

Notice of Meeting

Council Overview Board



Date & time	Place	Contact	Chief Executive
Wednesday, 2 December 2015 at 10.00 am	Ashcombe Suite County Hall Penrhyn Road Kingston upon Thames KT1 2DN	Helen Rankin or Lucy Collier Room 122, County Hall Tel 020 8541 9126 or 020 8541 8051 helen.rankin@surreycc.gov.uk or lucy.collier@surreycc.gov.uk	David McNulty



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@SCCdemocracy

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Helen Rankin or Lucy Collier on 020 8541 9126 or 020 8541 8051.

Members

Mr David Munro (Chairman), Mr Eber 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 Nick Harrison, Mr Michael Gosling, Mrs Hazel Watson, Mr Colin Kemp and Mr Keith Witham

Ex Officio Members:

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

TERMS OF REFERENCE

The Committee is responsible for the following areas:

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

PART 1
IN PUBLIC

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There are no apologies or substitutions.

2 MINUTES OF THE PREVIOUS MEETING:

(Pages 1
- 8)

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

3 DECLARATIONS OF INTEREST

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

Notes:

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

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting- (Thursday 26 November 2015)
2. The deadline for public questions is seven days before the meeting- (Monday 23 November 2015)
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

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

There are no responses to report.

6 FORWARD WORK PROGRAMME AND RECOMMENDATIONS TRACKER

(Pages 9
- 18)

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

7 CHAIRMAN'S ORAL REPORT

The Chairman will provide the Board with an update on recent meetings he has attended and other matters affecting the Board

8 FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN (Pages 19 - 38)

Purpose of the report: This report updates Members on the latest financial prospects for the period of the Medium Term Financial Plan, ahead of development of the formal budget for 2016/17 in February 2016.

9 PAY AND REWARD CONSULTATION (Pages 39 - 40)

Purpose of the Report: The Scrutiny Board will be presented with the next stages of the Pay & Reward Consultation.

10 DATE OF NEXT MEETING

The next meeting of the Board will be held at 10.00am on Thursday 28 January 2016.

David McNulty
Chief Executive

Published: 24 November 2015

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

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Thank you for your co-operation

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 5 November 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 Wednesday, 2 December 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

47/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from the Cabinet Member for Business Services and Resident Experience, Denise Le Gal.

Apologies were also noted from Dr Zully Grant-Duff, who arrived just after 10am

48/15 MINUTES OF THE PREVIOUS MEETING: 10 SEPTEMBER AND 1 OCTOBER [Item 2]

The minutes of the previous meeting were a true record of the meeting, subject to the following amendments:

10 September 2015: David Ivison had a number of queries about the minutes and would raise this outside of the meetings with officers.

1 October 2015: At the previous meeting a question had been put to the Chief Property Officer regarding whether land purchases carried out by a Surrey County Council Local Authority Trading Company needed to satisfy the “well-being requirement”. This point would be added to the minutes of 1 October and raised with the Chief Property Officer.

49/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

50/15 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions.

51/15 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY COMMITTEE [Item 5]

There were two responses that had been included in the agenda papers. :

The Chairman of the Council Overview Board had attended the Cabinet meeting and noted the responses. He explained that the response stated that the Overview Board was “satisfied with the Council’s current policy position on airports”. However, he advised that it had been made clear to the Deputy Leader that the Board felt the Council should state explicitly that it felt the Council should change its policy to favour an additional runway at one of the shortlisted South East airports.

52/15 CHAIRMAN'S UPDATE [Item 6]

Key points raised in the discussion:

1. The Chairman informed Members that he would be resigning as Chairman of the Council Overview Board and Transformation Sub Group. He thanked the Board Members and Officers for their work during the 5 months he had been Chairman.

53/15 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 7]

Key Points raised during the discussion:

The Board noted the Recommendations Tracker and Forward Work Programme.

Forward Work Programme:

- A new topic for scrutiny was suggested around Cyber Security and the IMT future schedule of work. This would be scheduled.
- Members agreed that the Leadership Risk Register would be added to a future meeting and reviewed periodically.

Further action/information to be provided:

None

Recommendations:

That Cyber Security and IMT, and the Leadership Risk Register be added to future Council Overview Board work programmes.

54/15 THE HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT SERVICE [Item 8]

Declarations of interest:

None.

Witnesses:

Carmel Millar, Director of People & Development

Ken Akers, HR Relationship Manager (Adults)

Rakhi Saigal, Strategic HR Manager

Managers with experience of restorative practice in the workplace:

Amy Howard (Adult Social Care)

David Sharpington (Environment & Infrastructure)

Lorraine Juniper (IMT, Business Services)

Key points raised during the discussion:

1. The Director of People & Development introduced the report and explained that a key aim of the HR&OD service was to look after the interests of managers, staff and the workforce. By doing so, the organisation would have happy, skilled workforces who give a great service to Surrey's residents.
2. Members questioned what the current issues being faced by Human Resources at Surrey could be described as. Recruitment and retention were highlighted as areas to be focused on. Certain services within the organisation had more difficulty recruiting – for example social care, procurement and chartered surveyors. Members were informed that a Surrey Social Worker academy had been introduced, as well intensive recruitment campaigns in Children's Services to deal with shortages in the social care workforce.
3. Officers explained that the HR&OD service had recently refreshed their lone working policy, following an increasing national trend in physical and verbal abuse against public sector workers. There was a clear no tolerance policy on violence, meaning that officers should never accept abuse as 'part of their job'. A number of refreshed policies were referenced, and it was agreed that it would be helpful to receive a briefing note once the current period of policy-review had been undertaken.
4. Members queried methods of retaining staff. The Director of People and Development explained the importance of understanding why employees were leaving the organisation, and advised that exit interviews were always undertaken. There was also a Best Companies Staff Survey being completed by staff at the moment, which would help understand what makes employees want to stay with Surrey County Council. It was explained that exit interviews suggested the top reasons for officers leaving the organisation were salary related, exceeding full potential within current role and seeking different opportunities.
5. The Board understood and stressed the importance of staff recognition, and ensuring staff feel valued and supported within their role. They saw the importance of appraisal in recognising staff potential.
6. Members noted that at peak periods, there were large numbers of vacancies across the Council. These periods of demand were sometimes addressed by employing agency workers. This was particularly the case in services such as Highways and Children's Services due to periods of demand and the urgency of their work. Agency working would be considered in more detail in the next item on the agenda.
7. The Senior Manager (Adult Social Care) explained to the Board, the current challenges she faced regarding staff retention, demand and vacancies. To tackle the challenges, teams were visiting different colleges and advertising roles locally to attract new talent.

8. The Strategic HR Manager informed the Board that since 2013, HR&OD had led a culture change programme of work, focussing on supporting the resolution of employee relations issues across services via a restorative approach. This was seen as an alternative to the formal disciplinary or grievance route. The approach involved encouraging staff to resolve conflict at work in a more informal manner.
9. Members heard from three team managers who had used restorative practice in their teams. This included an example where a restorative culture had led to a reduction in the number of disciplinary procedures, a case that demonstrated improved staff morale and a number of opportunities where outcomes had been improved for staff and managers.
10. The restorative practice approach would be promoted through workshops and presentations to different services and teams. HR Advisors had now all been trained on restorative facilitation, and the number of cases being dealt with through this informal process was increasing. Members queried whether the lack of written policy was an issue and whether this made it difficult to distinguish when matters should be taken through a formal HR policy route. Emphasis was given to the extensive training that HR staff had received on how to support managers. It was noted that some cases would still take a formal route, however, those formal conversations would take place in a more restorative manner.
11. The Director of People & Development explained to the Board that HR Advisors now spent around 50% of their time on restorative cases, and 12% on formal cases. This was in direct contrast to East Sussex, who still had a number of formal and compromise agreement cases. Members emphasised the importance of preserving the Surrey brand within the Orbis partnership (East Sussex and Surrey County Council shared services). Upon discussing the importance of building a culture of coaching and restorative practice, Members urged the need to have manager champions, who would maintain the ethos as the HR service moved into a shared partnership with Orbis. It was agreed that a future item could be brought to the Scrutiny Board on the culture of restorative approaches in Orbis.

