

MINUTES of the meeting of the **OVERVIEW AND BUDGET SCRUTINY COMMITTEE** held at 10.00 am on 22 March 2018 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 17 May 2018.

Elected Members:

- * Mrs Kay Hammond (Chairman)
- * Mr Nick Harrison (Vice-Chairman)
- * Ms Ayesha Azad
- * Mr Jonathan Essex
- * Mr Robert Evans
- * Mr Tim Evans
- * Mr Tim Hall
- * Mr David Harmer
- * Mr John O'Reilly
- * Mrs Hazel Watson

In attendance

David Hodge CBE, Leader of the Council

9/18 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

The Chairman welcomed John O'Reilly as the new member of the Committee replacing Charlotte Morley who is now a Cabinet Associate for Property & Business Services.

There were no apologies for absence.

10/18 MINUTES OF THE PREVIOUS MEETING: 26 JANUARY 2018 [Item 2]

The Chairman confirmed that the additional pressure of £6m referenced at Para 21 of the previous minutes was validated by the Deputy Chief Finance Officer.

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

11/18 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest made.

12/18 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions submitted to the Committee.

13/18 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

Key points raised during the discussion:

1. It was noted that a response was received from the Cabinet to recommendations made on the Revenue & Capital Budget 2018/19 to 2020/21.
2. The Committee were informed that there would be an opportunity to make further comments at the Cabinet meeting on 27 March 2018.
3. The Chairman expressed some disappointment with the response, expressing the view that a more detailed response would have been welcomed particularly from the relevant Cabinet Member for each Select Committee.
4. The Cabinet Member for Business and Property Services advised that it would be useful for the Chairman to indicate whether Cabinet Members should respond individually to Select Committees or directly to the Overview and Budget Scrutiny Committee to avoid future confusion.

RESOLVED:

The Chairman to advise how responses to recommendations should follow when put forward to the Cabinet to ensure the respective Committee receives a detailed response from the relevant Cabinet Member.

14/18 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Witnesses:

Ken Gulati, Chairman of the Adults and Health Select Committee

Key points during the discussion:

1. The Chairman proposed to nominate Members in groups of two to take responsibility for keeping up with the work of an individual Select Committee. One Conservative and one Opposition Group Member per Committee (with one Committee having two Conservatives).
2. Suggested responsibilities:
 - a. Tim Evans, Robert Evans – Children & Education
 - b. John O'Reilly, Jonathan Essex – Environment & Infrastructure
 - c. Ayesha Azad, Hazel Watson - Corporate Services
 - d. Tim Hall, Nick Harrison - Communities
 - e. Kay Hammond, David Harmer – Adults & Health
3. It was noted that the purpose of this was to make sure that the Overview and Budget Scrutiny Committee (OBSC) was informed of the issues within the Select Committee's remit, its forward plan, the

outcomes of the Committee meetings and any other useful information to help the Committee of its overview role.

4. The Chairman clarified that this new responsibility was an observation role only and encouraged members to attend meetings, read minutes or watch webcasts and feedback to this Committee.
5. It was further noted that the Select Committee Chairman's Group had met on 14 March and been notified of the proposal.
6. In addition to this, the Chairman reported that each Select Committee Chairman has been invited to come to OBSC once a year to share a summary of the scrutiny work undertaken by the Committee to highlight the Committee's experience and impact.
7. The Committee welcomed Ken Gulati to the meeting to discuss the Adults and Health Select Committee (AHSC).
8. The AHSC Chairman informed the Committee of the Transition Task Group that met recently to look at the issues and expectations of disabled children transitioning to adulthood and away from care. It was highlighted how valuable and insightful the meeting was especially as two young adults came to give evidence of their own experiences.
9. It was noted that the Task Group meeting was poorly attended and the Chairman would be circulating a letter to address his disappointment to members of the group. It was further noted that the Chairman planned to hold the next Transition Task Group meeting before the end of the municipal year.
10. The Chairman reported that the purpose of the Transition Task Group was to manage expectations of young adults and their families as opposed to reviewing cost saving measures.
11. The Committee was informed of a further task group which was formed to investigate the recommissioning of sexual health services in Surrey as a high level of public dissatisfaction was reported when the provider had been changed. The Chairman reported that a substantial amount of work had been carried out and as a result an interim report would be presented at its April meeting this would allow officers to complete evidence gathering and produce a full report for the Committee's meeting in July.
12. The Chairman raised concerns with the South East Coast Ambulance Service (SECamb), reporting that although SECamb were making improvements it was going to be a slow process until special measures were cleared. It was noted that the Care Quality Commission (CQC) were going to review SECamb's position in September 2018 and as a result the Chairman advised it would be appropriate to postpone this item on the forward work programme until CQC have made their conclusions known.

Ayesha Azad entered the meeting at 10:23am

13. It was highlighted that no future arrangement was being sought as an alternative to working with SECamb and the AHSC Chairman reported that the contract between the Clinical Commissioning Groups and SECamb was challenging.
14. The AHSC Chairman highlighted that the remit for the Adults and Health Select Committee was vast and dealing with individual areas in depth was difficult.
15. The Committee expressed gratitude towards the AHSC Chairman for attending the meeting and he was also commended for his hard work in relation to Adults and Health.
16. The Committee reviewed all the Select Committee's forward work programmes in turn.

