


Notice of Meeting

Cabinet-Supplementary Agenda



<u>Date and Time</u>	<u>Place</u>	<u>Contact</u>	<u>Web:</u>
Tuesday, 19 December 2023 2.00 pm	Council Chamber, Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF	Huma Younis or Sarah Quinn huma.younis@surreycc.gov.uk or sarah.quinn@surreycc.gov.uk	Council and democracy Surreycc.gov.uk  @SCCdemocracy

Committee:

Natalie Bramhall, Clare Curran, Kevin Deanus, Matt Furniss, Marisa Heath, David Lewis, Sinead Mooney, Mark Nuti, Tim Oliver and Denise Turner-Stewart
Maureen Attewell, Jordan Beech, Paul Deach, Steve Bax

AGENDA

5 REPORTS FROM SELECT COMMITTEES, TASK GROUPS AND OTHER COMMITTEES OF THE COUNCIL

(Pages
1 - 28)

The following reports have been received,

- A. Surrey Roadsafe Vision Zero Road Safety Strategy 2024 To 2035: Communities, Environment & Highways Select Committee- A response from Cabinet is attached.
- B. Surrey Fire And Rescue Service Performance Report & HMICFRS Inspection: Communities, Environment & Highways Select Committee- A response from Cabinet is attached.
- C. Scrutiny Of Draft Revenue & Capital Budget 2024/25 And Medium-Term Financial Strategy To 2028/29-An updated report from the Select Committee is attached along with a response from Cabinet.

15 ACQUISITION OF CORPORATE OFFICE HUB IN NORTHWEST SURREY (Pages 29 - 38)

This report is seeking Cabinet approval for Surrey County Council to acquire the freehold interest in a new corporate office building in Woking as the Hub for the north-west quadrant of Surrey.

An updated report is attached.

(The decisions on this item can be called-in by the Resources and Performance Select Committee)

N.B There is a Part 2 Annex to this report.

22 ACQUISITION OF CORPORATE OFFICE HUB IN NORTH-WEST SURREY (Pages 39 - 50)

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An updated Part 2 report is attached.

(The decisions on this item can be called-in by the Resources and Performance Select Committee)

**Joanna Killian
Chief Executive**

Published: Monday, 18 December 2023

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QUESTIONS AND PETITIONS

Cabinet and most committees will consider questions by elected Surrey County Council Members and questions and petitions from members of the public who are electors in the Surrey County Council area.

Please note the following regarding questions from the public:

1. Members of the public can submit one written question to a meeting by the deadline stated in the agenda. Questions should relate to general policy and not to detail. Questions are asked and answered in public and cannot relate to “confidential” or “exempt” matters (for example, personal or financial details of an individual); for further advice please contact the committee manager listed on the front page of an agenda.
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman’s discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet members may decline to answer a supplementary question.

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CABINET- 19 December 2023

**CABINET RESPONSE TO THE REPORT OF THE COMMUNITIES,
ENVIRONMENT & HIGHWAYS SELECT COMMITTEE**

**Item under consideration: Surrey RoadSafe Vision Zero Road Safety Strategy
2024 to 2035**

Recommendations:

That the Communities Environment and Highways Select Committee:

- I. Notes that Surrey has some of the highest numbers of pedestrian and cycling road casualties of any local authority in Great Britain and welcomes the draft Vision Zero Road Safety Strategy aimed at reducing fatal and serious collisions to zero by 2050. Further Welcomes the collaborative approach that has been taken and that the Strategy has been developed in partnership with Surrey Police (including the Police and Crime Commissioner), Surrey Fire and Rescue and National Highway colleagues.
- II. Supports the new target for reducing collisions by 50% by 2035 (and to zero by 2050) and the new 20mph policy which allows greater flexibility to implement more 20mph speed limits across Surrey where they are supported locally. Further supports the principles underpinning the new approach including that:
 - The focus should be on reducing speeds in town centres, residential areas, village centres and near schools.
 - That any new speed limit must be supported by local people and the local County Councillor.
 - and that requirements or expectations for additional enforcement by Surrey Police should be carefully managed.
- III. Is concerned over the available funding to meet the demand to implement more 20mph speed limits which is likely to be high and asks that further work is done to review and clarify funding arrangements including the funding position for each County Councillor (who will be responsible for making the final decision on whether to proceed with schemes in his/her area under the new policy). This should take account of the Integrated Transport Scheme budget for County Councillors and other available sources. Consideration should be given to

granting more flexibility to Councillors on how they choose to use their Members Highways Allocation.

- IV. Urges further work to clarify the process of local community engagement including how to determine adequate levels of engagement and support to approve a scheme plus the process for agreeing schemes with RoadSafe Partners, and how any conflict will be managed. Expresses concern that the approach set out might in fact prove more onerous than the existing one, making 20mph more rather than less difficult to achieve.
- V. Asks that clarity on this and the funding position above be bought back to the Committee in Spring/Summer 2024 following completion of the public consultation.

Cabinet Response:

Cabinet is grateful to the Chair, Vice Chair and Members of the Communities, Environment and Highways Select Committee for scrutinising the draft new Surrey RoadSafe Partnership Road Safety Strategy and welcomes the recommendations they have submitted. Cabinet is particularly grateful to the Select Committee for their work in receiving evidence from a variety of important stakeholders at a private session, which helped shape their views on the proposed new approach to 20 mph speed limits.

Our draft new road safety strategy, including the 20 mph speed limit policy, has been developed in partnership with other organisations that also have key road safety responsibilities, namely Surrey Police (including The Police and Crime Commissioner for Surrey), the Surrey Fire and Rescue Service, and National Highways. Our draft new strategy is, therefore, very much a partnership strategy, owned equally and endorsed by all the partners who have a shared goal of reducing death and injury on Surrey's roads.

Therefore, Cabinet wholeheartedly accepts and concurs with recommendation (I).

In considering the draft new 20 mph policy, this has been developed with reference to best practice, whilst also taking into account the views of a range of stakeholders. The draft new policy is designed to allow for greater flexibility in the implementation of new 20 mph schemes so that they can be effective in reducing speeds and collisions, with a focus on reducing speeds in town centres, residential areas, village centres and near schools. It also emphasises the need to consult carefully with local people to gauge support for change and, if necessary, to refine schemes prior to implementation. Local Members are proposed to be at the centre of this.

The draft new policy has been developed in consultation with Surrey Police, the aim being to ensure that new 20 mph will be largely self-enforcing without the need for additional enforcement resources. Ongoing collaboration with Surrey Police will be channelled through the Surrey RoadSafe Partnership governance arrangements already in place and summarised in the strategy.

Therefore, Cabinet accepts and concurs with recommendation (II).

Funding for 20 mph schemes could come from a variety of source, including:

- County Councillor individual highway allocations
- Central Integrated Transport Scheme budget for local County Councillors to nominate highway improvement schemes in their Division
- Central Road Safety Schemes budget
- Central Road Safety Outside Schools budget
- Local Street Improvements programme
- Funding from Active Travel England for cycling or walking schemes
- Major Transport Schemes
- Funding from development as a condition of planning consent
- Community Infrastructure Levy

The public consultation on the draft new road safety strategy running from January to mid-March will help us determine the level of support and likely demand for new 20 mph schemes, and consequently whether the level of funding available requires review.

Consideration is already being given to increasing the funding available to local County Councillors for investment in highways within their Division. In the coming financial year, this may rise from £100,000 to £120,000, of which £40,000 may be available for capital highway improvements that could include new 20 mph schemes.

