

MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 3 November 2016 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, 14 December 2016.

Elected Members:

- * Mr Steve Cosser (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

Substitute Members:

- * Mr Karan Persand

* present

70/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Mark Brett-Warburton, Bob Gardner and David Ivison. Karan Persand substituted for Bob Gardner.

71/16 MINUTES OF THE PREVIOUS MEETING: 21 SEPTEMBER 2016 [Item 2]

Apologies for Denise Saliagopoulos were not noted on the previous minutes. Subject to this amendment, the minutes were agreed as a true record of the meeting.

72/16 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest made.

73/16 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions submitted to the Board.

74/16 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD [Item 5]

There were no responses to report.

75/16 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Key points of discussion:

Recommendations Tracker

1. Recommendation reference A7/2016. The Chairman has had a number of discussions around this item. Increased funding has been awarded to Surrey Choices through the normal budget planning processes of the Adult Social Care and Public Health service. The Chairman has met with the Chairmen of Audit and Governance and Social Care Services Board to agree a way forward for the scrutiny of Surrey Choices. They agreed to jointly write to the Leader of the Council and the Chief Executive to raise concerns about the scrutiny arrangements. Once sent, the letter will be circulated to the Board for reference. The Chairman hoped to provide an update to the Board at the next meeting, subject to the response from the Leader and Chief Executive.
2. Recommendation reference A9/2016. The Chairman has reviewed four months' worth of IAB papers and minutes and has sought advice from the Monitoring Officer regarding Members rights in relation to requests of such information. The review was ongoing and the Chairman aimed to complete a report to the Board for the next meeting.

Forward Work Programme

1. The Chairman explained that the Scrutiny in a New Environment Task Group report would be scheduled as an item for January's meeting.
2. The Chairman invited Members to propose items for inclusion in the Forward Work Programme, indicating that there would be room on January's agenda for additional items.
3. Members discussed grant funding for carers' groups. It was agreed that this subject would be taken up by the Social Care Services Board as the service falls under its remit.

76/16 UPDATE ON CABINET MEMBER PRIORITIES 2016/2017 [Item 7]

Witnesses:

Denise Le Gal, Cabinet Member for Business Services and Resident Experience.

Karan Persand entered the meeting at 10:35am

Key points raised during the discussion:

1. The Board sought clarity on the Cabinet Members responsibilities within the Resident Experience brief of her portfolio. The Cabinet

Member explained that there was an overlap with her portfolio and that of the Cabinet Member for Localities and Community Wellbeing, particularly with regard to the Surrey Fire and Rescue Service. The Contact Centre was seen to be a key responsibility in this brief, as it was important that the experience of first point of contact by the resident was considered to be a good one. All Business Services support frontline services across the organisation with the aim of improving Resident Experience.

2. The Cabinet Member stated that she was of the view that Resident Experience should feature in the portfolio of every Cabinet Member, as all strategies implemented by the Council sought to improve Resident Experience.
3. The Board asked the Cabinet Member as to what she considered to be her greatest achievement to date. The Cabinet Member explained that she worked alongside a very successful team. She stated that the creation of Orbis was something of which she was very proud. Since the programme began in 2013, issues relating to sovereignty had been overcome. The transformation of teams was positive and despite teams getting smaller, the culture of the organisation remained and delivery was achieved ahead of schedule.
4. A Member commented that converting cost centres into profit centres should feature in the Cabinet Member's priorities and enquired if there were any plans in place to achieve this. The Cabinet Member explained that work had been done towards this, through the Local Authority Trading Companies that had been set up. This was exemplified in that South East Business Services Ltd and Babcock 4S had both generated significant dividends for the Council last year, and TRICs was also a profit centre for the Council. The Cabinet Member went on to explain that not all investments would be profitable, however they were constantly under review for value for money as the economic environment evolved.
5. The Board enquired as to where the Investment Strategy was heading, given that the authority would become more dependent on Return on Investment (ROI) due to the budget shortfall. The Cabinet Member suggested that the plan was to upscale the investment portfolio to £2 billion and grow the portfolio over a period of time.
6. In response to a question on the deals being offered to the Council, the Cabinet Member stated that the investment community recognised that this Council was open to doing business. Members were assured that all opportunities to invest were assessed using the risk-adjusted return on capital framework, and that the Investment Advisory Board had taken a decision to primarily invest in low risk assets.
7. The Board stressed the importance of a clear public message on the Council's investment strategy. Cabinet Member acknowledged the potential gap in public perception with regard to the investment strategy, explaining that challenge was to balance statutory obligations of service provision with investments that generated income for the Council to safeguard future provision.

