

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 1 October 2015 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, 5 November 2015.

Elected Members:

Mr David Munro (Chairman)
Mr Eber A Kington (Vice-Chairman)
Mr Mark Brett-Warburton
Mr Bill Chapman
Mr Stephen Cooksey
Mr Bob Gardner
Mr Michael Gosling
Dr Zully Grant-Duff
Mr David Harmer
Mr Nick Harrison
Mr David Ivison
Mr Colin Kemp
Mrs Denise Saliagopoulos
Mrs Hazel Watson
Mr Keith Witham

Ex officio Members:

Mrs Sally Ann B Marks, Chairman of the County Council
Mr Nick Skellett CBE, Vice-Chairman of the County Council

32/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies for absence were received from Mark Brett-Warburton

33/15 MINUTES OF THE PREVIOUS MEETING: 10 SEPTEMBER [Item 2]

The minutes of the previous meeting will be taken at the next meeting on 5 November 2015.

34/15 DECLARATIONS OF INTEREST [Item 3]

No declarations have been received in advance.

35/15 QUESTIONS AND PETITIONS [Item 4]

None have been received

36/15 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

There are none.

37/15 CHAIRMAN'S UPDATE [Item 6]

The Chairman provided an update informing the Board of the recommendations made that the airports commissioning meeting.

Recommendations:

1. Surrey County Council should urge government to make a quick and final decision on airport capacity in the South East.
2. The Council should be fully involved in the considerable work involved to refine any proposals after an 'in principle' decision on extra capacity is made. However, the council's financial exposure should be minimised as far as possible.
3. The Council should reiterate its regret (as expressed in their submission to the Airports Commission) that the commission did not explore the issues of surface access to any expanded airport in nearly enough detail, and recommends this should be given high priority.
4. The majority of Council Overview Board members agree that an extra runway, at one of the locations recommended in the Airport Commission's report, should be provided as soon as practicable, notwithstanding the reservations expressed above.

38/15 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 7]

The Board noted the Action and Recommendations Tracker and agreed its provisional Forward Work Programme. It was noted that Agency staff were added to the November meeting and Budget monitoring is added to the January meeting.

39/15 CABINET MEMBER PRIORITIES [Item 8]

Declarations of Interest:

None.

Witnesses:

Denise Le Gal, Cabinet Member for Business Services

Key Points Raised During the Discussion:

1. The Cabinet Member for Business Services presented her priorities for 2015-2016. There was a focus on the Business Plan for Orbis and ensuring Business Services support for front line services. Funding for the school buildings programme and property, new models of delivery and pay, reward and retention were also priorities for the year. Another key area was the work of the Surrey Pension Board. It was noted that Pensions would be an item for the Scrutiny Board's consideration in December.
2. On the topic of the Orbis partnership between East Sussex and Surrey, the Cabinet Member confirmed that the production of a three year business plan had been given the go ahead. The Orbis business plan would be scrutinised by the Board later on the agenda.

Action/Further Information to be provided:

The Cabinet Member to include a written statement alongside a list of the areas covered by her portfolio with her next scheduled update (April 2016)

Recommendations

None

Scrutiny Board Next Steps:

The Cabinet Member would be invited back in April 2016 to provide an update on her priorities.

Zully Grant-Duff joined the meeting at 10.25am.

40/15 ANNUAL REPORT OF THE SHAREHOLDER BOARD [Item 9]

Declarations of Interest:

None.

Witnesses:

David Hodge, Leader of the Council
Denise Le Gal, Cabinet Member for Business Services and Resident Experience
Julie Fisher, Deputy Chief Executive

Key Points Raised During the Discussion:

