

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 28 January 2016 at County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Board at its meeting on Wednesday, 2 March 2016.

Elected Members:

- * Mr Steve Cosser (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

Substitute Members:

Richard Wilson
Chris Pitt

1/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Zully Grant-Duff and Bill Chapman.

Richard Wilson substituted Zully Grant-Duff and Chris Pitt substituted for Bill Chapman

2/16 MINUTES OF THE PREVIOUS MEETING: [Item 2]

The minutes of the previous meeting were approved as a true record of the meeting.

3/16 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/16 QUESTIONS AND PETITIONS [Item 4]

There were none.

5/16 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD [Item 5]

The Cabinet response was noted.

6/16 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

1. The Chairman drew attention to the forward work programme for March and stressed the importance of receiving further information regarding the Strategic Risk Register to update the work programme.
2. Property Strategy – The focus would be on investments, looking at the original objectives of the investment strategy and progress against them. This was scheduled for April.
3. Shareholder Board: It was noted that the External Auditor's review of Surrey Choices would be going to Audit & Governance Committee in February. The Chairman would consider how scrutiny should be involved and planned to meet with the Chairman of Audit & Governance (Stuart Selleck) to discuss, amongst other things, the respective roles of security Boards and the Committee.
4. It was agreed that the Board would trial an information bulletin to share information about some of the issues currently included in the recommendations tracker.

7/16 BUDGET MONITORING [Item 7]

Declarations of Interest:

None

Witnesses:

David Hodge, Leader of the Council

Kevin Kilburn, Deputy Chief Finance Officer

Key points raised in the discussion:

1. The Deputy Chief Finance Officer introduced the report by explaining that Scrutiny Boards had met with finance officers, Cabinet Members and senior officers to understand the financial prospects regarding the upcoming year for the Council. It was explained to the Board that during recent Sub-Group meetings the key challenge was for all services to analyse different systems and processes in order to save 1.5% per year.
2. The Leader of the Council stated that the final budget figure for 2016 would be finalised on Tuesday 9th February 2016. In addition to this he stated that Members of the Board should endorse in the budget plan. It was noted that the Chief Executive, Leader and Service managers would stop all non-essential spending.

3. A Member of the Board questioned how the overspend would be reduced over the next year, and it was noted that this could be achieved by delaying main property maintenance and recruitment of staff.
4. The Board noted the report.

8/16 REVENUE & CAPITAL BUDGET 2016/17 TO 2020/21 [Item 8]

Declarations of interest:

None

Witnesses:

David Hodge, Leader of the Council
Kevin Kilburn, Deputy Chief Finance Officer

Key points raised in the discussion:

1. The Chairman of the Board introduced and thanked the Deputy Finance Officer for the final report. Members expressed disappointment at the lateness of papers and agreed that it was difficult to digest them in a short amount of time. The Leader of the Council stated that the figures were changing daily and no information was available until the 17th December 2015. In addition to this he stated that there could potentially be a 3.99% increase in Council Tax. An increase in Council Tax was considered by some Members to be the only feasible way to fund the increasing demand in order to keep running statutory services. It was noted that this report was part of an ongoing process and the Board would continue to have a role in scrutinising budgets. It was highlighted to the Board Members that no decisions would be made until the final financial settlement had been agreed.
2. The Board were informed by the Leader of the Council that Surrey County Council was currently awaiting the outcome of a request for a £20 million transition funding grant to be agreed by the government. A Member of the Board questioned the outcome of the financial state if Surrey County Council does not receive the transitional funding of 20 million. The Leader of the Council stated that an emergency Cabinet meeting would be arranged if the additional funding was not received.
3. The Deputy Chief Finance Officer informed the Board that the overall figure of savings needed in the next financial year was £85million. Members expressed great concerns over the sum and there was a discussion regarding ways in which savings could be made. A Member stated that Surrey residents provide the second largest amount of taxation in the Country and local taxation should be spent on local residents.

4. The Chairman of the Council Overview Board invited the Chairmen of each Scrutiny Board to comment on the current financial situation for the services within their remit. The Chairman of the Economic Prosperity, Environment & Highways (EPEH) stated he had nothing to add until the final figure was revealed. The Chairman of the Education & Skills Board stated that there was a particular focus on SEND (special educational needs and disabilities) transport review due to the forecast overspends.
5. The Chairman of the Resident Experience Scrutiny Board informed the Board that he recently met with services including Surrey Fire and Rescue, Trading Standards and Cultural Services to discuss the financial budget. The Board would be focusing their March 2016 meeting on the future of the Library Service.

