

**MINUTES** of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 1 July 2020 as a REMOTE MEETING.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 8 October 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)

**8/20 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

The meeting was delayed and started at 10:19am. Apologies were received from Graham Ellwood.

**9/20 MINUTES OF THE PREVIOUS MEETING: 24 JANUARY 2020 [Item 2]**

The minutes were agreed as a true record of the meeting.

**10/20 DECLARATIONS OF INTEREST [Item 3]**

Rachael Lake declared an interest as a family member is an employee of Surrey County Council.

**11/20 QUESTIONS AND PETITIONS [Item 4]**

Cllr Jonathan Essex submitted a question in advance of the meeting, which can be found in the meeting agenda, alongside officers' response.

As a supplementary question, Cllr Essex asked for details of what had been submitted to government and Local Enterprise Partnerships (LEPs) as alluded to in paragraph two of the prior response, and how the Council was integrating the actions of the approved climate strategy with the economic strategy, including building insulation and sustainable transport, the two areas with the highest employment potential according to the Local Government Association report mentioned.

A written copy of the Executive Director's response and the schemes submitted to the LEPs are annexed to these minutes.

## **12/20 2019/20 OUTTURN, COVID-19 COSTS & FUNDING & BUDGET LESSONS LEARNED [Item 5]**

### **Witnesses:**

Anna D'Alessandro, Director of Corporate Finance  
Mel Few, Cabinet Member for Resources  
Leigh Whitehouse, Executive Director of Resources  
Rachel Wigley, Director of Financial Insight

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

1. The Director of Corporate Finance presented headlines of the report. At outturn of the financial year 2019/20, a small surplus of £200,000 had been delivered on revenue. All services had contributed to this surplus. £2.6m had been added to the contingency, as well as £2.8m that had been added to the general fund reserve. In 2019/20, £82m of efficiencies had to be delivered, and there was slippage of £9.5m, comparing favourably to slippage of £22m in 2018/19.
2. The Director continued to explain that there had been two tranches of Covid-19 funding from government, totalling £47m. Of that, £900,000 had been spent on Covid-related costs and income loss in 2019/20, and the rest would be carried forward to 2020/21. A 'Delta 2' return had been submitted to the Ministry of Housing, Communities and Local Government (MHCLG) on 15 May. Work conducted with finance business partners had identified that £4.3m of efficiencies would be undeliverable because of Covid. The reporting to MHCLG was consistent with what other counties were reporting.

*Ayesha Azad joined the meeting at 10:33am.*

3. After the 2020/21 budget, the Finance team had conducted an extensive 'wash-up' exercise in partnership with Democratic Services around Select Committee involvement in the budget process. For the 2021/22 budget, Select Committees would be involved in the process more and earlier, conducting two rounds of scrutiny in September-October and December. The 2021/22 budget would be discussed at the first round of budget scrutiny in September/October 2020 and the second round in December 2020.
4. A Member noted that there had been an improvement in the final month of the year, with £5.6m additional savings. He asked why this had come so late and whether services were holding back savings until the end of the year. The Director of Corporate Finance said that the latter was not the case and services worked hard to achieve efficiencies all year. Sometimes efficiency needs did not become clear until the end of the year, as well as certain events that could only be undertaken at year-end from a Corporate Finance perspective. She acknowledged that the Council still had some way to go to refine forecasting. The Cabinet Member for Resources added that paragraph six of the report showed explanations for the delivery of efficiencies in month 11.
5. A Member remarked that in the years she had been a Surrey county councillor, she did not remember Special Educational Needs and Disabilities (SEND) ever coming within budget, despite promises that the numbers would be brought under control. Were there assurances that it would now be under control without this being detrimental to young people? The Director of Financial Insight responded that there

was now a transformation programme board chaired by Julie Iles as well as other relevant scrutiny. In 2019/20, there had been a £29m overspend had been projected; in reality, the overspend had been £1m higher than this, at £30m. The SEND overspend target for 2020/21 was £24m, and at the moment the Council was on target to achieve this; it was a top priority. The Executive Director of Resources acknowledged the long-standing nature of this issue and said it was a high-value and volatile area. At the moment, the Council was stuck between not being able to recognise SEND as a general fund pressure and not being funded for the pressure as part of the schools delegated budgets. In relation to the above point, a Member commented that surely projecting an overspend every year meant that the budget was incorrect in the first place. Was the Council being overoptimistic or setting our budget incorrectly? The Director of Financial Insight explained that SEND expenditure was funded through the dedicated schools grant (which came from the government), so in effect the Council was not being given enough government funding for SEND. New rules had been brought in that prohibited the Council from using its general fund for SEND expenditure. The Council was trying to bring SEND costs down. The Executive Director added that the Council was providing for the overspend and setting it aside on the balance sheet.

6. A Member referred to the £900,000 recovery relating to Children's services, and asked what this entailed. The Director of Financial Insight replied that she did not have that information to hand and would respond to this outside the meeting.
7. The topic of performance data, particularly with regards to areas that fell outside this Select Committee's remit, was raised, and the Executive Director said that he was working on bringing performance data to other Select Committees.
8. Regarding Covid-19 related costs, a Member asked whether the Council had now received funding from the government for the Test and Trace system. Considering that Surrey was a leader in the South East, and that Surrey County Council's normal Public Health grant was one of the lowest in the country, the £3.5m Test and Trace funding seemed quite low. Would the Council supplement this using its own budget? The Executive Director responded that the funding was based on historic Public Health grant allocations, which could be problematic for Surrey County Council due to its low funding in the past. If more was needed, the same principles would apply as other Covid related spending. The Member enquired whether there was an indicative budget on how much Test and Trace would cost in total – how much more or less than £3.5m would it be? The Executive Director said that at the moment they were waiting for the Test and Trace plan to be finalised; once it was, they would conduct the appropriate reviews to ensure there was sufficient funding.
9. A Member queried whether there had been any feedback from the government on the Council's monthly Covid costs submissions. The report states that the Delta 2 submission to MHCLG (in May 2020) had forecast unmet efficiencies due to Covid of £15.8m, but that this had since been revised to £4.3m. A Member raised this and asked why this had changed. The Director of Corporate Finance said work had been done to determine in which services efficiencies would not be delivered, and the £4.3m represented unmet efficiencies in adult social care (ASC). She would share details of the movement from £15.8m to £4.3m. For Delta 1 (April 2020), there had not been a steer from

