

**MINUTES** of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 20 January 2022

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 14 April 2022.

**Elected Members:**

- \* Nick Darby (Chairman)
- \* Will Forster (Vice-Chairman)
- \* David Harmer
- \* Robert Hughes
- \* Rebecca Jennings-Evans
- \* Robert King
- \* Steven McCormick
- \* John Robini
- \* Tony Samuels
- \* Lesley Steeds
- \* Hazel Watson
- \* Jeremy Webster

(\* =present at the meeting)

**1/22 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

None received.

**2/22 MINUTES OF THE PREVIOUS MEETINGS: 17 DECEMBER 2021 [Item 2]**

The minutes of the Resources and Performance Select Committee held on 17 December 2021 were reviewed. The minutes will be formally agreed at the 14 April 2022 Committee Meeting.

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

None received.

**4/22 QUESTIONS AND PETITIONS [Item 4]**

None received.

**5/22 DIGITAL BUSINESS AND INSIGHTS PROGRAMME UPDATE [Item 5]**

**Witnesses:**

Becky Rush, Cabinet Member for Finance and Resources

Leigh Whitehouse, Deputy Chief Executive & Executive Director of Resources

Andrew Richards, Digital, Business and Insights Programme Manager

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

1. The Chairman read out the recommendations made by the Resources and Performance Select Committee on 8th October 2020, before current membership of the committee was in place: “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”. Officers were invited to provide an update regarding the delay to the go-live date and the programme currently. An officer summarised that a review was undertaken in Autumn 2021 when it was realised that the planned December go-live was no longer deemed achievable. This resulted in a re-plan and additional funding request being put before Cabinet on 21 December 2021. Good progress had been made towards the April go-live since that point, including a finalised build of the solution, integrated testing system and parallel payroll running activity. A Cutover Readiness Checkpoint will be completed on 28 January 2022 to assess readiness to progress with the cutover plan for an April go-live and whilst uncertainty and risks remain, the team continued to focus on the delivery of the April go-live.
2. The Chairman asked if the material risk to achieving the April go-live could result in further delay and cost to the Council. An Officer said that the programme was replacing the existing SAP (Systems and Applications) system at Surrey County Council (SCC) and would touch the whole organisation of approximately 10,000 users in addition to 30,000 external users included in school’s payroll. Back-office processes across finance, procurement, Human Resources (HR) and payroll as well as integrations currently in existence for SAP would be included with the addition of new integrations. The result was a very large-scale programme and a significant risk of further delays remained. A Deed of Variation had been agreed to the existing contract with Unit4 to reflect agreed milestones and to ensure that SCC was able to exercise its rights fully. Unit4 were paid on achievement of agreed milestones, with SCC being responsible for delivering its side of the contract to avoid any additional costs or delays.
3. A Member recalled that the Committee had questioned the Digital, Business and Insights (DB&I) deadline overview at the Resources and Performance Select Committee Meeting on 17 September 2021 and received the response that it was too early for an update. A programme update, was expected at this stage, including stakeholder board meetings with RAG (Red, Amber, Green) rated information on processes at that time. There was a concern that translation mapping of the target source data from the existing SAP

system was not obvious or of sufficient quality and that data mapping and translation into Unit4 was not completed fully or accurately. An officer explained that there had been complexity in understanding how to extract the data and how to transform that data enabling the load to Unit4. Better coordination and management from the supplier side to coordinate the rectification of those data issues had since been developed.

