

**MINUTES** of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 1.00 pm on 23 April 2015 at Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 3 June 2015.

**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

**Ex-officio Members:**

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

**Present:**

\* = present

**22/13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Keith Witham; Richard Wilson attended as a substitute

**23/13 MINUTES OF THE PREVIOUS MEETING: 4 MARCH 2015 [Item 2]**

Subject to a number of amendments, the minutes were agreed as a true and accurate record of the meeting.

**24/13 DECLARATIONS OF INTEREST [Item 3]**

There were no Declarations of Interest.

**25/13 QUESTIONS AND PETITIONS [Item 4]**

There were no questions or petitions.

## **26/13 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]**

There were a number of responses from the Cabinet to issues referred by the Select Committee; these are detailed in the agenda. With regards to the staff awareness campaign referenced in the Cabinet Member response regarding the Carbon & Energy Policy, it was requested that the campaign be extended to also include Members.

To accommodate attending officers, the Committee decided to take the Recommendation Tracker and Forward Work Programme (item 6) last.

## **27/13 SHAREHOLDER BOARD [Item 7]**

### **Witnesses:**

David Hodge, Lead of the Council

Peter Martin, Deputy Leader of the Council

Julie Fisher, Strategic Director of Business Services

Susan Smyth, Strategic Finance Manager

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

1. The Leader introduced the report and informed the Committee that the Shareholder Board safeguards the Council's interest as a shareholder and takes decisions, on behalf of the Council, in matters that require the approval of shareholders.
2. The Committee suggested it would be helpful to receive the original business case and an overview of the purpose of each company, including details such as asset value and any equity capital provided. It was noted that the business cases had all been to Cabinet for approval.
3. Officers were questioned on staff pensions and in particular whether staff who worked for Surrey Choices would be eligible to join the Local Government Pension Scheme (LGPS). The Strategic Finance Manager explained that after thorough consideration it had been agreed that a closed scheme was most appropriate. This meant that staff who had transferred from the Council could remain in the scheme, however new staff recruited by the company would not be eligible to join the scheme. This had not necessarily set a precedent for any company established by the council in the future, as the benefits of a closed/open scheme would be given full consideration on a case-by-case basis. It was clarified that any staff who had transferred via TUPE arrangements would be eligible to remain within the LGPS.

Mark Brett-Warburton joined the Committee at 1.45pm.

4. There was a discussion around the re-deployment of staff if a Council owned Local Authority Trading Company lost its contract with the Council. The Committee was informed that where possible staff would be re-deployed. The Committee were informed that staff would have legal protection to move with the contract in accordance with TUPE regulations.
5. The Leader informed the Committee of his target to achieve a return equivalent to a 1% of Council Tax within 5 years.
6. The Leader invited the Committee to carefully consider how it would scrutinise the Shareholder Board in the future. It was agreed that the Committee would keep a clear overview of the overall objectives of the strategy and scrutinise how the programme contributed to the financial resilience of the County Council.

**Recommendations:**

- That the Committee receive a 6 monthly update combining a report of the Shareholder Board, incorporating a comparison of achievement against the original business case, with information about projects within the New Models of Delivery work stream.

**Committee next steps:**

- A report will be brought back to Committee in six months

**28/13 SUPERFAST SURREY BROADBAND PROGRAMME UPDATE [Item 8]**

**Witnesses:**

Peter Martin, Deputy Leader of the Council  
Susie Kemp, Assistant Chief Executive  
Graham Cook, Programme Manager

**Key points raised during the discussion:**

1. A brief overview of the report was given and Members were informed that an agreement was made with BT in 2012 for the roll out of Superfast Broadband in the County. Surrey had received £13million from BT and £1.3million from Central Government to roll out superfast broadband to rural areas not covered by BT/Virgin. It was noted that 6% of properties would not be able to get a speed above 15mb per second as the cabinets were too far away.

Chris Townsend left the meeting at 14.18pm.

2. The Committee were informed that the Open Market Review would cover commercial areas receiving low speed broadband and would demonstrate the speed of the service by each postcode. The review

would redefine an intervention area and would give a better picture of what areas to target.

3. It was noted that there had been positive feedback from a number of the 86,000 residents who had received service as part of the project. However, a small percentage of residents within the contract area had experienced delays of at least 6 months. It was considered that communication with these residents was important.

