

Notice of Meeting

Council Overview Board



Date & time
Wednesday, 6 July
2016 at 10.00 am

Place
Ashcombe Suite
County Hall
Penrhyn Road
Kingston upon Thames
KT1 2DN

Contact
Bryan Searle
Room 122, County Hall
Tel 020 8541 9019

bryans@surreycc.gov.uk

Chief Executive
David McNulty

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 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

PART 1
IN PUBLIC

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 1 JUNE 2016

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

Minutes to follow.

3 DECLARATIONS OF INTEREST

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

Notes:

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

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (Tuesday 30 June 2016).
2. The deadline for public questions is seven days before the meeting (Wednesday 29 June 2016).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

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

(Pages 1
- 6)

Responses from the Cabinet to recommendations made by the Board at its last meeting are as follows:

- (a) Investment Strategy: Property Portfolio
- (b) Annual Report of the Shareholder Board
- (c) Trust Fund Task Group Report

- 6 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME** (Pages 7 - 10)
- The Committee is asked to monitor progress on the implementation of recommendations from previous meetings, and to review its Forward Work Programme.
- 7 AGENCY STAFFING UPDATE** (Pages 11 - 40)
- Purpose of the report:** Scrutiny of Services and Budgets; and Policy Development and Review.
- The report provides the Council Overview Board with an update on progress improvements to the council's agency worker arrangements, including implementation of a new framework agreement, historical and current spending and current mark up rates. The report sets out the council's approach to temporary staffing and controls being implemented for managing usage and costs of agency staff.
- 8 SCRUTINY IN A NEW ENVIRONMENT** (Pages 41 - 44)
- Purpose of the report:** Policy Development and Review
- The financial, policy and decision making landscape of local government is changing rapidly, and overview and scrutiny committees must be able to meet the challenges of scrutinising key issues in this new environment.
- 9 MUNICIPAL BONDS AGENCY**
- Purpose of the report:** The Council Overview Board is asked to review the report and consider whether it wishes to make any recommendations to Cabinet.
- Report to Follow
- 10 PUBLIC VALUE TRANSFORMATION PROGRAMME** (Pages 45 - 54)
- Purpose of the report:** Public Value Transformation was agreed in February Full Council as part of our response to tackling an unsustainable Council budget beyond 2017.
- It is not a centralised programme of service-by-service reviews but is about bringing our transformation work into a systematic and rigorous approach to secure Public Value moving forward and contributions to the Council's longer-term financial sustainability.
- 11 BUDGET SCRUTINY** (Pages 55 - 60)
- Purpose of the report:** Scrutiny of Services and Budgets.
- To receive an update on discussions in relation to the arrangements for scrutiny of the 2017/2018 budget and consider whether to make recommendations to the Cabinet or Scrutiny Boards in relation to the process.

12 DATE OF NEXT MEETING

The next meeting of the Committee will be held at County Hall on Tuesday 21 September 2016

David McNulty
Chief Executive

Published: Tuesday 28 June 2016

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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

Anyone is permitted to film, record or take photographs at council meetings with the Chairman's consent. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that the Chairman can grant permission and those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

INVESTMENT STRATEGY: PROPERTY PORTFOLIO (considered by Council Overview Board on 1 June 2016)

COMMITTEE RECOMMENDATIONS:

That a report be presented to the Cabinet on an at least annual basis with a transparent and accessible summary of actual income compared to anticipated returns, to enable the Cabinet to review the performance of the investments made and consider whether any adjustments need to be made to the investment strategy.

RESPONSE:

I would like to thank the board for their comments and scrutiny of the reports provided which outlined progress being made to deliver an income from property investment in the longer term. I would also like to thank the board for their support and confirm that the returns are in line with expectations. The Investment Strategy is managed on behalf of the council by the Investment Advisory Board who consider detailed reports on performance once per quarter. Summary financial information about the Investment Strategy is included in the Finance and Budget Monitoring report reviewed by Cabinet on a monthly basis.

David Hodge
Leader of the Council
21 June 2016

This page is intentionally left blank

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

**ANNUAL REPORT OF THE SHAREHOLDER BOARD
(considered by Council Overview Board on 1 June 2016)**

COMMITTEE RECOMMENDATIONS:

The Scrutiny Board considered the level of detail provided on the financial results of the companies to be insufficient. The Board therefore asks that the Cabinet support its request that the future presentation of financial information to the Council Overview Board should be improved, including the addition of a column showing the return on the investment/capital for each company.

RESPONSE:

I would like to thank the board for their comments and scrutiny of the Shareholder Board report. The Shareholder Board will continue to provide information to the Council Overview Board in so far as this is publically available and not commercially sensitive.

**David Hodge
Leader of the Council
21 June 2016**

This page is intentionally left blank

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

TRUST FUND TASK GROUP REPORT

(considered by Council Overview Board on 1 June 2016)

COMMITTEE RECOMMENDATIONS:

1. The Board agreed the following recommendations and asks the Cabinet to agree:
 - a) That trust funds for which the County Council is the sole trustee, excluding the Lingfield Guest House and Looked After Children funds, be transferred to the Community Foundation for Surrey (CFS), and that officers be authorised to begin the liaison with the CFS to ensure this is actioned at the earliest possible date.
 - b) That a further report outlining the proposals in relation to those trust funds where the Council is not the sole trustee be submitted in due course, following discussions with the other trustees.
 - c) That, where a new trust fund is bequeathed to the Council, the presumption should be that the trust fund is transferred - under the same principles recommended for the current trust funds - to the Community Foundation for Surrey.
2. Subject to Cabinet agreement to the above recommendations the Council Overview Board will monitor these arrangements on an ongoing basis and make recommendations to the Cabinet as appropriate.

RESPONSE:

Cabinet has carefully considered the recommendations of the Council Overview Board following its receipt of the Trust Fund Task Group Report on 1 June 2016 and wishes to make the following amendment:

That in view of the considerable work which has been undertaken in recent months by Cabinet Members and officers in respect of the Henrietta Parker Trust, including scrutiny by the Education and Skills Board, and the Tulk Fund Trust for which a report was considered at the Cabinet Meeting on 26 April, 2016, these two funds should be added to two excepted funds of Lingfield Guest House and Looked After Children and not be transferred to the Community Foundation for Surrey, and that the activities of these two additional trusts be reviewed after two years to ensure that they have been properly managed and have disbursed funds to suitable projects in accordance with their respective aims and objectives.

**Mary Lewis, Cabinet Associate for Children, Schools and Families Wellbeing,
on behalf of Linda Kemeny, Cabinet Member for Schools, Skills and Educational
Achievement
21 June 2016**

This page is intentionally left blank



Council Overview Board
6 July 2016

RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME

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

Recommendation:

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

Next Steps:

The 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.

This page is intentionally left blank

Council Overview Board – Forward Work Programme 2016

**21
September
2016**

- High Performance Development Programme Review
- Public Value Transformation
- Consultation Framework
- High Performance Development Programme – Review
- Staff Survey

Future items

- Devolution
- Trust Fund progress review
- Review of Cabinet Member priorities

This page is intentionally left blank



Council Overview Board
22nd July 2016

Agency staffing update

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

The report provides the Council Overview Board with an update on progress improvements to the council's agency worker arrangements, including implementation of a new framework agreement, historical and current spending and current mark up rates. The report sets out the council's approach to temporary staffing and controls being implemented for managing usage and costs of agency staff.

INTRODUCTION

1. In September 2014 an internal audit of the council's agency worker arrangements noted that significant improvement.
2. At the time of the audit there were a number of problems to be addressed both in the operation and use of the agency supply contract and to take forward re-provision of the service to coincide with the end of the contract for supply with Manpower. A Management Action Plan (MAP) was developed to address the audit recommendations and good progress has been made in addressing all of the issues identified in the MAP (more information below). Agency staffing is now provided through a contract with Adecco under an established procurement framework called MSTAR 2 which began in February 2016.
3. One of the key problems of the previous arrangements, which continued throughout the duration of the contract, was poor management information. In particular, our inability to report accurately or simply on the on the usage, tenure and costs of agency workers. This was as a result of poor configuration, usage and limited functionality of the agency recording system which led to poor data quality and a lack of adequate management information.
4. This issue has been addressed in the re-provision of services and will lead to better control and scrutiny of agency spends. The first quarterly data reports will be available for period April to June 2016 will be available for scrutiny in July 2016.