Cabinet acknowledges the important point raised in recommendation (III) and will be giving careful consideration to the level of funding available for 20 mph schemes in future years, balanced against the clear need to set a balanced budget at Service level and council wide.

Officers are currently undertaking work to develop and enhance our processes for engaging with residents and road users on highway improvement projects, including new 20 mph schemes. The Council is committed to better and earlier engagement with residents and road users, accepting that this will likely mean additional effort and time in developing proposals. However, Cabinet believes that this is important and will

be worthwhile, ensuring that there is support for new 20 mph schemes, which in turn will result in greater acceptance and compliance with new lower limits. This is a better outcome for everyone.

Cabinet does not envisage a need to additionally consult with partners through the Surrey RoadSafe Partnership on highway schemes. Existing arrangements in securing partner comments are effective and fit for purpose.

Therefore, Cabinet would accept in part recommendation (IV).

Public and stakeholder feedback received during the consultation running from January until mid-March will enable the RoadSafe Road Safety Strategy to be reviewed and amended. At that point we will also have greater clarity on the public engagement process for highway improvement schemes, including new 20 mph schemes.

Post consultation and strategy refinement, the final strategy will be subject to approval by the Surrey RoadSafe Partnership Board and then by Cabinet. Prior to that, further scrutiny from the Select Committee on the draft final version of the strategy, inclusive of public engagement process and funding, would be welcome. Cabinet therefore agrees with recommendation (V).

Matthew Furniss

Cabinet Member for Highways, Transport, and Economic Growth

19 December 2023

CABINET- 19 December 2023**CABINET RESPONSE TO THE REPORT OF THE COMMUNITIES, ENVIRONMENT & HIGHWAYS SELECT COMMITTEE****Item under consideration: SURREY FIRE AND RESCUE SERVICE PERFORMANCE REPORT & HMICFRS INSPECTION****Recommendations:**

That the Communities Environment and Highways Select Committee:

- I. Expresses appreciation of the efforts of Surrey Fire and Rescue Service and notes ongoing public support for the service and improvements that have been made to bring about a positive working culture.
- II. Expresses concern over the number of areas for improvement identified in the HMICFRS inspection and in particular the general lack of performance management and oversight within protection that is identified. This affects productivity and effectiveness. The Select Committee urges Officers to ensure there is clear direction and guidance to staff on prioritising risk and targeting activity; better performance management and quality assurance to ensure high risk premises are inspected in agreed timeframes; and audits carried out to a consistent and acceptable standard, whilst also maintaining the good progress that has been made in other areas.
- III. Echoes the concern of HMICFRS that only one prosecution was carried out in the five years from 1 April 2017 to 31 March 2022 and that the service doesn't consistently use its full range of enforcement powers or take appropriate opportunities to prosecute those who don't comply with fire safety regulations. The Select Committee notes that prosecution rates have improved since April 2022 and urges the Cabinet Member for Fire and Rescue, and Resilience to keep this issue under review; to ensure that the service's relationship with the Council legal team is effective and that adequate support is provided to enforce fire safety legislation.
- IV. Notes that HMICFRS identifies a number of areas where poor ICT systems are limiting productivity and operational effectiveness (e.g., where records cannot be adequately updated due to system constraints) and even outdated reliance on several paper-based systems which are inefficient and hinder productivity. The Select Committee

urges a review of the adequacy of existing systems in supporting and maximising operational efficiency and effectiveness and a check on deliverability of the ICT Strategy to determine whether it remains fit for purpose and whether the Service has the capacity and capability to complete these projects.

Johnathan Hulley
Chairman, Communities, Environment & Highways Select Committee

Cabinet Response:

- I. We are delighted that the hard work and professionalism of our staff has been recognised. These are staff who, on a daily basis, put their lives on the line to protect the residents of Surrey. A positive working culture is a vital cog in this process. It is accepted that we have commenced an improvement journey, and it will be the staff themselves who own and drive improvements across the service.

- II. SFRS are continually reviewing their Performance Management Framework, the understanding of such across the workforce, and supporting governance arrangements. This includes a suite of Key Performance Indicators to monitor performance. For example, Safe and Well Visits, audits, risk information and other key areas of delivery.

The Service has reviewed its Risk Based Inspection Programme (RBIP) and will include a different measure of risk utilising a wider range of factors. This method has been reviewed by the National Fire Chiefs Council and external peers who have confirmed that the content of our RBIP with regards to Very High, High and Medium risks are equivalent to those on their risk radar. SFRS's timeline on inspection frequency is also equitable to that expected in a RBIP.

The revised RBIP sets out expectations of the workforce and our fire safety managers are better enabled to manage and distribute work to the inspectors.

There is now a more robust system of allocating audits to inspectors in line with the RBIP and ensuring that very high and high-risk premises are prioritised for inspection. This will be further enhanced by the introduction of a new software system called Prevent and Protect (P&P).

Inspectors are encouraged to 'work smarter' and spend most of their time in the community, working with businesses and Responsible Persons. This expectation will also be supported with the new P&P software system, enabling every visit to 'collect once and use many times'. Furthermore, we are currently discussing additional tools that will enable enhanced remote working, such as the types of vehicles they use.

- III. The service is working with SCC's legal team to understand the appetite to pursue more prosecutions. However, these must comply with legislation and meet the public interest test, targets cannot be set against the number of prosecutions. The National Fire Chief's Council is in the process of creating a National Prosecutions Team to offer support to fire and rescue services, including legal advice. SFRS will monitor this to ensure it keeps abreast of developments.

- IV. Assurances have been given by the service that the deliverables in the ICT strategy can be achieved. The service has regular meetings to monitor delivery of IT projects with IT&D colleagues. The IT Projects Board and Asset Board are supported by SFRS's Resources Working Group. IT&D chair the project board and attend the working group meetings.

An IT roadmap has been developed highlighting the key projects over the coming years that support the delivery of the ICT strategy.

Kevin Deanus
Cabinet Member for Fire and Rescue, and Resilience
19 December 2023

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REPORT OF THE COUNCIL'S SELECT COMMITTEES

Item under consideration: **SCRUTINY OF DRAFT REVENUE & CAPITAL BUDGET 2024/25 AND MEDIUM-TERM FINANCIAL STRATEGY TO 2028/29**

Date Considered: 4 - 8 December 2023

- 1 The four Select Committees of the Council share responsibility for the scrutiny of the Council's budget. Each Committee held a public meeting in early December to consider the most up-to-date iteration of the draft revenue and capital budget 2024/25 and Medium Term Financial Strategy to 2028/29.
- 2 The budget scrutiny process in 2023 was revised from previous iterations. This year Finance, in conjunction with Cabinet Members, Executive Directors and Corporate Strategy and Policy, provided two full Committee briefings on the assumptions and emerging plans for Directorate revenue and capital budgets for each Select Committee.
- 3 In addition to the two briefings held in July and October 2023, Select Committees formed sub-groups to look at key areas of their remits in greater detail with support from Finance and Service Officers. It was envisaged that these sub-groups would begin the formulation of recommendations to Cabinet on their chosen areas. However, the testing and drafting of these recommendations took longer than anticipated and they could not be provided to the 28 November 2023 meeting of Cabinet. Reporting of recommendations to Cabinet has though, taken place earlier than in previous years by coming to its December meeting rather than its January meeting as before, creating a greater opportunity to influence the draft budget recommended to Council by Cabinet.

