

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 1 February 2017 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 1 March 2017.

Elected Members:

* Present

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

Substitute Members:

- * Mr Jonathan Essex

Members in attendance

- * Mr Peter Martin, Deputy Leader of the Council
- * Ms Denise Le Gal, Cabinet Member for Business Services and Resident Experience.

9/17 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Bill Chapman, Bob Gardner, Mark Brett-Warburton, Denise Saliagopoulos and Hazel Watson. Jonathan Essex substituted for Hazel Watson.

10/17 MINUTES OF THE PREVIOUS MEETING: 18 JANUARY 2017 [Item 2]

The minutes were agreed as an accurate record of the meeting.

11/17 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest made.

12/17 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions submitted to the Board.

13/17 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD [Item 5]

Zully Grant-Duff entered the meeting at 10:12am

1. A Cabinet Response to Council Overview Board was tabled at the meeting and is annexed to these minutes.
2. The Chairman explained that when addressing Cabinet, he had stated that he hoped for the scrutiny function to be able to have input into the proposals that were being considered as part of the substitute budget.
3. The Chairman informed the Board that a recommendation to provide a transparent member led process to identify savings required for the alternative budget was removed by Cabinet and substituted by the following two recommendations:
 - A. Agree to establish a Sustainability Review Board comprising of three cross party Members, the Strategic Director for Adult Social Care and Public Health, the Deputy Chief Executive and the Director of Finance.
 - B. Require this Board to bring back an initial report to the Cabinet meeting on 28 March 2017 on progress toward identifying £30m permanent service reductions and up to a further £22m one-off reductions required to achieve a balanced budget in 2017/18
4. Members indicated that the aforementioned permanent service reductions would require scrutiny at Board level, and that a cross-party group of three Members would not allow for a transparent process.
5. Members acknowledged that they had the right to call in any decision taken by the Cabinet on 28 March 2017, however this could significantly delay the council's ability to publicise, prior to any referendum, information on service reductions.
6. It was the view of the Board that there should be a role for scrutiny in formulating the substitute budget prior to decisions being taken at Cabinet on 28 March 2017.

Resolved

It was agreed that the Chairman of the Council Overview Board contacts the Leader to discuss the need for a scrutiny process to underpin the work of the Sustainability Review Board and agree a timetable for scrutiny of the existing MTFP savings plans and the proposals developed by the Sustainability Review Board ahead of the Cabinet meeting of 28 March 2017.

14/17 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Forward Work Programme

1. The Chairman explained that the Investment Strategy item scheduled for the March meeting had been deferred until the new Council year, to allow for a meaningful report with the required information.

Recommendations Tracker

1. Recommendation reference R9/2016. The Chairman informed the Board that a meeting had been arranged for 21 February 2017, for the Members of the Transformation sub-group to meet with Members of East Sussex County Council to discuss performance and prioritise scrutiny related to Orbis.
2. Recommendation reference R13/2016. The Vice-Chairman reported to the Board on the work carried out so far by the Agency Staffing task group. Due to officer and Member availability, the task group met as a group of two, namely Eber Kington and Colin Kemp. The group heard that the usage of agency staffing had been significantly reduced, and that the introduction of a short term resourcing needs policy, an improved waiver process which now included a HR sign-off role and COB scrutiny had helped achieve this reduction. COB noted at its December meeting, that the usage of agency staff within Business Services was 33.9% of their budgeted spend. This figure was found to be inaccurate following the task group meeting. It was understood that usage had reduced to 7.5% and that the current level of agency staff usage was 3.7%. A further meeting of the task group will be arranged, with a final report expected to come to COB in March.
3. Members agreed that it would be useful for an item to be brought to the COB March meeting detailing a breakdown of the already identified £93m savings that have been identified in the Medium Term Financial Plan, in order to assist Members' understanding before they can have further input into where another £30m of savings could be found.

15/17 EXCLUSION OF THE PUBLIC [Item 7]

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

PART TWO – IN PRIVATE

16/17 SURREY CHOICES BUSINESS PLAN [Item 8]

Declarations of interest:

None

Witnesses:

Susan Smyth, Strategic Finance Manager and Secretary of the Shareholder Board

Peter Martin, Deputy Leader and Member of the Shareholder Board

Denise Le Gal, Cabinet Member for Resident Experience and Business Services and Member of the Shareholder Board

Key points raised during the discussions:

1. The Board noted that the Scrutiny in a New Environment Task Group were looking into the governance arrangements of Local Authority Trading Companies (LATCs) following the joint letter sent to the Leader and Chief Executive from the Chairmen of COB, SCSB and A&G.
2. The Chairman informed the Board that confirmation had been received from the Director of Legal, Democratic and Cultural Services that LATCs fall under the same rules as a regulated company, meaning LATCs should provide to a member of a relevant authority such information about the affairs of the company as the member reasonably requires for the proper discharge of his duties.
3. Members noted that the Chairman had requested for the Interim Managing Director of Surrey Choices to attend this meeting, however this request was not deemed appropriate.
4. Members questioned whether the Shareholder Board were still satisfied that Surrey Choices Ltd was the right vehicle for providing disability and learning difficulty support services to the residents of Surrey. The Deputy Leader stated that the reason for forming the LATC in this instance was to provide better services to residents at a lower cost. The service was utilised by a large number of residents and it was paramount that service provision was of a good standard. The Shareholder Board were satisfied that Surrey Choices was given a Care Quality Commission (CQC) rating of good, and that experience surveys completed by service users were also very positive.
5. The Chairman agreed for the meeting to go into Part 2.