IMPROVEMENTS DELIVERED

5. A comprehensive MAP has been implemented to deliver improvements needed in agency workers provision identified in September 2014. The audit focused on critical provision of Children's social workers and IMT contractors.

i. Review of agency worker provision

6. A crucial element of the management action plan was to review the provision of agency workers, including giving consideration to the creation of an 'internal Surrey' owned temporary staff agency. Procurement and HR worked together to retender the provision of agency workers. This work was initially a large engagement campaign, to understand customer demand throughout the council, and develop strategic aims for improving supply as well as the service specification.
7. The council took into account customer feedback and lessons learnt from many years' experience of running provision to establish the new specification of services and a set of strategic aims to guide our management and use of the contract (see Annex B).
8. As part of the Orbis partnership with East Sussex, the councils jointly reviewed agency arrangements. A range of options were considered; including creating an in-house employment agency, outsourcing to a supplier under an established supply framework (the MSTAR2 framework), or creating our own framework through the Open Journal of the European Union (OJEU) – this would mean inviting agencies to bid on to our newly created framework.
9. The engagement and the cost savings forecasted led to a decision to appoint a supplier and work on an established framework (the MSTAR2 framework). This would allow a reduction in agency fees, full security of accurate audit and compliance checks for all agency workers.
10. Work was undertaken to jointly procure a new framework provision for temporary workers during 2015-16 and to Cabinet approved the contract on 22 September 2015. Adecco were awarded the contract for four years, with an option to extend year by year.
11. The operational model adopted is called a 'hybrid' model, which means Adecco will fulfil general staffing roles, but 'hard to fill' roles will be sent immediately to the supply chain to fill. This allows for us to be able to engage with a strategic supply chain to fulfil requirements in a cost effective and timely manner.
12. The strategic aims of the contract are now monitored through the quarterly strategic contract review meeting, chaired by the sponsors of the contracts across Surrey County Council and East Sussex County Council.
13. Additionally, improvements in workflow management, reporting and account management have been delivered as part of the refreshed service. The service in East Sussex was launched in November 2016 and in Surrey the new service went live on 1 February 2016.

ii. Childrens, Schools and Families

14. The MAP sought to reduce the high numbers of agency workers, increase the number of permanent staff, improve quality and reliability of locum supply; and formalise contractual arrangements.
15. An immediate priority was to address contractual issues and relationship between HR and CSF in the management of agency staffing. A series of direct supply arrangements managed in house had resulted in poor control,

poor quality locums, increasing costs and reduced resources available for permanent recruitment. Through joint working these direct supply arrangements were streamlined and improved, and have subsequently been replaced by the new provision with Adecco.

16. There has been significant work from HR and Childrens services to work with neighbouring Local Authorities to ensure we retain permanent staff and reduce the dependency on the agency workers. In 2015/16 Surrey signed up to a Memorandum of Cooperation (MoC) between local authorities in the South East of England. The MoC includes a number of provisions designed to address the over reliance on locum works, including:
 - a cap on pay rates for locum social workers, up to and including team managers, across the local authorities signed to the agreement;
 - a joint commitment to prevent permanent staff to resign their post and moving to another Local Authority signed with the MoC as a locum.
17. Further action has been taken to improve the attraction and selection of social workers, including better communication of the benefits package, new financial incentives (retention and start up payments), increasing the supply and capacity to recruit newly qualified social workers and actively seeking 'conversion' of locums to permanent positions.
18. The working relationship between HR and CSF has strengthened and the work between the recruitment team and the service is strong and meant that 53 social workers were appointed to permanent positions during 2015/16. There remains a retention issue with 56 social workers leaving in the same period.
19. Additionally, the Childrens Improvement Board are presented with the recruitment and retention dashboard, which is providing oversight on locum employment, and a necessary focus on improving retention of social workers.

iii. IMT

20. IMT were given an action plan to reduce the cost of agency workers, by taking them on as fixed term contracts, as their pay rates were high and their contracts were for long periods. There was work done to reduce the number of agency workers and look to alternate solutions for project support.
21. As a result of this, IMT have provided a senior manager as a workforce lead for agency workers, they have access to the full reporting suite and engage heavily with HR to reduce the cost of agency workers, they also request their managers to provide a business case for agency workers who are projected to earn more than £50k within 12 months.
22. From March 31 2016, a large number of agency workers were released which is demonstrated through by an IMT agency spend reduced from £108,122 in May 2015 to £49,743 in May 2016.

iv. ASC

23. Other high usage areas include unqualified care staff working in Adult Social Care. Usage of agency workers has declined over the past four years. This is due to agency staff agreeing to permanent contracts (including bank contracts), homes being aware that for a high level of service, having continuity of care is important, so they try to use agency workers as a last

resort. As Older Peoples homes close throughout the county, this has an effect on the number of possible posts.

v. Highways

24. Historically, Highways have used contractors through their contract with Kier, this has allowed them to use contractors for a short or long period, paying a high fee to Kier for this (12.5% of the pay rate). As a result of the engagement throughout the retender, this spend outside of the Manpower contract was identified and a significant cost saving was identified. This group of temporary agency staff are now being transferred from the Kier contract to the Adecco contract, which is projected to make a saving of approximately £600,000 over 12 months. All new contractors are being sourced through the Adecco contract.

IMPROVED UNDERSTANDING AND REPORTING

25. There is currently no policy in place that guides the use of agency workers. There are expectations that agency workers are used as a temporary or measure of last resort. However, it is clear the tenure of some locum appointments are over extended. There are rules regarding the procurement and use of specialist consultants that are monitored by officers in procurement.
26. The Continuous Improvement Board has commissioned a project from Human Resources to analyse the use of flexible working arrangements, i.e. locums, bank, additional hours, across the organisation. This is will be used to establish guidance and policy on the use of agency staff. The project is due to be completed by October 2016.
27. As part of the new arrangements we have already taken steps to improve controls on agency spend, including the withdrawal of automatic approval of agency timesheets and the practice of creating long term open orders. We are establishing quarterly workforce information reports for service workforce leads to manage the reliance on these workers and ensure The first set of reports will cover the first quarter of operation of the new contract. As part of the People Strategy refresh for 2016/17, officers will be commission high-level workforce plans and 'hire plans' to help achieve a sustainable workforce.

HISTORICAL USEAGE AND COST OF AGENCY WORKERS

28. We have been unable to extract from the data provided by our previous provided for the information requested by Council Overview Board, i.e. the headcount, pay rate and agency fee over the last three years. The following table shows the spend on agency staffing from financial records.

		2012/13	2013/14	2014/15	2015/16
ASC	Unq	£2,471,035	£2,357,414	£1,269,950	£1,209,415
	QSW	£1,256,000	£1,200,000	£1,312,384	£2,559,503
CSF	Unq	£2,085,009	£1,816,147	£868,357	£1,212,180
	QSW	£3,081,560	£3,145,020	£3,407,457	£3,850,160
CEO		£505,782	£227,314	£105,627	£520,831
BS		£3,449,928	£3,066,328	£3,332,610	£3,565,433
CC		£489,501	£1,065,779	£377,954	£269,667

EI	£1,097,155	£930,381	£562,133	£530,649
TOTAL	£13,930,188	£13,808,533	£11,236,472	£13,717,838

29. The new provision provides for better information on agency spend that will allow monitoring of the information requested by COB. See extract from February 2016 agency report below.

Feb-16	Total headcount	Average per hour (£)		Weekly total (£)	
		Pay rate	Agency fee	Pay rate	Agency fee
CSF - Qualified	96	£30.0	£3.2	£14,400	£1,512.0
CSF	54	£10.0	£2.5	£2,700	£675.0
ASC - Qualified	32	£26.0	£3.2	£4,160	£504.0
ASC	45	£9.0	£1.5	£2,025	£337.5
BS	19	£12.0	£1.9	£1,140	£176.7
CC	2	£7.5	£1.7	£75	£17.0
EI	10	£22.5	£2.5	£1,125	£125.0
CEO	1	£18.0	£3.0	£90	£15.0
TOTAL	259	£135.0	£19.4	£25,715.0	£3,362.2

30. COB requested information to compare the costs of agency workers against permanent staff, this is included at Annex C; there is a range of examples.
31. The new agency worker provision model, supplied by Adecco, provides cost saving in agency fees charged to the council. Based on the 2014/15 usage data, the management fees charged to the council are estimated to reduce from £1.07m to £840,000 per annum; providing a saving of £231,000 for the first year of the contract. During the first quarter, management information showed a saving of £112,043.

