

MINUTES of the meeting of the **CORPORATE OVERVIEW SELECT COMMITTEE** held at 10.00 am on 25 October 2018 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, 13 December 2018.

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

Tim Oliver, Lead Cabinet Member for People
Charlotte Morley, Cabinet Member for Corporate Support

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Keith Witham.

2 MINUTES OF THE PREVIOUS MEETING: 20 SEPTEMBER 2018 [Item 2]

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

3 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest made.

4 QUESTIONS & PETITIONS [Item 4]

There were no questions and petitions submitted to the Committee.

5 SURREY COUNTY COUNCIL ORGANISATION STRATEGY 2019 - 2023 AND 'OUR PEOPLE 2021' STRATEGY [Item 5]

Witnesses:

Tim Oliver, Lead Cabinet Member for People
Charlotte Morley, Cabinet Member for Corporate Support
Michael Coughlin, Executive Director for Customers, Digital and Transformation
Jackie Foglietta, Interim Head of HR & OD

Key points raised during the discussion:

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Councillor Azad arrived to the meeting at 10.05am

1. Members were informed that the Organisational Strategy 2019 - 2023 would set out how the Council would support the delivery of the new 'Community Vision for Surrey in 2030'. The 'Our People 2021' Strategy would set out how the Council's workforce would develop the capacity to contribute to the Community Vision and achieve the Council's Strategic outcomes. Officers further explained that the strategies laid out the initial changes to the authority to create a different type of council to better suit the needs of the residents. Both strategies would be considered at the Cabinet meeting on 30 October 2018 and at the County Council meeting on 13 November 2018.
2. Members highlighted that some residents were concerned that the new organisational strategy was a retreat from current service provision and standards. Officers explained that the Council would need to explore new ways of providing services and that this was not stepping back from responsibilities but improving the way services were delivered. The Council would continue to provide its statutory duties but the manner in which the Council responds to these duties may change going forward.
3. Some Members of the Committee expressed cynicism from residents when discussing the organisation strategy. The Cabinet Lead Member for People explained that the Council no longer had the resource to deliver services as it had been doing and required the support and cooperation from partners and going forward. He further stated that work was ongoing to find the best way to transform and deliver services.
4. A Member of the Committee highlighted that there had historically been other transformation projects within the Council to transform services that never came to fruition. There was also some concern around cynicism from partners with the Council's new outlook.
5. Members sought clarification on how services would continue to be delivered if partners did not have the resource available to provide a high service standard. Officers explained a key change in approach was to look at prevention and early intervention to deal with situations before they become issues. Along with this, it was noted that there had been some positive conversations with Chief Executive Officers and Leaders of district and borough councils to discuss future partnerships with the Council.
6. Members commented that there seemed to be contradictions between the strategic principles and activity outlined in the organisation strategy and the Council's future savings programme. An example of the closure of children's centres was given. A Member queried how in practice these contradictions would be resolved. The Cabinet Member for Corporate Services noted that early help would be crucial to the success of transformational processes. The Lead Cabinet Member for People added that no decisions had been taken to close children's centres and the way services are delivered would be the focus of the organisation strategy.

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7. A Member of the Committee suggested that officers should not over rely on digital media to communicate messages of transformation to residents. It was felt that a significant portion of service users did not have the appropriate access to digital media and therefore other communication formats should be explored.
8. The Committee discussed opportunities to reduce non-statutory services to make savings. Officers noted discussions and confirmed that detailed service plans were in place and the Preliminary Financial Strategy would account for non-statutory areas of spend. It was stated that if there were particular services the authority should not be providing, these would be revisited as part of performance management.
9. A Member of the Committee sought clarification on how the Children Centre in their electoral division would continue to deliver services with significantly less resource available. The Cabinet Lead Member for People stated that he was unable to comment on specific cases but reassured Members that services would still be provided in a transformed way with a focus on early intervention.
10. The Committee were made aware that a number of consultations with residents and partners would be taking place which would inform the future shape of services. Members urged that officers sufficiently communicate the details of the consultations to ensure a robust response.
11. A Members of the Committee felt that the organisational strategy was light on detail and queried how it would be monitored to ensure the delivery of outcomes. Officers explained that there would be an outcomes based performance management framework to track key performance indicators and monitor the implementation of the strategy and vision. It was explained that there was a full business case in place which would support performance management and the development of the framework for the monitoring the strategy. Members requested that the outcomes based performance management framework be reported to the Committee at the earliest convenience.
12. Officers were asked to clarify what the motivations were to transform the Pay & Reward policy for staff. It was explained that feedback had shown that staff were confused with the current arrangements which seemed to focus on the process rather than the actual outcome. The new policy intended to provide a clearer process which would focus on staff performance and the quality of conversations taking place with managers.
13. A set of recommendations and conclusions arising from the meeting were agreed between the Committee.

Resolved:

The Corporate Overview Select Committee:

- I. were made aware that a number of consultations with residents and partners would be taking place which would inform the future shape of services and urged that Members and residents be provided with details of future consultations impacting upon the delivery of services.
- II. recognised that the organisation strategy is designed to transform the way services are delivered to residents and that work would be required to enlist support and buy in from residents and partners.
- III. recognised the dependency of the organisation strategy upon working with partners.
- IV. raised concerns around how strategic principles and activity within the organisation strategy would be met at a time of decreased financial resources.
- V. requested that the outcomes based performance management framework to monitor the organisation strategy be reported to the committee at the earliest convenience and annually thereafter.