1. The Strategic Finance Manager introduced the report by highlighting the key successes of the Board within the last 6 months. A short introduction to the role of the Shareholder Board was given and it was noted that the Council Overview Board had a role in calling the Shareholder Board to account for progress in relation to any company for which the Council is a shareholder.
2. The Leader of the Council provided a brief introduction as the Chairman of Shareholder Board. He covered the purpose of the Board and its importance. There were a number of reasons why a Local Authority might invest in or create a company, and the Leader gave the example of Cabinet's approval of a Property Company, which changed the Council's approach to Property management with the aim of developing an asset base to create longer term revenue.
3. Questions were raised regarding any financial risk related to the partnership with Babcock 4S. The Deputy Chief Executive advised that the Council continued to work with Babcock 4S to improve Schools in Surrey. It was considered whether separate scrutiny of Babcock 4S was necessary. It was clarified that the Shareholder Board would be undertaking a review of the Council's joint venture with Babcock 4S, and this could be reported to the Council Overview Board in due course.
4. Members queried the performance of Surrey Choices, and it was clarified that the Shareholder Board had a role in monitoring progress of this new company and its governance arrangements.
5. The Strategic Finance Manager went on to explain that all investments made by the Council were supported by business cases. The Leader emphasised the importance of monitoring efficiencies, rather than just cash savings. The Shareholder Board provided an effective challenge and ensured that no unnecessary risks were taken.
6. Members queried whether the Council would provide equity or debt financing to a company it owned and it was clarified that this would be subject to a Cabinet Decision.
7. There was discussion about whether the appropriate amount had been invested in municipal bonds. It was clarified that £450,000 had been invested, which was considered a favourable amount for the Council.
8. It was confirmed that the Council owned 13.1% of Future Gov.

Action/Further Information to be provided:

None.

Recommendations:

That an update on the Shareholder Board review of the Council's involvement in the joint venture company (Babcock 4S) to be included in the next scheduled report to Council Overview Board.

That a progress update be received on Surrey Choices governance mechanisms and reported back to the Council Overview Board if necessary.

Scrutiny Board Next Steps:

The Board to receive a further update from the Shareholder Board in April 2016.

41/15 ORBIS BUSINESS PLAN [Item 10]

Declarations of Interest:

None.

Witnesses:

Denise LeGal, Cabinet Member for Business Services and Resident Experience
Julie Fisher, Deputy Chief Executive
John Stebbings, Chief Property Officer

Key Points Raised During the Discussion:

1. The report was introduced by the Deputy Chief Executive of Surrey County Council (SCC). It was stated that the Orbis partnership covered a range of business services provided by the two councils (Surrey and East Sussex), including Finance, Procurement, Property, IT, HR and shared business services, such as pensions and payroll functions.
2. The importance of culture change and the introduction of an integrated joint management team was highlighted. A single, joint contact centre was also planned, to make things simpler for the customer and for services. A move towards a Self-Service model for Human Resources was also underway.
3. The figures in the business plan showed that by year three, there would be an estimated £8 million savings as a result of the Orbis partnership. A separate business case would be developed for the Business System Platform, to integrate IT systems across the two organisations.
4. Some Members of the Scrutiny Board felt that the Orbis Business Plan was complicated and not an easy read for external customers or residents. The Cabinet Member thanked Members for their feedback and stated that she would ensure the executive summary version of the Business Plan was available for future publications.
5. The Scrutiny Board queried whether consideration had been given to expanding the partnership beyond East Sussex and Surrey County Councils. The Cabinet Member for Business Services and Resident Experience explained that the main priority was integrating Surrey and East Sussex County Council's business services. However, in the future other partners might be included.

6. Members recognised the importance of political support of Orbis for it to become a success. The ambition and scale of the project was acknowledged by the Scrutiny Board before the item was closed.

Actions/Further information to be provided:

Further financial information to be made available ahead of the joint scrutiny meeting on 5 October.

Recommendations

Any recommendations made at the joint meeting of East Sussex and Surrey County Council's scrutiny boards would be made directly to both Council's Cabinets.

Committee Next Steps:

The Transformation Sub Group would continue to scrutinise the development of the Orbis business plan.

42/15 THE PROPERTY STRATEGY [Item 11]

Declarations of Interest:

None.

Witnesses:

John Stebbings, Chief Property Officer

Key Points raised in the discussion:

1. The report was introduced by the Chief Property Officer. He explained that the current Strategic Asset Management Plan was to be reviewed due to a number of changes in Surrey demographics during the last few years. For example, in 2011/12 the Council was selling school sites, however, there had now been a need to secure 11.5k new school places in the last 4 years. Members queried whether co-location of office accommodation with other local authorities had been considered. The Chief Property Officer explained that it was planned that the Council's estate would reduce over time, and that co-locating was a possibility.

The Chief Property Officer explained that the new, refreshed Strategic Asset Management Plan that was being developed would include measurable Key Performance Indicators.

Members queried what engagement had been undertaken to ensure Divisional Members were aware of local Council properties. It was considered helpful to have an item at the Local Committee Chairmen's Group.

Action/Further Information to be provided:

None

Recommendations:

That a further report be presented to the Council Overview Board in April 2016, to include an updated Strategic Asset Management Plan.

