

## Notice of Meeting

# Corporate Overview Select Committee

**Date & time**

Thursday, 21 March  
2019 at 10.00 am

**Place**

Ashcombe Suite,  
County Hall, Kingston  
upon Thames, Surrey  
KT1 2DN

**Contact**

Ross Pike or Joss Butler  
Room 122, County Hall  
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**Chief Executive**

Joanna Killian



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We're on Twitter:  
@SCCdemocracy

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**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ross Pike or Joss Butler on 020 8541 7368 or 020 8541 9702.**

**Elected Members**

Mr Ken Gulati (Chairman), Ms Ayesha Azad, Mr Mark Brett-Warburton, Mr Tim Evans, Mr Tim Hall, Mr David Harmer, Mr Nick Harrison (Vice-Chairman), Mr Keith Witham, Mr Chris Botten and Mr Richard Walsh

**TERMS OF REFERENCE**

The Committee is responsible for the following areas:

Co-ordinates the Council's policy development and scrutiny work by agreeing work programmes for Select Committees, ensuring that reviews are focused on the Council's priorities and value for money, that reviews are cross-cutting where appropriate, and that work is not duplicated.

Performance, finance and risk monitoring for all Council services.

Policy development and scrutiny for Cross-cutting/whole-Council issues including:

- Council's budget and Financial Management
- Change Management Programme (including development and implementation of the Digital Strategy)
- Corporate Performance Management
- Orbis Partnership Functions (HR&OD, IT, Business Ops, Property, Procurement)
- Orbis Public Law
- Equalities and Diversity
- Internal/External Communications
- Legal and Democratic Services
- Coroner
- Customer Services

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

To report any apologies for absence and substitutions.

### **2 MINUTES OF THE PREVIOUS MEETING: 25 JANUARY 2019**

(Pages 7  
- 24)

To agree the minutes of the previous meeting as a true and accurate record of proceedings.

### **3 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

- i. any disclosable pecuniary interests and / or;
- ii. other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

#### **NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest;
- as well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner); and
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

### **4 QUESTIONS & PETITIONS**

To receive any questions or petitions

#### **Notes:**

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*15 March 2019*).
2. The deadline for public questions is seven days before the meeting (*14 March 2019*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

**5 RESPONSE FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE** (Pages 25 - 26)

Recommendations from the Select Committee meeting on 25 January 2019 regarding the Revenue & Capital Budget 2019/20 to 2023/24 were submitted to Cabinet for consideration on 29 January 2019. A response from the Cabinet Member for Finance is attached.

**6 TRANSFORMING THE COUNCIL TO BETTER SERVICE RESIDENTS - UPDATE** (Pages 27 - 50)

**Purpose of the Report:**

To update on progress so far in transforming the council, enabling Corporate Overview Select Committee (COSC) to provide input to the next phase of work and identify approaches to ensure effective ongoing scrutiny.

**7 SCRUTINY OF BUDGETS** (Pages 51 - 66)

**Purpose of the Report:**

For the Committee to review the Cabinet Budget Monitoring Reports to the end of December 2018 and January 2019.

Please note that the Cabinet Budget Monitoring Report to the end of January 2019 will be published in a supplementary agenda.

**8 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME** (Pages 67 - 84)

The Select Committee is asked to review and approve the Forward Work Programme and Recommendations Tracker and provide comment as required.

**9 DATE OF THE NEXT MEETING**

The next meeting of the Select Committee will be held on 16 May 2019 in the Ashcombe Suite, County Hall.

**Joanna Killian  
Chief Executive**

Published: Wednesday, 13 March 2019

## **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.

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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*

**MINUTES** of the meeting of the **CORPORATE OVERVIEW SELECT COMMITTEE** held at 10.00 am on 25 January 2019 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, 21 March 2019.

**Elected Members:**

\*= present

- \* Mr Ken Gulati (Chairman)
- Ms Ayesha Azad
- \* Mr Mark Brett-Warburton
- \* Mr Tim Evans
- \* Mr Tim Hall
- \* Mr David Harmer
- \* Mr Nick Harrison (Vice-Chairman)
- Mr Keith Witham
- Mr Chris Botten
- \* Mr Richard Walsh

**In attendance**

Rachael I Lake  
Mrs Kay Hammond

**1/19 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Keith Witham, Ayesha Azad and Chris Botten. There were no substitutions.

Zully Grant Duff, Chairman of the Health, Integration and Commissioning Select Committee also gave her apologies.

**2/19 MINUTES OF THE PREVIOUS MEETING: 13 DECEMBER 2018 [Item 2]**

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

**3/19 DECLARATIONS OF INTEREST [Item 3]**

There were no declarations of interest received.

**4/19 QUESTIONS & PETITIONS [Item 4]**

There were no questions or petitions received.

**5/19 REVENUE & CAPITAL BUDGET 2019/20 TO 2023/24 [Item 5]**

**Witnesses:**

Mel Few, Cabinet Member for Finance  
Joanna Killian, Chief Executive  
Leigh Whitehouse, Executive Director of Finance  
Michael Coughlin, Executive Director for Customers, Transformation and Digital

### **Key points raised during the discussion:**

1. The Chairman informed the Committee that Part B, 'Revenue & Capital Budget 2019/20 and Key Financial Strategies to 2023/24' would be considered before Part A, 'Transformation Proposals – Delivering Better Services For Residents'.
2. The Chief Finance Officer provided an introductory statement where he outlined the council's current financial position. It was stated that its financial position compared to other local authorities was considerably weaker and that a trend was forming to use its resources, including reserves, to balance the budget. Members received a presentation which highlighted key information around the Cabinet report on its proposals which would be recommended to County Council on 5 February 2019. Members noted that there was a particular focus on adults and children's service as there had been significant work through the transformation targeting improvements on practice and the delivery of outcomes to people. The Committee further noted details around the new Cabinet position of Cabinet Member for Finance where it was explained that the portfolio would be leading on the overall budget strategy and delivery against the financial plan. The presentation is attached to these minutes as annex 1.
3. When discussing the recent meetings of the Committee's Budget Sub-Group, the Chief Finance Officer addressed Member's concerns that the Executive Directors seemed to lack optimism that they would meet the targets outlined in each service budget envelope. He stated that it was important to be realistic and to not lose sight that the council's financial situation was delicate, and that there was huge amount of work required. He further stated that some savings were considered to be high risk so it was sensible not to be too optimistic.
4. The Committee discussed the £10m contingency available to mitigate any savings shortfalls and felt this may be insufficient given the level of transformation required and the unknown factors or re-emerging risks. The Chief Executive said that she felt assured that it was a deliverable budget but highlighted that there was considerable risk as services needed to adapt. The Cabinet Member for Finance stressed the importance of frequently analysing activity measures at the earliest occasion to have a better understanding on arising challenges. The Cabinet Member also highlighted the need for budget holders to understand the responsibility and ownership they have over their respective budgets.
5. The Committee noted the rising costs from external foster caring agencies and out of county placements. Members advised that officers look at best practice of other local authorities to identify solutions and share lessons learnt.
6. The Committee sought information on plans to address costs around Special Educational Needs and Disabilities (SEND) and transitioning of young adults. The Cabinet Member for Finance provided detail on an all-age learning project that focused on transitioning young adults from care in the Children's Service into Adult Social Care. He stated that this work provided a number of benefits which included allowing

Adult Social Care to understand incoming costs as well as helping parents understand future arrangements. The Chief Executive added additional detail around a specialist learning disabilities team created to support needs as they arise as well as build relationships with children to promote better outcomes.

7. The Committee stressed the importance of having sufficient communication with service users as services evolve.
8. The Chief Executive stated that the council needed to reduce the number of children coming into care in a safe way. This included creating a new model that better supported parents with issues that could eventually lead to the involvement of Children's Services.
9. The Committee were advised that officers were looking to change the model of practice within Children's Services to bring it in line with practice nationally. It was stated that there was significant science behind the new model and that it would be delivered to provide better outcomes for children. It was further noted that a Children's Academy had been introduced to help create a workforce that was skilled and able to support the new model.

Meeting adjourned 10:55am

Holocaust Memorial Day Ceremony

Meeting resumed at 11:30am

10. The Committee noted that there was not currently a system in place to forecast the number of people coming into the council's care or that assessed future needs. Officers went on to explain that better and more consistent relationships were needed with the health service as they could provide useful data that will improve overall understanding. It was further noted that the county had significantly higher numbers of Educational, Health and Care Plans (EHCPs) compared to other statistically neighbouring local authorities.
11. Members highlighted the need for a holistic view when working on multiple overlapping projects to prevent any ripple effects having negative impacts. The Executive Director for Customers, Transformation and Digital stated that any changes were made through a systematic process through the business cases which allowed officers to see the overall effects and independencies.
12. When discussing the proposed closure of various Community Recycling Centres (CRCs), Members felt concerned as they were not aware of any programmes or projects that outlined each sites future arrangements. Officers stated that a governance board of experienced officers and Cabinet Members would be put in place to work on asset disposal or repurposing.
13. The Committee were pleased with the inclusion of the Environmental Impact Assessments (EIA) within the report and stressed the importance that all Members read them thoroughly before consideration at Cabinet on 29 January 2019.

14. The Chief Finance Officer provided detail around the staffing restructure of Children's Service which formed part of the transformation programme.
15. The Committee highlighted the six recommendations included within the Budget Sub-Group report.

**The Committee concluded discussions relating to Part B of the report and agreed the following recommendations:**

The Committee:

- a. Recognises the difficulty of formulating a new transformative budget for 2019/20 and the consequences of failing to successfully implement this
- b. Supports the proposal of the Cabinet Member for Finance that there is rigorous, weekly monitoring of service activity, performance and expenditure and that this data must be owned individually and collectively by the Cabinet Members
- c. Is conscious that the £10m contingency available to mitigate any savings shortfalls could be insufficient given the level of transformation required and the unknown factors or re-emerging risks
- d. Recommends that the Cabinet Member for Finance in May is invited back to provide evidence on the progress towards achieving the targets set out in the Budget and Financial Strategy

**The Committee moved to discussions relating to Part A of the report**

16. The Chief Executive provided an outline of the consultation and engagement carried out over the last several months. Members noted that officers felt it was very important to have regard for the opinions of residents in order to help outline the council's priorities. When reflecting on the consultation outcomes, it was understood that the most vulnerable had to be prioritised within the council's budget, although it was recognised that many of Surrey's population would have no involvement with Children's Services and Adult Social Care. Officers also stated that they were mindful that £850m of the council's budget had not yet been consulted on.
17. Members of the Committee requested details on the lessons learned during the consultation and engagement period and asked officers to reflect on what they would do differently in the future to make residents feel better listened to. Officers explained that there was a need to incorporate engagement as 'business as usual' when working on individual projects in order to ensure aspects are considered. This would also require a culture change within the council as there would be a need for an equipped workforce that had the skills to have the conversations with residents. It was also noted that it would be beneficial to have conversations earlier and the avenues to consult with hard to reach groups.
18. When discussing free-format text boxes within the consultation, the Chief Executive acknowledged that the comments obtained could be extremely insightful but also sometimes be hard to analyse effectively.



19. The Chairman highlighted that it would be beneficial for the Committee to scrutinise the topic of Council consultation, engagement and co-design with residents at a future meeting.

**The Committee concluded discussions relating to Part A of the report and agreed the following recommendations:**

The Committee recommends:

- e. It works with the Chief Executive to agree how the Committee can best contribute to the Council's principles for future consultation, engagement and co-design; and
- f. Adds the topic of Council consultation, engagement and co-design with residents to its forward work programme for July

**6/19 TREASURY MANAGEMENT STRATEGY STATEMENT [Item 7]**

The Chairman agreed to consider item 7 before item 6

**Witnesses:**

Kevin Kilburn, Deputy Chief Finance Officer

**Key points raised during the discussion:**

1. The Committee noted that the relevant training to consider the Treasury Management Strategy would not be conducted prior to consideration of the item.
2. The Deputy Chief Finance Officer reported to Members that on 11 December 2018 it was agreed at County Council that responsibility for approving the Annual Treasury Management Strategy Statement would be delegated to the Audit and Governance Committee and that scrutiny would be provided by the Corporate Overview Select Committee. The Audit and Governance Committee would be considering the statement at its meeting on 7 February 2019.
3. When discussing the council's dependency on internal borrowing as outlined in the report, the Deputy Chief Finance Officer informed Members that interest rates were not expected to rise significantly in the next year and the statement had been formed to reflect this.
4. The Committee discussed concerns relating to the council's preparedness for any unexpected developments following the country's exit of the European Union. Offices stated that, if there was a development which caused interest rates to reduce quickly, the council was in a position to borrow money at very short notice.
5. When discussing the approval of the statement in previous years, Members noted that the Audit and Governance Committee previously had concerns relating to the structure of counter parties within the statement. Following further amendments, the Audit and Governance Committee confirmed that it was satisfied.

6. The Deputy Chief Finance Officer confirmed to the Committee that he was comfortable with the current strategy but recognised that going forward the capital programme could change. It was noted that, for the foreseeable future, the council would continue to borrow externally very minimally.
7. The Committee requested appropriate training prior to any further scrutiny of the Treasury Management Strategy Statement.

**RESOLVED:**

Treasury management training from the council's advisors for the Committee is arranged as soon as possible.

**7/19 SCRUTINY OF ORBIS PARTNERSHIP: IT & DIGITAL [Item 6]**

**Witnesses:**

Matt Scott, Chief Information Officer

Mark Edridge, Head of Strategy and Engagement (Surrey)

**Key points raised during the discussion:**

1. The Chairman informed the Committee that this item was the first of a selection of items relating to the Orbis Partnership that would be considered by the Select Committee going forward.
2. Members discussed the services major role in the council's transformational programme where it was stated that the digital work stream was being used as an enabler of other projects. Work was ongoing to investigate how new technology capabilities could be used to support new service design and better meet the needs of residents.
3. The Chief Information Officer informed the Committee that the Orbis partnership had allowed the IT & Digital service to draw on expertise of other local authorities. Following further discussion, the Chief Information Officer stated that he believed that the service's outcomes would have been more expensive and time consuming without the resource of the Orbis Partnership.
4. Although part of Orbis, Members noted that the Chief Information Officer, as budget holder for the service, was expected to follow the same financial practises as other Surrey County Council budget holders.
5. Officers informed Members that the IT & Digital budget had been developed through the business case development programme as part of the transformation programme. During this development, officers considered different ways IT & Digital could support other services business outcomes. The Committee noted details of the Agile Workforce programme which aimed to provide the resource to allow other services to work in improved and efficient ways.
6. Members noted that the IT & Digital service reported to the Customer, Digital and Transformation directorate.

7. Follow discussion, the Committee agreed to create a questionnaire to be circulated to heads of services in order to obtain feedback on their level of satisfaction with the IT & Digital Service. It was felt that this would be a beneficial way of highlighting potential areas of improvement and aid further scrutiny if required. It was agreed that the results of the questionnaire would be considered at a future meeting.

**Recommendations:**

The Committee:

- a. Notes the IT & Digital's value for money and the savings it has made in the last three years
- b. Recognises the contributions from the Orbis partnership in terms IT of expertise and the service improvements that have been realised as a result
- c. Recommends that Democratic Services draft a simple survey to follow up with Council Directorates on the service they receive from IT & Digital including questions such as 'do they get what they get the equipment they need on a timely basis.