4. A Member queried if at this point the data migration and transformation had been completed fully or had the process been exited too early to enable a faster move to begin User Acceptance Testing (UAT). An Officer said that the data migration was still ongoing. Data migration supporting cycle five of UAT would continue and there would be a further full data migration as part of cutover, up to the go-live date.
5. A Member asked if the reference to insufficient quality of the data the report referred to insufficient quality of the data in the current source system or insufficient quality of data in the translation and implementation into Unit4 from the source. An Officer explained that the reference referred to both instances.
6. The Chairman asked if there had been sufficient contact with contracted parties to date. An Officer explained that a full-time data migration lead had been in post since the beginning of the programme. The contract with Unit4 specified that they were required to provide leadership and responsibility for the programme's data migration and when a gap was identified, Unit4 provided the additional leadership for finance, procurement, HR and payroll.
7. A Member questioned why the programme entered the UAT testing phase without the data migration and data mapping being fully completed and confirmed. An Officer explained that authorisation had been given to start UAT with simple aspects of the solution to progress UAT in the absence of the master data. The expectation was that in parallel to that, the data migration stream would complete at the same time. Unfortunately, when the data arrived the quality was not sufficient, causing difficulties.
8. A Member asked what might have been done earlier to avoid problems and/or mitigate the risks. An Officer explained that lessons could be learned from the method rather than earlier interventions. A key piece of feedback to consider going forward was to include a requirement at the tender stage to have sight of the system at an earlier stage in the implementation project to enable business stakeholders to develop a clearer understanding of the solution. When considering future projects, it would be beneficial to consider senior stakeholder ownership from within the business at an earlier stage. Stipulation of the requirements of additional resources and

more transparency at the point of data migration would also have benefitted the process in addition to ensuring contractors communicated changes to technical environments more clearly

9. A Member asked what the £3 million in additional costs related to. An Officer explained that the additional costs related to the SCC programme team and additional supplier costs to enable continued funding until go-live and the resources required within the three-month early support period.
10. A Member asked if the use of SAP would continue, if it would still be supported and were there any risks relating to this. An Officer said that SAP was supported up to 31 December 2022 which would allow the County Council to operate even if there were a delay beyond April 2022. Risks had been mitigated and Her Majesty's Revenue and Customs (HMRC) patches had been applied to SAP to ensure that employees would still be paid correctly in the event of any difficulties.
11. A Member asked if the project had been defined and analysed properly. An Officer confirmed the project had been defined and analysed properly. Clear objectives and design principles had been considered throughout the process with the project including an outline business case stage, procurement work completion, senior management approval and Strategic Investment Board (SIB) development. An external consultancy had been employed to look at the strategic options whilst considering the aims of SCC to aid decisions and development. A lack of transparency with the supplier had caused some difficulties in addition to the team working remotely due to COVID-19.
12. The Deputy Chief Executive & Executive Director of Resources reiterated that the team had been frustrated that it had not been possible to work to the initial timescale however this was not the result of a single action or reason as some of the questioning indicated a desire to identify and it was important to recognise the huge amounts of good work and progress that had been achieved within the programme, whilst still being frustrated about the revision to the timetable. Internal audit had been scrutinising events and highlighting concerns to the programme board where appropriate, lessons had been learnt and future SCC projects would benefit from these experiences.
13. A Member queried the feedback from staff testing the new system. An Officer summarised that feedback had been positive overall. There had been some frustration with data quality during the early stages but they had moved forward to putting the system through its paces.

14. A Member asked if lessons learned would be conveyed to the districts and boroughs. An officer said that this would be fed into the programme management part of the process when the project had closed.
15. The Chairman observed that the main issues for delayed delivery of the project concentrated around data transfer and changing data and by early September it had become clear that the project was not deliverable within the timescale. The Chairman asked if the project board and Cabinet Member for Finance and Resources were aware of the difficulties prior to this point. The Cabinet Member for Finance and Resources explained that the Select Committee meeting took place before the date of the project board and at that time negotiations with Unit4 were taking place. Discussions were taking place to identify solutions and following the decision at the board it was a priority to negotiate shared costs and draw a plan to mitigate risk going forward however timing sensitivity meant that these plans could not be discussed openly at the last Select Committee meeting, by when the decision to revise the date had not been made.
16. The Chairman said that issues had been identified in May and June 2021 and was concerned that it had only become apparent in September 2021 that the project would not be deliverable within the given timeframe. The Select Committee voiced concerns regarding the project 15 months ago and without being overly hard on those involved, things had been missed. What was the project boards involvement during this time as it appeared that those intimately involved did not have control on events. An Officer explained that items reported to the project board during the summer related to some workstreams within the program but the supplier continued its reassurances that the programme remained deliverable in line with initial targets. The potential for elements of the programme to slide became apparent during August and September 2021 with the Select Committee meeting a week before the project board agreed to delay the go-live date. At this point the programme board were presented with three options, proceed as planned with 1 December 2021 go-live and consider risks around that, a phased option with some elements to go-live on 1 December and some to implemented subsequently and lastly, to move the entire go live date.
17. A Member asked why User Acceptance Testing (UAT) of cycle five had begun before completing cycle four. An officer said that a new data migration load had impacted progress on UAT with a decision made to refresh the environment and begin a longer cycle five to 18 February 2022. Although not an ideal position to be in, the level of testing gained momentum during December 2021 and was continuing.