central government on how to fill in the Delta form, leading to discrepancies between different Local Authorities (LAs), so Grant Thornton had been commissioned by the County Councils Network to compare different LAs, which had since led to increased consistency.

10. A Member asked how infection control funding from government was distributed to care homes. The Executive Director explained that Surrey had been allocated around £19m for infection control in care homes, three quarters of which would be channelled straight to care homes. The remaining quarter could only be distributed to care homes once they had reached certain criteria to demonstrate implementation of effective infection control.
11. A Member praised the Council's initiative in setting up the Seacole Centre at Headley Court<sup>1</sup> and asked whether the building and equipment were leased or purchased. The Director of Financial Insight replied that the Council's involvement in that had been to prepare the building for the NHS, so the Council's spending on that would be fully reimbursed by the NHS. The Executive Director added that Headley Court was a privately owned property that had been leased until November at the earliest. The equipment was all owned by the NHS.

**Recommendations:**

1. That a summary of the following be presented in the next report at the October Select Committee meeting:
  - a. the latest financial situation around COVID-19 and the latest information regarding the government's Test and Trace programme;
  - b. the updated assessment of the impact of COVID-19 on Surrey County Council's short- and medium-term financial position; and
  - c. the financial support being provided to the Council's most vulnerable.

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

1. The Director of Financial Insight to provide details on the £900,000 recovery in Children's services;
2. The Director of Corporate Finance to share details of why the forecast efficiencies unmet due to Covid changed from £15.8m (Delta 2) to £4.3m.

**13/20 MIDAS HOUSE CANCELLATION DECISION [Item 6]**

**Witnesses:**

Michael Coughlin, Executive Director of Transformation, Partnerships and Prosperity

**Key points raised during the discussion:**

1. The Executive Director introduced the report. It focused on the decision to cancel the move of County Hall to Midas House in Woking, which was taken under the uncertainty of Covid. There were four key strands to the decision: the impact on staffing, digital capabilities, property implications, and communications and change management.

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<sup>1</sup> One of the Nightingale hospitals set up to ensure sufficient capacity for Covid patients.

The Moving Closer to Residents (MCTR) programme would continue to be progressed in autumn 2020.

2. A Member remarked that the decision to cancel the move to Midas House appeared to have been made very quickly. The Select Committee wished for more detail on this decision – firstly, the revised timetable for the move of County Hall. Would the County Hall still be based in Kingston after the May 2021 election? The Executive Director responded that the Council would continue to market the current County Hall building in Kingston in the uncertain property market, working with the Royal Borough of Kingston upon Thames. Surrey County Council was also reviewing its wider property portfolio in line with quantitative and qualitative research on how staff had been working during the pandemic. It was, however, impossible to put a strict timeframe on the programme at the moment.
3. A Member referred to the £183,000 figure of costs associated with the cancelled move to Midas House. This was detailed in the answer to a Member's question at the full Council meeting on 19 May 2020, which was annexed to the report on the agenda for this Select Committee meeting. Was this figure still up to date and comprehensive, and what was the current budget allocation? The Executive Director said that £183,000 was the final cost and fees; no further costs had been incurred since the cancellation decision.
4. A Member asked what the primary reason for cancelling the decision was. Had the Council been unsure anyway and used Covid as an excuse? The Executive Director stated that Midas House had been a serious contender, and the Council would not have progressed as it did if it had not been serious. However, the pandemic hit as negotiations progressed beyond heads of terms into deeper legal considerations, and with the acceleration of the number of staff members working from home, it became clear that the Council was not going to need a building of the size or nature of Midas House. The decision was made quickly in order not to incur any more costs. There were no other, hidden reasons. The strategic intent remained to move staff out of the Kingston County Hall.
5. A Member expressed concern about how the cancellation would affect the Council's credibility among councillors and, principally, the general public. He asserted that the communications regarding what happened had been poor and Surrey's credibility had been damaged. There would be credibility issues with any future move of County Hall. The Executive Director accepted the Member's comments on communications – when the decision was taken on 23 April 2020, the country was in lockdown because of Covid, so the Midas House communications may have been lost among other communications. The Council had communicated with staff, but it might not have conducted enough public communications. No one could be sure about the impact of Covid in the future, but the Council was attempting to plan for the future wherever possible.
6. A Member remarked that there had been issues with Midas House all along; for example, there was not a space for a council chamber, and there had been issues with the tenants moving out. Was due diligence conducted before the Council made the initial decision to move there, and what learning had been taken from the experience to ensure that there due diligence was conducted in future? The Executive Director said that the Council had considered 18 buildings across the county and taken a range of factors into account. The decision had been

brought to Cabinet and this Select Committee, and there was a specific working group assigned to the programme. Midas House had not been the wrong building at the time; rather Covid and lockdown had brought about change on a large scale. The extent to which staff were able to work and conduct meetings from home changed the amount of office space that would be needed going forward.