8. The Cabinet Member reported that the current Council budget planning featured a £22.4m shortfall for the current financial year and that discussions were taking place to identify what work would be deferred in order to close the gap. The Cabinet Member also explained that Surrey MPs were aware of the seriousness of the problem ahead of the Autumn Statement, particularly the pressures faced by Adult Social Care, and that a lack of concessions from government would leave Surrey in a very difficult financial situation.

77/16 12 MONTH REVIEW OF ORBIS [Item 8]

Witnesses:

John Stebbings, Chief Property Officer
Denise Le Gal, Cabinet Member for Business Services and Resident Experience.

Key points raised during the discussion:

1. The Chief Property Officer began by explaining that it had been a challenging but productive year, with the integration of back office functions across Surrey and East Sussex County Councils. The Board were advised that Orbis were looking to bring together shared services through market developments with other local authority organisations such as LGSS and OneSource. This was a different approach, however the size of the organisation had enabled this as an option.
2. The Chief Property Officer explained that whilst Brighton and Hove City Council (BHCC) were proposed to be joining Orbis, their eventual integration into the organisation would not affect service provision and the benefits for the existing partners. As part of their discussions with BHCC, Orbis reiterated that the level of efficiency that had already been agreed needed to be delivered as it formed part of each organisations Medium Term Financial Plan (MTFP). This was therefore classed as a non-negotiable element for both Orbis and BHCC. Efficiencies and services would continue to be delivered as business as usual, with a small programme team responsible for integration delivery and review. Furthermore, it was confirmed that during its own due-diligence process, BHCC data would be inspected by the Orbis Joint Committee to assure its quality in order to minimise risk.
3. The officer stated that the Inter-Authority Agreement (IAA) framework would be reviewed prior to BHCC formally joining, taking into account lessons learned around services and engagement throughout the experience.
4. The Board were advised that Orbis had no additional partners currently lined up. The officer stated that Orbis would consider future partnerships on a case by case basis, however the organisation was also mindful of its capacity.
5. The Board enquired as to the cost to the organisation of using Ernst & Young (EY) as its transformation partner, and whether the cost

cancelled out the saving efficiencies being delivered through reducing the staff headcount. It was explained that the cost of the consultancy was minimal, c£300k, as the contract was not a traditional tariff based consultancy arrangement. Orbis would deliver £8.3m efficiencies by the end of the third year as a result of £7m in investment and the cost of the EY contract was included in the original business plan.

6. The officer explained that Orbis was looking to obtain mutually benefiting value from the EY partnership, with proposals being developed to allow for staff to be seconded into their organisation and vice-versa. It was also explained that EY partners were invited to the Orbis Joint Committee meetings at a cost to them, as they acknowledged that their attendance would help them to gain oversight and understanding that would be of benefit when they went on to consult with other clients.
7. The Board acknowledged that the Intellectual Property Rights within the Orbis structure were of real value to the organisation and that the intention was to generate income from EY should they use information related to the Orbis programme.
8. The Board recognised that Project MARS was a sound investment, improving customer experience whilst delivering efficiencies. The officer stated there had been a recent change in trend, where online system bookings were proving more popular than telephone bookings, providing resident access to the service 24 hours a day.
9. The Board sought reassurance that despite the ever-changing public sector environment, Orbis would remain focused on delivering services to improve resident experience. The officer explained that Orbis were involved in the Surrey Heartlands Sustainability and Transformation Plan from a properties perspective, and that they would continue to operate business as usual as well as being open to potential new business opportunities.
10. The Board enquired as to whether customer feedback had been sought with regard to the services provided by Orbis. The officer indicated that feedback was important in order to evaluate service delivery and that it was welcomed through formal and informal channels.

Further information to be provided:

1. Details on the status of the MARS project
2. Officers to provide clarity on the year-on-year savings after investment and the cumulative savings to the Council after three years based on the table on page 26 and the additional savings to be delivered by the Orbis partnership to the Council.

