Notice of Meeting

Council Overview Board

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email ross.pike@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Bryan Searle or Lucy Collier on 020 8541 7368.

Members

Mr Steve Cosser (Chairman), Mr Eber 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 David Ivison, Mr Nick Harrison, Mr Colin Kemp, Mrs Denise Saliagopoulos, Mrs Hazel Watson 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

1/16   **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

2/16   **MINUTES OF THE PREVIOUS MEETING:**

To agree the minutes as a true record of the meeting.
Minutes from 28 January to follow.

3/16   **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.

4/16   **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 (25 February).
2. The deadline for public questions is seven days before the meeting
   (22 February).
3. The deadline for petitions was 14 days before the meeting, and no
   petitions have been received.

5/16   **RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE**   (Pages 1
           SCRUTINY BOARD   - 6)

Responses have been received on the following Items:

-Orbis Public Law
-Revenue & Capital Budget 2016-2017 to 2020-2021

6/16   **CHAIRMAN'S UPDATE**

7/16   **RECOMMENDATIONS TRACKER AND FORWARD WORK**   (Pages 7
           PROGRAMME   - 18)

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

8/16   STAFF SURVEY REPORT   (Pages 19 - 30)

To present the Employee Survey Results since September 2011 and provide expertise in the areas of employee engagement and advocacy.

"Please note that ownership and Intellectual Property Rights in all data, the evaluation analysis, methodology and materials rests and remains with Best Companies Limited. Best Companies grants a limited right for the organisation being surveyed to use the information we provided internally within their organisation solely for the purpose of improvement.

In addition, to the above, the methodology, survey and question items contained are all covered by copyright and must not be reproduced without the express written permission of Best Companies.

Best Companies are comfortable with the data held within this report being produced for internal staff development and improvement but has requested this is not reproduced for any other purpose."

9/16   CYBER SECURITY & IMT REPORT   (Pages 31 - 58)

The Board will review the Security Report and the different background items which will cover an update on IT, activity to maintain the cyber security of the organisation, the security programme and the overall Information Management and Technology (IMT) work programme.

10/16   TRUST FUNDS REPORT   (Pages 59 - 64)

To provide Members with an outline of the current arrangements for managing the Council's Trust Funds in the context of a recent Internal Audit report.

11/16   DATE OF NEXT MEETING

The next meeting of the Committee will be held at 10 am on 13 April 2016.

David McNulty
Chief Executive
Published: Date Not Specified

FIELD_TITLE

Council Overview Board
2 March 2016

RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE BOARD

1. The Board is asked to review the attached responses from the Cabinet to recommendations made at the last meeting:

   Item 5A - Revenue and Capital Budget 2016/17 to 2020/21

   Item 5B – Orbis Public Law

Recommendation:

That the Board reviews the attached responses and considers whether it wishes to make any further comments or recommendations to the Cabinet on these issues.

Next Steps:

Any further comments or recommendations will be submitted to the Cabinet at its next meeting.

Report contact:
Bryan Searle, Senior Manager, Cabinet, Committees and Appeals

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

Sources/background papers: None.

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CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

REVENUE AND CAPITAL BUDGET 2016/17 TO 2020/21
(considered by Council Overview Board on 28 January 2016)

COMMITTEE RECOMMENDATIONS:

The Council Overview Board agreed on the following comments and recommendations to Cabinet:

That the Board:

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.

RESPONSE:

The preparation of the new Medium Term Financial Plan has been in the context of a late Provisional Settlement leading to an unprecedented reduction in government funding at very short notice. In response to this officers and cabinet members are working on the details of service savings that can realistically be delivered during 2016/17.

The Council is awaiting the Final Settlement which is expected to include the reporting requirements on the use of the 2% council tax increase for adult social care. This will lead to increased funding for the Council of £12m per year and is a welcome contribution to the £20m year on year demographic increase in demand for adult social care services. The Council also has to confront the loss of nearly £50m in government grant in 2016/17 and as a significant service, Adult Social Care will have to take its share of this reduction.

The Council Tax threshold is a central imposition on local decision making in the delivery of services by Government. Local communities through their elected representatives, who are democratically elected, should be able to set a council tax equivalent to the level of service demand led pressures a specific area needs in order to deliver front line services and to reduce financial impacts on other public services, i.e. NHS. Local Government is by far the most efficient part of the public sector and I will continue to make the point to Government to trust Local Government in taking responsibility and accountability for delivery local services.

However, the threshold exists and to raise council tax above this level is not the right decision at present for three reasons. First, the final settlement has not been announced, so to do so would be premature; second, the cost of holding a referendum when the Council is focusing its spend on essential areas; and third, it will be a distraction when the focus is on the Public Value Transformation programme.

David Hodge Leader of the Council February 2016

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CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

ORBIS PUBLIC LAW
(considered by Council Overview Board on 28 January 2016)

COMMITTEE 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:

- The Board welcomes the proposal to set up a shared legal service, to be known as Orbis Public Law
- The Board wishes to emphasis the careful monitoring of the anticipated 10% savings, as set out in the business case.

RESPONSE:

I would like to thank all members of the Council Overview Board for their support for this proposal and am happy to endorse the recommendation for careful monitoring of the anticipated savings, which will be one of the priorities for the shared service as it moves forward with its joint plans.

David Hodge
Leader of the Council
2 February 2016

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Council Overview Board
28 January 2016

RECOMMENDATIONS TRACKER and FORWARD WORK PROGRAMME

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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

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Next Steps:

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

Report contact:
Bryan Searle, Senior Manager Cabinet, Committees and Appeals

Contact details, 020 8541 9019 bryans@surreycc.gov.uk

Sources/background papers: None.

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Council Overview Board
ACTIONS AND RECOMMENDATIONS TRACKER – UPDATED 23 February 2016.

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

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: • The morale and wellbeing of Highways staff • The ability of the service to carry out priority highway maintenance	Cabinet	A response was received at the meeting on 28 January 2016.	Completed

Scrutiny Board and Officer Actions

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
3 June 2015	**REPORT OF THE WELFARE REFORM TASK GROUP**	A number of recommendations were made to Cabinet by the Welfare Reform Task Group.

These recommendations were accepted and are being monitored by the Welfare Reform Task Group | | The Welfare Reform Task Group will present updates to Council Overview Board in due course | March 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 June 2016 | June 2016 |
| 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.

The Chairman has met with relevant officers and more information will be presented to the Board alongside the Shareholder Board report in June 2016. | June 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 | It has been agreed that a briefing will be circulated to Members outside of the Board. | March 2016 |

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
1 October 2015	**CARBON & ENERGY POLICY**	An update to be provided on the savings achieved from the light dimming initiative.	Energy Manager	As above.	March 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	As above.	March 2016
1 October 2015	**CARBON & ENERGY POLICY**	Include aspirational and step change measures in a future report to the Board	Energy Manager	As above.	March 2016.
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**	More information to be made available regarding the difficulty of recruiting Educational Psychologists	HR Relationship Manager	An update will be provided at the meeting.	March 2016
28 January 2016 A1/2016	**RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME**	A meeting to be arranged between the Chairmen of the Council Overview Board and the Audit & Governance Committee to discuss the respective roles of the Committee and Scrutiny Boards in reviewing issues from key service audits.	Democratic Services	A meeting is being arranged. Date to be confirmed.	March 2016
28 January 2016 A2/2016	**RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME**	A Council Overview Board Bulletin to be trialled as a way of sharing updates on actions and issues of interest to the Board.	Scrutiny Manager	The aim is to produce the first bulletin in March 2016.	April 2016

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Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
28 January 2016 A3/2016	**REVENUE AND CAPITAL BUDGET 2016/17 TO 2020/21**	That Scrutiny Board Chairmen ensure that final service budgets and the Medium-Term Financial Plan are shared with Boards ahead of being presented to Cabinet in March 2016.	Scrutiny Board Chairmen	Budget workshops have been set up for individual Scrutiny Boards.	March 2016
28 January 2016 A4/2016	**REVENUE AND CAPITAL BUDGET 2016/17 TO 2020/21**	That Scrutiny Board finance sub-groups to scrutinise detailed service budgets and present recommendations to Cabinet, via the Council Overview Board.	Scrutiny Board Chairmen	The Chairman has requested that all comments made by the Boards in relation to budget are sent to him by 16 March 2016 so that they can be collated. The Chairman will then summarise the comments and recommendations and circulate them for agreement by Board Chairmen before submitting them to Cabinet.	March 2016
28 January 2016 A5/2016	**REVENUE AND CAPITAL BUDGET 2016/17 TO 2020/21**	That the Board: 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	Cabinet	The Cabinet's response is attached at item 5 on this agenda.	March 2016

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress Check On
		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.			
28 January 2016 A6/2016	**ORBIS PUBLIC LAW**	The following comments were submitted to Cabinet: • The Board welcomes the proposal to set up a shared legal service, to be known as Orbis Public Law • The Board wishes to emphasis the careful monitoring of the anticipated 10% savings, as set out in the business case.	Cabinet	The Cabinet's response is attached at item 5 on this agenda.	March 2016

COMPLETED ACTIONS – TO BE DELETED

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	A response was tabled at the meeting in December and is at Annex B to this tracker. Local Committee spend will be included in the budget report to the Council Overview Board in January 2016.	Completed
2 December 2015	**FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN**	Ensure Scrutiny Boards have sufficient details of current savings plans and possible additional savings when they analyse budgets within their remit	Deputy Chief Finance Officer	Information was provided at the Council meeting on 9/2/16	Completed
2 December 2015	**FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN**	A briefing note following the Local Government Settlement that shows how much funding was expected to be lost against how much was lost in reality	Deputy Chief Finance Officer	Due in February.	Completed
2 December 2015	**FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN**	Consideration is given to the 2% Council Tax increase to fund Social Care, and to look at how the funding is distributed with the Districts & Boroughs	Social Care Services Scrutiny Board	A recommendation from the Social Care Services Board was included in the papers for 28 January 2016.	Completed

2 December 2015	**FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN**	That scrutiny boards provide income generation targets and scrutinise the effect that staffing reductions will have on the wider delivery of services.	Scrutiny Officers/Scrutiny Boards	An update was provided at the 28 January 2016 meeting.	Completed
2 December 2015	**FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN**	Central Government is lobbied to enable Districts & Boroughs to raise an additional 2% in Council Tax for Social Care.		This was discussed as part of the budget recommendations item on January 2016.	Completed

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Council Overview Board – Forward Work Programme
2016

| 13 April 2016 | • Property Strategy (with focus on investment Strategy) |
| 1 June 2016 | • Shareholder Board Annual Report |

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Council Overview Board

2 March 2016

Staff Survey Report

Purpose of the report:

To provide an update to Members on the Employee Survey Results.

Background

In 2015, Best Companies were appointed by SCC to administer a three year programme of annual employee surveys. Best Companies are recognised as being associated with 'The Sunday Times Best Companies' report and providing expertise in the areas of employee engagement and advocacy. In addition, they are able to provide benchmarking data on other organisations' employee initiatives and successes and have provided us with extensive data based on our survey responses, including demographic analysis and overall engagement scores.

