

**MINUTES** of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 8 October 2020 as a REMOTE MEETING.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 18 December 2020.

**Elected Members:**

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

(\* =present at the meeting)

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

Apologies were received from Graham Knight and Graham Ellwood.

**21/20 MINUTES OF THE PREVIOUS MEETING: 1 JULY 2020 [Item 2]**

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

**22/20 DECLARATIONS OF INTEREST [Item 3]**

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

**23/20 QUESTIONS AND PETITIONS [Item 4]**

None received.

**24/20 PROPERTY PROGRAMME UPDATE [Item 5]**

**Witnesses:**

Patricia Barry, Director of Strategic Land and Property Assets

Mel Few, Cabinet Member for Resources

Paul Forrester, Strategic Finance Business Partner

Edward Hawkins, Deputy Cabinet Member for Property

Leigh Whitehouse, Executive Director of Resources

**Key points raised during the discussion:**

1. The Chairman mentioned that it had been some time since the Select Committee had reviewed the Council's property function, and he highlighted that this report dealt solely with the investment portfolio.

2. The discussion was opened up to Members' questions. A Member praised the report as comprehensive and asked what key performance indicators (KPIs) there were underpinning the next step. How would these be monitored and reported back? The Director of Strategic Land and Property Assets said that the property team met every week to go through all the elements of the investment programme relating to applications for rent production and rental holidays. The situation surrounding Covid-19 and the changes to the market were also being monitored at the moment. The monitoring then went back through Cabinet Member involvement and reporting. KPIs included rent collection and service charge collection.
3. A Member noted that even though the report stated that less than 50% of tenants paid their rent on time, it stated later that rent collection remained high. He requested more information on the Council's rent collection, specifically in the retail sector, which made up the largest proportion of the Halsey Garton Investment (HGI) portfolio and had been hit particularly hard by Covid-19. The Director of Strategic Land and Property Assets replied that the figures referenced were national averages in terms of rent collection; this was poor nationally at the moment. Surrey County Council had an improved position on the national average, as it was working closely with tenants. Also, some of the Council's retail tenants, such as supermarkets, had not been affected negatively by the pandemic. However, to address properties where tenants had been struggling or might struggle, the Council was looking at option appraisals for alternative use for that investment. The Director acknowledged that the Council needed to be proactively looking at where it might be approaching lease breaks or where a particular market was struggling. The Strategic Finance Business Partner added that the Surrey County Council portfolio stood at 92% rent collection; the Halsey Garton portfolio stood at 72%. Those numbers included some tenants who were on monthly (as opposed to quarterly) payments, so the figure would increase over the coming quarter.
4. The Strategic Finance Business Partner confirmed that the £11.6m referred to on page 43 of the report was a net figure.
5. A Member referred to the values over time chart on page 44 of the report and requested that officers share information of those values relative to purchase price of assets when the Council purchased them. The Director of Strategic Land and Property Assets responded that she would provide those figures outside of the meeting.
6. On page 56, a Member noted, there was mention of the purchase of 23 houses on a 40-year lease. He expressed concern at this, as he had assumed it was impossible to buy something on such a short lease. The Strategic Finance Business Partner stated that this transfer had passed through legal due diligence. The Cabinet Member for Resources added that what was being described on page 56 was the transfer of Surrey County Council properties (those under the 'SCC' property investment portfolio) to the Halsey Garton Residential (HGR) portfolio. HGR – owned by Surrey County Council – was effectively purchasing the lease from the Surrey County Council portfolio, as the objective was to move all the residential property into HGR. With regards to the tenants, the lease carried on as normal.
7. A Member enquired what the contingency plans mentioned on page 59 were, suggesting that the Select Committee review them as part of the next property programme update report. The Director of Strategic

Land and Property Assets explained that the property team was looking at option appraisals and alternative use for properties in the worst-case scenario, in order to safeguard the investment and revenue stream. More detail could be included in the next update to the committee.

8. A Member asked what the overall cost was of external consultants, as mentioned on page 59. The Director of Strategic Land and Property Assets agreed to respond to the request outside of the meeting with estimated costs. No external consultants had been engaged as of yet.
9. A Member asked why the Council had three separate ways of holding property: HGI, Surrey County Council properties and HGR. The Cabinet Member for Resources responded that all three were owned by Surrey County Council, but properties had been split into three different portfolios. The Surrey County Council portfolio comprised properties that could have a service use, while the other two were for investment or residential purposes respectively. Moreover, this arrangement alleviated pressures on Council Tax.
10. A Member requested an update on construction of the joint venture with Places for People. The Director of Strategic Land and Property Assets stated that the Council was in discussions with Places for People about the future of the joint venture, and that while the programme was not in a position to be progressed on-site, the Council was looking at a redesign. By the end of 2020 it would be known what the plans were for the joint venture.
11. A Member asked for a breakdown showing the income and cost associated with holding each property, as well as a risk rating for each property, taking into account the length of the lease and likelihood to default. The Strategic Finance Business Partner said that this information was available and could be shared privately.

It was agreed that the meeting would enter confidential discussion of commercially sensitive information under Part 2 of Section 100(A) of the Local Government Act 1972.

Specific questions were considered in private by the committee. However, the information set out below is not confidential.

12. The Director of Strategic Land and Property Assets gave details of the managing agent contracted by the Council and the retainer paid to the managing agent. All properties were on full repairing leases.
13. A Member asked how many voids the Council had, the length of time they had been voids and the loss of rent implications. The Director of Strategic Land and Property Assets agreed to share this information privately.

The meeting returned to public discussion.

14. A Member noted that an asset and place strategy refresh would be presented to Cabinet in November 2020, and he asked what it would contain. The Director of Strategic Land and Property Assets informed the Select Committee that since the refresh would not include any fundamental changes, it had now been decided that it would not be brought to Cabinet in November after all. The strategy was being refreshed as, since it had been originally conceived in April 2019, a number of policies and strategies (such as Greener Futures) had been

implemented by the Council, and these would now be incorporated into the refresh accordingly. It was agreed that the property team would attend a Select Committee meeting in early 2021 to provide an update on the strategy refresh.

**Recommendations:**

The Select Committee recommends that the Asset and Place Strategy Refresh be presented to the Resources and Performance Select Committee at its January 2021 meeting, alongside a schedule for continued updates to the Select Committee twice a year.

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

1. The Director of Strategic Land and Property Assets to provide information on the current value of assets relative to purchase price when the Council bought them;
2. The Director of Strategic Land and Property Assets to provide detail of contingency plans in the next property programme update to the Select Committee;
3. The Director of Strategic Land and Property Assets to provide estimated costs for external consultants to be engaged in the next property programme update to the Select Committee;
4. The Strategic Finance Business Partner to share privately details of income and cost of holding each property, as well as a risk rating for each property;
5. The Director of Strategic Land and Property Assets to share privately information about voids.