**8/19 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 8]**

**Key points raised during the discussion:**

1. Members noted that an item relating to the Council's consultation and engagement with residents would be added to a future meeting.
2. Members noted that they would receive sufficient training on the Treasury Management Strategy Statement prior to any further considerations on the subject.
3. The Committee discussed the benefits of a standing item on every agenda related to the council's transformation.

**9/19 DATE OF THE NEXT MEETING [Item 9]**

Members noted its next meeting would be held on 21 March 2019.

Meeting ended at: 2.40 pm

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**Chairman**

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# Corporate Overview Select Committee

Financial Strategy 2019 - 2024

# Section 25 Statement - Headlines

- The Council's overall financial standing is weaker than comparative councils, and has weakened over the past four years
- There are signs that this is being addressed, and there are positive steps being taken, but these are relatively recent
- the Council remains susceptible to re-emerging or new risks

# Key tests:

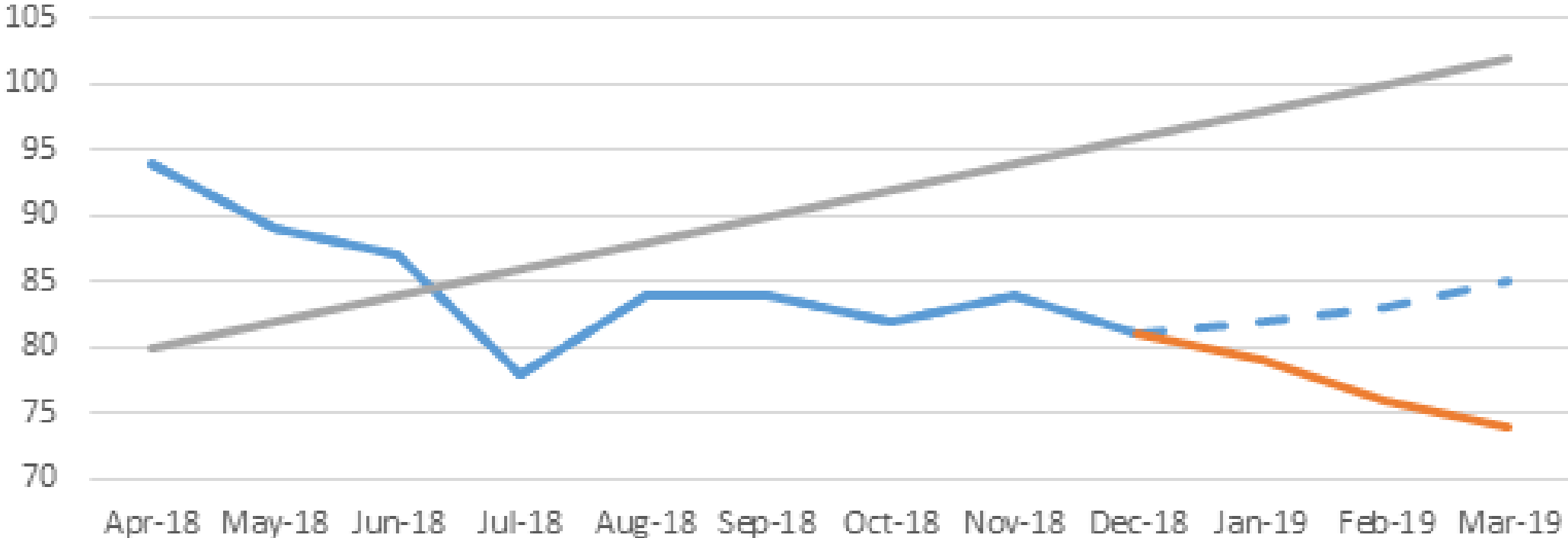
- An ability to exert a sustained grip on the high value and volatile areas of spend in Children's and Adult's social care, plus SEND
- A willingness to make difficult decisions to ensure that service levels are set at a sustainable level within our expected resources

# Focus on Adults and Children's Services

- Transformation Business Cases
  - Children's Services Practice Improvement
  - Adult Social Care Practice Improvement
- Better prevention and early intervention
- Greater sense of ownership and budget responsibility
- Emphasis on delivering an affordable level of service, within budget
- Changing the trajectory that has been in place for several years
- Good early progress, but improvement needs to be sustained

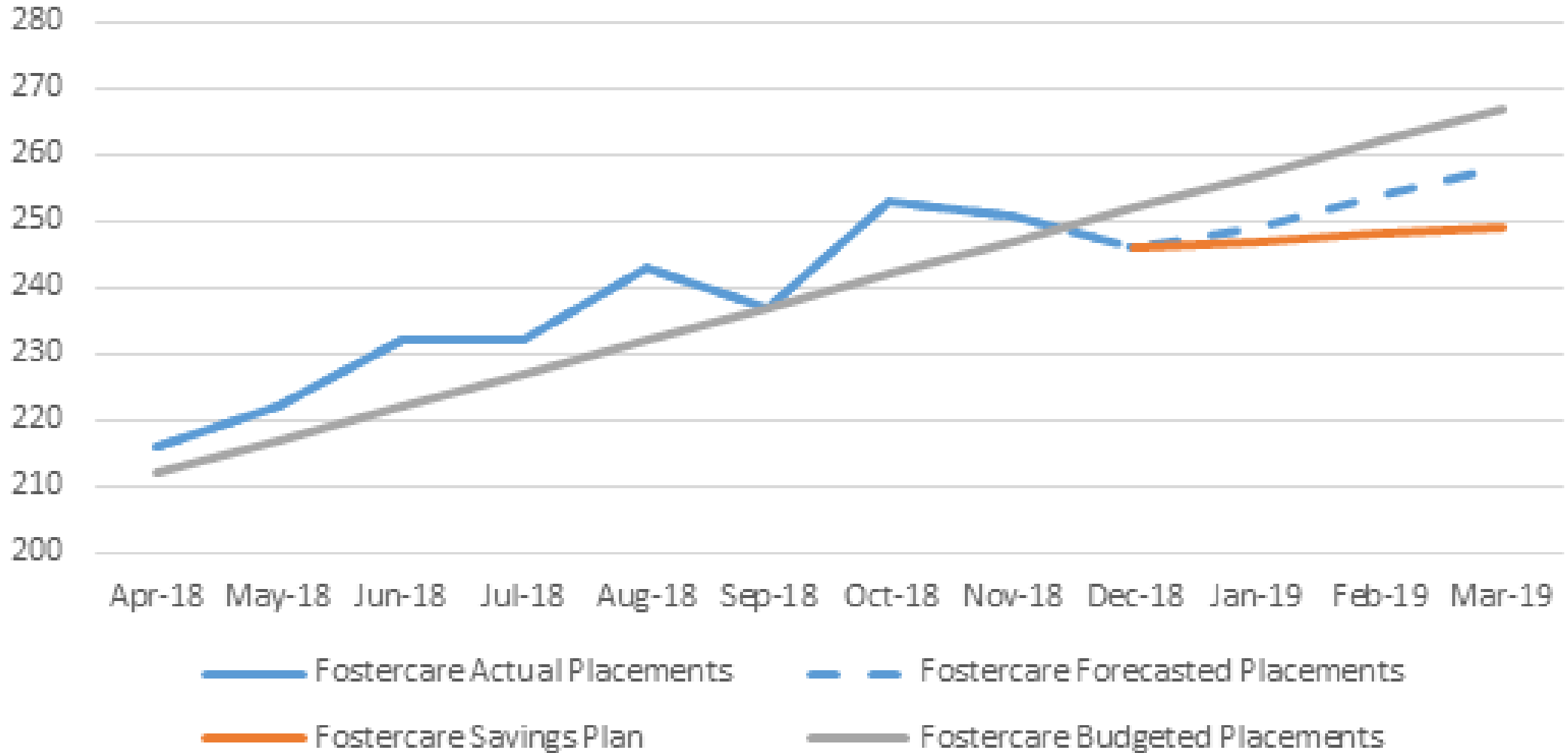


# External Residential Placement Activity Dec 18

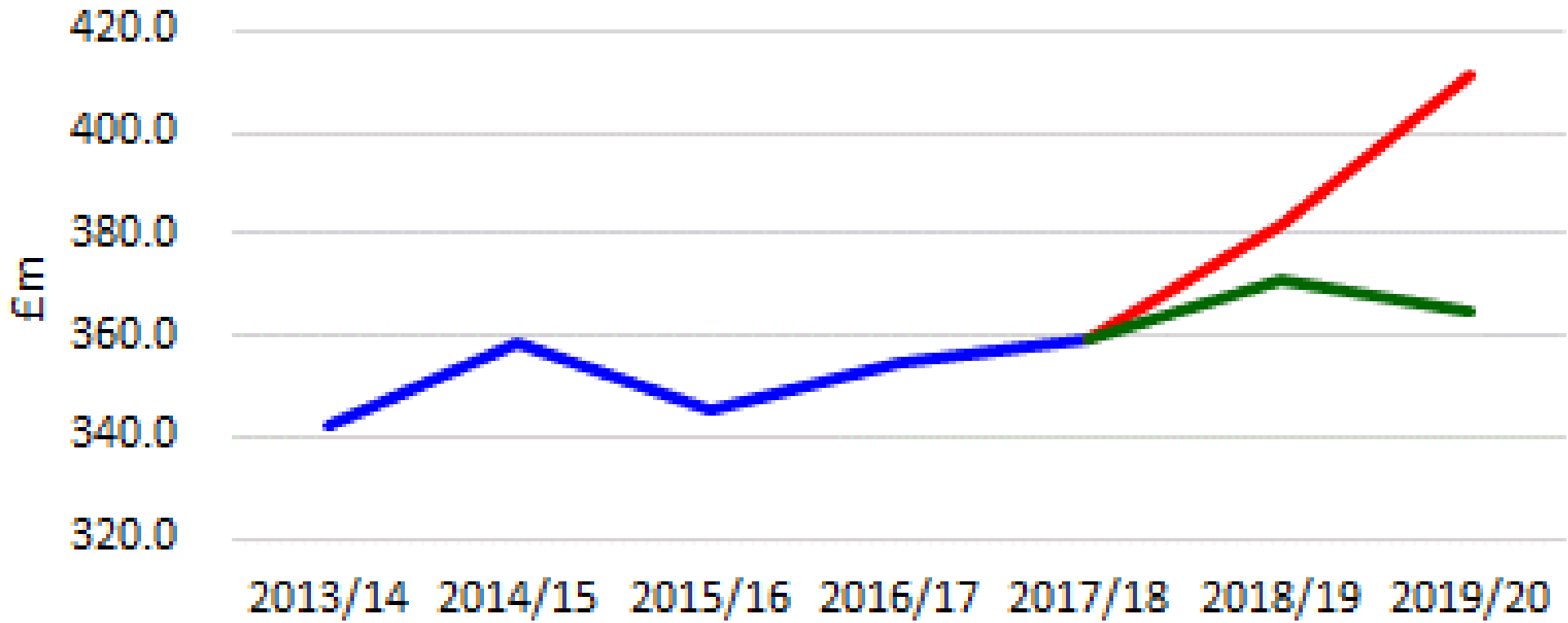


Residential Actual Placements      Residential Forecasted Placements  
Residential Savings Plan      Residential Budgeted Placements

## External Fostering Placement Activity Dec 18

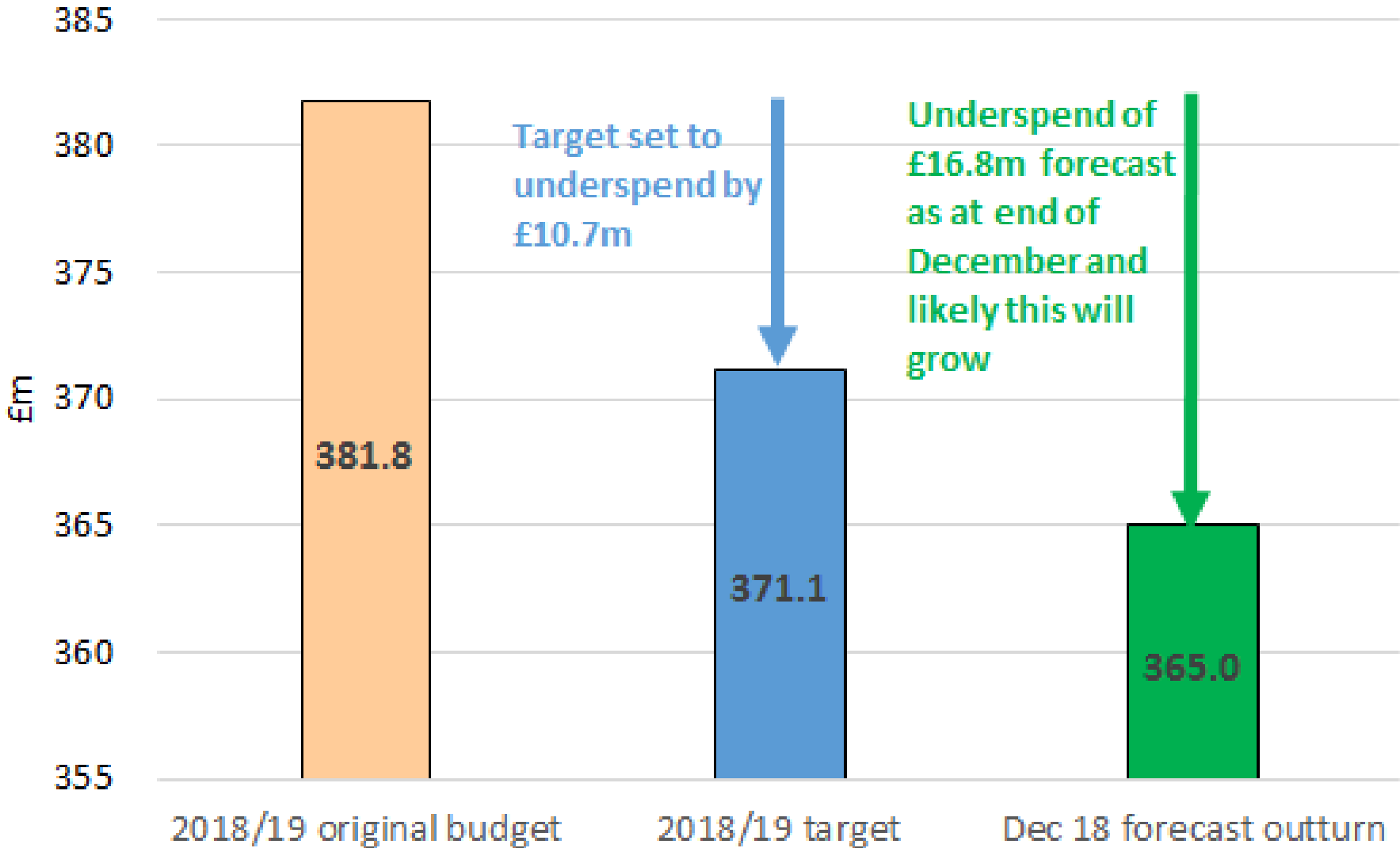


# ASC Net Expenditure



- Actual net expenditure
- Planned net expenditure in 2018-21 MTFP
- Revised planned net expenditure

