

MINUTES of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 7 October 2022 at 10am.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 9 December 2022.

Elected Members:

- * Nick Darby (Chairman)
- * Will Forster (Vice-Chairman)
- * David Harmer
- * Edward Hawkins
- * Robert Hughes
- Robert King
- * Steven McCormick
- * Tony Samuels
- * Lance Spencer
- Lesley Steeds
- * Hazel Watson
- * Jeremy Webster

(* =present at the meeting)

34/22 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Robert King and Lesley Steeds.

35/22 MINUTES OF THE PREVIOUS MEETING: 13 JULY 2022 [Item 2]

The minutes of the Resources and Performance Select Committee held on 13 July were formally agreed as a true and accurate record of the meeting.

36/22 DECLARATIONS OF INTEREST [Item 3]

None received.

37/22 QUESTIONS AND PETITIONS [Item 4]

None received.

38/22 PEOPLE & CHANGE WORKFORCE UPDATE [Item 5]

Witnesses:

Ayesha Azad, Cabinet Member for Finance and Resources
Leigh Whitehouse, Deputy Chief Executive and Executive Director of Resources

Bella Smith, Head of Insight, Programmes and Governance
Tom Holmwood, Head of Recruitment

Key points raised during the discussion:

1. The Chairman asked what the three current key challenges in relation to workforce were compared to the last year, and likely to be in the next two years.
2. The Head of Insight, Programmes and Governance said that for the past two years challenges had centred around COVID including the management of staff sickness levels, staff wellbeing and ensuring staff had the correct personal protection equipment (PPE). Due to the pandemic, the market had changed with people wanting to work differently and as a result the Council has increased its plans for focus on recruitment and retention over the next two years. Current challenges around the cost of living were being addressed to ensure staff financial wellbeing with the roll out of initiatives to support this planned over the next six months. The Head of Resourcing added that the cost of living was resulting in an increase of turnover and this was expected to continue for some time. Work around maintaining the Council's employer brand in the market would continue. Analysis of data to support the development of a corporate exit survey was underway to provide insight around a proportion of staff leaving the Council for other public sector organisations.
3. The Chairman queried the reasons for staff moving to other public sector organisations. The Head of Recruitment noted that recent exit interviews indicated factors such as pay and reward in addition to work, life balance and committed to share an analysis of exit interview data with the Resources and Performance Select Committee at the next People and Change update. **Action: Head of Recruitment**
4. The Chairman was concerned at the emphasis on 'line managers' to conduct 'why stay' conversations with staff. The Head of Insights Programmes and Governance explained a broader approach in relation to the 'why stay' interviews was being piloted in Children's Services with human resources business partners and other colleagues within the service involved in conducting some of those conversations, supporting the development of peer-to-peer discussions.
5. The Chairman asked when tangible results could be expected in relation to recruitment and retention improvements. The Head of Insight, Programmes and Governance explained that whilst the

voluntary turnover rate had risen from February 2022 to July 2022, a slight plateau was evident, and the current economic situation was resulting in more people choosing the stability of remaining in their roles at the Council.

6. A Member asked if there were sufficient opportunities for extra annual leave and sabbaticals as requested by 29 per cent of staff surveyed for the Children's, Families and Lifelong Learning 'in job' questionnaire. The Head of Insight, Programmes and Governance explained that in addition to a re-evaluation of pay grades, the total reward package for staff was being revisited and would include, flexible working, annual leave and the promotion of sabbaticals where appropriate.
7. A Member asked if consideration was being given to offering more flexible conditions to encourage staff to remain with the Council and reduce the need to recruit. The Head of Insight, Programmes and Governance confirmed this was a focus but noted that work, life balance was not the key reason given for staff leaving the County.
8. A Member queried what was being done to ensure a higher level of satisfaction regarding the Councils training offer. The Head of Insight, Programmes and Governance agreed that communication of training could be improved, adding that a new learning and development system to facilitate access to training opportunities was being considered for next year and would address the fact that some staff were not aware of available training opportunities.
9. A Member asked if line managers were trained to deal with expanding the knowledge and experience of their team to facilitate retainment. The Head of Insight, Programmes and Governance explained a comprehensive leadership and line management training offer was available, providing specific information on coaching their teams. The Member asked if and how line managers were encouraged to take the opportunity to develop the knowledge and experience of their teams. The Head of Insights, Programme and Governance confirmed that line managers were encouraged to develop their teams experience although there were challenges around managers who would prefer a member of their team to remain in post. Any lack of developmental opportunities would be identified by exit interviews and 'in job' conversations going forward.

