

**Minutes of the Overview and Scrutiny Committee
19 January 2016**

Present:

Councillor A.E. Friday (Chairman)

Councillors:

S. Capes	I.T.E. Harvey	A. Neale
R. Chandler	A.T. Jones	H.R.D. Williams
K. Flurry	J.G. Kavanagh	
N.J. Gething	S.C. Mooney	

Apologies: Councillors D. Patel, O. Rybinski and B.B. Spoor

In Attendance:

Councillor D. Saliagopoulos, Cabinet Member for Economic Development and Fixed Assets

In Attendance for Item 5. – Presentation on Proposals for Devolution

Councillors S.A. Dunn, C.M. Frazer, R.W. Sider BEM and H.A. Thomson

9/16 Minutes

The minutes of the meeting held on 10 November 2015 were agreed as a correct record.

10/16 Disclosures of Interest

Councillor K. Flurry disclosed a personal interest in agenda item 7. Performance Review of Contracts due to his being an employee of the Council's grounds maintenance contractor: VPS Lotus Landscapes Ltd. He would remain in the Council Chamber to take part in the discussion on this item.

11/16 Call-in of Cabinet decisions

No Cabinet decisions had been called in for review.

12/16 Presentation on proposals for devolution

The Committee received a presentation from David McNulty, Chief Executive of Surrey County Council and Robert Cayzer, SCC Senior Policy Manager on the Three Southern Counties (3SC) proposals for devolution.

He explained that the 3SC (East Sussex, West Sussex and Surrey) authorities were pursuing a devolution deal with government to improve outcomes for local residents and businesses through economic growth, enhanced productivity and a transformation in public service delivery. The 3SC were taking advantage of the government's commitment to devolving powers and resources to a local level, allowing authorities to make collective decisions about key services affecting the whole area.

Mr McNulty said that the economy of the 3SC had a combined GVA (Gross Value Added) of £74 billion, bigger than Wales or Greater Manchester, making a significant net contribution to the national exchequer. However, the area's future economic performance, and the quality of life of local residents, was at risk because of creaking infrastructure and the challenges that businesses faced in recruiting and retaining staff.

The 3SC substantive devolution proposition comprised 6 workstreams: infrastructure; housing and planning; skills; public service transformation; fiscal devolution; and governance.

The 3SC was seeking a devolution deal with government, to enable it to grow its contribution to the national economy by:

- Agreeing a long-term infrastructure strategy to improve capacity on the rail and road networks and develop the digital infrastructure;
- Action to accelerate housebuilding and improve the range of housing available;
- Greater engagement with business, education and others to ensure employers have access to the skills they need and address barriers to employment for people with lower skills;
- Public service transformation to meet the needs of residents at less cost.

Central to its proposition was a commitment to greater collaboration across the 3SC, enabling rapid progress on infrastructure improvements, house building, skills development and public service transformation.

To ensure the new governance arrangements were fit for purpose, the 3SC planned to:

- Establish a mechanism for collective binding decision making across the 3SC area;
- Create a clear point of accountability for the local delivery of their devolution deal.

Mr McNulty also referred to plans for 'double devolution', which could be progressed with or without the 3SC proposals. This would be progressed by way of discussions between the 3 Counties and 23 boroughs and districts to decide what powers can be devolved from County level to borough and district level. The boroughs and districts would be the place leaders for these discussions so, ultimately, the result of 'double devolution' would look different in different parts of the County. He said that the driver for the decisions on

'double devolution' would be, 'can we demonstrate better value for residents by doing things a different way'.

Mr McNulty concluded by saying that the 3SC was confident that, if it agreed a devolution deal on this basis, in five years' time it would have delivered:

- Accelerated housing delivery to 2020 to increase the supply of housing in the 3SC area;
- A firm programme for improving crucial transport corridors;
- A reduction in hard to fill vacancies and skills gaps;
- A proven shift to preventative activity with a consequential reduction in costs.

Members of the Committee and other councillors in attendance asked questions of Mr McNulty on his presentation.

The Chairman thanked Mr McNulty for his presentation and said that the Council looked forward to working with the 3SC on double devolution.

Resolved to note the presentation on The Three Southern Counties proposals for devolution.

13/16 Corporate Project Management update

The Committee received an update from the Head of Customer Services on progress with the Council's priority projects and the Towards a Sustainable Future (TaSF) programme. She reported on the progress being made with various aspects of the Knowle Green Programme and the 13 corporate projects.