Overview and Budget Scrutiny Committee (OBSC)

17. It was highlighted that the Chief Executive would be attending the Committee's meeting in May to discuss the Council's future plans and priorities.

Children and Education Select Committee (CESC)

18. The Committee noted a list of new items on the CESC forward work programme which included the review of the school organisation plan, further education colleges and alternative education provision.
19. Members queried whether the school organisation plan would detail the closure of schools and the Chairman advised that this will be taken forward for the Committee to investigate.
20. It was further noted that CESC would also be considering the re-commissioning of supported accommodation for young people in Surrey, edge of care, children's services complaint and early help as future items.
21. Members commented on the Early Help Transformation Strategy and proposed that the Committee consider reviewing Cabinet's decision to allow effective scrutiny to take place ahead of implementation of the Strategy. The Chairman noted this and assured that these suggestions would be put forward to the CESC Chairman to consider.
22. There was a discussion around the new Director for Children Services and Members were encouraged by current observations in the Director's ideas and abilities, particularly investing creatively in preventative work.

Communities Select Committee (CSC)

23. It was noted that the prevent strategy would be reviewed by the CSC in September 2018, with an aim to further support community safety, and strengthen links between the Council and its partners.
24. Members commented on the Performing Arts Library item stating how well attended and received it was at the CSC meeting on 8 February and noted a further review on this matter was in development.

Corporate Services Select Committee (CSSC)

25. Members put forward the review of Orbis and expiring contracts to be considered by the CSSC.
26. The Chairman advised that the Select Committee Chairman's Group were given copies of expiring contracts to allow the Chairmen to plan ahead and contemplate whether the renewal of a contract was the best option or to consider a policy change in that area.
27. It was highlighted that the Joint Venture was going live in May, Members suggested that it would be useful for CSSC to oversee this to allow the Committee to be kept updated on the progress.

Environment and Infrastructure Select Committee (E&ISC)

28. The Committee noted a new item on the E&ISC forward work programme, the review of strategic transport priorities.
29. Members were informed that at the last E&ISC meeting there was a discussion around the need to bring a wider presentation on the area of waste to enable effective scrutiny of the Surrey Waste Local Plan to be considered in May 2018.
30. The Chairman noted members request to scrutinise the Council's plans in committing to phase out the use of single-use plastic and assured this would be put forward to the E&ISC.

15/18 STAFF SURVEY RESULTS [Item 7]

Declaration of interests:

None

Witnesses:

David Hodge CBE, Leader of the Council
Tim Oliver, Cabinet Member for Business Services and Property
Ken Akers, Head of HR & OD
Lavern Dinah, Strategic OPD Manager

Key points raised during the discussion:

1. The Head of HR & OD introduced the report by highlighting that the staff survey allowed the Council to capture and assess staff views, particularly in challenging circumstances as the Council was experiencing continued change and uncertainty.
2. Members noted that the staff survey results highlighted enduring and common themes which could be helpful to the Committee to explore the responses of and draw focus on for areas of improvement and review.
3. The Cabinet Member for Business and Property Services commented on the Cabinet's reaction to the staff survey particularly in relation to the leadership of the Council informing the Committee that new plans were underway as a result of appointing a new Chief Executive. It was noted seeking to achieve these plans would change the Council's approach and potentially impact the leadership culturally and strategically.
4. Members acknowledged areas with low satisfaction particularly in 'fair deal' and supported the notion that the Council would improve under a new Chief Executive.
5. There was a discussion around the degree of comparability and Members were assured that the Council in contrast to previous year's results and other local authorities maintained its position. It was noted responses were not considerably different to its peers, East Sussex and Brighton & Hove in relation to the Orbis Partnership.
6. It was noted that the Council had made tough decisions regarding pay and this had influenced responses. The Head of HR & OD explained it would be vital to communicate an effective explanation going forward regarding these decisions in an effort to deliver a positive narrative to staff.
7. Officers clarified that the survey was not extended to schools however responses did take account of firefighters. Members raised concern with the scores and response rates from the Fire and Rescue Service and were assured by officers that this has been flagged with the respective Director to review going forward.
8. Officers explained that, to encourage response rates across the board, electronic surveys as well as paper versions of the survey were distributed.
9. It was noted that the Council's training development programme had been independently assessed and received positive ratings. Officers assured the Committee that there were no concerns with the quality and flexibility of training however the accessibility of training was being explored to develop this area.
10. The Leader of the Council highlighted that maintaining morale in any organisation was a difficult task however expressed the view that the Council addressed this area well, making decisions where appropriate.

11. Officers commended the Corporate Leadership Team for taking an active role in engaging and communicating with staff and the appointment of a new Chief Executive was an opportunity to re-engage with staff to boost morale.
12. Officers clarified that there was no evaluation of agency workers morale however informed the Committee that agency workers were treated with upmost respect, included in meetings, given access to training and paid similarly and if any issues manifested it would appear in the key performance measures.