10. The Head of Resourcing noted that of 3000 appointments processed this year, approximately 35 per cent were internal moves suggesting the Council had good movement of staff around the organisation and committed to provide further data analysis around this subject to the Resources and Performance Select Committee. **Action: Head of Recruitment**
11. A Member asked what targets and aspirations could be linked to planned developments and improvements in different areas in the report and how would they be defined, tracked and reported. The Head of Insight, Programmes and Governance explained that in addition to Key Performance Indicators (KPIs) monitoring, a portfolio plan including all projects of work across People and Change was reported on monthly to the leadership team of People and Change and the transformation unit.
12. A Member inquired if the 30 per cent turnover of social workers in children's services was usual for this type of local authority. The Head of Insight, Programmes and Governance said that the national turnover of social workers had increased however the Council had a unique challenge because of its close proximity to London.
13. A Member queried if the 30 per cent of social workers leaving the Council are finding employment as social workers with other authorities or leaving the role completely. The Head of Resourcing said that information would be available shortly and committed to a comprehensive overview at the next update to incorporate exit data currently being gathered. **Action: Head of Recruitment**
14. A Member queried how the organisation tracked morale following the implementation of changes. The Head of Insight, Programmes and Governance confirmed that morale could be tracked through workforce dashboards combined with results from staff surveys. The Head of Resourcing added that the exit survey split feedback between the organisation, individuals' teams and roles enabling further measurement of morale.
15. A Member asked what level of certification was being offered to help create reward and to encourage career progression. The Head of Insight, Programmes and Governance explained that each function within the Council had its own levels of certification

due to the diverse roles within the organisation. The Member requested further information on the levels of qualifications available for roles such as social workers. The Head of Insight, Programmes and Governance committed to provide this information to the Resources and Performance Select Committee separately. **Action: Head of Insight, Programmes and Governance**

16. A Member asked how progression opportunities within the organisation could be made more easily available to all employees. The Head of Recruitment agreed that more could be done in the recruitment space to bring and publicise internal opportunities to the forefront and suggested that he and the Head of Insight, Programmes and Governance take this away for consideration. **Action: Head of Insight, Programmes and Governance**
17. A Member queried if any existing arrangements were in place with educational facilities to provide courses specifically for social care roles. The Head of Resourcing confirmed that the Children's Social Worker Academy worked closely with the University of Surrey to grow local talent with a sizeable portion of candidates applying for places in the Children's Social Worker Academy because of this partnership.
18. The Deputy Chief Executive and Executive Director of Resources gave an example of work in the Finance department to provide more rounded development opportunities. The secondment of staff to support the finance function at Tandridge District Council had Tandridge but also provided good development opportunities for our team.
19. The Chairman in referring to a recommendation made at the 14 April 2022 Resources and Performance Select Committee in relation to the 45p mileage allowance for staff, noted a delay in sending the recommended letter to HMRC and asked what the next steps were following the lack of reply from HMRC. The Cabinet Member for Finance and Resources confirmed that HMRC had not responded to date and committed to chasing a response with any letters to be circulated to the Resources and Performance Select Committee. **Action: Cabinet Member for Finance and Resources**

RESOLVED:

In noting the report identifying key workforce challenges facing the organisation, the Resources and Performance Select Committee:

- i. Welcomes the report for its aspiration and acknowledges the identified steps being taken to address the challenges faced by the organisation.
- ii. Requests that efforts gather pace to deliver positive aspirations listed in the report, particularly in areas such as staff turnover, why stay/in-job interviews; internal career progression opportunities for staff; consistent organisation-wide data about exit interviews.
- iii. Suggests that any internal progression/job opportunities be publicised more widely to staff throughout the organisation.
- iv. Asks for an update report by no later than December 2023 covering the following areas:
 - a. Recruitment time to hire
 - b. Collaboration with schools and colleges
 - c. Data on exit interviews/surveys and in-job interviews with a view to retain staff/gauge job satisfaction
 - d. Career development offer and internal job promotion opportunities for staff
 - e. Management and leadership prospects for those who are underrepresented
 - f. Hybrid working (including more annual leave, flexible approach to working and sabbatical opportunities)
 - g. Summary of key performance indicators