**25/20 PERFORMANCE REPORT [Item 6]**

**Witnesses:**

Sarah Bogunovic, Customer Relations and Service Improvement Manager  
Rachel Crossley, Executive Director of Strategy and Commissioning  
Zully Grant-Duff, Cabinet Member for Corporate Support  
Tanya Herrera, Insight and Intelligence Lead  
Nicola Kilvington, Director of Insight, Analytics and Intelligence  
Bella Smith, Insight, Intelligence and Governance Manager  
Adrian Stockbridge, Head of Portfolios  
Gary Strudwick, Head of Business Intelligence  
Rachel Wigley, Director of Financial Insight

The September 2020 Cabinet Budget Monitoring report, mentioned on page 69 of the agenda for this meeting, and a revised, simplified version of the efficiencies slide (page 71 of the agenda) had been circulated to the Select Committee prior to the meeting. They are annexed to these minutes.

**Key points raised during the discussion:**

1. The Head of Business Intelligence introduced the report, saying that the information included in it had been brought up to date as much as possible and was no longer necessarily quarterly. The formatting of the report had been revised.
2. A number of errors in the report had been spotted post-production and rectified as follows:
  - a. *HROD 02: Voluntary turnover (%) (Good to be LOW):* Correct to 10.2% (instead of 7.52%)

- b. *HROD 05: Off payroll workers as % of workforce (Good to be HIGH):* Should read 'Good to be LOW'. The arrow for 05 would become green once this is corrected.
  - c. *RES 01: Satisfaction with the way the Council runs things (Residents Survey) (Good to be HIGH)* and *RES 02: Satisfaction that the Council offers good value for money (Residents Survey) (Good to be HIGH):* Targets had been added to both Residents indicators.
- 3. A Member remarked that the report indicated that there had been a decline in the number of Adult Social Care referrals to community prevention services. What had caused this and what steps were being taken to improve this area? The Customer Relations and Service Improvement Manager replied that since the start of the Covid-19 pandemic, a Covid-19 community helpline had been introduced with the purpose of signposting residents to support available in their local community. Since then, a lot of traffic that would have come through the Adult Social Care line and potentially resulted in a referral to community preventative services was now coming through the community helpline.
- 4. A Member noted that the residents indicators (RES 01 and RES 02) had both improved significantly compared to the previous result. What was the reason for this change? The Director of Insight, Analytics and Intelligence responded that other public sectors nationally and locally had also seen similar increases during this period. Due to the Covid-19 pandemic and the presence of public services at the forefront of people's minds, there had been a more positive sentiment towards public services, including Surrey County Council. It was anticipated that for the next quarter the figures would be slightly lower, and, in the longer-term, would return to the usual figures, which were quite consistent.
- 5. A Member asked what was being done to improve performance on the apprenticeships levy (HROD 08). The Insight and Intelligence Lead explained that there had been a slow start with regards to apprenticeships in 2020, due to the impact of the Covid-19 pandemic, which had paused apprentices' learning or prevented them from enrolling in their apprenticeship. Due to easing of lockdown measures, the Council's apprenticeship figures for September 2020 were looking much healthier – in July 2020 there had been about 16 apprentices who had started in April; in September 2020, there were now 41 apprentices who had started in the previous few months. It was anticipated that apprenticeship levy spending would now be returning to pre-Covid-19 levels.
- 6. A Member questioned the use of arrows in the report, suggesting that there should be green arrows pointing downwards if the indicator was 'good to be low'. The Cabinet Member for Corporate Support emphasised that this was a completely new design and was intended to be as intuitive and pictorial as possible. It would be optimised as it evolved, and feedback from the committee was welcome. Members agreed that the new design was more user friendly.
- 7. A Member expressed concern about indicator RES 02, which showed that only 53% of residents were satisfied that the Council offered good value for money. Although this was an improvement on the previous result of 35.2%, the current result was still unacceptably low and indicated that the Council might not be conveying effectively to residents the value for money it offered. Residents were the most

important part of the Council and it was essential that they felt satisfied.

8. A Member contended that, having gone through a number of changes to the organisation in the last few years, some staff had made important career decisions; for example, to change job or take early retirement. With all these changes, did the Council have the right staff with the right skills in the right roles? She emphasised the importance of covering all the skills the Council truly needed, not just being left with the staff who did not want to move on. The Insight, Intelligence and Governance Manager stated that the Council had plenty of staff with the right skills in the right place, and voluntary turnover was currently low. The Agile Organisation Programme team were conducting engagement with staff, such as a staff survey, feedback of which would be shared in due course. The Cabinet Member for Corporate Support acknowledged Members' concerns and added that conversations were being had with staff at all levels, taking on their feedback and looking at adapting working practices to be more agile. Also, the HR team was constantly monitoring how staff were being kept informed. The Executive Director of Strategy and Commissioning stated that the Council was keen to retain staff and had been conducting business planning to identify gaps in skills. For example, the People, Performance and Development Committee had been examining retention issues in children's services and tracking performance data on this.
9. A Member asked for the latest result for the transformation indicators. The Head of Portfolios responded that according to the most recent result, £8.1m of efficiencies had been achieved and £7m were rated green, meaning there was a high level of confidence that they would be achieved. Just over £4.5m of efficiencies were deemed to be undeliverable this year, and another £5m were rated amber or red. The transformation team was working through the detail to understand risks and achievability, which were subject to the ongoing Covid-19 situation. There had been a significant delay in transformation investment, but the figures had improved significantly since the national lockdown had ended. The Head of Portfolios confirmed that the £22.7m costs figure was separate transformation funding through the flexible use of capital receipts allowable under guidance from the Ministry of Housing, Communities and Local Government.
10. A Member noted that the latest result for the overall planned financial costs (TRN 02) was only £2m against a £22.7m target. The Council had spent £2m between March and July 2020; was it planning to spend another £20m between July 2020 and March 2021, and therefore, were the costs going to be backloaded? The Head of Portfolios confirmed that this was the case, due to significant delays caused by Covid-19. Currently, it was anticipated that the Transformation Programme costs would come to a total of about £20m, meaning there would be a £2.7m underspend.
11. Members praised the annex section of the report, which showed the Covid-19 impact and 'look ahead' for all transformation programmes of the Council. A Member remarked that it could be useful for relevant figures or targets to be listed alongside each programme on this table.