Table of Deep Dive Work

Select Committee	Deep dive topics
Adults and Health	<ul style="list-style-type: none">• Demand Management• Assessed Fees and Charges in Adult Social Care• Direct Payments
Children, Families, Lifelong Learning and Culture	<ul style="list-style-type: none">• Children Looked After Placements• Home to School Travel Assistance• SEND
Communities Environment and Highways	<ul style="list-style-type: none">• Task & Finish Group Outcomes & Costs• Parking and Waste Services: Income Opportunities• Capital Programme

Resources and Performance	<ul style="list-style-type: none"> • Rationalising Council Offices and Empty Buildings • Recruitment and Retention
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Alongside the work done by the Select Committees, the informal Budget Task Group regularly reviewed in-year budget monitoring data. Furthermore, the Budget Task Group scrutinised aspects of budget setting this year. The Task Group, chaired by Catherine Powell and made up of the four Select Committee Chairs plus representatives from all the political groups at the Council, considered items on the revised transformation programme, the Equality Impact Assessment (EIA) process, the Core Planning Assumptions, payments to Foster Carers and on demand transport plus the draft 2024/25 – 2028/29 capital programme in detail. The Group also received regular updates on progress in setting the budget throughout the process.

- 4 When reviewing the draft budgets, as presented by Cabinet Members and Executive Directors, scrutineers sought to understand assumptions that underpin the figures, to probe the risks associated with efficiencies and to be sure that the budgets reflect resident and service-user priorities.
- 5 Brief summaries of the scrutiny undertaken by each Select Committee and the recommendations made at those public meetings are detailed below. Full minutes of the meetings will be available after Cabinet has taken place.

Adults and Health Select Committee:

1. The Committee raised the financial resilience of district and borough councils in Surrey and the risk that could be posed to their discretionary service delivery that complement the work of the Council's Adult Social Care services. Officers advised that this Council does contribute funding for local services such as meals on wheels, handymen and technology enabled care. The Cabinet Member for Adult Social Care reiterated the Council's commitment to work collaboratively with its district and borough council partners.
2. Members challenged the ambition behind the extra care programme to deliver enough units for those in need. The Cabinet Member for Health and Wellbeing, and Public Health was confident in the level of ambition and commented that the Council wanted to provide exemplary housing and not simply high volume while complying with the requirements of the Care Quality Commission on the size of dwellings.

3. The Committee highlighted the opportunities for transformation of adult social care services and possible future efficiencies to be realised through technology that could help mitigate rising demand for adult social care services in the county.
4. There was discussion on the difficulty of recruiting and retaining social workers including the potential for the Council to offer key worker housing. The Committee recognised the important work of social care staff and wanted the Council to do what it could to promote the value of care staff.
5. The Committee registered its disappointment in the minimal increase of 1.2% to the Public Health Grant and the negative impact of this funding level on the preventative approach the Council wishes to take to protect residents' wellbeing.

Children, Families, Lifelong Learning & Culture Select Committee:

1. The Committee scrutinised the impact of the proposed efficiency relating to grant funding for organisations in the Voluntary, Faith and Community Sector (VCSF), given the importance of the services they provide on behalf of the Council. The Select Committee agreed to a recommendation that called for this proposal to be revisited. Witnesses did advise that no overall funding reduction would occur in 2024/25 as this would be a transition period where one-off funding would be in place to off-set the impact.
2. Witnesses were challenged on the likelihood of achieving the £9m of efficiencies identified in the Children, Families and Learning Directorate. Reassurance was offered by witnesses on the red and amber rated efficiencies as work was ongoing in these areas to model and analyse these proposals. Regarding the red-rated efficiencies witnesses acknowledged that these were ambitious in certain aspects and there was a big programme of work, but the key area of risk identified was the £1m of inflation management, given the inflation levels seen in 2023/24 and the ongoing impact that could have on 2024/25. There was £300K in the procurement plan still required identification of how it could be achieved.
3. Members questioned the assumptions behind the proposed 10% reduction in spending on contracts. The Committee was advised that through efficient commissioning the Service expected to realise a base budget reduction in contract values of 10%. Inflation was built into the Medium-Term Financial Strategy for all the contracts let by the Service.
4. A Member raised the issue of high number of outstanding Education, Health & Care Plans (EHCPs) and the impact that could have on Home to School Travel Assistance spending. Officers advised that there was growth modelled of £7.3m over the MTFs that aligned with historic numbers of new EHCPs.

5. The Committee referenced its recommendation that short break services be protected but that was not present in the draft budget. The Cabinet Member for Children and Families, Lifelong Learning emphasised the need to meet statutory obligations and those with the greatest needs within the constraints of the Council's budget. The Committee emphasised the importance of non-statutory services and the impact on early intervention and prevention efforts.

Communities, Environment and Highways Select Committee:

1. Witnesses were questioned about the impact on services of making efficiencies and were assured that this would be achieved through transformation, raising income and getting the best value out of contracts. The Cabinet Member for Highways, Transport and Economic Growth mentioned meetings with the Department for Transport to highlight the need to include the usage and amount of traffic on Surrey roads as part of the funding formula for highways as the Committee had stated that the state of highways and pavements was a high priority for Surrey residents.
2. The Cabinet Members were asked to comment on the affordability of the unfunded capital borrowing and particularly for highways. The Committee were advised that the Cabinet had reviewed the capital programme for affordability and sustainability. The Cabinet Member for Finance and Resources made the point that making reductions in the capital programme would not necessarily have significant revenue implications for the 2024/25 budget and the current budget gap. The Committee was told about the recently announced additional funding guaranteed for two years that would come from the cancellation of the High-Speed Rail 2 project.
3. The ongoing affordability of Your Fund Surrey was raised. The Committee was told how the Fund had been reduced from the initial £100m to figures of £60m and now £40m with the criteria continually reviewed. The Committee was advised that there were hundreds of projects in the pipeline, many of which proposed environmental benefits, but that the budget envelope allocated to You Fund Surrey was considered adequate.
4. The funding for the outcomes of the Task & Finish work done in the Environment, Growth and Infrastructure Directorate was raised with officers assuring the Committee that adequate funding was in place for the critical task of road maintenance. The outcomes of the Task & Finish work should be seen as an enhancement to existing arrangements and incorporated into the budget accordingly.

Resources and Performance Select Committee:

1. The Committee questioned witnesses of increased fees and charges. They were told that there was an expected average 4% increase in fees and charges for the Resources Directorate. The view was that for discretionary service, such as venue hire, the general taxpayer should not be subsidising these costs.
2. The Committee referenced the contract management pilot that took place in the ETI Directorate and the implications for other Directorates. They were advised that the focus had been on medium value contracts and optimising value by supporting managers through procurement processes. The Committee requested a briefing on the contracts that had been reviewed and any outcomes.
3. The Committee raised the issue of finding Reinforced Autoclaved Aerated Concrete (Raac) in the Council Estate. The Capital Programme continued the investment in the capital maintenance programmes and reflected inflationary impact on maintenance. However, there was nothing specifically in the budget for Raac. Land and Property colleagues explained that there was not an additional line in the budget for Raac costs or a contingency but over the next six months there would be a lot of condition surveys across the estate, which would be used to prioritise the spending of the capital maintenance programme. Any additional capital costs would be subject to business cases and prioritisation in the normal way.
4. The Chairman asked about the potential capital costs of the review into the accessibility of the main Council office buildings and plans to enable disabled people to gain employment at the Council. On the latter, the Committee was told that £6m had been secured from the Department for Work and Pensions to help adults with long terms conditions and disabilities into work. The Council had also committed £200K to other organisations to provide employment support and had worked with the Surrey Coalition of Disabled People to map the employment support options available. On the former issue, these costs were being costed with Officers suggesting a return to the Committee in March 2024 for scrutiny. However, the Deputy Leader of the Council did comment that the recommendations from the Coalition were relatively modest in terms of their likely cost.
5. The Committee sought assurances on the plans to deliver IT projects particularly the two Customer Relationship Management systems in the light of the difficulties experienced when procuring and implementing the new Enterprise Resource Planning software (MySurrey) in 2023.