Further action/Information to be provided:

Officers to provide:

- Statistics about the number of cases that is resolved through restorative approaches.
- A briefing note on major changes made to HR policies, following the current period of review and refresh

Recommendations:

That the Council Overview Board would receive a future item on: Recruitment and retention, vacancy management, “looking after our staff” and equipping managers to deal with HR issues.

55/15 AGENCY WORKERS [Item 9]

Declarations of interest:

None.

Witnesses:

Carmel Millar, Head of HR&OD
Ken Akers, Strategic HR Manager
Indiana Pearce, Contract Manager

Key points raised during the discussion:

1. The report was introduced by the Strategic HR Manager, who summarised the usage of agency workers at Surrey County Council. He explained that agency workers were a key part of the evolving workforce, who could bring skills and expertise needed for short term vacancies.
2. It was stated that often one of the main aims when working with agency workers was to ultimately reduce turnover, by encouraging staff to become permanent. It was stated that agency work or bank contracts could be an attractive option as working hours were often flexible. Bank staff, on zero hour contracts were kept in a "pool" where they could be called upon by managers during times of short term demand.
3. It was highlighted that some agency staff had worked at Surrey County Council for five years or more. Some Members of the Board felt that long term use of agency staff could be demoralising and de-motivating to those employees, as they would not receive the same benefits that permanent staff received.
4. Members queried the true costs of appointing agency staff instead of permanent or fixed term contracts. They asked for further information about how agency staff salaries compared to those in a permanent positions.
5. The Chairman of the Economic Prosperity, Environment & Highways Scrutiny Board raised particular concerns about the use of agency staff in the Highways Service to fill vacancies following a number of reorganisations. Staff had provided anecdotal feedback that frequent changes in personnel led to a level of disruption and decreased morale. The Board stressed the importance of evolutionary change programmes and continuous improvement to avoid the need for frequent whole-scale restructures. It was agreed that the Board would make a recommendation to Cabinet, which is detailed at the end of this minute.
6. One Member stated that the organisation as a whole were not "anti agency workers", however it was concerning when whole teams were made up of agency staff. The Strategic HR Manager stated that with better workforce planning in the future, it was aimed that employees would receive stability and reassurance in their jobs.

7. There was a discussion regarding the national shortage of qualified and experienced child protection social workers and educational psychologists. It was noted that educational psychologists remain a small but essential part of the agency work force. There was also a recruitment campaign underway to recruit up to 15 new Social Care managers.
8. The Director of People and Development stated they are constantly looking at new strategies to improve the Human Resources team and are very pleased with the progress they have made in the last five years.

Actions/Further Information to be provided:

- Further figures to be provided showing comparable costs of agency staff across the Council, to provide an estimate of the “true cost” of an agency worker (including the implications if that member of agency staff was not in post).
- More information to be made available regarding the difficulty of recruiting Educational Psychologists
- A breakdown of roles recruited as agency staff in Business Services to be circulated to Members.

Recommendations:

- The Council Overview Board wish to recognise the work being undertaken by the HR&OD team to address issues related to the use of agency staff, and note the need and importance of agency workers in some circumstances
The Council Overview Board Recommend to Cabinet, that:
 - The frequency of reorganisation within the Environment & Infrastructure Directorate be considered and managed to avoid an impact on:
 - The morale and wellbeing of Highways staff
 - The ability of the service to carry out priority highway maintenance

56/15 EXCLUSION OF PUBLIC [Item 10]

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

57/15 IN PRIVATE PART 2 [Item 10a]

It was decided by the Board that this item would be postponed until the next Council Overview Board meeting due to timing.

58/15 PAY AND REWARD CONSULTATION [Item 11]

It was decided by the Board that this item would be postponed until the next Council Overview Board meeting.

At the close of the meeting, the Chairman thanked the Director of People & Development for her contribution, as it was her last meeting before retirement.

59/15 PUBLICITY FOR PART 2 ITEMS [Item 12]

60/15 DATE OF NEXT MEETING [Item 13]

2 December 2015.

Meeting ended at: 12.33pm

Chairman



Council Overview Board
2 December 2015

FORWARD WORK PROGRAMME AND RECOMMENDATIONS TRACKER

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

Recommendations:

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

Next Steps:

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

Report contact:

Helen Rankin, Scrutiny Manager

Contact details: 020 8541 9126, Helen.rankin@surreycc.gov.uk

Sources/background papers: None.

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Council Overview Board – Forward Work Programme 2015

28 January
2016

- Trust Funds
- Leadership Risk Register
- Budget Recommendations

2 March
2016

- HR&OD: Recruitment & retention, vacancy management, “looking after our staff” and equipping managers to deal with HR matters
- Cyber Security & IMT

13 April 2016

- Annual report of the Shareholder Board
- Property Strategy (including updated Strategic Asset Management Plan)

1 June 2016

- Carbon & Energy Policy (aspirations and step change measures)

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Council Overview Board
ACTIONS AND RECOMMENDATIONS TRACKER – UPDATE 28 October 2015

The recommendations tracker allows Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each meeting. 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. Please note that this tracker includes recommendations from the former Council Overview & Scrutiny Committee.

Recommendations made to Cabinet or other Scrutiny Boards

Date of meeting and reference	Item	Recommendations	To	Response	Progress Check On
5 November 2015	AGENCY STAFF	The frequency of reorganisation within the Environment & Infrastructure Directorate be considered and managed to avoid an impact on: <ul style="list-style-type: none"> • The morale and wellbeing of Highways staff • The ability of the service to carry out priority highway maintenance 	Cabinet	This will be presented to Cabinet at its December meeting	January 2016

Scrutiny Board and Officer Actions

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
4 June 2014	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	<p>At the Performance & Finance Sub Group meeting in September 2014, the HR Relationship Manager (Adults) advised that the Council were currently looking to appoint a partner to undertake benchmarking. At present, benchmarking was completed on an ad-hoc basis, but there were no systematic checks. It was agreed that data would be shared as and when it became available and that the decision regarding the partner chosen for benchmarking would be announced to the Committee as part of their Pay & Reward updates scheduled.</p> <p>The next scheduled update is in December 2015.</p>	December 2015.
3 October 2014	INTERNAL AUDIT REPORTS	The process for awarding the future agency staff contract to be shared with the Committee	Director of People and Development	A review of options has been completed and it has been agreed to retender under improved public procurement frameworks. There was consideration given to developing our own 'in-house' agency and it has been decided not to progress this approach given the level of	November 2015.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
				<p>investment, competitive market and changing demand patterns.</p> <p>SCC is now working with East Sussex as part of the Orbis partnership to jointly procure a new form of contract which allows the Councils to access cost effective mark-up rates, a wide talent pool of specialist and generalist agencies, to develop direct and productive relationships with key suppliers, whilst retaining the benefits of central control of costs and invoicing.</p>	
3 June 2015	REPORT OF THE WELFARE REFORM TASK GROUP	<p>A number of recommendations were made to Cabinet by the Welfare Reform Task Group.</p> <p>These recommendations were accepted and are being monitored by the Welfare Reform Task Group</p>		The Welfare Reform Task Group will present updates to Council Overview Board in due course	January 2016
1 October 2015	ANNUAL REPORT OF THE SHAREHOLDER BOARD	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 in April 2016.	Shareholder Board	This has been scheduled for April 2016	April 2016