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

1. The Head of Business Intelligence to look at the possibility of having green arrows pointing down for 'good to be low' indicators whose performance had improved;
2. The Insight, Intelligence and Governance Manager to share results of the Agile Organisation Programme staff survey;
3. The Head of Portfolios to look into including relevant figures alongside transformation programmes in the annex table.

## **26/20 FINANCE IMPROVEMENT PROGRAMME [Item 7]**

### **Witnesses:**

Andrew Burns, Associate Director of CIPFA and member of the External Assurance Panel

Anna D'Alessandro, Director of Corporate Finance

Mel Few, Cabinet Member for Resources

Nikki O'Connor, Strategic Finance Business Partner

Leigh Whitehouse, Executive Director of Resources

Rachel Wigley, Director of Financial Insight

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

1. The Director of Financial Insight introduced the report. In May 2018, the Chartered Institute of Public Finance and Accountancy (CIPFA) had been commissioned to undertake a review of Surrey County Council's finances and finance function. The Finance Improvement Programme (FIP) was then developed and approved at Cabinet in September 2018 as the Council's finances were precarious at the time and the underlying causes had not been addressed. An action plan was developed to build financial discipline and address the financial challenges, taking a financial management approach. The programme included a board chaired by the Cabinet Member for Resources, an officer board chaired by the Executive Director of Resources, and the External Assurance Panel. The FIP had achieved significant improvements such as: delivering significant efficiencies in 2018/19, setting a realistic budget for 2019/20 focused on systems providing timely data to service colleagues, restructuring the finance service to take a business partner approach, building knowledge, skills and behaviours and launching the Finance Academy. Moreover, the finance service was not being complacent and had now launched phase two of the FIP, which included making the most of the Digital Business and Insights (DB&I) programme. The key aims were to embed a partnership approach and accountability, and to offer insightful advice and information.
2. The Associate Director of CIPFA explained that he had not been part of the original CIPFA review undertaken in September 2018, as he had not been working for CIPFA at that time. His involvement with Surrey County Council had been separate from his CIPFA role.
3. The Associate Director of CIPFA stated that the transformation to Surrey County Council's finances was a significant achievement, but it was important that efforts were made to sustain this transformation, which could be more difficult than the initial achievement and would require a continued focus on good financial management and buy-in from Members and the whole organisation. External involvement and examination, effective scrutiny and DB&I were also key.
4. A Member enquired what the cost of the FIP was. The Director of Financial Insight replied that it cost £700,000, which had been charged

to the transformation programme over 2018/19 and 2019/20. These costs included the CIPFA review, project resources, process mapping and interim support to ensure business continuity over the transition to the finance leadership restructure.

5. A Member asked whether CIPFA had signed off on the process and when there would be another financial review of the Council. The Director of Corporate Finance said that the Council was using a CIPFA financial management model, which would be run every two years and was due to be run within the next six months. This model would produce a RAG (red, amber, green) rated matrix that would show what the Council needed to look at in the future. The Executive Director of Resources added that the Council had demonstrated to the External Assurance Panel that they were performing against the action plan, and this is how the Council had provided ongoing assurance, rather than calling CIPFA back in. Follow-up 'Voice of the Customer' meetings had also been conducted.
6. A Member noted the mention of the Finance Academy in the report and asked what the academy had achieved so far, the costs involved, who benefitted and how this would continue to develop. As the lead on the Finance Academy, the Strategic Finance Business Partner stated that it was aimed at three key sets of stakeholders: budget holders, finance staff and elected Members. For Members, to date the academy had developed a fundamentals programme that was run pre-Covid-19, and it had aspirations for a further two programmes: an insights programme for Members on specific committees, and another programme aimed predominantly at Cabinet Members. The Finance Academy could also be useful for newly joining councillors.
7. The Strategic Finance Business Partner continued to explain that there had been a significant restructure of the finance service, which included expectations of finance staff and required knowledge, skills and behaviours. The Finance Academy was developing a programme of learning and development offers to support this framework. The bulk of the work of the academy to date had been with budget holders across the organisation; to date, the budget holder workshop had been rolled out to over 200 budget holders. The workshop included information about the partnership agreement, as well as short videos and detail on revenue budget monitoring and the financial context of the organisation. There were significant aspirations in the budget holder stream of the academy, including developing more content on capital, income and commercialisation. A Member asked what proportion of budget holders the 200 figure represented. The Strategic Finance Business Partner responded that the target for that first course was 320 budget holders; the aim was that all 320 would have completed the workshop by the end of November 2020. It was difficult to encapsulate a finite number of budget holders within the Council, but there were tiers of director-level budget holders and then a greater number of middle-level budget holders. The service also aimed to target those who were not necessarily budget holders but whose work had financial implications.
8. Members congratulated the finance service on the turnaround achieved through the FIP.
9. The Director of Corporate Finance informed the Select Committee about a risk project conducted in partnership with the Audit and Governance Committee. There was a desire to completely overhaul Surrey County Council's approach to risk, and EY had been appointed



as risk management partners. The process had begun and initial conversations had been conducted with the Audit and Governance Committee, EY and the Corporate Leadership Team; as this was a complete culture change, the process was being conducted top-down. EY would work with the Council for the whole of the upcoming year, but most intensively for the next four to five months, in order to formulate and review a risk register, which would be linked up with the Performance Report. A Sub-Group was in the process of being formed to look at the process whereby the risk register would be regularly updated.

10. A Member requested an update on what Orbis currently comprised and how it was being reconfigured. The Executive Director of Resources replied that when the CIPFA report was written, Orbis had included finance, HR, IT procurement, property and business operations. Around the time of the report to Cabinet two years ago, the Surrey finance and HR teams had been withdrawn from Orbis. The three Chief Executives of the Orbis councils decided to undertake a wider review, which led to an agreement to formalise the removal from Orbis of Surrey's finance, property and HR services. The Orbis partnership had committed to a period of three years from April 2020 of the partnership in its new form. The reason behind this decision was that Surrey wanted its own strategic flavour for finance and HR, and it was felt that Orbis was not delivering benefits in property.

## **27/20 DIGITAL BUSINESS AND INSIGHTS [Item 8]**

### **Witnesses:**

Anna D'Alessandro, Director of Corporate Finance  
Zully Grant-Duff, Cabinet Member for Corporate Support  
Andrew Richards, DB&I Programme Director  
Leigh Whitehouse, Executive Director of Resources

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

1. The Director of Corporate Finance introduced the report, noting that the Digital Business and Insights (DB&I) programme linked in with the Finance Improvement Programme (FIP). The SAP system the Council had been using was slow and outdated. It was anticipated that the new enterprise resource planning (ERP) system, which was called Unit 4, would improve the speed of reporting and make a significant transformational change. Its scope comprised finance, HR and payroll. Implementation would continue from the present until December 2021.
2. The Director of Corporate Finance continued to say that the programme entailed a revenue cost of £600,000. A reserve had been set aside to manage the funding of the programme, and there had been extensive risk and mitigation reporting.

