

Notice of Meeting

Resources and Performance Select Committee

**Date & time**

Friday, 7 October
2022 at 10.00 am

Place

Surrey County
Council, Woodhatch
Place, 11 Cockshot
Hill, Reigate, Surrey,
RH2 8EF

Contact

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Chief Executive

Joanna Killian

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Kunwar Khan, Scrutiny Officer kunwar.khan@surreycc.gov.uk

Elected Members

Nick Darby (The Dittons) (Chairman), Will Forster (Woking South) (Vice-Chairman), David Harmer (Waverley Western Villages), Edward Hawkins (Heatherside & Parkside), Robert Hughes (Shere), Robert King (Egham), Steven McCormick (Epsom Town and Downs), Tony Samuels (Walton South & Oatlands), Lance Spencer (Goldsworth East & Horsell Village), Lesley Steeds (Lingfield), Hazel Watson (Dorking Hills) and Jeremy Webster (Caterham Hill)

TERMS OF REFERENCE

The Committee is responsible for the following areas:

- Finance
- Orbis Partnership Functions
- HR&OD
- IT and Digital
- Business Ops
- Property
- Procurement
- Equalities and Diversity
- Internal/External Communications
- Legal and Democratic Services
- Customer Services

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Purpose of the item: To receive any apologies for absence and substitutions.

2 MINUTES OF THE PREVIOUS MEETING: 13 JULY 2022

(Pages 5
- 16)

Purpose of the item: To agree the minutes of the Resources and Performance Select Committee held on 13 July 2022 as a true and accurate record of proceedings.

3 DECLARATIONS OF INTEREST

Purpose of the item: All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

- I. Any disclosable pecuniary interests and/or
- II. Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting.

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner).
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

4 QUESTIONS AND PETITIONS

Purpose of the item: To receive any questions or petitions.

NOTES:

1. The deadline for Members' questions is 12:00pm four working days before the meeting (*3 October 2022*).
2. The deadline for public questions is seven days before the meeting (*30 September 2022*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 PEOPLE & CHANGE WORKFORCE UPDATE

(Pages
17 - 34)

Purpose of the report: To provide the up to date position on the key workforce challenges facing the organisation and how the People & Change Service is working to help address and mitigate these challenges. In addition, the report gives a progress update on previous queries raised by the Select Committee and aims to give clarity on current actions and programmes of work being undertaken to address specific areas of concern.

6 EXCLUSION OF THE PUBLIC

Purpose of the item: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

7 AGILE OFFICE ESTATE STRATEGY UPDATE REPORT

(Pages
35 - 84)

Purpose of the report: Update on Surrey County Councils Agile Office Estate strategy, a work stream of the Councils Agile Organisational Programme.

8 PUBLICITY OF PART 2 ITEMS

Purpose of the item: To consider whether the items considered under Part 2 of the agenda should be made available to the Press and public.

9 REFERRAL FROM THE COUNCIL - RESPONSIBLE TAX CONDUCT MOTION

(Pages
85 - 100)

Purpose of the report: To provide input and feedback on the aforementioned council motion referred to the Resources and Performance Select Committee by the full council.

10 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER

(Pages
101 -
118)

Purpose of the item: For the Select Committee to review the attached Forward Work Programme and Recommendation Tracker, making suggestions for additions or amendments as appropriate.

11 DATE OF THE NEXT MEETING: 9 DECEMBER 2022

The next meeting of the Resources and Performance Select Committee will be held on 9 December at 10:00am.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions.

Thank you for your co-operation

MINUTES of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 13 July 2022 at 10:00am.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 7 October 2022.

Elected Members:

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

(* =present at the meeting)

26/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Lance Spencer.

27/21 MINUTES OF THE PREVIOUS MEETING: 14 APRIL 2022 [Item 2]

The minutes of the Resources and Performance Select Committee held on 14 April 2022 were formally agreed as a true and accurate record of the meeting.

28/21 DECLARATIONS OF INTEREST [Item 3]

None received.

29/21 QUESTIONS AND PETITIONS [Item 4]

None received.

30/21 CUSTOMER SERVICES UPDATE [Item 5]

Witnesses:

Mark Nuti, Cabinet Member for Communities
Marie Snelling, Executive Director of Customer and Communities
Sarah Bogunovic, Head of Customer Strategy and Registrations
Susan Grizzelle, Head of Customer Services

Key points raised during the discussion:

1. The Cabinet Member for Communities introduced the report, commending the work undertaken by the customer services team

throughout the pandemic which included the implementation of the test and trace and vaccination programmes. The Cabinet Member for Communities added that Key Performance Indicators (KPIs) around call times would be considered carefully going forward as calls became more in depth and lasting longer as a result.

2. The Chairman queried what were the three main challenges faced by Customer Services. The Executive Director of Customer and Communities said the first challenge was workforce, explaining that customer services could be a time limited job. Surrey County Council (SCC) had a good track record of people remaining within the organisation which in turn could cause issues with retention and the delivery of the customer services operation as staff move into other roles. This coupled with the challenges faced more broadly around recruitment across the County Council required creative and innovative methods of attracting applicants and retaining staff to be considered. Secondly, the nature of calls had become more complex, resulting in the need to provide staff more training and adjust the operation to support residents successfully. The third main challenge was to continue running a good operational service whilst fulfilling a wider corporate role, providing training, guidance, advice and support across the organisation to support customer culture.
3. The Chairman asked what innovative and creative methods were being considered to address the recruitment and retention challenges mentioned previously. The Head of Customer Services explained the current buoyant employment market meant that some staff were returning to pre pandemic jobs. Recruitment campaigns were emphasising the interesting and diverse services offered to attract applicants in addition to offering permanent roles rather than fixed term contracts, providing more job security.
4. The Chairman queried if the contact centre currently had a full complement of staff. The Head of Customer Services confirmed that there were vacancies within social care areas but overall, the current staffing profile was as expected.
5. The Chairman questioned if the longer, more complex calls mentioned previously would affect the ability to deliver efficiencies. The Executive Director of Customer and Communities said that the service had delivered significant efficiencies during the last five years noted that there were no efficiency profiles for this year. She added that although the financial outlook going forward was expected to be challenging, the ability to deal with efficiencies would not be affected.
6. The Chairman queried the average staff turnover and length of service within customer services. The Head of Customer Services noted that most staff stay for a year as roles within the department

were entry level and part of someone's development to remain with the service. The Chairman noted this reiterating the benefits of encouraging staff to stay and move on to roles within the organisation wherever possible

7. A Member asked what support was given to staff to prepare for roles within adult's social care. The Head of Customer Services explained that adult's and children's social care teams were embedded within the contact centre with staff often being promoted to within these social care teams having gained transferable skills from other areas of the contact centre.
8. A Member queried if the initial training provided to customer service staff would be suitable for Members who often find themselves in a customer facing role. The Head of Customer Services confirmed that Member inductions had highlighted the need for guidance on handling difficult situations and a new suite of training for Members was planned for the autumn. The Cabinet Member for Communities said Member development workshops were planned for September and October 2022 and it would be helpful to include some customer services training as part of those sessions.
9. A Member asked if school appeals training was available to Members. The Executive Director of Customer and Communities noted that suggestions from Members for topics to be included in the Member Development sessions planned for the autumn would help to provide information of use and allow the service to understand and support Member's needs. The Head of Customer Strategy and Registrations explained that that the annual complaints report had recently been to the Audit and Governance Committee to address some of the complexities that families had to navigate as part of the school appeals process and discussions to simplify some of the processes had taken place with that committee.
10. A Member said that training for Members in how to deal with people in distress was required. The Head of Customer Strategy and Registrations said that ensuring Members are aware of the support available to families would be addressed in the new training package available in the autumn.
11. A Member asked how peaks and troughs in demand were analysed and prepared for and what were the plans in place for a county wide emergency. The Head of Customer Services explained that data was analysed every half an hour to identify when to expect high and low call volumes. In the event of an emergency, staff would be redirected to accommodate cover as required. Business continuity plans had been drawn up to plan and inform in the event of a county wide emergency.

