of the work, goals and objectives for the year ahead to ensure the scrutiny function builds on past achievements and helps the County Council to continue adapting to changing circumstances.

What happened in 2013-14?

County Council elections were held in the 81 electoral divisions within Surrey on Thursday 2 May 2013. There were 24 new Councillors elected and 57 returning Members.

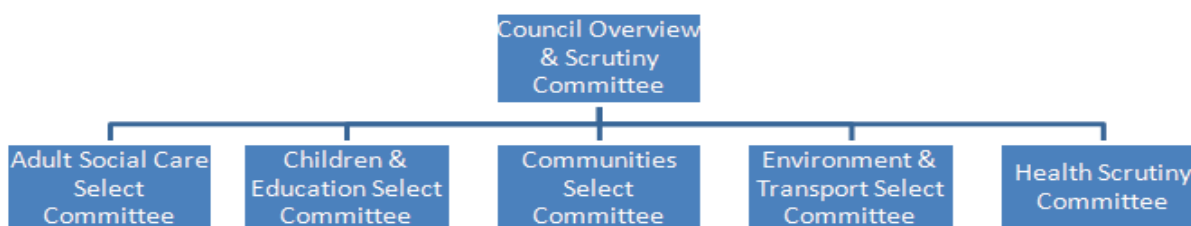


The remit and role of the Council Overview & Scrutiny Committee changed

COSC was created in June 2011 with the remit of reviewing performance, finance and risk information for all Council services and performing an advisory role in relation to the work programmes of the Select Committees. It was felt that the effectiveness of the Committee would be enhanced if its role was clarified and strengthened, and therefore the remit was revised so that it had a **clear lead responsibility for the Council's overview and scrutiny function**, including approval of the work programmes of Select Committees and a **stronger corporate focus**.

There was a reduction in the number of Select Committees

Following a review of the effectiveness of the select committee structure during 2012/13, County Council approved a reduction in the number of Committees from 7 to 6. Overview and scrutiny of Children's and Education services had been carried out by two separate select committees: Children & Families and Education. There was inevitably a degree of overlap between the work of these two committees and, although they had successfully carried out joint reviews when appropriate, it was felt that there would be greater clarity and stronger focus if there was a **single committee responsible for both Children's and Education services**. Although there was a reduction in the number of Select Committees, 2013/14 was the first full year of the Police & Crime Panel, set up in 2011 to scrutinize the work of the Police & Crime Commissioner. The current Select Committee structure is illustrated below.



Member Development and Induction

Scrutiny Induction

With 24 new Members and revised Select Committee membership, a comprehensive induction programme was offered to equip Members in carrying out their scrutiny role. Each Scrutiny Officer, in consultation with their Select Committee Chairman, designed a committee-specific induction programme that included presentations, site visits, buddying opportunities and briefings. Some highlights of the induction programme are shown below:

An overview of the role of select committees – what select committees should be doing:

Holding the Cabinet to account

- Call-in powers
- Monitoring the performance of the Cabinet Member
- Questioning reasons for decisions

Pre-decision scrutiny

- What's on the Cabinet Forward Plan?
 - has the right evidence been gathered?
 - have the right people been consulted?
 - are the reasons for decision robust?
- **Horizon scanning** – what's coming up in terms of policy development, national issues or central government legislation and how should we respond?

Performance monitoring

- Have the decisions made been implemented? How effectively? On time? Did it have the desired impact?
- What's the outcome of service delivery for our residents?

Policy Development

- Working with services to drive improvement
- Ensuring value for money
- Innovative approaches to developing policy with service: being involved at an early stage

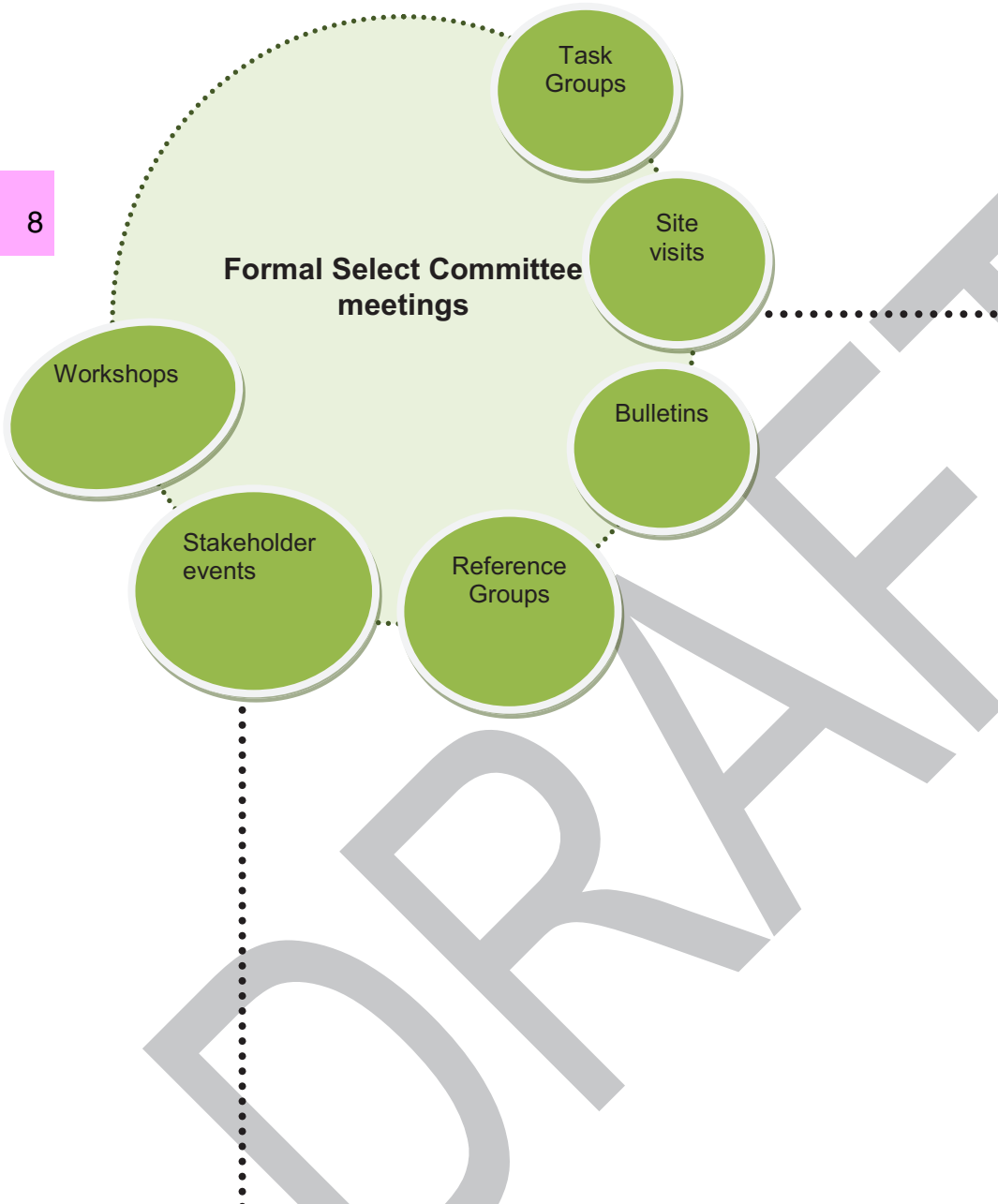
Training provided by South East Employers:

- Introduction to scrutiny
- Different methods of scrutiny
- Questioning skills
- Effective work programming
- Engaging stakeholders in the scrutiny process

An introduction to different methods of working and different ways of carrying out scrutiny:

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Formal Select Committee meetings



Members of the **Children & Education Select Committee** visited services & teams including social care, disability, adoption, safeguarding & residential homes.

The **Environment & Transport Select Committee** visited the highways depot at Merrow.

Communities Select Committee were treated to a guided tour of some of Surrey's cultural hotspots including Royal Holloway University, RAF Memorial site, Fairhaven Lodges and the Runnymede Pleasure Grounds.

Adult Social Care Select Committee Members were paired with 'buddies' from the directorate leadership team

Council Overview & Scrutiny Committee have met staff to hear about what has an impact on their well-being and morale

Health Scrutiny Committee met with NHS managers who had recently transitioned to Surrey's new Public Health service.

Getting to know the services

Case Studies

The Centre for Public Scrutiny has identified four principles of good scrutiny:

- Provides 'critical-friend' challenge to executive policy-makers and decision-makers.
- Enables the voice and concerns of the public to be heard.
- Is carried out by 'independent minded governors' who lead and own the scrutiny role
- Drives improvement in public services

This annual report highlights the ways in which Select Committees have followed these principles to reach effective outcomes, as well as highlighting ways in which the overview & scrutiny function can continue to improve in the future.

While there are a number of examples of work Select Committees have carried out over the last year that could demonstrate the four principles of good scrutiny, this report will focus on one clear case study for each principle. It is intended that these examples could be understood as standalone case studies, demonstrating the value of scrutiny to both the Council and residents.

Surrey Rail Strategy (page 7)

Surrey Cycling Strategy (page 8)

Welfare Reform (page 9)

Patient Transport Service (page 10)

Good scrutiny provides ‘critical-friend’ challenge to executive policy-makers and decision-makers

Good scrutiny should act as a ‘critical-friend’ to the Cabinet by reviewing decisions and policy and providing evidence-based recommendations in order to promote improved service performance and value for money for residents.

8

Rail Strategy

Why it was an issue for residents:

An extensive consultation with stakeholders and the public revealed that Surrey residents using the rail network were affected by a number of issues, including:

- Overcrowding
- Inadequate car parking at some stations
- Poor connections to other modes of public transport
- Infrequent services from Camberley, Bagshot and Frimley
- Poor access to airports
- Inadequate access to local employment centres, such as Guildford

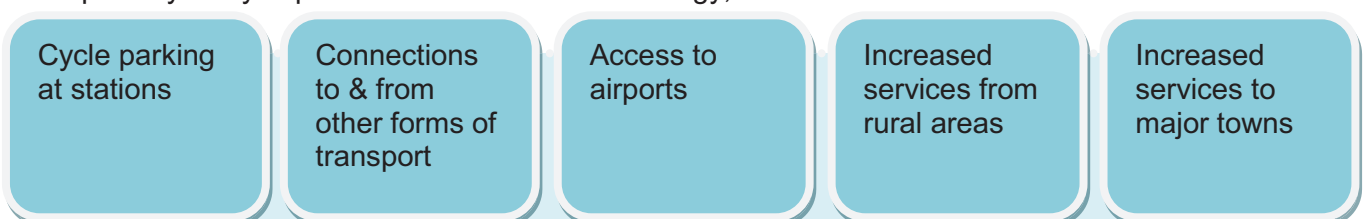
Without investment, these problems were likely to get worse and the County Council contracted consultants to develop a rail strategy for Surrey. Members of the **Environment & Transport Select Committee** were invited to help shape the strategy at a number of different stages, acting as a ‘critical friend’ to the decision maker to ensure the final policy was robust, deliverable and provided good value for money for residents.

What the Select Committee did:

Informal meetings	The Chairman, Vice-Chairman and a Member of the Committee with expertise in the rail industry were invited to attend initial discussions with consultants to help shape the draft strategy.
Private workshops	Once the draft strategy had been completed, all Members of the Committee were invited to comment in a private workshop, prior to the full public consultation.
Formal Select Committee	Following the public consultation, the Select Committee scrutinised the final strategy and provided further comment prior to the Cabinet decision.

What was the outcome for residents?

Involving the Select Committee from an early stage meant that Members could offer their expertise to critique and submit evidence based recommendations to the decision maker – vital for ensuring public acceptability. Key improvements made to the strategy, included:



Good scrutiny enables the voice and concerns of the public to be heard

Cycling Strategy

In November 2013, the **Communities** and **Environment & Transport Select Committees** held a joint meeting to scrutinise the Council's proposed Cycling Strategy, ahead of a Cabinet decision, due in December 2013.

Why it was an issue for residents:

- There had been over **3,500** respondents to an independent consultation carried out by Dialogue by Design. The largest volume of respondents were from Mole Valley and around 12% from outside of Surrey. Three quarters of respondents were over 40 years old and two thirds were male.
- There was a mixture of both support and concern, some of which is highlighted below:

Support

- ✓ ...from motorists for segregated cycle routes
- ✓ ...for greater awareness & respect amongst road users
- ✓ ...for promoting the County and the benefits for local business
- ✓ ...for Local Cycling Plans, integrated across District & Borough Council boundaries

Concern

- ✗ Funding – is this a SCC priority?
- ✗ Cyclists worried segregated lanes would mean they could no longer cycle the routes they enjoy
- ✗ Safety – is it responsible to promote cycling to children?
- ✗ Road closures & disruption
- ✗ Unregulated 'Sportives' organised in Surrey

What the Select Committee did:

At a meeting on 28 November, Select Committee Members scrutinised the results of the consultation, using the public forum to challenge the acceptability of the cycling strategy, based on public concerns and expectations. The involvement of Members from across two Select Committees improved the effectiveness of the scrutiny, as it meant their cross-Council expertise was utilised and a greater range of views was represented.