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
1 October 2015	ANNUAL REPORT OF THE SHAREHOLDER BOARD	Receive progress update on Surrey Choices governance mechanisms and report to the Council Overview Board if necessary	Social Care Scrutiny Board/Shareholder Board	The Social Care Services Board have scheduled a review of Surrey Choices in late spring 2016.	March 2016
1 October 2015	PROPERTY STRATEGY	An item on Member engagement with the Strategic Asset Management Plan to be scheduled for local committee chairmen's group	Local Committee Chairmen's Group/Chief Property Officer	This has been scheduled for January 2016.	February 2016.
1 October 2015	PROPERTY STRATEGY	Confirmation sought on whether land purchases carried out by Hasley Garton Properties LTD (set up as a wholly owned SCC LATC) need to satisfy the well-being requirement introduced by the Local Government Act 2000.	Chief Property Officer	The Chief Property Officer is preparing a response.	January 2016
1 October 2015	CARBON & ENERGY POLICY	Provide the Council Overview Board with an update on review of business mileage, lump sum payments and any related incentives for staff	Head of Property/Director of People and Development	An item on reward strategy will be included on the 5 November agenda.	November 2015
1 October 2015	CARBON & ENERGY POLICY	An update to be provided on the savings achieved from the light dimming initiative.	Energy Manager	To be provided in the next report to Council Overview Board	April 2016
1 October 2015	CARBON & ENERGY POLICY	Report back to the Board following the SE7 Energy Managers Group meeting, to highlight any best practice.	Energy Manager	To be reported after the next SE7 Energy Group meeting	December 2015
1 October 2015	CARBON & ENERGY POLICY	Include aspirational and step change measures in a future report to the Board	Energy Manager	To be included as part of the next report to Council Overview Board	June 2016
1 October 2015	BUDGET MONITORING	Receive further information about the breakdown within Central Income & Expenditure in future reports	Deputy Chief Finance Officer	This will be included as part of the next budget monitoring paper	January 2016

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
1 October 2015	BUDGET MONITORING	Include recruitment/vacancy statement in future HR&OD item	Director of People & Development	This has been scheduled for March 2016.	December 2015
1 October 2015	BUDGET MONITORING	Resident Experience Board to scrutinise Local Committee budgets and report back to the Council Overview	Chairman of Resident Experience Board	The recommendation has been taken up by the Resident Experience Board's Performance & Finance Sub Group	December 2015.
5 November 2015	HR&OD SERVICE	Officers to provide statistics about the number of cases that are resolved through restorative approaches	Head of HR Operations		December 2015
5 November 2015	HR&OD SERVICE	A briefing note to be circulated on major changes made to HR policies, following the current period of review and refresh	Director of People & Development	A briefing note will be included with the HR&OD papers in March 2016.	March 2016
5 November 2015	AGENCY STAFF	Further figures to be provided showing comparable costs across the Council, to provide an estimate of the "true cost" of an agency worker (including the implications if that member of agency staff was not in post).	HR Relationship Manager	A briefing note is being prepared and will be circulated by the end of the year.	December 2015
5 November 2015	AGENCY STAFF	More information to be made available regarding the difficulty of recruiting Educational Psychologists	HR Relationship Manager	As above.	December 2015
5 November 2015	AGENCY STAFF	A breakdown of roles recruited as agency staff in Business Services to be circulated to Members	HR Relationship Manager	As above.	December 2015

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Council Overview Board

2 December 2015

Financial Prospects for the Medium Term Financial Plan 2016-2021

Purpose of the report: This report updates Members on the latest financial prospects for the period of the Medium Term Financial Plan, ahead of development of the formal budget for 2016/17 in February 2016.

Background:

Significant work has taken place to update the financial prospects for the council for the next Medium Term Financial Plan (MTFP 2016-21), Since Cabinet considered the refresh of the MTFP 2015-20 on 29 July 2015.

The Council's formal budget will be developed and presented to Cabinet in February 2016.

Financial Prospects for the Medium Term Financial Plan:

On 24 November the Cabinet received a report on the "Financial Prospects for the Medium Term Financial Plan". The Council Overview Board are asked to scrutinise the report, included at Annex A.

It should be noted that the Chancellor of the Exchequer will publish his Spending Review on 25 November 2015 and that financial planning assumptions may alter subsequently. A supplementary briefing will be circulated ahead of 2 December.

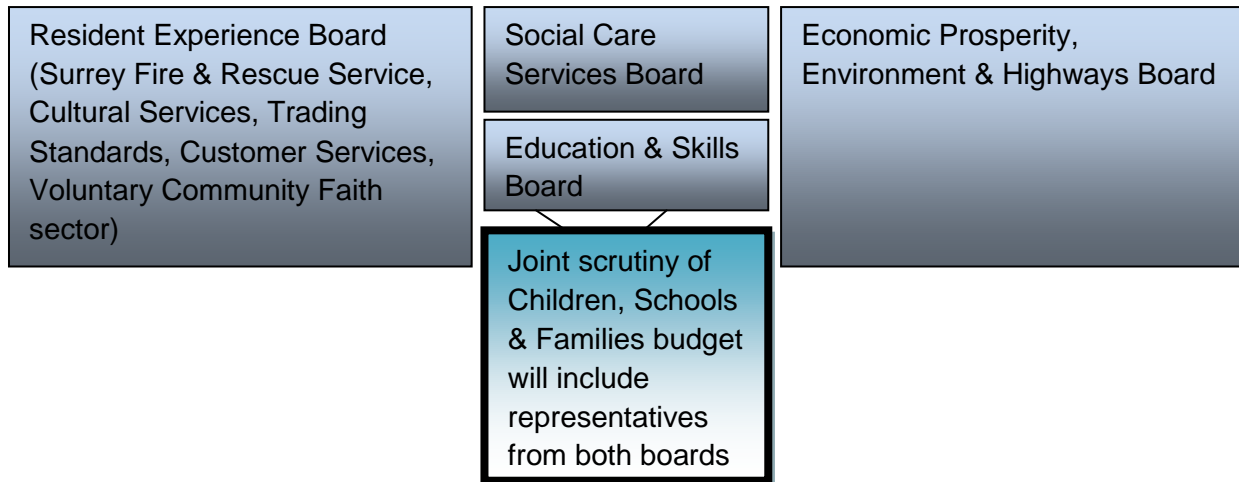
Finance and Budget Monitoring

The council takes multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. Council Overview Board has decided to scrutinise budget monitoring papers on a quarterly basis, with the next full update due in January, presenting the council's financial position as at 31 December 2015 (month 9). The latest papers (month 7) can be found here:

<http://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=120&MId=3702&Ver=4>

Role of scrutiny:

As of May 2015, all of the Council's scrutiny board's have established their own Performance & Finance Sub Groups*:



*Excluding the Wellbeing & Health Scrutiny Board and Council Overview Board who have decided to undertake scrutiny at the formal public meetings.

During December 2015 and January 2016, the Scrutiny Board's will be considering information on funding, pressures and savings with a view to forming recommendations. Scrutiny Boards will then report their comments and findings to the Council Overview Board on 28 January, and formalise any recommendations before putting them to Cabinet.

Next Steps:

- Scrutiny Officers to schedule Performance & Finance Sub Group meetings
- Scrutiny Board chairmen to report findings of sub groups to Council Overview Board on 28 January 2016.

Recommendations:

The Council Overview Board is asked to consider the report at Annex A and decide whether it wishes to make any recommendations to Cabinet.

Report contacts:

Helen Rankin, Scrutiny Manager, 020 8541 9126, Helen.rankin@surreycc.gov.uk



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Kevin Kilburn, Deputy Chief Finance Officer, 020 8541 9207, Kevin.kilburn@surreycc.gov.uk

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SUMMARY OF ISSUE

Significant work has taken place to up-date the financial prospects for the council for the next Medium Term Financial Plan (MTFP 2016-21), since Cabinet considered the refresh of the Medium Term Financial Plan (MTFP 2015-20) on 29 July 2015. This report updates Members on the latest financial prospects for this period ahead of development of the formal budget for 2016/17 in February 2016.