# ASC 2018/19 Net Expenditure Budget



# Role of the Cabinet Member for Finance

- Part of a system of financial accountability – Managerial and Political
- Leading on overall budget strategy and delivery against the financial plan
- Rationale and assumptions behind the overall strategy. Risk and deliverability
- Capital Programme and Treasury Management
- Holding s151 and Cabinet colleagues to account
- Champion Value for Money and good Financial Management

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## CORPORATE OVERVIEW SELECT COMMITTEE

### Item under consideration: REVENUE & CAPITAL BUDGET 2019/20 to 2023/24

#### Date Considered: 25 January 2019

- 1 At its meeting on 25 January 2019 the Corporate Overview Select Committee considered the Revenue & Capital Budget for 2019/20 to 2023/24. There were Select Committee Chairmen in attendance at the meeting to provide their input on specific service budgets and savings.
- 2 The Committee noted the challenge of delivering a sustainable budget and sought reassurances about the deliverability of the plans in 2019/20. The witnesses stressed that realism was required and that the budget has to support changes to how the Council delivers services and improve outcomes for Surrey residents.
- 3 The Committee focused on the challenges faced by the Council's demand led services – Children's Services and Adult Social Care – and questioned the witnesses on the impact of foster care placements and external placements on the Children's Services budget and how the Council planned to manage Adult Social Care's net expenditure over the coming years. The Committee supported plans to improve social care practice, bring placements back into the county and the drive to recruit more foster carers but warned that this would be difficult.
- 4 The Committee raised some concerns about how effectively the Council forecasts demand in these services. The Chief Executive acknowledged this but thought forecasting would improve through better partnership working with organisations such as the NHS and schools to identify children and families in need early.
- 5 The Cabinet Member for Finance stated that these services represented the biggest challenge to achieving a balanced budget. The Committee queried whether the £10m budget contingency fund was sufficient enough given the substantial risks the Council faced.
- 6 Members were supportive of the Cabinet Member of Finance's view that monitoring of budgets and service activity needs to happen on a weekly basis, not monthly in arrears, to ensure the Council's expenditure stays on track. The Committee agreed that there needed to be greater ownership of Council finances by Officers and Cabinet Members alike.
- 7 The Committee thanked the Chief Executive, members of the leadership team and the Cabinet Member for Finance for their attendance at the Committee to answer questions on the budget prior to the next meeting of the Cabinet.
- 8 The Committee agreed the following conclusions:
  - a) The Committee recognises the difficulty of formulating a new transformative budget for 2019/20 and the consequences of failing to implement this;
  - b) The Committee supports the proposal of the Cabinet Member for Finance that there is rigorous, weekly monitoring of service activity,

- performance and expenditure and that this data must be owned individually and collectively by the Cabinet Members;
- c) The Committee is conscious that the £10m contingency available to mitigate any savings shortfalls could be insufficient given the level of transformation required and the unknown factors or re-emerging risks; and
  - d) Recommends that the Cabinet Member for Finance is invited back to provide evidence on the progress towards achieving the targets set out in the Budget and Financial Strategy at the Committee's next meeting.

**Ken Gulati**  
**Chairman of the Corporate Overview Select Committee**

**Reply:**

The Cabinet thanks the Chairman and his Committee for this report. We are in agreement with the Committee's recommendations, specifically recommendation (b) on the need to develop and focus on tracking the key elements of the savings plan contained within the budget and supporting transformation plans.

I look forward to working with the Chairman of the Budget Sub-Group going forward and reporting progress at the May meeting of the Committee.

**Mr Mel Few**  
**Cabinet Member for Finance**  
**29 January 2019**



**CORPORATE OVERVIEW SELECT  
COMMITTEE  
DATE: 21 MARCH 2019**



**TRANSFORMING THE COUNCIL TO BETTER SERVE  
RESIDENTS - UPDATE**

**Purpose of report:** To update on progress so far in transforming the council, enabling Corporate Overview Select Committee (COSC) to provide input to the next phase of work and identify approaches to ensure effective ongoing scrutiny

**Introduction:**

1. Over the last year the council has embarked upon an organisation wide programme of change and improvement to address a number of performance, financial and cultural shortcomings in order that we can help secure the very best outcomes for the people of Surrey.
2. On 13 November 2018, Council endorsed a strategic and financial direction for the council in response to the agreed Community Vision for Surrey in 2030<sup>1</sup>. This included a major [programme of transformation](#) for the next three years (2018-2021), designed to secure the council's financial sustainability and fundamentally reform the function, form and focus of the organisation.
3. Through the work to date we have established the foundations for longer term change and improvement, including a stabilised budget position. We have also started to introduce new service models and approaches that signal different ways of working with our residents and partners. For example, the Effective Family Resilience Model in Children's Services and the new practice model for "front door" conversations in Adult Social Care are starting to help prevent problems earlier and better support residents and communities to be independent.
4. Broadly speaking, we are now moving from a phase of stabilising the organisation and mobilising transformation proposals and plans, into the practical delivery of change. Marie Snelling, the council's new Director of Transformation, is currently reviewing progress so far to identify key lessons that will be designed into the next phase of transformation. Views from Members of COSC will helpfully inform this.
5. The purpose of this report is to present for scrutiny the following aspects of transformation:
  - Overall progress and direction of transformation across the council
  - Those (enabling) projects under the remit of COSC

<sup>1</sup> The Organisation Strategy 2019-2023, 'Our People' 2021 – Workforce Strategy, Preliminary Financial Strategy 2019 – 2024, Transformation Programme (Full Business Case)

- A proposed new Business Planning and Performance Management Framework

## Overall progress and direction

### Ambition

6. Transformation on this scale represents a new and complex challenge for the council. It is an ambitious and far reaching transformation portfolio to address a range of fundamental issues the council faces in responding to the changing needs and expectations of residents and communities. By transforming we will become a very different organisation, working in new and innovative ways with our residents and partners to achieve the ambitions in our Community Vision for Surrey in 2030.
7. Whilst transformation will make a significant contribution to required savings and demand management – delivering savings of £12m in 2018/19 and £52m in 2019/20 – it must be and is much more than a savings programme or even a collection of projects and programmes.

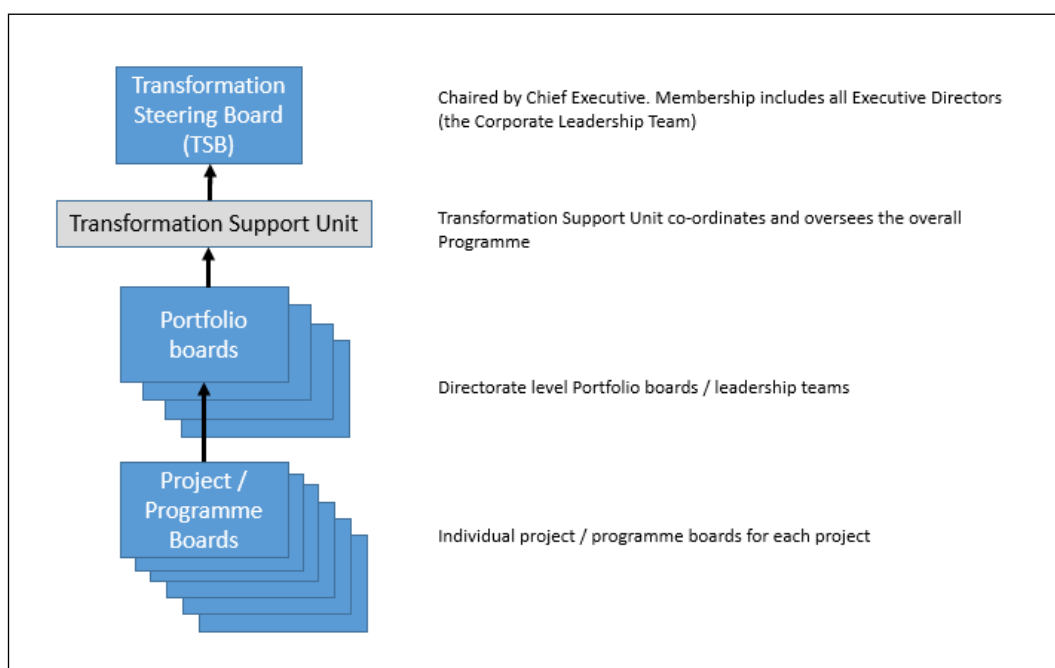
### Progress so far

#### *Foundations:*

8. Given the scale and depth of the performance, financial and cultural challenges faced by the council the focus of work over the last year has been on stabilising the organisation and mobilising the programme of transformation. The council has not, in recent years, undertaken a single integrated programme at this scale so significant work was required to set the foundations for change. This has included:
  - Setting a new strategic direction to deliver on the shared ambitions our residents and partners have articulated
  - Stabilising the 2018/19 budget and minimising the use of reserves originally planned in the budget
  - Agreeing a 2019/20 budget that will not require the use of reserves
  - Establishing the capacity to deliver transformation<sup>2</sup>, including expert external challenge and support
  - Designing new service models that promote independence
  - Agreeing next steps for the transformation of key services following public consultations<sup>3</sup>
  - Engaging with colleagues across the organisation to develop our culture and behaviours, supported by revised pay and reward mechanisms and a new style of performance reviews
  - Developing stronger working relationships with our partners
  - Setting up governance and routines to oversee and drive transformation
9. The officer governance in place to oversee and track the delivery of the programme and projects is set out below.

<sup>2</sup> Council (5 February 2019) agreed the allocation of £31.4m capital receipts to enable critical transformation work through to 2020/21

<sup>3</sup> Children's Centres, Special Educational Needs and Disability (SEND), Libraries and Culture, Community Recycling Centres (CRCs), Concessionary bus travel



10. The Transformation Steering Board (TSB) use a “4Ds” tool to help track the overall progress of the programme – it provides a headline picture of progress against the four phases of any major programme<sup>4</sup> and enables key actions to be identified (see latest assessment of the 4Ds in Annex A).
11. At this stage of mobilising a long term programme it is expected that some areas will not be fully developed (“green”). With the base foundations now broadly in place, the lessons learnt review by the new Director of Transformation will identify actions to strengthen the overall health of the programme. In particular as we move into the delivery phase there will be focused attention on communication, engagement and involvement.

### *Impact*

12. At the heart of the transformation programme is the need to develop very different service models and approaches that can help prevent problems earlier and better support residents and communities to be independent. These approaches are now being proactively applied in a number of areas and we are starting to see the positive impact this can have for residents.
13. In Adult Social Care a new practice approach focused on peoples’ strengths and independence is being introduced, and importantly this new type of conversation happens at the very first point of contact (the “front door”).<sup>5</sup> The principle of supporting independence is also central to the work of the new specialist team for people with [Learning Disabilities and Autism](#) that has been established.
14. The recently launched Effective Family Resilience Model provides a framework for how we will work differently with partners to support families and children as

<sup>4</sup> Direction, Design, Delivery, D-day

<sup>5</sup> See Adults Transformation Update to the [Adults and All Age Learning Committee](#), 13 February 2019

soon as problems emerge.<sup>6</sup> We have established a new [Children's Academy](#) to attract, train and support the staff from across multiple agencies who will put the new approach into practice.

15. The principle of working in partnership to prevent problems and support independence can and will be applied across all service areas. For example, it underpins the current public consultation on the [Surrey Fire and Rescue Service](#) which proposes a shift to preventing emergencies by investing in community and business safety. We will be developing further proposals and changes across the transformation programme that support this new direction and importantly prevention is at the heart of the draft [long term strategy for health and wellbeing](#) that we have developed alongside our partners and are currently consulting on.

### Enabling projects

16. Within the transformation programme (see Annex B for the full list of projects) there are a sub-set of projects that are acting as “enablers” to transformative changes in frontline services. These are set out below along with some headline points on progress and next steps. The latest “Red, Amber, Green” status for each project is shown in brackets.
  - *Customer experience*: Progressing the “single front door” approach by moving all customer contact into the single customer contact centre, with a new Children’s Services front door set to go live at the end of April and SEND enquires to be incorporated by the end of July. There is further work to complete next with Adult Social Care. The project is also moving customer contacts and enquiries online to improve the customer interactions, starting with Highways, Transport and Environment services. (Current status: Amber/Red)
  - *Digital*: The project aims to make the council ‘digital by design’ including automation, the internet of things and integration of systems and data. Improved automation of customer reporting for potholes and trees/vegetation has been completed so this is easier and quicker. Currently working through the final stages of procurement for new approaches and tools for customer relationship management and data integration. (Current status: Amber/Red)
  - *Agile working*: Running case study tests of agile working tools (e.g. hybrid devices and applications to work on the move), with positive feedback so far. Also piloting the use of collaboration tools to reduce travel and allow people and teams to keep connected to each other virtually. Agile working is being incorporated into the planning for the move out County Hall. (Current status: Amber/Red)
  - *Performance Management and Management Insight*: Drafted a new performance framework including new regular reporting through eight key “lenses” (see section below). Continuing to automate data reporting through the online Tableau tool. (Current status: Amber)
  - *Commissioning*: The new Strategic Commissioning hub and framework approach is now in place and being applied to key issues (e.g. Domestic

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<sup>6</sup> See Family Resilience update to the [Children and Education Select Committee](#), 6 March 2019

Abuse) and the design of future health and social care commissioning.  
(Current status: Green)

- *Fees and charges*: The revised Fees and Charges policy agreed by Cabinet in December 2018 will be embedded across all services. Initial work focused on Highways, Transport and Environment and identified £260k of additional income from fees and charges, with work is underway to bring this total to £2m in future years across a number of services. (Current status: Amber)
  - *Finance Improvement Programme*: Following the CIPFA report on financial management, a major restructure of the Finance senior management structure has now been completed, alongside work to improve financial accountability and reporting. Training is being designed to improve financial management across the organisation. (Current status: Green/Amber)
  - *Spans and Layers*: Highways, Transport and Environment (HTE) have piloted a leading practice DMA (Decision Making Accountability) methodology which identifies ways to change structures so they enable effective and responsive decision making. This will inform the next phase of HTE restructures and the DMA approach will be built into other such reviews. (Current Status: Amber)
  - *Orbis Value for Money*: An external review is currently being undertaken with a view to securing agreement on the future structure and remit of the partnership. (Current status: Amber)
17. These projects are critical to embedding the Target Operating Model (TOM) design principles, which are guiding how we develop and change our services and ways of working to ensure we become a responsive, modern and effective organisation (see Annex C).
18. Progress on each of these enabling projects will continue to be closely managed and tracked through the project, portfolio and programme level governance in place.