7. A Member expressed concern about the impact on staff, some of whom had made lifestyle changes or financial decisions based on the anticipated move to Midas House, such as early redundancy or moving house. Had the impact on staff been looked into? The Executive Director declared that the Council was committed to taking staff into account, and an all-staff survey on agile working was being undertaken. The Council wished to enable staff to work from home or near home where appropriate, and have access to an office if necessary. The communications effort would be informed by this work. The Member acknowledged that this was a positive way to conduct the programme in future, but it did not take into account the way staff had been affected by the cancellation already.
8. A Member suggested that the cancellation could have a net financial benefit for the Council, because office space may have less value in future due to the decrease in demand since the pandemic.
9. A Member indicated that there had been issues with the energy efficiency of Midas House. Would energy efficiency be a factor in the selection of a new County Hall building? The Executive Director affirmed that as the Council had adopted the climate change strategy, energy efficiency would be key in any new building. Moreover, while there had been issues with the energy efficiency of Midas House, the Council had begun work on how it would improve this.
10. A Member asked whether Woking was the only location the Council was considering for a new County Hall location. The Executive Director confirmed that the intention remained for Woking to be the prime location. The Council had undertaken travel analysis for staff, in which it had found Woking and Guildford would involve similar travel times and ease of access for staff, in particular for staff living in and around Kingston upon Thames. While Woking remained a preference, there would be further review when the working from home data was analysed. A number of Members suggested that locations other than Woking, including Guildford and other areas of the county, should be considered. The new County Hall should be accessible not only to staff, but to residents too. Another Member said that MCTR entailed a move to a number of different buildings, not only the new County Hall, and challenged the effectiveness of the way the Council had conducted its travel analysis. Woking and Guildford may be less accessible from areas other than Kingston. She suggested that the Council should look at travel times between each office site and staff members' homes. The Executive Director responded that he believed the analysis involved the home postcodes of staff working at County Hall. He acknowledged, however, that this did not include staff working at other Council offices.
11. A Member expressed concern that the Council had continued far into the process of preparing to move to Midas House, spending £183,000, without realising that there were tenants it could not move. The Executive Director said that the Council had known about the tenancy issue throughout the process, and that Woking Borough Council, the current owners of Midas House, had been transparent about it.

Woking Borough Council had been confident that two out of the three tenants would have left by May 2020, and while the other tenant would remain there a little longer, Surrey County Council had been confident that they would also move out in due course. However, this had become much more difficult when the pandemic struck.

12. A Member reflected that the Council must have learnt from this experience and the risk involved in the move of County Hall, and requested to see a list of protocols that had been modified and updated to take into account due diligence.

**Recommendations:**

The Select Committee:

1. Recommends that a comprehensive update report about the new County Hall/Civic Hub be presented to the Moving Closer to Residents Task Group for its October meeting;
2. Supports the principle of the Moving Closer to Residents programme;
3. Recommends at present that the Council's new Civic Heart should be based in either Woking or Guildford to ensure a consistent message to staff and residents and reassure staff that have already made a decision on their future.

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

1. The Executive Director of Transformation, Partnerships and Prosperity to share a list of protocols for the move of County Hall.

**14/20 QUARTERLY PERFORMANCE REPORT (Q4 2019/20) [Item 7]**

**Witnesses:**

Paul Booker, Corporate Health and Safety Lead Manager

Anna D'Alessandro, Director of Corporate Finance

Jackie Foglietta, Director of Human Resources and Organisational Development (HR and OD)

Susan Grizzelle, Head of Customer Services

Marie Snelling, Director of Transformation

Gary Strudwick, Head of Business Intelligence

Rachel Wigley, Director of Financial Insight

**Key points raised during the discussion:**

1. Discussion began on the HR section of the report. A Member noted that there were a number of unmet targets and asked what steps were being taken to address this. Were witnesses content with the range of targets and progress? The Director of HR and OD stated that the targets were set at the right level. Some were set by government – for example, the target on apprenticeships (HROD 06) – and were therefore out of the Council's control, while others were set through the transformation programme, and some took into account national benchmarking. Apprenticeships as a percentage of the workforce had stood at less than one percent 18 months ago, so progress had been made. She acknowledged that the target for indicator HROD 03 (percentage of staff under 30) was a stretch target, and the Council had been underperforming on that indicator for a number of years, but was continuing to work on attracting young people. Also, the public sector as a whole should be aiming for lower sickness levels (HROD 04). HROD 05 (off payroll workers as % of workforce) had been set up by the corporate leadership team in response to Members' concerns

on interim and agency workers. The number of off payroll workers increased slightly as a result of transformation work in SEND and the Agile programme.

2. The Director of HR and OD continued to explain that Councils had shown a one percent increase in their workforce from 1 March 2020 to 1 May 2020 due to the Covid pandemic. However, overall the Council had seen a steady decrease of employees in the last year (2019-2020). The Covid pandemic had also helped the Council to recruit to some areas where historically it had struggled, such as apprenticeships and healthcare assistant roles. On the other hand, colleges had been closed for some time due to Covid, so those undertaking apprenticeships had been unable to work on the qualification for some time.
3. A Member asked the director what could be done to continue to improve the uptake of apprenticeships. The Director explained that apprenticeship levy funding could only be used on training, so the Council still had to fund apprenticeship salaries. The Local Government Association (LGA) was lobbying government for more funding. She was of the opinion that the government had asked a lot of LAs by setting a 2.5% target for apprenticeships as a percentage of the workforce.
4. A Member stated that in 2018/19, there had been 407 employees earning over £50,000 per year; in 2019/20, this had risen to 558 employees. The Member proposed that the Council monitor the number of staff members on high salaries. The Director of HR and OD suggested that the People, Performance and Development Committee could look into this at their next meeting; however, it was noted that the Resources and Performance Select Committee should also remain updated on this, particularly with regard to the affordability of the transformation programme.
5. A Member observed that the indicator Customer 01 (ASC referrals to preventative services) had no target. She enquired when a target would be produced. The Head of Customer Services explained that it was difficult to formulate a target for this indicator, because in some cases referrals to partner organisations (as opposed to Surrey County Council ASC) were more effective and less expensive. A review was being conducted with Surrey ASC.
6. A Member asked whether all Health and Safety incidents were reviewed. The Corporate Health and Safety Lead Manager responded that all incidents reported should be reviewed. The reason the figure for indicator Health & Safety 04 (percentage of incidents reviewed) was only at 93% could be to do with timing and turnover of reviewing managers.
7. A Member noted that there were no targets for all but one of the Health and Safety indicators, and suggested that the target for these should simply be continuous improvement against the same quarter last year. The Corporate Health and Safety Lead Manager said that ideally the target would be zero incidents, but this was not realistic. He would take on board the Member's suggestion and look into continuous improvement targets for the future. Another Member suggested that the target should be 100% or zero (depending on the indicator), and if this was not met, this should be explained in an annotation. It was agreed that this could be the long-term target, while improvement on the previous year could be a short-term target.

