

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 2 December 2015 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, 28 January 2016.

Elected Members:

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

Ex officio Members:

Mrs Sally Ann B Marks, Chairman of the County Council
Mr Nick Skellett CBE, Vice-Chairman of the County Council

61/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from David Harmer and Bill Chapman

62/15 MINUTES OF THE PREVIOUS MEETING: [Item 2]

The minutes of the previous meeting were a true record of the meeting.

63/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

64/15 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions.

65/15 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]

There are no responses to report.

The recommendation regarding agency staff made at the last meeting of Council Overview Board would be presented to the December meeting of Cabinet.

66/15 FORWARD WORK PROGRAMME AND RECOMMENDATIONS TRACKER [Item 6]

Forward Work Programme:

1. The Vice Chairman drew attention to the forward work programme for January and stressed the importance of ensuring that importance of not overcrowding agendas. It was agreed that budget monitoring and budget recommendations would be the focus for January, along with an item on Trust Funds that had been deferred from December time permitting.
2. It was agreed that the Leadership Risk Register would be considered at the March meeting. As the focus of the January meeting would be budgets and finance, the risk register would be circulated to Members to help set the context.
3. Members agreed that the Board needed to focus on those strategic matters that needed significant scrutiny.
4. The Board agreed that there should be an email update regarding the Welfare Task Group, as and when there were matters to report, rather than waiting for a formal meeting.
5. It was noted that the recommendation response from the Resident Experience Board would be circulated following the meeting.

Denise Saliagopoulos arrived 10.10am.

67/15 CHAIRMAN'S ORAL REPORT [Item 7]

The Vice Chairman welcomed Steve Cosser a new Member of the Council Overview Board.

68/15 FINANCIAL PROSPECTS FOR THE MEDIUM TERM FINANCIAL PLAN [Item 8]

Declarations of interest:

None

Witnesses:

Kevin Kilburn, Deputy Chief Finance Officer

Service representative attending at 11am:

John Stebbings, representing Orbis

Ann Charlton, representing legal and Democratic Services

Louise Footner, representing Communications

Andy Tink, Finance representative for Policy and Performance and Chief Executive's Office

Key points raised in the discussion:

1. The Deputy Chief Finance Officer introduced the report. He explained that the Chancellor's Autumn Statement had been produced the day previous. The Autumn Statement looked at the Public Sector as a whole, and more specific information relating to services was expected before Christmas 2015. One Member questioned if there was any indication of Surrey County Council's share of the £300million future infrastructure pot hole fund announced in the Autumn Statement. It was noted that it had usually been 1% for the Highways Service in previous years; however, High Speed Rail and Cross Rail were factors this year.

2. Board Members stressed the importance of scrutinising budgets and savings within the Council. One way this could be achieved would be for Members to give officers a steer on views and ideas about spending, by closely looking at first drafts of the budgets. It was noted that individual Scrutiny Boards would begin to speak with services to find out what they were currently doing to achieve savings and plan for future savings.

Denise Saliagopoulos out 10.25am.

3. It was noted that Council Tax could be raised by an additional 2% to deal with the growing increase demand in Adult Social Care services. It was noted that the Leader of the Council had lobbied the government regarding increased demand for services, against the backdrop of reducing funding from government. An increase in Council Tax was considered by many Members to be the only feasible way to fund the increasing demand in order to keep running statutory services.

4. Clarification was sought over revenue savings still to be identified, that totalled £28.5million. Some Members agreed that funding should be shared to help deal with the continued pressure on Adult Social Care, as well as Public Health. The Board understood and stressed the continued pressure for integration between health services and social care.

5. There was a discussion regarding Surrey Roads and what has already been done to illustrate to Central Government the deterioration of Surrey

roads. It was stated that Surrey had some of the highest volume of traffic on roads, however the Board were informed that Central Government base their funding on the length of roads rather than volume of traffic. The funding by road length in Surrey was higher than the national average. A Member requested a briefing paper that showed the estimation of the funding from government, against the actual funding granted.