RECOMMENDATIONS

1. Notes that the Chancellor of the Exchequer will publish his Spending Review on 25 November 2015 and that financial planning assumptions may alter subsequently, meaning development of a formal draft budget is not sensible at this stage [Paragraph 7];
2. Notes the strategic financial challenge that the council faces, specifically:
 - the significant, growing and non-controllable demand for services delivered by county councils (in particular adult and children's social care) [Paragraph 9];
 - that the failure to fund, and therefore protect these services, will lead to very significant cost consequences on the health sector finance pressures [Paragraph 10];
 - that while county councils in two-tier areas have the responsibility for delivering high demographic non-controllable demand services, they do not have the full range of options that are available to unitary local authorities to raise funding through other services (e.g. parking charges) [Paragraph 11];
 - that county councils are further disadvantaged by the Government's apportionment ratios for allocating funds within the local government sector [Paragraph 12];
 - that county councils have to, therefore, put greater reliance on Council Tax to fund services [Paragraph 12];
 - that Surrey County Council has one of the lowest government funding per head of all upper tier local authorities [Paragraph 16];

3. Notes the effectiveness of the strategic actions the council has taken over recent years to manage the financial challenge, in particular:
 - that the loss of Government grants since 2010/11 (£93m) is greater than the increase in Council Tax (£80m) over the same period [Paragraph 17];
 - the successful delivery of £329m of efficiencies since 2010/11 (forecast to rise to £396m by the end of 2015/16) through continual improvement in processes and significant transformational change [Paragraph 19];
 - that the level of efficiencies gained since 2010 effectively off-sets the increased service pressures over the same period (efficiencies total £396m and pressures total £382m between 2010/11 and 2015/16) [Paragraph 20];
 - the improved efficiency across many key services, resulting in reduced unit costs [Paragraph 20];
4. Notes the consequences of the strategic actions taken:
 - that the current level of efficiencies is not sustainable and that, without additional funding, services will have to be cut [Paragraph 21];
 - that the combination of high level demand pressures and Government grant loss has led the council to, reluctantly, adopt the strategy of increasing Council Tax at just below referendum levels for the last four years in order to sustain services to residents of Surrey [Paragraph 23];
5. Notes the council's overall preliminary financial position, in particular:
 - the high level of forecast revenue savings (£28.5m) still to be identified in order to set a balanced and sustainable budget for 2016/17 [Paragraph 31];
 - that the capital programme exceeds that which is affordable in view of the revenue costs of the additional long term borrowing requirement [Paragraph 36];
 - the work that senior officers are progressing to identify further savings to enable a total package of savings can be brought forward for consideration by Scrutiny Boards [Paragraph 32];
6. Notes that, at this point, the council is not clear how it will meet its duty to set a balanced budget and maintain an adequate level of reserves [Paragraph 44];

REASON FOR RECOMMENDATIONS:

In setting the MTFP (2015-20) in February 2015, the council recommended this was reviewed and refreshed in July 2015. Following the refresh, the Cabinet requested a report be submitted to its November 2015 meeting which provided an update on financial prospects for the Council for the next MTFP (2016-21). This will ensure early transparency ahead of the Cabinet meeting on 2 February 2016 that will formally recommend the budget for 2016/17 to full County Council on 9 February 2016, and enable the Cabinet to:

- give full consideration of strategic financial challenge faced by the council and the potential consequences, and;

- consider the views of Scrutiny Boards in relation to the budget changes required to deliver the savings the county council will need to make over the period 2016-21.

Cabinet advises the full County Council how best to meet the challenges the council faces and these proposals will aim to ensure the council continues to maintain its financial resilience and protect its long term financial position.

DETAILS

Introduction

1. This report provides an update to Cabinet on the strategic challenges facing the council in developing its MTFP (2016-21), including the revenue budget and the Capital Programme.
2. The current five-year MTFP (2015-20) was approved by full County Council on 10 February 2015. This included an annual total revenue budget of approximately £1.7bn, and a capital programme of £696m. Since the MTFP was approved, a General Election has taken place and on the 7 May 2015 a new majority Conservative Government was formed. Following the election, Cabinet considered a refresh of the MTFP (2015-20) on the 29 July 2015. The refresh report identified that the council would have to address a shortfall in funding in 2016/17.
3. In light of the significant financial challenge facing the council, Cabinet requested an update on the budget position for the next MTFP (2016- 21) at its 24 November 2015 meeting setting out the financial prospects for the budget for 2016/17 and beyond.

Economic and Public Expenditure Background

4. On 25 November 2015, the Chancellor of the Exchequer is due to announce the 2015 Autumn Statement and publish the 2015 Spending Review. This is expected to set out, at a high level, how the Government intends to eliminate the budget deficit over the period to 2019. In addition, the Chancellor has also announced a review of business rates and its full retention by local government later in this Parliament. This is likely to involve phasing out the Revenue Support Grant and possibly other grants also, and may involve transferring additional responsibilities to local government to be funded from the business rate retention.
5. The November announcements are expected to give an indication of the Government's policy direction and the national quantum of funding available. However, the council will not know with any certainty how much funding it will receive for 2016/17 until the Provisional Local Government Finance Settlement is announced, likely around mid or late December 2015.
6. Further, it is known that Central Government departments have been preparing budgets involving between 25-40% cuts in the last few months and recent media news indicates that some departments have agreed reductions of 30%; including the Department for Local Government and Communities (DCLG), and Department for Transport. Together with other departments who provide funding for council services, such as social care, that the Government have indicated are not protected from expenditure cuts in the

Spending Review, significant reduction in Government support can be anticipated. At the same time, the council faces significant increases in demand for both these services.

7. With the scale of the emerging challenges facing the council and the significant changes to how local government will be funded expected, budget and financial planning work will focus on 2016/17 and include indicative figures for a further four years. Given these uncertainties, a meaningful draft budget would not be possible at this time.

Pressures, Funding, and Savings (2016-21)

Strategic challenges facing the County Council

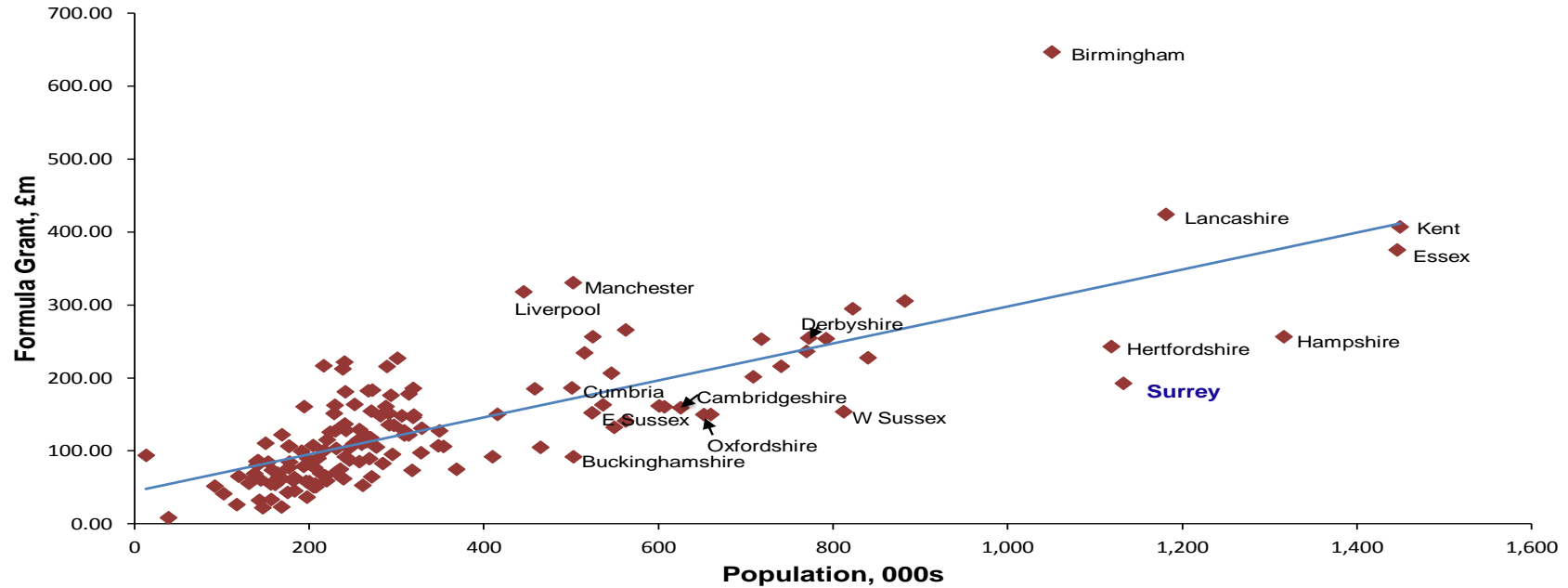
8. Since the Spending Review in 2010, the council has faced unprecedented increases in the demand for key services as a result of non-controllable demographic demand. This has been at the same time as significant reduction in funding from Government grants.
9. While funding has reduced since 2010, county councils in two-tier areas, such as Surrey, are facing significant and growing demographic demand for services, particularly, although not exclusively, adult social care. In Surrey, a growing population as a result of our highest ever birth rate and people living longer is driving demand for services at both ends of the age spectrum – something neither the council nor Government can control. By 2020 there will be 20,000 more older people in Surrey, with older people making up a fifth of our population. Every year in the recent past and looking ahead, this demographic demand for adult social care amounts to an additional pressure to spend £20 million – or the equivalent of uplift in Council Tax by 3.5%. Taking 2010/11 as the baseline, the council's spending pressures increased by £382m over the five years to 2015/16. This is forecast to continue in 2016/17 with the increase in next year's budget reflecting the need to:
 - care for a 4% increase in numbers of vulnerable adults as Surrey's population ages;
 - provide 3,200 school places for Surrey's growing number of children; and
 - maintain and repair Surrey's highways network, one of the most heavily used in the UK.
10. High cost services, such as adult and children's social care that county councils provide have an impact on other public services, especially health. For example, the provision of social care can prevent or delay the health emergencies that lead to increased hospital admissions. Therefore, the failure to fully fund the growth in demand pressures, particularly in social care, will lead to increased costs faced by other public services, particularly health.
11. Further, while county councils in two-tier areas have responsibility for delivering high demand services such as adults and children's social care, they do not have the full range of options that are available to unitary local authorities to raise funding through other services (e.g. parking charges). This makes it more challenging for county councils in two-tier authority areas to manage demand pressures through funding generated from other services.
12. County councils are also disadvantaged by the Government's apportionment ratios for allocating funding streams within the local government sector. This mismatch does not incentivise the infrastructure investment needed to support housing and local economic