The last full Surrey survey was completed in September 2011 and whilst small locally managed surveys have been completed since this time, there has been no comprehensive survey telling us accurately how our people are feeling about working for Surrey. We recognised Best Companies expertise in this area and commissioned a three year programme of annual surveys with a total cost of £71,304 (2016 – 2018). This cost includes all administration for approximately 11,000 employees, use of an online workplace insight tool and full support from the Best Companies Team in interpretation of the survey data including benchmarking data from other organisations. The first survey was emailed (where an active email address exists) or posted to all employees (including bank workers) employed at the time by Surrey.

Response rate by service

Directorate	Headcount	Responses	Response Percentage
Orbis*	1516	878	58%
ASC	1880	626	33%
C&C	886	236	27%
CEX	1536	611	40%
CSF	4226	1096	26%
E&I	594	219	37%

Surrey County Council	10638	3666	34.46%

* Orbis includes staff from both Surrey and East Sussex County Council.

When comparing our response rate to other organisations, it is worth noting that large not-for-profit organisations have an average response rate of 40.44% and large private sector organisations, 49.49%. An organisation is categorised as large if it employs 3,500+ employees.

The Survey

The survey results have been grouped into eight areas which are detailed as follows:

Leadership – measures how people feel about the head of their organisation, the senior management team and organisational values.

My Company – focuses on how much people value their organisation, how proud they are to work there, and whether they make a difference.

My Manager – measures whether people feel supported, trusted and cared for by their immediate manager.

Personal Growth – examines whether people feel challenged by their job, whether their skills are being utilised and their perceived opportunities for advancement.

My Team – includes encouraging team spirit, having fun, and feelings of belonging within the group of your direct colleagues.

Well Being – measures stress, pressure, the balance between work and home life and the impact of these factors on personal health and performance.

Fair Deal – includes how well employees feel they are treated and how their pay and benefits compare to similar organisations.

Giving Something Back – explores how much people think their organisation puts back into society and whether they believe this effort is driven by appropriate motives.

Each of the eight factors has been scored an 'average' score based on all responses to the questions. The questions are all scored in the same way: on a 1 to 7 scale. The most favourable response is scored 7 (strongly agree for positive questions and strong disagree for negatively phrased questions). The least favourable response is scored 1 (strongly disagree for positive questions and strongly agree for negative questions).

This means that higher scores are always a good thing. 1 represents strongly disengaged, 7 strongly engaged and 4 is a neutral response.

Overall Scores

There is a consistent pattern of scores across factors and across areas. Stronger scores were recorded for areas of My Team, My Manager and My Company and specifically for questions relating to teams and team working, how individuals view the impact of the organisation and their role in it, and their immediate manager. Lower scores were received

for Wellbeing, Leadership and Fair Deal and specifically for questions relating to pay and reward, the overall leadership effectiveness and the ongoing pressures and complexities of work.

Appendix 1 and Appendix 2 shows the distribution of scores against all factors from both a SCC and Directorate perspective.

The three highest scoring questions and average scores are as follows:

(1) I believe I can make a valuable contribution to the success of this organization (5.63)
(2) People in my team go out of their way to help me (5.51)
(3) I feel that my manager talks openly and honestly with me (5.27)

The three lowest scoring questions and average scores are as follows:

(1) Senior Managers of this organisation do a lot of telling but not much listening (3.71)
(2) I feel I receive fair pay for the responsibilities I have in my job (3.61)
(3) Most days I feel exhausted when I come home from work (3.17)

Results by Service

Appendix 3 shows the breakdown of scores across all services. The colours indicate where there are particularly high or low scores. From this data, services where there are two or more areas scoring negatively include ASC Comms & Operations, Children's Services, Fire and Rescue, Cultural Services and Property (Orbis). All of these areas score below 4 for Leadership and at least one other factor.

The highest single overall score was for the Communications Service who scored 6.11 for 'My Team'. All services scored positively for this factor demonstrating the enjoyment and support colleagues receive from their work teams.

Response rates range from 25.93% (CSF) to 57.88% (Orbis). This is an area we will need to target next year to ensure we have as high a representation as possible to make sure the results accurately reflect the majority of our people.

Full detailed results by service are available to staff and Members via the Council's intranet (Snet) by searching for staff survey.

Benchmarking Information

We have been provided with benchmarking information in **Appendix 5**. This compares our scores against organisations who score (i) an engagement score one category higher than our own (1 Star Big Companies), (ii) organisations with an engagement score at the same level as us (Ones to Watch Big Companies) and finally, (iii) other Councils – at the moment this includes Manchester & Wigan Councils). Full benchmarking data for this year will be released on 28 February 2016 and at this point we will be able to compare ourselves to other organisations taking part in the survey.

When comparing our overall scores to other councils, we generally score positively in four areas – My Manager, Personal Growth, My Team and Wellbeing. The factors where we are below the benchmark are Leadership and Fair Deal. Possible reasons for this include the points raised earlier in this report.

Key areas of focus

The survey has provided us with key areas of focus for the next seven months. These include the importance of providing staff with the opportunity to make suggestions for improvement and that these are heard and fed back on, not only by their immediate manager but from more senior managers as well. We are promoting the pay and reward consultation and encouraging involvement and participation in sessions across all levels. We also need to do some work on wellbeing and ensuring that individuals are not 'burned out' from excessive hours and stress of roles and that we equip colleagues with the resilience and tools to carry out their roles effectively.

As an overall link to employee engagement, we have been provided with the 15 survey questions with the highest correlation score to overall engagement. These provide us with a real opportunity to influence and improve employee engagement. The areas of focus include development opportunities, managerial support and a values-based culture. These questions are included in **Appendix 4**.

As indicated above, the overall response rate of 34.46% is well below the sector average of 40.44% and we will look at ways to increase participation next year, engaging staff closely in this.

These areas will be fed into service and corporate action plans due to be agreed in March, and the corporate HR&OD plans. We also want to celebrate the positive feedback gained from the survey including the loyalty individuals have towards their teams and their services and the feedback that employees feel they have a valuable contribution to make towards the future success of Surrey.

Next steps and timescales

Survey results have been shared with staff through s-net and all Directors and management teams have been provided with packs detailing their own results, including comparisons with other teams and services. This has been supported through David McNulty's weekly email and discussions with the Extended Leadership Team. Teams have been encouraged to use the data to have conversations about the results in January and February and to produce high level Directorate action plans by 7 March. We will be delivering the next employee survey in October 20

Report contacts: New Models of Delivery Lead   Strategic Change and Efficiency Manager

Rachel Crossley- rachel.crossley@surreycc.gov.uk   Amy Bailey- amy.bailey@surreycc.gov.uk

020 8541 9993   020 8541 7251

(i)   Scores across all Directorates

Overall by Factor

Legend:
- Surrey County Council
- Orbis
- SCC ASC
- ACC C&C
- SCC CEX
- SCC CSF
- SCC E&I

Factors: Leadership, My Company, My Manager, Personal Growth, My Team, Wellbeing, Fair Deal, Giving Something Back
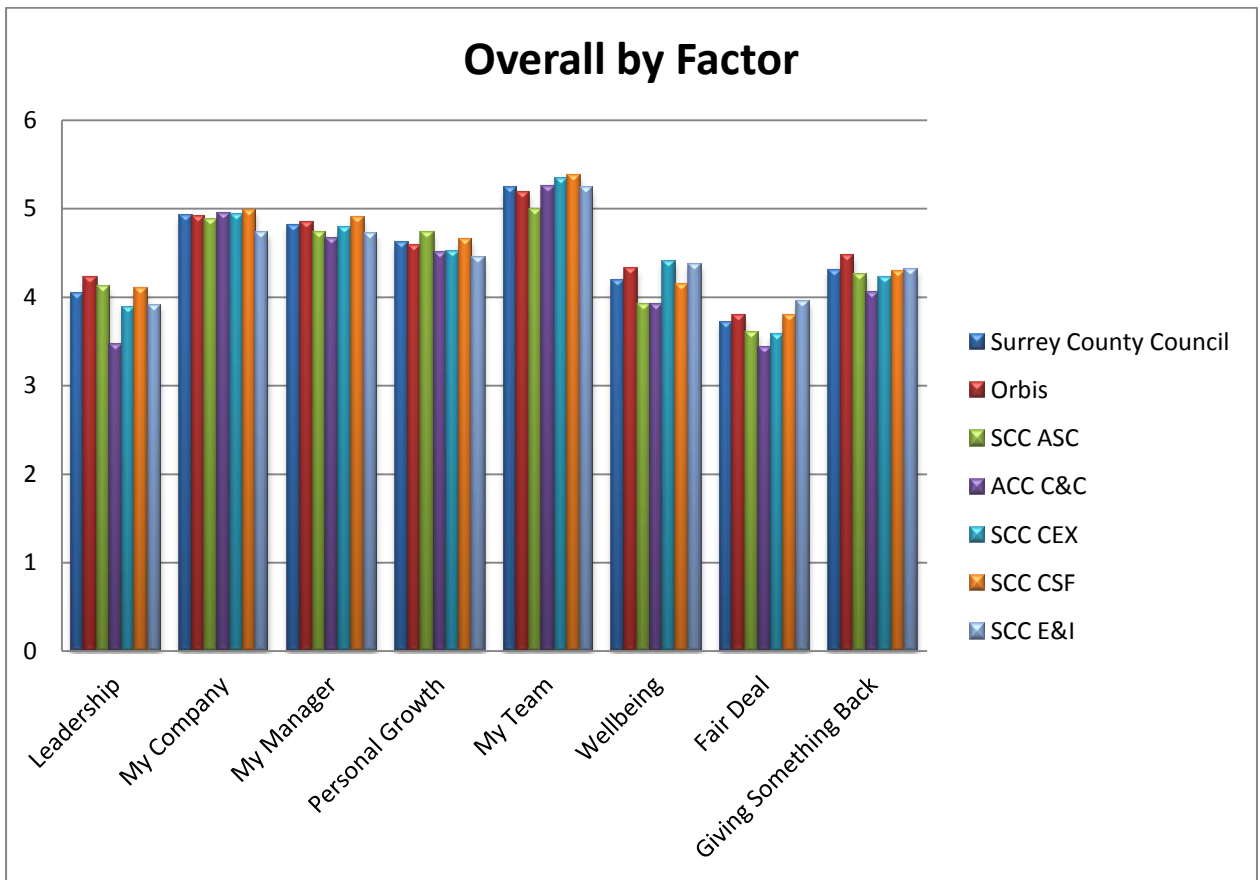
Appendix 2 – Surrey County Council Scores