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

None.

**Recommendations:**

- The Committee
  - noted the status of the Superfast Surrey rollout
  - endorsed the Deputy Leader's tribute to the Superfast Broadband Team, noting that for 8 consecutive quarters BT had met their contract obligations.

**Committee next steps:**

- The Committee will receive a further report on Superfast Broadband in 4 – 6 months.

**29/13 INTERNAL AUDIT - APPRENTICESHIP SCHEME MANAGEMENT ACTION PLAN [Item 9]**

**Witnesses:**

Sue Lewry-Jones, Chief Internal Auditor  
Emily Boynton, HR Relationship Manager

**Key points raised during the discussion:**

1. The Chief Internal Auditor introduced the report and informed the Committee that the audit was issued in September 2014. She was satisfied that the right steps were being taken to complete the high priority recommendations within the report. The HR Relationship Manager added that funding changes were still a risk due to the general election; however, a contingency plan had been created to mitigate the rise of training costs.
2. The Committee were informed that currently there were more apprenticeships available in the County, than people seeking them. It was noted that the entry standards for an apprenticeship were a C grade in both maths and English This meant there was a small catchment of those eligible as people with higher grades tend to go on to University. It was noted that an advertising campaign would be launched to attract more applicants.

3. The Committee were informed that 15 apprentices were required to make a training provider viable. Currently there are 64 apprentices at Surrey, and since the launch in 2009 there had been over 500 completed apprenticeships.
4. It was noted that the strategy would be finalised by the end of May 2015. A New Entrance Co-ordinator and Project Manager had also been recruited.

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

None.

**Recommendations:**

- The Committee noted the report and recommended that the MAP should be taken to the Audit and Governance Committee until completed.

**Committee next steps:**

None.

**30/13 BUDGET MONITORING REPORT [Item 11]**

**Witnesses:**

Nick Carroll, Finance Manager, Funding and Planning

**Key points raised during the discussion:**

1. After discussion it was agreed that a full breakdown of costs associated with the Magna Carta celebrations should be shared with all COSC Members.
2. In the report it stated that the public health target around health checks had not been met. Members queried whether the target was around 'completion' or take up. It was requested this issue be taken to the Health Scrutiny Committee.
3. Members noted from the papers that the position appeared to be slightly better than expected at budget decision time. For example, less interest payable (by £2.6m), overstatement of creditors (£1.8m), relocation allowances lower (£0.4m), better than expected 2014/15 MTFP savings in adults and other services. It was recognised that some underspend needed to be carried forward, however, Members thought it would be useful to view a list of unanticipated improvements and how these had been allocated to various pots of money, post-budget to determine whether a recommendation could be made to mitigate some of these savings to front line services such as Children's Centres and Youth Services.

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

- The Committee requested Cultural Services to provide a full break down of the costs associated with the Magna Carta celebrations

**Recommendations:**

- The Committee recommended that the completion of Health Checks is referred to the Health Scrutiny Committee
- The Committee agreed to make the following recommendation to Cabinet:

**That the Cabinet consider whether the Council could use any of the small improvements to the Council's budgetary position that were unanticipated when it set the budget, to mitigate some of the savings in children's centres and youth services.**

**Committee next steps:**

None.

**31/13 FUTURE GOVERNANCE OF BASINGSTOKE CANAL TASK GROUP [Item 10]**

**Witnesses:**

David Harmer, Environment and Transport Select Committee Chairman

**Key point raised during the discussion:**

1. The Committee reviewed and approved the scoping document for the Task Group.

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

None.

**Recommendations:**

- The Committee reviewed and approved the scoping document for the Task Group.

**Committee next steps:**

None.

**32/13 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME [Item 6]**

**Key points raised during the discussion:**

1. The Committee noted that there was an outstanding recommendation regarding information about the DMA process to the Strategic Director for Business Services for consideration. The Committee were still

awaiting a formal response and therefore it was agreed to follow this action up.

**33/13 DATE OF NEXT MEETING [Item 12]**

The date of the next Council Overview and Scrutiny Committee is Wednesday 3 June 2015.

Meeting ended at: 3.40 pm

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**Chairman**