*Chris Townsend left the meeting at 12:05pm.*

3. The DB&I Programme Director explained that since the contract had been signed, the first step had been mobilised and completed on-plan last week and approval had been gained from the Strategic Programme Board. The initial design stage would run from now until the end of December 2020. There were two main phases to the project implementation stage. Phase one would focus on strategic procurement requirements delivered by Proactis, and would go live on

1 June 2021. It was an out-of-the-box product that the Council could configure to meet its needs. Phase two would cover the rest of the scope across finance, HR and payroll, as well as more transactional procurement.

4. The Programme Director continued to state that the focus of the DB&I programme was on adopting change, improving processes and thereby helping to deliver the objectives of the FIP. In terms of the approach to the design of the programme, all experts involved would attend workshops and identify any exceptional areas where the Council could not fully align. Deep dives into specific configuration requirements would then be conducted based on this. Moreover, change management was being conducted, such as familiarisation training sessions for all those involved, which were going well and producing positive feedback.
5. The Programme Director added that officers involved in the programme were in the process of procuring an archiving solution for SAP material that would not be migrated to the new ERP system, so it was anticipated that the Council would be able to decommission SAP in early 2022.
6. A Member remarked that a past concern about SAP was that since the Council had installed it, it had been customised too much, making it difficult to maintain and improve. He requested assurance this would not happen again with the new ERP software. The Programme Director responded that the new ERP software would be regularly updated, so that it always offered the most suitable system, and was efficient and cost-effective. It was important that the Council monitored those updates closely to ensure they aligned with the Strategic Programme Board's design principles. Furthermore, efforts were being made to incorporate work that was currently being conducted offline – for example, on Excel spreadsheets – into the new ERP system where appropriate.
7. A Member highlighted that an ERP system change was high-risk for the whole organisation. He asked for more information about the background of Unit 4, their experience with similar clientele and feedback on implementations they had already completed. The Programme Director stated that Unit 4 were a well-known ERP provider in the public sector, particularly within local government. There were a number of comparators to Surrey County Council that used Unit 4, the most similar being the LGSS partnership between Cambridgeshire, Northamptonshire and Milton Keynes councils. Hoople shared services, which was a similar scale organisation to Surrey County Council, also used Unit 4, and Guildford Borough Council had recently completed implementation. During the procurement process, Surrey County Council had had support from an external consultancy called Moore Stephens Insight, which specialised in ERP systems. They were positive about Unit 4 and said that the system was intuitive and had good self-service. The Programme Director also found that Unit 4 was more suitable for the Council's needs and less impersonal than some of the competitors.
8. A Member asked whether the Council's contractual arrangements entailed a fixed price for implementation, or whether there would be cost implications for the Council if the timetable slipped. The Programme Director said that the contract was based on a fixed price and was to be delivered by 31 September 2021. If a delay was caused by the supplier, the financial risk would not fall on the Council.

9. A Member enquired what the impact of Covid-19 had been on the DB&I programme. The Programme Director stated that it had not been significantly impacted by the pandemic or the County Hall move. Remote working during the implementation of the system had been going well. Staff from impacted services had continued to be engaged in the design and the programme was well resourced. An integration lead had recently been recruited and an integration strategy was being developed, which would feed into the build stage in early 2021. The Cabinet Member for Corporate Support commended the Programme Director on his work.
10. A Member asked what due diligence had been conducted leading up to the decision to adopt the programme, such as scrutiny and alternative options proposed. He questioned whether there would have been a wider field of choice if the procurement hadn't gone through the Official Journal of the European Union (OJEU). The Director of Corporate Finance said that in terms of scrutiny, as part of the FIP there had been an Executive Member Panel and a sub-panel that a number of Members had attended. Prior to that, key officers had met with Members every two months and updated them about the various options. The Select Committee requested that the Part 2 DB&I report that had gone to Cabinet, which detailed different options considered, be forwarded to Members.
11. A Member expressed concern that the timeline for the programme looked tight and asked whether there were contingencies should this slip. The Programme Director replied that the Council had been advised that the Unit 4 implementation would be achievable within this timescale. Unit 4 was the most achievable option to implement within this timescale, compared to other ERP systems available. The reason behind the 1 December 2021 deadline was that the Council was billed for SAP in January of each year, and it was not possible for the Council to pay for only a part of the year, so it would have to pay the £700,000 fee for 2022 if it had not decommissioned SAP by the end of 2021. Contingencies of 5% had been included in the programme, as well as a 10% contingency on revenue cost. The level of cost of slipping into 2022 could only be determined if that stage was reached; it would depend on the areas of implementation completed and the resources needed to continue to enable go-live into 2022. There was a risk, but the solution the Council had selected was the best option available.
12. The Chairman summarised that there were a number of risks; most risks were rated 'high' in risk analysis that had been conducted. However, steps had been put in place to mitigate these risks and the programme entailed a number of benefits. The Select Committee would like to continue to monitor the programme as it progressed.

**Recommendations:**

The Select Committee is concerned about the tight deadlines, achievement of savings and lack of an obvious contingency plan. Therefore, the Select Committee recommends that there is assurance put in place demonstrating effective monitoring of risks, timely review of progress and implementation of next steps.

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

1. Officers to send the Cabinet Part 2 DB&I report to the Select Committee.

**28/20 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME  
[Item 9]**

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

**29/20 DATE OF THE NEXT MEETING [Item 10]**

The next meeting of the Select Committee would be held on 18 December 2020.

Meeting ended at: 12.46 pm

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**Chairman**

**30/20 PRIVATE WORKSHOP [Item 11]**

The discussion was conducted in private after the conclusion of the meeting.

SURREY COUNTY COUNCIL

CABINET

DATE: 29 SEPTEMBER 2020



REPORT OF: MR MEL FEW, CABINET MEMBER FOR RESOURCES AND  
LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF RESOURCES

LEAD OFFICER: EXECUTIVE DIRECTOR RESOURCES (S151 OFFICER)

SUBJECT: 2020/21 MONTH 4 (JULY) FINANCIAL REPORT

#### SUMMARY OF ISSUE:

This report provides the details of the County Council's 2020/21 financial position as at 31<sup>st</sup> July 2020 (M4) for revenue and capital budgets and the projected outlook for the financial year. As there was no Cabinet meeting in August at which the June (M3) position could be presented, this report compares the M4 position to M2, as reported to Cabinet in July.