Recommendations to Cabinet:

Adults and Health Select Committee

1. Given the known trends for rising demand for services and rising costs, it is the view of the Select Committee that a major transformation project is needed based around the objective set in Section 2 of the Care Act 2014 of “Preventing needs for care and support” by:
 - Developing community based approaches to keeping residents healthy and in their own homes;
 - Reducing the overall market demand for high-cost care services by refocusing efforts on prevention;
 - Maximising the use of Technology Enabled Care including making the service available Surrey-wide as soon as possible for both self-funders and Surrey funded service users;
2. Recommends that the Cabinet Member for Health and Wellbeing and Public Health commits to work with Government and other agencies to raise the image of caring careers and the pay and salaries in the care industry.

Children, Families, Lifelong Learning & Culture Select Committee:

1. In order to give the voluntary sector stability, Cabinet should increase funding to VCSF organisations in the Medium-Term Financial Strategy in line with inflation and outline how it can offer the organisations longer term stability. These organisations play a crucial role in enabling and empowering communities and voluntary sector organisations.
2. The aspiration of prevention should be supported by restoring the £0.37m play and leisure short breaks cut from the 2023/24 budget, which has had significant detrimental repercussions on some of the most vulnerable families. This is in addition to applying for the Department for Education’s Short Breaks Innovation Grant, which supports new and complementary short breaks services. It should be noted that the DoE funding, if awarded, would not replace the play and leisure short breaks which were cut in 2023/24.
3. Rather than being classed as an overspend, the £16.3m 2023/24 pressures identified as historic (in Children Looked After placements, home to school travel assistance, Special Guardianship Order rates, children with disabilities packages of care, care leavers) should be incorporated into the CFLL budget envelope going forward.
4. If the Council is to stay on track with “getting to good” whilst meeting demands for statutory services and supporting the ambition of “no one left behind”, the CFLL budget envelope for 2024/25 should increase to £283.91m.

This comprises:

- 249.8m opening budget
- + 39.9m pressures
- + £0.37m play and leisure restoration
- - £6.16m for the green and 60% of red and amber identified efficiencies that the Committee considers are likely to be achieved.

A smaller budget risks both the “getting to good” strategy and the guiding principle of the 2030 Community Vision that no one is left behind.

5. Should any proposals to make changes to the delivery of adult education result from the current review of cost to run the Council’s sites versus fees earned, there should first be a full and formal exploration of how any changes would impact residents’ access to community learning and adult skills. This recommendation is made in the context of the Council’s strong commitment to deliver the Surrey Skills Plan and promote skills and education to grow a sustainable economy, together with the proposed Level 2 County Deal which would devolve Adult Education functions and the core Adult Education Budget to the Council.

Communities, Environment & Highways Select Committee:

1. Supports in broad terms the budgetary approach set out in the slides shared with the Committee including the directorate efficiency proposals and the broad goal to achieve efficiencies without any reduction in service or visible impact to residents over the immediate 24/25 financial period and in future years.
2. Supports the Capital programme which remains ambitious, specifically the ongoing investment in highways and roads improvement, flooding and drainage schemes and greener futures programmes.
3. Notes that revenue funding gaps persist particularly in relation to the Environment, Transport and Infrastructure budget where a further £8m reduction is still to be found. Notes with some concern that this gap does not reflect the full £8.7m required to fully implement the Task & Finish group recommendations although it does reflect the lower investment amount of c. £5m to address this work.
4. Further notes the results of the public engagement consultation and feedback to Councillors which shows that better roads and pavements is of the highest priority to residents; and therefore, recommends that spending on protecting our highways assets and infrastructure should be prioritised in line with residents wishes and priority given to plugging this funding gap in further budget discussions.
5. Supports continued investment in ITS schemes to improve Road Safety and urges Cabinet to remain focused on the need to reduce deaths and injury on Surrey’s roads and for funding to be looked at for future years.

6. Highlights that tackling climate change remains a high priority for residents as evidenced by the Surrey Says open survey exercise and urges Cabinet to ensure this continues to be reflected in budget planning over the MTF period as further cuts are sought.

Resources and Performance Select Committee

1. Recommends that People and Change undertake a study to forecast how much will be needed in 2024/25 for reasonable adjustments for employees' equipment, taking into account historic demand, and on that basis a centralised budget is set that accommodates demand in full.
2.
 - (a) Sufficient funding is made available to resolve reasonable adjustments, taking all factors into account, identified by the tours of Woodhatch, Dakota and Fairmount House with Surrey Coalition of Disabled People in autumn 2023. This is in order to demonstrate its status as a Disability Confident employer, to support the guiding mission of "No One Left Behind" and to make a reality of the recruitment of people with disabilities and the ambition to have a workforce that better reflects the diverse needs of residents. An update on costing and progress will be brought to the Select Committee's March 2024 meeting.
 - (b) These adaptations to Council offices are carried out at the latest by the end of the 2024/25FY.
3. The corporate hubs and satellite offices involved in the agile office estate strategy, including disposals and business cases for acquisitions, are overseen by the Cabinet Member for Property and any departure from the strategy should be subject to Cabinet approval. The Committee notes that the agile office strategy represents a reduction in offices and recommends this approach is kept firmly on track.
4. In order to avoid significant annual revenue costs, Consort House in Redhill and Bittoms car park in Kingston, redundant since the move to Woodhatch Place, are disposed of without further delay.
5. Due to the Committee's concerns at the problems associated with the DB&I My Surrey project including overrun and overspend, in order to eliminate or minimise unplanned budget overspend, reputational damage, inadequate requirements and insufficient stakeholder engagement, the specification for the proposed replacement for the two Customer Relationship Management (CRM) systems should be brought to Select Committee, along with consultation with service users, at the earliest opportunity. Full lessons learned from MySurrey should be considered before awarding a new CRM contract.