Overall by Factor

■ Surrey County Council
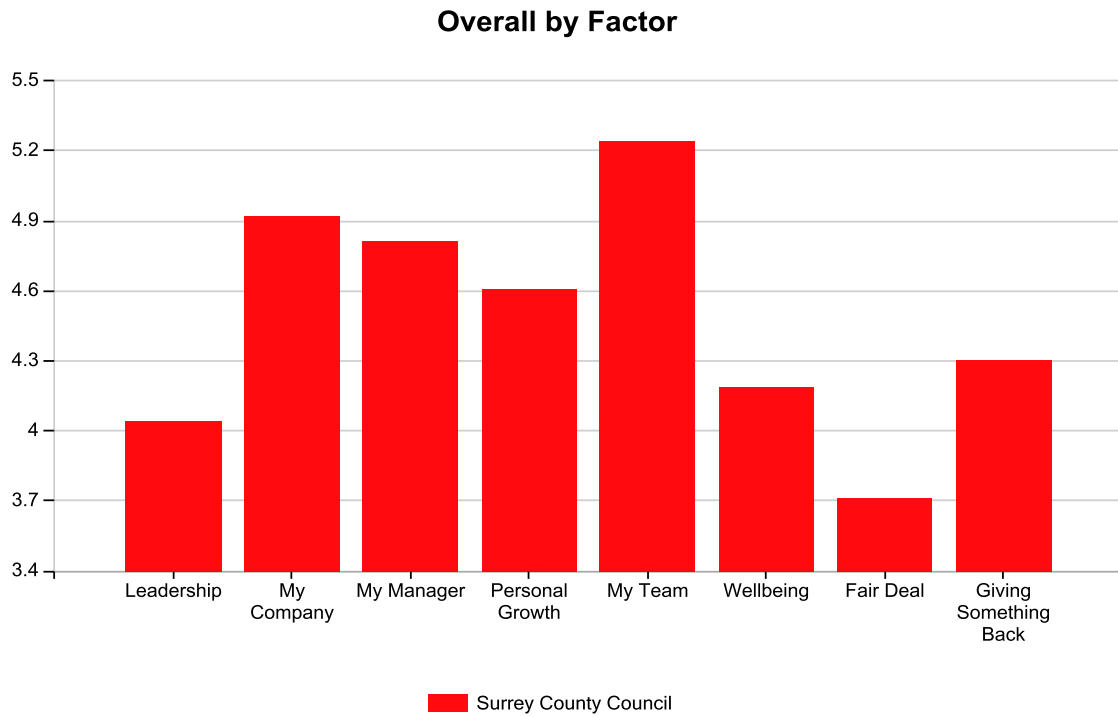
Appendix 3 – Overview by service

		Leadership	My Company	My Manager	Personal Growth	Fair Deal	My Team	Wellbeing	Giving Something Back
	Surrey County Council	4.04	4.92	4.81	4.61	3.71	5.24	4.19	4.30
ASC&PH	Comms & Ops	3.99	4.81	4.64	4.71	3.31	5.16	3.66	4.20
ASC&PH	Enterprise B&A	4.04	4.56	4.70	4.52	3.86	4.62	4.00	4.25
ASC&PH	Public Health	4.71	5.29	5.41	5.21	3.83	5.53	4.43	4.54
ASC&PH	Service Delivery	4.43	5.20	4.94	4.88	4.07	4.86	4.42	4.38
C&C	Community Partnership Safety	4.14	4.81	4.83	4.25	3.91	5.22	4.22	4.31
C&C	Trading Standard	4.09	4.81	4.82	4.43	3.63	4.77	4.41	4.48
	CEO	4.87	5.18	5.39	5.23	4.66	5.88	4.33	4.97
CSF	Children's	3.81	4.85	4.77	4.61	3.52	5.28	3.88	4.20
CSF	Resources	3.94	4.86	4.87	4.85	4.01	5.44	4.42	4.41
CSF	Schools & Learning	4.23	5.04	4.94	4.63	3.95	5.39	4.28	4.32
CSF	Services for Young People	4.20	5.04	4.98	4.73	3.74	5.47	4.09	4.30
DEPUTY CEX	Communications	4.35	4.93	5.47	4.66	3.68	6.11	4.49	5.00
DEPUTY CEX	Policy & Performance	4.21	5.03	5.26	4.72	4.19	5.51	4.26	4.55
DEPUTY CEX	St Dir for BUS	4.47	5.30	5.23	5.18	4.69	5.28	4.75	4.54
E&I	Economy T&P	4.16	4.86	4.79	4.83	4.50	5.23	4.39	4.43
E&I	Environment	3.86	4.78	4.71	4.48	4.19	5.22	4.39	4.33
E&I	Fire & Rescue	3.15	5.00	4.58	4.58	3.29	5.41	3.73	3.89
E&I	Highways	3.89	4.66	4.70	4.31	3.57	5.25	4.34	4.26
LD&C	Cultural Services	3.68	4.87	4.60	4.39	3.48	5.24	4.43	4.05
LD&C	Legal & Democratic	4.49	5.09	5.22	4.90	3.57	5.45	4.25	4.61
ORBIS	Business Ops	4.14	4.86	4.77	4.58	3.01	5.22	4.06	4.29
ORBIS	Customer Serv	4.24	5.04	5.34	4.62	3.50	5.66	4.36	4.49
ORBIS	Finance	4.45	4.95	4.85	4.61	4.48	5.07	4.36	4.82
ORBIS	HR & Org Dev	4.49	5.08	4.98	4.98	4.28	5.50	4.52	4.76
ORBIS	Info Man & Tech	4.19	4.96	4.68	4.70	3.94	5.04	4.25	4.45
ORBIS	Proc&Com	4.62	5.07	4.69	4.96	4.02	5.23	3.89	4.83
ORBIS	Property	3.93	4.89	4.65	4.43	3.61	4.94	4.10	4.41

Note:

CEO comprises of the Chief Executive, Emergency Planning and Broadband Teams

St Dir for BUS comprises Digital Innovation & Business Improvement and New Models of Delivery Teams

Appendix 4 – Top 15 Questions correlated to employee engagement

Most highly correlated questions	
I think I have a positive future ahead of me in this organisation	.708
My manager cares about how satisfied I am in my job	.706
My manager helps me to fulfil my potential	.702
I feel proud to work for this organisation	.696
I would leave tomorrow if I had another job	.695
I love working for this organisation	.691
I have confidence in the leadership skills of the senior management team	.671
This organisation is run on strong values / principles	.667
I have confidence in the leadership skills of my manager	.665
My manager motivates me to give my best every day	.654
My manager is an excellent role model for me	.650
This job is good for my own personal growth	.644
I feel that I lack support from my manager	.644
Everyone is treated fairly here	.641
Senior managers truly live the values of this organisation	.635

Note: The number in the table above is the Pearson Correlation r. This represents the linear correlation between the question and overall engagement where 0 = no correlation and 1 = total positive correlation. The higher the number, the more likely that a positive response to this question would lead to a positive overall engagement score.

Appendix 5 – Benchmarking Information

Best Companies Limited   February 2016

Employment Groups Vs 1 Star Big Companies

	Response Rate	2016 BCI Score	Factors								Job Grade		
			L	MC	MM	PG	MT	WB	FD	GSB	TM	M/S	SM
Surrey County Council	34.46% (3666/10638)	615.1 (OTW)	-14	-7	-3	-6	-1	-1	-8	-6	-5	-9	-11

Employment Group Name	Response Rate	2016 BCI Score	Factors								Job Grade		
			L	MC	MM	PG	MT	WB	FD	GSB	TM	M/S	SM
Orbis	57.88% (878/1517)	624.0 (OTW)	-11	-7	-2	-7	-2	1	-7	-3	-5	-8	-10
SCC CSF	25.93% (1096/4226)	624.0 (OTW)	-13	-6	-1	-5	1	-1	-7	-6	-4	-8	-12
SCC CEX	39.78% (611/1536)	613.8 (OTW)	-16	-6	-3	-7	0	3	-10	-7	-7	-7	-8
SCC E&I	36.87% (219/594)	611.3 (OTW)	-16	-10	-4	-9	-1	2	-4	-6	-3	-10	-15
SCC ASC	33.30% (626/1880)	600.8 (OTW)	-12	-7	-4	-4	-5	-5	-10	-7	-5	-12	-11
SCC C&C	26.64% (236/886)	584.6	-24	-6	-5	-8	-1	-5	-13	-10	-8	-13	-12

Employment Groups Vs Draft Ones to Watch Big Companies

	Response Rate	2016 BCI Score	Factors								Job Grade		
			L	MC	MM	PG	MT	WB	FD	GSB	TM	M/S	SM
Surrey County Council	34.46% (3666/10638)	615.1 (OTW)	-5	-3	2	0	2	2	-7	-2	0	-6	-8

Employment Group Name	Response Rate	2016 BCI Score	Factors								Job Grade		
			L	MC	MM	PG	MT	WB	FD	GSB	TM	M/S	SM
Orbis	57.88% (878/1517)	624.0 (OTW)	-2	-3	3	0	1	4	-6	1	1	-5	-7
SCC CSF	25.93% (1096/4226)	624.0 (OTW)	-4	-2	4	1	5	1	-6	-2	2	-5	-10
SCC CEX	39.78% (611/1536)	613.8 (OTW)	-7	-2	2	-1	4	6	-10	-4	-2	-4	-5
SCC E&I	36.87% (219/594)	611.3 (OTW)	-7	-6	1	-2	2	5	-3	-2	2	-7	-12
SCC ASC	33.30% (626/1880)	600.8 (OTW)	-3	-3	1	2	-2	-2	-9	-3	0	-9	-8
SCC C&C	26.64% (236/886)	584.6	-14	-2	0	-1	3	-2	-12	-6	-2	-10	-10

Employment Groups Vs Other Councils

	Response Rate	2016 BCI Score	Factors								Job Grade		
			L	MC	MM	PG	MT	WB	FD	GSB	TM	M/S	SM
Surrey County Council	34.46% (3666/10638)	615.1 (OTW)	-6	-4	-1	0	0	0	-6	-4	-2	-7	-8

Employment Group Name	Response Rate	2016 BCI Score	Factors								Job Grade		
			L	MC	MM	PG	MT	WB	FD	GSB	TM	M/S	SM
Orbis	57.88% (878/1517)	624.0 (OTW)	-3	-5	0	-1	-1	2	-5	-1	-1	-6	-7
SCC CSF	25.93% (1096/4226)	624.0 (OTW)	-5	-3	1	1	2	-1	-5	-4	-1	-6	-9
SCC CEX	39.78% (611/1536)	613.8 (OTW)	-8	-4	-1	-2	2	3	-9	-5	-4	-5	-4
SCC E&I	36.87% (219/594)	611.3 (OTW)	-8	-8	-2	-3	0	3	-2	-4	0	-8	-11
SCC ASC	33.30% (626/1880)	600.8 (OTW)	-4	-5	-2	2	-4	-5	-8	-5	-2	-10	-8
SCC C&C	26.64% (236/886)	584.6	-15	-4	-3	-2	1	-5	-11	-8	-4	-11	-9

SURREY
COUNTY COUNCIL

Council Overview Board
3 March 2016

IT and Cyber Security Report

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

The Board will review the Security Report and the different background items included. This will cover an update on IT, activity to maintain the cyber security of the organisation, the security programme and the overall Information Management and Technology (IMT) work programme.

Report

- The IMT Service has responsibility for security compliance and the technical security controls to needed to protect the organisation against cyber threats.