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#### Key Messages – Revenue

- **As at July 2020 (M4) the Council is forecasting a deficit of £9.1m, against a budget of £1,019.7m; an increase of £0.1m from M2. The details are shown in Annex 1 and summarised in Table 1.**
- On 16th July, SCC received an **additional £6.4m of CV-19 funding**. £1.5m replenished the contingency reserve with £3.0m added to the CFL, S&C and C&T budgets to meet increases in CV-19 forecasts (adjusting the budget to £1,019.7m). **The balance of £1.9m will be held in an Earmarked Reserve for CV-19** related costs.
- Further Government funding is expected to compensate local authorities for lost income in other revenue, fees and charges incurred due to CV-19. Surrey County Council's share is yet to be confirmed.

#### Key Messages - Capital

- The Council approved a capital budget for 2020/21 of £175.7m in February 2020. At July 2020 (M4), the capital budget has been restated to £230.1m to reflect the acquisition and associated costs of the Woodhatch site in Reigate.
- The M4 capital forecast shows **increased spend of £8.7m from M2**, with forecast spend of **£222.3m**; net forecast slippage for the year of £7.9m against the approved budget. The forecast will continue to be reviewed monthly and the budget may be reset when the impact of CV-19 is clearer. Details are set out in **Table 4**.

## RECOMMENDATIONS:

The Cabinet is asked to:

1. note the Council's forecast revenue and capital budget positions for the year;
2. note the transfer of the balance of the CV-19 funding (£1.9m) and amended revenue budget baseline as £1,019.7m (Para 5 - 7); and
3. approve the addition of the 20/21 contingency (£20.4m) to the Budget Equalisation Reserve (Para 8)

## REASON FOR RECOMMENDATIONS:

This report is to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

## Revenue Budget

1. At M4, the Council is forecasting a deficit of £9.1m, against the reset budget approved by Cabinet in July 2020.
2. To enhance the capacity of the Corporate Leadership Team, thereby ensuring the council is able to deliver its strategic objectives, agreed priorities, as well as fulfil its statutory requirements an interim management structure was implemented. The new structure led to the creation of four new directorates (Strategy & Commissioning, Community & Transformation, HR & Communications and Deputy Chief Executive). All of the financial tables have been amended to reflect this change.
3. Table 1 below shows the forecast revenue budget outturn for the year and reflects the revised interim management structure, including COVID-19 related spend.

**Table 1 - Summary revenue budget forecast variances as at 31 July 2020**

Directorate	20/21 outturn forecast at M4 £m	Annual Budget £m	Forecast Variance £m	Change in forecast since M2 £m
Adult Social Care	385.1	385.2	(0.1)	(0.1)
Public Health	31.4	31.1	0.3	0.3
Children, Families & Lifelong Learning	201.8	194.5	7.3	4.4
Environment, Transport & Infrastructure	135.3	131.9	3.4	0.8
Community Protection	37.5	36.6	0.9	0.6
Community & Transformation	15.0	15.5	(0.5)	(0.1)
Strategy & Commissioning	54.6	55.6	(1.0)	0.2
HR & Communications	8.4	8.4	(0.1)	(0.2)
Deputy CEX	2.3	2.3	(0.0)	(0.0)
Resources	76.1	75.5	0.6	0.2
Central Income & Expenditure	81.5	83.5	(2.0)	(2.0)
<b>Directorate Budget Envelopes</b>	<b>1,028.8</b>	<b>1,020.1</b>	<b>8.7</b>	<b>4.0</b>
Efficiencies unachievable due to CV-19	3.5	(0.4)	3.9	(0.4)
Amount already assumed in Directorate figures above	(3.5)	0.0	(3.5)	(3.5)
<b>Overall before central funding</b>	<b>1,028.8</b>	<b>1,019.7</b>	<b>9.1</b>	<b>0.1</b>
Central Funding	(1,019.7)	(1,019.7)	0.0	0.0
<b>Overall after central funding</b>	<b>9.1</b>	<b>0.0</b>	<b>9.1</b>	<b>0.1</b>

Note: Numbers have been rounded which might cause a difference.

4. The main drivers of the **deficit of £9.1m comprise £12.7m in additional costs** offset by **underspends and other efficiencies of £3.6m** as set out below:

**Additional costs of £12.7m:**

- **£7.3m - Children, Families and Lifelong Learning (CFL)** - £7.9m increased corporate parenting and SEND caseload increasing placement costs, and £1.5m for staffing in Corporate Parenting and Family Resilience due to agency staff covering permanent roles.  
  
The overspend is partly offset by £1.4m additional asylum seeker grant income
- Included in the CFL position is a £3.9m variance on the Dedicated Schools Grant (DSG) High Needs Block (HNB). This consists of a £27.9m overspend of which £24m was anticipated in the budget. The variance is due to increased placement costs and support packages which had previously been highlighted as a risk. The start of the new school year has clarified the current position in terms of transfers and work is ongoing to mitigate and reduce this overspend.
- **£3.4m - Environment, Transport and Infrastructure** – £2.9m due to higher waste costs associated with increase in volumes and lower recycling values and £0.7m net non-achievement of efficiencies after one-off utilisation of grant. The forecast assumes that pressures can be partially mitigated
- **£0.9m - Community Protection Group** - Coroner's service of £0.7m including the cost of managing a backlog of cases, plus increased CV-19 costs of £0.2m
- **£0.6m - Resources**, increased loss of income of £0.4m (CV-19), Orbis Joint Operating budget of £0.1m
- **£0.4m net forecast for the non-delivery of the efficiencies as a result of CV-19** (£3.9m in total, with £3.5m offset in ASC directorate underspend). As CV-19 non-delivery of efficiencies were not part of the budget reset this is shown separately in Table 1.

**Offset by £3.6m of underspends and efficiencies**

- **£0.1m Adult Social Care** - £4.4m underspend across the whole ASC budget based on current forecast largely due to an expected reduction in Older People care package volumes as a result of CV-19, offset by expected £4.3m increase in Older People care package expenditure
- **£0.5m Community & Transformation (C&T)** consists of £0.1m underspend on the Customer Relation team and Web Ops team staffing and £0.4m reduced library expenditure due to temporary closures
- **£1.0m Strategy & Commissioning (S&C)** – £2.0m non achievement of joint placement reviews with health efficiency, offset by Home to School Transport savings
- **£2.0m Central Income & Expenditure** – a recent actuarial review and changing the payment profile has reduced secondary employer's pension contributions.