8. A Member proposed that employee injury lost time (Health & Safety 05b) should be shown as a ratio rather than an absolute number. The Corporate Health and Safety Lead Manager informed Members that the Council assembled data around injury and incident rates, and this could be supplied at the next meeting of the Select Committee.
9. The Head of Business Intelligence introduced himself. He was new to the role and was aiming to move toward a more digital, visual, live reporting style using a software called Tableau, helping to create a transparent performance culture across the Council. The ambition was for Surrey to be an example of best practice. The Head of Business Intelligence welcomed Members' input into the new design and reset of performance reporting.
10. A Member said he would like to see the next level down of performance monitoring tools within services. The Cabinet Member for Corporate Support indicated that the new performance data style would allow Members to interact with and query data more easily; this could help the Select Committee stay up to date and identify areas of scrutiny. The Chairman suggested that Members should also look into the new performance style outside of formal committee meetings.
11. Moving onto the Transformation section of the report, a Member asked for reassurance that there was a system to ensure that staff working from home had an adequate internet connection, desk set-up and other equipment. Did the Council cover staff's internet costs? The Director of Transformation said that she recognised the swiftness with which staff had been asked to work from home, and it had not been perfect for everyone. Corporate leadership was discussing the issues mentioned and thinking about the next steps as part of the Agile programme.
12. A Member remarked that if the Council was going to transform and become more agile, it had to find suitable platforms to conduct business and broadcast to the public. Even today's meeting had been delayed in starting due to issues with the webcasting. The Director of Transformation replied that while there had been some issues with WiFi and bandwidth during the period of working from home due to lockdown, there had been examples of good use of technology, such as the outbound calls to shielded people. There was much further to go in developing the technology to enable agile working.
13. A Member questioned what system would be used to measure performance on the pathway of care programme. The best performing county council seemed to be Rutland; what could be learned from them? The Director of Transformation replied that that improvements would continue to be made on this programme, and there was a focus on supporting independence.

**Recommendations:**

1. The Select Committee is to be consulted on the new format of the report and a private workshop for members be arranged by the service area;
2. The Select Committee is to receive the Organisational Portfolio Risk Register as part of the aforementioned workshop, including details of how the Council is embedding a new risk management culture.

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

1. The Corporate Health and Safety Lead Manager to look into the possibility of having continuous improvement compared to the same quarter last year as a target for Health and Safety indicators;
2. The Corporate Health and Safety Lead Manager to provide data on injury and incident rates at the October meeting of the Select Committee.

## **15/20 CABINET MEMBER PRIORITIES UPDATE [Item 8]**

### **Witnesses:**

Mel Few, Cabinet Member for Resources

Zully Grant-Duff, Cabinet Member for Corporate Support

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

1. Starting with the Cabinet Member for Corporate Support's portfolio, a Member asked whether the funding for the 700 laptops and deployment of Microsoft Teams (as mentioned in the report) was part of transformation expenditure or the Covid budget. The Cabinet Member explained that it was funded by transformation expenditure, as the rollouts were effectively a continuation of aspects of the transformation programme that had already been in the pipeline, just at an accelerated pace due to Covid. Some schemes, however, such as deploying technology to other organisations like Surrey Police, had been funded through the Covid budget.
2. The Select Committee raised the topic of remote care at home. The Cabinet Member for Corporate Support detailed that remote care was embedded into the Digital Strategy ambition and the lockdown had accelerated it further, as many people were not able to leave their homes. The remote care at home project looked at how artificial intelligence could be used in preventative services, to reduce pressure on acute health services. From a digital perspective, it represented an example of partnership working; Surrey County Council had a new Joint Strategic Chief Digital Officer, Katherine Church, who simultaneously fulfilled the same role at Surrey Heartlands, allowing the Council to look across both health and digital services, while also integrating ASC. The next stage of work would involve 1,000 of the most vulnerable households in Surrey.
3. Members expressed awareness of some failures in developing remote care at home. A Member asked whether the Cabinet Member for Corporate Support could assure the Select Committee that the Council would be using available technology and could overcome challenges; for instance, GDPR issues had to be considered. The Cabinet Member said that the implementation of remote care at home was being controlled by the Council and health partners and within that there would be contractual obligations for third parties, particularly relating to the databases. Funding came from Surrey County Council ASC and Public Health funding.
4. A Member stated that it would be useful when adopting the remote care system to find out which other councils or providers already used such a system and build on a system that already worked, rather than reinventing the wheel. The Cabinet Member for Corporate Support replied that Surrey County Council had put together the technology they were using at the moment, such as devices to measure temperature and heartrate. In future, there may be algorithms, databases and specialised devices for other measures made by third

parties. She did not have benchmarking with other LAs, but could refer the Select Committee to health partners who could give more information on this. The Council had not reinvented the wheel in the sense that the technology was already used by the NHS in Surrey, and had just been expanded and adapted by the Council in partnership with Surrey Heartlands. She acknowledged the Member's point, and added that, fundamentally, the Council had provided a service to vulnerable residents in a short space of time.