What was the outcome for residents?

Having heard and considered the voice and concerns of the public on the Council's proposed Cycling Strategy, the Select Committees were able to make a series of meaningful recommendations, to help ensure the final strategy was acceptable to Surrey residents:

Benefits for local businesses

Cycling infrastructure schemes on highways maintenance programmes

Lobbying central government so that unregulated 'Sportive' events become regulated

Working with Boroughs & Districts to develop cycling plans

Amendment to the strategy to ensure roads would only be closed with strong local support

Good Scrutiny is carried out by ‘independent minded governors’ who lead and own the scrutiny role

Good scrutiny needs to be led by Members who understand and champion the role of Select Committees, understand its importance in the democratic process and seek to make improvements to function wherever possible.

8

Council Overview & Scrutiny Committee – Welfare Reform

COSC is unique because each of the Select Committee Chairmen sit on it and take responsibility for informing the Committee of the work they are planning or have carried out, as well as flagging up specific issues for their service areas. During 2013/14, a Task Group of COSC was convened to consider the cross-cutting issue of Welfare Reform in Surrey.

Why it was an issue for residents:

The Coalition Government’s ongoing welfare reforms are a fundamental change to the welfare benefits system. As the changes to welfare benefits are being introduced in stages, the effects on residents will be felt over time. Some households will be affected by multiple changes, for instance changes to the level of council tax and rent they are required to pay.

What the Task Group did:

It began its work by receiving evidence from key partners, relevant services and claimants affected by the reforms. The Task Group also requested and reviewed documentary evidence from witnesses and considered relevant reports. Through research and witness sessions, the Task Group identified the following groups as likely to be significantly affected by the reforms:

Some low-income working families

Some large families not in employment

Some disabled people & those with mental health issues

The Task Group also identified a number of the Council’s services and directorates that could be impacted, as they were likely to be helping residents deal with the effects of the reforms:

Adult Social Care
Library Services
Finance

Children, Schools & Families
Public Health

What was the outcome for residents?

The Task Group made a number of recommendations to assist the Council and its partners in delivering services in the context of welfare reform. The Leader of the Council welcomed the work of the Task Group, commenting:

“Welfare Reform cuts across a number of different services & platforms... it is cross-cutting areas such as this where scrutiny task groups can add most value” – David Hodge, Leader of Surrey County Council. The ongoing work of the Task Group, and the outcomes that will support services and residents are highlighted below:

Training for front line staff who offer advice to service users

Improvements and best use of the Local Assistance Scheme for emergency crisis support

Thorough preparation for the introduction of Universal Credit

Ongoing monitoring of the impacts of reforms

Good scrutiny drives improvement in public services

The ultimate aim of good scrutiny should be to result in tangible improvements in public services.

Patient-Transport Service

In September 2013, the Health Scrutiny Committee scrutinised the South East Ambulance (SECAmb) Service on the delivery of the Patient-Transport Contract.

What service users had to say:

The Surrey Coalition of Disabled People (SCDP) provided evidence to the Health Scrutiny Committee, and expressed their own significant concerns about the problems patients still faced, one year after the contract had been awarded to SECAmb.

What the Committee did:

Upon questioning witnesses, Members identified a number of areas of significant concern about the service. During the questioning, it was highlighted that there were issues with the clamping mechanism used in the vehicles and their appropriateness for wheelchair users. It was noted that the Committee were deeply appalled by the lack of suitability of the Patient Transport Service in transporting disabled people. Through a recommendation, Members **urged all partners to work together to ensure that issues in wheelchair transportation were resolved as a matter of urgency.**

Outcomes for service users:

When the service returned to the Committee in January 2014, Members were pleased to note that there had been some positive progress, with an improvement plan and updated governance. In response to the Committee's specific recommendation regarding the suitability of PTS for wheelchair users, the SCDP reported:

"We were informed a few weeks ago that SECAmb had at last accepted that the wheelchair clamping mechanism installed in their new fleet of ambulances a year ago was inadequate. We have also been advised that a new system has been installed. A patient representative experienced the new system in early December. The tie down system is an improvement on the previous system, however as the existing floor tracking has not been amended (widened) or added to, tying down different width wheelchairs is still challenging for the crews. SECAmb also need to source headrests for wheelchairs for these vehicles to prevent whiplash in the event of an accident"

The SCDP thanked the Committee and its Chairman for the recommendation and work it had undertaken to ensure improvements were made to PTS. While there were still ongoing concerns with the Service, the SCDP were hopeful that with the continued influence of the Health Scrutiny Committee, the PTS would soon deliver standards which patients should reasonably expect.

What now and next? Scrutiny in 2014/15

Making Scrutiny a priority

The ongoing financial circumstances facing the public sector will require all Council services, partners and Members to challenge the way they work to improve services and ensure value for money for residents. Select Committees play an important role in scrutinising the Decision Maker and helping the Council develop its policy. To reflect the importance of proper scrutiny in helping the Council achieve its objectives, it was agreed in early 2014 that scrutiny would be the main priority for Democratic Services as part of the Chief Executive's Office directorate strategy:

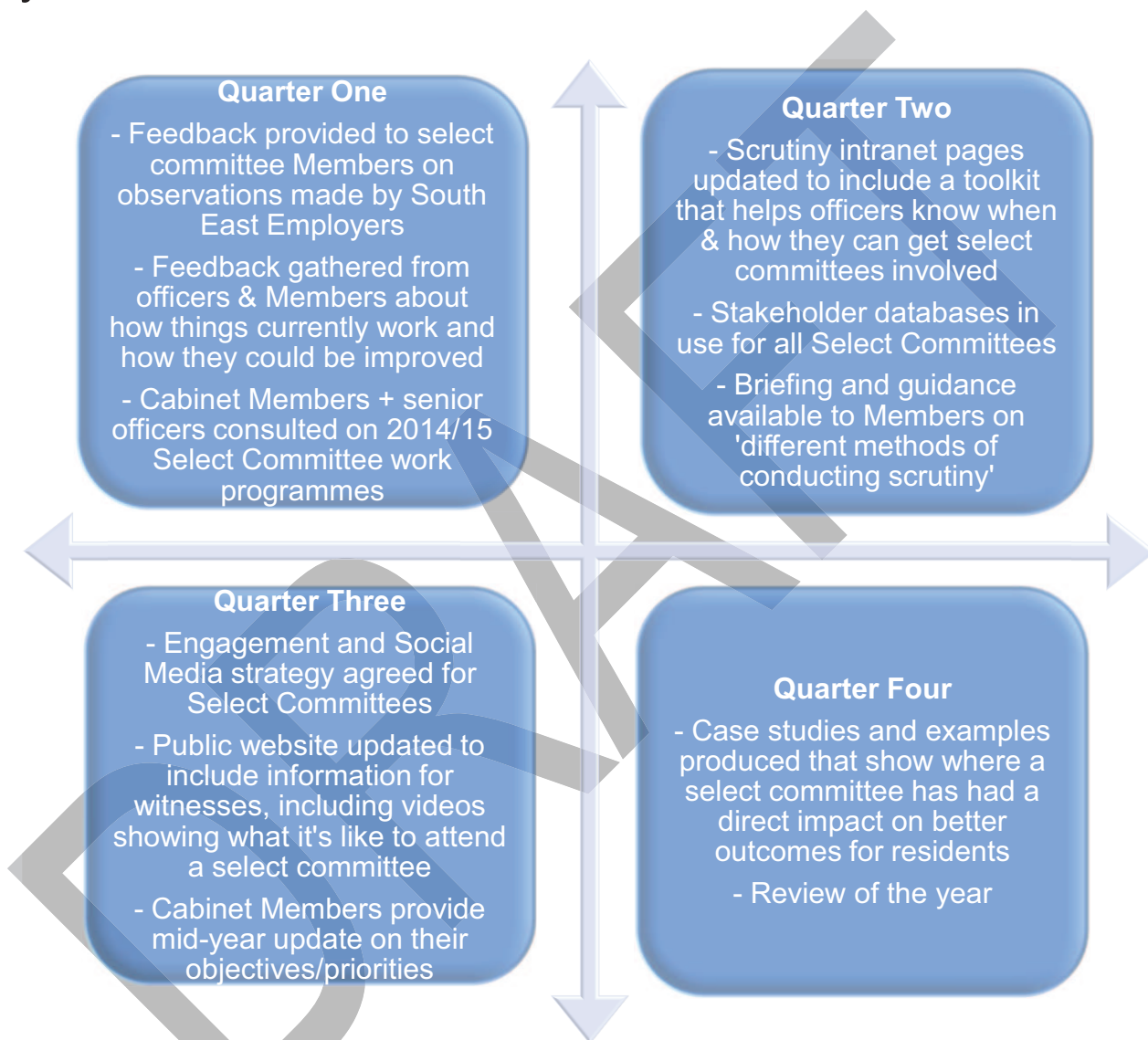
Ensure Select Committees contribute to the delivery of value for money and the achievement of better outcomes for residents through scrutiny and policy development

A number of activities have been prepared to help the Scrutiny Team achieve this priority, and continue to ensure that select committees can fulfill their important role. Research, best practice and feedback from officers and Members has helped us determine the following picture of 'what great looks like':

Cabinet Members...	Officers...	Select Committees...
Commission work from Select Committees	Include Select Committees in consultation/policy development projects	Develop work programmes that are clearly linked to helping achieving corporate objectives
See Select Committees as a valuable opportunity for two-way communication by sharing knowledge, guidance and expertise	Look to get Member steer at an early stage to promote shared ownership of policy, projects and initiatives	Enable the voice and concerns of the public to be heard and facilitate powerful public discourse
Take into account representations from Select Committees when making decisions	Share challenges to enable co-design and joint problem solving that leads to better outcomes	Help the Council find new & innovative ways of doing things
	Use Select Committees to test out public acceptability or views	Bring learning from other organisations and/or witnesses into the organisation
	Have open & honest conversations with Members	Provide a critical friend role, challenging in a supportive way
	Provide clear, concise accurate & timely information to Select Committees in a format that is accessible to Members and residents.	Gather evidence by asking focussed and challenging questions at formal meetings and witness sessions
	Senior officers actively involved in annual work planning & continue to support across the year	Adopt a range of approaches to their work
		Individual Members suggest scrutiny items

The Scrutiny Team will work closely with Members and senior leaders of the Council to continue on the journey towards 'what great looks like'. A number of the planned activities are highlighted below, and a snapshot of some of the work already underway is detailed on the next page:

Key milestones for 2014/15



Leadership support

In order to carry out their role effectively Select Committees require access to information so that they can present meaningful options and evidence based recommendations. To support this and enable Members to carry out their scrutiny function effectively, the Leader of the Council has challenged Select Committees to be much more robust in their scrutiny of service budgets so that they can make a real contribution to the savings required for 2015/16 and beyond. Select Committee Chairmen have worked with the Leader to agree new arrangements for scrutinising business planning, whereby each Select Committee will establish a cross-party Performance & Finance Sub-Group. The sub-groups will meet in private and undertake detailed scrutiny of current services and costs and identify a range of evidence-based options for delivering services differently and/or reducing costs.

A snapshot of some of the work already underway:

Adult Social Care Select Committee will be taking a new format in September 2014 for its scrutiny of the Councils Friends, Family & Support initiative. This will include Members meeting with and talking to front line staff about their experiences of social capital.

Children & Education Select Committee has set up a School Governor Task Group to help the Local Authority contribute towards good governance for Surrey Schools.

Communities Select Committee is looking at options to hold their meetings out in the community, to be nearer to the residents affected by the services within their remit.

Council Overview & Scrutiny Committee is championing shorter report formats and different ways of working, such as holding interactive workshops with staff.

Environment & Transport Select Committee is liaising with a large number of stakeholders including several divisional Members, and acting on resident's views with regards to the recent flooding incidents in Surrey.

Health Scrutiny Committee has hosted a successful stakeholder networking event, which has transformed the way that the Council and its partners approach topics within the 2014/15 plan.

The **Police & Crime Panel** has successfully completed its first year, with Members from across Districts, Boroughs the County and co-optees all engaging proactively in the democratic process

The challenge ahead

The case studies in this report demonstrate that there have been some real success stories of where scrutiny has made a difference. Inevitably, there have also been some challenges. Some of these difficulties are highlighted below, along with actions being undertaken to tackle them:

Large Committees with broad remits can make it difficult to effectively cross-examine issues

Select Committee Chairmen have endorsed making use of different ways of working such as task groups or sub-groups, to enable more focused and challenged scrutiny.

Information presented to Members is not always succinct and accessible

Council Overview & Scrutiny Committee have championed the use of shorter reports with concise, executive summaries. This successful approach is now being rolled out to other Committees to help make report content accessible to both Members and residents.

Democratic Services are working closely with officers across the Council to support them adapt to this changed approach.