Recommendations

32. A further report should be brought to COB for review at the end of quarter two to review officers progress developing agency worker arrangements.

Next steps

33. Officers will:
- Finalise and distribute first quarter reports on agency working – these reports will contain the total spend by the service for the quarter, broken down by rate to the worker and agency fee; workers who have been in post for more than 6 months; and the hourly pay rate to the workers – this report will be available from July 2016;
 - Agree plans to achieve appropriate use of agency workers with service workforce leads – complete by 2016/17;
 - We will also be publishing guidance on use of agency workers and asking directors to agree to plans to achieve appropriate use of agency workers, which will be shared with Council Overview Board at a future meeting – complete by October 2016; and

- Alongside this there will be increased scrutiny of agency workers usage through the improved reporting capability of the new provider – ongoing.

Report contact: Ken Akers, Head of Human Resources and Organisational Development.

Contact details: 02085416814, *ken.akers@surreycc.gov.uk*

Sources/background papers:

Management action plan

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
5.1.10	SCC should ensure that that there are robust plans in place for a rapid implementation of the new MSTAR contract signed with Manpower in August 2014. These plans should include careful monitoring of the Panel Vendors' response to rate reductions and the new routes to market that procurement are establishing.	High Priority	Implementation plans have been agreed with Manpower on the MSTAR contract.	August 2014	ACTION COMPLETED MSTAR contract was signed and in place from 1 st August 2014. The new rates were applied from the 4 th September 2014.	Laura Langstaff
			Manpower has written to all Panel Vendors to confirm new rates under the new contract. Where exceptions happen, Manpower will gain confirmation from SCC on the appropriate course of action	September 2014	ACTION COMPLETED	Ken Akers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
			The overall effectiveness of the MSTAR contract will be reviewed at quarterly supplier meetings.	Quarterly until early 2015	ACTION COMPLETED Action is standing agenda item at supplier meetings.	Ken Akers
5.1.11	<p>Procurement, HR and other interested parties should continue to develop innovative options for an alternative to a framework contract solution to the recruitment of agency staff.</p> <p>In particular, further consideration should be given to the options for SCC to: (a) creating more specialist agency staff supply contracts where Services are able to</p>	High Priority	Identify and agree the problem areas through the Relationship Managers, Procurement and Manpower and Service Coordinators.	October 2014	<p>ACTION COMPLETED Four options were identified and appraised:</p> <ol style="list-style-type: none"> 1. Set up trading company for agency recruitment 2. Set up joint Surrey /East Sussex framework 3. Call off established MSTAR2 framework 4. Hybrid Solution <p>The model selected was option 3</p> <p>Timeline : March – Specification completed Apr-June: Procurement process July/Aug – mobilise</p>	Laura Langstaff, / Ken Akers / Kevin Peers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	take on the necessary overheads for contract management.		Utilise operations meetings and strategy meetings to identify the project team to resource this.	December 2014	The project team to resource this has been identified. Sponsors: Carmel and Leatham Project team Ken, Indiana, Dean, Raji, Ruth and Lana	
5.1.11	(b) consider cost effective and innovative options for the future supply of agency staff taking into account any potential for wider regional collaboration and/or opportunities to generate income	High Priority	Consider bringing in an additional resource to manage the options analysis.	Mid October 2014	ACTION COMPLETED Surrey CC and East Sussex CC are working together to jointly procure the supply of agency staff. The contract will be in place by Oct 2015	Laura Langstaff, / Ken Akers / Kevin Peers
			Have contract in place for directly sourced temporary CSF Social Workers. (Amy / Keith)	December 2014	ACTION COMPLETED – Developed and launched a new Social Worker locum process for Children’s services which builds in the off-contract process. Meetings with Direct supplier agencies have taken place. – Procurement sent direct supply contract to send to agencies to sign.	
			Options and costs paper	March 2015	ACTION COMPLETED Included as part of the above review.	

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.	Medium Priority	Develop a strategic approach to workforce supply and retention which would deliver a sustained reduction in locums and achieve the right balance between flexible, employed and trainee skills.	October 2014 to outline strategic approach and aims	<p>ACTION IN PROGRESS Regional conversations are taking place with thirteen Local Authorities (including Surrey) to move towards agreeing a Memorandum of Cooperation for Managing the demand and supply of Children's Social workers. This includes protocols around pay, recruitment, referencing and the standards of performance.</p> <p>Since 2010, Children's Services and Human Resources have implemented a recruitment and retention strategy for social workers. A sum of £772k has been invested in establishing the 'social work academy' in North East Surrey for development and retention of newly qualified social workers. We have implemented the social work career grade; investing a further £1.8M in pay progression; accompanied by a clearly defined training programme for professional staff development. Alongside this, the Social Work Task Force has taken established more flexible locum recruitment and initiatives, such as the Locum Lunch,</p>	Gill Rogers / Kevin Peers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
					to transition locums to permanent staffing.	
			Project started with Service and HR	Ongoing – to be reviewed regularly	<p>ACTION IN PROGRESS</p> <p>A recruitment project is currently in progress with the following aims:</p> <ul style="list-style-type: none"> - Improve the website and advertising to ensure we are promoting Surrey and the roles within Surrey effectively and in line with other competing organisations. Work has started on the front page of our recruitment site and now reflects a 'cleaner' look. Work is continuing to improve the language and 'feel' of the web pages. - Improve the recruitment process for both permanent and locum Social Workers to ensure it is personalised and responsive, without unnecessary delays. <p>Work continues with new Recruitment and Retention adviser to encourage move from temp to perm</p>	

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.(cont'd)		Make sure that there are appropriate management arrangements in place for locum staff, including target setting, performance management and professional supervision.	March 2015 progress towards reduction in locum numbers began, and on-going monitoring established.	ACTION COMPLETED A policy has now been agreed and communicated detailing the commitment Surrey will make to its locum Social Workers to ensure they receive the basic training and development (including supervision) required to deliver the role. This recognises the key role locum Social Workers play in our workforce moving forward but does not detract from the need to move to a higher proportion of permanent Social Workers.	Gill Rogers/Kevin Peers
			Continue offering 'locum lunch' to target and communicate clear opportunities and to explain the approach of becoming permanent to encourage long standing locums to join the permanent workforce.	Locum lunches held regularly	ACTION ONGOING Locum lunches held regularly Long serving locums reviewed at monthly directorate meetings as the report is now included in the monthly dashboard.	

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
			Introduce total reward benefit illustrations to allow cost comparison between locums and permanent staff.	By April 2015.	ACTION COMPLETED Planned total reward statements to demonstrate the financial equivalent of benefits such as annual leave, training and development, flexible benefits and pension schemes. Research is being carried out to support this scheme's cost and benefit.	
5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.(cont'd)		Improve the process for applying for and being selected for a permanent social worker using the SCC website.	Ongoing – to be reviewed in October 2014.	ACTION IN PROGRESS – NEEDS AN UPDATE Anyone applying for a Social Worker role can now apply by attaching their CV rather than by completing an application form. This is aimed at making the process faster and easier for potential applicants. The 'employee experience' is the first strand of the Recruitment Project., which is underway and being reported on 20 th October. This will provide a full account of communication, process and stages which an applicant will have to go through before being offered a SW role within Surrey.	Gill Rogers/Kevin Peers
5.3.3	HR and Manpower should continue to work together to meet some	Medium Priority	Strengthen operational management of the	Already in place and will be monitored	ACTION COMPLETED & MONITORING CONTINUES Operational management	Ken Akers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	of the specific concerns of Childrens Services on Manpower's performance, but particularly with regard to the quality and relevance of CV sent to managers and on the functionality of Manpower's system which lead to so many requests for the cancelation of orders.		<p>contract.</p> <p>Managers to raise issues through the issue log and for issues log to be regularly reviewed and checked for appropriateness of response.</p> <p>Strengthen the process of feeding back to managers about expectations</p>	<p>on ongoing basis</p> <p>To be reviewed at operational meetings.</p>	<p>arrangements, the contract KPI's, ways of measurement and production of evidence are being reviewed. Ken Akers will be attending a sample of monthly meetings to understand how effectively issues are identified and addressed by Manpower and SCC leads.</p> <p>In future, Surrey CC Relationship Managers will contribute to strategic meetings with Manpower contract managers and panel vendor representatives. This will help to focus on issues of quality of locums; making sure providers understand our needs and our culture; and contributing to improved performance management.</p>	
5.4.7	Where Childrens Services need further flexibility on procurement arrangements, they should ensure that they use the procedures within SCC Procurement Standing Orders to request such	Medium Priority	CSF will comply with SCC procurement rules. Where there are emergencies with the risk of major service failure, CSF will follow emergency waiver procedures to ensure sufficient	December 2014	<p>ACTION COMPLETED</p> <p>A waiver application has been developed and approved for those appointments made off contract and is linked with the creation of the new contract for directly sourced locum social workers.</p> <p>Where Children's Services are unable to identify suitable locum staff</p>	Gill Rogers/Kevin Peers/Keith Coleman

