

**MINUTES** of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 16 December 2019 at Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 24 January 2020.

**Elected Members:**

- \* Nick Harrison (Chairman)
- \* Will Forster (Vice-Chairman)
- \* Graham Knight (Vice-Chairman)
- Ayesha Azad
- \* Chris Botten
- \* Mark Brett-Warburton
- Graham Ellwood
- Bob Gardner
- \* Naz Islam
- \* Rachael I. Lake
- \* Peter Szanto
- \* Chris Townsend

(\* =present at the meeting)

**18/19 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Graham Ellwood, Ayesha Azad and Bob Gardner.

**19/19 MINUTES OF THE PREVIOUS MEETING [Item 2]**

The Chairman informed members of some changes to the previous minutes. The minutes with these changes were agreed as a true record of the meeting.

**20/19 DECLARATIONS OF INTEREST [Item 3]**

Rachael I. Lake reported that she had an interest, as a family member was employed by Surrey County Council and another worked for Zalaris Consulting UK, who had current contracts with Surrey County Council.

**21/19 QUESTIONS AND PETITIONS [Item 4]**

None received.

*Mark Brett-Warburton arrived at 10:09.*

**22/19 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SELECT COMMITTEE [Item 5]**

The response to the Moving Closer to Residents Task Group report was tabled. The response is annexed to these minutes.

**23/19 CABINET MEMBER PRIORITIES UPDATE [Item 6]**

**Witnesses:**

Dr Zully Grant-Duff, Cabinet Member for Corporate Support  
Mel Few, Cabinet Member for Finance  
Leigh Whitehouse, Executive Director of Resources and Section 151 Officer

**Key points raised during the discussion:**

1. A Member enquired what the key dates were for the Coroner's Service Local Government Accountability and Performance (LGAP) review and when findings for this would be received. The Cabinet Member for Corporate Support responded that the report would be available at the end of December 2019.

2. A Member assumed that the new 'single front door' system in customer services, whereby customers would be assisted as early as possible by the customer services team, rather than by a more specialised team, had been the default system for some time already. They queried the impact there would be on the contact centre with the new system. The Cabinet Member for Corporate Support confirmed that there had indeed always been a 'single front door' in the form of a contact centre, but that now enquiries that would previously have been referred to a specific service at an earlier stage were being triaged and resolved at the contact centre. Enquiries were only referred to a specific service when they needed specialised attention.

3. A Member asked how the new single front door system would translate to more effective services for residents. The Cabinet Member for Corporate Support indicated that the new system was more effective because it was more efficient, as the volume of enquiries that required specialised attention was reduced.

4. The Cabinet Member for Finance reported that the results of periods six and seven showed improvement on the budget shortfall to just over £1 million. The initial indications of period eight showed an estimated shortfall of around £500,000, meaning that the gap in the budget was closing.

5. A Member questioned whether the £8.5 million overspend in Special Educational Needs and Disabilities (SEND) had been reduced or whether measures had been taken elsewhere in the budget to compensate. The Cabinet Member for Finance confirmed that compensatory measures had been taken. A SEND board was being set up to focus directly on the causes and effects of rising demand and cost of the SEND service.

6. The Committee questioned how much of the improvement in the budget position was due to the capitalisation of costs in highways. The Cabinet Member for Finance stated that about £4.5 million was capitalised and it was based on a reassessment of what was being charged into the roads and repairs costs. The Executive Director added that not capitalising highway costs previously was an omission, it was explained that some works had been charged to capital and some to revenue, and capitalising now had brought the council in line with current accounting practice.

7. A Member queried a reference in the report to the majority of capital projects being completed in the financial year, and asked for this to be quantified. The Executive Director replied that in this meant a vast majority, and that the budget monitoring report set out an estimate of what would be

delivered; however, that estimate was not really quantifiable, but rather an assertion of being on track.

8. A Member queried the restructuring of the Finance Service. The Executive Director detailed two significant changes: in January 2019, the 10 most senior finance posts had been restructured and during the summer around 70 posts had been restructured. The recruitment for that had been finished internally in September 2019, with a start date of the 1 November 2019. There were still about five vacancies outstanding, which would be looked at in January 2020. Nine out of the 10 most senior finance posts were filled permanently, and the remaining one was filled on a temporary basis.