- IMT incident Response (including Security) has recently been audited by internal audit.

- A security programme is underway to update Surrey County Council's security strategies and tools.

- IMT has work programme of over 100 projects including cross cutting programmes like the Modern Worker and projects being delivered across all of the frontline services.

- The IT and Cyber Security item will consist of slides (as a report), internal audit report that was recently produced (rated effective) and the summary of IT projects booklet.

Recommendations

- It is recommended that the Board review the reports and make any recommendations as appropriate.

Next steps

The Scrutiny Board will review the Security Report and the work programme at the next meeting.

Report contact: Chris Millard
Contact details: 020 8541 7997 chris.millard@surreycc.gov.uk
**Sources/background papers:**

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IMT Networks and Security Team

• The IMT Network and Security Team consists of 6 staff with responsibility for our IT security compliance, network infrastructure, technical security controls and Contact Centre telephony system.

• IMT currently hold the following IT Security certifications,
  • ISO 27001 – International standard for Information Security Management System
  • PCI DSS – Payment Card Industry security standard
  • PSN Certification – Public Sector Network security standard
  • IG SoC – NHS information Security Standard

• 'State of the Art' security technologies are deployed to protect the infrastructure form the Cyber threat.

• Recent internal audit has reviewed the IT Incident management and found them adequate, appropriate, and effective.
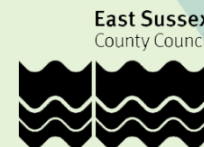
Attack Vectors

IMT deal with a large number of cyber threats to the organisation on an ongoing basis. These include:

Email based attacks
- We process **25 million** email messages a year
- 14 million are spam (including **42,000 viruses**) identified and blocked

Internet based attacks
- **30,000 attacks** are identified and blocked each year.

Recent notable events
- Lincolnshire County Council Cyber attack (and Cyber Ransom)
- HSBC Cyber attack
- SCC Virus attack on the 2nd February where the network was bombarded viruses for a 3 hour period.

This gives you an insight into issues the IMT team deal with. We do, however, depend on all staff taking their security responsibilities seriously and being vigilant.
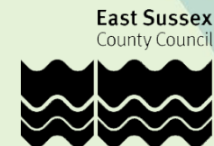
Security Programme - What is it?

•The security review is an update of our security policy and approach, including security training for all, introduction of new tools and techniques, more open internet access , access from home equipment and a review of supporting security technology

•In the past we have protected all of our services to the same high level of security, regardless of the sensitivity of the information they deal with. This is secure but overly restrictive. We are moving to a more personalised and risk based approach, which will support innovation and collaboration.

•IMT are trying to make our services more flexible where we can, but recognising the key risks to the organisation, improve our ability to protect the organisation and keep those who need to be secure; Secure!
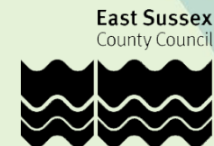
Why are we doing this?

• To be able to communicate and share data with our partners.

• To respond to requests from the services to provide more internet access.

• To enable staff to use their own equipment to access IT systems, where appropriate based on the sensitivity of the data they handle, allowing them to work more flexibly.

• To maintain PSN compliance but not stifle info sharing and the use of modern technology

• To reflect the SCC Core Values – we have 'Listened' to the requests to review security and we are 'Trusting' staff to be 'Responsible and Respectful' with the proposed changes.
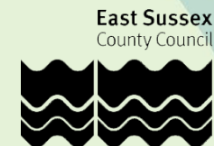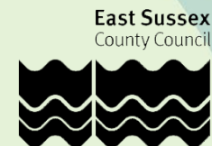
How are we making changes?

So far we have:

• Launched new 'shorter' IT security policy to make the information more accessible

• Launched a new Security e-learning module – available to all online

• Opened the internet to all staff to many more sites – Facebook / Twitter / You tube / Twitpic (and others) with appropriate guidance

• We have rolled out two new security products called Smoothwall and Splunk , these allow IMT staff to monitor usage easily, give access to Internet sites easily and investigate issues where needed. These are key to protecting the organisation in an ever more hostile technology world.

How are we making changes?

Future plans:

• Further opening of internet access (all sites apart from inappropriate / malicious / malware etc)

• Implement O356 which will give access to Surrey email, calendar and documents on user's personal devices.

• Review our data classification and where we store our secure and non secure data

• Allow access to more systems and data from locations outside SCC including personal devices and partner offices to support flexible and partnership working.
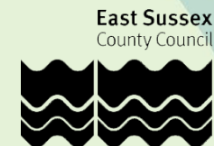
SURREY COUNTY COUNCIL
AUDIT REPORT

**Review of
Incident Response
2015/16**

Prepared for: Paul Brocklehurst, Head of IMT

Prepared by: Nighat Sheikh Senior Auditor

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February 2016

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Chairman of Corporate Overview Board Select Committee	Steve Cosser

Glossary:

IMT	Information Management and Technology
KPI	Key Performance Indicator
SIEM	Security Information Events Monitoring
PSN	Public Sector Network
SPLUNK	Software for searching, monitoring, and analyzing machine-generated big data, via a web-style interface
Gov CERT	UK National Computer Emergency Response Team
BCI	Business Continuity Institute
CHECK	IT Health Check Service, or CHECK, was developed to enhance the availability and quality of the IT health check services that are provided to government in line with HMG policy
PCI DSS	Payment Card Industry Data Security Standard
SAQ C	Self Assessment Questionnaire C
PDQ	Process Data Quickly (card payment, chip & pin machines)
CMS	Content Management System
ISP	Internet Service Provider
ID	Identification Device
Single Sign On	Session/user authentication process that permits a user to enter one name and password in order to access multiple applications
CESG	Communications Electronics Security Group
GCSX	Government Connect Secure Extranet

Audit opinions:

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

1.	INTRODUCTION

1.1 An Information Security event is indicated by a single or a series of unwanted or unexpected information security events, which have a significant probability of compromising business operations and threatening information security.

1.2 Following the planning process and discussions with the IMT Service, it was agreed that an audit would be included in the agreed Internal Audit Plan for 2015/2016. Internal Audit would undertake a review to ensure that controls were operating effectively for Incident Response.

1.3 Incident Management is defined as the capability to effectively manage unexpected disruptive events, with the object of minimizing impact and maintaining or restoring normal operations, within defined time limits.

1.4 A review of Incident Management Response was included as part of the Annual Audit Plan approved by Audit and Governance Committee in March 2015 and was undertaken following agreement of the Terms of Reference included at Annex A. This report sets out the findings and recommendations of the review. The completed Management Action Plan accompanies this report as Annex B.

2.	WORK UNDERTAKEN

2.1 A review of management's assessment of compliance and what sources of assurance they have to determine the degree of compliance was undertaken.

2.2 A risk matrix report has been completed. Risks have been assessed and controls in place evaluated to ensure that procedures are operating effectively.

2.3 Compliance testing was carried out to ensure controls are operating satisfactorily. The objective of the tests was to review the adequacy of the following:

- How incidents are being logged and investigated;

- How staff are able to minimize the impact of an incident to the organisation;

- How the authority is providing a defence against any subsequent incidents;

- How we ensure continuity of services after an incident and reporting of incidents.

2.4 There were no previous recommendations to follow up.

3.	OVERALL AUDIT OPINION AND RECOMMENDATIONS SUMMARY

3.1 The overall opinion following this audit is some improvement needed.

3.2 A specific control weakness was noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

3.3 **Recommendations analysis:** There was one medium priority recommendation summarised below:

Rating	Definition	No.	Para.Ref.
High	Major control weakness requiring immediate implementation of recommendation	0	
Medium	Existing procedures have a negative impact on internal control or the efficient use of resources	1	5.3.8
Low	Recommendation represents good practice but its implementation is not fundamental to internal control	0	
	Total number of audit recommendations	1	

4.   MANAGEMENT SUMMARY

4.1   Surrey County Council has a robust system in place for managing ICT Incidents.IMT have established various conformance criteria and policies and procedures are in place for staff to follow in the event of an IT incident.

4.2   Internal Audit carried out a review to ensure that the system for managing the Incident Management process was adequate, and that effective internal controls applied to these functions. It was felt that in light of the discussions with officers and the compliance testing carried out, the system currently operating is sound. The council has in place an incident management policy and an established incident management process. Review of a sample of major incidents confirmed compliance with the process and expected best practice.

4.3   There is a system in place for reporting security weaknesses and threats, and systems for intrusion prevention and detection that are compliant with Public Services Network security requirements.

4.4   There is however one area which Internal Audit has found to be non-compliant with best practice, this was due to Business Continuity testing exercises not being carried out. Further details can be found at section 5.3 in this report.

4.5   In view of the above finding, set out in more detail in section 5 of this report, the overall audit opinion was found to be **Some Improvement Needed**.

5.   FINDINGS AND RECOMMENDATIONS

5.1   **Incident Management Policy / Major Incident Process**

Findings

5.1.1   The authority currently has an Incident Management Policy which was last revised in November 2015. The policy incorporates the scope and purpose of the Incident Management process, and also refers to other policies which should be applied.

5.1.2   The operational procedures contained within the policy give specific guidance to all staff of where and how to report an incident, including the response and reporting of logged incidents.

5.1.3   The logged incidents recorded are given a specific priority from 1 – 6 with target response times for resolution.

5.1.4   There is also a Major Incident Process document which was last reviewed in May 2015. This document details the steps to take in case of a major incident for members of staff; it begins with notifying the IMT Service Desk and prioritisation of a case, to recording and escalation process and finally, resolution with a report detailing the incident.

5.1.5   The document also has a process flow diagram which details graphically the major incident process.

5.1.6   Testing was carried out, and a sample taken, from the major incident logs spreadsheet. All major incidents have to be logged with a support call reference number, and date and time of incident or logging of call.

5.1.7   The IMT Service Desk team has access to the spreadsheet but only the Service Desk Interim Manager and two Team Leaders have access to update details within this document.

5.1.8   A judgemental sample of ten cases was taken and it was noted that:
- All ten cases had a helpdesk / call reference number assigned.
- All ten cases date and time reported and call resolved time recorded.
- All ten cases had an engineer assigned (including 2 cases being assigned to BT).
- Eight / ten cases met the standard SLA for helpdesk resolution.
- All ten cases had a Major Incident Report detailing summary of events; resolution and recommendations/lessons learnt section.

5.2   **Incident Response Review**

Findings

5.2.1   A risk assessment was carried out and it was noted that risks are being adequately managed and control objectives are being met for the following functions relating to the Incident Response Review:
- Incident Reporting Procedures.
- Incident Management Processes (Documented).
- Procedures / Guidelines updated.
- Failing of reporting mechanisms.
- Mechanisms to enable incident monitoring to be quantified and monitored.
- Disciplinary process in place (for violation of organisational security policies).
- Major Incidents are given preferential treatment.
- Incident contacts regularly updated.
- Problem resolution process.
- Forensic Investigation in place.
- Post Incident Reviews up to date and carried out.
- Closure Reports sent to Management.