12. A Member asked what work was being undertaken with libraries, what was the role of the library service in providing customer support and were digitally excluded residents being considered in this area. The Head of Customer Strategy and Registrations confirmed that the need for cooperation between the library service and customer services function had been identified and the aim was for residents accessing the service through libraries to receive the same level of customer service as if they had telephoned the customer service centre. Training of the library workforce had been rolled out as part of the library transformation program in addition to linking up with the digital buddy infrastructure. The Cabinet Member for Communities said that Members would be signposted to areas where this service was prevalent to allow Members to guide residents to those libraries.
13. A Member queried if customer service staff were working from the office or home. The Head of Customer Services explained that the intention is for staff to be at the office for 40 per cent of their time and at home for 60 per cent of their time.
14. A Member asked for the road map to the website noted in the report to be shared with Members. The Head of Customer Strategy and Registrations said that a Cabinet Office accessibility audit was being developed to further inform future development and look at how inclusive the current website offer is, in addition to commissioned research with resident groups to identify what they would like to see from the digital offer, ensuring continued aim of inclusive and accessible information. The roadmap would be shared with Members when these pieces of work were concluded.
15. A Member asked if call centre information was shared with the districts and boroughs. The head of Customer Services confirmed that regular meetings were held with districts and boroughs to discuss cross over area with support offered each way to provide a seamless customer service provision in Surrey.
16. A Member said that a form of automation to integrate across the organisational boundaries would be beneficial. The Head of Customer Strategy and Registrations summarised work being undertaken at a strategic level to bridge some of the organisational gaps and create a more joined up experience for customers. Discussions were also taking place with districts and boroughs and health to ensure smarter and seamless navigation in the digital offer in addition to sharing expertise and capability.
17. A Member expressed concern around link workers and asked what that meant for Members. The Cabinet Member for Communities agreed to come back with further information

18. A Member asked how prepared the service was to support calls from residents considering the cost-of-living crisis. The Head of Customer Services was confident a comprehensive service was being offered to residents contacting the service with staff having received training from the Citizens Advice Bureau to answer this type of enquiry specifically. Communications work had begun to provide leaflets for residents using food banks or surgeries signposting them to the support available.
19. A Member asked if a list of officers noting their remits and areas of expertise could be provided to Members so that they can contact the officer relevant to their query easily. The Head Customer Strategy and Registrations said that data could not be captured if Members approached officers directly which would affect the insight required to improve. A Member casework guide was available on the Member Portal, providing information on the key pathways and advising Members of the processes in place. The Cabinet Member for Communities confirmed the response time for the current process was five working days which is often exceeded.
20. A Member queried if there was a back-up system incorporating communications and access to data and if so, had it been tested. The Head of Customer Services explained that resilience was much improved since the pandemic with staff now able to work from home. Risk around the telephony system remained and ways of building resilience in that area were being considered with the prioritisation of social care areas which held the greatest risk. All systems were tested quarterly.
21. A Member queried if the five-day response time related to highways calls. The Head of Customer Services said that the response time for highways was 10 days. A Member said that she had an example of a query awaiting a response after three weeks. The Head of Customer Services asked for the information of this call so that it could be investigated. The Head of Customer Strategy and Registrations added that work was being undertaken with regard to the Environment, Transport and Infrastructure directorate around their customer improvement plan which included a review of response times.
22. A Member asked if an analysis had taken place to determine if queries received through the live chat took longer to deal with than a phone call. The Head of Customer Strategy and Registrations confirmed the focus to roll out the live chat function further as a result of positive resident feedback and support of the live chat following recent commissioned research undertaken with residents with autism and people experiencing mental health issues. [does not seem like the question was answered – perhaps add to the request for further information heading at the end]

23. A Member, in relation to staff retention asked if a training needs assessment took place regularly and queried if there was a career path available to staff to improve retention. The Head of Customer Services confirmed that a team based within the contact centre trained other teams within Surrey County Council in addition to customer service staff. Agents were met individually to ensure they had access to the skills, knowledge and information required and were encouraged through career pathways. Staff were encouraged to develop skills relevant to any favoured subject area.
24. A Vice Chairman, in referring to the Select Committee's previous recommendation around benchmarking, asked what had been learnt from the exercise. The Head of Customer Services confirmed that a wide group of councils had signed up to take part in the benchmarking group, meeting every four to six weeks and Surrey County Councils results compared favourably, particularly around areas of online uptake. The Head of Customer Services committed to share the detail with the Committee following the meeting. The Executive Director of Customer and Communities added that exercise had created avenues to focus on in certain areas.
25. A Member commended the focus on quality rather than quantity and asked if benchmarking the accessibility of the service in comparison with the NHS had been considered. The Executive Director of Customer and Communities said that officers were awaiting the results of an accessibility audit from the Cabinet office which would help to inform and continue the focus on ensuring the service is accessible as possible across all customer contact channels.

RESOLVED:

The Resources and Performance Select Committee:

1. Asks that, building on previous successful visit offer to Members, the Service encourages and offer a further opportunity to visit the customer services centre to all Members.
2. Requests that advice and effective signposting about cost-of-living queries continue to be provided to relevant callers/residents by the customer services team.
3. Asks the Service continues to take possible actions (training, development, career progression pathway/advice, secondment, cross-working opportunities etc.) to improve staff turnover rate in customer services. This will not only help increase job satisfaction and enable the SCC/Service to become the employer of choice in a competitive job market but also enhance the quality and effectiveness of the service provided to residents.

4. Requests (welcomes, if already planned) a Members information session by the Service; and more information about live chat programme.

Request for further information:

- More information about link workers, benchmarking data including areas that required more focus.

31/21 UPDATE ON THE ROLL OUT OF DIGITAL INFRASTRUCTURE IN SURREY [Item 6]

Witnesses:

Michael Coughlin, Executive Director, Partnerships, Prosperity and Growth

Rhiannon Mort, Head of Economic Infrastructure

Katie Brennan, Digital Infrastructure, Senior Project Manager

Key points raised during the discussion:

1. The Executive Director, Partnerships Prosperity and Growth introduced the report confirming that the 'digital infrastructure' noted in the paper referred to e.g. the cabling, fibre, networks, transmitters, masts/poles and hardware that is required to enable software, applications and digital technologies to operate at their optimum level in the interests of ensuring Surrey's residents, communities, economy and public agencies can fully benefit from them.
2. The Chairman asked how permitted development rights affected Surrey County Council, particularly in relation to highways. The Digital Infrastructure, Senior Project Manager confirmed that in Surrey, borough and district councils were the local planning authorities, carrying out specific planning functions and managing permitted developments for their area. Most communication apparatus came under permitted development rights enshrined in national planning legislation determined by government, not local authorities.
3. There are two types of permitted development; the majority of telephone and broadband access apparatus such as cabinets and telegraph poles fall under 'permitted development', where the supplier contacts the local planning authority 28 days prior to starting works with no planning or prior approval from the local planning authority being required. The second category is 'permitted development requiring prior approval'. In this instance, the only factors the local district or borough planning authority can consider were details around the site, height, topography and appearance of the proposed apparatus.

4. New legislation brought in in April 2022 meant that 4G and 5G masts up to 30 metres were now dealt with by district and borough councils under permitted development requiring prior approval. Masts were being increased to 25 metres on conservation areas and highways except for areas of special scientific interest and rules had been relaxed around the width and the height of existing ground-based masts being replaced in addition to the amendment to rules around masts on buildings and radio equipment housing.

Where masts/poles were being located on highways land, Surrey County Council, as the local highway authority, would be invited by the local district or borough planning authority to comment on the highway safety aspects only, but would not have powers to comment on the suitability of a location in respect of aesthetics.

Separately from the planning legislation, if a communications supplier intended to break the surface of the public highway to install new ducts, chambers, cabinets or poles, the company would be required to seek a permit application to Surrey County Council as the local planning authority and all permit applications were considered with the principles and rules of the permit scheme and road network availability for the proposed works to take place. For any applications indicating the installation of any new above ground assets, confirmation should be sought from the communication supplier that the necessary notifications have been submitted to the local planning authority to the required time scales prior to any installation.

5. The Chairman asked for clarification around the permissions aspect of permitted development. The Digital Infrastructure, Senior Project Manager explained that a supplier installing a 30-metre mast would be required to submit a permitted development with the prior approval requirement to the appropriate district or borough Council as the planning authority. This would have previously required submission of a full planning application but had now been moved into permitted development with the requirement for prior approval from the local planning authority as part of that process.
6. The Chairman summarised that the recent legislation changes affected apparatus up to 29 metres and could only be refused by a private landowner, not Surrey County Council, highways or local residents. The Digital Infrastructure, Senior Project Manager added that the supplier would have to obtain a wayleave from the landowner before the installation could take place.
7. The Digital Infrastructure, Senior Project Manager highlighted the possible resources challenges if the local planning authority were to receive notifications for hundreds of new cabinets in a short space of time with Surrey County Council highways and street works team receiving a similar number of permanent applications. To alleviate

any risks, early engagement with the districts and boroughs, suppliers, highways and street works teams had been undertaken to discuss the process and avoid delays as legally suppliers only must notify the local planning authority 28 days before works commence.