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	flexibility and also ensure that there is adequate planning and coordination with other departments on how changes are to be implemented		skills are sourced to manage service delivery risks at short notice.		within the existing contract; Procurement and HR will support them with flexible arrangements, whilst ensuring a robust process is in place that complies with SCC Standing Orders.	
5.4.12	SCC should monitor the impact of the Memorandum of Co-operation on Social Workers and ensure it participates when appropriate.	Medium Priority	Attended recent conference on the MoC. Will continue to consider in the light of decisions taken by LBs and SE7 CCs.	To consider more formally by October 2015.	SCC have signed up to the 2nd phase of the MoC (1st April 2016 start date). Implementation includes communications and monitoring of impact.	Gill Rogers
5.4.13	Childrens Services should ensure the implementation of management arrangements to fully address its commitments (e.g. for supervision and practitioner development) in its new 'Locums Policy'.	Medium Priority	As part of our workforce reform, we will ensure that the locum policy is fit for the future (particularly with regards to proper supervision) and aim to ensure that policy is properly embedded.	December 2015	A clear commitment has been given to ensuring what we are doing is fit for the future, including proper supervision. This will formally be captured as part of our work to refresh our Children's Workforce Strategy and embedded to ensure proper management oversight as part of our Leadership & Management development improvement plans and our QA framework. Locums are also provided access to the essential training required and that they have access to the appropriate support and guidance.	Kevin Peers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
5.4.14	Childrens Services should now agree targets for the reduction in the numbers of locum and agency social workers with HR.	Medium Priority	Agreed. We will aim to achieve year on year reductions in agency/locums particularly in management/supervisory roles with a view to having no long term agency/locum staff in management/supervisory roles within two years. This will be linked to the Workforce workstream within the Children's Improvement Plan.	Ongoing	<p>In order to help us ensure stability for our children and their families, and for our social work teams, work has been taking place to recruit as many good quality, permanent social work staff as possible in order to reduce our reliance on locums. Once we are able to fill these positions permanently we will be able to reduce the number of locums in use.</p> <p>Analysis of recent recruitment is that it continues to be newly qualified and inexperienced social workers we attract rather than experienced social workers, which is a national issue. The recruitment to the expanded ASYE Academy has been a success and "growing our own" by training unqualified workers is progressing well. We continue to recruit to replace workers who leave, however the overall vacancy rate is unchanged.</p> <p>With an increase in workload of about 40% since 2012 Agency Social Workers make a valuable contribution to keeping children safe in Surrey and we want the best agency to work alongside our directly</p>	Kevin Peers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
					<p>employed workforce until we are able fill those posts with good quality, permanent social workers.</p> <p>Recent work has included strategies to encourage as many of our existing locums as possible to convert to permanent positions. This has included providing our managers with the tools to have 'conversion conversations' with their locum staff and a number have already been successful. We also have a locum workshop planned for 16.5.16 which will provide us with useful data about what may be the barriers to locums converting to permanent contracts and to outline our Surrey offer if they do.</p>	
5.4.15	Childrens Services should ensure that there is a clearly documented, IR35 compliant rationale for all Limited Company locums.	Medium Priority	Further research to be undertaken by HR on this corporate risk. MSTAR2 contract will help procure more agency staff via umbrella companies, which are IR35 compliant.	December 2015	As of 1.2.16 the previous agency contract with Manpower and other providers was replaced by a Framework agreement with Adecco. As part of that contract IR35 compliancy issues sit with them. Changes in HMRC rules mean that IR35 rules will be enforced from April 2017 and we will be working with Adecco, our agency provider to ensure compliance.	Ken Akers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
5.5.5	Manpower should be asked to substantially reduce its mark-up on any hard to recruit staff that Children Services introduced to them.	Low Priority	Service to identify relevant staff and volumes.	December 2014	ACTION NO LONGER APPLIES Recommendation no longer applies as MSTAR fees do not change whether candidate is a Manpower worker or from another agency supplied via Manpower.	Ken Akers / Ian Banner/
			Procurement and HR to meet with Manpower to establish whether an alternative charging mechanism can be added to the existing procurement terms.	December 2014	ACTION COMPLETED Recommendation no longer applies as MSTAR fees do not change whether candidate is a Manpower worker or from another agency supplied via Manpower .	Ken Akers / Keith Coleman
5.6.9	Where agency staff are working at more than one site, the management of their total working week should be the formal responsibility of Manpower and one nominated SCC Manager. Manpower's	Low Priority	ASC and CSF Service Coordinators are monitoring the hours on a monthly basis and liaising with managers and Manpower. If a person working at more than one site	Monthly from August 2014	ACTION COMPLETED Service Coordinators will be continuing to monitor this on a monthly basis. HR has reiterated the importance of this and further monitoring will take place at the quarterly operational meetings.	

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	performance on ensuring that staff do not reasonably exceed a normal working week		breaches the weekly limit, then we ask a manager to take a lead role in making sure there is no repeat of this. Local manager to take the lead in making sure hours limits are managed.			
5.6.9	Where agency staff are working at more than one site, the management of their total working week should be the formal responsibility of Manpower and one nominated SCC Manager. Manpower's performance on ensuring that staff do not reasonably exceed a normal working week (continued)		<p>Manpower also instructs all their workers not to work above 48 hours/week.</p> <p>We will review the hours regularly at our operational/service coordinators meetings.</p> <p>Establish if individuals are given the option to opt out of WTD and if so, where is this information held /</p>		<p>ACTIONS COMPLETED</p> <p>Manpower will monitor all care workers that exceed 40 hours per week to ensure compliance</p> <p>This is a standard agenda item at the quarterly operational management meeting with service coordinators.</p> <p>All workers are given the option to opt out and this information is held on the individual's record available for audit if necessary.</p>	<p>Manpower – ADECCO has now taken this over.</p> <p>Ken Akers</p> <p>Manpower</p>

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
			shared.			
5.8.16	<p>IMT should look at possible means of identifying possible IMT self-employed contractors that it can then refer on to Manpower, who can then work for SCC or even its partners at a much reduced mark-up. This may mean adopting novel approaches such as:</p> <ul style="list-style-type: none"> • offering a finder's fee to SCC IMT staff and existing agency staff; • using someone in IMT part time to act as a recruitment executive; • maintaining a joint register of potential agency staff with Surrey Partners, particularly the Boroughs and 	Low Priority	<p>Alternative options for resourcing flexible IMT capacity with a range of skills needs to be discussed with HR, procurement and the IMT programme manager.</p> <p>The IMT programme manager will be the senior lead for recruitment. However a more junior member of staff may support them in this capacity.</p> <p>Maintaining records of trusted contractors and agency staff used by us and partners would be helpful.</p>	New IMT Programme Manager not likely to be appointed until end of September, with subsequent start date depending on notice, likely to start this work in January 2015.	<p>ACTION COMPLETED</p> <p>IMT's review of temporary workers is complete. The result is:</p> <ol style="list-style-type: none"> 1) The vast majority of workers previously engaged for business as usual work have now been replaced by permanent staff. 2) Temporary workers required for discrete projects continue to engaged via Manpower 3) Longer term projects are reviewed to identify whether individual temporary workers are needed or work should be aggregated and put out to tender. <p>The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers.</p> <p>It should be noted that the recommendation no longer applies as MSTAR fees do not change whether candidate is a Manpower</p>	Paul Brocklehurst

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	Districts.				worker or from another agency supplied via Manpower	
5.8.17	IMT should ensure that it does not go off contract to secure agency staff in a way that breaches SCC procurement rules.	Medium Priority	<p>IMT will comply with SCC procurement rules. Where there are emergencies with the risk of major IMT service/infrastructure failures, IMT will follow emergency waiver procedures to ensure sufficient skills are sourced to manage service delivery risks at short notice.</p> <p>The IT Programme Manager will review contractor placements to ensure resourcing is forecasted and planned.</p>	Immediate.	<p>ACTION COMPLETED</p> <p>The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers.</p> <p>Procurement and IMT have put in place an appropriate contracting model which provides the flexibility needed to ensure no breaches occur.</p> <p>IMT SMT weekly meetings now include the scrutiny of contract resources (as per 5.8.21).</p>	Paul Brocklehurst
5.8.18	IMT Management and Procurement should give further	Low Priority	Agreed.	Quarterly meetings	<p>ACTION COMPLETED</p> <p>Procurement and IMT have put in</p>	Paul Brocklehurst / Keith