**Resolved:**

The Resources and Performance Select Committee:

1. Asks Cabinet Member to ensure that robust governance and project management arrangements – with proactive controls, testing and regular monitoring – be put in place in order to ensure lessons are learnt by Surrey County Council from this delay in the Digital Business and Insights project that has resulted in additional cost to the Council.
2. Requests that the Cabinet Member inform the Select Committee what the above arrangement will look like in practice and ensure this is undertaken by April 2022 in time for the new financial year and beyond. This should include any feedback and comments from the internal audit and the Council's Audit and Governance Committee.
3. Requests Cabinet Member to offer to share any learning on this issue with districts and boroughs in Surrey who are or might be going through a similar digital journey in terms of project management.

**6/22 CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGY 2022/23 [Item 6]**

**Witnesses:**

Becky Rush, Cabinet Member for Finance & Resources

Anna D'Alessandro, Finance Director – Corporate & Commercial

Mark Hak-Sanders, Strategic Finance Business Partner

**Key points raised during the discussion:**

1. An Officer introduced the report, providing an overview of how the strategy would fit within Surrey County Council's overall budget papers and processes.
2. A Member questioned if the Select Committee could have access to specific training on this matter. An Officer said that this was offered to Audit and Governance Committee and could be made available to Members of the Resources and Performance Select Committee.
3. A Member stated that it would be beneficial to offer all Committee Members property portfolio seminars or a Members Seminar for this fast-changing subject. The Chairman agreed.

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

1. The Strategic Finance Business to arrange for training to be made available for Committee Members.
2. The Strategic Finance Business Partner to organise a property portfolio Member Seminar going forward.

## **7/22 AGILE OFFICE ESTATE STRATEGY [Item 7]**

### **Witnesses:**

Natalie Bramhall, Cabinet Member for Property and Waste

Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources

Simon Crowther, Director – Land and Property

Matthew Pizii, Client Account Manager

Dominic Barlow, Assistant Director, - Corporate Landlord

Brendon Kavanagh, Portfolio Lead – Corporate

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

1. The Chairman thanked the service for the detailed reports. The item went to Cabinet in December 2021 and it was decided that it should also be presented to the Resources and Performance Select Committee. Cabinet approved a potential spend just in excess of £20 million with further strategy, analysis and subsequent cabinet approval in light of those outcomes.
2. A Member asked if it would be better value for money to refurbish Quadrant Court than to sell it and find a suitable alternative site, it was asked why SCC seemed averse to refurbishing its existing properties. The Cabinet Member for Property and Waste said that the current requirement was to provide a healthy, fit for purpose, energy efficient space for staff and it would be difficult to create energy efficiency at Quadrant Court. As agreed at Cabinet, the team were reviewing a wider scope of options. The County Councils property strategies needed to be dynamic and adaptable over time with the County Council refurbishing buildings where the strategy was for longer term retention.
3. A Member, in relation to the Cabinet Member for Property and Waste's comment that buildings were not renovated if there were no plans to retain them, noted that if property was not regularly updated an incentive for closure was created. The Cabinet Member for Property and Waste conveyed that a new team within Land and Property had undertaken work to improve, change and move with the times.