#### **Business Planning and Performance Management Framework**

19. As part of improving the way the council works – and ensuring that we can track and understand the impact of our projects and programmes - we are updating our Business Planning and Performance Management Framework for 2019/20. This involves putting the following key aspects in place:
- Designing a new Vital Signs Report which will report on eight aspects, or “lenses”, of organisational performance and corporate health with supporting measures:
    - Our customers
    - Our staff
    - Our finances
    - Critical service indicators
    - Risks
    - Transformation
    - Progress towards the Target Operating Model

- Service improve activity
  - Annual report to residents – covering high level outcome measures on Surrey County Council’s contribution to the Surrey 2030 Community Vision.
  - Outcome Delivery Plans – these will be short documents covering critical activity and delivery against the 10 strategic outcomes in the Organisation Strategy. They will also include measures of success that will be tracked as part of the Vital Signs Report outlined above.
20. These new aspects are set out in the attached draft Business Planning and Performance Management Framework (Annex D). They will be finalised ahead of starting regular reporting from Quarter one 2019/20.

<b>Conclusions:</b>
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21. The transformation programme has made important immediate contributions to the council’s performance and financial position, and has started to introduce new service models that are changing the way we are work with residents and partners – shifting the focus to the prevention of problems and better enabling people and communities to be independent.
22. Broadly speaking, we are now moving from a phase of stabilising the organisation and mobilising transformation proposals and plans, into the practical delivery of change. A number of enabling projects will play a crucial part in driving new ways of working and maximising use of technology so the council can improve resident experiences and outcomes while also making savings.
23. To manage and track the impact of our work a new performance framework will be put in place, including a new Vital Signs quarterly insight report.
24. The work to transform the council will continue to evolve and develop over time. Whilst there is a current defined set of projects and programmes to deliver, we will need to keep reviewing our progress and re-assessing our plans and priorities, responding to the new opportunities that will emerge through closer working with our partners and residents, new legislation, and technological advances.

<b>Recommendations:</b>
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25. It is recommended that COSC:
- (1) Note the overall progress on transformation to date and identify any areas that need to be designed into the next phase of work (para 6-15)
  - (2) Consider the key enabling projects and agree what role to play in supporting and scrutinising these projects (para 16-18)
  - (3) Consider the draft Business Planning and Performance Management Framework and products and provide feedback (para 19-20)
  - (4) Receive and review the new quarterly Vital Signs Report from Q1 2019/20 (July) and quarterly thereafter

### Next steps:

- COSC to receive summary exception reports on the enabling transformation projects in May 2019 and complete a more detailed “deep dive” review of a priority project.
- COSC to review the new Vital Signs Quarterly report in July 2019 and quarterly thereafter.
- COSC to review a further update on the overall council-wide transformation programme in six months’ time (September 2019).
- From April 2019, more regular and comprehensive communications will be developed to keep all Members up to date on developments across all areas of transformation.

### Annexes

**Annex A:** 4Ds assessment of Transformation Programme

**Annex B:** List of Transformation Projects

**Annex C:** Target Operating Model

**Annex D:** Business Planning and Performance Management Framework (draft version)

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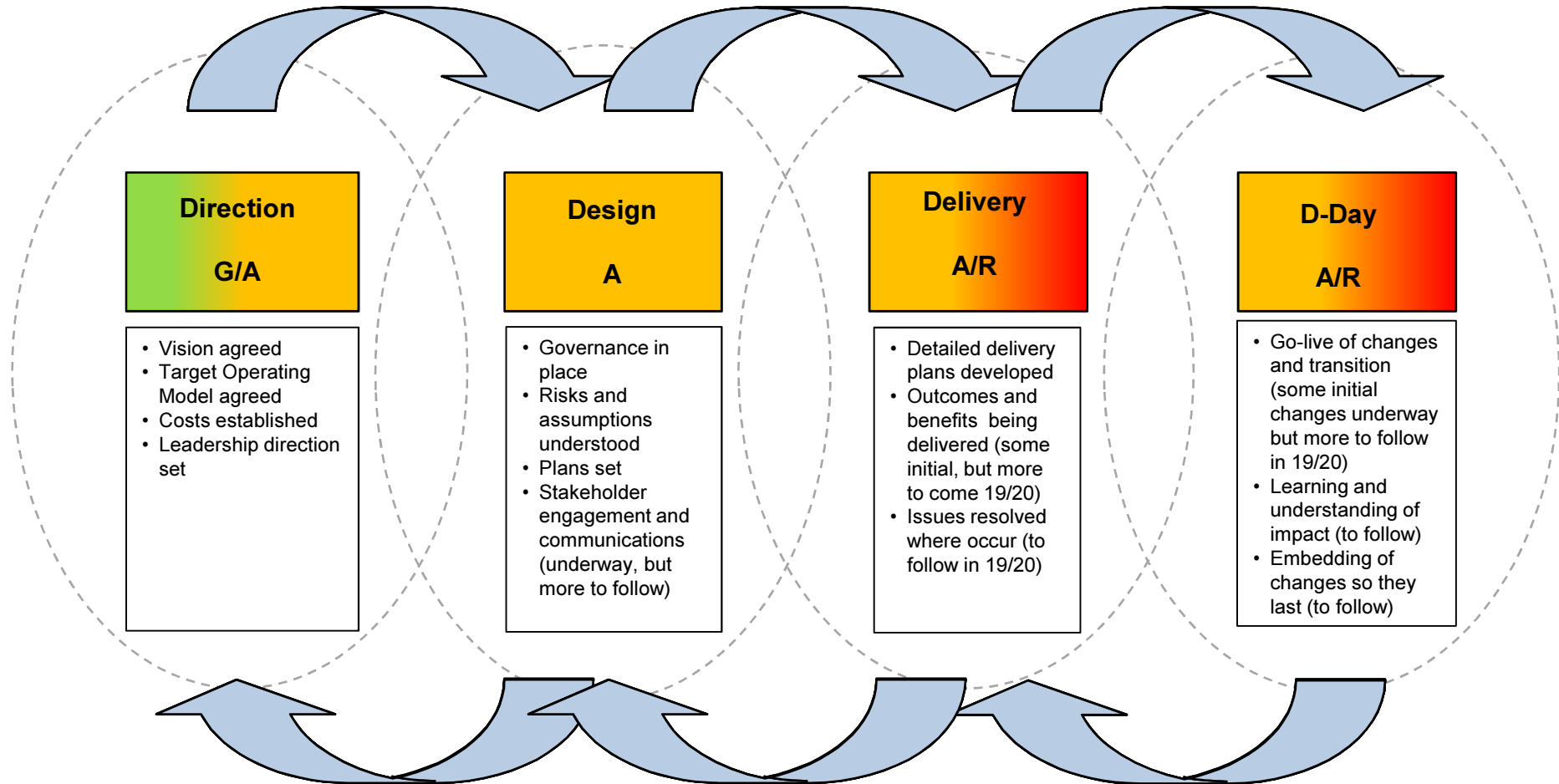
### Sources/background papers:

- A Community Vision for Surrey in 2030, Report to Council 9 October 2018
- Organisation Strategy, Preliminary Financial Strategy, Transformation Programme and ‘Our People’ Strategy, Report to Cabinet 30 October 2018
- Transformation Proposals – Delivering Better Services for Residents, Annexes 1- 5 Cabinet Report 29 January 2019

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# Annex A: 4Ds assessment (March 2019)



Key	
Not started / considered yet	
Not started / needs support	
Emerging, understood	
Robust / things in place	

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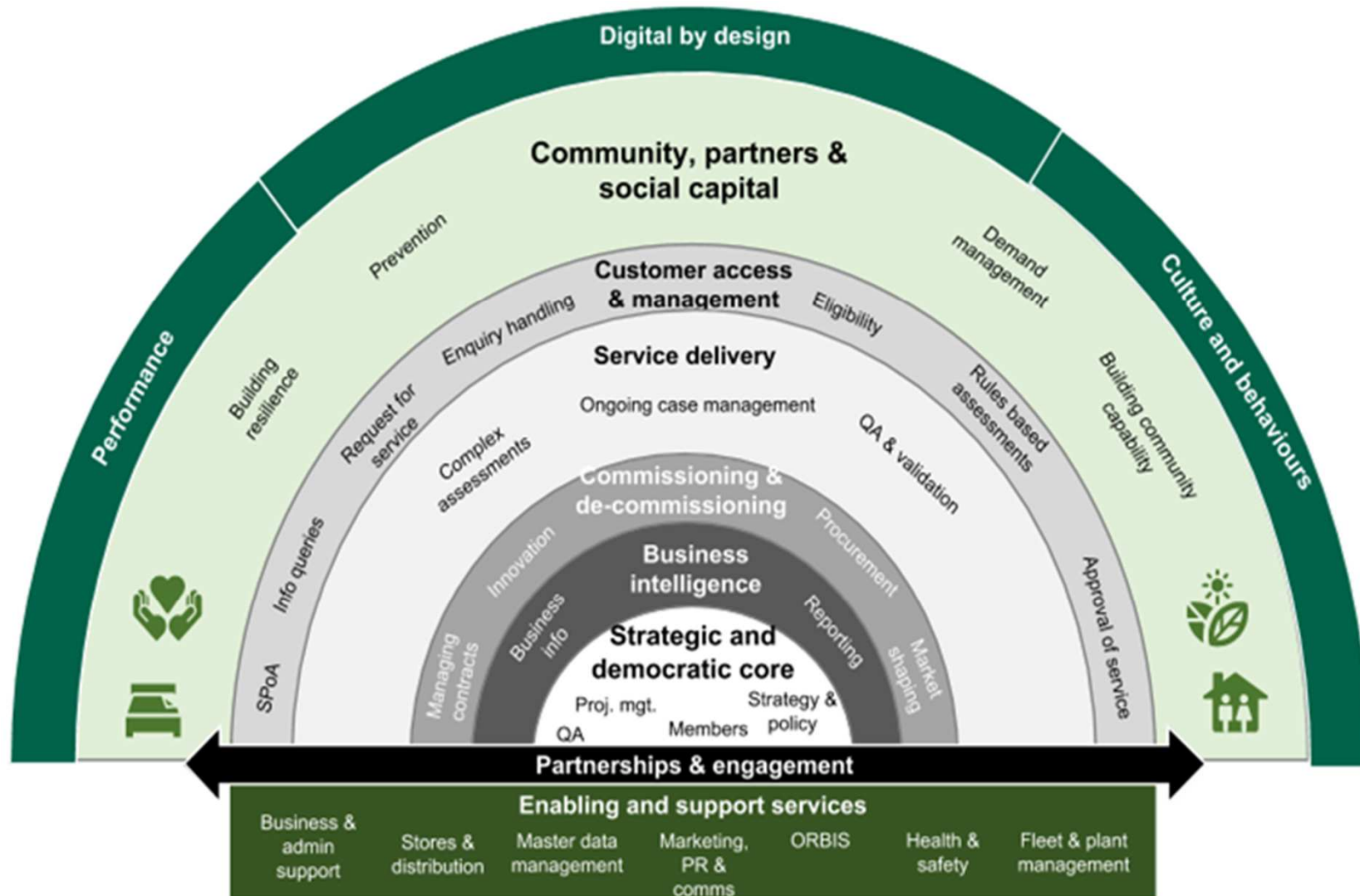
## ANNEX B – LIST OF TRANSFORMATION PROJECTS

Project / Programme
Accommodation with Care & Support
Practice Improvement Adult Social Care (ASC)
Health and Social Care Integration
ASC Market Management
Family Resilience (Early Help & Practice)
SEND Transformation
All Age Learning Disabilities (Transitions)
Commissioning
Libraries and Cultural Services
Waste (including long term strategy)
Highways Transformation (HTE)
Surrey Fire & Rescue Service
Agile Workforce
Orbis value for money
Performance Management & Management Insight
Spans of Control
Customer Experience
Digital
Finance Transformation
Fees & Charges
Asset & Place Strategy
Strengthening the Strategic and Democratic Core (new – being scoped)
Strategic Transport Commissioning (new – being scoped)
Closer to Residents (County Hall move) (new – being scoped)

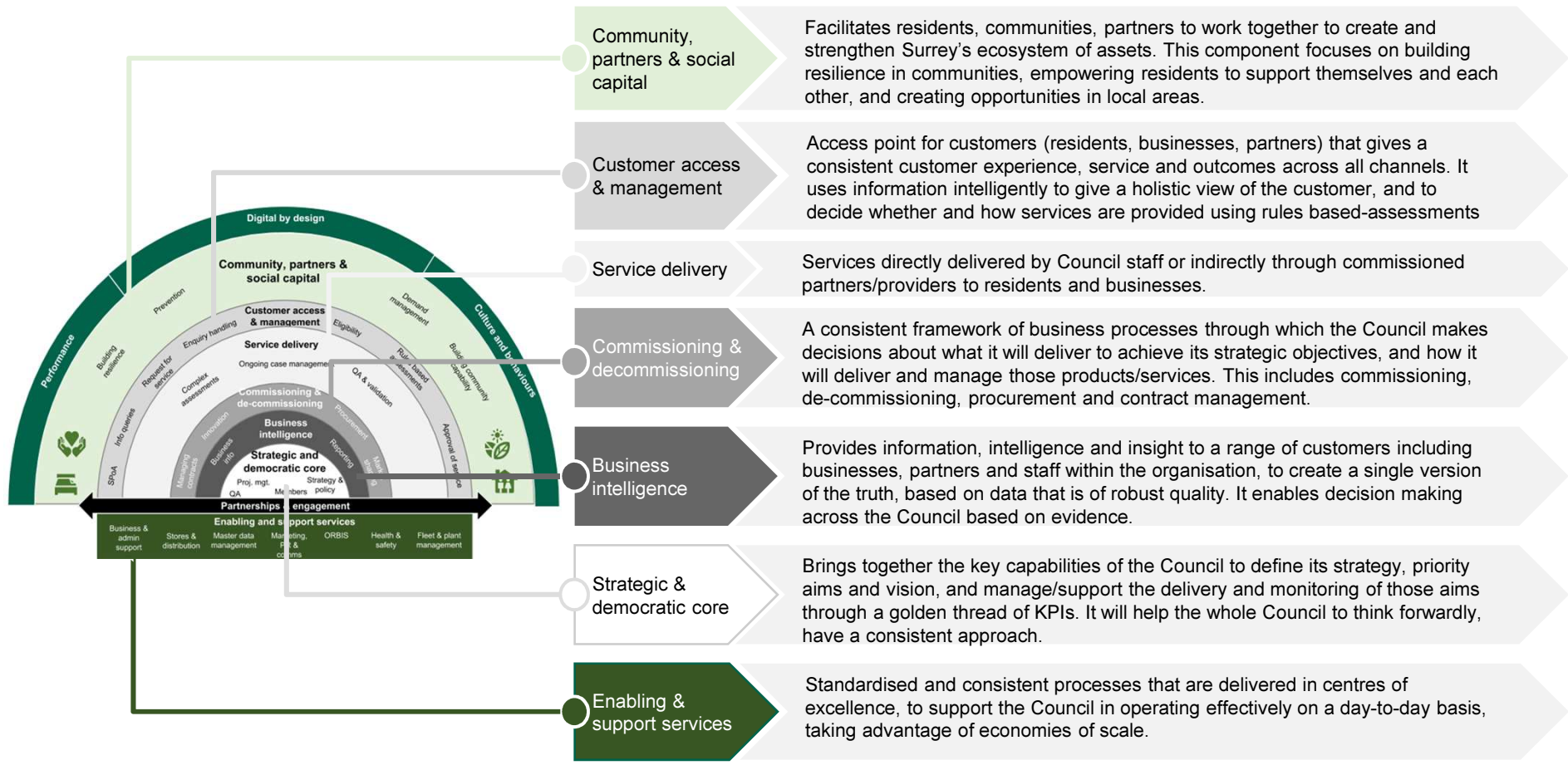
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# Annex C: The Council's Target Operating Model (TOM)

The overall TOM design describes “what” the council will be doing in the future – the components of the organisation (not a structure diagram) and the capabilities that will need to be developed



# Summary of the capabilities to be developed in each TOM component



# TOM core design principles

We will test all design activity across the transformation programme against the principles below. These define the organisation we want to become and how we will be.