Tony Samuels left the meeting at 12:00pm

8. A Vice Chairman asked what the three main challenges were faced by Surrey County Council in this area. The Head of Economic Infrastructure summarised the main challenges as i) the resourcing of the process by County, district and borough councils, ii) the critical importance of close engagement and positive working relationships with the districts and boroughs to deal with residents queries received by Surrey County Council regarding this complicated area and iii) the major shift from the previous super-fast programme that Surrey County Council had had an active role in delivering, to the gigabit speed program in which the government had instructed Building Digital UK (BDUK) to take a lead role in terms of roll out of infrastructure.
9. A Member said that they were aware of a proposal to site a mast within 150 metres of a local school and asked if that was permitted. The Digital Infrastructure, Senior Project Manager suggested that the Member should contact the local district or borough council planning authority for advice.
10. A Member, in relation to the restoration of footpaths being disturbed by contractors, asked if there was a strategy around communications with contractors. The Digital Infrastructure, Senior Project Manager confirmed that there was, but that for specific issues and locations suggested that the Member should contact the traffic and street works manager. The Member suggested that the Committee give this area further consideration. The Chairman noted the request.
11. A Vice Chairman, while acknowledging that the detail of the roll out of digital infrastructure was not the responsibility of Surrey County Council, questioned whether a county-wide strategy going beyond the county councils core responsibilities could be beneficial and complement Surrey County Council's promotion of digital infrastructure. The Executive Director, Partnerships, Prosperity and Growth explained that BDUK and the government largely direct the national strategy, creating the market conditions which dictate what will happen in Surrey to a significant extent. Surrey County Council were actively working to lobby and influence BDUK and the Department for Digital, Culture, Media and Sport (DCMS) to shape that within a vision for digital in the County. BDUK create and issue to the market a series of 'lots' to which commercial and local community groups respond, to secure the implementation of what has been broadly dictated from national government. As a

consequence, SCC has an influencing role, rather than strategic control over the programme.

12. A Vice-Chairman queried if there were examples of best practice, designs and locations that could be suggested to digital suppliers to provide a more acceptable appearance to residents. The Digital Infrastructure, Senior Project Manager said that the government had started to look into monopoles, which were thin, black poles, however other design elements had not been investigated to date but examples of best practice could be sought.
13. A Member asked what could be done to encourage installation of 18 and 15 metre masts at existing sites and to ensure that residents were consulted regarding the appearance. The Digital Infrastructure, Senior Project confirmed that these masts would fall under prior approval, with decisions arising from engagement by the district or borough local planning authority with the supplier.
14. A Member queried if the difficulties around permitted development were a national problem and if so, could the Local Government Association (LGA) carry out a lobbying role on behalf of Councils across the country to address issues with masts and poles. The Executive Director, Partnerships and Prosperity and Growth said that the latest LGA activity around this subject would be investigated adding that it was important to be mindful of the sovereign responsibilities and boundaries in terms of the functions of district and borough councils.
15. A Vice Chairman, in relation to the gigabit programme, queried how it was being determined and on what basis would any priority be allocated to it? The Digital Infrastructure, Senior Project Manager explained that the government announced a series of phased procurement lots that were being undertaken as part of project Gigabit. These lots had been identified loosely around county boundaries, placed into phases and had been identified by BDUK as having the most need.
16. The Chairman summarised the issues raised by Members about the roll out and concerns around the planning regime in place and said that the committee would commit to liaise with the districts and boroughs and provide support if required. The Chairman noted the complex subject area and thanked officers for sharing their knowledge and expertise.

Resolved:

The Resources and Performance Select Committee:

1. Asks that the Cabinet Member for Transport and Infrastructure along with Executive Director Partnerships, Prosperity and Growth highlights the issues raised by the Committee around mast and pole size and locations, with the Surrey district and borough Chief Executives and Planning Officers to consider and take forward as part of their sovereign statutory and planning functions. These issues include the desirability of early and proper consultation with residents and divisional members likely to be affected by new masts or infrastructure and the publication on their websites of the local planning rules.
2. Requests that the Cabinet Member for Transport and Infrastructure together with Executive Director Partnerships, Prosperity and Growth raises with district and borough councils the potential merits of lobbying the Government/relevant authorities via appropriate available forums (LGA, CCN etc.) for more effective powers and guidance to be provided to local authorities to better respond to any reasonable concerns raised by residents.
3. Requests early sight, via email, of the report to Cabinet Member for Transport and Infrastructure to seek approval for the SCC project to make available SCC's assets to support the 5G roll out and other wireless technologies.
4. In relation to points 1 and 2, the Select Committee requests a briefing note on progress at the appropriate time but no later than 31 December 2022.
5. Asks the Cabinet Member for Transport and Infrastructure to have a briefing note prepared by 30 September 2022 to provide the committee with information on what legislation Statutory Undertakers must conform to in terms of repairs to the public highway after their works and what activities are carried out by the Council's Streetworks team to ensure that Statutory Undertakers meet these requirements.

32/21 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 7]

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

33/21 DATE OF THE NEXT MEETING [Item 8]

The Committee noted its next meeting would be held on 7 October 2022.

Meeting ended at: 12:51pm

Chairman

Friday, 7 October 2022



PEOPLE & CHANGE WORKFORCE UPDATE

Purpose of report: To provide the up to date position on the key workforce challenges facing the organisation and how the People & Change Service is working to help address and mitigate these challenges. In addition, the report gives a progress update on previous queries raised by the Select Committee and aims to give clarity on current actions and programmes of work being undertaken to address specific areas of concern.

Introduction:

1. The key workforce challenges facing the organisation broadly fit into four focus areas:
 - a) Recruitment and Retention of talent
 - b) Pay & Reward
 - c) Leadership, Progression and Performance Management
 - d) Culture, Values and Equalities, Diversity and Inclusion

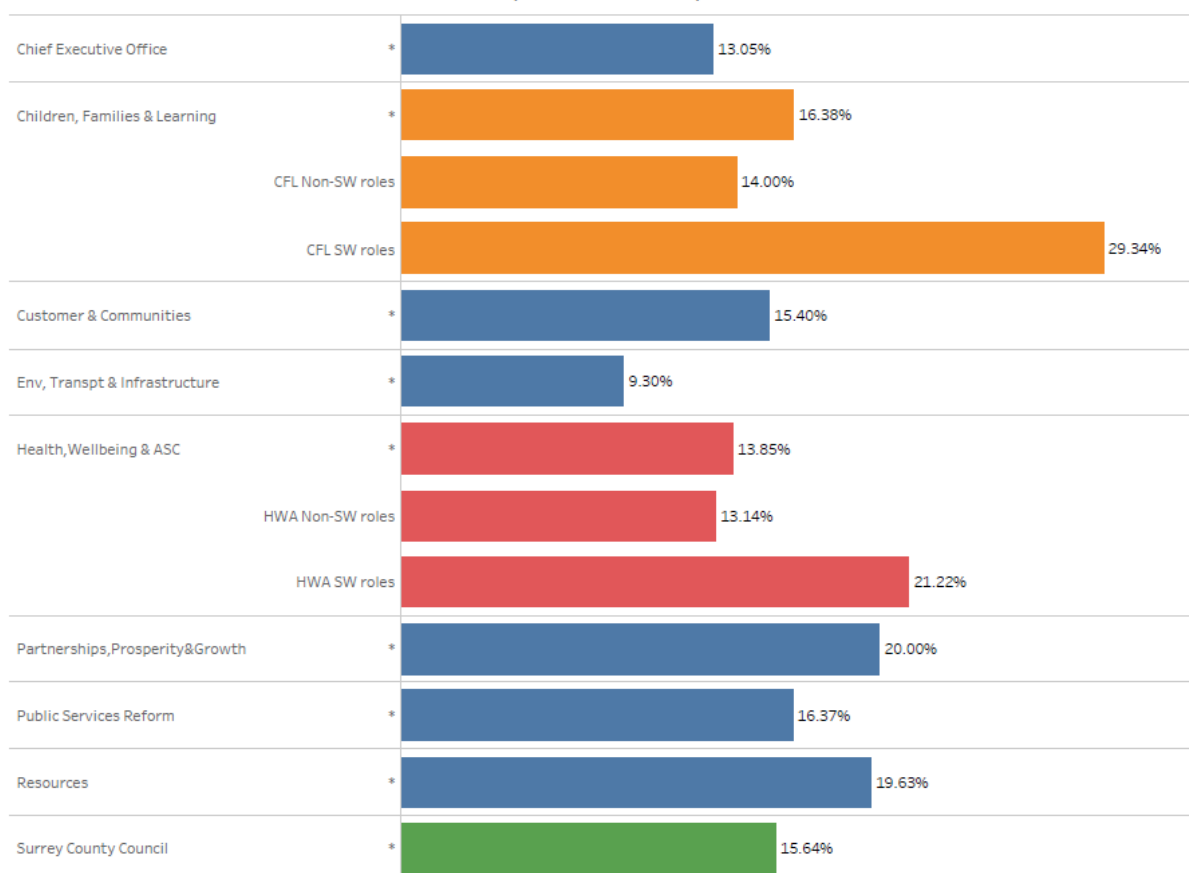
This report will aim to answer the questions raised by Members of the Resources and Performance Select Committee, categorised under the four focus areas