The Committee recommends;

- a) That individual Select Committees review the staff survey results and consider how best to utilise the data in their scrutiny work, particularly the Communities Select Committee in relation to the Fire and Rescue Service.
- B) The Corporate Services Select Committee consider the options appraisal for the future staff survey provider.

16/18 BUDGET SCRUTINY [Item 8]

Declaration of interests:

None

Witnesses:

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

Key points raised during the discussion:

1. The Vice-Chairman introduced the report by informing members that the Budget Sub-Group had recently met with the Chief of Staff, to discuss the progress of transformation projects. Despite transformation projects playing a key part in meeting saving targets, the Budget Sub-Group Chairman reiterated the need for an increased pace of change at the Council to ensure a sustainable budget.
2. It was noted that a Red-Amber-Green (RAG) rated list of savings listed in the Medium Term Financial Plan (MTFP) was reviewed by the group and concerns were raised with the amount of red/amber rated savings.
3. The Leader of the Council commended the Committee's report and noted concerns with pace of change and the implications of the RAG appraisal. The Leader explained that the savings were agreed over a period of 3 years with the long term objective to produce a sustainable budget therefore achieving results would be on completion and not on a short term basis.

4. A Member reported a typographical error in the MTFP 2018-21 and Officers clarified that SEND, in the summary list of savings was in fact a red rating.
5. It was noted that the initial £15m investment in transformation projects would deliver savings between £30-£60m over a period of time.
6. The Chairman clarified that the Adults and Health Select Committee recommendation requested the review of income from charging for adult social care services and did not necessarily suggest any increases on the matter.
7. The Committee agreed to make revisions to recommendations 37c and 38c, to note that 'the Council' will explore and consider these options rather than addressing it as service specific leads.
8. The Vice-Chairman reiterated that detailed responses on the recommendations would be welcomed and the Leader of the Council assured respective Cabinet Members would provide these.

The Committee agreed the following recommendations:

1. The **Adults and Health Select Committee** recommended that:
 - a) Officers benchmark income from charging for adult social care services with neighbouring local authorities to identify opportunities for Surrey County Council to maximise income from charging for adult social care; and
 - b) The Adult Social Care & Public Health Directorate embeds a process for reviewing the potential financial implications to the Council arising from reduced spending on Public Health programmes or non-statutory adult social care services.
2. The **Children and Education Services Select Committee** noted:
 - c) The service plans and recognised that there were significant challenges to the Directorate regarding securing external funding; and
 - d) That the Committee reviewed and approved the current scheme of charges as proposed by the Children, Schools and Families Directorate.
3. The **Communities Select Committee** recommended that:
 - e) An assumption is made that inflation is taken into account when annual increases in fees and charges are being considered by Cultural Services;
 - f) Officers adopt a more commercial approach to operating the Library Service in order to optimise income generation, this includes

improved marketing of the stock and services that the Library Service has to offer;

g) Officers benchmark fees and charges within Cultural Services against those levied by neighbouring authorities;

h) Surrey Fire and Rescue Services' plans to achieve savings as outlined within the Medium Term Financial Plan are shown to the Cabinet in order to progress these plans or explore alternative opportunities to deliver these savings where appropriate; and

i) Encourages the Buckinghamshire County Council and Surrey County Council Joint Trading Standards Service to continue its work establishing Primary Authority Partnerships (PAP) and recommends that the Service seeks to expand the number of PAPs by actively marketing them through district and borough councils and chambers of commerce.

4. The **Corporate Services Select Committee** recommended that

j) The Cabinet Member for Communities considers the introduction of an administration fee for health and safety planning and support provided by the Emergency Management Team to event organisers.

k) The Chief of Staff reviews the budget allocated to the Healthwatch contract so that total expenditure does not exceed the amount of the national government grant

l) The Council explore income generation opportunities within Audit and Pension Administration Services.

m) The Head of Communications explore income generation through online advertising on the Surrey County Council website and promoting in-house communication services to Local Authorities and Government bodies.

n) The Head of Legal Services explore income generation opportunities within employment law and special projects as part of Orbis Public Law integration.

5. The **Environment & Infrastructure Select Committee** recommended that:

o) Future reviews of fees and charges assume an increase at least by the level of inflation and ensure that it presents justifications for any variation on this; and

p) Further work is undertaken regarding cost recovery: where it is focussed and what can effectively be recovered, as part of a review of fees and charges and that this is reviewed by the Select Committee in late 2018.

q) The Council considers the implementation of new technologies such as LED lighting and charging points on lamp posts; and

r) The service presents a business case for use of such new technologies as outlined in the IoT (Internet of Things) UK research report^[1] for use in Surrey in 2018/19 as this presents an income opportunity.

6. The **Overview and Budget Scrutiny Committee** recommended that:

Scrutiny on next year's budget and business planning begins in July to allow sufficient time for Member input at the earliest stage possible

17/18 DATE OF NEXT MEETING [Item 9]

The Committee noted its next meeting would be held on 17 May 2018.

Meeting ended at: 11.51 am

Chairman