

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 13 April 2016 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Board at its meeting on Wednesday, 1 June 2016.

Elected Members:

- * Mr Steve Cosser
- * Mr Eber A Kington (Vice-Chairman)
- * Mr Mark Brett-Warburton
- * Mr Bill Chapman
- * Mr Stephen Cooksey
- * Mr Bob Gardner
- * Mr Michael Gosling
- A Dr Zully Grant-Duff
- * Mr David Harmer
- * Mr Nick Harrison
- * Mr David Ivison
- A Mr Colin Kemp
- * 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

94/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Zully Grant-Duff and Colin Kemp. Denis Fuller attended as a substitute for Zully Grant-Duff.

95/16 MINUTES OF THE PREVIOUS MEETING: 02/03/2016 [Item 2]

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

96/16 DECLARATIONS OF INTEREST [Item 3]

There were none.

97/16 QUESTIONS AND PETITIONS [Item 4]

There were none.

98/16 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 5]

Key points raised in the discussion:

1. It was noted by the Chairman that the order of the agenda had changed to accommodate the Chief Executive's schedule.
2. The Board was informed that a meeting had taken place earlier in the week to discuss Trust Funds. The recommendations for Cabinet would be available in summer 2016.
3. The Chairman drew attention to the forward work programme for June and July and stressed the importance of including the Investment Strategy and the Shareholder Board report. It was agreed that the agency staff item and a paper on scrutiny in a new environment would be taken to the July meeting
4. There was a request for information on the scope and activity of the Public Value Transformation programme and Continuous Improvement Network to brief Members. The Board also queried how the council consults with residents was raised and whether there was an agreed policy framework.

A question was asked about the outcome of audit reports. The Chairman clarified the responsibility for scrutiny of internal audit findings lay with the Scrutiny Board with the relevant remit.

5. Members agreed that the Welfare Reform Task Group would be deactivated and officers would continue to monitor activity in this area.

99/16 LEADERSHIP RISK REGISTER REPORT [Item 6]

Declarations of interest:

None

Witnesses:

David McNulty, Chief Executive of Surrey County Council
Cath Edwards, Risk and Governance Manager, Finance
Nicola O'Connor, Finance Manager (Assets and Accounting)

Key points raised in the discussion:

1. Members of the Board questioned whether the risk management system could be used as a preventative system by ensuring the risks are effectively anticipated. The Chief Executive informed the Board that he took full responsibility for the Leadership risk register and each risk was assessed as high, medium or low for both inherent and residual risks. When asked whether the register might be used to prevent risk the Board he pointed out that prevention was not always a useful concept. The nature of these serious meant they might be mitigated through anticipation but risks would not be removed.
2. Members of the Board questioned the reason for devolution being stated as a high risk factor on the register. The Chief Executive explained to the Board that the 3CS Devolution deal was included as a high risk issue as the council not finalising the devolution deal could result in serious damage to the County due to the significant challenges faced by Local Government and this was an issue beyond the council's control.
3. The Board was informed that there was no political input before the report had been presented at Cabinet, as it was drafted by officers. It was stated that the Cabinet attended workshops to identify risks and agree how they might be mitigated.
4. Whilst acknowledging the improvement in the risk register, Members stressed concern regarding the risks distinguished and highlighted that there needed to be another way to highlight ongoing risks for example academisation of all schools. The Chief Executive acknowledged this issue but explained that at this point the risks were not entirely clear as it was a white paper but that this issue could end up on the register.
5. A Member of the Board expressed concern at the risk the lack of social workers within Surrey presented. The Chief Executive explained that this was a service rather than leadership risk. The Board were informed that due to the financial pressures of living in Surrey there was limited affordable housing so workers do not tend to work in the area. Therefore one of the key elements was to retain children's and adults social workers as best possible.

Stephen Cooksey entered the meeting at 10.20 am.

6. The Board noted that the number of high priority risks had gone up and the Chief Executive explained his view that honesty on the issues

faced by the council was a priority. This view extended to the public understanding the risks and challenges faced by the council. The main focus was to recognise the risk and to make sure there was a planned mitigation put in place not reducing the size of the register.

7. Responsibilities for the risk register were delegated to senior officers of the Council but the Chief Executive took overall full responsibility for the Leadership risk register. A Member stressed the importance of the Chairmen of the Scrutiny Boards considering service risk registers, which was agreed by the Board.

Recommendations:

1. The Board agreed that Scrutiny Board Chairmen should consider scrutiny of their relevant Directorate Leadership Risk Registers as appropriate.

100/16 EXCLUSION OF THE PUBLIC [Item 10]

The Board agreed for the item to be taken into Part 2 under Section 100(A) of the Local Government Act 1972, on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

101/16 SENIOR MANAGEMENT STRUCTURE REPORT [Item 11]

Declarations of Interest:

None

Witnesses:

David McNulty, Chief Executive of Surrey County Council

Key points raised during the discussion:

1. The Board highlighted issues relating to the Senior Management Structure report. The Board asked a number of questions which were responded to by the Chief Executive.

Recommendations:

None

102/16 PUBLICITY FOR PART 2 ITEMS [Item 12]

It was agreed that the points raised under Part 2 would not be available to the public.

103/16 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD [Item 8]

Key points raised in the discussion:

1. The Board noted the Cabinet's response.

104/16 BUDGET SCRUTINY [Item 7]

Declarations of interest:

None

Witnesses:

Nicola O'Connor, Finance Manager (Assets and Accounting)
Andy Tink, Senior Principal Accountant

Key points raised in the discussion:

1. The Chairman highlighted to the Board that the item was an informal discussion, outlining preliminary thoughts for officers to consider. Officers were asked to highlight and outline the typical budget setting process and how this was disrupted in 2016 and asked Members for their views on the budget scrutiny process.
2. Members questioned their involvement in the 2016/17 budget process, highlighting the engagement needed from the Scrutiny Boards to fulfil the Cabinet request for recommendations on how to realise savings. The Board expressed concern regarding the planning of the 2015/16 budget. It was suggested that for the 2017/18 budget monitoring figures should be reviewed by Scrutiny Boards in July 2016 to test projections and ensure that Cabinet and the Council Overview Board had time to consider any findings.
3. The importance of Scrutiny Boards receiving financial information to a high level of detail early in the process to facilitate good scrutiny was raised. Members emphasised that a key aspect of the process was for Finance Officers to provide an honest message on potential service changes to meet savings targets and the possible impact on service users to allow opportunities for Members to influence these options before a Cabinet decision.
4. Members acknowledged the budget proposals they had received for 2016/17, the Board expressed disappointment at the lack of opportunity to influence how the budget figures were set. It was stressed that there had been no update regarding the scope and projected impact of the Public Value Transformation programme.
5. The Senior Principal Accountant informed the Board that the budget setting process was complex due to Cabinet processes, leaving very little time for Scrutiny Board to add their comments. A Member suggested that Cabinet should discuss reviewing the budget plan in advance instead of making a final decision. It was added that it would be useful to have a detailed overview of the Medium Term Financial Plan savings and that when considering budget plans tabled or verbal reports were not sufficient.
6. The Finance Manager thanked the Board for their comments and would feed the information back to the finance team. The Chairman of the Board stressed the importance of trust in allowing information to be given to members of the Board before it reached Cabinet.

105/16 DATE OF NEXT MEETING [Item 9]

The Board's next meeting is on 1 June 2016.

Meeting ended at: 11.35 am

Chairman