39/22 EXCLUSION OF THE PUBLIC [Item 6]

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)

40/22 AGILE OFFICE ESTATE STRATEGY UPDATE REPORT [Item 7]

Witnesses:

Natalie Bramhall, Cabinet Member for Property and Waste
Leigh Whitehouse, Deputy Chief Executive and Executive Director of Resources

Simon Crowther, Director Land and Property

Matthew Pizii, Head of Strategy and Planning

Dominic Barlow, Assistant Director Property, Strategy and Planning

Key points raised during the discussion:

1. The Chairman asked what the extent of discussions with Land and Property in relation to recent work at Quadrant Court was.
2. The Cabinet Member for Property and Waste summarised the previous uncoordinated approach to the Councils office estate. It was felt that the estate was unaffordable and previously not fit for purpose. The Agile Office Estate Strategy had been addressing these issues by adopting a strategic approach to transforming the Councils office estate with the move out of County Hall in Kingston being the catalyst. The Council was evolving to become a more agile and sustainable organisation delivering a reduced estate footprint with essential transformational investment delivering fit for purpose workspaces across the county as well as delivering a reduction in costs. The Select Committee's focus on the Northwest Quadrant and Quadrant Court was appreciated, however offering context at this time was appropriate. With regard to Quadrant Court and the Greener Futures work, the Cabinet Member for Property and Waste said she had not been made aware of the appointment and contractual relationship. These regrettable circumstances and the fact that Land and Property should have been more involved have been raised with the Director for Environment and the Cabinet Member for Environment. Costings for the flood damage caused by a compression joint to a hot water tank that had not been sealed adequately were expected to be more than £1 million.
3. The Chairman asked if the building was back in use. The Strategic Advisor, Facilities Management confirmed that the building was back in full use except for some meeting rooms.
4. The Chairman queried if contractual discussions around the fault were taking place. The Strategic Advisor, Facilities Management confirmed that an investigation was taking place adding that claims that the workmanship of the joint had resulted in the malfunction were yet to be substantiated. A report would be made available at the end of October 2002 following the investigation and would include the expected costs for remedial works. The Chairman requested that the Resources and Performance Select Committee be updated when that

information was received. **Action: The Strategic Advisor, Facilities Management**

5. The Vice Chairman, in reference to recommendation three of the report, asked if bringing the timescale for bringing the report back to Cabinet should read Q2 2023, instead of Q2 2022. This was confirmed.
6. The Vice Chairman queried why Quadrant Court and other properties had been allowed to run into disrepair with minimum investment, as referenced in the report. The Cabinet Member for Property and Waste said that Quadrant Court had not been allowed to run into disrepair, however it was evident that historically, minimal maintenance and investment had been inadequate. The current Land and Property team were working under strong management to develop improved maintenance across the estate. The Vice Chairman, in reference to the report noting that minimal levels of maintenance and investment have been undertaken historically, asked why that was the institutional reaction to the buildings owned by the Council. The Deputy Chief Executive and Executive Director of Resources challenged this interpretation of the report noting that the report stated that the 'minimum' amount of maintenance had been undertaken, which is different from 'minimal', it being what was adequate rather than less than that. From 2010 onwards during the period of austerity, some decisions were made to balance the budget which may have been expedient in the short term but provided challenges medium to longer term.
7. The Vice Chairman asked why the Council continues to work in silos resulting in the Cabinet Member for Property and Waste to be unaware of a contract that sits within their portfolio. The Cabinet Member for Property and Waste was not aware how this situation had been allowed to happen and had been given assurances by Greener Futures that it would not be repeated.
8. A Member asked for reassurances that all contractors and works would be carried out under the correct warranties and insurances. The Strategic Advisor, Facilities Management gave assurances that future contracts would have the required warranties and insurance.
9. A Member reiterated that any contract let by the Council should be checked against compulsory guidelines and governance. The

Cabinet Member for Property and Waste confirmed that any contracts let by the Land and Property team go through a process of confirming warranties and insurances.