5. Moving onto the portfolio of the Cabinet Member for Resources, a Member asked if there were cost benefits and a timetable for the ERP (enterprise resource planning) replacement. What was driving the replacement? The Cabinet Member replied that the current SAP system was out of date and would cease to be supported by other software in the future. A report would be coming to the July Cabinet meeting about proceeding with a cloud service project as a better system.
6. A Member noted that at the end of month 1 of 2020/21, a risk of £15m had been identified, as well as a Covid-related risk of £16m. How confident was the Cabinet Member for Resources that these risks could be managed? The Cabinet Member stated that it was too early to say at the moment, but that the Council was looking at resetting the budget. On Covid, the Cabinet Member did not believe it would be possible to close those gaps without further government assistance. The area with the biggest Covid funding issue was ASC, due to the spread of Covid in care homes during the pandemic. Regarding business as usual, each service had a budget cap, and the Council was working towards achieving that.
7. A Member asked whether the possibility of a second peak of Covid was being taken into account when developing the 2021/22 budget. The Cabinet Member for Resources responded that he had given broad indications on what services should focus on during the pandemic, and this was open to change going forward.

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

8. The Cabinet Member for Corporate Support to provide details of health partners who can give more information on remote care at home in other LAs.

**16/20 TRANSFORMATION PROGRAMME UPDATE [Item 9]**

It was agreed that the questioning for this item would be conducted in written form after the meeting. The questions and answers are annexed to these minutes.

*Mark Brett-Warburton left the meeting at 1:13pm.*

**17/20 TASK AND FINISH GROUP UPDATES [Item 10]**

The Select Committee noted the minutes of the Customer Experience Task Group.

**18/20 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 11]**

The Select Committee noted the Recommendations Tracker and Forward Work Programme.

**19/20 DATE OF THE NEXT MEETING [Item 12]**

The next meeting of the Resources and Performance Select Committee would be held on 8 October 2020 at 10:00am.

Meeting ended at: 1.15 pm

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**Chairman**

Response to Cllr Jonathan Essex's supplementary question

Michael Coughlin, Executive Director of Transformation, Partnerships and Prosperity:

"The Coast to Capital and LEP schemes, some of which were submitted to government, are attached.

Since the Surrey Climate Change Strategy (CCS) was endorsed at Cabinet in April, officers have been working on the approach to its effective delivery. With input from a number of partners and officers from across the Council, this has focused on how partners and the Council can best use recovery efforts and investment to accelerate the ambitions set out in Surrey's Greener Future, building on the work of the Member Task Force.

This has included consideration of the role that Government must play and we are discussing and developing joint lobbying opportunities with District and Borough Councils and other partners including ADEPT, with reference to the recommendations in recent publications by the Committee for Climate Change and other sources. We have also responded to the recent funding calls issued by Government, which have been designed to accelerate green economy and carbon reductions through Place-based approaches.

With regards to building insulation and sustainable transport, whilst we are in the Covid-19 pandemic, the economic development strategy is in an interim form. Over the Summer and into the Autumn we will be working to ensure those links are pulled together ahead of bringing the strategy back in a fuller form next year.

Our developing economic strategies and plans are being informed by the opportunities which are presented by the climate change agenda. Initial research suggests that Surrey will benefit from around 28,000 new local 'green jobs' by 2050 with particular strengths emerging in the area of low emission vehicles and infrastructure. We will be working with partners across skills, business and research to ensure we are able to capitalise on the opportunities this and other clean growth developments present".

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## Accelerated projects

LEP: C2C								
BASIC INFO - Accelerated Capital Projects								
Project Name	LGF Project Reference Number (if applicable)	Project type Please select from drop down	Project Summary (~100 words) - Narrative about project - Local interest	Existing competitive process?	Location (local authority)	Location by postcode if known	Priority ranking	Total capital £ ask (£)
East Surrey College Advanced Technology Centre	N/a	Skills	The project intent and outcomes are rooted in the critical need to reskill and upskill local adults and young people to achieve sustainable employment within the engineering and construction sectors. The project establishes a three-storey advanced technology training centre (ATC) with pathways from basic levels for new entrants and includes an innovative rail engineering training facility. Trainees will learn on the latest technologies with structured integration into local employment. The ATC is of significant local interest to trainees and employers, sited at the College base in Redhill on the edge of Gatwick and with direct transport routes into London.	No	Reigate and Banstead, Surrey	RH1 2JX		£ 4,604,312
NESCOT refurbishment	N/A	Skills	Nescot offers a discrete range of university-level qualifications using a different model than traditional universities. The college delivers HE to nearly 1,000 under the Nescot banner, with approximately 320 students studying for degrees at Nescot Epsom campus. Nescot degrees are validated by the Universities of Surrey, Kingston, Greenwich and West London. The College also holds Institutional accreditation with the Open University and is developing a BA degree in Entrepreneurship to be validated by the OU and delivered from early 2021 and a BA honours in Social and Community Work for delivery in 2021/22. It is planned that both ordinary degrees will progress on to Masters Degrees. The programs, which will each be delivered to 90 students, (180 total), will be delivered at weekends for on campus delivery and virtually for mid-week delivery to facilitate the time constraints of working students. The project will see the refurbishment of the HE common room and study centre; it has been specified, costed and tendered and would have formed part of the colleges 2019/20 capital programme for build at Easter 2020. The project became undeliverable due to the impact and additional cost of Covid19 on both the potential contractor and college. The works, which would have significantly improved the quality of provision of the new BA degrees as well as growth in the wider HE offer are now unaffordable. Works include improving the energy efficiency of the building, improved IT provision and the incorporation of 6 individual learning pods as well as up to date social and learning space to support up to 180 new learners on the new programs described above as well as existing HE provision . If reinstated with funding the project can be delivered over the summer of 2020.	No			£ 140,000	