She explained there had been a delay in the structural review under TaSF, to allow Management Team to fully appraise the new Leader of their plans and allow the political administration an opportunity to reflect and confirm its corporate priorities. This would ensure the new structure was aligned to help deliver those priorities.

Resolved to note the progress report on:

1. the Towards a Sustainable Future programme and work stream updates
2. the status of the Corporate Projects dashboard and Spelthorne projects map and
3. the work the Corporate Project Team was undertaking to promote good practice and support project managers.

14/16 Performance Review of Contracts

The Committee received a report giving details of the performance monitoring arrangements for the Council's top spend contracts, which included: grounds maintenance; vehicle supply – contract hire of street cleansing and refuse collection vehicles; Leisure Centres; provision of monitoring and maintenance services of CCTV, Knowle Green cleaning contract;

management of Staines-upon-Thames market; processing of recyclables and 'meals-on-wheels' supply of vehicles and food.

The Principal Solicitor advised the Committee that the performance monitoring provisions of all the contracts were carefully considered to ensure they were appropriate to the goods/works/services being provided and to ensure contract managers could undertake effective monitoring. Where they could be appropriately measured, key performance indicators and systems of service credits were used. To achieve added value from the contractor, long term contracts centred on a 'partnership' approach rather than arbitrary enforcement. This had been demonstrated to achieve better results.

Resolved to note the report on the performance review of contracts.

15/16 Treasury Management half-yearly report

The Committee received the Treasury Management half-yearly report on treasury performance for the first six months of the financial year to the end of September 2015. The Council had invested substantial sums of money and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The report covered the council's treasury activity and the associated monitoring and control of risks.

The Principal Accountant advised the Committee that the overall average annualised rate of return on investment for the first six months was 2.25%. This was 0.42% higher than for the equivalent period last year. This improved performance was due to the continued positive performance of the Council's current pooled funds and bond investments and also the usage of newly identified investment opportunities when possible, to maximise return.

The Committee commended the Chief Finance Officer and his team on their treasury management strategy.

Resolved to note the Treasury Management half-yearly report to the end of September 2015.

16/16 6-month Capital Monitoring Report

The Committee received the Capital Monitoring report covering the period April to September 2015.

The Committee noted that for the period ending September 2015, capital expenditure including commitments was £428k (22%) of the original budget (excluding the Knowle Green and Housing Opportunity projects) and 21% of the revised budget.

The projected outturn showed that the Council was anticipating spending £1.736m which represented 85% of the revised budget.

Resolved to note the current capital spend position.

17/16 6-month Revenue Monitoring Report

The Committee received the Revenue Monitoring Report providing the net revenue spend figures to the end of September 2015.

The Committee noted the forecast outturn at net expenditure level was £14.525m against the revised budget of £14.536m; which was a projected favourable variance of £11k. The Committee noted that after taking into account the use of carry forwards, the net overall position was approximately £9k favourable variance.

The Principal Accountant highlighted the fact that there was a forecast £232k adverse variance on bed and breakfast expenditure for the current financial year due to increased demand. Officers were working on options to mitigate further increases in demand.

Resolved to note the current net revenue spend and forecast position.

18/16 Leader's Task Groups update report

The Committee received updates on progress with the work of the Leader's Sub-Task Groups for Assets and Regeneration in relation to Knowle Green and all other assets.

Resolved to note the work undertaken to date by the Leader's Task Groups.

19/16 Cabinet Forward Plan

The Committee considered the current Forward Plan of Cabinet items.

Resolved to note the Cabinet Forward Plan.

20/16 Work Programme

The Committee considered the work programme for the remaining meeting in the current Municipal Year.

The Chairman advised that there was insufficient development activity which had reached the levy stage, for a review of the operation of the Community Infrastructure Levy to come before the Committee at its March 2016 meeting but that the topic would come to a future meeting.

In its place he suggested a report on small/medium enterprise and job creation which had been raised by the Committee as a topic of interest at its July 2015 meeting.

A member of the Committee also requested a report on agile working to be noted on the work programme for a future meeting.

Resolved to note the work programme for the remainder of the municipal year subject to the inclusion of:

1. a report on small/medium enterprise and job creation for the March 2016 Committee and
2. a report on agile working for a future meeting.