

MINUTES of the meeting of the **OVERVIEW AND BUDGET SCRUTINY COMMITTEE** held at 10.00 am on 17 May 2018 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Corporate Overview Select Committee at its meeting on Thursday, 20 September 2018.

Elected Members:

*present

- * 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
Alison Griffiths

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

Apologies were received from Tim Hall. Alison Griffiths substituted for Tim Hall.

19/18 MINUTES OF THE PREVIOUS MEETING: 22 MARCH 2018 [Item 2]

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

20/18 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest made.

21/18 QUESTIONS AND PETITIONS [Item 4]

There were no questions and petitions submitted to the Committee.

22/18 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 to recommendations made on budget scrutiny which was considered at the Cabinet meeting on 27 March 2018.

2. The Board agreed to refer to this response under Item 6, Recommendations Tracker and Forward Work programme to provide a view on how to deal with responses relating to individual Select Committee remits.

23/18 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Witnesses:

David Hodge, Leader of the Council

Key points raised during the discussion:

1. Owing to a generic response from the Cabinet in Item 5, budget scrutiny, the Chairman advised that responses to future recommendations should include more detail to ensure the respective Select Committee received a detailed response from the relevant Cabinet Member.
2. Members also supported the view to allow timely implementation of recommendations the budget scrutiny process should start earlier as certain aspects were time critical.
3. The Committee were informed that following proposed changes to the scrutiny structure, to be considered at Council on 22 May 2018, each Select Committee would be limited to two task groups which would be led by the Vice-Chairman of the respective Select Committee.
4. The Chairman explained that the transformation programme would be incorporated into the Select Committee Forward Work Programmes subject to the incoming Chairman's approval after the Council Annual General Meeting (AGM).
5. The Committee reviewed all the Select Committee's forward work programmes in turn.

Adults and Health Select Committee (AHSC)

6. It was noted due to the substantial workload of the AHSC, proposals to Council on 22 May 2018 include a recommendation to separate the Committee's remit. Going forward the remit would be branched out to two Select Committee's to effectively manage workloads.
7. It was further noted that the significant demand pressure resulting from the need to support young people with complex needs transitioning into adult social care should be scrutinised and given priority by the incoming Chairman following the Council AGM.

Children and Education Select Committee (CESC)

8. In light of the recently published Ofsted report, the Committee recognised that this was an area of future focus to address and improve issues highlighted within the report.
9. Members further highlighted the ongoing pressures within SEND services and suggested that this aspect of the Children Schools & Families Directorate be given greater emphasis on the forward work programme.

Communities Select Committee (CSC)

10. It was explained that the CSC remit was undergoing drastic changes in the proposals being brought forward to the Council's AGM on 22 May 2018 and that this would need to be reviewed in great detail.

Corporate Services Select Committee (CSSC)

11. Members requested that future scrutiny includes the review of vacant buildings owned by Surrey County Council.
12. In concluding this item, the Committee shared the view that continuity and the pace of change would need to be prioritised whilst managing the revised scrutiny structure.
13. The Leader of the Council assured the Committee that a meeting had taken place with the incoming Chairmen of the proposed new Select Committees and work was underway in developing plans for areas of focus.

RESOLVED:

The Committee recommended that to ensure meaningful contribution from the Council's Select Committees, budget setting should commence in July.

24/18 CHIEF EXECUTIVE: FUTURE PRIORITIES AND PLANS [Item 7]

Declarations of Interest:

None

Witnesses:

Joanna Killian, Chief Executive of Surrey County Council
David Hodge, Leader of the Council

Key points raised during the discussion:

1. The Committee was presented with a draft vision for the county (attached as Annex A to the Supplementary agenda). It was highlighted that the purpose of the vision was to determine clear priorities to improve outcomes for Surrey residents. The vision was a response to the significant reduction in funding as well as the increasing demand and pressures faced by the Council.