growth (e.g. in highways and school places for which the County has responsibility). Nor does it recognise where demand pressures and responsibilities are greater.

13. The consequence of this is that county councils generally have to put greater reliance on Council Tax to fund services. However, the reduction in Government grants since 2010 exceeds the additional funding raised through Council Tax over the same period meaning that additional Council Tax funding has simply been replacing Government funding, rather than meeting the cost of growing demand for services. This has increased even further the council's already high gearing towards a reliance on Council Tax to fund services. Specifically, over 60% of Surrey County Council's net funding is from Council Tax.
14. The Government have recently announced a review of the Business Rate Retention Scheme. The stated intention is to achieve 100% local authority retention of business rates by the end of this Parliament. However, the details of how this will operate are yet to be developed.
15. Figure 1 below shows the distribution of central grant per head of population for upper tier authorities. The line on the chart indicates that funding reflects the average funding per head, meaning any authority below the line receives less funding. The authority furthest below the line receives the lowest amount of central grant per head of population. Those furthest above the line receive the highest amount of central grant per head of population. Figure 1 uses 2013 data, although the relative amounts have not changed significantly since then and clearly illustrates that Surrey receives the lowest Formula Grant support per head of any county area and the third lowest of all English upper tier areas. As a consequence, Surrey has been disproportionately dependent upon Council Tax funding compared to many councils.

Figure 1: Formula Grant Distribution to Upper Tier Local Authorities (2013)

Formula Grant distribution to English upper tier local authority areas



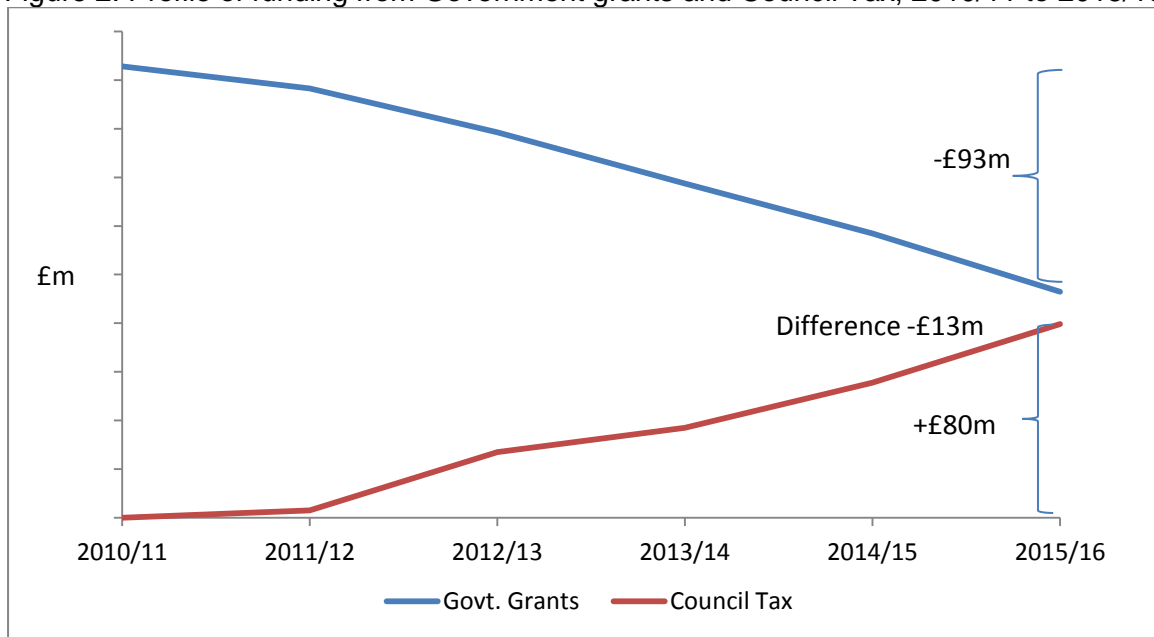
Surrey residents receive the lowest Formula Grant support per head of any county area and the third lowest of all English upper tier areas.

16. Amongst upper tier authorities (county, metropolitan and unitary councils), Surrey County Council receives one of the lowest settlements in central grant when the population of the County is taken into account. That is to say, Surrey County Council is the lowest funded per head of population. The effect of this grant to Council Tax funding gearing ratio means that the council faces much greater pressure on its Council Tax than other upper tier authorities.

Surrey County Council’s strategic actions to manage the financial challenges and the consequences

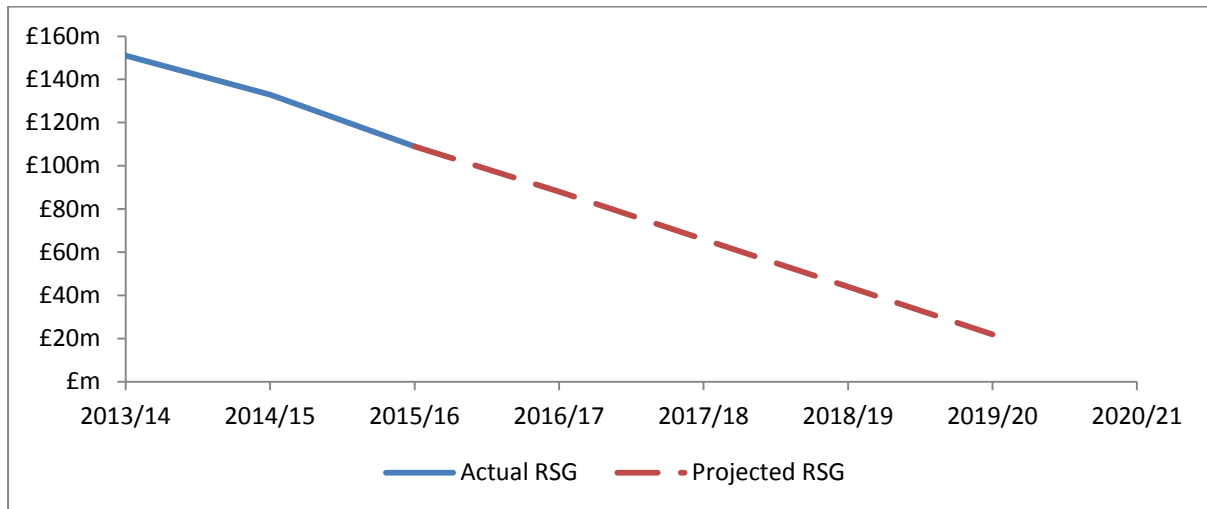
17. Taking 2010/11 as the baseline, the reduction in government grants to 2015/16 totals £93m. Over the same period, Surrey County Council has, reluctantly, adopted a Council Tax strategy that has led to a Council Tax uplift of just under the referendum level. This has been to sustain key services for the residents of Surrey. Figure 2 shows how the profile of funding from government grants and Council Tax has changed over the last five years: i.e. that by 2015/16 £80m more funding comes from Council Tax and £93m less from government grant than did in 2010/11.