5.2.2   There is a Major Incident Process document which was updated and reviewed in May 2015. The document details the various steps that staff need to be aware of in the event of any major incident; and explains how each case will be dealt with by the IMT Service Desk team as follows:
- Notify IMT Service Desk.
- Pass incident detail to Service Desk Senior Technician and or Team Leader/Manager.
- Pass case to IMT resolver team.

- Once resolved pass back to IMT Service Desk.
- Incident is discussed at the weekly operational review meeting.
- Problem management which investigates and inputs open actions into the problem process.

5.2.3   The IMT Service Desk all work towards standard KPI's (Key Performance Indicators) for dealing with requests and resolving issues. For major issues the IMT Service Desk has a specific document for analysis of incidents, from this document the IMT Service Desk operator can categorise or rate priority for an incident based on their own judgment and experience.

5.2.4   The authority use secure intrusion detection / prevention systems, which are compliant with PSN standards. Surrey County Council is currently using the following software applications:
- Nessus scanners for detection of any vulnerabilities.
- SPLUNK for Security Information Events Monitoring and also for conducting log analysis.
- SPLUNK Enterprise Security Module to produce alerts and dashboards.
- Symantec Endpoint Protection which produces logs that are then fed into the SIEM Security Information Events Monitoring system (SPLUNK).

5.2.5   There are various sources of incident awareness and risk intelligence monitoring tools used by the security team including:
- Gov CERT
- Security Focus
- Secunia

5.2.6   There is a system for reporting of security weaknesses or threats. The conformance criteria is clearly laid out within the IT Security Policy at page 69. These include the following definitions:
- Security incidents are defined.
- Incident procedures including advice to users from IMT in the event of an incident.
- Who is responsible for the reporting of security incidents and how these will be managed.
- Incident classification types.
- Differences between common security incidents e.g. daily events (human error, forgetting a password, forgetting to update a password within a specified timeframe), although repeated incidents may require further investigation. Significant and unusual events (which require further investigation), e.g. if a virus is detected by a user, this should immediately be reported to the IMT Service Desk.
- Statistics on such events.
- Reporting and review of events.
- Significant security events and unusual events (which require investigation).
- Reporting to Management.
- Incident closure to rectify action of staff involved (e.g. via education; disciplinary action).

5.2.7   There is a mechanism in place for monitoring of incidents; a report is produced by the Interim Service Desk Manager at the end of the month which details the type of incident including volumes of incidents, but does not include any malfunctions which may have

occurred. Malfunctions such as how the incident may have been prevented from happening initially are included in the individual incident management reports.

5.2.8   Currently in regard to major incidents, costs per incident are not being evaluated. This is something that the Problem and Performance Manager is reviewing and will try to incorporate into his monthly performance reports.

5.2.9   There is a formal Disciplinary Process in place for all employees. Policies are available to view on the council intranet, include the following "Unauthorised action on behalf of the council or service including inappropriate use of IT systems and breaches of IT security" which may be treated as misconduct.

5.2.10 Priority incidents are managed and reported on a separate Major Incidents Spreadsheet, these are prioritised by specific category from the helpdesk call.

5.2.11 The Major Incident Report includes a section for permanent resolution. These documents are maintained by the IMT Service Desk/Manager.

5.2.12 All IT users must report any actual or suspected incident as soon as practical as per the Security Incidents and Data Breaches document available on the council intranet:
- "All staff (including contractors, temporaries, or homeworkers who use their own equipment for council business), must report to the IMT Service Desk and inform their line manager.
- Staff should not carry out any investigation or collection of evidence, unless asked to do so by the IMT Technical Services Team.
- Once a data breach has been reported, managers are required to complete the data breaches template and return to their Information Governance Team.
- A log of reported breaches is maintained corporately to monitor trends and provide necessary guidance to mitigate re-occurring breaches.
- Data breaches are investigated by managers in conjunction with their Information Governance Team.
- High level data breaches are managed through the Significant Event Process, where a service director will coordinate the process".

5.2.13 From the Security Incidents and Data Breaches document as mentioned in 5.2.12, second bullet point, staff are given limited guidance for the collection of digital evidence, there are no specific procedures to follow for cases leading to a court case, and the need for evidence, and chain of custody for collection of evidence, is paramount. The Technical Delivery Manager believes that the guidance which is published is sufficient for the council's need, and if anything further identified is believed to be a criminal act, specialists or the Police would be notified to investigate.

5.2.14 Details of Post incident reviews are included within Major Incident Reports, and these include details of IT services impacted; any devices/services affected; teams involved; cause/reason for incident; whether the incident could have been prevented and if so how; a summary of events; resolution; any issues arising from the event; recommendations/lessons learnt and finally whether it was a known error. It also details who to assign for permanent resolution.

5.2.15 Incident closure is also detailed within the Major Incident Report. Within the section recommendations/lessons learnt, an incident response post mortem analysis is conducted. This report is also widely distributed dependant on the significance of the incident.

5.2.16 An IMT Incident Risk Register was updated in December 2015. A review of the Risk Management process is currently being carried out by Internal Audit.

5.3 **Business Continuity / Disaster Recovery Testing**

Findings

5.3.1 There is an IMT Business Continuity Plan which was updated in May 2015; the objectives of the plan are as follows:
- To identify IMT mission critical activities and the resources required to ensure these activities could carry on under any circumstance.
- To analyse and respond to the risks to IMT.
- To provide a framework for recovery of the services.
- To identify alternative working arrangements to allow continuation of service.
- To identify key roles and responsibilities to be involved in the recovery process.

5.3.2 From the assumptions within the document, it is clear that the Business Continuity Plan will need to be tested annually and evaluated to ensure it adequately meets the needs of the service.

5.3.3 From discussions held with various officers within IMT it was noted that the Business Continuity Plan had not been tested, and from documentation sent through to audit, the last exercise which had been carried out was the Migration of Data Centres in November 2012.

5.3.4 A meeting was held with the Head of Emergency Management to discuss the process of testing Business Continuity. This included detailing the methods and techniques used for Business Continuity exercises within the council, based on BCI good practice methods.

5.3.5 The authority has carried out table top exercises for all services, and records have been kept, with dates of when the last exercise was carried out. It was noted that IMT had not carried out an exercise in the last three years.

5.3.6 It is important that IMT cover the following areas in their Business Continuity Plan:
- Ability to effect safe and swift shutdown of systems without data loss
- Callout contract with IT provider that covers breakdown, network problems and other failures
- Renegotiating service contract, if it doesn't include Business Continuity options
- Security of systems, PCs and laptops
- Security of stored data
- Cascade call procedure – particularly if land lines are down

Risks

5.3.7 Risks can range from minor risks, which may not have any significant impact on the council; to moderate risks which could have a minor impact, with minor internal disruption to a service; to significant risks which potentially could cause a moderate impact, with internal disruption on one or more business units; to a major risk which could lead to a significant impact, with potential for either fatality or serious injury to several people.

Recommendation

5.3.8   Formal testing of the IMT Building Continuity Plan should be carried out within the next financial year. This will ensure that the IMT team can respond to a major incident and that immediate support is available for all critical infrastructure environments, and all priority support applications.

5.4   **PSN–Compliance / IMT Security**

Findings

5.4.1   An audit was completed on PSN compliance in December 2014 with an Effective opinion.

5.4.2   The authority has once again been accredited until July 2016. Certification demonstrates that the infrastructure is sufficiently secure to connect to PSN for another year.

5.4.3   A penetration test/health check was carried out in June 2015. This led to an action plan for the authority to remediate. This was completed by an independent security assessor who is also CHECK registered.

5.4.4   The remediation plan for the current year was assessed by audit; it was found that there were a couple of outstanding issues still to be resolved for the onsite remediation plan. The remediation plan for external outstanding issues was also assessed; all issues had been resolved within a few weeks of the report being issued.

5.4.5   The outstanding issues were discussed with the Network and Security Technical Officer and although there were two actions which had not been resolved; the authority had decided to accept the risk for these two issues, one was due to the practicalities of implementing individual passwords, for the shared local administrator user login, on end user devices. The other was not being able to patch for a specific vulnerability, this was an inherent problem. The issue is being mitigated somewhat, by asking users to use complex passwords to prevent a brute force attack.

5.4.6   Surrey County Council was audited by PSN in November 2015. No issues were raised.

5.4.7   There has not been any major hacking or disruptive attacks on the council's network in the last year, although there has been a denial of service attack against one of the ISP's (JaNet). A full major incident report was completed, with issues arising from the incident reported to the appropriate officers.

5.4.8   A staff warning message has recently been sent out reminding staff not to open attachments, within messages from unknown recipients. This was following the council receiving an unusually large number of viruses/malware attached to emails which could cause major disruption to the systems, potentially leading to a shutdown of all systems, as per a recent incident at Lincolnshire County Council.

5.5   **PCI DSS**

Findings

5.5.1   The authority has completed an attestation of compliance to PCI DSS, this allows the authority to accept credit and debit card payments via a variety of methods including:

- Acquirers and payment gateways.
- Third party systems.
- Payment by telephone.
- Online payments.
- PDQ machines (face to face and some mediated payments).
- Schools mange their own PCI DSS.

5.5.2   All staff taking payments for the authority are asked to sign off a document, reminding them of responsibilities including the following:
- All users must have a unique user ID and password. This information must not be shared.
- If card details are written down they must be held securely, and destroyed once payment is taken.
- Card details must never be collected or stored electronically.

5.5.3   A discussion was held with the Team Lead (Data Management), to ensure that the process for PCI DSS was compliant with the requirement. From this discussion it was noted the compliance document SAQ C was completed. This is due to no debit or credit card details being stored electronically on the network. The SAQ document was sent off in November 2015. This exercise is completed annually. PCI DSS have not carried out an audit, and the self assessment along with regular quarterly scans is accepted for compliancy.

5.5.4   It was noted by Internal Audit that payments were taken by Helpdesk Finance Officers and each officer had individual login and passwords. There was an issue for Contact Centre staff taking payments for copy certificates, as the officers were using generic login and passwords to take payments, so it would be difficult to recognise which officer had taken the payment. This was in breach of PCI DSS compliance.

5.5.5   A discussion was held with IT Projects and Systems Lead; she confirmed generic logins were being used by Contact Centre staff, the reason being a variety of staff were taking payments for copy certificates only, and it was difficult to set up individual users.

5.5.6   Internal Audit advised this was not compliant with PCI DSS and could possibly breach the requirement. Forty five officers had the ability to take payments over the telephone and Internal Audit suggested the service liaise with IMT and request whether single sign on facility could be implemented; (session/user authentication process that permits a user to enter one name and password in order to access multiple applications). This would ensure all users had individual ID and password and would be matched to their network login.

5.5.7   The IT Projects and Systems Lead set up an action plan to ensure that the service was in compliance with the requirement. Initially a message was placed on Surrey County Council website to say "Due to technical issues the Contact Centre is currently unable to take payments for birth, death or marriage copy certificates over the phone. You can order and pay for copy certificate online. If you do not have internet access at home, please visit one of our libraries where you can use the internet facilities to access Surrey County Council website".