## CV-19 Update

5. At M4, the net CV-19 forecast deficit is £6.4m, with £1.9m held in reserve to set against this. The CV-19 deficit is included in the Directorate positions shown in Table 1 and paragraph 4. The net deficit of £6.4m consists of:
- Total costs, lost income and unachievable efficiency savings of **£82.5m**
  - Funded through:
    - £53.4m of general Government CV-19 funding (of which £0.9m used in 2019/20 and £1.9m held in reserve) leaving **£50.6m in the 2020/21 budget**
    - **£25.5m** of specific Government CV-19 relating to Infection Control, Test and Trace funding and grants for active travel and bus services.
6. During M4 the CV-19 forecast across CFL, S&C and C&T has increased by £3.0m. This increase, that is included within the respective overall variances, is due primarily to:
- CFL - £1m for early intervention and prevention work including Domestic Abuse, short breaks, crisis support and return to school support; £0.5m to reflect the increased volumes of Family residential placements (1 in February to 12 in June) - partly due to the lack of family and community support for families with babies and the inability to provide face-to-face contact during lockdown;
  - C&T - £1m increase in projected income loss for Registrars due to increased cancellations and the commencement of ceremonies being slower than originally projected.
  - S&C - £0.2m for the expansion of summer holiday club provision due to anticipated increased demand as a result of COVID-19 and £0.2m of property costs for the additional refuge spaces, this was originally expected to be coded directly to Property but is being paid through CFL.

This increase has led to £3.0m of the latest tranche of CV-19 (£6.4m) funding being added to the budget for 2020/21. After replenishing £1.5m of corporate contingency used in the M2 CV-19 budget reset, £1.9m remains to transfer to reserve.

7. CV-19 costs, income loss and unachievable efficiencies will be monitored closely to determine whether service budgets will need further reset in 20/21.

## Revenue Budget Changes and Contribution to Reserves

8. As part of Financial Regulations any increase in reserves of more than £2m requires Cabinet approval. Any agreed drawdowns that are for the reserve purpose are subject to S151 Officer authorisation.

As part of the budget reset, the 2020/21 Contingency of £20.4m has been reviewed and it is proposed to transfer it to the Budget Equalisation reserve.

The revenue budget has increased from £968.4m to £1,019.7m during the year, as follows:



	£m
Budget book central funding	968.4
Covid 19 - LA Support Grant - tranche 1 & 2	46.1
Covid 19 - LA Support Grant - tranche 3	6.4
Public Grant - Agenda for Change	0.8
	1,021.6
Less : CV-19 reserve	(1.9)
	1,019.7

## Capital Budget

9. In February 2020, Council approved a capital budget of £175.7m. At M4, the capital budget has been restated from to £230.1m to reflect the purchase of and other costs relating to the Woodhatch site in Reigate.

**Table 4**, below, provides a summary of the forecast full-year outturn at M4; **Against the revised budget, forecast capital spend is £222.3m. Net slippage of £7.9m is an improvement of £8.7m from £16.6m at M2.**

**Table 4 - Capital Programme Forecast at M4**

Strategic Capital Groups	Annual Budget £m	Restated Budget £m	Forecast outturn at M4 £m	M4 Reported Variance £m	Change from M2 to M4 £m
<b>Property</b>					
Property Schemes	78.5	133.0	118.9	(14.1)	7.3
ASC Schemes	1.9	1.9	1.9	0.0	0.0
CFL Schemes	1.7	1.7	1.8	0.1	0.1
<b>Property Total</b>	<b>82.0</b>	<b>136.5</b>	<b>122.5</b>	<b>(14.0)</b>	<b>7.4</b>
<b>Infrastructure</b>					
Highways and Transport	70.5	70.5	78.3	7.8	0.0
Environment	2.6	2.6	2.0	(0.6)	0.0
Community Protection	3.8	3.8	3.8	0.0	0.0
<b>Infrastructure Total</b>	<b>76.8</b>	<b>76.8</b>	<b>84.0</b>	<b>7.2</b>	<b>0.0</b>
<b>IT</b>					
IT Service Schemes	15.9	15.9	15.4	(0.5)	1.3
CFL - EMS	0.9	0.9	0.3	(0.6)	0.0
<b>IT Total</b>	<b>16.8</b>	<b>16.8</b>	<b>15.7</b>	<b>(1.1)</b>	<b>1.3</b>
<b>Total</b>	<b>175.7</b>	<b>230.1</b>	<b>222.3</b>	<b>(7.9)</b>	<b>8.7</b>

10. The change in variance of £8.7m relates primarily to Property schemes, where the impact of CV-19 on delivering Schools Basic Need projects (£5.6m) and Priority Schools Building Programme 2 (£2m) has been less severe than previously forecast. A £4.0m reduction in forecast spend due to the withdrawal of the Cranleigh School project has been largely offset by accelerated capital maintenance (£2.4m) and new approvals for Looked After and Adopted Children (LAAC) of (£0.7m).
11. The forecast for IT has increased by a net £1.3m due to the inclusion of the Digital Business and Insights programme (£6.0m), offset by reduced spend on hardware (£1.8m) and slippage in planned spend on the Unicorn Network (£2.5m).

12. Capital Programme estimates will continue to be refined in subsequent months as our understanding of the impact of COVID-19 evolves. Opportunities to accelerate capital expenditure will be explored to mitigate the forecast slippage.

#### **CONSULTATION:**

13. Executive Directors and Cabinet Members have confirmed the forecast outturns for their revenue and capital budgets.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

14. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the Leadership Risk Register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the Medium Term Financial Strategy. In the light of the financial risks faced by the Council, the Leadership Risk Register will be reviewed to increase confidence in Directorate plans to mitigate the risks and issues.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:**

15. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus.

#### **SECTION 151 OFFICER COMMENTARY:**

16. The Council has a duty to ensure its expenditure does not exceed resources available. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook is uncertain. The public health crisis has resulted in increased costs which are not fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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 stable provision of services in the medium term. Within this context the Council will continue to develop and implement plans to ensure the delivery of services are contained within resources.
17. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER:**

18. The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.
19. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Cabinet and Council and they must take

immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

**EQUALITIES AND DIVERSITY:**

- 20. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary. In implementing individual management actions, the Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 21. Services will continue to monitor the impact of these actions and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

**WHAT HAPPENS NEXT:**

- 22. The relevant adjustments from the recommendations will be made to the Council's accounts.