9. The Committee wished to know how many Assistant Directors there were in the Property Service. The Executive Director responded that there were four assistant director roles, with two in post, and appointments made to the two remaining roles, start dates for which would be in March 2020.

10. A Member asked whether costs would increase and services would become more expensive in the long run as capitalising went ahead and, for example, interest and minimum revenue provision (MRP) were charged. The Executive Director informed the Select Committee that there was a revenue budget to cover the cost of that work, which would be taken as a saving in the current year, and therefore that capital expenditure would be funded either through capital receipts or borrowing. If it was the latter then that charge would be made over a period of years and require the interest and the MRP to be charged to revenue. This would be budgeted for on an ongoing basis for that year, and for the following year it was proposed that the existing revenue budget would be used to fund the capital works through a direct contribution to capital, in which case, there would not be any such impact.

11. A Member questioned how this version of a corporate landlord model would be successful where previous versions had not. The Cabinet Member for Finance advised that the corporate landlord system meant that property would have the final say. At the moment, an individual service might choose a specific development and request that property obtain this development for them. Under the corporate landlord system, however, an individual service would request provision for a certain number of facilities in certain locations, and then property would find and obtain suitable developments on the service's behalf. This was agreed to be a more efficient arrangement.

12. A Member queried whether the Property Service could secure deals with the NHS for spare space within NHS developments. The Cabinet Member for Finance responded that deals were being worked on as part of devolution to share spaces between the NHS and the council and there would be a property overview to put buildings into maximum use for all services.

13. A Member was critical of the NHS's management of property and praised the possibility of a new, flexible and agile approach to property within the council. The notion that this flexible and agile approach could be brought to the NHS's property team was in the interest of residents. New opportunities for cooperation and devolution might speed up the process by which properties in the public estate could be used for the public benefit.

14. The Committee raised the People for Places partnership, approved by Cabinet in 2018, and questioned why this had not yet delivered. The Cabinet

Member for Finance stated that this was partly due to a change of staff; the people who had developed these arrangements had left the organisation. The new Head of Property had now taken on the issue. There were a number of problems that had to be dealt with, such as valuation of the properties.

## **24/19 QUARTERLY PERFORMANCE REPORT (Q2 2019/20) [Item 7]**

### **Witnesses:**

Dr Zully Grant-Duff, Cabinet Member for Corporate Support  
Michael Coughlin, Executive Director of Transformation, Partnerships and Prosperity

### **Key points raised during the discussion:**

1. The Cabinet Member for Corporate Support highlighted the particular indicators RS 01 and RS 02 ('satisfaction with the way the council runs things' and 'satisfaction that the council offers good value for money' respectively), which had been given a target following the previous meeting. These targets were developed in comparison with other local authorities.
2. The Committee thanked the Cabinet Member for adding the targets, and queried how the surveys collecting the data operated. It was concerning that while most targets were aspirational, RS 01 and RS 02 had low or static targets. The Executive Director of Transformation, Partnerships and Prosperity explained that data was gathered using both online and telephone surveys, the latter being collected by a market research company.
3. A Member asked where approximately the council stood on customer satisfaction and value for money in comparison to other local authorities. The Cabinet Member detailed some previous figures for satisfaction from other authorities, which ranged from about 58-60% (compared with Surrey County Council's latest result of 53%). With regards to value for money, the Cabinet Member quoted figures of around 40-44% (compared with Surrey County Council's latest result of 35%). However, these figures were for borough councils, not county councils, so they were not directly comparable. Issues with RS 01 and RS 02 and how the data was collected could be investigated by the Customer Services Task Group.
5. A Member expressed concern about CFL 08 ('LAC pathway plans at 16.3 years'), whose latest result was 45%, compared to a target of 95%. The current result had not changed from the previous result.
6. A Member highlighted the indicator CTE 06 ('delivery of SFRS Safe and Well visit programme'), where the latest result was approximately double the previous result, and yet there was a cross indicating that the latest result was worse than the previous result, even though an increase in numbers for this indicator should represent positive progress.
7. A Member noted that HROD 04 ('sickness') might always be in flux due to the effect of seasonal changes on sickness rates. A 12-month rolling picture was suggested as an alternative measure for HROD 04.
9. A Member queried how staff would be retained during and following the relocation to Woking. The Executive Director replied that a number of staff

listening and engagement events were being held, and that each service would be examined separately to find out how many staff might be leaving.