4. A Member queried the potential move of Adult Social Care local teams out of district and borough offices and asked had the impact to district and borough finances been considered. The Cabinet Member for Property and Waste concluded that Surrey County Council ensured good working partnerships whilst prioritising its own financial position and the critical services funded through a limited budget. With current financial pressures, all public bodies were looking at how to deliver modernised space at the best value. Districts and boroughs would be able to define individual impacts as the program progressed. Discussions were ongoing with potential partners to co-locate as part of options reviewed as already facilitated at Woodhatch Place. Place based assessments of all Surrey County Council's decisions enabled consideration of projects and opportunities in and around the districts and boroughs as part of the final decision for relocating teams. Development of the Agile Offices Estate Strategy had been commercially sensitive, however, engagement with the boroughs and districts began in December last year ahead of Cabinet and a detailed sequence of discussions would commence soon with the majority of proposed moves due for November 2023. The Deputy Chief Executive and Executive Director for Resources explained that the Cabinet report had been shared with colleagues in districts and boroughs and following reviews of locations within their buildings. The reaction being one of recognition and understanding and in many cases aligning with their plans to review accommodation requirements. Decisions would not be made to leave any short-term difficult decisions and actions would be undertaken over a period of time, allowing for quality engagement. Feedback had been positive so far.
5. A Member asked if the Service had taken into account travel distances for staff as a result of office moves and the impact on climate change targets. The Cabinet Member for Property and Waste stated that one benefit of providing a standardised agile workspace was that staff were moved away from having to commute to a single office location every day. Staff would be assigned an administration base for HR purposes but would have the ability to work from varied locations, reducing travel times and costs.
6. A Member asked if housing provision could be considered when an office building is being disposed of. The Cabinet Member for Property and Waste confirmed that housing was a consideration each time a property was brought forward.

7. The Chairman noted dilemmas faced by SCC in relation to what should be spent to provide efficient value for money options and to improve our carbon efficiency.
8. A Member asked if a full public sector office estate portfolio survey had been carried out to enable partly used buildings to be utilised. The Cabinet Member for Property explained that discussions were ongoing with partners to determine options for co-location. Most local government bodies in Surrey were also reviewing the way that they work and what form of office space was required going forward. A significant engagement programme had been undertaken to ensure the transformation would not impact the delivery of services but would enhance delivery and collaboration wherever possible. A Member requested that the Committee be provided with information relating to this in due course.
9. A Member was concerned to learn that district teams were to be moved out of districts and boroughs and queried the dissemination of information regarding this. An Officer explained that Surrey Chief Executives had been updated before Christmas 2021 to cascade information throughout the districts and boroughs. There was enthusiasm for a partnership solution and positive engagement in looking at solutions with the intention of ensuring the right space for the right purpose.
10. A Member asked if it had been considered how residents would travel to relocated offices given that public transport could be problematic and the fact that lower income families may not own cars. An Officer agreed that the connectivity and accessibility of our agile office estate would be critical with a key factor of the programme being that SCC can deliver for residents. Locations were being considered with staff and residents in mind.
11. A Member noted that some administration departments did not need to be located at sites were residents visited as these departments could be accessed via email or telephone. The Cabinet Member for Property and Waste confirmed that a review of asset utilisation and condition was planned to rationalise the estate to ensure it's was affordable and fit for purpose. As with all organisations, new ways of working needed to be tested post COVID-19 with a long-term strategy to deliver modern, accessible and healthy workspaces staff whilst having the flexibility to adapt and at minimal cost. An Officer said that detailed staff service engagement had been undertaken throughout the COVID-19 pandemic to understand methods of bringing services to residents. Consideration of other transformation projects to changing the ways of working in conjunction with those cited within the greener futures remit was

ongoing. The use of Surrey Office of Data Analytics had been incorporated to look at the socio-economic picture across Surrey, overlaying that with staff locations. All demands had been considered to determine the best place for of our offices to be.