Resolved

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 this meeting can now go into Part 2 as the following information to be discussed falls into the category of information relating to the financial or business affairs of any particular persons (including the authority holding that information).

Actions/Further information to be provided:

Deputy Leader to take feedback from service users provided by COB on the quality of activities to Surrey Choices management for comment.

Recommendations:

- a) The Board notes the financial and managerial difficulties experienced by Surrey Choices since its creation and has considered evidence from the Shareholder Board on a new business plan for the company; and
- b) Agrees that future scrutiny of Surrey Choices and Council owned LATCs by the Council Overview Board in 2017/18 should be further considered in the light of any recommendations made by the *Scrutiny in a New Environment* Task Group on access to officers and information.

Agreed by 5 votes to 4.

17/17 INTERNAL AUDIT: PREMISES SECURITY [Item 9]

Declarations of interest:

None

Witnesses:

Ken Akers, Head of HR & OD
 Claire Barrett, Deputy Chief Property Officer
 Simon White, Audit Performance Manager
 Tasneem Ali, Internal Auditor

Key points raised during the discussions:

1. The Board noted the overall audit opinion of Significant Improvement Required and acknowledged that some progress had been made in addressing some of the high priority recommendations.
2. The Deputy Chief Property Officer explained that the outcome of the audit was taken very seriously and that there were four overarching points to make.
 - i. Progress against all recommendations was ongoing, with continual review, and that the recommendations were not simply addressed as a tick box exercise.
 - ii. The recommendations do not have one specific owner; the actions involved input from various services, and that everyone had a part to play in maintaining general security of council premises.
 - iii. There was a need to establish what was required in order to deliver a good level of security whilst maintaining the day to day operation of the organisation.
 - iv. Some of the recommendations relate to a culture of practise and that there was a requirement to change behaviours in order to achieve these.
3. The Chairman agreed to take the meeting into Part 2

Resolved

By virtue of paragraph(s) 3 of Part 1 of the Schedule 12A of the Local Government Act 1972 this meeting can now go into part 2 as the

following information to be discussed falls into the category of information relating to any action taken or to be taken in connection with the prevention of crime.

Recommendations:

That Internal Audit provide an update to the Chairman and Vice-Chairman in April 2017, detailing progress towards achieving the high priority recommendations following their six-monthly follow-up visit.

18/17 DATE OF NEXT MEETING [Item 10]

The Board noted that its next meeting would be held on Wednesday 1 March 2017 at 10:00am

Meeting ended at: 12.05 pm

Chairman

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CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

FINAL BUDGET RECOMMENDATIONS

(Considered by the Council Overview Board on 18 January 2017)

COMMITTEE RECOMMENDATIONS:

Savings

- a) That there is a major reduction in paper based public communications issued by the central communications team and individual services including an end to the production of Surrey Matters and annual reports. Documentation should still be available to the public digitally.
- b) That there is a review of the necessity of everything the Communication Service does. Ask the question 'do we need to do this and, if so do we need do this in that way'? With a target cut in head count or % financial savings.
- c) That there is a review of the necessity of everything the Policy & Performance Team does. Ask the question 'do we need to do this and, if so do we need do this in that way'? With a target cut in head count or % financial savings.
- d) That a continued review of staffing roles and levels and salaries across the council should take place, particularly at senior level.
- e) That there is a continued drive to review vacant property with a view to disposal, cost reduction and income generation.
- f) That a review be undertaken of the financial and operational benefits of reducing four main council buildings to three.
- g) That there is a reduction of the spend on agency staff across all services.
- h) That there is a review of Member responsibility allowances.
- i) That there is a review of major IT projects, to cover the costs and added value and the use of agency staff to deliver these projects.
- j) That there is investment in key-worker housing, as per the motion to Council on 6 December 2016, to facilitate staff retention and a reduced reliance of agency staff.

Process

- k) A revision in the way that accounts are reported to enable better monitoring of expenditure through the identification of areas of spend on frontline and back office staff.
- l) That regular Rapid Improvement Events are revived as an instrument for identifying efficiencies.

- m) That the information that details the Council's unit costs is updated.
 - n) That a clear message is needed from the Cabinet on the background on any call for an increase to the council tax precept via referendum.
- 3 Additionally, the Economic Prosperity, Environment and Highways Board recommended that:
- a) Plans to reduce the funding available to Local Committees should not be progressed.
 - b) Analysis is undertaken to optimise the use of winter maintenance services.
 - c) Plans are made to recommence the budget scrutiny process earlier in 2017, and from July.

RESPONSE:

The cabinet would like to thank COB for their recommendations on the budget, and for their work and all the scrutiny boards in reviewing the savings for the financial year.

As you are aware, this council has a strong record of identifying and delivering savings over the last six years. This has totalled £450m. In addition, as you will see from the December Budget Monitoring Report, which is also on today's agenda, in the current year we are managing to turn around a significant forecast overspending in September to close to a balanced budget. This has been through delaying expenditure where possible and sensible and bringing forward savings from next year. However, the cabinet are fully aware that there is a constant need to find further savings, and therefore welcome the COB's suggestions. As stated in the Budget Report there will be a member led process to identify further savings, and where these suggestions are not already planned, will be reviewed.

As a part of this member-led process the cabinet recognise that the council may have to do things differently. This includes reviewing budgeting, reporting and increasing efficiencies. However, to make changes will be a significant exercise and the cabinet needs to be certain that these changes will deliver substantial benefits.

Mr David Hodge CBE
Leader of the Council
31 January 2017