Fiona Davidson
Chair - Children, Families, Lifelong
Learning and Culture Select
Committee

Bob Hughes
Chairman - Resources and
Performance Select Committee

Trefor Hogg
Chairman - Adults and Health Select
Committee

Jonathan Hulley
Chairman - Communities,
Environment & Highways Select
Committee

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ITEM UNDER CONSIDERATION: SCRUTINY OF THE DRAFT REVENUE & CAPITAL BUDGET 2024/25 AND MEDIUM-TERM FINANCIAL STRATEGY TO 2028/29

Recommendations to Cabinet and Cabinet Responses:

Adults and Health Select Committee

1. Given the known trends for rising demand for services and rising costs, it is the view of the Select Committee that a major transformation project is needed based around the objective set in Section 2 of the Care Act 2014 of “Preventing needs for care and support” by:
 - Developing community based approaches to keeping residents healthy and in their own homes;
 - Reducing the overall market demand for high-cost care services by refocusing efforts on prevention;
 - Maximising the use of Technology Enabled Care including making the service available Surrey-wide as soon as possible for both self-funders and Surrey funded service users;

Cabinet Response:

The new Adults, Wellbeing and Health Partnerships directorate is in the process of formulating a refreshed 3 to 5 year transformation programme, building on the strengths of the new Directorate, including the transition of Public Health to sit alongside Adult Social Care. There will be three key areas of focus:

- *The customer journey – to ensure the Council has the right workforce with the right skillsets to ensure SCC meet its duties under the Care Act.*
- *Market shaping & commissioning – focused on developing a robust prevention and early intervention offer to keep people living independently in their own home. In addition, that people with ongoing care and support needs have access to home based support that reduces the need for higher cost institutional care. Expanding the use of technology enabled care and ensuring effective support to carers will also be key areas of focus.*
- *Partnerships & integration – focused on ensuring that together with partners we are maximising resources across organisations to deliver best outcomes for Surrey residents who rely on multiple organisations for support.*

The Directorate’s transformation programme will sit alongside and complement joint programmes being taken forwards with NHS Integrated Care Boards partners on older people / frailty, mental health and integrated commissioning.

Cabinet is committed to supporting this essential transformation work and recognises that some time limited focused investment will be required to enable its successful delivery. This will be considered by Cabinet the early part of 2024 as part of finalising the business case for the Directorate’s refreshed transformation programme and joint transformation with NHS partners.

A progress update item on the new transformation programme will be brought to the next Adults & Health Select Committee in March 2024.

2. Recommends that the Cabinet Member for Health and Wellbeing and Public Health commits to work with Government and other agencies to raise the image of caring careers and the pay and salaries in the care industry.

Cabinet Response:

The Cabinet Member for Health and Wellbeing and Public Health, together with Cabinet colleagues, is committed to continually raising the profile of the Adult Social Care (ASC) industry and working with partners to understand and help address challenges faced in the care sector. An example of this was the creation of the £6m Workforce Innovation Fund in 2022/23 funded 50/50 by Surrey County Council and Surrey Heartlands Integrated Care Board which is investing in a range of workforce projects to support resilience in the local ASC and NHS workforce. The Council has also funded a workforce programme, led by the Surrey Care Association, which includes the development of an accredited and portable Care Certificate qualification which is expected to bring benefits to providers in relation to recruitment and retention.

Cabinet will continue to proactively work with Government and make the case for sustainable funding for the care sector, while recognising that the Council cannot dictate pay levels for independent businesses.

Children, Families, Lifelong Learning & Culture Select Committee:

1. In order to give the voluntary sector stability, Cabinet should increase funding to VCSF organisations in the Medium-Term Financial Strategy in line with inflation and outline how it can offer the organisations longer term stability. These organisations play a crucial role in enabling and empowering communities and voluntary sector organisations.

Cabinet Response:

The Cabinet values the crucial work of the voluntary, charity and faith sector (VCFS) in Surrey in working with and supporting so many local communities across the county. Ongoing conversations are taking place with representatives of the sector about how they can continue to evolve, collaborate and together develop sustainable long-term models that reduce their reliance on grant funding and enable them to work, often alongside the Council, in serving local residents to best effect.

To support this work, the County Council has contributed £100,000 to the Community Foundation Surrey (CfS) Strategic Transformation Fund, with match-funding from CfS at least doubling this to make £200,000 available to local VCFS organisations. The impact of the funding is continually reviewed and assessed to ensure that value for money is being secured by the Council and CFS funders.

Cabinet will consider the proposal to increase VCF sector funding in line with inflation assumptions for 2024/25 as part of the decision making process on how to balance the budget and dependent on the outcome of the upcoming Local Government Finance Settlement.

2. The aspiration of prevention should be supported by restoring the £0.37m play and leisure short breaks cut from the 2023/24 budget, which has had significant detrimental repercussions on some of the most vulnerable families. This is in addition to applying for the Department for Education's Short Breaks Innovation Grant, which supports new and complementary short breaks services. It should be noted that the DoE funding, if awarded, would not replace the play and leisure short breaks which were cut in 2023/24.

Cabinet Response:

The draft budget for play and leisure for 2024/25 is £1.32m including a £70k contribution from Health and £50k for contract inflation. The Children's Families & Lifelong Learning Directorate would welcome additional funds to be able to further invest in the play and leisure short breaks, but are unable to find that within the existing budget proposals without impacting on statutory or other key priorities of the service.

Cabinet is required to set a balanced budget for 2024/25. The scale of the identified pressures for 2024/25, driven predominantly by inflation and demand increases, results in a residual gap to close of £13.5m in the Draft Budget position. Cabinet will consider the proposal to increase investment in play and leisure short breaks alongside consideration of the final budget decisions and dependent on the outcome of the upcoming Local Government Finance Settlement.

3. Rather than being classed as an overspend, the £16.3m 2023/24 pressures identified as historic (in Children Looked After placements, home to school travel assistance, Special Guardianship Order rates, children with disabilities packages of care, care leavers) should be incorporated into the CFLL budget envelope going forward.

Cabinet Response:

The in-year overspend position of all Directorates are reviewed as part of the annual budget setting process. Where Directorates are forecasting overspends in the current financial year, these are assessed to understand the impact in future years.

Where an ongoing impact is anticipated, these are factored into future year budgets as pressures. In some cases, mitigations are put in place to off-set in-year overspends which have a positive impact on the future trajectory and so ongoing pressures are not anticipated to materialise. It is therefore important that in-year overspends are assessed individually to understand the ongoing medium-term impact.

The draft budget for the Childrens, Families & Lifelong Learning Directorate currently includes the £16.3m representing the ongoing cost of overspends being experienced in 2023/24. This is being reviewed for the final budget, recognising the in-year position continues to be challenging.

4. If the Council is to stay on track with "getting to good" whilst meeting demands for statutory services and supporting the ambition of "no one left behind", the CFLL budget envelope for 2024/25 should increase to £283.91m.

This comprises:

- 249.8m opening budget
- + 39.9m pressures
- + £0.37m play and leisure restoration
- - £6.16m for the green and 60% of red and amber identified efficiencies that the Committee considers are likely to be achieved.

A smaller budget risks both the “getting to good” strategy and the guiding principle of the 2030 Community Vision that no one is left behind.

Cabinet Response:

The draft budget includes a budget requirement of £280.7m for the Children, Families and Lifelong Learning (CFLL) Directorate. There are likely to be further changes to this before the Final Budget in light of further decisions to be made, both in terms of council tax levels, potential investments (such as the recommendations made above) and the ongoing review of all pressures and efficiencies, in order to ensure that a balanced budget position can be proposed. This may result in increases or decreases to the amount set out in the draft budget. The Final budget will be considered by Cabinet in January and Full Council in February.

The CFLL leadership are very clear on what is needed to deliver good quality services, and have plans in place to achieve this, supported by the proposed budget. However, this is not without risks, Surrey along with most other authorities are operating in extremely difficult times for children’s services, with increasing levels of complexity of need, a broken placement provider market and rising prices in home to school travel assistance, putting significant strains on Children’s service budgets.