5.5.8   IMT was contacted and it was agreed that twelve officers would be given individual logins to enable service delivery again. IMT CMS & Collaboration Lead (IMT Development) confirmed that this issue was resolved. IMT were unable to give a timescale for giving all users individual logins, as with the new Outlook project due to be implemented, all users would have this facility.

5.6 **Cloud / Office 365**

Findings

5.6.1 The authority is currently going through major changes as part of the 'Modern Worker Programme' primarily changing from the Lotus Notes environment to Microsoft Exchange Online apart from email requiring GCSX transit.

5.6.2 The programme is being managed by the Principal Consultant (Projects) Project Delivery Team.

5.6.3 A security risk assessment has been carried out and the top risks noted for this project are as follows:
- Non compliance with CESG guidance on unmanaged devices may jeopardise Council's reputation or data loss defence.
- Data loss from a lost, stolen or compromised unmanaged device.
- Data loss from a lost, stolen or managed device.
- Data loss from compromise to Microsoft data centre
- Data loss from compromise to Surrey County Council data centre.
- Extended service disruption due to Microsoft data centre or network.
- Extended data disruption due to Surrey County Council data centre or network.
- Poor performance of solution components due to poor network performance.

5.6.4 The data has been assigned safe harbour jurisdiction, data will mainly be held in the Microsoft Cloud European Union zone, but GCSX exchange data will be held in the UK in Surrey County Council's own Primary and Secondary Data Centres, according to GCSX requirements.

5.6.5 There will be certain enhanced security access controls for users outside of the Surrey County Council network perimeter; Microsoft's Azure active directory two-factor solution (something you have and something you know) will be utilised to ensure security.

5.6.6 Business Continuity requirements have been included within the project requirements and the solution features a SLA of 99.9% availability.

5.6.7 The Modern Worker project is currently in beta pilot phase (testing) stage and key milestones are being monitored and tracked. The updated risk and position will be presented to Risk and Information Governance Board on 2 March 2016.

6.   ACKNOWLEDGEMENT

6.1 The assistance and co-operation of all the staff involved was greatly appreciated.

TERMS OF REFERENCE

Incident Response Audit
2015/16

BACKGROUND

Following the planning process and discussions with IMT Service, it was agreed that an audit would be included in the agreed Internal Audit Annual Plan for 2015/2016 to undertake a review to ensure that controls were operating effectively for Incident Response Review.

Incident Management is defined as the capability to effectively manage unexpected disruptive events with the object of minimizing impacts and maintaining or restoring normal operations within defined time limits.

The Authority must be prepared for incidents that may occur from a variety of sources, including those due to maliciously planned attacks, as well as non-malicious attacks from trusted insiders that could result in damage.

Management needs to be able to evaluate independently the incident response process on a regular basis to gain assurance on the effectiveness of controls within the process.

PURPOSE OF THE AUDIT

To ensure that risks are being adequately managed including:

- Are incidents investigated adequately?
- Are incidents logged?
- How do we minimize the impact to the organisation from an incident?
- How do we provide a defence against subsequent attacks?
- How do we restore continuity of services after an incident?
- How are we reporting incidents and who too?
- Inability to satisfy regulatory processing due to outages?
- The Insider Threat – e.g. breaches relating to personal data being stolen/lost

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WORK TO BE UNDERTAKEN

The findings of this audit will be based on discussions with officers responsible for the Incident Response Review and a review of relevant documentation which may include: Penetration test reports, findings and follow up actions, Information Governance reports and any incident reports will be tested to establish the process is operating effectively and that procedures in place are followed correctly.

OUTCOMES

The findings of this review will form a report to Surrey County Council management. This report will provide an overall audit opinion on the effectiveness of systems in place, plus set out recommendations for improvement if required. Subject to the availability of resources, and the agreement of the auditee, the audit will also seek to obtain an overview of arrangements in place for:

- Data quality and security;
- Equality and diversity;
- Value for Money; and
- Business continuity.

The outcome of any work undertaken will be used to inform our future audit planning processes and also contribute to an overall opinion on the adequacy of arrangements across the Council in these areas.

REPORTING ARRANGEMENTS

Auditor: Nighat Sheikh, Senior Auditor
Supervisor: Simon White Audit Performance Manager
Reporting to: Paul Brocklehurst, Head of Information Management and Technology.
Audit Ref:

DRAFT MANAGEMENT ACTION PLAN

Directorate:	Business Services
Audit report:	Review of Incident Response - 2015/16
Dated:	03 February 2016

PRIORITY RATINGS

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control

I agree to the actions below and accept overall accountability for their timely completion. I will inform Internal Audit if timescales are likely to be missed.

The auditor agrees that the actions set out below are satisfactory.

Lead Responsible Officer (HOS): Paul Brocklehurst

Senior Auditor: Nighat Sheikh

Date: 03 February 2016

Date: 03 February 2016

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
5.3	Formal testing of the IMT Building Continuity Plan should be carried out within the next financial year. This will ensure that the IMT team can respond to a major incident and that immediate support is available for all critical infrastructure environments, and all priority support applications.	Medium	IMT are in the process of updating the methods used for the backup and restore of computer systems. Business Continuity tests will be undertaken for major systems when this work completes in late August 2016.	November 2016	Paul Brocklehurst	Yes

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Chief Executives Office and Customers & Communities

Recently Completed

- Surrey-i Consolidation with Find my Nearest - To complete a consolidation of Find My Nearest and Surrey-I. As an identified efficiency saving, these services can be consolidated into a single server that operates two separate workspaces.
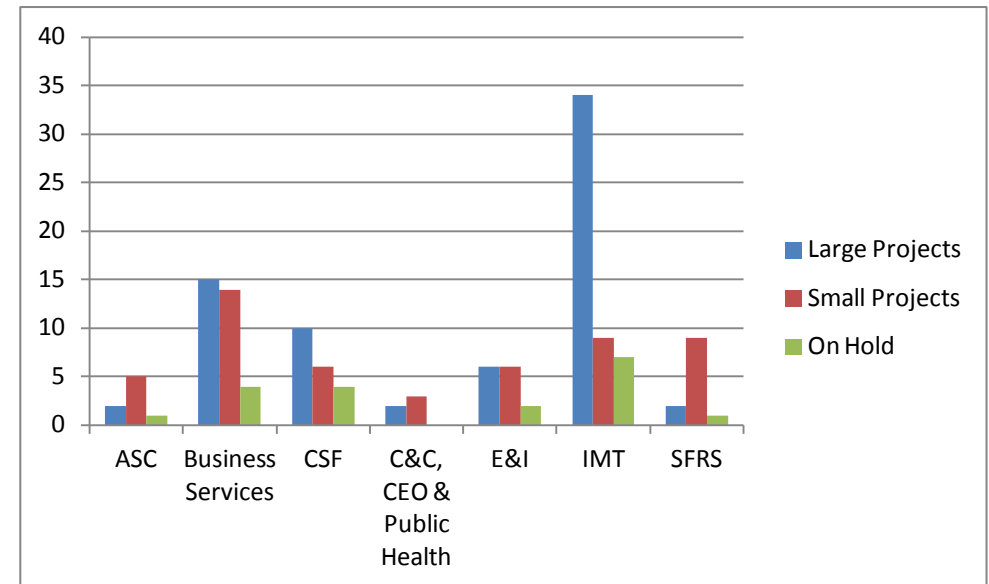
In Progress

- Achiever Upgrade - Upgrade of achiever call logging software for Shared Services, Legal duty Desk an HR Duty desk
- Enhanced Events Booking - To provide an in-house IMT developed Events Booking system to supplement the recently implemented Registrar's System, (ORBIT) which has limited functionality.
- Incident Management Programme - To provide the CEO Emergency Management Team's [EMT] with a web-based system to coordinate SCC's responses to incidents manage actions and provide an audit trail of those actions. To replace the current process, which is largely manual and paper based.
- Replace IGELs for Registrar - Registrars are experiencing major issues with the IGELs currently being used when registering births/deaths/marriages and so a more robust and fit for purpose solution which does not fail when working with the public is urgently needed.

IMT Projects Summary

Projects Delivery
February 2016

110 projects are currently being delivered

*If you would like to obtain an electronic version of this brochure, please contact the 'IMT Customer Demand' via Lotus Notes.

Modern Worker Implementation

In progress

- Email and Collaboration – To replace Lotus Notes email, calendar, contacts and instant messaging functionality with Microsoft Office 365.
- Replacement of Blackberrys – project to replace SCC's existing Blackberry estate with a new smart phone device.
- Print Management Solution – to implement a Managed Print Service (secure pull-print release printing and photocopying using multifunctional print devices) across 240 SCC sites.
- Device Refresh – Refresh of laptops and desktop PCs with laptops, Chromebooks devices, including procurement of devices, development of delivery processes, selection of supplier(s), delivery of devices etc.
- AD Implementation – 1) To improve the stability, availability and resiliency for end users and to ensure a consistent end user experience across the whole environment. 2) To provide enhanced integration with other councils by moving to a more commonly used identity and authentication platform based on Microsoft Windows. 3) Migrating to Windows Active Directory will enable SCC to run future Microsoft projects like RDS/Citrix and ADFS.
- WiFi Rollout – Guest, Corporate & PSN Roam WiFi rollout to Surrey sites.
- Security Review – Opening up s-net and SAP portal to home, tablet and smartphone access, opening some line of business apps for home working via tablets and smartphones, relaxing controls on some internet/social media websites - trust-based security , updated security e-learning to support new ways of working.
- Citrix Improvements - improving the stability and speed of our systems
- iGel Upgrade – a new, more modern look and feel for your login and desktop, introduction of single sign on.

Public Health

In Progress

- Public Health Database Procurement - SCC and East Sussex Public Health Teams require support from IMT during the procurement and rollout of a specialist database, which will be used for monitoring and managing Public Health contracts.

Adult Social Care

Recently Completed

- ASC I-drive Restructure –project requiring the I-drive to be restructured following the realignment of directorates which has taken place
- Integrated Care Teams (GP Surgeries) –The scope of this project is to determine and deliver the most suitable network and phone capability for SCC network access working with Virgincare (network provider at each site).
- SystmOne (SABP) access for SCC users – Mental Health Practitioners to be able to access SystmOne from their current IT equipment.
- ASC Provider Portal– Procure and implement a provider portal solution that enables ASC approved providers to access real time information regarding demand (support plans/package requirements) and ASC officers to access real time information regarding supply (provider availability, capacity, etc) to support them in making timely and efficient placements.