Select Committee Members need to be equipped to ask strategic, critical and probing questions to respond to the challenges currently being faced by Local Government

The Scrutiny Team provide policy research support to help ensure Members have the background information they require to effectively scrutinise an issue. Briefing notes and suggested lines of inquiry will continue to be produced to support Members in their scrutiny role.

Information made available to Members is not always timely and Select Committees risk hearing only "one side of the story"

2014/15 will see a greater emphasis on inviting external witnesses to verify information provided to Committees. Democratic Services are working with services across the Council to help aid the flow of information to Select Committees.

Support for Overview & Scrutiny

The overview and scrutiny function at Surrey County Council is supported by a small but dedicated team sitting within Democratic Services. Four Scrutiny Officers work on specific Select Committees and have developed good knowledge of scrutiny principles and their relevant service areas. A Scrutiny Manager has oversight of the work of the Scrutiny Team, project managing the Priority Plan and ensuring that Select Committee work programmes are coordinated fully integrated.

In the same way that scrutiny seeks to ensure continuous improvement in the services reviewed to ensure that they meet the changing challenges they face, Select Committees and their support team need to look at how they work to ensure that they provide valuable resource to maximise effectiveness. One of the key objectives for the Scrutiny Team during 2014/15 will be to develop Select Committee processes and explore innovative ways of delivering work programmes to support the achievement of the directorate priority. The current support arrangements for select committees are set out below:

Select Committee Officer contact details

Adults Social Care	Ross Pike	020 8541 368
Children and Education	Andrew Spragg	020 8213 2673
Communities	Victoria White	020 8213 2583
Council Overview and Scrutiny	Helen Rankin	020 8541 9126
Environment and Transport	Tom Pooley	020 8541 9902
Health Scrutiny	Ross Pike	020 8541 368
Police and Crime Panel	Victoria White	020 8213 2583
Scrutiny Manager:	Helen Rankin	020 8541 9126
Senior Manager:	Bryan Searle	020 8541 9019

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Council Overview & Scrutiny Committee
11 September 2014

SCHOOL GOVERNANCE TASK GROUP

The Children & Education Select Committee has identified School Governance as a topic for a task and finish group. This scoping document is presented to the Council Overview & Scrutiny Committee to review.

Recommendation:

That the Committee reviews the scoping document for the School Governance Task Group and approves, subject to any comments, additions or amendments.

Next Steps:

The Children & Education Select Committee to agree membership of the task and finish group.

Report contact: Andy Spragg, Scrutiny Officer, Legal & Democratic Services

Contact details: 020 8 5132 673, Andrew.spragg@surreycc.gov.uk

Sources/background papers: None.

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Select Committee Task and Finish Group Scoping Document

The process for establishing a task and finish group is:

1. The Select Committee identifies a potential topic for a task and finish group
2. The Select Committee Chairman and the Scrutiny Officer complete the scoping template.
3. The Council Overview and Scrutiny Committee reviews the scoping document
4. The Select Committee agrees membership of the task and finish group.

Review Topic: School Governance Task Group
Select Committee(s) Children & Education Select Committee
<p>Relevant background</p> <p>The Department of Education defines the three core strategic functions of a governing body as:</p> <p>“a. Ensuring clarity of vision, ethos and strategic direction; b. Holding the headteacher to account for the educational performance of the school and its pupils, and the performance management of staff; and c. Overseeing the financial performance of the school and making sure its money is well spent.”¹</p> <p>It is well recognised that school governing bodies are integral to raising schools’ standards through their role in setting strategic direction, monitoring schools’ progress and ensuring accountability. This has become increasingly the case in recent years, as both maintained schools and academies grow more autonomous of the Local Authority.</p> <p>The task group will gather evidence on current school governance arrangements and their effectiveness, including the role of the Local Authority and partners in appointing² and supporting school governors.</p>

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¹ Department for Education. "Governors' handbook: For governors in maintained schools, academies and free schools." May 2014.

² Under the 2012 Regulations, the Local Authority will no longer appoint Local Authority governors. Instead they will be required to nominate a candidate for a school governing body's consideration. Please refer to **annex 1** for further details.

Why this is a scrutiny item

Both Ofsted and the Department for Education have identified that school governance can be a key factor in school improvement.

In addition, the Department for Education published statutory guidance informing all maintained schools of a need to reconstitute under the 2012 Regulations by September 2015. A briefing note on this guidance is attached as **annex 1**.

In an increasingly complex landscape for Education provisions, it is important to develop an understanding of best practice, and how the Council and key stakeholders can work with all Surrey schools to ensure the best opportunities and outcomes for Surrey's students.

What question is the task group aiming to answer?

In light of an increasing focus on school governance arrangements by Ofsted and the Department for Education, what role does the Local Authority and its partners have to play in the nomination of Local Authority governors and in supporting effective governance in all Surrey schools?

Aim

The Task Group aims to identify areas of best practice in school governance across Surrey, and gain an understanding of how the Local Authority can contribute towards good governance for Surrey schools.

Scope (within / out of)

Within Scope:

The nomination and role of Local Authority Governors.

How legislation supports the changing role of governors and models of best practice.

The services Surrey County Council and stakeholders provide to support school governance.

The role of the governing body in improving school performance.

The role of the governing body as 'critical friend', in particular in relation to accountability and risk management.

How do school governance arrangements work in relation to multi-academy trusts?

How do school governing bodies ensure that they have the relevant breadth of skills and expertise?

Out of Scope:

The performance of individual school governing bodies.

Outcomes for Surrey / Benefits

The School Governance Task Group will help support the following Directorate priorities:

Children, Schools & Families

“Potential: Support all schools to raise educational attainment”

Chief Executive’s Office

“ensure Select Committees contribute to the delivery of value for money and the achievement of better outcomes for residents through scrutiny and policy development.”

Proposed work plan

The plan has four phases. It is anticipated that while Phase 1 and Phase 2 will concentrate on scrutiny, the emphasis of Phase 3 and Phase 4 will be on policy development.