Another key strand to Surrey’s strategy in ensuring we provide consistently good services to children and families is increasing the number of permanent social workers to provide the stability and consistency a family needs and help deliver the plans for Children’s services. As we strive to manage within the budget envelope set, we find ourselves constantly faced with issues outside of our control. This requires constant review of the plans and proposed spend, but always with the mindset of improving the outcomes for our children in Surrey and our aim of getting services to a consistently good standard.

5. Should any proposals to make changes to the delivery of adult education result from the current review of the cost to run the Council’s sites versus fees earned, there should first be a full and formal exploration of how any changes would impact residents’ access to community learning and adult skills. This recommendation is made in the context of the Council’s strong commitment to deliver the Surrey Skills Plan and promote skills and education to grow a sustainable economy, together with the proposed Level 2 County Deal which would devolve Adult Education functions and the core Adult Education Budget to the Council.

Cabinet Response:

There are no plans to close any adult learning centres, the review being undertaken at present is in its early stages. Should there be any proposed

assessment of change to an adult learning centre, the assessment will include the recommended requests from the select committee.

Communities, Environment & Highways Select Committee:

1. Supports in broad terms the budgetary approach set out in the slides shared with the Committee including the directorate efficiency proposals and the broad goal to achieve efficiencies without any reduction in service or visible impact to residents over the immediate 24/25 financial period and in future years.

Cabinet Response:

Cabinet notes the Committees support.

2. Supports the Capital programme which remains ambitious, specifically the ongoing investment in highways and roads improvement, flooding and drainage schemes and greener futures programmes.

Cabinet Response:

Cabinet notes the Committees support.

3. Notes that revenue funding gaps persist particularly in relation to the Environment, Transport and Infrastructure budget where a further £8m reduction is still to be found. Notes with some concern that this gap does not reflect the full £8.7m required to fully implement the Task & Finish group recommendations although it does reflect the lower investment amount of c. £5m to address this work.

Cabinet Response:

Cabinet is required to set a balanced budget for 2024/25. The scale of the identified pressures for 2024/25, driven predominantly by inflation and demand increases, results in a residual gap to close of £13.5m in the Draft Budget position.

The Task & Finish Group recommended additional investment of £32m of capital and £8.6m of revenue per annum. The capital investment recommended is included in its entirety in the Draft Capital Programme approved by Cabinet in November. £5.2m of the revenue requirement was also included which reflected implementation of some recommended improvements such as drainage repairs and road lining refreshment being delivered over an extended period to reduce budget pressures.

Cabinet will consider the proposal to increase the investment to the £8.6m originally requested alongside consideration of the final budget decisions and dependent on the outcome of the upcoming Local Government Finance Settlement.

4. Further notes the results of the public engagement consultation and feedback to Councillors which shows that better roads and pavements is of the highest priority to residents; and therefore, recommends that spending on protecting our highways assets and infrastructure should be prioritised in line with residents wishes and priority given to plugging this funding gap in further budget discussions.

Cabinet Response:

Spending on highway assets has been prioritised within the proposed budget, including additional revenue (£5.2m per year) and capital (£32m across the 5 year programme) in response to the Task and Finish reviews, and the establishment of a core and enhanced highway maintenance programme for the current administration (£260m over the 5 year capital programme).

5. Supports continued investment in ITS schemes to improve Road Safety and urges Cabinet to remain focused on the need to reduce deaths and injury on Surrey's roads and for funding to be looked at for future years.

Cabinet Response:

The proposed budget includes £3m allocated to tackle road safety outside schools and a further £3m for speeding across the county, across 2022/23 to 2025/26. This investment is additional to the ongoing programme of road safety improvements totalling £2m over the 5 year capital programme, and road safety improvements delivered as part of wider infrastructure schemes. Road safety requirements will be kept under review as future MTFs are developed.

6. Highlights that tackling climate change remains a high priority for residents as evidenced by the Surrey Says open survey exercise and urges Cabinet to ensure this continues to be reflected in budget planning over the MTF period as further cuts are sought.

Cabinet Response:

The proposed 5 year capital programme includes significant investment to tackle climate change, for example through the Greener Futures 2030 programme (c.£75m in the council's capital pipeline) and the introduction of low emission buses and community transport (£41m, as part of a total £49m investment). Following detailed and extensive review the proposed programme is considered affordable, and as such there are no plans to reduce capital spend at this time.

Resources and Performance Select Committee

1. Recommends that People and Change undertake a study to forecast how much will be needed in 2024/25 for reasonable adjustments for employees' equipment, taking into account historic demand, and on that basis a centralised budget is set that accommodates demand in full.

Cabinet Response:

Reasonable adjustments are now managed by People & Change. This revised approach was initiated in the current financial year in order to allay fears that members of staff were not getting the adjustments required because decisions about them were being taken in the context of local service budgets. An additional centralised budget for this work was created in line with previous levels of activity, but this has been oversubscribed in the current financial year, and the overspend against the budget is being mitigated/absorbed within the overall Resources Directorate budget.

From 2024/25 it is proposed that the end of year position against the centralised budget is balanced by recharging to service budgets a share of any excess over

the budgeted amount. This will retain the central team approval of adjustments and therefore avoid the previous perceived challenges. The success of this will be kept under review during the coming financial year, and any adjustments made accordingly. At present it is not possible to confirm with certainty whether the overspend in the current year is the result of sustained suppressed demand within the previous arrangement (ie actual need is higher and will continue to be) or whether it reflects a 'catching up' of unmet need and that the ongoing requirement will level off.

2.

(a) Sufficient funding is made available to resolve reasonable adjustments, taking all factors into account, identified by the tours of Woodhatch, Dakota and Fairmount House with Surrey Coalition of Disabled People in autumn 2023. This is in order to demonstrate its status as a Disability Confident employer, to support the guiding mission of "No One Left Behind" and to make a reality of the recruitment of people with disabilities and the ambition to have a workforce that better reflects the diverse needs of residents. An update on costing and progress will be brought to the Select Committee's March 2024 meeting.

(b) These adaptations to Council offices are carried out at the latest by the end of the 2024/25FY.

Cabinet Response:

Reasonable adjustments are now managed by People & Change. Work is underway to identify the annual amount required to meet the needs of individuals. For this financial year, the overspend against the existing budget is being mitigated/absorbed within the overall Resources Directorate budget. At the Select Committee, the Director of Land & Property confirmed that the work would be completed by the end of the next financial year,

The costs of building adaptations are met from the capital corporate maintenance budget. The feedback documents from the Surrey Coalition of Disabled People following the tours of Woodhatch & Fairmount in September and Dakota in October have been sent to the Resources & Performance Select Committee. Land & Property are tabled to attend the Resources & Performance Select Committee on 12 March 2024 to update on Equality, Diversity & Inclusion and will provide an update which will include the cost estimates for the items identified in the feedback from the tours and the likely completion date. The intention is to complete the works in 2024/25.

3. The corporate hubs and satellite offices involved in the agile office estate strategy, including disposals and business cases for acquisitions, are overseen by the Cabinet Member for Property and any departure from the strategy should be subject to Cabinet approval. The Committee notes that the agile office strategy represents a reduction in offices and recommends this approach is kept firmly on track.

Cabinet Response:

The Agile Organisation Programme consists of property, people and technology workstreams, each of which sit under a separate Cabinet Member portfolio. The

property element of the programme is delivering against the Agile Office Estate Strategy agreed at Cabinet, and the delivery of this falls within the remit of the Cabinet Member for Property, Waste and Infrastructure.

In order to ensure that there is ongoing Cabinet Member oversight of the whole programme, it is proposed that the Cabinet Member for Finance and takes responsibility for overseeing the programme as whole and that the various Cabinet portfolios are aligned.