a. Recruitment and Retention of Talent

2. There is a shortage of high-quality candidates applying for specialist roles across the Council, social workers for example. This is a national issue and is being addressed through creative recruitment campaigns, particularly through social media channels (see Annex 1), as well as more active recruitment campaigns focusing on temporary recruitment to close the gap in the short term. More detail is set out below.
3. Different advertising methods have been created to extend the reach of traditional advertising (see Annex 1). The way we create job adverts varies depending on the role. We offer a range of different techniques with a more human focused approach, matching 'hard to fill' roles with targeted campaigns. Rather than working with external companies to do this, we work closely with our job board providers to stay at the forefront of best practice. e.g. How to write a job advert | Guardian Recruiters (theguardian.com)

4. Attracting candidates through the 'No one left behind' message and using social value to promote local government work.
5. In addition, relationships are being consolidated and work explored to attract different routes into the organisation through youth networks and other organisations, such as Sight for Surrey.
6. The Recruitment Team have undergone a restructure in order to provide focus on areas of the hiring process which are the most time consuming, with two new recruits starting in September 2022.
7. A new streamlined process in the e-recruitment system with automated referencing was piloted in Children's Families and Lifelong Learning for two months and has now been rolled out across the council. This should shorten the time it takes to onboard successful candidates into the organisation.
8. The introduction of the Unit 4 My Surrey system will provide a more efficient process for onboarding and payroll set up.
9. A recruitment dashboard is being developed, so that time to hire is clearly trackable along with other key performance indicators, such as number of Curriculum Vitae's (CV'S) submitted versus successful hires. This means we can better track and report on our progress. We know the length of time to recruit and onboard can have a negative impact on successful recruitment
10. An increase in turnover of staff caused by the impact of the Covid pandemic, cost of living pressures and the general recruitment market being very buoyant is also giving rise to increased pressure on staff in some of our critical front-line services. Turnover is being monitored monthly in each Directorate and by key frontline teams. (See table below for latest turnover rates)
11. Directorates have action plans in place to address the root causes of staff leaving with a new exit interview process to give qualitative data to tailor the response. Immediate interventions such as wellbeing programmes are being put in place as well as more medium- and longer-term programmes such as creating a more inclusive working environment which we know has a positive impact on retention and our pay and reward strategy. Further detail about what this involves is also set out in the section that responds to the specific questions raised by the committee.

Voluntary Turnover - 12 months to 31/07/2022
(excludes bank staff)



The above table provides the context of where the voluntary turnover has increased particularly with regards to the SCC average illustrated in green. The overall turnover for SCC, in green, has increased from 14.8 per cent at the end of April to 15.6 per cent at the end of July. The colour coding in the chart serves purely to distinguish between the different lines and is not a Red/Amber/Green rating.

a) Pay and Reward

The cost of living crisis is impacting areas of the workforce and will continue to put pressure on those in lower paid roles, particularly.

12. A range of initiatives are already available to employees, including a benefits scheme, supermarket savings and vouchers for discounts at other retail and leisure outlets. Our benefits are under review and a new supplier will be sought in 2023.
13. New benefits are being explored to retain staff and to attract potential candidates, such as a day off on your birthday, time off for carers and foster carers, as well as enhanced pay for high performers.

14. A Financial Wellbeing Service has been procured to support staff through the cost of living challenges and to help staff plan ahead to address any winter-specific challenges.
15. Pay options for 2023/2024 are being modelled and will be shared with People, Performance and Development Committee, (PPDC), once finalised.
16. The Former Deputy Leader, Becky Rush, has written to Her Majesty's Revenue and Customs (HMRC) to review the 45p/mile non-taxable limit for business travel, (Annex 2), as recommended by the Resources and Performance Select Committee in April 2022. A follow up letter will be written by the new Cabinet Member for Finance and Resources, Ayesha Azad in October 2022.
17. In addition, the Local Government Association (LGA) announced on 13 July 2022 that they would be lobbying HMRC on behalf of Local Authorities. There has been no response provided from HMRC to date.

c) Leadership, Talent and Performance Management

18. We are working with Directorates and Services to understand what skills are needed for the future and where the current talent and skills gaps are. This is a complex area of work and requires a tailored approach.
19. We have already identified that we need more progression opportunities and mobility across the council for high achievers and those who may wish to work across a number of different services.
20. We are also focused on creating a systemic standard for managing and improving talent, developing careers and succession planning as we know this impacts staff retention. Quarterly Performance conversations that explore talent and succession planning need to be embedded into the annual cycle of one-to-one meetings between line managers and their direct reports.
21. We are also working on approaches to convert young applicants for roles into permanent hires and developing their skills, particularly in hard to fill roles. Part of this work will be to support hiring managers to develop candidates into a role, rather than requiring them to be fully qualified at the outset. This can help to address those hard to find and attract roles where, developing someone into a role will lead to greater engagement from a candidate and lead to better retention.

d) Culture, Values and Equality, Diversity and Inclusion

22. Creating further clarity and visibility about the culture of the organisation and its values and behaviours will help recruit and attract staff. This is being addressed through a new organisational Strategic Framework which aims to provide clarity on the philosophy of the leadership and the expectations around high performance and talent development.

- The Service are producing a business plan to set out to the organisation how it can support the development of the culture and help improve staff retention through talent management and career progression. This will be easily accessible and improve access to the service offer.
- High quality workforce dashboards (covering absence, turnover, staffing spend and vacancies etc.) are being rolled out across Directorates on a quarterly basis for discussion within the Leadership teams. Areas of concern are given additional focus through 'deep dive' investigations carried out by a cross-cutting team within the service.
- Listening and engaging with staff and acting on feedback has significant positive impact on organisational culture and staff retention. Quarterly Pulse Surveys provide insights in terms of staff feedback and issues at a council and directorate level. Directorate level results are shared with the Leadership teams and action plans are developed to respond to areas of concern.
- Where an issue has been highlighted by a Directorate, workshops and focus groups are held to engage with staff to collaboratively agree solutions. This has proved successful in Land & Property, for example.
- Staff networks are key engagement fora where specific issues are highlighted and solutions proposed. An example of this is the introduction of the Reasonable Adjustment Service. Update on Progress and Previous Recommendations from Select Committee

Answers to specific queries from the committee are set out below and grouped by theme:

a) Recruitment and Retention

23. There are opportunities to use Members' networks to promote working for Surrey in terms of attracting talent into the organisation. In addition, the use of Social Media platforms such as LinkedIn where it would be beneficial for Members to promote the work of the Council to their online networks.
24. Exit survey data is being scrutinised monthly at service level to identify trends and areas of specific focus. The survey data is still in its early stages, so it is recommended that once there is a sufficient body of evidence that can highlight any hotspots, this will be shared with the committee. This will provide further insights into why people are leaving the organisation.
25. Work is currently being carried out to analyse the free text box within the Recruitment system which asks the question 'Why come to the organisation'? The feedback from this analysis will be shared with committee once it has been collated.

26. Performance conversations are promoted to all line managers where the 'why stay' question is asked in terms of progression opportunities and development in order to progress. More work needs to be done to address areas where we know there are fewer performance conversations taking place and therefore, less opportunities for progression.