Keith Witham left the meeting at 10.56am and returned 11.06

6. The Chairman of the Board asked specific questions to the Deputy Chief Finance Officer on behalf of the Member Cllr Bill Chapman who had sent his apologies. It was stated that Surrey County Council would always try to get best value when searching for favourable terms for block purchases from operators of Care and Nursing Homes, however sustainability was a priority.

7. Members noted that small business rates would continue to be compensated to local government for another year. Another issue stated was the longer term, 100% retention of business rates by local government. Central government were looking for ideas from Local Government about how this could work.

8. Services had been instructed to find 1.5% reduction in the next financial year and Members were concerned about the enormous pressure on services. A Member questioned whether it was possible to reduce reserves to help reach those 1.5% targets to avoid impact on statutory or front line services. The Board were informed by that Surrey County Council was currently below the normal amount for reserves. Reserves were said to be held for a range of different reasons such as street lighting (PFI) and the Eco Park. Members questioned the need for reserves and the specific risks of them. It was stated that Surrey County Council has a very low premium for insurance policies. It was explained that Cabinet had put money aside to support future year's budgets (known as the "budget equalisation reserve"). It was highlighted to the Board that reserves could only be used once.

9. Before moving into the Part 2 section of the meeting, Members discussed the importance of not only maintaining statutory requirements, but also meeting the expectations of residents.

69/15 EXCLUSION OF THE PUBLIC [Item]

The following items of business were considered by the Board in private, however the information below is not confidential.

Actions/Further information to be provided:

Please see recommendations below.

Recommendations

The Board recommended to officers, that:

1. Ensure Scrutiny Boards have sufficient details of current savings plans and possible additional savings when they analyse budgets within their remit

2. A briefing note following the Local Government Settlement that shows how much funding was expected to be lost against how much was lost in reality

That the Board recommended to Social Care Services Scrutiny Board, that:

3. Consideration is given to the 2% Council Tax increase to fund Social Care, and to look at how the funding is distributed with the Districts & Boroughs

That the Board recommended to Scrutiny Boards, that they:

4. Prove income generation targets and report back to the Council Overview Board.
5. Scrutinise the effect that staffing reductions will have on the wider delivery of services.

That the Board recommend, that:

6. Central Government is lobbied to enable Districts & Boroughs to raise an additional 2% in Council Tax for Social Care.

The Board remained in Part 2, but adjourned for 5 minutes.

Keith Witham left the meeting at 12.15pm

PART 2-IN PRIVATE

The following items of business were considered by the Board. Set out below is a public summary of the decisions taken.

70/15 PAY AND REWARD CONSULTATION [Item 9]

Declarations of interest:

Nick Harrison explained that he was a Member of the People, Performance & Development Committee, and this item would be taken to that Committee for consideration and decision at a later date. This also applied to Hazel Watson.

Witnesses:

Ken Akers, Strategic HR Manager
Julie Smyth, Pay & Reward Team Manager
Holly Hood, OD & Skills Consultant

Hazel Watson returned to the meeting at 12.20pm.

Part 1 summary:

1. Members received a presentation on the latest stages of the Pay & Reward review. Topics that were considered were the transitional costs of moving towards a new pay system and performance related pay.

Further actions/information to be provided:

An additional workshop would be scheduled for May 2016, ahead of the decision being made by People, Performance & Development Committee.

Recommendations:

That Cabinet Member is informally notified of the following comments:

The transitional costs currently anticipated should be reviewed to ensure best value for money.

The new Pay & Reward policy should ensure more flexibility and speed when reacting to market changes.

The Council Overview Board recommended to officers, that:

A briefing note is provided on how Members will be engaged in the reward process.

71/15 PUBLICITY FOR PART TWO ITEMS [Item]

It was agreed that there would be no publicity for the discussions that took place in Part 2.

72/15 DATE OF NEXT MEETING [Item 10]

28 January 2016.

Meeting ended at 13.04pm

Chairman