10. The Chairman, in noting a previous contractual issue considered by the Resources and Performance Select Committee, reiterated that it had previously been recommended that all contract specifications be regarded carefully at the appropriate level.
11. A Member, considering significant increases in energy costs asked if buildings were being assessed in terms of energy cost implications. The Cabinet Member for Property and Waste confirmed that urgent assessments were taking place with a new Energy Management Task Force focusing on operational, behavioural and technological initiatives.
12. A Member asked if the disposal of underutilised buildings would be considered. The Strategic Advisor, Facilities Management confirmed that it was part of the wider estate strategy to look at the utilisation of buildings with the property and strategy team and occupancy was being considered as part of the corporate office estate to identifying opportunities to reduce energy costs. The Member requested that the Resources and Performance Select Committee be provided with more detail around the performance of building and occupancies. The Cabinet Member for Property and Waste confirmed that these points were being addressed as part of the whole Agile Office Strategy.
13. A Member was concerned to learn that Land and Property were responsible for energy costs across the organisation rather than departments. The Deputy Chief Executive and Executive Director of Resources explained that this was consistent with the corporate landlord model currently in place. Land and Property were custodians of the buildings rather than the services residing within them to avoid fragmented decision making around building use. Risks would continually be monitored and mitigated. The Director for Land and Property added that sharing clear reporting data broken down by building and service would encourage the right behaviour.

Resolved:

The Resources and Performance Select Committee:

1. Supports the Agile Office Strategy which seeks to reduce costs and environmental impact.
2. Notes the ambitious timetable provided in the report and is concerned that this timetable may not be achievable.
3. Requests that the Select Committee continue to be kept updated on the progress of Agile Office Strategy decision-making and delivery.
4. Asks the Deputy Chief Executive and Executive Director of Resources to ensure:
 - a. Robust financial regulations (contracting arrangements) are in place.
 - b. Proper due diligence regime for contractors is followed.
 - c. That the occupancy ratio figures across the Council's office estate; and a briefing on the Energy Management Task Force be provided to the Select Committee.

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 of Resources

Simon Crowther, Director Land and Property
Matthew Pizii, Head of Strategy and Planning

Dominic Barlow, Assistant Director Property, Strategy and Planning

Brian Boundy, Strategic Advisor Facilities Management

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.

41/22 PUBLICITY OF PART 2 ITEMS [Item 8]

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.

42/22 REFERRAL FROM THE COUNCIL - RESPONSIBLE TAX CONDUCT MOTION [Item 9]

Witnesses:

Ayesha Azad, Cabinet Member for Finance and Resources
Leigh Whitehouse, Deputy Chief Executive and Executive Director of Resources
Anne Epsom, Head of Policy and Improvement
Jonathan Essex, County Councillor

Key points raised during the discussion:

1. The Head of Policy and Improvement provided a summary of the work undertaken to consider resolutions as part of the original motion. Whilst many items considered were uncontentious, there were some elements that on initial consideration could pose challenges and required in depth investigation, for example with procurement, contract regulations and the public services Social Value Act. Based on the consultation, procurement were comfortable that if the Council decided to sign the fair tax declaration, it could be agreed on the proviso over alternative wording set out in the recommendations.
2. Councillor Essex welcomed the report as the proposer of the motion. He appreciated the clarification as to how the fair tax declaration related to existing ways of doing business while noting constraints in terms of what could be done by policy and national rules. A stronger policy was required to achieve all that is currently stated in the declaration. Paragraph 21.1 of the report highlighted issues requiring attention, particularly the restructuring of locally owned care sector businesses, highlighting the fragile nature of some supply chains and the need for reform. Councillor Essex noted his support of the recommendations which would lead to a clear public commitment in this area.

Resolved:

The Resources and Performance Select Committee recommends that Surrey County Council signs up to the Fair Tax Declaration with the following exceptions:

1. Agree to alternative wording with the Fair Tax Foundation regarding the following items:
 - a) Undertake due diligence to ensure that not-for-profit structures are not being used inappropriately by suppliers to reduce the payment of tax and business rates.
 - b) Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position.
2. Remove the following item:
 - a) Include tax conduct in social value scoring for assessing contracts.

43/22 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 10]

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

44/22 DATE OF THE NEXT MEETING: 9 DECEMBER 2022 [Item 11]

The Committee noted its next meeting would be held on 9 December 2022.

Meeting ended at: 12:51

Chairman