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	consideration to the basis of the agency supplier mark-ups being paid on Manpower agency staff, and where mark ups could be negotiated down further based on the value and duration of the booking.				place an appropriate contracting model which provides the flexibility needed to ensure no breaches occur.	Coleman/ HR
5.8.19	IMT management should give further, wide ranging consideration to where IMT support and specialist work typically provided from IMT contractors could be aggregated and put out to tender on a flexible basis.	Low Priority	The new IMT programme manager in conjunction with IMT SMT will be responsible for identifying projects in the pipeline that could be resourced as a tendered project rather than through individual contractors whilst still ensuring best value. However the reality of the labour market for IMT contractors may mean this is not	New IMT programme manager not likely to be appointed until end of September, with subsequent start date depending on notice, likely to start this work in January 2015. In the interim to be considered by IMT SMT.	<p>ACTION COMPLETED</p> <p>The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers.</p> <ul style="list-style-type: none"> Temporary workers required for discrete projects continue to engaged via Manpower <p>Longer term projects are reviewed to identify whether individual temporary workers are needed or work should be aggregated and put out to tender.</p>	Paul Brocklehurst

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
			always an attractive approach to individuals with the necessary skills.			
5.8.20	IMT and Procurement to give further consideration as to the suitability of the MSTAR contract for IMT needs and whether alternative contractual arrangements would provide a better solution.	Low Priority	Options appraisal above will considering the needs of the services Alternative options for resourcing flexible IMT capacity with a range of skills needs to be discussed with Procurement and the IMT Programme Manager	31 March 2015	ACTION COMPLETED The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers. <ul style="list-style-type: none"> Temporary workers required for discrete projects continue to engaged via Manpower Longer term projects are reviewed to identify whether individual temporary workers are needed or work should be aggregated and put out to tender.	Paul Brocklehurst / Keith Coleman
5.8.21	The need for all IMT agency roles and the associated cost (and separately the agency mark-up) should be reviewed by the IMT Senior Management Team every three months.	Medium Priority	Agreed - for SMT agenda supported by regular reporting from manpower/HR	To start September 2014	ACTION COMPLETED WITH ONGOING MONITORING From September 2014. A baseline report of all existing IMT contractors has been prepared and is reviewed quarterly. IMT SMT weekly meetings now	Paul Brocklehurst

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
					include the scrutiny of contract resources.	
5.9.6	HR should raise for discussion, whether there is a need and a means by which the target for the percentage of agencies that pass Safeguarding inspections conducted by Manpower is increased.	Medium Priority	Agreed. HR will raise with Manpower at next strategic meeting in Autumn	End November 2014	ACTION COMPLETED Item raised with Manpower and agreed. The target for safeguarding inspection will be 100 per cent compliance.	Ken Akers / Indiana Pearce
5.9.12	Further consideration should be given to means of improving the percentage of orders filled for ASC and Childrens Services bookings.	Medium Priority	We will seek clarity around how the data is achieved so that we are satisfied that the reported rate of fulfilled orders is accurate. Where we are dissatisfied by the fill rate we will consider the options available to us prepared in the options paper.	Ongoing and will be monitored at the Operational/Service Coordinators meeting	ACTION COMPLETED Reviewed on an ongoing basis The method of recording and showing compliance with key performance indicators will be reviewed with senior Manpower leads to provide reassurance about reporting and identify action areas.	Adecco and HR Operational team / Service Managers
5.9.13	Improvements in the recording of the reasons for cancelled bookings should be	Low Priority	Manpower delivery team has been instructed not to choose the	From middle of August 2014, and then ongoing.	ACTION COMPLETED Improvements have been established and implemented. This is now being monitored on a monthly basis with	Ken Akers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	sought so that Manpower and SCC practice can be considered and improved where necessary.		<p>“cancelled” category even if the manager does not state the reason for cancellation.</p> <p>There will also be a separate category used for the orders which are cancelled by MP so it is clear which ones are cancelled by MP and which ones by our managers.</p>		clearer explanations for cancellations provided.	
5.9.14	Services should look to further develop their long-stop contingency arrangements for out of hours orders. This may involve giving greater consideration to the requirements of the service when considering leave requests around bank holidays.	Low Priority	We will review roster patterns and review the practice of leave approval.	31 March 2015	<p>ACTION COMPLETE</p> <p>This has been a significant issue in function delivery for ASC and a workforce planning discussion is arranged with Service Delivery to address this, which will include arrangements for permanent and locum staff.</p>	Phillipa Alisiroglu / Ken Akers
5.9.15	HR should continue to monitor which managers are failing to	Medium Priority	Agreed. We have been doing this together with	Ongoing until the figures reach below	<p>ACTION COMPLETED</p> <p>This is a standing item on quarterly meetings with service</p>	Ken Akers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	manually authorise timesheets for agency staff and consider what escalation to Service management is appropriate.		Service Coordinators and the figures are decreasing.	10% on regular basis.	coordinators. Coordinators are monitoring this and a reduction has been seen. Currently seeing a 15% auto approval rate compared to spend.	
5.9.18	The monitoring arrangements for the new MSTAR contract and other routes to market need to be supported with effective measurements of the value for money being achieved.	Medium Priority	Discuss the new KPIs at the next Quarterly Strategy meeting with MP in October.	End November 2014	ACTION COMPLETED New KPI's introduced March 2015.	Ken Akers / Keith Coleman

Strategic aims for agency worker supplier

- **Workforce development;** joint workforce planning, maximising use of innovation, collaboration and thought leadership to ensure timely access to talent on a local and regional basis that aligns with permanent recruitment needs.
- **Access to talent;** having a strong relationship between managers and suppliers, this includes managers speaking with agencies directly, to develop bespoke recruitment processes that suit service demands and deliver high quality candidates, especially for specialist roles.
- **Quality and reliability;** partnership approach to performance management and robust issues management to improve effectiveness.
- **Customer service;** supply and governance arrangements that set clear standards of customer care and monitor this throughout the contract to produce excellent customer service from the agency to Surrey, partners and candidates.
- **Flexibility and simplicity;** having processes and supporting software that deliver excellent results to ensure managers have less administration and save time can respond to change in demands.
- **Cost saving;** continuing downwards pressure on support costs and mark up rates to achieve the most cost effective solution without compromise to quality of service.

ANNEX C

Comparative analysis of an agency worker vs a permanent worker

Childrens, Schools and Families

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		
Agency	CSF Residential care worker	£19,610	£7,918.56	£27,529	£1,386
Permanent	CSF Residential care worker	£20,424	£5,718.72	£26,143	
Agency	Qualified senior social worker	£53,213	£18,595.08	£71,808	£21,119
Permanent	Qualified senior social worker	£39,601	£11,088.14	£50,689	

Adult Social Care

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		
Agency	Residential care worker	£18,697	£8,426.00	£27,123	£942
Permanent	Residential care worker	£20,424	£5,757.12	£26,181	
Agency	Qualified senior social worker	£47,376	£18,595.08	£65,971	£19,967
Permanent	Qualified senior social worker	£35,941	£10,063.34	£46,004	

Business Services- IMT

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		
Agency	Asset Strategy Manager	£105,750	£37,325.52	£143,076	£77,859
Permanent	Asset Strategy Manager	£51,857	£13,360.08	£65,217	
Agency	Business Analyst	£30,456	£25,667.64	£56,124	£18,586
Permanent	Business Analyst	£29,327	£8,211.56	£37,539	

CEO's office

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		

Agency	Lead Auditor	£50,760	£16,141.68	£66,902	£6,670
Permanent	Lead Auditor	£45,059	£15,172.52	£60,232	