- A 'Surrey Video' is being scoped to showcase different roles within the organisation and the work of the council generally to attract people to the broad range of roles available. In addition, a video is being produced to specifically target Key Stage 3 and Key Stage 4 children on how to start a career at the council. The programme will be launched in September 2022 with support from the Association of Learning Providers in Surrey (ALPS).
Current videos that are being promoted represent the following areas of the council:
 - Surrey Fire and Rescue
 - Environment, Transport and Infrastructure (ETI)
 - Health, Wellbeing & Adult's Social Care (ASC)
 - Children, Families & Lifelong Learning
 - Customers & Communities
 - Resources

- Recruitment are working with the Surrey Coalition of Disabled People and Sight for Surrey to deliver an Inclusive Recruitment campaign to develop a fairer selection process and support hiring managers with updated guidance and training which facilitates more inclusive recruitment. In addition, our Reasonable Adjustments Service is included within our current onboarding service, so successful candidates who may require adjustments to enable them to carry out their role successfully can have a specialist assessment prior to starting and have the adjustments in place on their first day of work. The Disability Staff Network (DENIS) have advised that the introduction of the Reasonable Adjustment Service will contribute to us being an 'Employer of Choice'. We have recently self-assessed the service using a Business Disability tool and scored 86 per cent, which compares favourably with the average assessment score of 60 per cent – 65 per cent. We already have plans in place to address the deficits the assessment identified.

- **Talent & Progression**
 1. In-job interviews are being piloted in Children's Families and Lifelong Learning. The full feedback from these interviews is currently being collated by Service Managers and will be shared once available. The results below show some preliminary findings, which are currently being ratified.

Preliminary results from 49 in-job interviews within the Children's and Lifelong Learning Service show:

2. 84 per cent of employees say they have a good relationship with their line manager.
3. 25 per cent feel that one of the greatest challenges about working for Surrey is the issue around staffing levels.
4. 47 per cent thought the training offer was good.
5. 83 per cent felt their team culture was positive, fun and child-focussed, whilst 25 per cent said they felt under-valued and not trusted by Senior Leaders, corporately.
6. 16 per cent of interviewees had experienced some form of discrimination, 65 per cent had not.
7. One of the highest scores for what would make Surrey a better place to work was 29 per cent asked for more annual leave and sabbatical opportunities.

Work is progressing in specific areas where costs are of particular concern, to look at new roles and structures of services, to enhance productivity, staff and customer experiences and to produce cost efficiencies. e.g. the 'Home to School' services in Children's, Families and Lifelong Learning.

Our new starter surveys are also being reviewed to help us identify what additional requirements are needed to ensure that new staff feel supported.

27. Whilst it is widely acknowledged that there is significant under-reporting when it comes to workforce protected characteristics, we know that there is less representation of minority groups in more senior and leadership roles, particularly when looking at ethnic minority and disability groups. The diversity metric in succession planning and wider talent work, when embedded, will address some of the shortfalls, as more diverse talent is identified lower down the organisation and supported through specific development such as the 'Leading in an Agile Times Programme', for line managers and the encouragement of senior career sponsors for more junior staff through 'Allyships'.

27.1 In addition, our new inclusive recruitment processes, commissioning of inclusive management and leadership programmes and reporting of diversity in leadership roles by directorate are all aimed at addressing the lack of diversity in senior roles.

- Career progression and the feeling of progression opportunities being fair remains static around 50 per cent within the employee survey.

Over 60 per cent of respondents to the new exit survey stated they disagreed or strongly disagreed that there were suitable promotion opportunities for them to apply for. 45 per cent of these however confirmed they had not investigated any potential internal moves within the organisation.

Work underway to address career opportunities and progression includes:

- Career and Talent conversations toolkit to include in the performance management framework. This will provide managers with clear guidance on how they can work with individuals to develop talent profiles and identify ways to build experience and skills they need for future roles
- Succession planning toolkit to widen this activity from senior leadership positions to be accessible across the organisation
- Recruitment of a Talent Programme Manager to lead the focussed work on career progression and talent mobility which are critical to the success of creating fair opportunities across Surrey County Council (SCC) and the wider system. They may undertake some in job interviews with employees to understand the barriers to talent mobility, this would be for project purposes rather than as an ongoing activity.
- Training for inexperienced and more junior staff is currently line managers' responsibility as part of their role in developing their teams. The Career Conversations Toolkit and Early Careers projects such as having a Centralised Model for Career Starter Apprenticeships (with centralised development support), will provide this career progression support alongside the Early Careers Network already in place.
- In other areas, examples of where more junior staff are being supported include working closely with local training providers and SCC's Economic Growth team to ensure our Early Careers projects align to the emerging Surrey Skills plan.
- Creating personal development plans and recording career aspirations are part of quarterly Performance Conversations carried out by the line manager and the employee. Development opportunities at an organisational level are available through the Performance Hub, Leadership Hub and the Learning Management System, 'Olive'. More specific requirements are offered through the Children's Academy, the Adults Learning and Development team and through the training budgeting process, where the People & Change Learning and Development

team work with each directorate to allocate their proportion of the training budget based on service need. This can be a mix of mandatory and non-mandatory training.

Conclusions:

28. A considerable amount of work is being carried out to ensure we attract the right talent and encourage new candidates from a more diverse pool of talent to apply for the wide variety of roles that the organisation offers.

29. In order to retain staff key areas of focus are:

- further fostering an equal, inclusive and diverse culture where staff can bring their whole selves to work
- creating an environment where staff can take responsibility to develop themselves, as well as having constructive performance conversations with their line managers to highlight areas they might be keen to develop.
- creating a more focused approach from line managers to ensure that there are fair opportunities for all employees to progress through the organisation.
- further upskilling line managers so that they have the confidence to engage with their teams in terms of understanding their development and guiding high performers to progress through the organisation.
- further supporting for staff to ensure they are able to perform their roles to the best of their ability through the organisations reward offering, including benefits and financial wellbeing support.

Recommendations:

1. The committee is asked to note the key workforce challenges facing the organisation and the role of the service and the steps being taken to address those issues.
2. The Committee is asked to support the key initiatives highlighted in the report.

Next steps:

The Service will update Committee with the reports that are outstanding above on:

- a. Recruitment time to hire
 - b. Exit Surveys
-

c. 'In-job' interviews full report, in Children's Families and Lifelong Learning

Report contact

Karen Grave, Interim Director of People and Change

Arabella Smith, Head of Insights, Programmes and Governance, People and Change

Contact details

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Email: Arabella.smith@surreycc.gov.uk

Annexes

People & Change Workforce Update – Annex 1

HMRC Mileage – Annex 2

Sources/background papers

Email from the Chair of the Resources and Performance Select Committee of 15 July, highlighting Members' questions which require responses for the report.
Previous People & Change Update Report dated April 14 2022

FRIDAY, 7 OCTOBER 2022



PEOPLE & CHANGE WORKFORCE UPDATE

Annex 1

Recent advertising examples- Recruitment Team

With job advert volumes continuing to [break record highs](#), it's becoming ever more important for Surrey to ensure our adverts are standing out to jobseekers. To achieve this, we are encouraging managers to be brave with their approach and language used to really showcase their team personalities and cultures. Having just recently advertised vacancies for the Recruitment team, we are now using the success realised from our advertising to showcase to hiring managers that it is now essential for us to attract talent through similar methods, especially given the challenges we face in the labour market.

Example 1.) Recruitment Attraction Manager Advert

The starting salary for this role is £41,127 per annum, working 36 hours per week. Whilst our offices are open for you to use as you need to, we usually meet once a month as a team so, outside of any urgent face-to-face meetings, we're happy for you to work where you're happiest working.

The role

The predecessor of the role is writing this (hello!) and, whilst she may be completely biased, she can confidently tell you this is a job that will bring you so much satisfaction and a smile to your face every day (okay, most days!). Supported by a very committed, engaged, and friendly team, the role requires a compassionate and outcome focussed leader who likes to get stuck in to the nitty gritty of recruitment.

Surrey County Council's workforce is made up of over 11,000 staff spanning a wide variety of roles within sectors such as hospitality, social care, environment and transport, executive recruitment, and everything in between. Supporting over 800 hiring managers, we process on average over 2000 adverts each year.

Through day-to-day operational management of our Applicant tracking system, job board partnerships and advertising budget you'll be ensuring our advertising is of high quality, effective, and attractive to the market we're reaching.

A curious thinker at heart, you'll use both internal insights and market-led data to inform your decision making, providing support to the attraction team with ongoing

campaigns and helping to lead our digital and social media efforts in promoting us as an employer of choice.

The team

The wonderful attraction team is made up of the following:

- x3 Recruitment Attraction Consultants
- x3 Recruitment Attraction Leads
- x1 Recruitment Data Lead
- x1 Recruitment Marketing Lead
- x1 Recruitment Marketing Assistant
- x1 Apprentice

This role would directly manage these positions, would be supported by the Assistant Head of Resourcing, and would also link in with the wider recruitment team.