<b>Service Design</b>	All service design focuses on prevention and early intervention, therefore avoiding reliance on less effective and more expensive statutory services
	All service design enables individuals and communities to help themselves and each other
	All service design evaluates opportunities to work in partnership to improve outcomes and value
<b>Digital Design</b>	Digital by design - we fully exploit digital capabilities in all we do
<b>Finances</b>	Operate within available resources
<b>Customer</b>	Customer contacts and enquiries to be online or via single contact centre, augmented by specialist contact arrangements where these are considered necessary to best serve a specific client group
<b>Commissioning</b>	All commissioning through the new strategic approach and framework, ensuring it is co-designed with residents and evidence based
<b>Data and insight</b>	Data and insight to be captured and used in decision making at all levels, enabling evaluation of impact and value

<b>Property</b>	All new and refurbished property to be multi-use for Council services and wherever possible also shared with partners
<b>Leadership</b>	Clarity on the leadership and impact required in all roles, with structured accountability for delivery on performance and quality, finances, and people and culture
<b>Organisation</b>	Organisation structured with 6 spans and 6 layers as default
	Cross cutting disciplines (inc. commissioning, project management, data analytics, research, business support) to be organised consistently using a head of profession and centre of excellence model
<b>People</b>	A smaller, more productive and highly motivated workforce which is flexible and mobile (able to operate with a desk ratios of 10 to 5 as a default maximum)
<b>Process</b>	Processes are lean and are standardised where opportunities exist, with any that do not add value stopped
<b>Governance</b>	All governance proportionate to risk exposure, underpinned by effective democratic processes and partnership arrangements

Further detail on the TOM and its implementation over 6 monthly intervals (or “Transition States”) can be found on Jive (accessible to Surrey County Council Members and Staff):

<https://surreycc.jiveon.com/people/Michael.Coughlin@surreycc.gov.uk/blog/2019/02/08/being-a-different-council?ru=7344&sr=stream>

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# Becoming a high performing council for residents

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**Business planning and performance management framework 2019/20 (DRAFT VERSION)**

March 2019

# Introduction

By performance we mean how we approach our work, individually and collectively, and how we measure success, so that we can deliver the right outcomes for our residents.

In a modern council this will mean continually developing our thinking, our work and improving outcomes both as an organisation and individually. This will involve thinking about the outcomes we aim to achieve, what is having the right impact, where we are and what we focus on in the future.

This document sets the framework for planning and managing performance in Surrey County Council so our available resources are used to maximise the impact of our activities for Surrey residents.

The framework allows clear links to be established between the Community Vision 2030, the council's Organisation Strategy, improvement and transformation objectives, and team and individual work plans.

It helps every officer working for the council see how their actions contribute to outcomes for residents.

## **Performance management helps us to:**

- **Achieve our goals and priorities and, by extension, those of the local community**
- **Prioritise what gets done within the resources available**
- **Provide and demonstrate value for money**
- **Motivate and manage our staff**
- **Provide good services and satisfaction for users and local community**
- **Highlight and drive improvement across the organisation**

# COMMUNITY VISION FOR SURREY IN 2030

The Vision is the starting point for our performance and planning framework, and helps us remain focused on residents

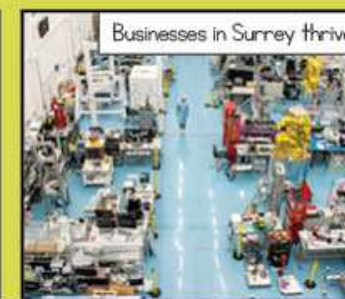
By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

We want our county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

## OUR AMBITIONS FOR PEOPLE ARE:



## OUR AMBITIONS FOR OUR PLACE ARE:





Our values guide us in how we deliver services and help us remain focused on residents



# Our values show that **we care about...**



## **our residents**

We put our residents front and centre of everything we do.



## **being excellent**

We set consistently high standards of performance and we are prudent with our resources to achieve them.



## **being open**

We are straightforward and transparent about our decisions and actions and set realistic expectations.



## **working together**

We work with our residents, partners and colleagues to ensure the best possible outcomes for Surrey and its people.



## **respecting others**

We listen to our residents, partners and colleagues and treat them fairly, with consideration and respect.

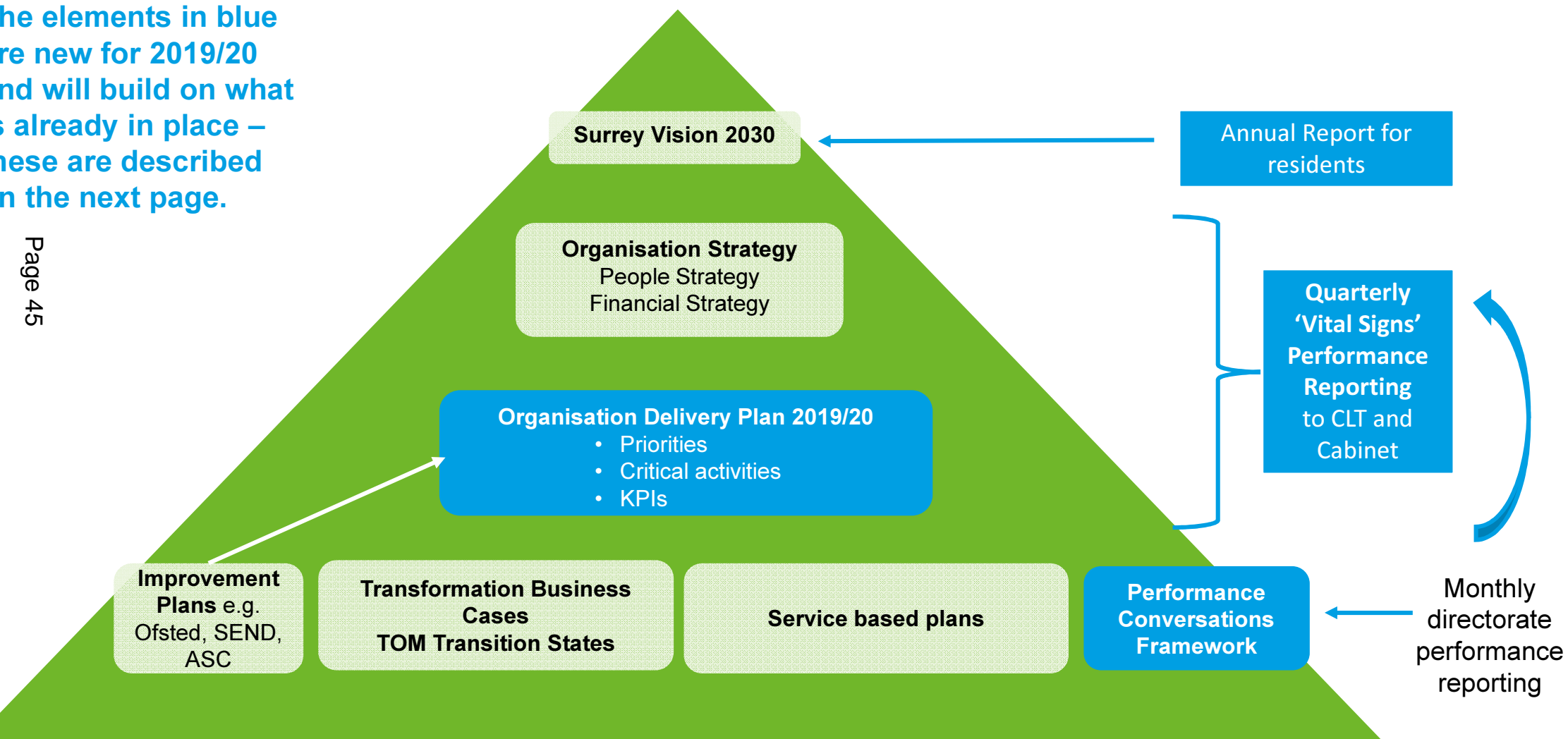
# Our business planning and performance management framework

The elements in blue are new for 2019/20 and will build on what is already in place – these are described in the next page.

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## Planning

## Performance management



# Our planning and performance building blocks

## Organisation Delivery Plan 2019/20

Framed around outcomes and strategic principles in the Organisation Strategy – set of 10 outcome plans ‘on a page’ and information about the council transformation

Operates as the key document that sets out how we will deliver our priorities and measure impacts

Reflective of financial envelopes for each directorate

Collaboratively designed with services and partner input as appropriate

Shows accountabilities and keeps organisation focussed on what matters most for residents

All other plans should feed into it

Annually refreshed

Timetable not aligned for 19/20 but for 20/21 should align with budget setting process

## Annual Residents Report 2019/20

This will be a visual high level document with clear and concise descriptions of what the council has achieved with available resources

## Quarterly ‘Vital Signs’ Performance Reporting to CLT and Cabinet

- Report on progress quarterly
- Exception reporting as required on issues of concern
- Includes oversight of our improvement journeys
- Over 2019/20 should be linked to financial reporting so there is one view of finance and activity
- Risk and opportunity management to be incorporated over 2019/20

## Performance Conversations Framework

The new framework replaces the appraisal process. It focuses on meaningful conversations, planning for the coming year and exploring how we can collectively improve services for residents.

# Our performance management principles



**Common Approach:** We will take a common approach to performance management across the council, for example with a consistent 'look and feel' for reports.



**Benchmarking:** We will compare our performance against other local authorities or similar organisations to allow us consider absolute and relative performance.



**Focus on outcomes:** We will measure and report on what matters. Indicators will be aligned to the ambitions outlined in the organisation strategy.



**Exception reporting:** We will take a proportionate approach, focusing attention and accountability on areas of underperformance.

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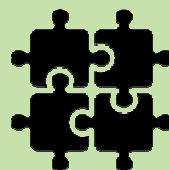
**Target setting:** We will set targets for performance improvement against performance measures as a driver for improvement and accountability.



**Remedial action:** Where performance or progress is consistently off track, improvement plans and health checks will be used to address underperformance.



**Balanced view:** Reports will be balanced across different aspects of performance, including outcomes, quality and quantity across service delivery and corporate health.



**Integration:** We will establish a 'clear line of sight' and clear relationships between different tiers of performance management and reporting.



**Automated performance reporting:** Our performance reporting will be automated by default, using Tableau to extract data from source IT systems.



**Data quality:** We will take action to ensure that our data is accurate, up-to-date and transparent.

## Timeline for developing the new elements of the business planning and performance management framework in 2019/20

Activity	Quarter 1 19/20	Quarter 2 19/20	Quarter 3 19/20	Quarter 4 19/20
<b>Organisation Delivery Plan 19/20 and Annual Residents Report 2019/20</b>	Published internally and high level outcome indicators reported to residents	Quarterly tracking and report to residents	Quarterly tracking and report to residents	Annual report to residents on Organisation Delivery Plan 2019/20
<b>Quarterly 'Vital Signs' Performance Reporting to CLT and Cabinet</b>	End July	End October	End January	End May
<b>Business Planning Framework for 20/21</b>		Develop 2020/21 PMF and process		Develop 2021 Outcome Plans





## Corporate Overview Select Committee

21 March 2019

### Month 9 Budget Monitoring

**Purpose of report:** Scrutiny of Budgets

#### Introduction:

1. The Cabinet received the Month 9 Budget Monitoring report at its meeting on 26 February 2019. This report presented a high level review of the financial position up to the end of December 2018. This report is attached as an annex to this report.
2. This report to the Corporate Overview Select Committee provides further detail on the material variances and issues in the Cabinet report.

#### Background

3. The council's 2018/19 budget included the need to deliver £66m Medium Term Financial Plan (MTFP) savings and efficiencies. Despite this, the achievement of a balanced budget relied on the significant use of one-off resources, including drawing £21m from reserves. Material additional pressures arising in 2018/19 and continuing funding uncertainties from 2019/20 onwards mean further use of reserves is not sustainable. In response, the council set the £40m in year cost reduction programme, with two objectives:
  - achieve in year cost reductions to prevent unplanned use of reserves; and
  - avoid drawing down any of the planned £21m contribution from reserves this year to be in a more resilient position for 2019/20.

#### Revenue Budget

4. At 31 December, the forecast revenue outturn for the year end was for an underspending of £16.7m, which represents a drawdown of reserves of £4.6m. This will be a significant achievement against the original use of reserves in the MTFP.
5. The Council was forecasting to achieve £62m of its MTFP savings at the end of December. The MTFP savings that will not be achieved are in the following areas.
 

• SEND Cost Containment Plan	£2.7m
• SEND Home to School Transport	£0.9m
• Waste Disposal - Single waste approach	£0.4m

6. In addition to these savings being considered to be unachievable this year, the risk of achieving a further £2.6m from the SEND Cost Containment Plan and £0.3m from SEN Transport remain a high risk and are rated as being Red.
7. Although the MTFP savings will not be achieved in full, the in-year cost reduction programme has delivered significant underspendings. Not all the planned reductions will be achieved, however these will be off-set by underspendings elsewhere.
8. The table below provides an overview of the forecast outturn for each service.

Service	Net budget £m	Net forecast £m	Forecast variance £m	Last month variance £m
Delegated Schools	0.0	0.0	0.0	0.0
Education, Lifelong Learning & Culture	68.9	85.7	16.8	17.1
Safeguarding & Family Resilience	42.2	42.2	0.0	0.3
Corporate Parenting	100.9	99.8	-1.1	-1.4
Quality Assurance	5.5	6.0	0.5	0.4
Commissioning	11.2	11.6	0.4	0.3
<b>Children, Families, Learning &amp; Communities</b>	<b>228.7</b>	<b>245.3</b>	<b>16.6</b>	<b>16.8</b>
Adult Social Care	381.8	364.9	-16.9	-15.1
Public Health	0.0	-0.1	-0.1	-0.2
<b>Health, Wellbeing &amp; Adult Social Care</b>	<b>381.8</b>	<b>364.8</b>	<b>-17.0</b>	<b>-15.3</b>
<b>Economy, Growth &amp; Commercial</b>	<b>30.4</b>	<b>26.2</b>	<b>-4.2</b>	<b>-3.1</b>
Highways & Transport	67.1	64.3	-2.8	-2.4
Environment	69.2	68.7	-0.5	-0.4
Surrey Fire & Rescue Service	31.5	31.3	-0.2	-0.3
Communities	3.0	2.7	-0.4	-0.4
<b>Highways, Transport &amp; Environment</b>	<b>170.8</b>	<b>166.9</b>	<b>-3.9</b>	<b>-3.5</b>
Customer & Performance	7.0	6.5	-0.5	-0.6
Coroner	1.7	2.0	0.3	0.3
Orbis HR&OD, IT&D and Joint Operating Budget	52.0	47.6	-4.4	-3.8
<b>Customer, Digital &amp; Transformation</b>	<b>60.7</b>	<b>56.1</b>	<b>-4.6</b>	<b>-4.1</b>
<b>Finance</b>	<b>2.6</b>	<b>2.4</b>	<b>-0.2</b>	<b>-0.1</b>
<b>Central Income &amp; Expenditure</b>	<b>52.6</b>	<b>41.8</b>	<b>-10.8</b>	<b>-11.2</b>
<b>Total services' revenue expenditure</b>	<b>927.6</b>	<b>903.5</b>	<b>-24.1</b>	<b>-20.5</b>
<b>Total general funding</b>	<b>-906.3</b>	<b>-898.9</b>	<b>7.4</b>	<b>6.0</b>
<b>Total movement in reserves</b>	<b>21.3</b>	<b>4.6</b>	<b>-16.7</b>	<b>-14.5</b>

9. The council is continuing to face exceptional demand for services for children with Special Educational Needs (SEN) within the High Needs Block of the Dedicated Schools Grant, with the number of Education Health and Social Care Plans (EHCPs) increasing. This is leading to a forecast overspending in this area of £16.8m which was one of the factors for the council setting a £40m in-year cost reduction programme.