Timescale	Task	Responsible
July 2014	Initial meeting to scope Task Group inquiry	Scrutiny Officer
September 2014	Task Group scoping document considered by Council Overview & Scrutiny Committee for approval	Scrutiny Officer/ Chairman
September – October 2014	Phase 1 witnesses: Understanding the Local Authority’s role in appointing (nominating once schools have reconstituted) and supporting school governors - Cabinet Member, Assistant Director for Schools & Learning, Surrey County Council, and Governance Consultancy Manager, Babcock 4S	Task Group
September – October 2014	Phase 2 witnesses: Understanding how governance arrangements work within schools to set strategic direction, monitor schools’ progress and ensure accountability - Phase Council representatives, and other school governing body representatives.	Task Group
November 2014	Interim Report to Children & Education Select Committee	Scrutiny Officer
November 2014	Task Group review and agree next steps	Task Group
November – December 2014	Phase 3 witnesses	Task Group
November – December 2014	Phase 4 witnesses	Task Group

January 2015	Final report to Children & Education Select Committee	Scrutiny Officer
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Witnesses

Assistant Director for Schools & Learning
 Cabinet Member for Schools & Learning
 Primary/Secondary/Special School Phase Council representatives
 Governance Consultancy Manager, Babcock 4S
 Diocesan Boards of Education
 A sample of maintained school governing bodies
 A sample of Multi-Academy Trusts: Bourne Education Trust, Good Shepherd Trust, Howard Partnership Trust
 Department for Education
 National Governors Association
 SGOSS - Governors for Schools (a school governor recruitment charity set up with support from the DfE)
 Ofsted
 Professor of Educational Leadership and Management, University of Bath

Useful Documents

Babcock 4S. "School-Based Welcome Pack for New Governors." Babcock 4S. http://www.babcock-education.co.uk/4S/cms/do_download.asp?did=8847 (accessed July 2014).
 Department for Education. "Accountability and governance: Research Priorities and Questions." April 2014.
 Department for Education. "The constitution of governing bodies of maintained schools." May 2014.
 Department for Education. "Governors' handbook: For governors in maintained schools, academies and free schools." May 2014.

Potential barriers to success (Risks / Dependencies)

Schools will already be in the process of reconstituting their governing bodies, so it will be necessary to ensure that any recommendations remain timely and relevant. An interim report could set out some early findings and make recommendations to help mitigate this risk.

Any discussion of the relative merits of different governance arrangements should be mindful of school autonomy and legislative regulations.

This work is dependent on the engagement of schools and other key partners.

Equalities implications

No discernible impacts have been identified; however, the Task Group will take into consideration equalities implications that may arise as a result of its recommendations.

Task Group Members	Denis Fuller, Dr Zully Grant-Duff (Chairman), Colin Kemp, Mary Lewis, Chris Townsend
Co-opted Members	Ann Heather Nash (Surrey Governors' Association)
Spokesman for the Group	Dr Zully Grant-Duff (Chairman)
Scrutiny Officer/s	Andrew Spragg

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The constitution of governing bodies of maintained schools: Briefing note for School Governance Task Group, July 2014

- All governing bodies of maintained schools are required to be constituted under the appropriate 2012 Governance Regulations¹ by 1 September 2015.
- At the present time, 56 maintained schools in Surrey have reconstituted under these Regulations. The remainder will either be in the process, or beginning the process, to meet the requirement to do so by next year.

General Principles

- The new statutory guidance emphasises the need for smaller governing bodies; however, this can be no fewer than seven under the 2012 Regulations.
- It also states: “A key consideration in the appointment and election of all new governors should be the skills and experience the governing body needs to be effective.”² This had already been made an explicit requirement through the Regulations³.
- It sets out that governing bodies should use a skills audit to address any gaps in expertise or knowledge, and indicates that this should be used in the recruitment of new governors.

Changes to the appointment of Local Authority Governors

- The 2012 Regulations set out that a maintained school may have no more than one Local Authority (LA) Governor. The 2007 Regulations⁴ did not specify a number, but outlined which proportion of the governing body was to be constituted of each type of governor (for LA Governors, this was one fifth of the governing body).
- The LA governor is nominated by the Local Authority, and then appointed by the school. This differs from the 2007 Regulations⁵ which specified that the Local Authority had the power to appoint the governor.

¹ Either the [School Governance \(Constitution\) \(England\) Regulations 2012](#) or the [School Governance \(Federations\) \(England\) Regulations 2012](#)

² [Department for Education. "The constitution of governing bodies of maintained schools." May 2014.](#)

³ “The 2012 Constitution Regulations and the 2012 Federations Regulations implement the Government’s policy to allow governing bodies [...] to recruit governors on the basis of skills needed to conduct the governing body’s business effectively.” [Department for Education. "Explanatory Memorandum to the School Governance \(Constitution\) \(England\) Regulations 2012." 2012.](#)

⁴ [The School Governance \(Constitution\) \(England\) Regulations 2007](#)

⁵ [The School Governance \(Constitution\) \(England\) Regulations 2007](#)

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Council Overview & Scrutiny Committee
11 September 2014

RECOMMENDATIONS TRACKER and FORWARD WORK PROGRAMME

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

Recommendations:

That the Committee reviews its work programme and recommendations tracker and 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, Cabinet, Committees 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 August 2014**

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
2 April 2014 COSC 30	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	The Leader of the Council to write to the Secretary of State for Work and Pensions on simplifying the Universal Credit application process and exploring options for a common assessment for claimants across welfare benefits and support.	Leader of the Council	This recommendation was considered by Cabinet at their meeting on 22 April 2014. A response was included in the meeting papers on 30 April 2014. An update from the Welfare Reform Co-ordination Group to COSC is scheduled for October.	October 2014
2 July 2014 COSC 51	CABINET MEMBER OBJECTIVES 2014/2015 [ITEM 8]	The Cabinet Member objectives to be amended to address the points agreed by COSC, and a more detailed version to be circulated to the Committee for information.	Cabinet Member for Business Services and New Models of Delivery	The updated objectives were amended and circulated to Members on 31 July 2014. The Cabinet Member will be invited to COSC to provide an update in early 2015	January 2015

Select Committee and Officer Actions

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
4 December 2013 COSC 14	FAMILY, FRIENDS & COMMUNITY SUPPORT - SOCIAL CAPITAL IN SURREY [Item 7]	That the Committee receives an update report regarding the implementation of Family, Friends & Community Support.	Strategic Director for Adult Social Care	The Performance & Finance Sub-Group considered financial information in relation to Family, Friends & Community Support at its meeting on 30 June 2014.	October 2014
5 March 2014 COSC 17	BUDGET MONITORING REPORT & QUARTERLY BUSINESS REPORT [ITEM 6]	That the Committee receive a further report outlining the options explored in relation to meeting the financial pressures created by flood-recovery.	Deputy Chief Finance Officer	The costs of the response and recovery phase of the flooding are still being assessed, so although estimates of the cost will form a part of the February budget monitoring, they are could be more or less than this. In addition, the government are announcing a range of different funding streams to help households, businesses and local	September 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
				<p>authorities. These were outlined in the information pack distributed for the full Council meeting on Tuesday 18 March 2014. The level of this funding has not yet been confirmed. The combination of these two unknowns make the net cost to the council difficult to predict with any accuracy.</p> <p>One of the recommendations of the MTFP is that the Cabinet receive a report in July on the impact of the severe weather on service work programmes and revenue and capital budgets.</p> <p>In the light of this officers have</p>	