4. In order to avoid significant annual revenue costs, Consort House in Redhill and Bittoms car park in Kingston, redundant since the move to Woodhatch Place, are disposed of without further delay.

Cabinet Response:

Cabinet agrees that both the Bittoms car park and Consort House should be sold, and work is in progress on both. Negotiations with Royal Borough of Kingston are underway to dispose of the Bittoms and Consort House is marketed for sale and will proceed if an acceptable offer is provided.

5. Due to the Committee's concerns at the problems associated with the DB&I My Surrey project including overrun and overspend, in order to eliminate or minimise unplanned budget overspend, reputational damage, inadequate requirements and insufficient stakeholder engagement, the specification for the proposed replacement for the two Customer Relationship Management (CRM) systems should be brought to Select Committee, along with consultation with service users, at the earliest opportunity. Full lessons learned from MySurrey should be considered before awarding a new CRM contract.

Cabinet Response:

The logic of applying the lessons learnt from the DB&I programme to all future projects and programmes, including those relating to technology, is sound. The proposed replacement of the CRM systems is the planned project most closely analogous to the DB&I programme, but as with all other system implementations we are likely to see in the near future, it is much smaller in scale.

Lessons learnt from DB&I have been and continue to be shared with the team working on the CRM replacements.

It would not be possible to bring a formal consideration of the system specifications to a Select Committee meeting based on the current timetable for the programme, and nor would it be entirely appropriate to rely on the Select Committee to seek to sign off this work.

A briefing on the CRM programme could be provided to the committee and perhaps incorporated into the DB&I lessons learnt work as that draws to a conclusion, in order to test the application of those lessons drawn.

Appropriate assurance activity has, and is, taking place to ensure that the costs and timings within the business case are realistic and achievable. This includes

additional validation exercises, market research and assurance work to ensure the proposed timeline for implementation is fully stress tested.

David Lewis
Cabinet Member for Finance and Resource
19 December 2023

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SURREY COUNTY COUNCIL**CABINET****DATE: 19 DECEMBER 2023****REPORT OF CABINET MEMBER: DAVID LEWIS, CABINET MEMBER FOR FINANCE AND RESOURCES****LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES****SUBJECT: ACQUISITION OF CORPORATE OFFICE HUB IN NORTH-WEST SURREY**

ORGANISATION STRATEGY PRIORITY AREA: No One Left Behind / Growing A Sustainable Economy So Everyone Can Benefit / Enabling A Greener Future / Empowered and Thriving Communities / High Performing Council

Purpose of the Report:

This report is seeking Cabinet approval for Surrey County Council (the Council) to acquire the freehold interest in a new corporate office building in Woking as the Hub for the north-west quadrant of Surrey, as per the Cabinet approved report of December 2022, [Agile Office Estate – North-West and South-West Corporate Office Workspace](#)¹.

The proposed new corporate Hub is a modern, energy efficient property benefitting from contemporary, flexible environments and workspaces for existing and future employees which will help the Council meet its priority objective of enabling a greener future and ensure we are a high performing Council. This proposal also supports the Council's guiding mission of No One Left Behind by providing appropriate, welcoming spaces for residents visiting the property (Corporate Parenting services for example). The property is in central Woking with good access to public transport networks and nearby carparking.

Recommendations:

It is recommended that Cabinet:

1. Approves the acquisition of the freehold interest in a corporate office building in Woking. The required capital investment to purchase the property and its details are commercially sensitive at this time and are set out in the Part 2 report.

¹ December 2022, Item 203/22

2. Approves procurement of appropriate supply chain partners to deliver design and fit out of the new corporate office space in accordance with the Council's Procurement and Contract Standing Orders.
3. Grants delegated authority to the Deputy Chief Executive and the Director of Land and Property to (i) conclude the acquisition terms to purchase the corporate office building, (ii) undertake procurement and associated contract awards and (iii) provide approval to enter into required legal documentation as necessary to complete the purchase and fit out works.
4. Notes that, regarding the procurement of supply chain partners, the Executive Director for Resources and the Director of Land and Property are authorised to award such contracts up to +10% of the budgetary tolerance level.

Reason for Recommendations:

Following the continued success of the Council's Agile Office Estate (AOE) strategy over the last two years, the purchase of the recommended property is the next step in the AOE programme.

As outlined in the [Agile Office Estate – North-West and South-West Corporate Office Workspace²](#) report (the December 2022 report), the medium to long term costs for the Council to remain in Quadrant Court represent a financial risk to the Council. Quadrant Court would require a high level of investment to achieve desired standards for Services to be delivered in the best way for residents and meet our net zero targets by 2030.

Approving the recommendations in this report will allow the Council to continue its programme of rationalising its corporate estate, drive efficiencies, reduce the Council's carbon footprint, and deliver Services from a modern, agile environment which will better serve residents and employees. Services will be delivered from a central location in Woking, the preferred area in north-west Surrey. The property has good access to public transport and carparking.

Executive Summary:

1. The overarching strategy for the AOE Programme is to deliver a modernised, flexible, interoperable office estate which reduces our corporate footprint (the amount of office space required), consolidating into a reduced number of buildings (to reduce administration and maintenance) whilst driving annual revenue savings.
2. Acquiring the proposed property in Woking delivers on the AOE Programme strategy as well as the objectives for Hubs; to provide multi-purpose, flexible environments which are welcoming and appropriate spaces for residents visiting our buildings and modern, appropriate agile work settings for existing and future employees.

² December 2022, Item 203/22

3. This proposal follows on from the December 2022 report when Cabinet approved further consolidation of the existing corporate estate whilst maximising the use of Hubs; to vacate and dispose of the Council's Quadrant Court corporate office in Woking; and for optioneering to be carried out to deliver corporate office space in the north-west quadrant of Surrey.
4. A robust analysis of demand and property options has been undertaken in line with the Cabinet approval of the December 2022 report to replace Quadrant Court. The search criteria included:
 - A preference for an existing building, ideally in Woking town centre with strong carbon credentials.
 - Development sites in the Woking area but due to long development processes (likely 3-4 years), this approach is of a lower preference than that to acquire an existing building in Woking.
 - Controlling the corporate estate footprint through avoiding committing to more office space than required.
5. As well as providing improved, appropriate public-facing and employee environments, the specific objectives for the new Hub are that it should deliver:
 - A reduction in overall Council corporate office space in Woking.
 - Good public transport links.
 - Access to more carparking spaces than currently available at Quadrant Court (150 spaces) with EV charging stations.
 - Cycle storage.
6. Based on the search criteria and Hub objectives, only four property options in Woking were deemed viable based on the search criteria. Three were discounted as they could not deliver on space requirements, carparking capacity/availability and/or terms of lease agreements already in place with existing tenants. The recommended option, to acquire an existing building in Woking, delivers on all of the search criteria. Cabinet should note that that the proposed building has 60 designated carparking spaces, the Council proposes leasing an additional 150 spaces in an adjacent carpark. Costs to lease the additional carparking spaces are commercially sensitive at this time and are set out in the Part 2 report.
7. Although the recommended building has an existing tenant (due to exit the premises in January 2024) the Council is able to secure the whole asset as a freehold acquisition and has the opportunity to lease some space to generate income to offset some Council costs. Details regarding the market search and analysis are commercially sensitive at this time and are set out in the Part 2 report.
8. In summary, the acquisition of the recommended property in Woking will:

- Allow the Council to achieve its ambitions as laid out in the Property Strategy as agreed by Cabinet in December 2021, [Agile Office Programme](#)³ report.
- Provide long term financial savings in relation to building maintenance costs and space reductions (circa £0.4m pa and circa 20,000sqft respectively).
- Facilitate the realisation of a capital receipt from the disposal of Quadrant Court.
- Improve the environmental efficiency of buildings within the corporate estate and contribute to the Council's 2030 net zero targets.
- Provide a modern, agile workspace environment contributing to a flexible workforce and deliver the ambitions of the Agile Organisation Programme.
- Provide residents and employees with a space with good public transport links and access to car parking for associated Council services.