10. Off-setting this pressure on the budget was a forecast underspending on Adult Social Care of £16.9m. This is due to the success of achieving the in-year savings target, which has been exceeded due to action taken to reduce care package spending and mitigate budgeted increased costs of care.
11. Other significant underspendings and cost reductions are shown below.
- Property maintenance £4m
  - Orbis joint operating budget £4m
  - Capital Financing costs £3m
  - Highways & Transport - reduced concessionary fare journeys, increased income £3m

## Conclusions

12. The council has made significant progress in achieving its aims of eliminating the need to draw down reserves and the need for any unplanned use of reserves.
13. However, considerable risks remain, especially in the area of Special Educational Needs and Disabilities.
14. The council will continue to closely monitor revenue budgets for the remaining three months of 2018/19.

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**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 26 FEBRUARY 2019**



**REPORT OF: MR MEL FEW, CABINET MEMBER FOR FINANCE AND  
LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF FINANCE**

**LEAD OFFICER: CHIEF EXECUTIVE AND EXECUTIVE DIRECTORS**

**COMMUNITY VISION  
OUTCOME: COUNCIL**

**SUBJECT: FINANCE AND BUDGET MONITORING REPORT TO  
31 DECEMBER 2018**

**SUMMARY OF ISSUE:**

This report summarises the most significant issues for the Council's 2018/19 financial position as at 31 December 2018 for both revenue and capital budgets. It has one annex, which provides further details on service budgets, expenditure to date and year-end forecast.

The Council's original 2018/19 budget, relied on significant use of one-off resources, including drawing £21m from reserves. Material additional pressures arising in 2018/19 and continuing funding uncertainties from 2019/20 onwards mean further use of reserves is not sustainable. In response, the Council set the £40m in year cost reduction programme, with two objectives:

- achieve in year cost reductions to prevent unplanned use of reserves; and
- avoid drawing down any of the planned £21m contribution from reserves this year to be in a more resilient position for 2019/20.

The main points of this report are as follows.

- Following the in-year cost reduction programme, the forecast use of reserves to support the budget will reduce to £4.6m.
- The forecast outturn is £16.7m underspent against the original budget.
- The forecast outturn has improved by £2.2m since last month, the main drivers are.
  - £1.8m improvement in Adult Social Care, mainly from the reduction to new and existing transition costs and a reduction in the costs of home based care, due to under usage against people's agreed support plans;

- £1.1m improvement in Property from reduced maintenance spending, reduced fees and print volumes and additional one off income;
  - £1.5m smaller improvements, mainly in Education, Lifelong Learning & Culture, Family Resilience, Highways & Transport and Orbis;
  - these gains are offset by an overall £2.1m increase in cost and reduced income across a number of service areas.
- Forecast capital spending reduced by £5.2m as outlined in paragraph 3.

#### **RECOMMENDATIONS:**

The cabinet is asked to note;

1. the Council's overall revenue and capital budget positions as at 31 December 2018:
  - £4.6m forecast total draw down reserves;
  - £16.7m forecast underspend against the original 2018/19 budget; and
  - £124m forecast service capital programme outturn against £132m budget.
2. all Cabinet Members have confirmed their service's forecast for the year as shown in the revenue table below.

#### **REASONS FOR RECOMMENDATIONS**

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

## Revenue budget

1. Table 1 shows the latest forecast position for the year by service. Annex 1 provides more detail of service budget forecasts.

Table 1 Summary revenue budget variances as at 31 December 2018

Service	Gross budget £m	Net budget £m	Net forecast £m	Forecast variance £m	Last month variance £m
Delegated Schools	315.2	0.0	0.0	0.0	0.0
Education, Lifelong Learning & Culture	326.0	68.9	85.7	16.8	17.1
Safeguarding & Family Resilience	44.7	42.2	42.2	0.0	0.3
Corporate Parenting	114.9	100.9	99.8	-1.1	-1.4
Quality Assurance	6.6	5.5	6.0	0.5	0.4
Commissioning	12.4	11.2	11.6	0.4	0.3
<b>Children, Families, Learning &amp; Communities</b>	<b>819.9</b>	<b>228.7</b>	<b>245.3</b>	<b>16.6</b>	<b>16.8</b>
Adult Social Care	500.4	381.8	364.9	-16.9	-15.1
Public Health	36.7	0.0	-0.1	-0.1	-0.2
<b>Health, Wellbeing &amp; Adult Social Care</b>	<b>537.1</b>	<b>381.8</b>	<b>364.8</b>	<b>-17.0</b>	<b>-15.3</b>
<b>Economy, Growth &amp; Commercial</b>	<b>41.1</b>	<b>30.4</b>	<b>26.2</b>	<b>-4.2</b>	<b>-3.1</b>
Highways & Transport	79.7	67.1	64.3	-2.8	-2.4
Environment	73.5	69.2	68.7	-0.5	-0.4
Surrey Fire & Rescue Service	45.7	31.5	31.3	-0.2	-0.3
Communities	5.1	3.0	2.7	-0.4	-0.4
<b>Highways, Transport &amp; Environment</b>	<b>204.1</b>	<b>170.8</b>	<b>166.9</b>	<b>-3.9</b>	<b>-3.5</b>
Customer & Performance	7.4	7.0	6.5	-0.5	-0.6
Coroner	2.4	1.7	2.0	0.3	0.3
Orbis HR&OD, IT&D and Joint Operating Budget	52.5	52.0	47.6	-4.4	-3.8
<b>Customer, Digital &amp; Transformation</b>	<b>62.2</b>	<b>60.7</b>	<b>56.1</b>	<b>-4.6</b>	<b>-4.1</b>
<b>Finance</b>	<b>4.3</b>	<b>2.6</b>	<b>2.4</b>	<b>-0.2</b>	<b>-0.1</b>
<b>Central Income &amp; Expenditure</b>	<b>56.9</b>	<b>52.6</b>	<b>41.8</b>	<b>-10.8</b>	<b>-11.2</b>
<b>Total services' revenue expenditure</b>	<b>1,725.5</b>	<b>927.6</b>	<b>903.5</b>	<b>-24.1</b>	<b>-20.5</b>
<b>Total general funding</b>		<b>-906.3</b>	<b>-898.9</b>	<b>7.4</b>	<b>6.0</b>
<b>Total movement in reserves</b>		<b>21.3</b>	<b>4.6</b>	<b>-16.7</b>	<b>-14.5</b>

Note: All numbers have been rounded - which might cause a casting difference

## Capital programme

2. Table 2 shows directorates forecast £7.6m underspend against the £131.9m 2018/19 service capital programme budget. This is a £5.2m increase since last month, mainly due to:
- £1.2m reduction in Fire projects from: delays to vehicle and equipment projects;
  - £2.3m from reduced building maintenance and delays to several Property schemes;
  - £1.3m from delays to IT equipment purchases and network spend; and
  - £0.4m delays in School Basic Need schemes.
3. The Council has reduced the Fire capital budget by £2m to reflect reallocation of the Fire Transformation Grant the Council has held on behalf of partner fire authorities. Partners will now incur the expenditure individually to develop vehicle workshops. The Council will transfer the grant funding to each partner and the expenditure will no longer be part of the Surrey County Council capital programme.

Table 2 Summary capital programme budget variances as at 31 December 2018

	<b>Current full year budget</b>	<b>Apr – Dec actual</b>	<b>Jan – Mar forecast</b>	<b>Full year forecast</b>	<b>Full year variance</b>	<b>Last month variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Schools basic need	27.1	20.2	6.6	26.8	-0.4	0.0
Property Services	30.8	21.1	6.4	27.5	-3.3	-1.0
Highways & Transport	57.8	38.2	19.6	57.8	0.0	-0.3
Environment	2.2	1.0	0.8	1.9	-0.3	0.0
IT & Digital	4.5	0.6	1.8	2.4	-2.1	-0.8
Other capital projects	9.5	3.7	4.3	8.0	-1.5	-0.3
<b>Service capital programme</b>	<b>131.9</b>	<b>84.4</b>	<b>39.6</b>	<b>124.4</b>	<b>-7.6</b>	<b>-2.4</b>

Note: All numbers have been rounded - which might cause a casting difference

## Investment strategy

4. As part of increasing its overall financial resilience the Council has approved £106m net investment in long term income generating assets in 2018/19. The Council forecasts long term investment assets will provide £5m net revenue income in 2018/19.



## Earmarked reserves

5. Table 3 shows the Council's earmarked reserves and general balances as at 31 December 2018, including forecast closing balance at 31 March 2019 based on projected movements in 2018/19 and the need to support the 2018/19 budget.

Table 3: Earmarked revenue reserves as at 31 December 2018

	Closing balance 31 Mar 18 £m	Approved carry forwards 2018/19 £m	Use to support 2018/19 budget £m	Other projected movements to 31 Mar 19 £m	Projected closing balance 31 Mar 19 £m
Revolving Infrastructure & Investment Fund	11.1				11.1
Budget Equalisation Reserve	22.6	-1.3			21.3
Waste Sinking Fund	6.7			17.1	23.8
Insurance Reserve	9.1				9.1
Investment Renewals Reserve	5.0			-0.1	4.9
General Capital Reserve	4.8				4.8
Street lighting PFI Reserve	3.7			-0.6	3.1
Economic Downturn Reserve	9.2				9.2
Economic Prosperity Reserve	2.5		-1.0		1.5
Equipment Replacement Reserve	2.3			-0.5	1.8
Business Rate Appeals Reserve	3.6		-3.6		0.0
Interest Rate Reserve	1.0				1.0
<b>Total earmarked revenue reserves</b>	<b>81.6</b>	<b>-1.3</b>	<b>-4.6</b>	<b>15.9</b>	<b>91.6</b>
<b>General Fund Balance</b>	<b>21.3</b>				<b>21.3</b>

Note: All numbers have been rounded - which might cause a casting difference

## Debt

6. During the nine months to 31 December 2018, the Council raised invoices totalling £277.2m. As at 31 December 2018, the gross debt outstanding on these invoices was £57.9m. Table 4 shows the age profile of the debts. The overdue debt is the gross debt less those balances not immediately due (i.e. less than 30 days old). Over the quarter to 31 December 2018 overdue, unsecured debt fell by £0.8m, mainly due to £1.9m reduction in debt with other local authorities, schools and colleges, partly offset by a £1.0m rise in care debt.

Table 4: Age profile of the Council's debt as at 31 December 2018

Account group	<1 month £m	1-12 months £m	1-2 years £m	+2 years £m	Gross debt £m	Overdue debt £m
Care debt – unsecured	6.5	5.1	2.8	4.1	18.4	12.0
Care debt – secured	0.4	2.6	2.0	4.4	9.3	9.0
<b>Total care debt</b>	<b>6.8</b>	<b>7.7</b>	<b>4.8</b>	<b>8.5</b>	<b>27.8</b>	<b>21.0</b>
Schools, colleges and nurseries	1.1	0.0	0.0	0.0	1.1	0.0
Clinical commissioning groups	5.8	2.6	0.2	0.2	8.8	3.0
Other local authorities	13.1	0.2	0.0	0.0	13.2	0.2
General debt	4.8	1.5	0.4	0.3	7.0	2.2
<b>Total non-care debt</b>	<b>24.8</b>	<b>4.3</b>	<b>0.6</b>	<b>0.4</b>	<b>30.1</b>	<b>5.4</b>
<b>Total debt</b>	<b>31.6</b>	<b>12.0</b>	<b>5.4</b>	<b>8.9</b>	<b>57.9</b>	<b>26.3</b>

Note: All numbers have been rounded - which might cause a casting difference

## Treasury Management

### *Borrowing*

7. The Council borrows to finance its capital spending that exceeds receipts from: grants, third party contributions, capital receipts and reserves. The Council's long term debt stands at £397.2m, and has not increased this year.
8. As at 31 December 2018, the weighted average interest rate of the Council's long term debt portfolio is 4.1%. The Treasury Strategy, approved by County Council in February 2018, continued the policy of internal borrowing and where necessary, to borrow short term to meet cash flow liquidity requirements. Table 5 shows a net £102m increase in the Council's short term borrowing activity in 2018/19.

Table 5: Short term borrowing as at 31 December 2018

	<b>£m</b>
Debt outstanding as at 31 March 2018	193
Loans raised	640
Loans repaid	-538
<b>Current balance as at 31 December 2018</b>	<b>295</b>

Figures are for Surrey County Council only and do not include Surrey Police

9. The weighted average interest rate of the Council's short term external debt is 0.73% at 31 December 2018.

### *Authorised limit and operational boundary*

10. The prudential indicators control the Council's overall level of borrowing. They comprise the authorised limit and the operational boundary as outlined below.
  - The authorised limit is determined under the Local Government Act 2003, section 3(1). It reflects the level of borrowing which, while not sustainable, is affordable in the short term. It is the expected maximum borrowing needed with headroom for unexpected cash flow. For 2018/19 it is £1,643m, and peak borrowing was £710m.
  - The operational boundary is an indicator to ensure the authorised limit is not breached. It is the probable external debt during the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. For 2018/19 it is £1,059m, and peak borrowing was £710m.

### *Capital Financing Requirement*

11. The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for a capital purposes. The Council must ensure that, in any one year, net external borrowing does not, except in the short term, exceed its estimated CFR for the next three years. As at 31 December 2018, the Council has a net borrowing position of £693m (£710m total borrowing, less £17m cash deposits). The difference between net borrowing and the estimated CFR reflects the Council's strategy to maximise internal borrowing.

### *Maturity profile*

12. The Council sets limits for the maturity structure of borrowing in accordance with the Prudential Code. Table 6 shows the actual amounts as at 31 December 2018.