Figure 2: Profile of funding from Government grants and Council Tax, 2010/11 to 2015/16



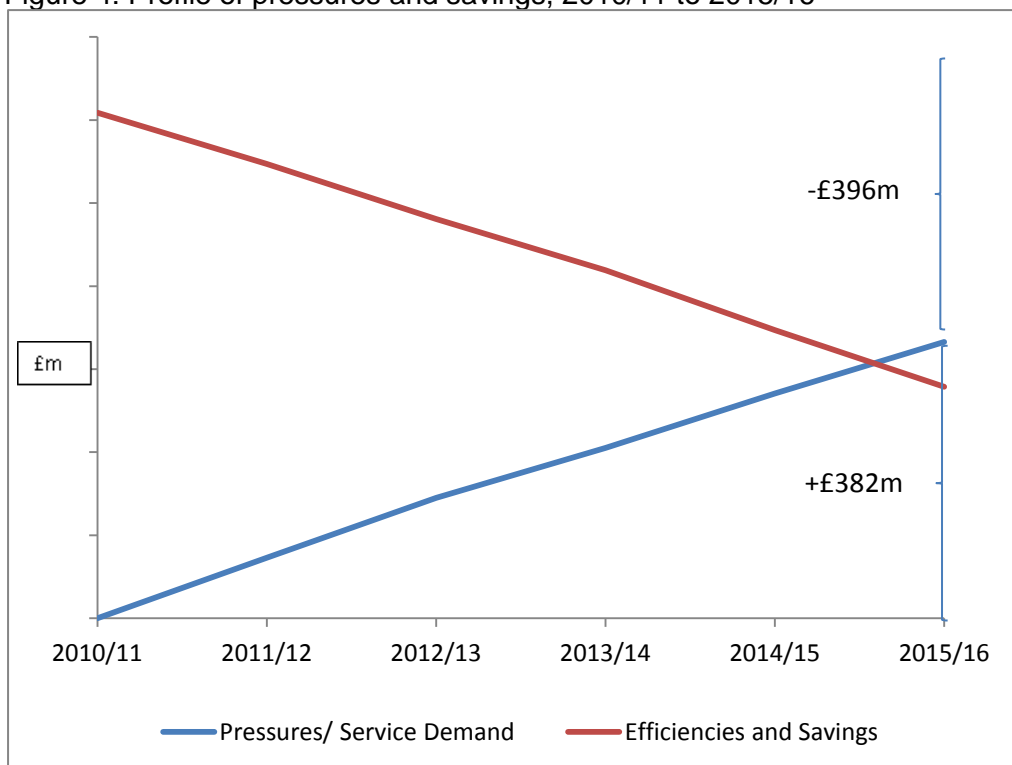
18. Based on the information which has been announced to the media by the Government about its plans for spending and grant funding over the next four years and the 2015 Budget Statement, it is clear that funding will continue to reduce significantly. Figure 3 illustrates the projected future position facing the council in terms of the reduction in central government grant outlined in the March 2015 Budget Statement. This grant is projected to be very small by the end of the MTFP (2016-21) period.

Figure 3: Projected Revenue Support Grant 2015 to 2020



19. Over the five year period that these demand pressures have increased, the council has mitigated these demand pressures through a programme of efficiencies and savings that has reduced the unit cost of many services. Since 2010, the council has reduced its annual value of expenditure by £329m, with an additional £67m planned for 2015/16 bringing the total to £396m. This is an average of £66m every year (or £180,000 every day). Figure 4 below shows that despite an intensive programme of efficiencies and continual improvement initiatives to reduce unit costs, the council has only marginally exceeded the increases in demand across the same period.

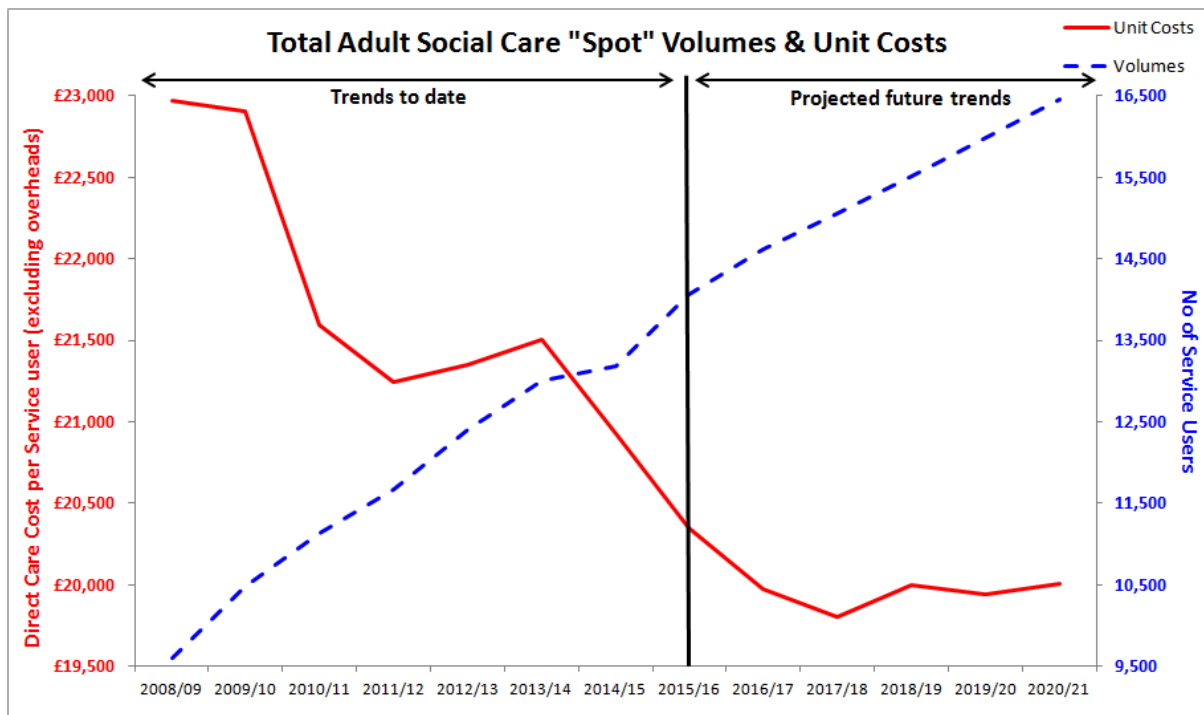
Figure 4: Profile of pressures and savings, 2010/11 to 2015/16



20. To achieve these savings the council has focused on reducing unit costs. An example, shown in Figure 5 below demonstrates that while the council has reduced the unit costs of delivering adult social care up to 2015/16, the gains have been offset by the increase in volumes as a result of demographic changes of an ageing population.

21. Continuing this rate of unit cost reduction is unlikely to be possible, while demand pressures are forecast to continue upwards.

Figure 5: Adult Social Care Unit Costs and Client Volumes (2008/09 to 2020/21)



22. In summary, over the last five years, the council has just managed to meet the service and demographic pressures it has faced (£382m) through delivering an extensive efficiency programme (£396m). Over the same period the council has lost £93m of government grant and has had to adopt a strategy of increasing Council Tax (total £80m) to prepare a balanced budget and sustain services to the residents of Surrey.

23. The outlook for the next few years, where demographic demands are expected to continue to rise and government grants are expected to continue to reduce, is challenging. The council will not be able to sustain the same level of efficiencies in future. Also, the future spending pressures can only continue to be met if some services are cut or if the council is able to increase its Council Tax to sustain funding these services for vulnerable residents.