Our culture

I won't beat around the bush- we're really proud of the culture we have built and maintained within the team. Our values and support for one another is intrinsic to everything we do and will be a key priority within the assessment for this post. We care hugely about wellbeing, allowing time for a good giggle and developing our team to be the best they can be. The management team is also extremely supportive so you'll never be alone if you need advice or guidance.

About you

We're open to transferable skills and we recognise that recruitment isn't about tick boxes. Whether you're a passionate recruiter looking for a meaningful career, a keen marketer who wants to expand their recruitment knowledge or you find yourself somewhere in between, we'd love to hear from you. We love developing a skills gap so don't be put off if you don't feel you hit every single marker below- we're looking for commitment not perfection.

To be shortlisted for this role, your application will evidence how you meet the below criteria or list any transferable experience in your personal statement:

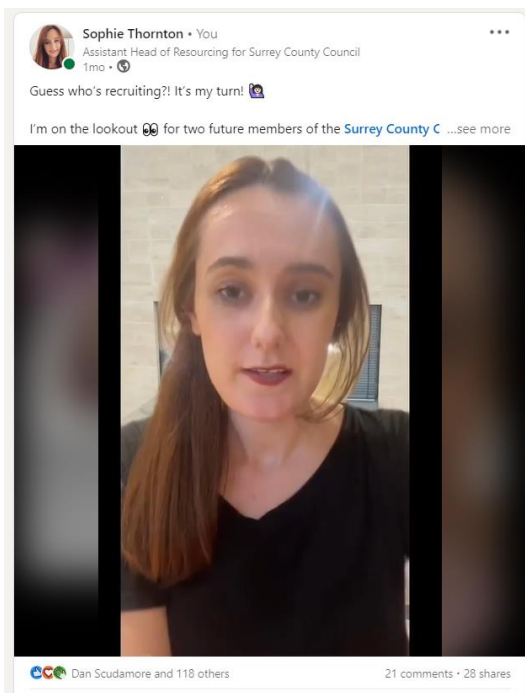
- An experienced leader who has supported, developed, and empowered a team
- Evidence of thorough recruitment or marketing experience or qualifications
- Experience of using data to build narratives and inform decision making
- A passion for driving continuous improvement
- Ability to build strong relationships with key stakeholders

For more information please find the full job description below and refer to this before submitting your application. We also invite you to read our Life at Surrey handbook to see insights of the culture at Surrey and how as a valued employee, you can help shape our Council.

Video advertising – primarily advertised on LinkedIn.

The aim of the video was to highlight our team culture which we know is one of our key strengths and selling points. We recognise that often candidates don't need polished and expensive videos and are usually looking for a glimpse of reality when they're considering new roles. The video was well received on LinkedIn with great engagement and led to many leads and conversations being booked in with potential candidates.

You can access the video [here](#):



Lucy O'Rourke (She/Her) • 2nd
Recruiter at LO Associates 🚀 ⭐ ✍️ 3w ***
Love this! Beats the normal way of advertising roles! So creative and different! I'm sure you will get loads of applications:) 🙌
Love · ❤️ 1 | Reply

Adam James Tolmie (He/Him/Hobbit) • 2nd
Expert in elevating jobseekers and guiding them through the minefield ... 4w ***
Great way to recruit. Nice video.
Love · ❤️ 1 | Reply · 1 Reply

Dan Warner • 1st
Internal Recruiter at Essex County Council 4w ***
Commenting for my network. Some amazing work being done at SCC.
Love · ❤️ 2 | Reply · 1 Reply

ced the advert as a motivation for applying, with two individuals stating they were not actively looking but saw the advert and were compelled to apply.

What has drawn you to apply to work at Surrey County Council?

Answer: When I looked at the way the job was worded it is innovative, creative and shows an inclusive approach to trying to attract new talent into the council. This also resonated with me that Surrey Council's core values are inclusive in action, actually enabling diversity and embedding into the recruitment process from the beginning and importantly support equality of opportunity to eliminate discrimination. This also indicates that throughout the organisation there is a process to support, direct and deliver inclusivity and diversity and to reach out to a wider pool of talent and then support them to get the best out of each individual.

What has drawn you to apply to work at Surrey County Council?

Answer: Other than the job itself, the tone of voice and language used in the advert was different enough to get my attention. Equally, I am attracted to working for an organisation that matches my own commitment to, and passion for, delivering the highest quality service possible.

What has drawn you to apply to work at Surrey County Council?

Answer: I was scrolling through the jobs section on LinkedIn and this role came up as a suggestion so decided to click on it out of curiosity, however, once I read the first paragraph of the job advert itself, my interest peaked. The tone is very warm, honest and welcoming and not like adverts I am used to seeing and made me want to find out more about the values and mission statement of Surrey County Council. Whilst on the Surrey County Council website, another detail stuck out to me; that the first value focused on the residents (community). The reason why I chose a career in HR, specifically in talent acquisition, was because I wanted to positively contribute to helping the community I lived in. I am a people's person and find it easy to interact with individuals from different backgrounds and walks of life. The above are the main reasons I was drawn to wanting to work at Surrey County Council.

Summary and future planning

The response above has really evidenced to the team why we need to continue to encourage managers to showcase their cultures and for us as a team to ensure we are continuously developing to showcase these messages in new and innovative ways.

Since this campaign, Daniel Scudamore, our Recruitment Social Media lead, has created a fantastic procurement video containing caricatures and bloopers amidst a backdrop of facts, data and vision. We're pleased to see hiring managers becoming more confident in this approach. You can find this [video here](#)

We are also working on similar projects within Children's Social Work where we are focusing less on the role of the social worker and more on selling the team, benefits, development and valuing the employee. We would be happy to share this work once completed.

Widening our reach

Whilst the above success has been something to celebrate, we also recognise the importance of not only using social and digital media platforms to market these messages. We are currently liaising with job centres, The National Citizen Service, Department of Work and Pensions funded organisations and job coaches on pulling together an offer whereby we can access more local jobseekers directly and present Surrey County Council as an employer of choice whilst equally providing employment support, updates on available jobs and therefore widening our reach.

Cllr Becky Rush
Deputy Leader and Cabinet Member for Finance & Resources

HM Revenue and Customs
BX9 1AA
United Kingdom

Woodhatch Place
Cockshot Hill
Reigate
Surrey
RH2 8EF
becky.rush@surreycc.gov.uk

7th July 2022

Dear Sir or Madam

Approved Car Mileage Rates

I am writing to you on behalf of Surrey County Council regarding the above matter.

As an employer we are doing what we can within financial constraints to help our employees. However, many are struggling to pay for fuel due to the significant rise in costs over the past few months. Like any employers we currently pay the maximum HMRC approved mileage rate of 45p per mile (25p after 10000 miles). Were we to increase these, then of course the additional amount paid would be subject to tax and our staff would not see the full benefit.

Many of our employees work in essential frontline roles such as providing care for our most vulnerable older people and keeping our children safe. They rely on their cars to do their job. These are not highly paid staff; many are paid less than the average salary in the United Kingdom. Many cannot afford to buy or lease new cars and therefore the overall cost of motoring for them is still significant. They do not enjoy the benefit of new car warranties and of course older cars need more maintenance.

It has been 10 years since approved mileage rates were last increased. At this time, petrol was 133.65p per litre (source:ITV News). Petrol is now almost, and in some cases above, £2.00 per litre: an increase of almost 50%. It can no longer be the case that these rates truly cover the full cost of motoring.

Given the above it must surely be time to increase these rates, even as a temporary measure?

I would be grateful to hear from you as to what plans are in place to deal with this issue.

Yours faithfully

Becky Rush
Deputy Leader and Cabinet Member for Finance and Resources

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AGILE OFFICE ESTATE STRATEGY UPDATE REPORT: PART 1

Purpose of report: Update on Surrey County Councils Agile Office Estate strategy, a work stream of the Councils Agile Organisational Programme.

Introduction:

1. In December 2021 Cabinet approved the funding and implementation of the final element of the Agile strategy. The report detailed a recommended programme of activity: defining the size and location of the future office estate designed in such a way as to deliver future flexibility and best value, whilst offsetting upfront costs against long-term annual revenue savings.
2. In January 2022 the Resources & Performance Select Committee reviewed the Surrey County Council - Agile Office Estate (AOE) strategy approved by Cabinet in December 2021. It was agreed that the Committee would have sight of any further proposals in advance of submission to Cabinet, so that it might review / support key recommendations as well as highlighting any areas of concern.

Report details

3. See Part 2 paper (commercially sensitive)

Conclusions:

4. The overall programme **remains on track to deliver the financial benefit of £2.2 million in efficiencies by 2025/26.**

Recommendations:

5. The programme remains on track to deliver the revenue savings targets by financial year (FY) 2025/26 and has mitigated and short-term reductions in revenue efficiencies through alternative cost savings opportunities.