Table 6: Maturity structure of the Council's borrowing as at 31 December 2018

	<b>Upper limit</b>	<b>Lower limit</b>	<b>Actual</b>
Repayable in 1 year*	50%	0%	44.1%
Repayable in 1-2 years	50%	0%	0%
Repayable in 2-5 years	50%	0%	1.3%
Repayable in 5-10 years	75%	0%	0%
Repayable in 10-50 years	100%	25%	54.6%

### *Early debt repayment and rescheduling*

13. The Council has not made early repayments or rescheduled debt in 2018/19.

### *Investments*

14. The Council's average daily level of investments is £39m so far during 2018/19, compared to an average of £68.7m during 2017/18. This reflects the strategic policy to reduce cash held during the year by borrowing over shorter periods. The Council invests temporary cash surplus exclusively through the use of money market funds. Other investment facilities are available, including: brokers, direct dealing with counterparties through the use of call accounts or direct deal facilities, or with the government's Debt Management Office (DMO). No new fixed term deposits have been agreed during 2018/19 due to the low cash balances held and the need to maintain high liquidity.
15. Table 7 shows the weighted average return on all investments the Council received in the quarter to 31 December 2018 is 0.70%. This compares to the 0.49% average 7 day London Interbank Bid Rate (LIBID) for the same period.

Table 7: Weighted average return on investments compared to 7-day LIBID

	<b>Average 7-day LIBID</b>	<b>Weighted return on investments</b>
2018/19 quarter 3	0.49%	0.70%
2018/19 quarter 2	0.51%	0.58%
2018/19 quarter 1	0.36%	0.21%
2017/18 total	0.21%	0.22%
2016/17 total	0.20%	0.38%

Note: All numbers in all tables have been rounded - which may cause a casting difference.

### **CONSULTATION:**

16. All Cabinet Members have confirmed their service's forecast for the year as shown in the revenue table above.

### **RISK MANAGEMENT AND IMPLICATIONS:**

17. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of

future funding likely to be allocated to the Council and the sustainability of the MTFP. In the light of the increased and significant financial risks faced by the Council, the Leadership Risk Register will be reviewed to increase confidence in directorate plans to mitigate the risks and issues.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

18. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus.

#### **SECTION 151 OFFICER COMMENTARY**

19. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.
20. The Council has a duty to ensure its expenditure does not exceed resources available. During 2018/19, the Council plans to deliver £66m MTFP savings and to reduce spending by a further £40m as it moves towards a sustainable budget for future years. All services must continue to take all appropriate action to keep costs down and optimise income (e.g. through minimising spending, managing vacancies wherever possible). Adverse variances will require remedial in-year efficiencies and budget reductions.
21. It is drawn to members' attention that the Council's reserves are already at low levels bearing in mind the ongoing uncertainty about: future funding, demand pressures, savings and the transformation programme. For these reasons and to increase the Council's financial resilience, the Council needs to achieve all of its £66m MTFP savings and all of the £40m in year cost reductions Cabinet has approved. Unless the Council achieves these savings and cost reductions in 2018/19, it risks depleting reserves to unacceptable levels.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

22. The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.
23. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

#### **EQUALITIES AND DIVERSITY**

24. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary In implementing

individual management actions, the Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

25. Services will continue to monitor the impact of these actions and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

<b>WHAT HAPPENS NEXT:</b>
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26. The relevant adjustments from the recommendations will be made to the Council's accounts.

**Contact Officer:**

Leigh Whitehouse, Executive Director of Finance  
020 8541 7246

**Consulted:**

Cabinet, executive directors, heads of service.

**Annexes:**

Annex 1 – Forecast revenue budget as at 31 December 2018.

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## Forecast revenue budget as at 31 December 2018

	Gross budget	Net budget	YTD actual	Forecast position	Full year variance	Last month variance
	£m	£m	£m	£m	£m	£m
<b>Service</b>						
Delegated Schools	315.2	0.0	0.0	0.0	0.0	0.0
Education, Lifelong Learning & Culture	326.0	68.9	64.6	85.7	16.8	17.1
Safeguarding & Family Resilience	44.7	42.2	31.0	42.2	0.0	0.3
Corporate Parenting	114.9	100.9	74.9	99.8	-1.1	-1.4
Quality Assurance	6.6	5.5	4.5	6.0	0.5	0.4
Commissioning	12.4	11.2	8.5	11.6	0.4	0.3
<b>Children, Families, Learning &amp; Communities</b>	<b>819.9</b>	<b>228.7</b>	<b>183.4</b>	<b>245.3</b>	<b>16.6</b>	<b>16.8</b>
Adult Social Care	500.4	381.8	266.5	364.9	-16.9	-15.1
Public Health	36.7	0.0	0.0	-0.1	-0.1	-0.2
<b>Health, Wellbeing &amp; Adult Social Care</b>	<b>537.1</b>	<b>381.9</b>	<b>266.5</b>	<b>364.8</b>	<b>-17.0</b>	<b>-15.3</b>
Economic Growth	1.1	1.0	0.5	1.0	0.0	0.0
Property	31.1	21.6	12.0	17.5	-4.1	-3.0
Procurement	0.0	0.0	0.0	0.0	0.0	0.0
Business Operations	-0.1	-0.1	-0.1	-0.1	0.0	0.0
Legal Services	4.4	4.0	3.2	4.2	0.2	0.2
Democratic Services	4.6	3.9	2.6	3.6	-0.3	-0.3
<b>Economy, Growth &amp; Commercial</b>	<b>41.1</b>	<b>30.4</b>	<b>18.2</b>	<b>26.2</b>	<b>-4.2</b>	<b>-3.1</b>
Highways & Transport	79.7	67.1	45.8	64.3	-2.8	-2.4
Environment	73.5	69.2	39.6	68.7	-0.5	-0.4
Surrey Fire & Rescue Service	45.7	31.5	23.5	31.3	-0.2	-0.3
Trading Standards	3.9	1.8	1.2	1.7	-0.1	-0.1
Communities Support function	0.7	0.7	0.3	0.5	-0.2	-0.2
Emergency Management	0.5	0.5	0.3	0.4	-0.1	-0.1
<b>Highways, Transport &amp; Environment</b>	<b>204.1</b>	<b>170.8</b>	<b>110.8</b>	<b>166.9</b>	<b>-3.9</b>	<b>-3.5</b>
Strategic Leadership	0.8	0.8	0.7	1.0	0.2	0.2
Communications	1.7	1.7	1.2	1.6	-0.1	-0.2
Strategy & Performance	1.4	1.2	0.7	0.9	-0.3	-0.3
Customer Services	3.4	3.3	2.3	3.0	-0.3	-0.3
Coroner	2.4	1.7	1.6	2.0	0.3	0.3
Human Resources & Organisational Development	3.9	3.9	1.9	3.1	-0.8	-0.8
Information Technology & Digital	13.0	12.4	7.5	10.7	-1.7	-1.6
Joint Operating Budget ORBIS	35.6	35.6	25.7	33.8	-1.8	-1.4
<b>Customer, Digital &amp; Transformation</b>	<b>62.2</b>	<b>60.7</b>	<b>41.7</b>	<b>56.1</b>	<b>-4.6</b>	<b>-4.1</b>
<b>Finance</b>	<b>4.3</b>	<b>2.6</b>	<b>1.8</b>	<b>2.4</b>	<b>-0.2</b>	<b>-0.1</b>
<b>Central Income &amp; Expenditure</b>	<b>56.9</b>	<b>52.6</b>	<b>36.3</b>	<b>41.8</b>	<b>-10.8</b>	<b>-11.2</b>
<b>Total services' revenue expenditure</b>	<b>1725.3</b>	<b>927.6</b>	<b>658.7</b>	<b>903.5</b>	<b>-24.1</b>	<b>-20.5</b>
General funding sources						
Capital receipts		-15.0	0.0	-8.2	6.8	5.5
General Government grants		-58.7	-22.7	-58.1	0.6	0.5
Local taxation (council tax & business rates)		-832.6	-607.1	-832.6	0.0	0.0
<b>Total general funding</b>		<b>-906.3</b>	<b>-629.8</b>	<b>-898.9</b>	<b>7.4</b>	<b>6.0</b>
<b>Total movement in reserves</b>		<b>21.3</b>	<b>28.9</b>	<b>4.6</b>	<b>-16.7</b>	<b>-14.5</b>

Note: All numbers have been rounded - which might cause a casting difference

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## **Corporate Overview Select Committee**

***21 March 2019***

### **Recommendation Tracker and Forward Work Programme**

1. The Committee is asked to review its recommendation tracker and forward work programme, including the forward work programmes of the other Select Committees which are attached.

#### **Recommendation:**

- That the Committee reviews the attached forward work programmes and its recommendations tracker, making suggestions for additions or amendments as appropriate.

#### **Next Steps:**

The Select Committee will review its work programme and recommendations tracker at each of its meetings.

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**Report contact:** Ross Pike, Committees Business Manager

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# Select Committee Forward Work Programmes 2019

## Corporate Overview Select Committee (Chairman: Ken Gulati, Support Officers: Ross Pike and Joss Butler)

Date of Meeting	Scrutiny Topic	Description	Outcome	Method
Each Meeting	Budget Scrutiny	An update on the activity of the Budget Sub-Group to date.	Members appraised of activity and able to influence areas of focus.	Vice-Chairman's report
Each Meeting	Select Committee Forward Work Programmes	A review of proposed scrutiny items by Select Committees	Targeted forward work programmes that minimise duplication of effort and maximise collaboration and value to the Council and Surrey residents.	Officer report to Committee
TBC	Scrutiny of Orbis	The Committee to continue scrutiny of Orbis by considering the commissioned review of the partnership and its services	The Committee to provide direction on the future of Orbis at Surrey County Council to Cabinet.	Formal report
11 July	Welfare Reform	A report on the impact of Government policy on Surrey and the Council's ongoing work to support residents.	The Committee understands the Surrey context and is assured that adequate preparations have been made to mitigate any negative impacts across Council services.	Formal report
<b>Items to be scheduled</b>				
Throughout 2019	Transformation Programme, Organisational Strategy	Scrutiny of relevant projects: <ul style="list-style-type: none"> <li>• Customer Experience</li> <li>• Finance Transformation</li> </ul>	Assurance that the programme is delivering against its stated aims, financial benefits and meeting the outcomes put forward in the business cases and that the	Mixed methods

		<ul style="list-style-type: none"> <li>• Fees &amp; Charges</li> <li>• Digital</li> <li>• Agile Workforce</li> <li>• Performance Management/MI Insights</li> <li>• Spans of Control</li> <li>• Orbis VfM</li> </ul> <p>Overview of the whole transformation programme including delivery of savings and outcomes for residents</p>	<p>strategy supports delivery of the vision outcomes as set out in the Community Vision for Surrey.</p> <p>Ensuring that Select Committees have effectively scrutinised the transformation projects in their remit.</p>	
	Culture Change	The Council has identified a number of areas in the way that it works for change including its culture.	The Committee feeds its views on the enabling and disabling aspects of the Council's current culture and makes recommendations on how to improve.	
	Target Operating Model	How the Council organises its services and delivers outcomes for its residents is being reviewed and a new model being developed.	The Committee reviews the plans, proposals of the new Operating Model and the evidence base for value for money, risk and benefits to residents.	

### Adults and Lifelong Learning Select Committee (Chairman: Jeff Harris, Democratic Services Officer: Ross Pike)

Date of Meeting	Scrutiny Topic	Description	Outcome	Method
5 June 2019	Surrey County Council Apprenticeship	Members will review Surrey County Council's refreshed Apprenticeship Strategy in light of comments and recommendations made by the Select Committee at its meeting on 11 October 2018.	Members will be given the opportunity to review the Strategy in detail to understand how it will support the Council to improve its use of Apprentices.	Formal Report
5 June 2019	Safeguarding Adults	Ensuring the safety of vulnerable adults in Surrey is a key priority for the Council and its partner organisations. The Council has a duty to ensure that it has appropriate arrangements in place to ensure that	The Committee will understand how the Council performs against its duty to safeguard vulnerable residents, how it embeds learning from safeguarding incidents, how officers keep ahead of potential safeguarding challenges and how safeguarding is embedded as part of Council policies and training.	Formal Report

		<p>it protects and safeguards the population.</p> <p>The Committee will examine how the Council and its partners deliver of their responsibilities to safeguard vulnerable adults in Surrey.</p>	<p>Members will also hear from officers regarding the impact of potential new legislation on Deprivation of Liberties Safeguards and options for the Council in responding to this legislation.</p> <p>This item will involve contributions from both the Surrey Safeguarding Adults Board and the Health and Wellbeing Board.</p>	
5 June 2019	Adult Social Care Debt	<p>The Select Committee has identified the reduction of debt owed to the Council for the provision of Adult Social Care services as a key priority for the Council.</p> <p>The Adult Social Care Directorate has introduced new processes to improve how it handles and follows up on debt which the Committee will review alongside information on the Council's current debt position.</p>	<p>The Committee will gain an understanding of how the Council manages debt owed to it by residents for the provision of adult social care services and gain an insight into whether new initiatives introduced to expedite debt recovery have been successful.</p>	Formal Report
<b>Items to be scheduled</b>				
TBD	Preventing Homelessness	<p>The Committee will consider how public sector organisations in Surrey are working together in order to prevent and alleviate homelessness in response to the requirements of the Homelessness Reduction Act and to ensure that those at risk of homelessness experience better outcomes.</p>	<p>The Committee will develop an understanding of the risk factors that cause homelessness and build a picture of the journey that leads to homelessness for individuals and households. The Committee will then consider these in light of approaches to preventing homelessness that have been implemented across Surrey following introduction of the Homelessness Reduction Bill</p> <p>The Committee will also seek to raise awareness around the issue of homelessness and the damage that it does to individuals, families and communities.</p>	<p>Witness sessions</p> <p>Workshop</p> <p>Site visit (Leatherhead night hospital, Guildford Hostel)</p>
TBD	Implications of the Adult Social Care Green Paper	<p>The Government has committed to publishing a green paper in Autumn 2018 outlining how it proposes to improve care and support for older people and tackle the challenge of an ageing population. The outcomes</p>	<p>For the Committee to understand the impacts of the Green Paper on the delivery of adult social care services in Surrey and steps that the Council intends to take in order to respond to the proposals outlined within the Green Paper.</p>	Workshop/ informal learning session

		of the Green Paper could have significant implications for the provision of adult social care impacting on how these services are funded and delivered in the future. This item will look at the implications of the green paper on the delivery of adult social care services in Surrey.		
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#### Task and Finish Groups

TBD	Libraries Strategy	<p>The Council is planning to undertake a comprehensive review of its library strategy over the coming months to consider how they can support a wider range of culture and learning opportunities for residents.</p> <p>The Committee will consider how Surrey's library network will look in the future and support SCC in understanding how these community assets can deliver the right skills and learning opportunities.</p>	The Committee will contribute to the production of the Library Strategy while it is being developed to understand the options being considered and ensuring that the expertise of Members are engaged in producing the strategy. The Committee will aim to ensure that its views are incorporated into the strategy as it is being developed but may make recommendations to officers regarding the implementation of the strategy.	
TBD	All-Age Learning Strategy	Item to be scoped.		