DELIVERABILITY							
Project Status	Planning (Y,N/ N/A)	Where no planning is in place but is required- when is it expected & at what stage is it the process?	Anticipated full project deliverability by January 2022? (Y,N)	Any risks/blockers to delivery beyond funding?	Forecast spend 20/21 (include accelerated scenario for existing projects)	Forecast spend 21/22 (include accelerated scenario for existing projects)	
Board approval – anything from OBC onwards as these require formal board approval and can trigger first payments including, for example, for further project development	Yes	The College is in the final stages of filing a planning application. There is considerable support for this project and at the pre application meeting the proposal was very well received. The planning application was originally scheduled to be filed in April, but due to the pandemic, some of the surveys were delayed. However these are now complete and the planning application will be filed in early July.	Yes	The College has been working on this project for the past year at least and has ensured risks as far as possible have been identified. We have not had any further risks identified by our various suppliers and stakeholders. Therefore the only risks readily identifiable would be those out of the College's control. For example : a second wave of COVID 19	£ 2,960,962	£ 1,643,350	
Accelerate existing project	Yes		Yes		£ 140,000		

Existing Projects to be accelerated				ADJUSTED SPEND PROFILE			CAPITAL FUNDING ASK BY YEAR (£)	
EXISTING SPEND PROFILE	20/21	21/22	2022+	ADJUSTED SPEND PROFILE	20/21	21/22	2022+	CAPITAL FUNDING ASK BY YEAR (£)
	20/21	21/22	2022+		20/21	21/22	2022+	
£ 922,000	£ 1,383,003	£ 2,299,312	£ 2,960,962	£ 1,643,350	£ -	£ 2,960,962	£ 1,643,350	
£ -	£ -	£ -	£ 140,000	£ -	£ -	£ 140,000		

**ALL PROJECTS**
**OTHER PROJECT FUNDING (£)**

Local authority funding (£)	Other public funding (£)	Private funding (£)	Third sector funding (£)	Other funding (inc in kind) (£)	Funding required but source not yet identified (£)	Is this funding fully-committed? (Y/N)	If not fully committed, please set out current position/issues	Total project cost (£)
£ -	£ -	£ -	£ -	£ -	£ -	No	The College is committed to costs to take it up to the Planning stage, the approval for RIBA Stage 4 plans is due to take place as the project gets filed for planning.	£ 4,604,312
								£ 140,000

Strategic Fit with Funding Criteria							
Objective 1: Growth and Jobs (Y/N)	Objective 2: Green Recovery (Y/N)	Priority interest area 1: modernising town and city centres (Y/N)	Priority interest area 2: Physical infrastructure to improve the local economy (Y/N)	Priority interest area 3: Human Capital including business support (Y/N)	Priority interest area 4: Innovation ecosystem (Y/N)	Priority interest area 5: Digital connectivity (Y/N)	Summary on how the project meets one or both of the fund objectives and how it meets one or more of the 5 priority interest areas
Yes	Yes	No	Yes	Yes	Yes		The project meets both strategic objectives. The Gatwick Diamond economic area is suffering devastating job losses that are predicted to deepen. As a quality, established skills training provider, this project maximises the critical, pivotal strategic role the College plays in local business support, job creation/retention and economic regeneration. Trainees will train within a facility benefiting from sustainable technologies enabling their integration into learning. The project meets PIA 2, 3, 4 by providing an innovative skills solution to local businesses, a high focus on sustainable green technology integration and a deliverable boost to local employment. It will be based within easy walking distance of the town of Redhill and serve as a physical embodiment of confidence and growth for the local economy. The building is planned to be fully equipped with state of the art WiFi connectivity and access to its learners, so whilst there isn't a direct connection to providing digital connectivity capacity, there is a utilisation of connectivity enabling suppliers to competitively engage in the project and provide employment and skills to their work force.
Yes	No	No	Yes	Yes	Yes	Yes	The study programs and the project itself meet LEP priorities in terms of social capital, health and well being, job creation and preservation, and the increase/improvement of learning space for new learners.
							Nescot has a proven track record of delivery on projects part funded by the LEP in support of LEP priorities.

OUTPUTS							
Jobs Created	Additional construction jobs	Jobs safeguarded	Housing units delivered	Sqm commercial floorspace	Area of new or improved learning/training floorespace	Number of new learners assisted	Other Key output metric
9 Teaching and support roles in the new facility	We have requested this number from the supply chain.	3 Teaching roles	0	0	872sq mtrs	We would anticipate delivering to circa 378 learners per annum, however for a prudent forecast we have estimated delivering to 250 students, which according to the old Skills funding agency inverstment appraisal looks at a 20 year period - a prudent estimate of the benefit would deliver learning to 5000 students.	

VALUE FOR MONEY (if available)					
BCR	Present value of public costs	Present value of total cost	Present value of benefits	Key assumptions (to include additionality, optimism)	Qualitative VFM Summary (why is this VFM, what benefits are counted inc non-monetary benefits)
1.07 - Model used Skills funding agency Investment Appraisal Summary which measures NPV at 3.5% over 20 years Note: The assumptions used in this model reflect curriculum delivery in a normal working environment and not in the current environment with social distancing rules. The assumption is that the social distancing rules will be fully released in 18months when theis project is due to come on line.	4,916,310 present value of project		4,604,312 present value of investment	Initial Capital Cost The College provide the land from their existing site. A cost plan has been produced by Woodley Coles LLP, detailing the envisaged costs to provide the new facility, based upon recognised industry standards.	