6 PRELIMINARY FINANCIAL STRATEGY [Item 6]

Witnesses:

Tim Oliver, Lead Cabinet Member for People
Charlotte Morley, Cabinet Member for Corporate Support
Leigh Whitehouse, Interim Executive Director of Finance
Nick Carroll, Finance Manager – Funding and Planning
Michael Coughlin, Executive Director for Customers, Digital and Transformation

Key points raised during the discussion:

1. The Interim Executive Director of Finance introduced the item and provided Members with a brief summary. Officers noted that the Preliminary Financial Strategy (PFS) was being considered earlier in the year than expected to ensure that there was a robust engagement for consultations. It was further stated that the PFS focused on producing a balanced budget for 2019/20 with some discussion on the medium term. More detail would be provided on the medium term position at the beginning of 2019.
2. Members sought confirmation on how the budget envelopes for each service had been calculated. It was explained that a starting point was the budget envelopes agreed by council last year. Officers initially conducted a series of deep dives into services to review the extent in which demand pressures were being built. This showed that demand pressures were higher than those of other comparable local authorities. These budgets were then further reviewed for inclusion in the budget envelopes.
3. It was further added by the Interim Executive Director of Finance that the CIPFA report supported the view that there was no standardised approach at the council in projecting and estimating demand. Budget envelopes would ensure that there was a focus on delivery services within a fixed set of resources.

4. The Chairman of the Audit & Governance Committee provided Members with an update on Recommendation C of the Budget Sub-Group Report July-October 2018. He stated that he had so far identified some initial details on the service-run audit but that he would be later meeting with the appropriate officer for a more detailed response.
5. The Committee asked for details on what safeguards were in place in the event that a service was unable to meet the targets within their relevant budget envelope. Officers stated that they were in the process of validating budget proposals submitted by Executive Directors and if, following this, the services were seen to be off-track, the relevant Executive Director would be supported to find alternative savings within their service. Members further noted that, due to services working with the finance team to generate budget envelopes, services now had greater responsibility and accountability to stay within these envelopes.
6. The Lead Cabinet Member for People stated that there had been a cultural change and the budget had been worked upwards. There was also now much greater accountability at officer and Cabinet level with the budget setting process.
7. It was queried what actions had been taken as a result of the CIPFA report. The Interim Executive Director of Finance explained that there was a finance improvement plan in place which he had been leading on. There was a Programme Manager now in place to support this work which would include improving the Council's financial capabilities and processes. It was clear that there was a lack of challenge to the budget monitoring process in-year and interim finance support would be required to support on-going work.
8. A Member of the Committee felt that it would be appropriate to appoint a Cabinet Member with a portfolio specifically responsible for the Council's finances. It was explained that finance was contained within the remit of the Leaders portfolio.
9. In relation to Orbis, it was explained that as part of the changes to the finance department, the finance department within the Orbis structure would be reviewed. The Section 151 officer would make sure there was a well-resourced finance function at county level.
10. A Member of the Committee requested that transformation plans be mapped against the 2019/20 budget envelopes for services. It was explained that the savings to be obtained from transformation plans was available.
11. The Vice-Chairman presented the Committee with recommendations submitted by the Budget Sub-Group.
12. A set of recommendations and conclusions arising from the meeting were agreed between the Committee.

Resolved:

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The Corporate Overview Select Committee:

- I. endorsed the strategic activity taking place to ensure the Council achieves financial sustainability and a balanced budget in 2019/20.
- II. recognised there will be greater budget accountability processes in place with sign off being required from relevant Cabinet Members and Officers.
- III. recommended risks and RAG statuses to be included alongside all budgetary information produced by the finance team (including forecast revenue budgetary information and proposed in year savings plans).
- IV. agreed that at least two meetings of the Sub-Group (to include Chairman of relevant Select Committees as appropriate) to be scheduled between October 2018 and January 2019 to cover in-depth proposals made to deliver services within budget envelopes with recommendations being shared with Cabinet in January 2019.
- V. agreed for the Chairman of the Audit and Governance Committee to review the Audit of ISPSB (Individual Statements of Pupil Support Budgets) payments item within the cost containment plan and in particular the £800k overpayments for ISPSBs.
- VI. review budget proposals in January 2019 before consideration by Cabinet (29 January), to include an update on consultation and engagement activity which has taken place with residents and stakeholders as part of budget setting process.
- VII. request that transformation plans are mapped against the 2019/20 budget envelope proposals by directorate and provided to Members.

7 FORWARD WORK PROGRAMMES AND CORPORATE OVERVIEW SELECT COMMITTEE RECOMMENDATIONS TRACKER [Item 7]

Key points raised during the discussion:

1. The Chairman was of the opinion that the agenda for the Health, Integrating and Commissioning Select Committee meeting on 7 November 2018 was substantial and queried if the number of items on the agenda could possibly be reduced.
2. Members noted that Select Committees would be scrutinising full business cases relevant to their remit following County Council approval on 13 November 2018. The Chairman asked that Select Committee Chairman schedule the scrutiny of full business cases within forward plans after the November Council meeting.

Resolved:

That Committee reviewed the forward work programmes and its recommendation tracker.

8 DATE OF THE NEXT MEETING [Item 8]

The Committee noted its next meeting would be held on 13 December 2018.

Meeting ended at: 12.10 pm

Chairman

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