12. The Chairman asked if there was confidence that Woodhatch Place would remain the headquarters of SCC. The Cabinet Member for Property and Waste confirmed that Woodhatch Place would remain the headquarters of SCC.
13. The Chairman asked if there was a strategy to cover the current maintenance backlog of offices and over what timescale. The Cabinet Member for Property and Waste confirmed that the maintenance backlog would decrease as the size of the estate was reduced to a more modernised a footprint over the next four years.
14. The Chairman asked how the Committee could review and make recommendations before the next report was submitted to Cabinet. The Deputy Chief Executive and Executive Director for Resources stated that options were currently being reviewed and once set out could be discussed with the Committee before Cabinet. The Chairman agreed that this would be welcome and it was important that Members of the Committee should be informed with regards to the strategy, with further involvement before Cabinet preferred.

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

1. The Deputy Chief Executive and Director for Resources to discuss options for consideration with the Resources and Performance Select Committee prior to Cabinet.

**Resolved:**

The Resources and Performance Select Committee:

1. Asks Cabinet Member to ensure that an adequate regular repairs programme with corresponding annual maintenance budget is in place and reflected in the Directorate/Council's budget for 2022/23 and beyond.
2. Requests Cabinet Member to share the result of Surrey's public sector office estate portfolio survey/audit with the Select Committee.

3. Asks Cabinet Member: to consider how best to work jointly with boroughs, districts and other partners in terms of the effective utilisation of the Council's office estate; ensure that all Surrey County Council office estate buildings are accessible to residents; and support net zero and climate change ambitions.
4. A briefing to be provided to the Select Committee once a further paper to Cabinet has been prepared but before a decision is taken.

The Chairman paused the meeting at 12.28pm for a comfort break. The meeting was resumed at 12.35pm

**8/22 EXCLUSION OF THE PUBLIC [Item 8]**

The Cabinet Member for Property and Waste introduced a Part 2 report containing information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies)

**9/22 AGILE OFFICE ESTATE STRATEGY [Item 9]**

**[Part Two discussion internal record only, not for publication]**

**Witnesses:**

Natalie Bramhall, Cabinet Member for Property and Waste

Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources

Simon Crowther, Director – Land and Property

Matthew Pizzi, Client Account Manager

Dominic Barlow, Assistant Director, - Corporate Landlord

Brendon Kavanagh, Portfolio Lead – Corporate

The Cabinet Member for Property and Waste introduced a Part 2 report containing information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies)

**Key points raised during the discussion:**

1. The Select Committee discussed the exempt annexes asking questions of the witnesses under Part 2 conditions.

## **10/22 COMMERCIAL INVESTMENT PROPERTY [Item 10]**

### **[Part Two discussion internal record only, not for publication]**

#### **Witnesses:**

Becky Rush, Cabinet Member for Finance & Resources  
Natalie Bramhall, Cabinet Member for Property & Waste

Anna D'Alessandro, Director – Corporate, Finance & Commercial  
Simon Crowther, Director – Land & Property  
Ryan Curran, Senior Development Manager  
Paul Forrester, Strategic Finance Business Partner

The Cabinet Member for Property and Waste introduced a Part 2 report containing information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

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

1. The Select Committee discussed the exempt annexes asking questions of the witnesses under Part 2 conditions.

#### **Resolved:**

The Resources and Performance decided to make its recommendations public:

1. Asks the Service/Cabinet Member to share with the Select Committee yearly revaluation reports for Surrey and Halsey Garton properties annually, as soon as available; and
2. Requests the Cabinet Member to consider establishing a stand-alone Council wide strategic Member Asset Advisory Panel to assist decision making and oversight of the strategy in respect of the property portfolio

## **11/22 PUBLICITY OF PART 2 ITEMS [Item 11]**

To consider whether the item considered under Part 2 of the agenda should be made available to the press and public.

It was agreed that the information in relation to the Part 2 items discussed at the meeting would remain exempt.

**12/22 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 12]**

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

**13/22 DATE OF THE NEXT MEETING: 14 APRIL 2022 [Item 13]**

The Committee noted its next meeting would be held on 14 April 2022.

Meeting ended at: 1.38pm

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**Chairman**