This page is intentionally left blank



Council Overview Board
6 July 2016

Scrutiny in a New Environment

Purpose of the report: Policy Development and Review

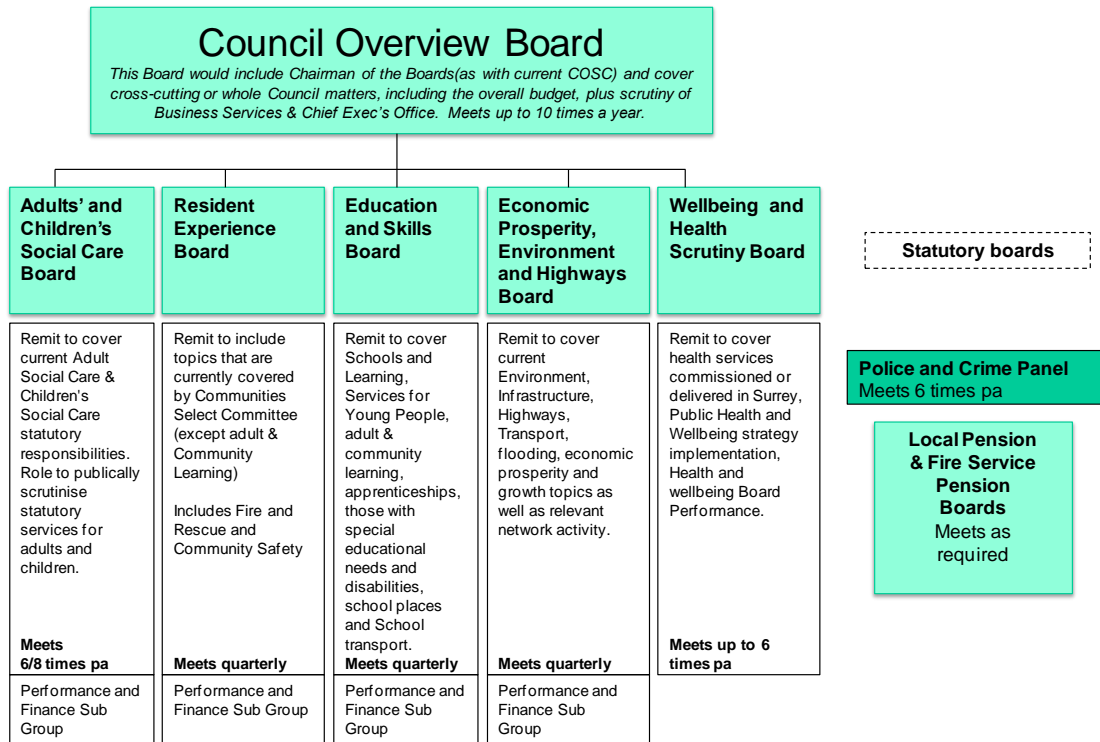
The financial, policy and decision making landscape of local government is changing rapidly, and overview and scrutiny committees must be able to meet the challenges of scrutinising key issues in this new environment.

Introduction

1. As the political and economic landscape has evolved over the last two Parliaments, so too have the challenges for local government overview and scrutiny committees.
2. In Surrey, the Council has reacted to the difficult financial situation and changing role of local authorities by implementing a number of profound changes to service delivery and new initiatives from trading companies and partnerships with other local authorities to commercial investment in property.
3. Recent scrutiny items at the Council Overview Board on the Investment Strategy and the Shareholder Board's Annual Report, as well as the varied experience of Scrutiny Boards in the budget process during 2015/2016, has led to questions being asked of governance and accountability arrangements in this new environment for local government.

Scrutiny at Surrey County Council in 2016

4. Local government overview and scrutiny responsibilities are set out in legislation, namely the Localism Act 2011. The Constitution of Surrey County Council describes the operation of overview and scrutiny in the authority. This can be seen in the diagram below:



It is proposed that the Boards would meet in public for scrutiny, and supplement this with further work in private task groups/witness sessions (up to 4 informal meetings per year) – which would then be reported back to Committee in public. The Task Groups could be scoped across review group/committee remits. COSB to commission any task groups, determining the remit and scheduling.

5. How do we carry out scrutiny currently?

<p>Holding the Cabinet to account</p> <ul style="list-style-type: none"> Call-in powers Monitoring the performance of the Cabinet Member Questioning reasons for decisions 	<p>Pre-decision scrutiny</p> <ul style="list-style-type: none"> Asking key questions What's on the Cabinet Forward plan? Has the right evidence been gathered? Have the right people been consulted? Are the reasons for decisions robust? Horizon scanning – what's coming up in terms of policy development, national issues or central government legislation and how should we respond?
<p>Performance monitoring</p> <ul style="list-style-type: none"> Have the decisions made been implemented? How effectively? On time? Did they have the desired impact? Service Performance What's the outcome of service delivery for our residents? 	<p>Policy development</p> <ul style="list-style-type: none"> Working with services to drive improvement Ensuring value for money Innovative approaches to developing policy with service: being involved at an early stage.

Challenges

6. Scrutiny boards are now considering complex financial and policy frameworks and new service delivery methods, and holding decision makers to account where they work in partnership. This report identifies new areas of decision-making for scrutiny and offers a recommendation for further work to ensure the scrutiny function remains fit-for-purpose.
7. These developments mean that a fit-for-purpose scrutiny function is required to ensure effective decisions are taken on behalf of Surrey residents. In its 2015/16 survey, the Centre for Public Scrutiny found a worrying lack of engagement of scrutiny in some councils in future policy development (36% of respondents) and major transformation (22% of respondents)¹.
8. For the Council Overview Board we can identify a number of such areas:

National

- The 3SC devolution bid and deepening Health and Social Care integration. These areas may prompt new models of local accountability as governance arrangements are reviewed
- Strategic changes to Local Government funding: local retention of business rates and the reduction of the Revenue Support Grant to zero
- Provisions of the Localism Act such as the freedom to create Public-Public Partnerships like Orbis, and Local Authority Trading Companies such as Surrey Choices
- Other Central Government policies affecting the role and scope of Local Government such as academisation.

Local

- Budget constraint and planning timelines - early involvement of scrutiny boards and access to information
 - Scrutiny of negotiation and 'deal making'. Individual Cabinet Member- or Officer-led processes with limited oversight
 - The Council's Shareholder Board and Investment Advisory Board - robust scrutiny and oversight is required over often large sums of public money being invested in property and commercial developments
 - The Public Value Transformation programme
9. The Local Government Association (LGA) and Centre for Public Scrutiny (CfPS) have published various reports that outline principles of involvement, transparency and accountability that are crucial to ensuring good scrutiny of these key issues.

¹ Centre for Public Scrutiny, Annual Survey of Overview and Scrutiny in Local Government 2014/15, available at <http://www.cfps.org.uk/wp-content/uploads/Annual-Survey-2014-2015.pdf>

These can be summarised as:

- Clear decision-making based on a robust evidence base
- Public involvement to provide local insight (this is the role Scrutiny Boards can and do play)
- Scrutiny Boards acting as a 'critical friend' to appraise and develop policy options
- A shared commitment to scrutiny with agreement that it is a balance between collaboration and challenge

10. The structures of other county and unitary councils have been reviewed, and none of Surrey's neighbouring authorities has significantly adapted the structure of its scrutiny function to meet the challenges outlined above. Most retain policy-specific bodies (eg for children and adult's social care and health), complemented by a group similar to the Council Overview Board which covers corporate services and co-ordinates council-wide scrutiny.

11. The Council Overview Board is asked to consider whether the Council's current scrutiny arrangements are capable of meeting the challenges outlined in this report. If considered appropriate, a cross-party task group could be formed to investigate the preparedness of the Council's scrutiny function to meet the challenges outlined and to recommend, if felt necessary, changes to the current arrangements.

Recommendation

That the Council Overview Board considers whether the Council's current scrutiny arrangements are capable of meeting the challenges of scrutinising complex financial and policy frameworks, new service delivery methods and holding decision makers to account where they act in partnership, and decides whether further work on the Council's scrutiny arrangements is required.

Next steps

To be determined following the outcome of the discussion.

Report contact: Ross Pike, Scrutiny Manager, Democratic Services

Contact details: 020 8541 9122

Sources/background papers:

Centre for Public Scrutiny, Annual Survey of Overview and Scrutiny In Local Government 2014/15, <http://www.cfps.org.uk/wp-content/uploads/Annual-Survey-2014-2015.pdf>

Local Government Association, DevoNext resources hub, <http://www.local.gov.uk/devolution>



Council Overview Board
6 July 2016

PUBLIC VALUE TRANSFORMATION PROGRAMME

1. The Cabinet is due to consider a report on the Public Value Transformation Programme at its meeting in September 2016. A briefing note highlighting key elements of the Programme is attached for the Board's consideration.