6. The programme continues to engage closely with services to ensure as minimal impact to service operations, while realising programme benefits.
7. It is recognised that the programme of activity is of considerable size and will be appropriately resourced. The current programme has a full funded team costed as part of the financial case. Depending on the outcome of the North-West/South-west (NW/SW) recommendations, additional specialist resources will be costed and procured to ensure delivery.

Next steps:

8. Paper to be issued to Cabinet in late 2022 with respect to the North-west and South-west Quadrants of the AOE.

Report contact

Matthew Pizii, Land & Property, Surrey County Council

Contact details

07815 987416

Sources/background papers

See Part 2 report

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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R&P Select Committee
Agile NW / SW Informal Update
August 2022

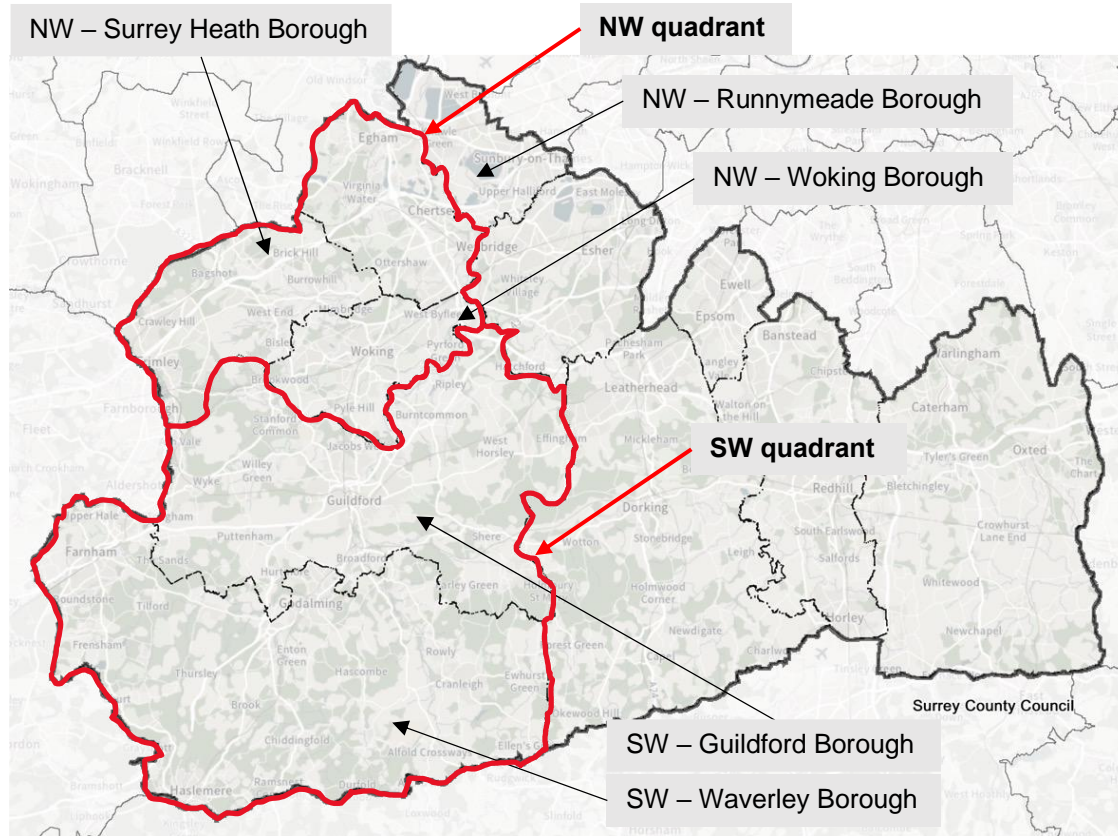
Annex 1



SURREY
COUNTY COUNCIL

Introduction

Context for the NW and SW quadrant



Place based approach - within regional boundaries SCC will focus on locality, delivering an Agile Office Strategy that facilitates access for both residents to services and staff to workplaces. There is also an intent to align with Districts, Boroughs and OPE Partners.

Demand

Engagement with Services and staff needs

Service Engagement:

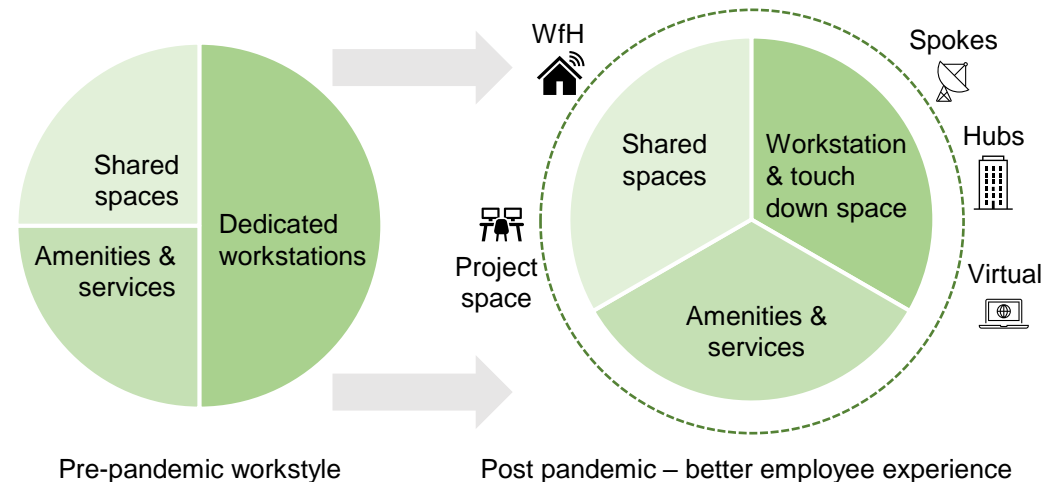
Engagement has been undertaken with Service Leads for teams directly impacted by the AOP proposals during summer 2021 with a refresh during 05/22.

This explored the changes from a service delivery and workforce perspective.

Service and staff - space requirements:

- With greater agile / hybrid working: **all teams now need less space**
- Flexible working, **drop in desk space** rather than all fixed desks
- Better **access to spokes to improve flexibility**
- **Woking is a key location for services that work with Children**
- Local **presence in Woking and Guildford essential to serve residents** especially for Social Care and Education Services
- Space required for activity that includes hosting families / managing sensitive issues i.e. publicly accessible meeting rooms
- General need for **better collaboration space and more meeting space**
- **Social Care and Education (SCE) could be separate from other services** i.e. spoke

Office transformation to encourage collaboration and provide employee choice



There is no one standard for the future of the office

- This applies not only from company to company but also location to location within the same organisations corporate office estate footprint
- Requires considering not only the physical characteristics, functionality and utilisation of spaces but also the experience for employees in each location, to adapt to support a more agile workforce

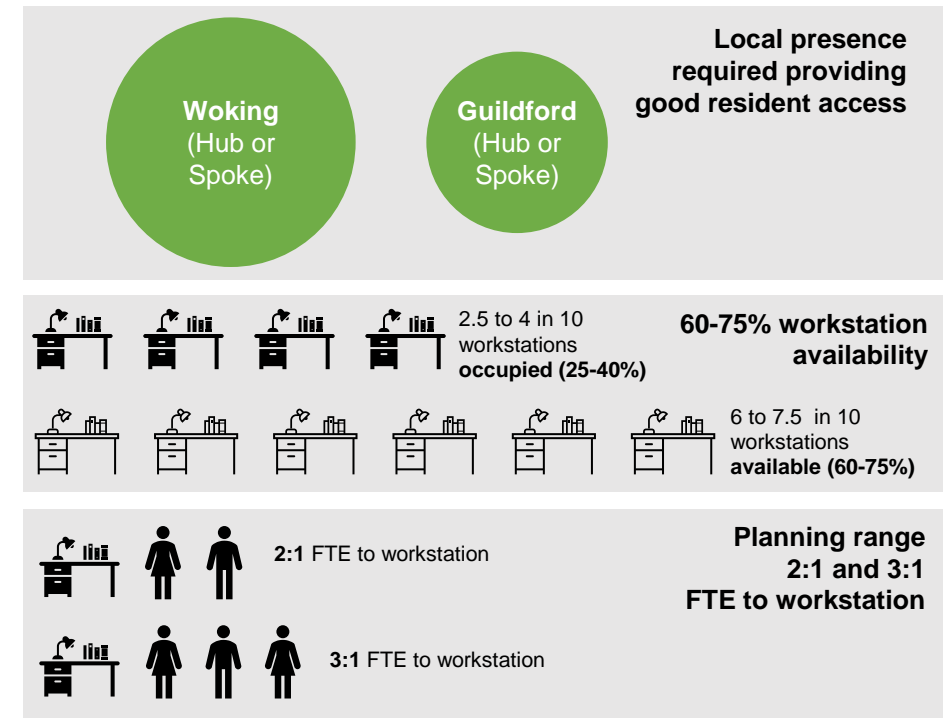
Space planning principles

Pragmatic, flexible and realistic

Demand and office space planning principles

The following planning principles have been defined to help translate service demand needs into estate options.