Bob Gardener left the meeting at 11.05am and returned at 11.13am.

6. It was highlighted by the Social Care Services Board Chairman that there was currently a lack of frontline staff for Adult Social Care and Children's Service, which had been ongoing for a number of years. This was due to the increasing demand for services. Cllr Bill Chapman was unable to attend the meeting but gave his comments. These included the 20% cut in Public Health being a vast concern. A Wellbeing and Health Sub-Group took place on Tuesday 26 January to discuss further funding opportunities.

Colin Kemp left the meeting at 11.35am and returned at 11.42am

7. Disappointment was expressed at the lack of information made available to the scrutiny boards, however, it was recognised that until the Local Government Settlement was finalised in February 2016, it would be difficult to perform robust scrutiny of service budgets.
8. Members recognised the work being undertaken by the Cabinet and finance officers to produce a balanced budget. The Board noted that while the budget had been balanced for 2016/17, this placed reliance on the provision of transitional relief from government to compensate for the degree of 'shock' in the Provisional Settlement. The Leader explained that if the transitional funding was not received by the Council, he would arrange an emergency Cabinet meeting to determine how to balance the 2016/17 budget.

Following the debate, the Council Overview Board resolved:

1. Confirms its support for the proposal to accept the option of raising council tax by 2%, to ensure additional ring-fenced funding for Adult Social Care;
2. Welcomes the lobbying of government undertaken by the Leader of the Council to extend the option of raising council tax to our partners in Districts & Borough Councils, given that these authorities provide some non-statutory adult social care services;
3. Asks that government be lobbied to review or lift the current restriction on council tax increases for local authorities;

4. Asks the Cabinet to consider whether a referendum should be held regarding increasing council tax in order to maintain services.
5. Wishes to emphasise the importance of prioritising income generation and efficiency savings, before cutting services and increasing council tax.

Recommended (to Cabinet):

- (a) That the Scrutiny Board Chairmen ensure that final service budgets and the Medium Term Financial Plan are shared with Boards ahead of being presented to Cabinet on 22 March 2016;
- (b) That Scrutiny Board finance sub-groups scrutinise service budgets and present any recommendations to Cabinet, via the Council Overview Board.

9/16 ORBIS PUBLIC LAW [Item 9]

Declarations of interest:

None

Witnesses:

Sarah Baker, Legal Services Manager.
David Hodge, Leader of the Council.

Key points raised in the discussion:

1. The Legal Services Manager introduced the report by explaining the approval needed for the creation of shared legal services between Brighton and Hove City Council, East Sussex County Council, Surrey County Council and West Sussex County Council. She stated that the Legal Team was currently in the process of identifying potential savings which they could deliver, whilst maintaining a steady service. The team was investigating a joint committee to be put in place which would be used as a project Board for Members. A business plan was said to be essential for this strategy to go ahead. The development of Orbis Public Law was said to be an ambitious programme of change to bring together four legal services in one single integrated service with a common culture.
2. It was noted that Orbis Public Law aimed to achieve a saving of 10% of net operating costs of each of the constituent councils by 2020. The Legal Services Manager stressed that the team were currently focusing on income generation by looking at different strengths and weaknesses from different Councils. Surrey County Council's Legal Services had an annual budget of £3.5 million and generated income of around £0.3 million per year. It was noted that each legal team carried out some external work for other public bodies which brought in extra revenue, keeping the cost of the service down for Councils. In addition, it was stated that the four authorities spent around £2million per annum on external legal advice.

3. The Legal Services Manager informed the Board that there was a compelling need for Councils to explore more radical options for delivering services. Members of the Board agreed that it was an ongoing complex and time consuming task.

Recommendations:

The Council Overview Board was broadly supportive of the plans set out in the Cabinet report, and made the following comments and recommendations to Cabinet:

- a) welcomes the proposal to set up a shared legal service, to be known as Orbis Public Law;
- b) wishes to emphasise the importance of careful monitoring of the anticipated 10% savings, as set out in the business case.

The Board was interested in understanding more as the partnership developed, and requested that when available, the more detailed plan including saving targets, budget and milestones be circulated to Members of the Council Overview Board.

10/16 DATE OF NEXT MEETING [Item 10]

2 March 2016.

Meeting ended at 12.45pm.

Chairman