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**Contact Officer:**  
Leigh Whitehouse, Executive Director of Resources  
020 8541 7246

**Consulted:**  
Cabinet, Executive Directors, Heads of Service

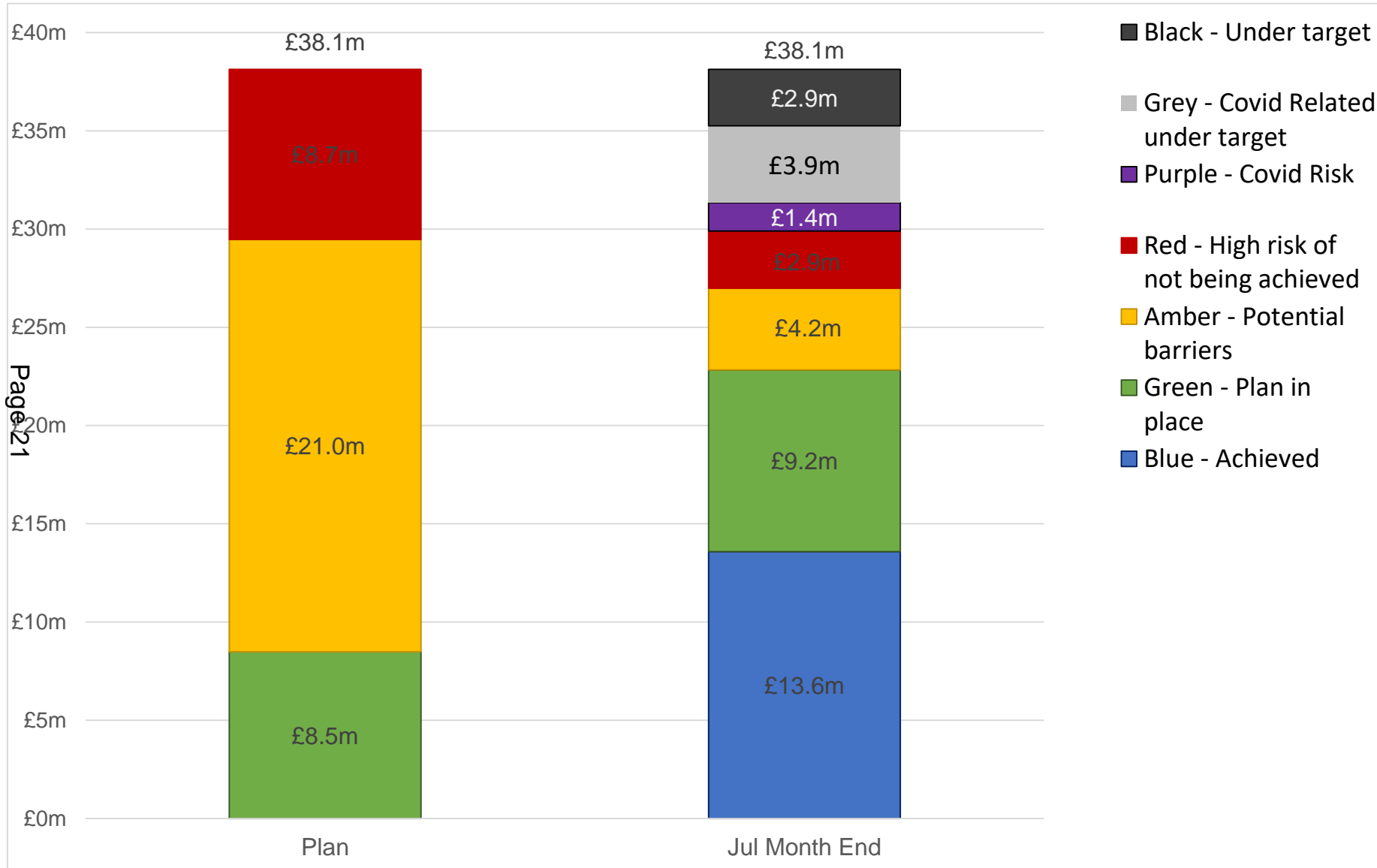
**Annex:**  
Annex 1 – Forecast revenue budget as at 31 July 2020.