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
				proposed that the COSC consider the report closer to the time of the cabinet meeting, when greater information will be available. An item has been included in the work programme for September 2014 and will be considered by the Performance & Finance Sub Group.	
2 April 2014 COSC 31	BUDGET MONITORING REPORT & QUARTERLY BUSINESS REPORT [ITEM 7]	That the information provided in response to the Section 19 request be brought to the Committee for discussion at the earliest opportunity: following discussion, the Committee to refer detailed issues to the Environment & Transport Select Committee for further consideration if necessary.	Assistant Director, Highways, Environment & Infrastructure	The Environment & Transport Select Committee received a presentation from the Environment Agency at its meeting in March 2014, at which Section 19 investigations were discussed in general terms. Furthermore, the Select Committee's Flooding Task Group	November 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
				has met with the EA and Thames Water, and will include any specific issues of concern in its final report, as necessary.	
2 April 2014 COSC 18	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	Adult Social Care, Children Schools and Families, Libraries, Public Health and Finance teams to continue to monitor impacts of the welfare reforms on service users and services, and provide a joint update through the Welfare Reform Co-ordination Group to the Council Overview and Scrutiny Committee meeting in September 2014. Adult Social Care to include a summary of the impact of the welfare reforms on carers and Children Schools and Families to include a summary of the impact of the welfare reforms on care leavers in their updates.	Welfare Reform Co-ordination Group	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014. The Welfare Reform Task Group reconvened in July 2014 to continue monitoring progress against recommendations.	October 2014
2 April 2014 COSC 19	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF	The Welfare Reform Co-ordination Group be encouraged to continue to collate data on the impact of the reforms on residents and the	Welfare Reform Co-ordination Group	This recommendation will be addressed through the update	October 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
	WELFARE REFORM IN SURREY [ITEM 6]	cumulative impact of the reforms, and to share information and good practice within the group, and to report on progress to the Council Overview and Scrutiny Committee as part of the update report in September 2014.		to the Council Overview & Scrutiny Committee in October 2014.	
2 April 2014 COSC 20	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	Surrey County Council's Organisational Development Team analyse training needs on welfare reform in the Council and explore how such training can be disseminated throughout affected council services and ensure consistency with training being delivered by partner organisations.	Organisational Development Team	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014.	October 2014
2 April 2014 COSC 21	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	Surrey's Welfare Reform Co-ordination Group to work with the Head of Family Services to explore the potential for the Supporting Families Programme (which is being extended through the Public Services Transformation Network) to provide early help/intervention to some of those families who are most severely impacted by the welfare reforms.	Welfare Reform Co-ordination Group/ Head of Family Services	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014.	October 2014


Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
2 April 2014 COSC 23	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	Shared services to provide an update on improvements to the LAS scheme and take up of the fund, as part of the update report to the Council Overview and Scrutiny Committee in September 2014.	Shared Services	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014.	October 2014
2 April 2014 COSC 25	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	The Adult Social Care Committee to closely monitor the delivery of this service by getWIS£ and report back to the Council Overview and Scrutiny Committee as appropriate.	Adult Social Care Select Committee	The Adult Social Care Select Committee received a report on getWIS£ on 26 June 2014. The outcome was fed in to the work of the Welfare Reform Task Group when it reconvened in July 2014.	October 2014
2 April 2014 COSC 26	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	Surrey County Council's Adult Social Care Commissioners to work with Surrey's Welfare Reform Co-ordination Group, Public Health and getWi£E to: (a) promote the getWi£E advice and support service to all Surrey GPs through Surrey's 6 Clinical	Adult Social Care Commissioners/ Welfare Reform Co-ordination Group/Public Health	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014.	October 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
		<p>Commissioning Groups; and</p> <p>(b) continue to raise awareness of this service among key partners including District and Borough Housing and Benefits Officers and social housing providers;</p> <p>to ensure Surrey residents receive early help in dealing with the welfare reforms.</p>			
2 April 2014 COSC 27	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	The Public Health team to report to the Council Overview and Scrutiny Committee with findings from their food access needs assessment, to inform the Committee's work around reviewing the impacts of welfare reform in Surrey.	Public Health	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014.	October 2014
2 April 2014 COSC 28	REPORT OF THE WELFARE REFORM TASK GROUP: THE IMPACTS OF WELFARE REFORM IN SURREY [ITEM 6]	Surrey County Council to work closely with the Department for Work and Pensions, District and Borough Councils, housing providers and the Voluntary, community and faith sector to prepare for the introduction of Universal Credit, taking into consideration the concerns and recommendations highlighted in this report, and report back to the	Welfare Reform Co-ordination Group	This recommendation will be addressed through the update to the Council Overview & Scrutiny Committee in October 2014.	October 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
		<p>Council Overview and Scrutiny Committee on progress. This preparation should include:</p> <p>(a) researching and understanding the need for digital access and support across Surrey;</p> <p>(b) the County Council better understanding the potential demand on IT resources as a result of the introduction of Universal Credit to enable Surrey to properly prepare for this, including reviewing budget provision;</p> <p>(c) reviewing the demand for money management advice and assessing existing service provision, in order to make evidence-based recommendations for sourcing the necessary support; and</p> <p>(d) lobbying central government to ensure that support to access Universal Credit is adequately funded.</p>			


Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
30 April 2014 COSC 36	INTERNAL AUDIT: REVIEW OF APPRAISALS 2013/14 [ITEM 6]	That HR investigate options to move towards a digital appraisal process as a means of improving both the quality of appraisals and the completion rates.	Head of HR	HR&OD have scheduled an update for the October meeting.	October 2014
30 April 2014 COSC 37	FLASH OUTTURN REPORT FOR 2013/14 AND PROPOSED CARRY FORWARD REQUESTS TO 2014/15 [ITEM 7]	That the Committee seeks assurance from the Cabinet Member for Assets & Regeneration Programmes and from Property Services that Commercial Services be given sufficient support to enable them to be able to provide free school meals in all infant schools by 1 September 2014.	Cabinet	A response was reported to the Committee at its meeting on 4 June 2014, and further clarification was sought (see COSC 41 below).	July 2014
30 April 2014 COSC 38	REVIEW OF CENTRAL AND DIRECTORATE COMMUNICATIONS FUNCTIONS [ITEM 8]	That the Head of Communications review the support and information provided to Members in their local role, both individually and through Local Committees, including the provision of a simplified version of the Annual Report (in printed form) for Members to share with constituents.	Head of Communications	The Head of Communications has noted this recommendation and will explore the potential to develop this within the reduced resources available.	October 2014
4 June 2014 COSC 41	FORWARD WORK PROGRAMME AND RECOMMENDATIONS TRACKER	That further clarification be sought about the timeline for delivery of the programme to ensure all infant schools were in a position to	Assistant Director for Schools and Learning	The Assistant Director for Schools & Learning has reported that all	September 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
(See also COSC 37)		provide free school meals by 1 September 2014.		primary schools in SCC where Commercial Services is the catering provider would have free meals in place for September. Some schools might have to have slight menu adaption's to cope with the numbers and some schools may have to have a temporary sandwich offer if their kitchen is closed for building works.	
4 June 2014 COSC 43	YEAR-END FINANCIAL BUDGET OUT-TURN 2013/14	<p>That the following process be adopted for scrutiny of year-end performance results:</p> <ul style="list-style-type: none"> • Each Select Committee to scrutinise year-end performance information for the priorities within their remit annually at their May/June meeting, with services providing written explanation of the reasons for any priority rated as red. 	Democratic Services	Arrangements have been made for this process to be adopted from May 2015.	June 2015

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
		<ul style="list-style-type: none"> That the outcomes of the scrutiny be reported to the Council Overview & Scrutiny Committee annually at its meeting in July. 			
4 June 2014 COSC 44	YEAR-END FINANCIAL BUDGET OUT-TURN 2013/14	Further details about the virement for the Children's Services Contact Centre re-alignment referred to in paragraph 4 of Annex 2 to be circulated to the Committee.	Deputy Chief Finance Officer	Details were circulated to the Committee on 2 July.	July 2014
4 June 2014 COSC 45	YEAR-END FINANCIAL BUDGET OUT-TURN 2013/14	Details to be provided about the bid made to the Department of Transport pothole fund.	Deputy Chief Finance Officer	<p>A response was tabled at the meeting in July.</p>  <p>Pothole funddocx.docx</p>	July 2014
4 June 2014 COSC 46	YEAR-END FINANCIAL BUDGET OUT-TURN 2013/14	Details to be provided about specific initiatives undertaken by the Adult Social Care Service to address the issue of significant vacancies in reablement and front-line teams.	HR Relationship Manager (Adults)	The Adult Social Care Select Committee is due to consider this issue as part of an item to the meeting of the Committee in September 2014, and details will be	September 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
				shared with the Council Overview & Scrutiny Committee.	
4 June 2014 COSC 47	REWARD STRATEGY REVIEW 2014-18	Historic data about trends in staff costs and benchmarking data for staff above level S8 to be circulated to Members of the Committee.	Head of HR and Organisational Development	Members were concerned at the July meeting that this action had still not been completed. They recommended that the Chairman write to the Chief Executive to request his support in ensuring that officers respond in a timely fashion to requests for information by the Committee (see COSC 49 below).	September 2014
4 June 2014 COSC 48	DIGITAL STRATEGY UPDATE	A list of names and biographies for the Digital Strategy Advisory Board to be circulated to the Committee.	Chief Digital Officer	This will be included in the item at September meeting	September 2014
2 July 2014 COSC 49	FORWARD WORK PROGRAMME AND RECOMMENDATIONS TRACKER	That the Chairman write to the Chief Executive to request his support in ensuring that officers respond in a timely fashion to requests for information by the	Chairman of the Committee	The attached letter was sent to the Chief Executive on 12 August 2014.	September 2014

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
		Committee.		A response has been received and the Chairman will provide an update at the meeting.	
2 July 2014 COSC 50	BUDGET MONITORING REPORT, MAY 2014	<p>That the Adult Social Care Select Committee consider the following issues as part of its review of the Family, Friends & Community Support programme in September 2014:</p> <ul style="list-style-type: none"> • The availability of community support infrastructure in the County, both in terms of its ability to meet a diverse range of needs and its geographical spread. • The impact on community support capacity of a move by the Council towards contracts with community groups instead of the payment 	Adult Social Care Select Committee	Adult Social Care Select Committee will be considering an item of Family, Friends & Community Support in September 2014.	September 2014.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
		<p>of grants.</p> <ul style="list-style-type: none"> The variance in the availability of support between urban and rural areas in the County. 			
2 July 2014 COSC 51		Further details about the position in relation to reserves, to reflect the additional £14M drawn down at the end of the previous financial year, to be circulated to the Committee.	Deputy Chief Finance Officer	<p>A response was circulated to the Committee on 4 August 2014</p>  <p>Reserves & Balances 2014-15 Response FI</p>	September 2014

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Council Overview & Scrutiny Committee – Forward Work Programme 2014/15

October 2014

- New Models of Delivery Programme
- Welfare Reform

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November 2014

- Appraisals

December 2014

- Pay & Reward Strategy

Scrutiny Topics

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?

This work is being undertaken by a Member Task Group throughout autumn 2013. There was an interim report back to Committee in January 2014, a final report was considered at the Committee meeting on 2 April 2014. A number of recommendations were made to Cabinet and a follow up report will come to the Committee in September 2014.

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The Committee received a further update, following appointment of the Chief Digital Design Officer, in June 2014.

Work commenced 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 used their November meeting to discuss how the Council supports its staff with respect to wellbeing and morale. There was a further informal workshop in June 2014. Feedback will be collated and brought to the Committee's meeting in September 2014.

Work Commenced November 2013 - 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?

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?

The Committee reviewed the changes proposed to the Medium Term Financial Plan 2014-19, prior to agreement by Cabinet. Matters arising from recent select committee budget workshops were collated and reviewed by the Performance and Finance Sub Group, and a series of recommendations made to Cabinet.

Adult Social Care Committee looked at this topic in autumn 2013. Following this, Council Overview & Scrutiny Committee considered the topic in December 2013 and agreed to review progress in September 2014 through the Performance & Finance Sub-Group.

Work Commenced December 2013: Social Capital: When resources are scarce, will residents acting collectively to tackle issues within the community plug the gap?

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 received a report regarding Communications on 30 April 2014.

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 Committee had an update regarding Trading and Investment at its meeting on 12 September 2013. An update on the New Models of Delivery Programme and Local Authority Trading Company was given at the meeting on 5 March 2014. A further update will be received later in the year, and a future item concerning the Council's approach to investment is being explored.

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