2. The Chief Executive assured the Committee that work was underway to develop plans to meet these challenges and explained how this involved bringing the budget setting forward to allow for sufficient time to consult on, and implement change.
3. The Chief Executive provided an overview of the transformation themes (attached as Annex C to the Supplementary Agenda). This included investment in scaling up areas such as early help, an all-age learning disabilities services and further investment in housing to provide extra care. The Chief Executive also referenced mobile technology to help staff to do their jobs in the context of fewer offices, incentivising staff and addressing under-performance, how the Council was organised and the support it received from Orbis.
4. The importance of partnerships and integration to avoid cost was discussed. There was learning to be had from the NHS and district & borough councils to empower the community to respond to need rather than the Council trying to resolve all problems. The Council's commissioning and procurement should be reviewed to ensure value for money and to consolidate good practice.
5. The Chief Executive agreed that income generation was vital but it should deliver a public good, therefore the Council had a contribution to make to Surrey's infrastructure and housing development. On technology the Chief Executive considered the Council to be lagging behind residents' needs. Additionally, the budgeting process must produce clarity on services' needs, challenge of the methods behind assumed activity and a budget is set without recourse to further one-off funding sources.
6. Members commented on the transformation themes and suggested narrowing their focus further to include objectives and performance measures. There was agreement that plans were needed to facilitate scrutiny and accountability. The Committee were reminded that although the vision was in draft form the Chief Executive assumed there would be a meaningful consultation with staff and residents to develop it further.
7. The Committee inquired about how change would be managed. A Change Management Board has been created to guide the transformation programme at a rapid pace. The Chief Executive was also touring the county delivering colleague roadshows with the Leader. These meetings offered a platform for staff to rethink ways of working and generate new ideas. The Chief Executive considered culture change to be critical to transformation.
8. The Chief Executive acknowledged that the last staff survey had shown low morale across the organisation and assured the Committee that this was being addressed. Achieving culture change was a worry but the Chief Executive would be visible explaining to staff and partners why the Council must change.
9. The number of Councillors and the multiple layers of government within Surrey was raised as an area for reform and a review of local

government in the county was suggested. The Leader stated that the Council had good working relationships with the district and borough councils. The Chief Executive reflected on how Members might develop how they might work differently with communities in the future.

10. The Committee questioned the Council's current capacity to deliver such large scale change. The Chief Executive stated the Council does not have the required capability to deliver wide scale change. The consultancy firm, myProteus, had been tasked to identify skilled people within the organisation to support the series of change programmes and to develop and train staff in a consistent project management methodology.
11. The company has been engaged to build a programme management office as well as helping the Council understand the various projects already underway with a view to streamline these. The senior management team would also need to be bolstered to fill skills gaps around IT, digital and financial analysis.
12. There was a discussion around the concept of early help and the need to stimulate this service area as demand for support would not be sustainable and already the Council places many children outside its borders. The Chief Executive wished to see more targeted rather than universal early help along with increased fostering and adoption rates in Surrey. There would also be a review of technology in Children's Services to enable social workers to be more effective.
13. The Committee questioned the Chief Executive on income generation and was advised that the vast majority of additional income raised by the Council was derived from its properties and assets but more could come from advertising. The Chief Executive reiterated the view that the Council should consider expanding on its provision of housing for extra care and that this investment may produce a financial as well as social return over time.
14. The Committee queried the efficacy of the Council's commissioning. The Chief Executive thought this could improve as it has been done in isolation within various service siloes across the Council; not always serving people or pathways. The Council will be a better partner to the NHS in integration by improving its own processes.
15. When asked about the form communication with residents on the vision would take the Chief Executive emphasised that it was engagement and not formal consultation. A number of engagement techniques would be deployed to engage the public on the vision and this included, localised workshops with the voluntary, faith and community sector and Members engaging with communities within their respective division on what the Council might look like in the future.
16. When final business cases had been drafted and taken for decision any subsequent requirement to formally consult would be met. Members requested that communication be transparent and include clarity about the timeline for change.

17. Members received assurances from the Chief Executive that the plan to develop the vision included opportunities for scrutiny and that equality impact assessments would be completed when decisions were being taken to make changes to services.
18. The Leader of the Council stressed that for the vision to be successful all 81 members of the Council needed to play their part by talking and listening to their residents. The Chief Executive further stressed that the proposed vision was a shared vision and effective delivery required ownership from all Councillors. The witnesses stressed the reality that the Council will have to stop providing some services and that Members will need understand that tough decisions will be required.
19. The Chairman emphasised the crucial responsibility Select Committee Members had in the change process and that working with the Cabinet was a key aspect in supporting change.

The Committee recommends that:

1. Consultation and engagement activity effectively involves residents, staff and partners in the development of a shared vision for Surrey.
 - Officers will be able to demonstrate how they have listened and acted on these views in the resulting strategy
 - The Committee requests that the Leader and Chief Executive report back to the Corporate Overview Select Committee at the end of the summer on what the consultation has told the Council.
2. Select Committees are included in the Consultation and Engagement Programme to give Members an opportunity to shape the vision in relation to the services within their remits.
3. Select Committees prioritise scrutiny of the transformation programmes within their remits. This work should challenge the assumptions, forecasts, impact assessments and value for money implications within business cases.

25/18 SELECT COMMITTEE 2017/18 REVIEWS [Item 8]

Key points raised during the discussion:

1. The Committee were presented with key highlights and challenges for each Select Committee, including reflections from the Chairmen on the 2017/18 scrutiny session.
2. Members commended the report and were pleased how well written the summary for each Select Committee was presented.

RESOLVED:

The Committee noted the content of this report.

26/18 DATE OF NEXT MEETING [Item 9]

The Committee noted its next meeting on 12 July 2018 (subject to change).

Meeting ended at: 11.59 am

Chairman