## Annex 1

### Detailed Revenue Budget by Service – 31 July 2020

Service	Cabinet Member	Prior year to date actual £m	Year to date Budget £m	Year to date Actual £m	Year to date variance £m	Full Year Gross budget £m	Full year net budget £m	Full Year net forecast £m	Full year net forecast variance £m
Delegated Schools	J Iles	0.0	0.3	0.3	(0.0)	297.9	(0.0)	0.0	0.0
Education, Lifelong Learning & Culture	J Iles	18.6	32.2	34.1	2.0	214.3	50.1	53.6	3.5
Family Resilience	M Lewis	29.6	30.3	28.8	(1.5)	103.6	89.7	92.4	2.7
Corporate Parenting	M Lewis	15.6	15.6	13.6	(2.0)	44.8	40.5	41.7	1.2
Quality & Performance	M Lewis / J Iles	2.7	2.8	2.5	(0.4)	10.5	8.5	8.3	(0.3)
Directorate wide savings	M Lewis / J Iles	0.0	(0.2)	1.6	1.9	4.9	5.7	5.9	0.1
<b>Children, Families, Learning</b>		<b>66.5</b>	<b>81.0</b>	<b>81.0</b>	<b>(0.0)</b>	<b>675.8</b>	<b>194.5</b>	<b>201.8</b>	<b>7.3</b>
<b>Public Health</b>	S Mooney	<b>10.1</b>	<b>9.8</b>	<b>6.1</b>	<b>(3.6)</b>	<b>31.1</b>	<b>31.1</b>	<b>31.4</b>	<b>0.3</b>
<b>Adult Social Care</b>	S Mooney	<b>119.0</b>	<b>133.2</b>	<b>121.7</b>	<b>(11.5)</b>	<b>533.3</b>	<b>385.2</b>	<b>385.1</b>	<b>(0.1)</b>
Highways & Transport	M Furniss	19.5	17.3	17.0	(0.3)	69.2	58.5	58.5	0.0
Environment	N Bramhall	18.3	23.6	24.3	0.7	75.2	71.3	74.3	3.0
Leadership Team (ETI)	M Furniss /N Bramhall	0.3	(0.0)	0.2	0.3	(0.1)	(0.1)	(1.1)	(1.0)
ETI CV-19	M Furniss /N Bramhall	0.0	1.4	1.3	(0.1)	8.4	2.2	3.6	1.4
<b>Environment, Transport &amp; Infrastructure</b>		<b>38.2</b>	<b>42.3</b>	<b>42.8</b>	<b>0.6</b>	<b>152.8</b>	<b>131.9</b>	<b>135.3</b>	<b>3.4</b>
Fire and Rescue	D Turner-Stewart	10.7	10.3	10.6	0.2	35.7	31.0	31.0	(0.0)
Trading Standards	D Turner-Stewart	0.6	0.6	0.6	(0.1)	4.0	1.9	1.9	(0.0)
Chief of Staff	D Turner-Stewart	0.0	0.2	0.2	(0.0)	0.7	0.7	0.7	0.0
Emergency Management	D Turner-Stewart	0.1	0.2	0.2	0.0	0.5	0.5	0.5	0.0
Coroner	D Turner-Stewart	0.7	0.4	0.9	0.5	2.5	2.1	2.8	0.7
Health & Safety	D Turner-Stewart	0.0	0.0	0.0	0.0	0.1	0.1	0.1	(0.0)
CP CV-19	D Turner-Stewart	0.0	0.1	0.4	0.3	0.6	0.2	0.4	0.2
Armed Forces and Resilience	D Turner-Stewart	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
<b>Community Protection</b>		<b>12.1</b>	<b>11.9</b>	<b>12.9</b>	<b>1.0</b>	<b>44.1</b>	<b>36.6</b>	<b>37.5</b>	<b>0.9</b>
Human Resources & Organisational Development	Z Grant-Duff	0.9	2.2	1.8	(0.4)	6.6	6.6	6.5	(0.1)
Communications	Z Grant-Duff	0.4	0.5	0.5	0.0	1.4	1.4	1.5	0.0
HR & Comm CV-19	Z Grant-Duff	0.0	0.1	0.1	0.0	0.4	0.4	0.4	0.0
<b>HR &amp; Communications</b>		<b>1.3</b>	<b>2.8</b>	<b>2.4</b>	<b>(0.4)</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>(0.1)</b>
Transformation Support Unit	T Oliver	0.0	0.3	0.3	0.1	0.8	0.8	0.8	(0.0)
Customer Services	Z Grant-Duff	1.0	1.0	0.9	(0.1)	3.1	2.9	2.8	(0.1)
Community Partnerships	Z Grant-Duff	0.4	0.4	0.3	(0.1)	1.3	1.3	1.3	0.0
Libraries, Registrars & Culture	J Iles	1.7	5.0	3.7	(1.3)	16.5	10.3	9.8	(0.4)
C&T CV-19	T Oliver / J Iles	0.0	0.2	0.2	0.0	(0.5)	0.3	0.3	0.0
<b>Community &amp; Transformation</b>		<b>3.0</b>	<b>6.9</b>	<b>5.4</b>	<b>(1.5)</b>	<b>21.2</b>	<b>15.5</b>	<b>15.0</b>	<b>(0.5)</b>
Strategic Commissioning	M Lewis / J Iles	4.0	17.0	18.7	1.7	130.5	52.0	51.1	(0.9)
Insight, Analytics & Intelligence	Z Grant-Duff	1.0	1.1	1.0	(0.2)	2.8	2.0	1.9	(0.1)
S&C CV-19	J Iles / Z Grant-Duff	0.0	0.7	0.9	0.2	0.7	1.6	1.5	(0.0)
<b>Strategy &amp; Commissioning</b>		<b>5.1</b>	<b>18.8</b>	<b>20.6</b>	<b>1.8</b>	<b>133.9</b>	<b>55.6</b>	<b>54.6</b>	<b>(1.0)</b>
Strategic Leadership	T Oliver	0.5	0.5	0.5	0.0	2.8	1.5	1.5	(0.0)
Economic Growth	C Kemp	0.2	0.3	0.2	(0.1)	0.8	0.8	0.8	(0.0)
DCEX CV-19	C Kemp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Deputy CEX</b>		<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>(0.1)</b>	<b>3.6</b>	<b>2.3</b>	<b>2.3</b>	<b>(0.0)</b>
Joint Operating Budget ORBIS	M Few	11.2	5.7	6.4	0.6	17.2	17.6	17.7	0.1
Land & Property	M Few	5.5	8.0	9.2	1.2	36.3	27.2	27.2	(0.0)
Information Technology & Digital	M Few	3.1	3.6	3.1	(0.5)	11.4	10.7	10.7	(0.0)
Finance	M Few	0.8	1.8	2.0	0.1	7.6	5.5	5.6	0.0
Legal Services	M Few	1.3	1.4	1.4	(0.0)	4.6	4.1	4.3	0.2
Democratic Services	M Few	1.1	1.1	1.1	(0.0)	3.5	3.2	3.3	0.0
Business Operations	M Few	0.0	(0.1)	(0.0)	0.1	(0.3)	(0.3)	(0.2)	0.1
Resources Leadership	M Few	0.0	0.3	0.2	(0.1)	0.9	0.8	0.8	(0.0)
Twelve15	M Few	0.0	3.8	2.9	(0.8)	18.6	3.6	3.5	(0.0)
Resources CV-19	M Few / Z Grant-Duff	0.0	0.7	0.5	(0.3)	7.3	3.0	3.2	0.2
<b>Resources</b>		<b>23.1</b>	<b>26.3</b>	<b>26.6</b>	<b>0.4</b>	<b>106.9</b>	<b>75.5</b>	<b>76.1</b>	<b>0.6</b>
<b>Corporate Expenditure</b>	<b>M Few</b>	<b>2.7</b>	<b>15.6</b>	<b>10.9</b>	<b>(4.7)</b>	<b>94.4</b>	<b>83.5</b>	<b>81.5</b>	<b>(2.0)</b>
<b>Business as Usual</b>		<b>281.6</b>	<b>349.2</b>	<b>331.2</b>	<b>(18.0)</b>	<b>1,805.6</b>	<b>1,020.1</b>	<b>1,028.8</b>	<b>8.7</b>
Efficiencies unachievable due to CV-19							(0.4)	3.5	3.9
Amount already assumed in Directorate figures above							0.0	(3.5)	(3.5)
<b>Total services' revenue expenditure</b>		<b>281.6</b>	<b>349.2</b>	<b>331.2</b>	<b>(18.0)</b>	<b>1,805.6</b>	<b>1,019.7</b>	<b>1,028.8</b>	<b>9.1</b>
Central funding		(342.5)	(430.4)	(430.4)	0.0	0.0	(1,019.7)	(1,019.7)	0.0
<b>Total Net revenue expenditure</b>		<b>(61.0)</b>	<b>(81.3)</b>	<b>(99.3)</b>	<b>(18.0)</b>	<b>1,805.6</b>	<b>0.0</b>	<b>9.1</b>	<b>9.1</b>

# Efficiency Programme – as at Month 4



**At M4, of the total £38.1m planned efficiency programme £6.8m are currently projected to be unachievable (black or grey):**

- £3.5m of ASC transformation efficiencies are unachievable due to CV-19 (improvement of £1.6m from M3) but will be absorbed by underspends elsewhere in ASC

- £0.4m of Resources efficiencies have been flagged as unachievable due to CV-19 (in Business Ops)

- £2m undeliverable from joint placement reviews with health

- £0.9m of ETI efficiencies are delayed: bus lane enforcement & changes to the treatment of the parking surplus

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