

MINUTES of the meeting of the **COUNCIL OVERVIEW & SCRUTINY COMMITTEE** held at 10.30 am on 5 March 2014 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 2 April 2014.

Members:

- * Mr Nick Skellett CBE (Chairman)
- * Mr Eber A Kington (Vice-Chairman)
- Mr Mark Brett-Warburton
- * Mr Bill Chapman
- * Mr Stephen Cooksey
- * Mr Bob Gardner
- * Dr Zully Grant-Duff
- * Mr David Harmer
- * Mr David Ivison
- Mr Adrian Page
- * Mrs Denise Saliagopoulos
- * Mr Chris Townsend
- * Mrs Hazel Watson
- * Mr Keith Witham
- * Mrs Victoria Young

Ex-officio Members:

Mr David Munro, Chairman of the County Council
Mrs Sally Ann B Marks, Vice Chairman of the County Council

Substitute Members:

Mrs Margaret Hicks

Present:

Peter Martin, Deputy Leader of the Council

* = present

12/14 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Mark Brett-Warburton. Margaret Hicks acted as a substitute.

13/14 MINUTES OF THE PREVIOUS MEETING: 30 JANUARY 2014 [Item 2]

These were agreed as an accurate record of the meeting.

14/14 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

15/14 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions.

16/14 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

1. The Committee noted the response from the Leader, following recommendations made at the Cabinet meeting on 4 February 2014. Members of the Committee commented that the response did not address specific concerns around savings identified as part of the Family, Friends and Community Support project. It was proposed that Cabinet Members be invited to meet with the Performance & Finance Sub-Group to further discuss matters.

Recommendations:

- That the appropriate Cabinet Members be invited to the meeting of the Performance & Finance Sub Group on 31 March 2014, to further discuss the issues highlighted in the Committee's recommendations from the last meeting.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

17/14 BUDGET MONITORING REPORT & QUARTERLY BUSINESS REPORT [Item 6]

Declarations of interest: None.

Witnesses:

Kevin Kilburn, Deputy Chief Finance Officer

Peter Martin, Deputy Leader of the Council

Key points raised during the discussion:

1. The Vice-Chairman of the Committee gave a summary of the discussions of the Performance & Finance Sub-Group. A report of these discussions was tabled at the meeting, and is attached to these minutes. The Committee discussed the role of Family, Friends and Community Support, and it was recognised that a number of measures

were being explored as to how this work would meet its challenging saving targets for 2014/15.

2. The Committee explored concerns around the financial pressures faced by the Council as a result of the winter flooding. Discussions were ongoing, but one Member estimated there could be a pressure of £15 million in the capital budget for Highways & Infrastructure. The Bellwin scheme thresholds for emergency assistance related specifically to meeting revenue costs of response in respect of threats to life, health and property, and officers commented that these would be used to meet the cost of additional service demand across directorates as a result of the flooding.
3. The Committee was informed that meeting the financial pressures created by the flood-recovery would consist of three possible options: an increase in support from central government, the re-prioritisation of the Medium Term Financial Plan or an increase in borrowing. It was recognised by the Committee that any increase in borrowing would have an impact on revenue costs. The Committee discussed the potential implication of a re-prioritisation of capital expenditure, and a number of concerns were expressed about the potential implications this might have on the delivery of Project Horizon. The Committee also commented that central government assurances had raised public expectation about how local government would meet the additional demand linked to the flooding.

Recommendations:

- a) That, as a matter of urgency, the Cabinet considers how the Council will fund the cost of repairs required as a result of the recent flooding in the County, including the option to approve additional capital borrowing in 2014/2015, with the interest payments arising from the loan in 2014/2015 and future years to be met from within the Highway & Infrastructure Directorate's revenue budget.

Action by: Cabinet

- b) That the Cabinet accelerate the Family, Friends and Community Support programme from April 2014 to increase capacity using an Invest to Save bid to review open cases.

Action by: Cabinet

- c) That the effectiveness of voluntary sector grants be reviewed to ensure, where appropriate, these align with and support the objectives of the Family, Friends and Community Support programme.

Action by: Cabinet

- d) That initiatives which have the potential to increase value for money be discussed with providers.

Action by: Cabinet

- e) That efforts to recruit and retain qualified staff to unfilled social worker posts be redoubled.

Action by: Cabinet

- f) That the Committee receive a further report outlining the options explored in relation to meeting the financial pressures created by flood-recovery. This report will be brought to the meeting on 2 April 2014.

Action by: Deputy Chief Finance Officer

Actions/further information to be provided:

None.

Committee Next Steps:

None.

18/14 NEW MODELS OF DELIVERY PROGRAMME/ LOCAL AUTHORITY TRADING COMPANY UPDATE [Item 7]

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

1. The Committee was given an update regarding the New Models of Delivery Programme and the work it had undertaken across the organisation. The Committee was informed that the Council's statutory and non-statutory obligations were explored as part of the process, and whether services could improve or increase the offer they made to residents and other stakeholders.
2. The Committee was informed that the Local Authority Trading Company (LATC) had identified a wide and varied market for its services. It was noted that Surrey had a large group of residents who self-fund their care, and that the LATC was not restricted by the Council's eligibility criteria when offering its services. It was also highlighted that the LATC would have greater freedoms about how it developed its in-house capabilities.
3. The Committee was informed that the business case for developing the LATC had been prudent in its estimates, but that the business plan for the company was ambitious about developing new markets. It was recognised by officers that there were risks associated with the development of a LATC, and the Committee was given a number of examples where the LATC model had proved successful.
4. The Committee raised a question about the Council's impartiality when signposting services to residents. Officers commented that the LATC

was commissioned under the same terms as any other external provider. It was highlighted that transparency would be ensured as the LATC would be subject to the same Freedom of Information legislation that applied to the Council. Officers also made a commitment to publish the outcomes of assessments undertaken by the Personalisation Team to ensure transparency. It was also commented that the Managing Director of the LATC would not be an employee of the Council, but directly accountable to the Council's Shareholder Board. Babcock 4s was cited as an example of how the future relationship of the LATC and the Council would operate.

Recommendations:

- That a further report on the progress of the New Models of Delivery Programme is brought to the Committee at its meeting in September 2014.

Actions/further information to be provided:

Case studies of LATCs in other local authorities to be circulated to the Committee.

Committee Next Steps:

None.

19/14 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME [Item 8]

Declarations of interest: None.

Witnesses: None.

Key points raised during the discussion:

1. The Committee noted its Forward Work Programme and Recommendations Tracker. There were no further comments.

Recommendations:

None.

Actions/further information to be provided:

None.

Committee Next Steps:

None.

20/14 DATE OF NEXT MEETING [Item 9]

It was noted that the date of the next meeting was 2 April 2014 at 10.30am.

Meeting ended at: 11.39 am

Chairman