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## New projects

LEP: C2C and EM3							
BASIC INFO - New Shovel Ready Capital Projects							
Project Name	Project type Please select from drop down	Project Summary (~100 words) - Narrative about project - Local interest	Existing competitive process?	Location (local authority)	Location by postcode if known	Priority ranking	Total capital £ ask (£)
High streets of the future: Enhanced pop up/pilot active travel measures (EM3 LEP - joint project with Hampshire CC)	Transport	Active travel measures & road safety measures that together will enable the county to more comprehensively move toward socially distanced reopening of the economy, whilst enabling a trial of the evolution to a greener transport system. These measures will build on the DfT grant tranches, but look to build as part of a comprehensive move toward a more permanent future of the high street. We will include potential for innovative solutions such as e-bikes and the like which could provide important connection to linking people to employment/low cost intra-locality transport to work. Coordinating with Hampshire CC for EM3-wide programme and potentially C2C linking to their Safer Towns work. Also exploring the potential to develop vacant properties on high streets into we work/we learn spaces for business and skills providers to interact/co-locate – again part of vision of the future of the high street.		Surrey County Council			£1.5M
High streets of the future: Enhanced pop up/pilot active travel measures (C2C LEP)	Transport	Active travel measures & road safety measures that together will enable the county to more comprehensively move toward socially distanced reopening of the economy, whilst enabling a trial of the evolution to a greener transport system. These measures will build on the DfT grant tranches, but look to build as part of a comprehensive move toward a more permanent future of the high street. We will include potential for innovative solutions such as e-bikes and the like which could provide important connection to linking people to employment/low cost intra-locality transport to work. We will work with West Sussex for our towns with strong links to Gatwick airport.		Surrey County Council			£ 2,000,000
A217 resilience Project	Transport	The project aims to improve the reliability and resilience of this key principal road. Design will complement the work that was completed in phase 1 of the A217 Resilience Project, which undertook major drainage improvements and provided structural repairs and complete carriageway resurfacing, with robust materials aimed at maximising longevity. Phase 2 will follow a similar strategy of providing major repairs that will reduce the impact of flooding and the endless cycle of unscheduled reactive maintenance that disrupts and delays traffic. Phase 2 proposes to prioritise identified locations. This will reduce disruption and delays caused by frequent reactive maintenance/unavailability of the routes due to flooding, thus supporting economic growth and jobs through provision of a reliable key route and supporting green recovery through long term resilient road surface.	No	Surrey County Council			£ 1,500,000

DELIVERABILITY				
Project Status	Planning (Y,N/ N/A)	Where no planning is in place but is required- when is it expected & at what stage is it the process?	Anticipated full project deliverability by January 2022? (Y,N)	Any risks/blockers to delivery beyond funding?
N/A	No		Yes	No
N/A	No		Yes	No
Pipeline – a project proposal that has come forward (in response to a call or whatever) but has not been through any of the formal processes included below.	No		Yes	None

CAPITAL FUNDING ASK BY YEAR (£)		ALL PROJECTS								
		OTHER PROJECT FUNDING (£)								
20/21	21/22	Local authority funding (£)	Other public funding (£)	Private funding (£)	Third sector funding (inc in kind) (£)	Other	Funding required but source not yet identified (£)	Is this funding fully-committed? (Y/N)	If not fully committed, please set out current position/issues	Total project cost (£)
£ 250,000	£ 1,250,000									£ 1,500,000
£ 500,000	£ 1,500,000									£ 2,000,000
£ 665,000	£ 1,335,000	£ 500,000								£ 2,000,000

Strategic Fit with Funding Criteria							
Objective 1: Growth and Jobs (Y/N)	Objective 2: Green Recovery (Y/N)	Priority interest area 1: modernising town and city centres (Y/N)	Priority interest area 2: Physical infrastructure to improve the local economy (Y/N)	Priority interest area 3: Human Capital including business support (Y/N)	Priority interest area 4: Innovation ecosystem (Y/N)	Priority interest area 5: Digital connectivity (Y/N)	Summary on how the project meets one or both of the fund objectives and how it meets one or more of the 5 priority interest areas
Yes	Yes	Yes	Yes	No	No	No	Active travel measures & road safety measures will enable our towns and places to move toward socially distanced reopening of the economy. They support our Greener Futures agenda and delivery of the Climate Change Strategy, enabling residents to make sustainable and safer journeys.
Yes	Yes	Yes	Yes	No	No	No	Active travel measures & road safety measures will enable our towns and places to move toward socially distanced reopening of the economy. They support our Greener Futures agenda and delivery of the Climate Change Strategy, enabling residents to make sustainable and safer journeys.
Yes	Yes	No	Yes	No	No	No	The premise behind all of the resilience schemes is providing resilience on key routes to improve the reliability of the route to reduce disruption and delays caused by frequent reactive maintenance/unavailability of the routes due to flooding. The project meets 2 key criteria – supporting economic growth and jobs through provision of a reliable key route and supporting green recovery through long term resilient road surface rather than frequent reactive measures. In part the investment would improve physical connectivity, thus improving the local economy. This scheme will also link with future active travel projects (subject to funding).