In Progress

- Adults Case Management System Replacement – replacing SWIFT with Liquid Logic.
- EDT Database for Recording Activities - The request is for a replacement system for the current call-logging database currently employed by the Emergency Duty Team (EDT). The current platform is an in-house development, created in MS Access 2000. As well as general stability issues that are affecting the EDT's ability to manage their workload, it lacks reporting functionality and the technology on which it is based is nearing end-of-life.
- Fostering & Adoption LCS - To have all Fostering and Adoption teams written records and documents captured electronically and held on one system LCS.
- Data Synchronisation – Child Protection – creating a timely and efficient process for sharing the Looked after Children (LAC) information contained in the social care system with the education management system (ONE).
- Data Synchronisation – Unique Pupil Numbers - The purpose of this project is to develop an interface between the education management system (EMS ONE) and the social care system (LCS); to allow for the automatic upload of unique pupil numbers into LCS.
- Automatic LAC Health Notification - The request is for an automatic notification to the teams of health nurses who perform the health checks of children.
- SSAB Secure Web Pages - The requirement is for there to be a secure section of the Surrey Safeguarding Adults Board (SSAB) webpages so information can be posted on securely ie. Only accessed by people who have been authorised to do so. The requirement for IMT is that they set up a secure section of the webpages where SSAB staff can post the large confidential and restricted documents.

- CSF Hub - To develop an Information Sharing and Management Solution for Children Schools and Families directorate, providing a tool to facilitate multiagency working, improved information sharing efficiency and early intervention accross the directorate and potentially with partners.
- Electronic Social Care Record (ESCR) Children - The implementation of ESCR will assist in improvement of processes to manage Information Governance, and the development of processes required to achieve compliance for Information Access.
- Controcc Phase 2 - THis next element to be implemented is the direct payments function. Following the successful implementation of this, it is then envisaged that Agency payments will be made through the contrOCC system.
- FEE (Free Early Education for Two Year Olds) & EYFE - The project objective is to develop and rollout a holistic I.T system that supports FEET and EYFE business processes as specified in the agreed user stories.

Surrey Fire and Rescue

<u>In Progress</u>

- Primary Control Salfords - A new fire station and command and control centre is to be commissioned next to Redhill/Salfords.
- SFRS Vision 4 Upgrade - Vision is the Fire & Rescue Service software that supports the Operational 999 calls and this needs to be upgraded to v4.
- SFRS Workload Modelling Software – Procuring a sophisticated analytical Workload Modelling tool in order to model the impact of changes to resource or crewing deployments on the response times of the emergency service.
- SFRS Guildford Fire Station - part of building a fully functioning fire station, helping with the specification and delivery of IMT infrastructure from the main contractor that will support the IT equipment.
- SFRS Video Wall - install a fully functioning video wall in Salford Control room.
- SFRS Incident Command Unit – Removing previous system and re-position airwave radio. To upgrade Vector Command to enable one way data flow from Vision 4 into Vector Command. Vector Command PC located within ICU to be upgraded.
- SFRS Joint Command and Control Mobilisation Review - Project being lead by Surrey/Sussex Police. To review and assess possible singular mobilisation/dispatch system that can be shared and jointly used between Surrey/Sussex Police, Fire Service and other blue light agencies/neighbours.

Business Services

<u>Recently Completed</u>

- MeetingSphere pilot - the overall purpose of this project is to provide a pilot of Meeting Sphere in order to assess the overall demand of such a tool within SCC.
- Bi-borough Mobilisation - SCC have been successful in being nominated as the preferred supplier to run the pension payroll service for the bi borough councils.
- Auto Enrolment - Implementation of SAP AutoEnrolment system
- New Phoenix Youth Centre - A new Youth Skills Centre was built in Banstead, to be known as the New Phoenix Youth Skills Centre.

<u>In Progress</u>
- Jive Social Intranet - The project seeks to assess and roll out alternative social, collaboration and communication technologies to support a refresh of the existing intranet and allow for enhanced communication across the business and our partners.
- Open Data Platform – project to establish an open data publication platform for Surrey County Council and develop production and consumption of datasets.
- HR Case Management System - to deliver an HR-specific Case Management System to replace (and enhance) the current functionality offered by Achiever.
- Video Conferencing - the purpose of this project is to deliver video conferencing facilities within County Hall for use by senior management.
- Property Asset Management System (PAMS) - this system will support all areas of service delivery in EPM which directly affects the ability for front line services to deliver their services.
- Work Space Management System - to assist in project to scope options for workspace management system to support all aspects of Smarter Working, produce specification and source, including implementation of chosen system.
- Hybrid Mail – The project will be to implement a Hybrid mailing solution for key business processes within Accounts Payable and Account Receivable in order to align our processes, reduce cost and improve efficiencies.
- Nakisa Upgrade – upgrading the Nakisa organisational chart
- Residential Scheme Appraisal Toolkit – to implement a modelling tool that can take a range of variables on a given potential residential property development scheme to compare development scenarios.
- S&L Academy Invoicing Database - A Database to collate data on the increasing number of Services delivered to Academies that are charged for.
- Finance PVR - Follow-Up - This project is to close any outstanding issues identified from the Finance PVR project for the Finance Business.
- ePayslips – project to find a fit for purpose solution to offer payslips electronically to both our existing customers and potential new ones.

- Cisco Cloud Contact Migration - There are a number of helpdesks in operation within the council that currently use the BT Cloud Contact/Next Generation Cloud Contact (referred to as BTCC or NGCC) automated call distribution system.
- Good to MobileIron Upgrade - To identify Good iPads and upgrade with MobileIron. To identify all other devices with Good installed and propose approach for upgrade to MobileIron as further stages of the Good MobileIron upgrade.
- Supplier Network e-Invoicing Technology – SCC have joined up with ESCC to implement an e-Invoicing/Supplier Network solution to automate and reduce the paper from both our councils invoice payment processes.
- SAP Fiori – To implement a mobile solution for customers to submit travel expenses, approve travel expenses and approve leave requests.
- Onboarding of multiple Boroughs and Districts IT Infrastructure in to Surrey County Council's Data Centre.
- Temporary Agency Contract – Addecco – Setting up a new Temporary Agency's website URL, test that it works and decommission the previous Agency's URL (Manpower).
- eDBS Re-tender – project to implement a solution to manage the process of applying for DBS checks. The solution will automatically update our Human Resources (HR) systems with DBS data and outcomes, with the aim of reducing the Total Cost of Ownership (TCO) of the DBS process.
- ETCi for Shared Services - Due to the work that Shared Services is now doing with Partner, we need the ability to record how much time is spent on each customer to enable accurate charging and invoicing to take place.

Environment and Infrastructure

Recently Completed

- Highways IT Transformation - SCC Highways is commencing a wholescale review of the non-Corporate IT products and providers it uses for delivery of its services. These are broadly 3-fold and cover: Iteration or replacement of Software
- Workstation Solution for TRACC – IMT to build a data processing workstation.
- Tree Risk Assessment Survey GPS Replacement - Upgrade Arboriculture aging Trimble GPS Receiver to one which also utilises ground stations.

In Progress

- Yotta Horizon - Procurement of Highways Asset Management System "Yotta Horizon" solution that is able to collate all assets data and produce a holistic view in the mapping solution.
- Laboratory Management System (LMS) Upgrade- A new server, which will improve mobile working as this is a Web based solution.
- CAMs and SMR / HBSMR - The requirement for this work is Similar to and closely linked with that for the Highways defect reporting. The work entails an interactive map for customers to log right of way faults / defects.

- Surrey Monuments Records – The outline requirement of this solution is the replacement of the History Centres: Historic Buildings, Sites and Monument Record (HBSMR) system.
- Self Service Addition to Van Permit Application - The Main purpose of this project is further develop the on line application process for van waste permits.
- Workstation Solution for County Transport Model - To provide E&I Transport Studies Group with remotely hosted access to OmniTrans by DataMobility., Highways Service Video Conferencing Facilities - As part of the ongoing development of the property strategy and interim arrangements to implement new ways of working within the service, a study has identified the need and benefits that access to professional video conference facilities could deliver.
- OmniBus Upgrade - To upgrade the existing application to the current, supported version.
- Travel SMART Journey Planner 2015 - The application of a number of bug fixes and enhancements to the Journey Planner by the developers Steer Davis Gleave.
- Informate/ETCi Re-design for E&I - Redesign and implementation of E and I code structure, cost and charging, reports and personnel structure

Children Schools and Families

Recently Completed
- Children's Service iPad Rollout – Project working on the deployment of over 600 iPads to the Children's service.
- Youth Centre Upgrade - To provide a standard hardware and software platform for Surrey's Youth Centres. These devices are for the use of Surrey young people and not staff devices.

In Progress

- LADO Database - Working on a secure method of data management for maintaining information on the actions of adults who work with children in Surrey.
- Fostering & Adoption LCS - To have all Fostering and Adoption teams written records and documents captured electronically and held on one system LCS.
- eCAF - The eCAF (electronic Common Assessment Framework) project aims to meet the requirements for effective assessment of need for Eary Help. The project aims to deliver an electronic solution that replaces the current As-Is paper-based CAF process.
- Online Infographics Application - request is for an Infographics application to better pictorially communicate complex information.
- Participation Database Evaluation - To provide a briefcase module that will allow secure access to information regarding the youth they work with.
- Youth Technical Services - A case management and electronic record system to both plan, record and review the assessment, planning and intervention of young people.

SURREY
COUNTY COUNCIL

Overview & Scrutiny Board

2 March 2016

Trust Funds

Purpose of the report:

This report provides members with an outline of the current arrangements for managing the council's Trust Funds in the context of a recent Internal Audit report.

Background

1. Many local authorities act as trustees for funds that have been set up for charitable, or non-charitable, purposes. These are known as Trust Funds. It is common for these Trust Funds to be set up with a bequest from a local resident for a specific purpose. In some cases, the County Council may also have made a contribution to the Trust Fund.

2. Surrey County Council (SCC) currently acts as custodian trustee, where it holds the property of the trust, for 44 trusts and acts as one of several trustees for a further 4 Trust Funds. A schedule of these funds is included in the Appendix.

3. Many of the Trust Funds were established in the mid 20th century, although some are considerably older, and the nature and purpose of some trusts is no longer relevant today.

4. This report to the Council Overview Board has been requested following an Internal Audit report.

Service Management

5. At the time that many of these Trust Funds were established, and passed over to the County Council, the Committee structure still operated. The responsibility and trusteeship was overseen by the relevant committee and of the 44 trusts, 34 are education or school based.

6. Over time, the aims and objectives of many trusts has become obsolete or the schools to which they related no longer exist. By the time the council moved to an Executive and

scrutiny committee model in the late 1990s, many of the Trust Funds had become effectively dormant.

7. The responsibility for Trust Funds moved to the Council following the change in the council's governance arrangements.

8. Of the 44 Trusts, seven of them can be considered to be active. That is that they are making payments. Appendix 1 provides a schedule of all the Trust Funds. This shows the purpose of the trust, its value and activity in the 2014/15 financial year.

9. These seven active Trust Funds tend to be where the County Council is not the sole trustee and other trustees are active. Many of the Education Trust Funds are now inactive largely as a result of their purpose no longer being directly relevant or the school to which the trust is associated no longer existing.

Finance

10. The current role of Finance is the preparation of financial information for annual reporting for each of the Trusts. This includes the maintaining of the Trust Funds' accounts and recording interest and dividend income and any expenditure for the active funds.