24. In figure 6 below the scale of the key spending challenges for non-controllable demographic demand in terms of Council Tax equivalent uplift is illustrated. There are also some cost pressures which arise from new measures being introduced in 2016/17 by the Government. A significant example of this is the additional costs anticipated from the introduction of the Unified State Pension which affects the council as the National Insurance increase.

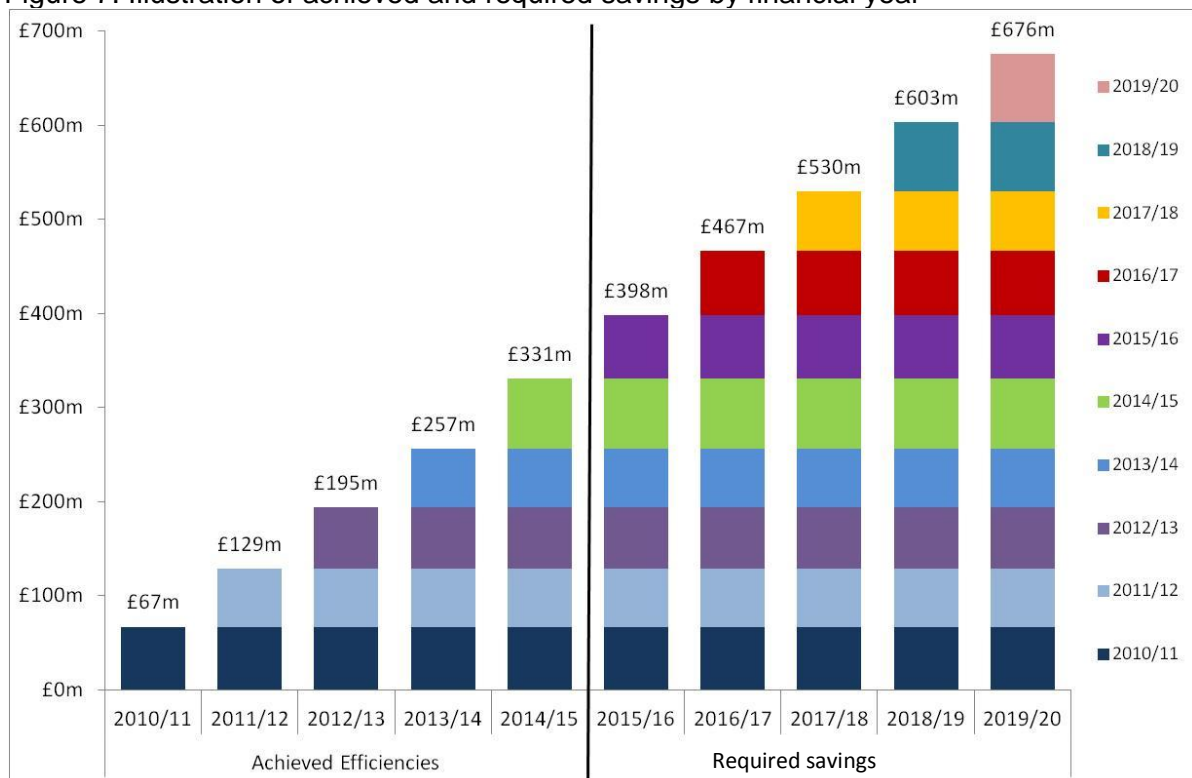
25. A 1% uplift in the Council Tax level yields an additional £6m of funding for the council.

Figure 6: Illustrations of Council Tax equivalents for key demographic demand and other uncontrollable pressures

	Budget Pressure 2016/17 £m	Council Tax Equivalent %
Key demographic demands		
Adult Spot care	20.0	3.5%
Children's services	7.5	1.5%
School Places borrowing (net cost)	2.5	0.5%
	<u>30.0</u>	<u>5.0%</u>
Examples of other non-controllable pressures:		
National Insurance Contributions	6.0	1.0%
Adult Social Care Inflation	6.0	1.0%

26. In summary, despite a five year intensive efficiency programme and continual improvement initiatives to reduce unit costs, the council requires further savings to meet the cost of rising demand for its services. Figure 7 shows efficiencies delivered since 2010/11 and future savings requirements.

Figure 7: Illustration of achieved and required savings by financial year

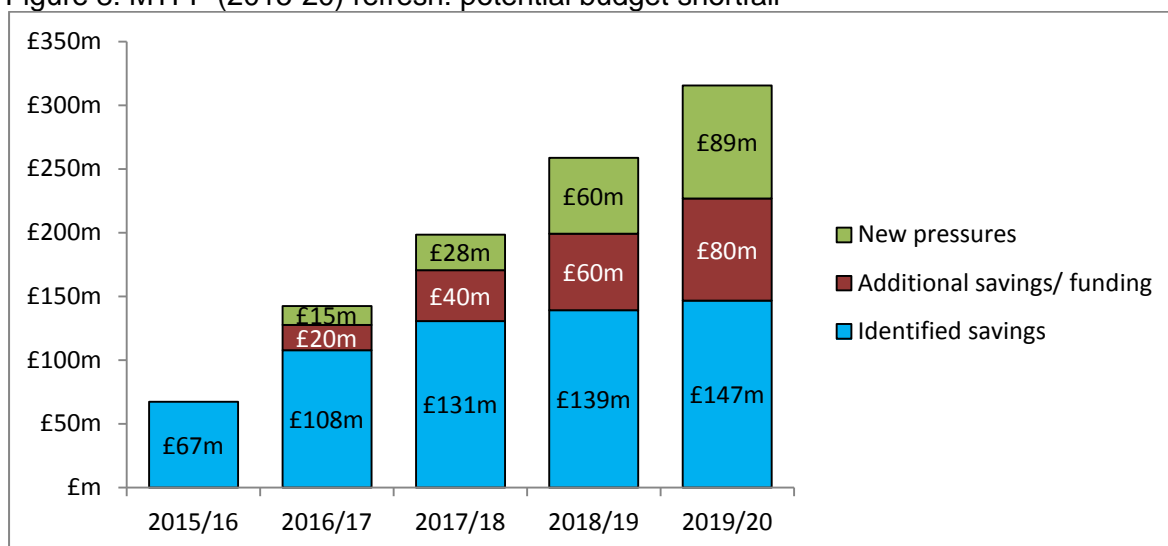


Preliminary financial position for the MTFP (2016 to 2021)

27. Cabinet received a report on 29 July 2015 on MTFP (2015-20) which refreshed the current plan and provided a forecast of expenditure and funding for 2016/17 forward to 2019/20. This was based on the latest information on service spending against 2015/16 budgets which included any budget pressures which had been identified and provided the latest forecast of resources including central funding, specific grants and other income such as fees and charges etc.

28. In July 2015 the refreshed MTFP (2015-20) identified a potential revenue budget shortfall of £35m in 2016/17 arising from new budget pressures of £15m plus a £20m shortfall in resources. Figure 8 below shows how, back in July, the potential revenue budget shortfall was expected to grow over the four years from 2016/17 to 2019/20 to £169m.

Figure 8: MTFP (2015-20) refresh: potential budget shortfall



29. Since 29 July 2015 significant work has been done to update the financial prospects for the council, including Cabinet and senior officers reviewing funding assumptions; the scale of demographic pressures and the efficiency programme. All Members have been kept up to date on progress through regular briefings by the Chief Executive and the Director of Finance.

30. The measures being undertaken to determine a balanced and sustainable medium term budget are based on the current year's budget being delivered within resources and the savings targets for future years being achieved. In addition, new models of delivery for services are being assessed and compared with other similar authorities, while at the same time the council continues to make the case to Central Government on the need for greater resources to meet the rising demographic demand.

31. The current financial position is shown below in figure 9. This takes into account the reductions in government funding, restrictions on Council Tax uplift, the rising demand and the measures undertaken to make further savings.

Figure 9: Draft forecast MTFP 2016/21

MTFP 2016-21	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
MTFP forecast income	-1,658.2	-1,654.4	-1,650.3	-1,647.3	-1,648.7
MTFP forecast expenditure	1,686.7	1,694.7	1,715.4	1,712.2	1,716.2
MTFP 2016-21 shortfall	28.5	40.3	65.1	64.9	67.5

32. Officers are preparing further savings action plans to develop a balanced and sustainable budget. The complete package of savings will be brought forward in the New Year together with detailed service budgets for submission to Cabinet for approval on 2 February 2016. The budgets will link to services' strategic plans approved by Cabinet. The budget timetable shown in paragraph 57 provides a summary of the key steps in the budget process.