That an item be taken to the Local Committee Chairmen's Group to increase Member awareness of Council assets.

Committee Next Steps:

To receive a further report in April 2016.

43/15 BUDGET MONITORING: AUGUST 2015 [Item 13]**Witnesses:**

Kevin Kilburn, Deputy Chief Finance Officer

Key points raised in the discussion:

1. The Deputy Chief Finance Officer introduced the report. He informed the Board that it has been a challenging year to date, for a number of reasons including increased demand for Children's and Adult's social care services. It was noted that Schools & Learning were forecasting an overspend due to SEND transport costs and there was a forecast overspend on the Capital side, due to the Council's investment strategy.
2. The Scrutiny Board agreed it would be helpful to have a further breakdown of information within the Central Income & Expenditure budget. This would be included in the next report. It was also agreed that budget monitoring reports to the Council Overview Board would now be presented quarterly, rather than monthly.
3. It was noted that the Local Committee Budget for 2016 was less than anticipated and Members were concerned about the impact this could have on residents. The Vice Chairman of the Board asked the Chairman of the Residents Experience Scrutiny Board could give consideration to scrutinise Local Committee Budgets, and report back to the Council Overview Board. It was considered important to avoid losing sight of how funding changes might impact on local committee's budgets.

Action/Further Information to be provided:

- Further breakdown of information within the Central Income & Expenditure budget to be included in future reports
- Resourcing and recruitment vacancy information to be included in a future report regarding HR&OD

Recommendations:

That consideration be given to the Resident Experience Board scrutinising Local Committee budgets, and then reporting back to the Council Overview Board

Committee Next Steps:

To receive a further budget monitoring report in January 2016.

44/15 CARBON AND ENERGY POLICY: YR 1 PROGRESS REPORT [Item 12]

Declarations of Interest:

None.

Witnesses:

Bronwen Chinien, Environment Policy Team Leader
Paul Hasley, Energy Manager

Key points raised in the discussion:

1. The Environment Policy Team Leader introduced the report. She explained that although energy consumption had reduced in the County, emissions had increased due to changes in the Grid. It was noted that two other County Councils had reduced more energy consumption by more than Surrey County Council. The Scrutiny Board were informed that it had been agreed that the Councils would work together to learn best practice and reduce admissions for the future.
2. The Vice Chairman of the Board flagged the number of setbacks and legislation changes highlighted into the report. It was also noted that devolution authorities would be expected to take more control of energy efficiency programmes.
3. The Environment Policy Team Leader explained that there had been a County Hall campaign to highlight where staff actions could reduce emissions.
4. It was asked by a member how the Council plan improves in the future. The Energy Manager informed the Board that dimming street lights in the evening was an option, although it was also stressed that LED lighting would potentially replace the current bulbs in the long term. Although this would have an initial impact on the budget, they were more environmentally sustainable and lasted for 15-20 years. A business case would be developed before any decision was taken about moving to LED street lighting.
5. It was noted that business mileage costs had reduced by 10%. There was some concern amongst Members at the previous that the targets were not challenging enough. However, it was evident that they were difficult to meet. The Chairman asked officers to think about targets for the future, including aspirations and step-change ambitions for their next report to the Scrutiny Board.

Actions/Further Information to be provided:

- Breakdown of savings from dimming to be provided to Members
- A report to be produced following the next SE7 Energy Managers Group meeting, highlighting best practice.
- The Board to be provided with an update on business mileage and any related incentives for staff

Recommendations:

That a report be brought to a future meeting, outlining any inspirational step-change measures

Committee Next Steps;

To receive a future report in April 2016.

45/15 CALL IN OF CABINET DECISION [Item 14]

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Schedule 12A of the Act.

The following item was taken in private, but the following information is not confidential:

Declarations of Interest:

Zully Grant- Duff asked that it be noted that she was a member of the Reigate Parish Church, however this was not a pecuniary interest.

Witnesses:

Julie Stockdale, Strategic Lead for School Commissioning
Keith Brown, Schools and Programme Manager
Oliver Gill, School Commissioning Officer

The Board heard from witnesses and considered the Cabinet report. After due consideration it was agreed that the item would not be referred back to Cabinet.

Action/Further Information to be provided:

None

Recommendations:

None

Committee next steps:

None.

It was agreed that there would be no publicity for this Part 2 Item.

46/15 DATE OF NEXT MEETING [Item 15]

The next meeting of the Board will be at 10.00am on 5 November 2015

Meeting ended at: 13.26

Chairman