OUTPUTS							
Jobs Created	Additional construction jobs	Jobs safeguarded	Housing units delivered	Sqm commercial floorspace	Area of new or improved learning/training floorspace	Number of new learners assisted	Other Key output metric

VALUE FOR MONEY (if available)					
BCR	Present value of public costs	Present value of total cost	Present value of benefits	Key assumptions (to include additionality, optimism)	Qualitative VFM Summary (why is this VFM, what benefits are counted inc non-monetary benefits)

## TRANSFORMATION PROGRAMME UPDATE

### **Witnesses:**

Michael Coughlin, Executive Director, TPP  
 Marie Snelling, Director of Transformation

### **Overall Questions**

**Question (1):** What is the role of the 'Transformation Assurance Board'? Mention is made of benefits models and document templates – could we see those documents, please?

#### **Response:**

The Transformation Assurance Board is a senior office level board, chaired by Marie Snelling (Director for Transformation) which drives and assures key transformation programmes, ensuring that planned benefits (financial and operational) are tracked and delivered.

The Board meets monthly to review progress across the transformation portfolio, providing support, challenge and assurance, drawing in relevant officers as required in order to unblock risks and issues. It escalates any significant issues or decisions to CLT. The headline performance and progress the Board tracks is then featured in the regular monthly budget reports (financial benefits position) and corporate performance report (overall progress of programmes).

The other templates referenced are operational and are used to ensure projects are delivered in a consistent manner.

**Question (2):** In the Organisation Portfolio there are costs of £6.6m and savings of £8.5m – £7m of this is in Land & Property. What does this saving of £7m in property consist of? Are the savings at risk because of COVID-19?

#### **Response:**

The £7m is a forecast of savings that can be made over the medium-term period in relation to land and property transformation, based on the investment of seed funding to pursue key projects. We currently still expect to achieve these particular efficiencies over the medium term in spite of the disruption from Covid-19. We will review this further as part of the overall work to develop a refreshed MTFS and transformation programme for 2021/22 onwards over the autumn and winter.

## Individual Programmes

### **Agile Workforce, £2.2m investment**

**Question (3):** How is the money to be spent? Is it for hardware or software or is it people rolling out projects, or is there property expenditure included as well? How much would this be on top of existing expenditure?

#### **Response:**

The investment is in a combination of all three; hardware, software and people rolling projects out. This will provide the right devices, common systems and skills to ensure the successful delivery and adoption of the programme. This investment is to enable and enhance the way we use technology in the future, so is on top of existing expenditure.

**Question (4):** Presumably, the programme has been accelerated by COVID-19 - how has this been taken on board and the programme updated?

#### **Response:**

Yes, the programme has been accelerated by Covid-19. This has been managed and overseen by connecting the Agile Programme to the council's Covid-19 Operations Board. Key activities were prioritised to meet Covid-19 related needs. We established a laptop workstream to prioritise and distribute approx. 700 laptops in 10 weeks. We also accelerated the rollout of Microsoft Team increasing user numbers to approx. 7,000.

**Question (5):** As a lot more staff will be working from home for the foreseeable future. As a responsible employer what measures have we put in place to ensure they are supplied with proper equipment (e.g. comfortable office chair, fast WiFi) to cope with video and audio meetings, and an appropriate work environment? Are staff able to claim expenses on certain spends, such as phone minutes and reasonable costs?

#### **Response:**

In the initial stages of the pandemic and in response to the Government's instruction that people should work from home unless they were unable to, we made available to staff the use of council equipment (monitors, chairs, desks) for use in their homes where needed. We have maintained the ability to work from council buildings for any member of staff experiencing difficulties working from home as a result of their personal circumstances. Staff working from home will in many cases realise savings from commuting and so there is no plan to reimburse the cost of utility bills. Staff are however able to make use of

HRMC's tax relief available to people who have to work from home on a regular basis and we have promoted this, signposting staff to the relevant section of the HMRC website.

## Digital, £2.3m investment

**Question (6):** How is the money to be spent? Is it for hardware or software or for people rolling out projects?

**Response:**

It's a combination of all three. This will provide the right devices, systems and skills to ensure the successful delivery and adoption of the programme.

**Question (7):** The Digital Strategy approved by the Cabinet includes many projects which would appear to be beyond the digital programme costings as such, and presumably included in other IT budgets. How are the priorities for each area assessed, approved and monitored?

**Response:**

In order to assess, approve and monitor the progress against the Digital Strategy the Digital Board has been established. This is to enable all workstreams that contribute towards the Digital Strategy to report progress, request support and manage risk. All assessments are made against the strategic priorities set out in the Digital Strategy, which itself supports the goals in the council's organisation strategy and vision for 2030.

**Question (8):** The Cabinet report discussed a refresh of the Digital Transformation Programme after the approval of the Strategy; is this now available and can we see a full list of projects within the programme?

**Response:**

The revised set of projects within the programme is being finalised, with work currently taking place to assign the resources across key priorities. This will be completed in the coming weeks so can be shared after the summer recess.

**Question (9):** Why do remote care at home and the Single Point of Contact sit under the digital portfolio? It might be expected that they sit under ASC and Children's services, respectively

**Response:**

Although the technology for these opportunities sits within the Digital Programme, the operations, processes and service users that benefit from these technologies are of course within the realm of the frontline services.

Digital technologies are most effective when a collaborative approach to solving a problem is taken. Consequently, the Digital programme will build strong relationships and work with services to understand the key problems that need to be solved. This will include the processes, practices and operations that need to be changed and the digital technologies that can best enable these new ways of working such as "single point of contact".

### Moving Closer to Residents, £0.3m investment, benefits £0.6m

**Question (10):** This seems very modest - how is the disposal of County Hall and the capital investment for the new civic centre in Surrey is treated? Can this be explained?

**Response:**

As set out in the report to the Committee, due to Covid-19 the Moving Closer to Residents programme is now paused.

The numbers referenced reflected plans as they existed prior to Covid-19 and set out in the [report to Cabinet](#) in late 2019 (noting that the £0.3m was a specific revenue investment component allocated from the council's transformation fund to support change management, not the full capital business case)