### Children and Education Select Committee (Chairman: Kay Hammond, Support Officer: Ross Pike)

Date of Meeting	Scrutiny Topic	Description	Outcome	Method
26 June 2019	Early Help/Family Resilience Transformation Phase 2	To identify key areas of improvement needed in the current early help offer, and whether the proposed transformed offer will alleviate these areas.	To have assessed the transformation of EH and determine whether the redesigned offer will be able to effectively target children before they enter statutory services and provide effective support and to alleviate key areas of improvement identified in the Ofsted inspection of Children's Services (2018).	Formal report

26 June 2019	Children's Service Performance Improvement	To continue to review the Children's Improvement Plan designed by the Children, Families and Learning Directorate, identify performance trends and determine the effectiveness of the Improvement Plan in improving Performance across the Directorate.	To have assessed the capability of the Improvement Plan to have continued to resolve the identified performance issues and assured itself that the plan is working to improve services at a good rate.	Formal Report
26 June 2019	Children and Adolescent Mental Health Services Recommissioning	CAMHS in Surrey will be recommissioned this year under a joint arrangement. The Committee will review plans and options for the future service.	The Committee will be assured of plans to improve the service for Surrey young people and parents/carers.	Formal report
5 September 2019	Children's Services Performance Monitoring	To receive a quarterly update of key performance measures, and highlight areas of sustained downwards trend with a narrative of the service's response.	To have assessed the trend of performance in Children's Services, assured itself that the service is improving sufficiently and at the expected pace.	Formal report
<b>Future items in Development</b>				
TBC	Impact of the change to Schools Led System	The Council has fundamentally changed how it works with schools and progressed towards a schools led arrangement in delivery and improvement. It is important to understand the impact that this has had on schools and their performance.	To have monitored the progression towards a schools led arrangement and the impact that this has had upon the Council and schools. To have taken into consideration the views of the service and schools on these changes, the risks that this could entail in future and understand the impacts of any potential future changes.	Mid 2019
TBC	Educational Attainment of Children with Multiple Disadvantages	To explain the causes for current lower educational attainment for disadvantaged children and impacts that this can have on wider wellbeing.	To have assessed the educational attainment for disadvantaged children as a means of identifying potential underlying issues for disadvantaged children and suggest methods to alleviate these	

### Task Groups

March 2019	Out of County Placements Task and Finish Group	To identify the prevalence of out of county placements, whether there are “in house” options and the potential to increase the numbers of placements that are kept within Surrey.	That the Committee understands current levels of provision available for Children’s placements, why they are currently provided as they are, and to suggest options for how to deliver these differently in future.	Membership: Chris Botten Chris Townsend Victoria Young Lesley Steeds
	Learning Disabilities and Transition Task and Finish Group	To scrutinise how the council plans care and support for young people with complex needs as they transition into adulthood, and how future demand will be met.	The review will seek to make recommendations in respect to improving the experience of young people and their families/carers, and to optimise public value for the benefit of the council and Surrey residents.	TBC

### Highways and Growth Select Committee (Chairman: Bob Gardner, Support Officer: Ross Pike)

Date of Meeting	Scrutiny Topic	Description	Outcome	Method
27 March 2019	Surrey Asset and Place Strategy	The Council is developing an Asset and Place Strategy to fundamentally change how it plans to deliver returns on its investment portfolio. The Committee will review the findings with a view to influencing the draft strategy that goes to Cabinet.	Plans scrutinised at a draft stage and the Committee’s views included in the report considered by Cabinet in April	Private Workshop
9 May 2019	Highways, Transport and Environment Transformation	To review progress on the Directorate’s transformation project thus far.	Review of activity and agreement on future scrutiny	Formal report
4 September 2019	Transport for the South East (TfSE) Strategy	To review the Strategy for TfSE and ascertain the effects that this will have upon Surrey’s infrastructure.	To understand the impact that the TfSE Strategy will have upon current infrastructure, determine the impact will for Surrey and make suggestions as to how the strategy can further benefit partners upon the start of its full operation in 2019.	Stakeholder Engagement with TfSE/ Formal Report
Mid 2019	Local Enterprise Partnerships (LEPs)	To undertake scrutiny of the output and impact of the two LEPs that cover Surrey and identify any gaps in provision and better ways of working.	To understand the work underpinning investment in Surrey’s economy and investigate the impact of LEP spending in the county.	Stakeholder Engagement with LEPs /Formal report



Mid 2019	Place and partnerships	The Council has entered into numerous partnerships across its many functions. The Committee will review the approach taken and impact of these partnerships.	Review the Council's partnerships with other organisations, how they are developed and what they deliver for residents.	Formal report
<b>Task Groups</b>				
March - Oct 2019	Highways Maintenance Contract Group	To scrutinise, challenge and validate officers' recommendations as to what the optimal model and performance measurements for the future Highways Core Maintenance Contract will be upon re-procurement in 2021, taking into consideration quality of delivery and value for money.	The Committee provides critical challenge during the planning stage of the contract before making a decision to endorse ahead of recommendation to Cabinet in late 2019.	
<b>Health, Integration and Commissioning Select Committee (Chairman: Zully Grant-Duff, Democratic Services Officer: Huma Younis)</b>				
<b>Date of Meeting</b>	<b>Scrutiny Topic</b>	<b>Description</b>	<b>Outcome</b>	<b>Method</b>
13 June 2019	Out of Hospital Care in North West Surrey	North West Surrey CCG have established a programme to review Out of Hospital Care services in their locality and are in the process of engaging with residents regarding the provision of Out of Hospital Care across Elmbridge, Runnymede, Spelthorne and Woking.	For the Committee to review the North West Surrey Out of Hospital Care Programme making recommendations accordingly.	Formal Report
20 September 2019	South East Coast Ambulance Service	For the Health, Integration and Commissioning Select Committee to receive an update report on the performance of SECAmb in September 2019. For this report to include an update on:	For the Committee to be assured that steps are being undertaken by the Trust to continue to improve performance as part of the CQC report findings.	Formal Report

		<ul style="list-style-type: none"> <li>• the Performance of all Categories (1,2,3,4) of ambulance response times,</li> <li>• the work of the new Chief Executive since joining the Trust and governance arrangements,</li> <li>• recruitment, hospital handover times and funding issues.</li> </ul>		
11 December 2019	Substance Misuse Service	<p>In July 2018, Surrey County Council implemented changes to its Substance Misuse Services following a review of these services. For the Health, Integration and Commissioning Select Committee to receive an update from the Programme Board on:</p> <ul style="list-style-type: none"> <li>• The Drug and Alcohol Detoxification Service Evaluation scheduled to be published in October 2019.</li> <li>• Performance of the adult drug and alcohol misuse treatment system.</li> </ul>	For the Committee to assess the Drug and Alcohol Detoxification Service Evaluation and Performance of the adult drug and alcohol misuse treatment system since the changes to the service in July 2018, making recommendations as necessary.	Formal Report
Ongoing	South West London and Surrey Joint Health Overview and Scrutiny – Improving Healthcare together 2020 - 2030	In June 2017, Improving Healthcare Together 2020 - 2030 was launched, a programme led by Merton, Sutton and Surrey Downs CCGs to review the delivery of acute services at Epsom and St Helier University Hospitals NHS Trust (ESTH). ESTH serves patients from across Merton, Sutton and Surrey and so the Health, Integration and Commissioning Select Committee joined colleagues	A Sub-Committee of the South West London and Surrey Joint Health Overview and Scrutiny Committee has been established to scrutinise the Improving Healthcare Together 2020 – 2030 Programme as it develops.	Joint Health Overview and Scrutiny Committee

		from the London Borough of Merton and the London Borough of Sutton to review the Improving Healthcare Together Programme as it progresses.	
<b>Task and Finish Groups</b>			
TBC	Mental Health	The purpose of this item is to review delivery against the Joint Health and Wellbeing Strategy's Priority to improve emotional wellbeing and mental health. This includes considering steps being taken to prevent poor mental health and to promote a culture of openness about mental health conditions. The Committee will also look at current and future provision of mental health services in Surrey.	The Committee will assess efforts to embed parity of esteem between the treatment of physical and mental health conditions in Surrey through the implementation of Sustainability and Transformation Partnerships in Surrey. Members will also look at how emotional wellbeing is incorporated within STP plans how they will help to build resilience against mental health conditions among Surrey residents.

### Environment Select Committee (Chairman: Rachael I Lake, Democratic Services Officer: Huma Younis)

<b>Date of Meeting</b>	<b>Scrutiny Topic</b>	<b>Description</b>	<b>Outcome</b>	<b>Method</b>
24 April 2019	Countryside Estate Strategy	To review the Countryside Estate Strategy, following public engagement activity and the convening of a Countryside Estate Strategy MRG.	For the Committee to scrutinise the Countryside Estate Strategy ahead of the strategy being considered by Cabinet on 30 April; making recommendations as necessary.	Formal Report
24 April 2019	DEFRA Resources and Waste Strategy Consultations	The recently published Resources and Waste Strategy (18 December 2018) sets out the UK Government's ambitions for higher recycling rates, increased resource efficiency and a more circular economy. These ambitions require changes in how we	For the Committee to review and comment on the Council and Surrey Waste Partnerships combined response to consultations on the governments Resources and Waste Strategy before final submission on 13 May.	Formal Report

		<p>produce and consume products and materials, as well as how we treat and dispose of them at end-of-life. Defra is now consulting on three flagship policy commitments outlined in the Resources and Waste Strategy:</p> <ul style="list-style-type: none"> <li>• Reforming the packaging producer responsibility regulations in the UK</li> <li>• Introducing a deposit return scheme for drinks containers in England, Northern Ireland and Wales</li> </ul> <p>Measures to accelerate consistency in recycling for both households and businesses in England.</p>		
24 April 2019	Waste Task Group	<p>At the last Cabinet meeting on 29 January 2019 the Cabinet decided to postpone the final decision on the possible closure of any Community Recycling Centres (CRC's) until September 2019.</p> <p>It was agreed that a Waste Task Group be set up, chaired by Dr Andrew Povey to review the ways that we could make the necessary savings or generate income to keep open the four recycling centres.</p>	For the Committee to receive an update on work undertaken by the Waste Task Group to date. For the Committee to also comment and suggest possible areas for the Task Group to scrutinise as part of the Task Group work plan.	Formal Report
1 July 2019	Waste Task Group	A Waste Task Group has been set up, chaired by Dr Andrew Povey to review the ways that we could make the necessary savings or generate	For the Committee to review the final report and recommendations of the Waste Task Group ahead of the report going to Cabinet.	Formal Report

		income to keep open the four recycling centres.		
<b>Items to be scheduled</b>				
TBC <i>Originally scheduled for 22 Feb 2019.</i>  <i>As the Waste FBC has been superseded by the Cabinet decision taken on 29 January 2019. It has been agreed for this to be scrutinised once the FBC has been updated.</i>	Waste-Community Recycling Centres (CRCs)  <i>Full Business Case</i>	To review and scrutinise the Waste Full Business Case that supports the Council's transformation programme.	For the Committee to be assured that the Waste Full Business Case and associated project plan is on track to achieve anticipated benefits and service transformation.	Formal Report
TBC	The Future of the Basingstoke Canal  <i>Joint Scrutiny</i>	To scrutinise and support the development of the Basingstoke Canal investment strategy in partnership with Hampshire County Council.	For the Committee to be assured that the investment strategy for the Canal is financially resilient and supports the Canal in becoming self-funding.	Formal Report

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**Corporate Overview Select Committee**  
**ACTIONS AND RECOMMENDATIONS TRACKER – UPDATED March 2019.**

The recommendations tracker allows Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each meeting. Once an action has been completed, it will be shaded out to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

Date of meeting	Item	Recommendations/ Actions	To	Response
13 December 2018	Budget Scrutiny	<ul style="list-style-type: none"> <li>a. Select Committees Review the most up to date Full Business Cases for Transformation Projects before final decisions are made by Cabinet, focussing on those plans which have most impact on residents,</li> <li>b. The Out of County Placements Task Group review the forecast volumes for SEND agency placements spend in 2018/19,</li> <li>c. The savings to be realised by Transformation Plans are monitored, to ensure Directors and Service Heads are clear on the savings they are required to deliver, and to eliminate double counting (for example, Spans of Control savings, Cultural Services and Property savings are allocated appropriately) and reported to the Budget Sub-Group regularly,</li> <li>d. Reports from Internal Audit are</li> </ul>	<ul style="list-style-type: none"> <li>a. Select Committee Chairmen</li> <li>b. Out of County Placements Task Group Chairman</li> <li>c. Deputy Chief Finance Officer</li> <li>d. Chief Internal Auditor / Executive Director for Customers, Digital and Transformation</li> <li>e. Executive Director for Customers, Digital and Transformation</li> </ul>	<ul style="list-style-type: none"> <li>a. Actioned. Items relating to the Full Business Cases have been added to each respective select committee relevant to its remit.</li> <li>b. The Chairman of the Out of County Placements Task Group to update the Committee.</li> <li>c. To be reviewed at the Corporate Overview Select Committee meeting on 21 March 2019.</li> <li>d. Internal Audit service noted the recommendation and stated that the distribution of Internal Audit reports included the relevant Select Committee Chairman in their recipients. The Reporting &amp; Escalation policy also required the inclusion of the relevant Cabinet Member(s). More recently, it was agreed to include the Leader of the Council and the Cabinet Member for Finance into audit report circulation.</li> </ul>

		<p>provided to Select Committees to assist their on-going review of the delivery of Transformation Plans and that Transformation Project risk registers are updated and shared with Select Committees.</p> <p>e. Adequate resources (including professional skills) are invested in the Property department to ensure there is capacity to support the Transformation Programme,</p> <p>f. The Council's SEND transport provision is reviewed and recommissioned to provide better value for money.</p>	<p>f. Director Education, Lifelong Learning &amp; Culture</p>	<p>e. Recommendation circulated to the Executive Director for Customers, Digital and Transformation.</p> <p>f. Supported by Atkins consultancy the 'Transport Team' and CSL are together researching and benchmarking current SEND operational practice, policy and procurement within the council. This will identify potential interventions to provide efficiencies in the short and longer-term. This work is approaching completion and will report to the Executive Directors for both directorates.</p> <p>With the support of CSL, the Transport Team is reviewing the current Travel Assistance Policy for Children and Young People with an Education Health and Care Plan (EHCP) or a Statement of Special Education Needs (SEN): 0-25 years. The objective is to ensure the policy support the council in fulfilling our responsibilities for children / young people and their families, whilst clarifying any areas within the policy that are unclear and also strengthening the alternative offer compared to organised transport (taxi, MPV &amp; minibus) being potentially viewed as a default</p>
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				<p>outcome by parent / carers. This includes independent travel training and the offer of more flexible travel assistance to enable parents / carers to facilitate transport from home to school.</p> <p>Work to ensure parents / carers have improved access to the council and receive consistent support and messaging is also underway via a new front door process. Measures are also in place to ensure the timely transfer of information between service areas and that management information is fit for purpose.</p>
25 January 2019	Scrutiny of Orbis Partnership: IT & Digital	<p>a. Recommends that Democratic Services draft a simple survey to follow up with Council Directorates on the service they receive from IT &amp; Digital including questions such as 'do they get what they get the equipment they need on a timely basis.</p>	<p>a. Democratic Services Officer</p>	<p>a. There are ongoing discussions with relevant officers to agree an appropriate way forward.</p>

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