10. A Member questioned how the council's sickness target compared to the private sector. The Executive Director responded that while he did not have comparable figures, private sector sickness rates tended to be lower than in the public sector. This information would be provided to the Select Committee.

11. The Committee highlighted that the quarterly performance reports provided to the Select Committee always seemed to be running about a quarter behind, leading to figures being slightly out-of-date which was problematic.

**Actions/further information to be provided:**

1. For the Customer Services Task Group to examine issues around RS 01 and RS 02;
2. For the Executive Director of Transformation, Partnerships and Prosperity to provide comparative statistics on sickness rates in the private sector.

**25/19 SCRUTINY OF TRANSFORMATION PROPOSAL [Item 8]**

**Key points raised during the discussion:**

1. The Committee reviewed the scoping document and the Chairman sought volunteers to participate in the task group work. Will Forster, Nick Harrison, Rachael I. Lake and Chris Townsend all volunteered to participate in the Customer Experience Transformation Task Group.

**26/19 ANNUAL PROCUREMENT FORWARD PLAN 2020/21 [Item 9]**

**Witnesses:**

Dr Zully Grant-Duff, Cabinet Member for Corporate Support  
Mel Few, Cabinet Member for Finance  
Leigh Whitehouse, Executive Director of Resources and Section 151 Officer  
Elizabeth Stavreski, Director of Procurement

**Key points raised during the discussion:**

1. A Member expressed concern that the plan could change following the UK's impending exit from the European Union. The Director of Procurement informed the Committee that the only change foreseen was that that the council's tenders would cease to be advertised in the Official Journal of the European Union (OJEU) and would instead be advertised in a UK equivalent.
2. A Member asked whether the budgets mentioned in the report for each procurement contract were for the next financial year or for the whole contract. The Director of Procurement responded that these budgets were for the whole duration of the contract.

3. A Member enquired whether there were savings targets for individual contracts. The Director of Procurement explained that targets and savings opportunities for individual service areas were investigated before the procurement process was completed. Sometimes, however, no savings were possible since this was a tailored approach. Cabinet Members were consulted throughout the procurement process.

**27/19 EXCLUSION OF THE PUBLIC [Item 10]**

The Select Committee did not discuss confidential information; there was no exclusion of the public.

**28/19 ANNUAL PROCUREMENT FORWARD PLAN 2020/21 [Item 11]**

See the minutes of Item 26 for the discussion of this item.

**29/19 SELECT COMMITTEE RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 12]**

**Key points raised during the discussion:**

1. The Select Committee was reminded that budget scrutiny and a session on building partnerships would be held in January.
2. Members submitted suggestions for the subsequent Forward Work Programme. These included scrutinising property progress more extensively, scrutinising the capital budget, understanding the revenue consequences of the capital budget and understanding more about changes to the coroner's service.

**30/19 DATE OF NEXT MEETING: 24 JANUARY 2020 [Item 13]**

The next meeting of the Resources and Performance Select Committee would be held on 24 January 2020 in the Ashcombe Suite, County Hall at 10:00.