11. There had been a requirement for local authorities to report on Trust Funds within their annual Statement of Accounts. For Surrey County Council this involved a one-page summary Fund Statement and Balance Sheet for all the Trust Funds. Following the adoption of International Financial Reporting Standards (IFRS) by local authorities in 2010, this requirement was removed. Surrey County Council continued to disclose the Trust Fund summary financial statements up until 2013. At this date, following an external audit recommendation, there was a review of the Statement of Accounts in order to 'de-clutter' and streamline, making them more 'user-friendly' As part of this wholesale review, the inclusion of the Trust Fund statement ceased, on grounds of materiality, from the 2013/14 accounts onwards.

12. The monies received from the bequests has either been held by the County Council, or invested and the return on this investment used to support the aims of the Fund. Investment is through the Charitable Funds provided by the Fund managers, BlackRock. Finance provides an overview of these investments, including reporting on the movements in valuations. Finance does not pro-actively manage the investments.

13. Recently, a review of the smaller Education trusts has been undertaken in conjunction with Legal & Democratic Services with a view to closing some of these Trusts or transferring custodianship to 'successor' schools.

14. Actions are being undertaken by members of Finance to address the recommendations made in the Internal Audit report. Chief amongst these are greater clarity for whom the Trust financial accounts are prepared to improve knowledge on the accounting requirements of the Charities Commission.

15. Finance officers are working with the services, especially Schools and Learning, to establish greater transparency on the oversight and strategic direction of the Trust Funds.

Conclusion

16. Research undertaken within Finance, coupled with the Internal Audit report, has highlighted a number of shortcomings in the way that the County Council manages the trusts for which it has responsibilities. To address these shortcomings, a series of actions are proposed.

17. It would appear that these shortcomings have arisen primarily because of the inherent nature of a lot of the Trusts. Many were established in the mid 20th century and the nature and purpose of these Trusts is no longer relevant today, meaning monies have accumulated rather than being spent or invested.

18. There is a need to increase the transparency in the way in which Trust Funds are controlled, monitored and reported. Without an alternative, it is possible for the management of Trust Funds to 'slip under the radar', with regards to transparency. Furthermore, it is necessary that as custodian trustee, the County Council are ensuring the objectives of the trusts are fulfilled.

19. Although the ongoing management of Trusts may be delegated to officers of the County Council, the responsibility, decision-making and oversight of the trusts rests with the Councillors of the County Council where the Council is the sole trustee. Alternatives to this could be investigated, including delegation to the relevant cabinet member for the management of the Trust Funds in order to amend the Articles of Association of the Trusts, authorise their closure and transfer of funds.

Actions

20. The action plan consists of two stages. The first stage initiates a "tidy up", getting SCC's 'house in order' and slimming down the number of trusts. The second stage is to determine the future management and control of those Trust Funds remaining with the County Council.

21. The first stage would involve indentifying and grouping the Trust Funds into three broad categories. These would be i) Obsolete Funds; ii) Funds that could be 'resurrected'; and iii) Active Trust Funds.

22. For Obsolete Trust Funds, the council could initiate a process of winding up and closing, or merging. This would involve passing the monies across to identifiable recipients, such as schools or other established charitable Trust Funds with similar aims and objectives.

23. The options for those trusts categorised as "could be resurrected" include the following.

    a. Dissolve and wind up, pass money across to identified school

    b. Merge into a consolidated Trust

    c. Assign responsibility over to another Charitable Trust

    d. Keep, promote and reinvigorate the trust in house

24. The options for Active Trusts are also as follows:

     a. Dissolve and wind up, pass money across to identified recipient

     b. Merge and consolidate where appropriate

     c. Hand over to the Community Foundation for Surrey

     d. Keep, promote and manage the trust in house.

25. SCC would need to approach the Charity Commission to see if the Trusts' governing documents can be amended or updated where the original terms of the Trust can no longer be realistically followed.

26. The future oversight and management of the remaining Trust Funds will then need to be reviewed. Where a local authority is a trustee of a charity, it is the corporate body which is the Trustee. While ongoing management can be delegated to officers, responsibility for decision-making and oversight rests with the Councillors. Finance and Legal & Democratic Services would lead on this review.

Report contact: Kevin Kilburn, Deputy Chief Finance Officer

                                  Kevin.kilburn@surreycc.gov.uk 020 8541 9207

Surrey County Council Trust Funds - February 2016

Service Area	Trust Name	Annual Income Total - latest accounts	Balance sheet Total	MV of Investments	Any money paid out during the year?	SCC sole trustee?	Other trustees?	Fund Purpose
Education	Charity of Robert Phillips	£61,571.00	£2,000,610.00	£1,800,243.00	£35,243.00	No	3 Trustees appointed by Elmbridge BC	To provide land and buildings in trust for a public library/ museum or any similar charitable purpose and the promotion of education in music, drama and fine arts
Education	Surrey Educational Trust	£3,038.00	£815,266.00		£40,000.00	No	2 Trustees are SCC of 9	
Community Education	Henrietta Parker Trust	£24,116.00	£1,298,122.00	£878,003.00	£14,052.00	Yes		To Found or endow a school or institute of Technical or Manual Instruction in Cookery, Laundry Work and Hygiene
Community Education	Surrey Historic Buildings Trust	£28,283.00	£484,820.00		£14,105.00	No	3 Trustees are SCC of 9 trustees	To Preserve for the benefit of the public such of the historical, architectural or constructional heritage as may exist in Surrey.
Community Education	Surrey History Trust	£5,439.00	£29,966.00		£3,430.00			To help rescue and promote Surrey's history. Raising funds to secure the purchase and conservation of collections.
Library and Museum	The Guest House, Lingfield	£36,723.00	£502,566.00	£452,211.00	£41,298.00	No		To maintain the Lingfield Guest House, which is used as a public library and museum with an attached maisonette providing rental income.
Highways	Long Ditton Trust Fund		£22,062.00					To provide for improvements to the highway in Long Ditton. Interest accumulated on the trust fund is made available for highway improvements.
Social Services	Looked After Children	£206.00	£49,038.31					
Social Services	Kinton Old Pupil's Fund	£45.76	£6,181.92	£11,156.00	No	Yes		To provide equipment to aid Looked After Children entering employment or training
Social Services	Captain Brown's	£0.58	£137.92		No	Yes		To provide sporting equipment for Looked After Children
Schools	Ottershaw	£1.93	£185.43		No	No	Unknown	To assist pupils and former pupils of Ottershaw School
Schools	Beaverbrook - Bennett fund for Empire Knowledge	£19.31	£5,369.00		No	Yes		To provide an annual award promoting the knowledge of the British Empire
Schools	AJ Stevens History Prize	£5.36	£1,489.02		No	Yes		Annual Natural History Prize at Bourne School, Farnham
Schools	Brian Gale Memorial Trust	£2.01	£559.57		No	Yes		To provide prizes to pupils at Frimley and Camberley County School
Schools	Charles Goffin Memorial Trust	£2.60	£723.58		No	Yes		To provide an annual sportsmanship prize for one boy and one girl at Dorking County School
Schools	Cromwell Edwards	£1.09	£303.46		No	Yes		To award an English prize at Ashford County School
Schools	Dyson Memorial Trust	£1.01	£281.22		No	Yes		To provide an annual music award at Dorking County School
Schools	Edgar Dailley Girl Guides Trust Fund	£1.47	£409.05		No	Yes		To provide an income for the National Association of Girl Guides
Schools	Eric Thomas Scholarship Fund	£46.68	£12,976.00	£2,300.00	No	Yes		To assist boys of Surbiton County School who need financial aid on leaving the school in order to attend university or college.

Service Area	Trust Name	Annual Income Total - latest accounts	Balance sheet Total	MV of Investments	Any money paid out during the year?	SCC sole trustee?	Other trustees?	Fund Purpose
Schools	F Robinson Memorial Trust	£5.29	£1,470.30		No	Yes		To provide an annual prize for art at Frimley & Camberley Grammar School
	Gwen Ridgeway Needlework Trust Fund	£1.23	£342.54		No	Yes		To provide an annual needlework prize at Ockley Parochial School
	Hale Trust	£1.07	£296.90		No	Yes		To enable Surrey pupils to visit Hindleap Warren Activity Centre
	Henrietta F Le Personne	£10.56	£2,936.97		No	Yes		To be spent on the promotion of domestic science
	Henry Blanchett	£3,086.30	£175,107.55	£89,543.00	No	Yes		To provide books for school pupils born and resident in Ewell and Stoneleigh
	J McLaren Bequest Trust	£0.82	£227.17		No	Yes		To provide books for Ash Vale County First School
	Jean Whiting Prize Trust Fund	£1.20	£334.55		No	Yes		To provide an annual girls prize at Dorking County School
	Lane Prize Trust Fund	£3.33	£927.01		No	Yes		To provide an annual prize for girls in domestic science and for boys in handicraft at Kingfield School
	Le Personne Trust	£26.31	£7,316.00		No	Yes		To provide prizes for good behaviour at schools in Caterham and Warlingham
	Lord Knyvett	£3,927.19	£154,852.42		£1,892.00	No	Mrs C Sullivan	To give financial assistance to pupils in the parish of Stanwell.
	MA Cannon Bequest Fund	£0.42	£117.57		No	Yes		To provide annual prizes for biblical knowledge at Godstone County First School
	Mary Tate Memorial Trust	£7.11	£1,176.74		No	Yes		To provide prizes for field studies in geography at Warlingham School
	Murial Fry Trust Fund	£19.99	£5,556.97		No	Yes		To provide uniforms for pupils needing financial assistance when transferring from Holland to Oxted Schools
	PA Blackaby Trust Fund	£8.00	£2,224.99		No	Yes		To provide books for the library at Cleves School
	RA Buer Prize Trust Fund	£3.85	£1,070.49		No	Yes		To provide prizes for nature study at St Marys Shackleford
	Robert Beloe Trust Fund	£7.34	£2,041.00		No	Yes		To assist teachers to make visits of a training or study nature
	Roberts Memorial Trust Fund	£10.63	£2,861.77	£44.00	No	Yes		To assist a boy recommended by the head at Dorking County School in preparing for his future career
	Stedmen-Methuen Trust Fund	£26.74	£7,432.87		No	Yes		To provide a scholarship to pupils living in the Guildford area
	Tulk Bequest	£13,314.50	£367,404.39	£368,733.00	No	Yes		To provide outdoor sports facilities for Surrey secondary schools
	Unwin Award	£3.58	£995.14		No	Yes		To provide an annual prize at Kingfield School
	Wheeler-St Witley Trust Fund	£1.67	£465.40		No	Yes		To be used by SCC to exercise their power and duties under the Education Act
	Whyteleaf City Girls Prize Trust Fund	£0.54	£150.98		No	Yes		To provide a prize at the Whyteleafe County Grammar School
	Winter Prize Trust Fund	£0.91	£252.32		No	Yes		To award bibles as prizes at Caterham County Schools
	Woolmer Hill Education Trust Fund	£12.52	£3,479.52		No	Yes		To financially assist pupils in Hazelmere
	Yarrow Trust Fund	£2,191.06	£121,526.38		No	Yes		To provide educational facilities in Hindhead district