9. Negotiations with the vendor are ongoing, the parameters of a possible agreement are commercially sensitive at this time and are set out in the Part 2 report.

Consultation:

10. The following have been consulted in the preparation of this report:

- Cllr Tim Oliver, Leader of the Council.
- Cllr David Lewis, Cabinet Member for Finance & Resources.
- Cllr Natalie Bramhall, Cabinet Member for Property, Waste & Infrastructure.
- The Council's Corporate Leadership Team.
- Executive Directors and Officers within Council Directorates for Environment, Transport and Infrastructure; Children, Families and Lifelong Learning; Adult Social Care and Integrated Commissioning; Resources; Customer and Communities.
- The Council's Finance and Legal teams.

11. Cabinet Members have been briefed on the proposed acquisition and some have taken the opportunity to visit the proposed new corporate office building.

12. The Resources and Performance Select Committee has been briefed on the overall ambitions, targets and strategy of the Agile Office Estate programme and some members have also visited the proposed new corporate office building.

³ December 2021, Item 242/21

Risk Management and Implications:

13. Key risks associated with the proposal, including financial risks, are commercially sensitive at this time and are set out in the Part 2 report.

Financial and Value for Money Implications:

14. The Cabinet approved Agile Programme forecasts revenue efficiencies of £2.2m from FY2026/27. The forecast efficiency is subject to (i) the final, agreed purchase price, (ii) if purchase of furniture is required, and (iii) the value of the capital receipt from the disposal of Quadrant Court.
15. The latest purchase price proposed by the vendor is a significant reduction to previously proposed amounts from the vendor's side.
16. Further financial and value for money implications, including the capital receipt from the disposal of Quadrant Court, are commercially sensitive at this time and are set out in the Part 2 report.

Section 151 Officer Commentary:

17. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
18. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, in order to ensure the stable provision of services in the medium term.
19. The recommendation to purchase the recommended building in Woking will have minimal impact on the revenue MTFs, as it is in line with existing assumptions. The proposal is considerably less than refurbishing Quadrant Court at a cost of borrowing of £1.5m. As such, the Section 151 Officer supports the recommendation.

Legal Implications – Monitoring Officer:

20. This paper seeks approval from Cabinet to acquire the freehold of a new corporate office building in Woking as the Hub for the north-west quadrant of

Surrey. As part of the proposed acquisition, it is intended that a future disposal of Quadrant Court will also take place, to generate income and offset costs of this acquisition.

21. The Council is empowered by legislation to pursue the proposals set out in this paper. Under Section 120 of the Local Government Act 1972, local authorities may acquire land for delivery of its services. The proposed freehold acquisition of this new corporate office building will fall under these provisions.
22. This report refers to the proposed building having an existing tenant (due to exit the premises in January 2024). Whilst proposals are for the Council to secure the whole asset as a freehold acquisition and have the opportunity to lease out some space to generate income, it will be necessary to ensure that the required legal advice is sought to ensure that adequate safeguards and consideration to document the terms as per the Council's intended use are met from the outset and without undue delays or costs.
23. Under Section 123 of the Local Government Act 1972 (LGA 1972), local authorities have the power to dispose of land in any manner they wish subject to the disposal being for the best consideration reasonably obtainable. Any future disposal of Quadrant Court will fall within the definition of a disposal under the LGA 1972. The Council will need to ensure that the price for any such disposal is 'market value' to comply with Section 123 of the Act. Further legal comments on any such transaction can be provided when proposals are progressed.
24. In taking a decision on the recommendations in this paper, Cabinet should have regard to its fiduciary duties to local residents in respect of utilising public monies and when considering this paper, Cabinet Members will want to satisfy themselves that the recommendations set out in this paper represents an appropriate use of the Council's resources.

Equalities and Diversity:

25. An Equality Impact Assessment (EIA) is not required to support the recommendations in this report. Accessibility works are planned and included in the capital costs to purchase and fit out the new corporate office building, to ensure it complies with the [1995 Disability Discrimination Act](#) (DDA) regulations regarding provision of reasonable access for disabled people to establishments and services which are open to the public.

Other Implications:

26. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The new corporate office will provide more appropriate and welcoming spaces than those currently available at Quadrant Court for those children, families, carers and guardians who visit the premises for meetings with Council officers.
Safeguarding responsibilities for vulnerable children and adults	No direct implications arising from this report.
Environmental sustainability and Compliance against net-zero emissions target and future climate compatibility/resilience	The new facility improves over the energy efficiency of the vacated Quadrant Court building, both in heating systems and building core fabric. Only minor refurbishment will be undertaken, so where suitable. If acquired, a full condition survey, energy management and heat loss survey shall be carried out on the existing building, the existing operational carbon emissions and energy consumption calculated and the energy and carbon saving opportunities identified. This will form the baseline to the project proposals. Refurbishment work will be designed to reduce energy consumption and carbon emissions and assessed via an energy model in accordance with Part L. A full heat loss study following TM54 shall be carried out at Stage 3 and used to optimise the building fabric and heating demand. Heating shall be delivered via high efficiency low carbon heating systems where viable.
Public Health	No direct implications arising from this report.

What Happens Next:

27. Should Cabinet approve the recommendations in this report, the key next steps are as outlined below.

- a. Exchange contracts following Cabinet approval and call-in period.

- b. By end Jan 2024: procurement and appointment of supply chain partners to deliver design and fit out of the new corporate office space.
- c. Q4 FY2023/24: commence essential fit out, refurbishment and accessibility works, following exit of the existing tenant (Jan 2024).
- d. Q3 FY2024/25: commence phased occupation of the new corporate office building, floor by floor, to manage costs and enhance programme efficiency.
- e. Implementation of strategy and plan to communicate with, inform and engage Council employees who currently operate out of Quadrant Court and residents who visit the building. Timings to be confirmed.
- f. The disposal of and subsequent capital receipt from Quadrant Court will be presented to Cabinet as a separate report in 2024.

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Consulted:

- Cllr Tim Oliver, Leader of the Council
- Cllr David Lewis, Cabinet Member for Finance & Resources
- Cllr Natalie Bramhall, Cabinet Member for Property, Waste & Infrastructure
- The Council's Corporate Leadership Team
- Executive Directors and Officers within Council Directorates for Environment, Transport and Infrastructure; Children, Families and Lifelong Learning; HWASC; Resources; Customer and Communities.
- The Council's Finance and Legal teams
- Cabinet Members
- Resources and Performance Select Committee

Annexes:

Part 2 report

Sources/background papers:

Cabinet report December 2022: [Item 203/22: Agile Office Estate – North-West and South-West Corporate Office Workspace](#)

Cabinet report January 2021: [Item 21/21: Agile Office Estate Strategy](#)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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