Meeting ended at: 11.34 am

---

**Chairman**

This page is intentionally left blank

**CABINET 26 NOVEMBER 2019****REPORT OF MOVING CLOSER TO RESIDENTS TASK GROUP (Resources & Performance Select Committee)****Item under consideration: Moving Closer to Residents: Delivering Our Ambition****Date considered: 8 November 2019**

1. At its meeting on 8 November 2019, members of the Moving Closer to Residents Task Group considered the Moving Closer to Residents: Delivering Our Ambition report.
2. The Task Group heard from the Executive Director for Transformation, Partnerships and Prosperity, who explained the benefits relating to the proposed relocation of the Council's Civic Heart to Midas House, Woking, and a move to greater agile working, as well as associated risks. Measures put in place to mitigate those risks were explored by Members, who also heard details about other buildings in both Woking and Guildford that had been considered during the identification phase.
3. The Executive Director for Transformation, Partnerships and Prosperity explained that Midas House was chosen as the Council's new Civic Heart due to its close proximity to Woking train station and town centre, the young age of the building and its open plan design, financial considerations relating to both the cost of purchase and refitting, and the good amount of space available. The Task Group heard that there would be enough space for both meeting rooms and 820 workstations, the former of which would be created flexibly by using moveable acoustic screens.
4. The Task Group were informed that a Member Task Group would be established to support the planning and design of civic spaces and functions. They noted their concern that councillors from the east of the county may struggle to get to Woking and feel neglected as a result, and they sought assurance that a wide range of members would be consulted throughout the planning and design phase.
5. The Task Group highlighted risks associated with agile working and IT infrastructure, and emphasised the need for the Council to ensure all staff members are fully supported throughout the transformation period. It was noted that the move to Midas House was reliant on there being a widespread adoption of agile working practices by Council staff.
6. Concerns were expressed over the possibility of higher than expected staff attrition and the potential difficulties that could arise when recruiting. The Task Group heard that targeted recruitment local to Woking was going to take place and research had been undertaken regarding the local labour market.
7. A conversation was had about the proceeds from the future sale of County Hall in relation to the costs associated with the purchasing and refitting of Midas House. The Task Group asked about the possibility of an independent valuation being undertaken to ensure that the Council was paying a fair price for Midas House.

**Recommendations:**

8. The Task Group agreed the following recommendations:
  - a. That an independent property valuation of Midas House is undertaken to ensure best value.
  - b. That the Council ensures all members of staff receive support and training before, during and after the move to Midas House and transformation to greater agile working.

- c. That the Council consults with other local authorities and organisations that have moved to an agile way of working, including in regard to ranges of full-time equivalents/desk ratios, to ensure a smooth transition.
- d. The Task Group asks for assurance from the Cabinet that the future sale of County Hall will raise sufficient funds required to purchase and refit Midas House.
- e. That the Cabinet Member for Finance brings together all aspects in a full cost benefit analysis for the Cabinet.

**Will Forster**  
**Chairman of the Moving Closer to Residents Task Group**

---

I am grateful to the Task Group for their consideration and scrutiny of this hugely important project for the Council. In response to the specific points raised:

- a. An independent valuation of Midas House has been commissioned.
- b. Significant work is being done to communicate with, engage and support staff through the transition to agile working and move to Midas House, e.g. face-to-face 'listening and engagement' events are being held across the County and an active Jive page along with other communication channels and platforms are used to promote dialogue and discussion, as well as the creation of an Agile Champions Group and comprehensive set of FAQs. A new Agile Working Policy Framework is under development, which will include practical support to help staff transition to new ways of working, alongside a new agile leadership development programme designed to support managers leading teams in an agile environment. With regard to technical support, on-line training and specific 'agile' IT support will be rolled out in the New Year.
- c. Members of the MCTR project team have been visiting other Councils (e.g. Wiltshire, Westminster) to learn from their experiences. These have already led to some changes in our approach, notably around the proposed office environment, support and best practice tools.
- d. We are doing all we can to ensure that the receipts generated through the future sale of County Hall are maximised, although they will be subject to a number of variables (e.g. planning status, market conditions, future use mixes, etc.). We are working with the Royal Borough of Kingston-upon-Thames on planning matters and are in close contact with an interested potential purchaser. Reasonable, mid-range estimates indicate that receipts generated by the sale of County Hall, some adjacent council properties and the Bittoms car park should match the acquisition and indicative fit out costs for Midas House, which will be further refined as more detailed survey and design work is undertaken.
- e. A financial analysis has been produced and presented to Cabinet in a Part 2 report.

**Reply from Mr Tim Oliver,**  
**Leader of the Council**  
**26 November 2019**