Report contact:

Rachel Crossley, New Models of Delivery Lead

Contact details: 020 8541 9993, rachel.crossley@surreycc.gov.uk

Sources/background papers: None.

This page is intentionally left blank

Public Value Transformation Programme: An Overview

What is Public Value Transformation?

Public Value Transformation was agreed in February Full Council as part of our response to tackling an unsustainable Council budget beyond 2017.

It is not a centralised programme of service-by-service reviews but is about bringing our transformation work into a systematic and rigorous approach to secure Public Value moving forward and contributions to the Council's longer-term financial sustainability.

A three stage test has been developed to help assess whether Public Value is being met:

1. There is evidence of a clear (measurable) benefit to those who are meant to benefit from our work.
2. We have stakeholder support for what we propose.
3. We are able to deliver it.

What is the Public Value Transformation (PVT) Board?

- Leader of the Council (Chairman)
- Chief Executive
- Director of Finance

Cabinet Members will be invited to join the Board as appropriate for discussions around projects within their portfolio. The Chief of Staff will support the Board.

The PVT Board has 2 key objectives:

- The transformation work across the Council is aligned within a programme approach to deliver optimum Public Value
- Public Value is a key element of identifying additional savings or funding of £25m by 2017/18, £50m by 2018/19

The PVT Board will provide additional oversight and challenge to our transformation work to ensure it is driven by Public Value and forms a comprehensive transformation programme and to ensure that this contributes significantly to the Council's longer-term financial sustainability.

The PVT Board will operate for a fixed period of time, from March 2016 to March 2018. It will oversee the development of the Council's efficiency plan prior to submission to Cabinet in September and recommendation for Council's approval in October 2016. The PVT Board will not replace the governance arrangements in place for individual areas of the transformation work but take strategic oversight and challenge within the specific remit of Public Value Transformation.

The PVT Board has identified 7 transformation priority areas amongst the transformation work taking place across the Council. The PVT Board will take responsibility for providing this additional oversight and challenge for the transformation priority areas, as shown below.

The other areas of transformation have been assigned to the Council's networks (New Models of Delivery, Prosperous Places, and Continuous Improvement & Productivity). They will support the delivery of the MTFP and transformation agenda, offering oversight and support to their assigned areas and reporting progress to the PVT Board when required.

New Models of Delivery Network: Julie Fisher

Continuous Improvement & Productivity Network: Yvonne Rees

Prosperous Places Network: Trevor Pugh

The following table shows how the transformation work has been divided up between the PVT Board and the networks.

Public Value Transformation Board	New Models of Delivery Network	Continuous Improvement & Productivity Network	Prosperous Places Network
Special Educational Needs and Disabilities (SEND)	Technology Enabled Care Service (TECS)	Quality Assurance Project Implementation	Double Devolution
Early Help	Education Services	Orbis	Local Transport Review
Accommodation with care and support	Social Investment Bonds	Support Functions Review	Waste
Health and social care integration	Libraries Transformation		Countryside
Waste	Trading Standards		
Highways for the Future	Family, Friends and Community		
Multi-Agency Safeguarding Hub (MASH)			

PVT Board priority areas:

SEND: Transforming the Surrey Special Educational Needs and Disabilities offer.

Early Help: Redesigning the system to enable prevention and early intervention.

Accommodation with care and support: Developing a range of flexible and financially self-sustaining accommodation with care and support that will enable adults to live and age well in Surrey.

Health and social care integration: Enabling people to stay well at home in their community and return home sooner from hospital with the care they need.

Waste: Collaborating with Districts and Boroughs to minimise waste costs.

Highways for the Future: Developing a strategic 5 year plan and integrated delivery unit with key supply chain partners.

Multi-Agency Safeguarding Hub (MASH): Re-designing the front door for safeguarding.

New Models of Delivery Network:

Technology Enabled Care Services (TECS): Embracing the opportunities that developments in technology can offer residents to support their independence for as long as possible by bringing together a coherent technological offer, including Telecare and Telehealth.

Education Services: Identifying the Council's role in delivering support services to schools in a changing education landscape.

Social Investment Bonds: Exploring the role that Social Impact Bonds can play in preventing Looked After Children.

Libraries Transformation: Defining the future role and the affordable delivery of the library service.

Trading Standards: Exploring the opportunities to sell Trading Standards Services to other local authorities and companies.

Family, Friends and Community: Connecting individuals with family, friends and community support networks so they can live independently and prevent or postpone the need for funded care and support services.

Continuous Improvement & Productivity Network:

Quality Assurance Project Implementation: Implementing a new Quality Assurance Framework for providers.

Orbis: Creating a successful, resilient and innovative partnership with East Sussex which delivers value for money and reduces costs, while securing additional sources of income for the Council.

Support Functions Review: Aligning support functions across the council to maximise front-line service outcomes, improve service resilience and deliver optimum public value.

Prosperous Places Network:

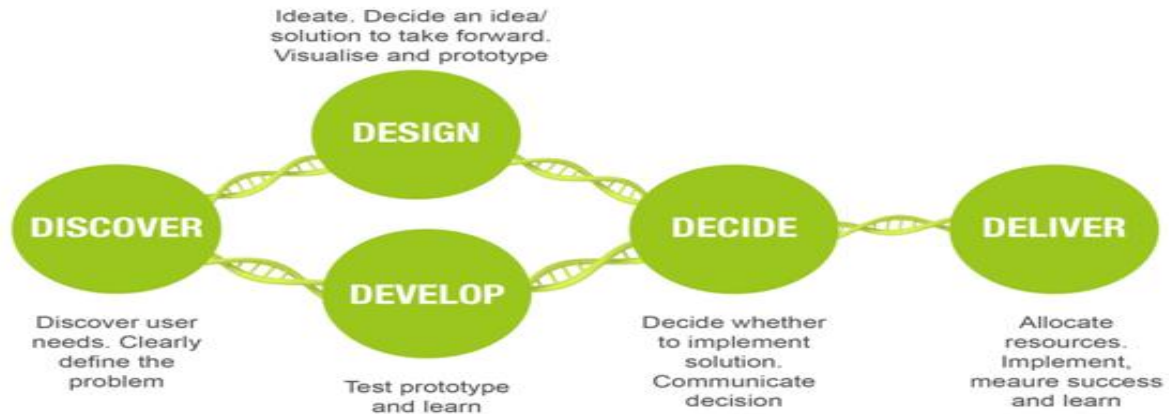
Double Devolution: Optimising outcomes within the two-tier system in order to achieve value for money and local choice and responsiveness.

Local Transport Review: Reducing bus subsidy through contract price negotiations, retendering of services, encouraging commercialisation and service comprises.

Waste: Transforming value from waste and implementing a Community Recycling Centre savings programme.

Countryside: Moving to a self-funding model for the Countryside Estate.

What are the timescales for Public Value Transformation?

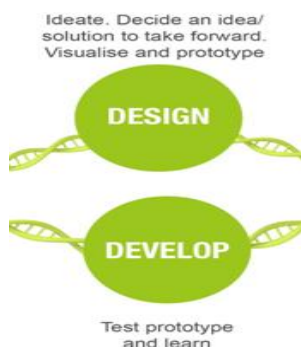


Discover: March-May 2016



This Phase will: offer challenge and scrutiny to transformation areas in their discovery process (PVT Board covering priority areas); sign off analysis and agree work areas for design/develop phase; develop a process for tracking current savings; identify MTFP savings; share the outcomes of the Discover phase informally with Cabinet.

Design and Develop: May-July 2016



This Phase will: depend on the outcome of the Discovery Phase; focus on areas identified in the gap analysis; involve colleagues across teams, our partners and residents to co-design our future delivery models; analyse the options and develop final recommendations which maximise value for the customer; invite Members to join support groups which can challenge emerging options.

Decide: July-September 2016



Decide whether
to implement
solution.
Communicate
decision

This Phase will: produce an efficiency plan for submission to Cabinet with PVT Board sign off; produce recommendations for Council's approval; meet submission date for DCLG if required.

Deliver: September 2016-March 2018



Allocate
resources.
Implement,
measure success
and learn

This Phase will: deliver the transformation programme for optimum Public Value and contribute to the Council's longer-term financial sustainability.