These figures should show:

- what numbers are gross and what are net;
- net of what in each case; and

- what costs have not been netted out where this is the case
3. How and where investment is made and whether this is capitalized
 4. The impact on salaries where there have been staff reductions leading to increased responsibilities for remaining officers
 5. Clarity on the savings expected by IT services. The current savings are rated 'green' but fall significantly short of the year end expectation.
 6. What savings do Procurement hope to deliver to the organisation as a whole, and are they reflected in the plans of the various business units?
 7. Current Property Service vacancy rate

Resolved:

The Chairmen of East Sussex's Audit, Best Value and Community Services Scrutiny Committee (ABVCSSC) and Surrey's Council Overview Board (COB) will coordinate their scrutiny work so that the *same* topics and reports, with additional authority specific information as requested, are prioritised by agreement between the Chairmen for consideration at each authority's scrutiny body which operate independently.

Additionally, COB's Transformation Sub-Group members will meet, at least annually, with ABVCSSC members and a Brighton & Hove City Council observer to review Orbis performance and prioritise future scrutiny topics.

78/16 HIGH PERFORMANCE DEVELOPMENT PLAN EVALUATION [Item 9]

Witnesses:

Karen Archer-Burton, Strategic OPD Manager.

Colin Kemp, Denise Saliagopoulos and David Harmer took brief breaks during this item.

Key points raised during the discussion:

1. Members questioned a contradiction in the report, whereby it suggested the programme had been a success and would be continued, however the last staff survey results indicated that some senior managers within the organisation were not living the values. The officer explained that the High Performance Development Programme (HPDP) went live in 2014 and therefore the impact of the HPDP on the 2015 staff survey results would have been low. One year on, all senior leaders had completed the HPDP, along with 60% of leaders. It was therefore expected that the 2016 survey results would show significant improvement. The officer stated that if the results were less favourable, Human Resources and Organisational Development would go back and review the programme further.

2. Members requested that the chart on page 83 was updated to include percentages of attendance by directorate. This information will be attached to these minutes as Annex 1.
3. The Board were informed that the £1million programme cost referred to in paragraph 13 did not include the cost of officer time or travel. Acting on previous officer feedback, the HPDP was delivered in different locations across the county in order to minimise the need for officers to incur travel costs.
4. The Board enquired whether, given the organisation's current financial situation, the programme represented value for money and how much more money was due to be spent on the programme in the next financial year. The officer explained that determining whether the programme was value for money would require more evidence and data to be analysed. She also explained that the leadership budget within HR and OD covered more than just the HPDP; and that next years' expenditure would be determined by the revised financial envelope issued to the service.
5. The officer explained that the re-design of the programme in April 2017 planned to feature some content changes as the programme currently focused on challenging behaviours and working with staff. The update would cover systems interactions and networks. There was also a potential for some collaborative working with organisations such as Surrey Police and the NHS which could lead to future savings.
6. The officer explained that the increase of absenteeism and grievances referred to in paragraph 14 (ii) was mild and was likely to be related to the increased confidence of leaders to challenge unacceptable behaviours post-completion of HPDP, however the increase would still be investigated by HR.
7. The officer informed the board that the HR/OD team aimed to make the HPDP programme more accessible. They recognised that for leaders in some frontline services, taking them out of the role for four to six days could lead to an impact in service provision. It was noted that this could be overcome by adapting the programme to offer place-based delivery.
8. The Board were advised that direct reports to leaders who had completed the HPDP had been asked to provide feedback to form part of the evaluation process, however this was only collected from 20 direct reports and therefore more information was required.

Further information to be provided:

- Percentage values for the number of staff who have completed the programme by directorate
- Explanation of the impact of the HPDP on directorate-level recruitment costs reported on page 94

Recommendation:

That a further report on the impact of the High Performance Development Programme incorporating the results of the staff survey and an update on the details of the new programme is brought to this Board in early 2017.

79/16 DATE OF NEXT MEETING [Item 10]

A private budget meeting has been arranged for the Board on Wednesday 23 November 2016 at 10:00am.

The next formal meeting of the Board will take place on Wednesday 14 December 2016 at 10:00am

Meeting ended at: 12.15 pm

Chairman

This page is intentionally left blank

Annex 1

Updated table:

	Leaders	Senior Leaders	Total	Eligible Leaders	%
Adult Social Care	91	58	149	332	45%
Business Services / Orbis	101	76	177	286	62%
Chief Executives	16	18	34	40	85%
Children, Schools and Families	134	50	184	517	36%
Customers and Communities	8	8	16	29	55%
Environment & Infrastructure	45	26	71	203	35%
Legal & Democratic Services	33	6	39	180	22%
	428	242	670	1587	42%

*These figures are based on the data sets sent to the to the University of Surrey in May, so the establishment of Senior leaders and Leaders is at May 2016.

This page is intentionally left blank