Capital Programme

33. Capital investment in school places has increased from £54m to £75m per year. The current plans are to invest an additional £285m to create 13,000 school places, of which borrowing could be £180m depending on the level of government support through grant funding. The revenue cost of borrowing for this essential capital investment in the 2016/17 budget is £2.5m, which equates to just under 0.5% of Council Tax. The revenue cost of this borrowing on future years' revenue budgets could be up to £7m per year by 2021, which equates to just over 1.0% of projected Council Tax.

34. The council will review demand for school places beyond 2017/18 annually and reflect it in the capital programme. Along with other local authorities, the council is seeking further support from Central Government to meet the increased demand for school places. A key element of this is working with the Government and other interested parties in the creation of free schools that will help to provide the places for the rising number of school aged children.

35. The road network in Surrey has some of the highest traffic volume usage in the country caused by its proximity to London and the need for many travellers to pass through the county. Government allocates capital funding on the basis of road length rather than use or traffic volume. Therefore, this critical factor does not attract Government capital funding.

36. The current capital programme totals £744m over the next five years. The revenue costs of financing the borrowing necessary to fund this programme will be £18.5m by 2019/20. This is the equivalent of 3% of Council Tax, the cost of which is included in the funding shortfall figure contained in Figure 9 above and exceeds that which is currently affordable.

37. An updated Capital Programme (2016-21) with proposals for reductions will be brought forward to Cabinet following the review in the New Year.

Budget Risks and Uncertainties

38. There are significant risks and uncertainties in developing the MTFP 2016-21. These include:

- the details of the Spending Review 2015 and the Local Government Financial Settlement 2015;
- the on-going effectiveness of the efficiencies and savings programme;
- the on-going uncontrollable growth in demographic demands on key services;
- the impact of 100% business rates retention.

Reserves and Balances

39. The uncertainties and risks associated with the next MTFP will require the council to hold adequate reserves and balances to ensure financial stability and sustainability. If the council does not maintain adequate reserves and balances it may expose it to risks of unexpected events and shocks leading to the necessity of identifying budget cuts to services in year to restore council finances.

40. In recent years it has been considered prudent to maintain the council's minimum level of available general balances between 2.0% to 2.5% of the sum of Council Tax plus settlement funding, i.e. £16m to £20m. This is normally sufficient to cover unforeseen circumstances and the risk of higher than expected inflation.

41. An updated forecast of the anticipated level of reserves and balances as at 31 March 2016 will be reported in the budget report to Cabinet on 2 February 2016.

Budget Scrutiny and Consultation

42. A complete package of budget proposals will be brought forward to Cabinet in the New Year which will enable a balanced and sustainable budget to be set for 2016/17. Cabinet will request that Scrutiny Boards scrutinise the proposals from the beginning of December 2015 and provide their comments for Cabinet and Council to consider prior to approval.

43. The Leader, Deputy Leader, Chief Executive and Director of Finance will be meeting during January with key partners and stakeholder groups, including representatives of Surrey's business community, voluntary sector, community groups, faith groups and trade unions. The feedback from these meetings will be incorporated in feedback to Cabinet and Scrutiny Boards in the New Year.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

44. As a local authority and the steward of public money, the council is required to ensure that the 2016/17 budget is balanced and sustainable in the medium term. As this report shows, further work and decisions are required for this position to be reached.

45. The council must also maintain adequate reserves and balances to ensure that it can meet the financial consequences of unanticipated events and known liabilities.

SECTION 151 OFFICER COMMENTARY

46. This report is a preliminary report setting out the strategic and major financial issues facing the council.
47. As required by the Local Government Act 2003, Section 25, the Director of Finance will provide a separate report in the report to Cabinet on the 2 February 2016 when the Council recommends its budget and Council Tax precept to Council. The report will consider the robustness of the estimates for the budget calculations for 2016/17 and the adequacy of the financial reserves.

LEGAL IMPLICATIONS – MONITORING OFFICER

48. The review of the financial prospects is a part of the development of the MTFP 2016 – 2021 which, in turn, will be incorporated into the final budget setting report which Cabinet will consider on 2 February 2016 in order that Cabinet can recommend the level of Council Tax for 2016/17, the MTFP (2016-21) and Capital Programme (2016-21) to Full County Council for approval on 9 February 2016.
49. The Council has a duty under the Local Government Finance Act 1992, as amended by the Localism Act 2011 to calculate its Council Tax requirement for the following financial year. The Act also permits the Secretary of State to define what level of Council Tax is deemed excessive and requires a local referendum to be held by the Council in the local area if the proposed increase would be excessive. Each year the Secretary of State has to seek approval of the House of Commons to apply the measure for the level of Council Tax in the following year.

EQUALITIES AND DIVERSITY

50. In approving the budget and the Council Tax precept, the Cabinet and Full County Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to:
- “eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”
51. To inform decision making, an analysis of the potential impact of the proposals set out in the MTFP (2016-21) on Surrey’s residents with one or more of the protected characteristics identified by the Equality Act 2010 will be made available at the meeting of the council’s Cabinet on 23 March 2016. This analysis will also set out the actions that the council is taking, or will undertake, to mitigate any negative impacts that could arise.
52. The equality impact analysis undertaken for the proposed MTFP (2016-21) will build on the analysis of savings in the MTFP (2015-20). It will include full assessments of new

savings proposals and further analysis of proposals where there is a significant change from those presented previously.

53. The analysis will include an overall council wide analysis and a summary of the implications of the proposals for each service. Detailed analysis, undertaken through Equality Impact Assessments, will be made available on the council's website.
54. Where Cabinet is required to take specific decisions about the implementation of savings proposals, additional equalities analysis will be presented at the point where a decision is made. This will be submitted alongside relevant Cabinet reports. Services will continue to monitor the impact of these changes and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

WHAT HAPPENS NEXT

55. The following are the key dates in the budget process:

Chancellor announces Autumn Statement	25 November 2015
2015 Spending Review published	25 November 2015
Provisional Local Government Finance Settlement	Mid December 2015
Notification of specific grants	Dec 2015 - Jan 2016
Final Council Tax base information received from districts and boroughs	31 January 2016
Scrutiny of Budget Proposals	} From early Dec 2015
Resident Experience Board	
Education Skills Board	
Social Care Services Board	
Economic Prosperity, Environment & Highway Board	
Health & Wellbeing Board	
Council Overview Board	
Final Local Government Finance Settlement	End January 2016
Cabinet considers final budget proposals	2 February 2016
Full Council approves 2016/17 Budget and Capital Programme	9 February 2016

Contact Officer

56. Sheila Little, Director of Finance.
Tel 020 8541 9223

Consulted

57. Cabinet, Scrutiny Boards, all County Council Members, Chief Executive, Strategic Directors,

Sources and background papers:

- Budget working papers
 - Spending Review 2013 (26 June 2013)
-



Council Overview Board
2 December 2015

Pay and Reward Consultation

Purpose of the report: Policy Development and Review

The Scrutiny Board will be presented with the next stages of the Pay & Reward Consultation.

Background:

The Council Overview Board (previously Council Overview & Scrutiny Committee) has been undertaking a long-term piece of scrutiny and policy development regarding the Council's pay and reward strategy, since July 2013.

In July 2014 the Scrutiny Board took part in a private workshop, brainstorming with officers around the concept of pay and reward.

Further consultation has been undertaken with the Scrutiny Board, including a Reward Strategy data review in January 2015.

Recommendations

The Scrutiny Board are asked to consider the presentation that will be provided by officers in HR&OD, at a private Part 2, section of the meeting on 2 December 2015.

Next steps

The Scrutiny Board will continue to be consulted, with an additional pay and reward workshop planned for May 2016, ahead of a decision being made by the People, Performance & Development Committee.

Report contact: *Helen Rankin, Scrutiny Manager*

Contact details: *020 85419 126*

Sources/background papers: *N/A*

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