This page is intentionally left blank

Scrutiny of the PVT projects

Public Value Transformation Board	New Models of Delivery Network	Continuous Improvement & Productivity Network	Prosperous Places Network
<p>Special Educational Needs and Disabilities (SEND)</p> <p><i>Scrutinised at the Education and Skills Board throughout 2016 with further joint scrutiny with SCSB planned.</i></p>	<p>Technology Enabled Care Service (TECS)</p> <p><i>Not scheduled</i></p>	<p>Quality Assurance Project Implementation</p> <p>Adult Social Care QA – previously scrutinised 25 January 2016 – update to be scheduled later in the year</p>	<p>Double Devolution</p> <p><i>Not scrutinised. Suitable date has not yet been found.</i></p>
<p>Early Help</p> <p><i>Scheduled for scrutiny at SCSB on 2 September 2016</i></p>	<p>Education Services</p> <p><i>Considered as part of a private session with the Ed & Skills Board on 8 June 2016.</i></p>	<p>Orbis</p> <p><i>Scrutinised plans formally at COB on 28 January 2016, 1 October 2015 and through its Transformation Sub-Group in conjunction with Members from East Sussex CC.</i></p>	<p>Local Transport Review</p> <p><i>Scrutinised at the Economic Prosperity, Environment and Highways Scrutiny Board (EPEH) on 21 April 2016</i></p>
<p>Accommodation with care and support</p> <p><i>Strategy scrutinised at October 2015 meeting of SCSB. Scheduled to return on 9 December 2016</i></p>	<p>Social Investment Bonds</p>	<p>Support Functions Review</p> <p><i>Not scheduled</i></p>	<p>Waste</p> <p><i>Surrey Waste Plan reviewed on 9 June 2016 by EPEH.</i></p>
<p>Health and social care integration</p> <p><i>Long term scrutiny by both Wellbeing and Health Scrutiny and SCSB from inception of BCF. Most recently covered by WHSB at a workshop on May 31. Next scheduled at SCSB on 23 June.</i></p>	<p>Libraries Transformation</p> <p><i>Session held by Resident Experience Board at Walton Library on 17 March 2016. Subsequently a Task & Finish Group has been created to do further work on the future of libraries.</i></p>		<p>Countryside</p> <p><i>Scrutinised by EPEH ON 26 Jan 2016 and then subsequently called in on 14 April for reconsideration</i></p>
<p>Waste</p> <p><i>Surrey Waste Plan reviewed on 9 June 2016 by EPEH.</i></p>	<p>Trading Standards</p> <p><i>Review of the joint Trading Standards Service with Buckinghamshire took place in January 2016.</i></p>		

	<i>Two items planned for July 2016 – County Council's use of RIPA and The Proceeds of Crime</i>		
<p>Highways for the Future</p> <p><i>Asset Management Strategy scrutinised by EPEH on 9 June and commended to Cabinet for approval. The extension of the Kier contract was also approved and scrutinised by the board in December 2015.</i></p>	<p>Family, Friends and Community</p> <p><i>Scrutinised several times by Adult Social Care Select Committee and SCSB since 2014. FFC Member Champions selected for each D&B.</i></p>		
<p>Multi-Agency Safeguarding Hub (MASH)</p> <p><i>Scheduled for scrutiny at SCSB on 2 September 2016</i></p>			



Council Overview Board
6 July 2016

Budget Scrutiny

Purpose of the report: Scrutiny of Services and Budgets.

To receive an update on discussions in relation to the arrangements for scrutiny of the 2017/2018 budget and consider whether to make recommendations to the Cabinet or Scrutiny Boards in relation to the process.

Report:

- 1 At its meeting in April 2016, members of the Council Overview Board were invited to share feedback on the budget scrutiny process for the 2016/2017 financial year as part of an informal discussion, prior to the Board considering options at this meeting for improving the engagement of Scrutiny Boards in the process. It was clear from the discussion that Members felt unable to make any really meaningful contribution to the budget scrutiny process, and the key issues raised during the discussion were as follows:
 - There needs to be a more open discussion about service pressures and savings/impacts, and a commitment from the top to ensure Scrutiny Boards can have meaningful involvement.
 - Scrutiny needs to be involved in the process earlier, eg July or September to look at planned savings for the following year (to provide the opportunity to help inform Cabinet decisions rather than just respond to them).
 - Arrangements for Scrutiny Board involvement should be consistent across the Council (in terms of timeliness of the opportunity to contribute and the quality of the information provided).
 - Most value is added when officers share their thinking and seek Members' views on options, including on potentially difficult/sensitive areas.
 - Information should be circulated to Members in advance, rather than provided orally or tabled on the day of the budget discussion.
- 2 The Board acknowledged that there were particular difficulties this year caused by both the lateness of the Government settlement and the

challenging nature of it, but Scrutiny Board Members have had concerns for some time about their ability to get involved in a meaningful way to help the Council address the significant on-going challenges it faces.

- 3 The arrangements Member scrutiny of budgets were last reviewed in 2014, and a process involving the establishment of Performance & Finance Sub-Groups was agreed with the Leader of the Council. An outline of this process attached as an annex, along with the terms of reference for the Sub-Groups.
- 4 As a result of the concerns highlighted by Council Overview Board Members, the Chairman has arranged to meet the Leader of the Council and the Chief Executive with a view to agreeing arrangements for the engagement of Scrutiny Boards in the budget process (including the timeliness and level of the information shared), and establishing a structured process for carrying out a review of budgets which addresses the issues raised by the Council Overview Board as set out above.
- 5 The Chairman will report back to the Board at the meeting on the outcomes from any discussion with the Leader of the Council and the Chief Executive, and the Board is invited to consider its next steps in the light of this.

Recommendation

That the Board considers the outcomes from the Chairman's discussion with the Leader of the Council and the Chief Executive in relation to the involvement of Scrutiny Boards in the budget scrutiny process, and agrees recommendations to the Cabinet and/or Scrutiny Boards as appropriate.

Next steps

The Council Overview Board will consider responses to any recommendations made at its next meeting as necessary.

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

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

Sources/background papers: None

Select Committee involvement in identifying budget savings 2014/15

September 2014

Select Committee Chairmen appoint a cross-party Performance & Finance Sub Group of 4 or 5 Members (one for each Select Committee).



September – November 2014

Sub Groups meet in private with Finance Lead to scrutinise expenditure, line-by-line. Seeking to identify any potential savings by scrutinising overhead costs and challenging where services could be delivered in different ways or costs cut.



November 2014

Sub Groups report progress to all Members of their Select Committee at a private workshop.



Early December 2014

Select Committee Chairmen meet with, and brief, Cabinet Members.



26 January 2014

Council Overview & Scrutiny Committee Performance & Finance sub group formalise comments and recommended savings for Cabinet (with options)



29 January 2015

Council Overview & Scrutiny Committee discuss options and formalise recommendations to Cabinet



3 February 2015

Recommendations are presented to Cabinet.

This page is intentionally left blank

SELECT COMMITTEE PERFORMANCE & FINANCE SUB-GROUPS

TERMS OF REFERENCE

Purpose

To carry out detailed scrutiny of budgets, performance and costs of the services within the remit of each Select Committee, and identify a range of evidence-based options for budget savings and performance improvement.

Membership of the Group

Membership to be drawn from the parent Select Committee, with the option to appoint Members from other committees where appropriate.

The core membership to be as follows:

- Three Conservative Members
- Two minority group Members (from more than one political party)
- Chairman of the Council Overview & Scrutiny Committee (ex officio)

Roles/Functions

- To work with Finance officers to develop a good understanding of the budgets within the committee's remit and identify any further information which might be required.
- To carry out detailed scrutiny of current service performance and budgets (including fees and charges): each sub-group to determine whether it wishes to focus on all services within its remit or on specific areas of concern or opportunity.
- To identify a range of evidence-based options for reducing costs of service delivery, generating income and improving performance: if appropriate, this could include options which initially appear challenging or potentially unpopular, either for the public or politically.
- To brief the Leader and Cabinet Members on emerging options as appropriate.
- To lead the discussion when the issues are discussed by the full Committee at a workshop session, ensuring that other Members have a good understanding and can make informed decisions.

Frequency of Meetings and Chairing Arrangements

The sub-groups will meet between September and November 2014 and will determine their own meeting frequency and working arrangements. The meetings

will be held in private, and Members will be bound by the Code of Conduct to ensure that information discussed remains confidential.

The sub-groups will determine their own chairing arrangements.

Officer Support

Officer support will be provided by each Committee's Finance lead and by Democratic Services. Other officers from services will be called upon as appropriate. Kevin Kilburn (Deputy Chief Finance Officer) will maintain an overview on behalf of the Finance Service.

All reasonable requests for information by the sub-groups will be met by officers in a full and timely manner.