Ref	Demand and space planning principles
1	Local presence required in Woking and Guildford – for Family and Education services; Social Care and Education can be separate from other services
2	Make best use of existing SCC assets – 60% workstation capacity available
3	Consider OPE estate – only if suitable and affordable use other public sector assets
4	Accelerate delivery – target opportunities to realise or achieve benefits early; focus on Value for Money; seek to reduce revenue spend
5	Staff choice and flexibility – recognise staff are encouraged to work from any office and make their own choices about work locations
6	NIA and workstations – plan on a principal basis with ranges rather than focus on exact numbers; adopt ranges that are pragmatic, flexible and realistic



Supply options

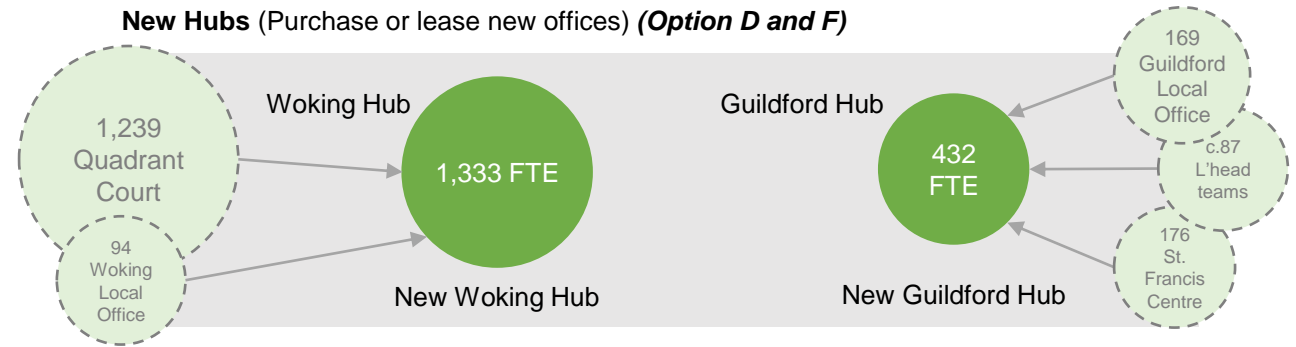
Options summary

Notes and key:

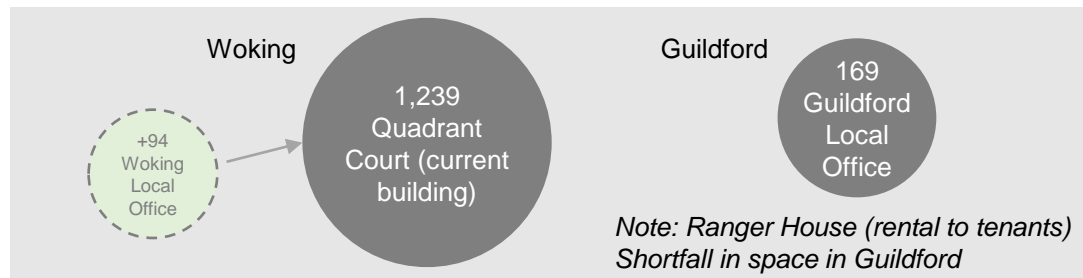
- Figures are FTE
- Family and Education (FE)



New Hubs (Purchase or lease new offices) (Option D and F)



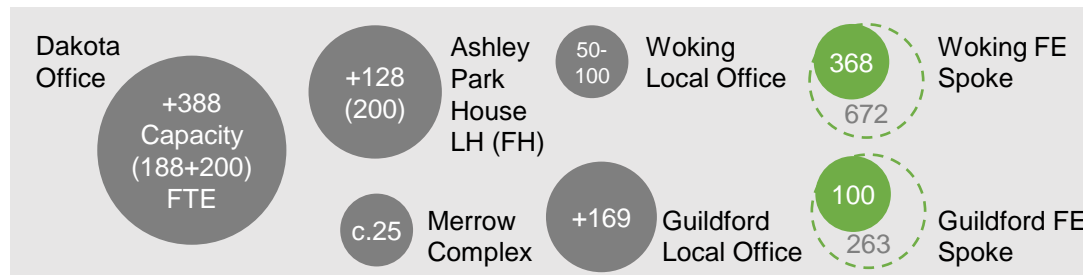
Business as Usual / base case (invest in existing assets) (Options A and B)



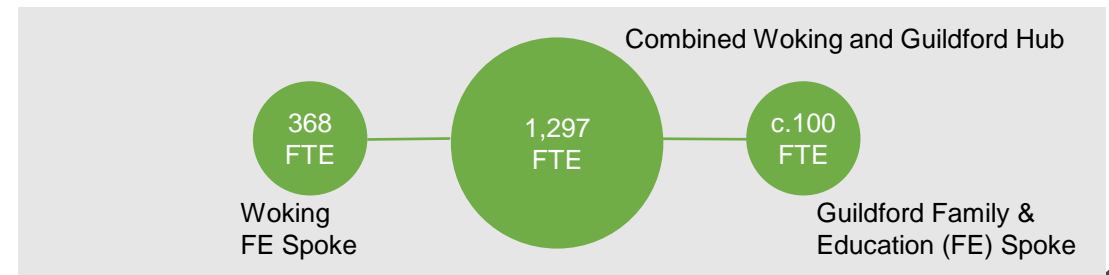
New Hubs and Spokes (Purchase or lease new offices) (Option D & F)



Consolidate into existing corporate estate (c.600-900 FTE) (Option C)



New combined hub and spokes (Option E)



Quadrant Court

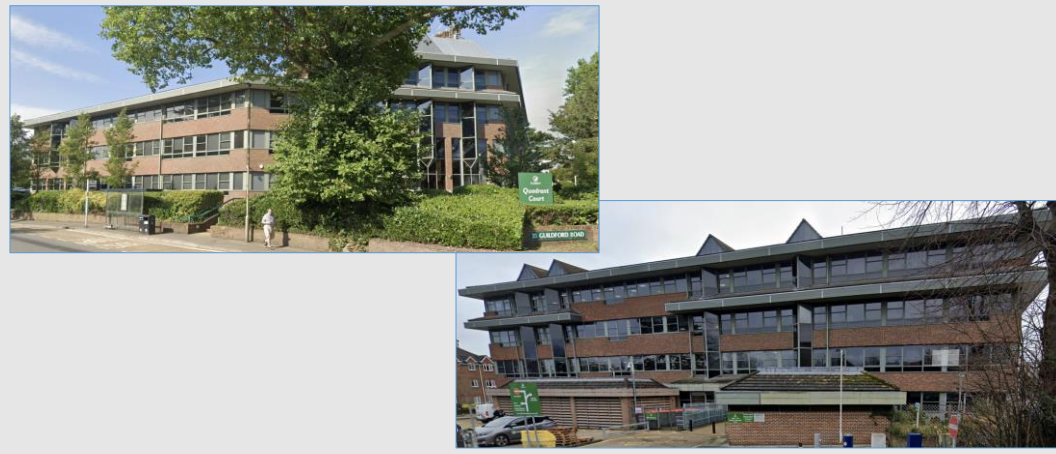
No longer fit for purpose and bigger than required

QC does not deliver Agile working space aligned with other SCC offices

- QC is no longer fit for purpose
- There is significant surplus space
- High level of investment c.£17m to c.£41m needed to improve the building

Condition summary:

- Maintained at minimum levels; insufficient investment; declining value and condition
- No longer fit for purpose – does not support agile workplace, high cost to accommodate modern ways of working
- The RIBA Stage 1 report Rev 0 dated 06/10/21 included consultants: Pick Everard; Turner & Townsend; Atkins and Vail Williams (08/21)



2030 net neutral carbon office estate

A high level of investment is required to improve the c.1980s QC building, which is understood to have poor air tightness and insulation. Works would involve replacing the building fabric, to provide a thermally efficient, net zero carbon building.

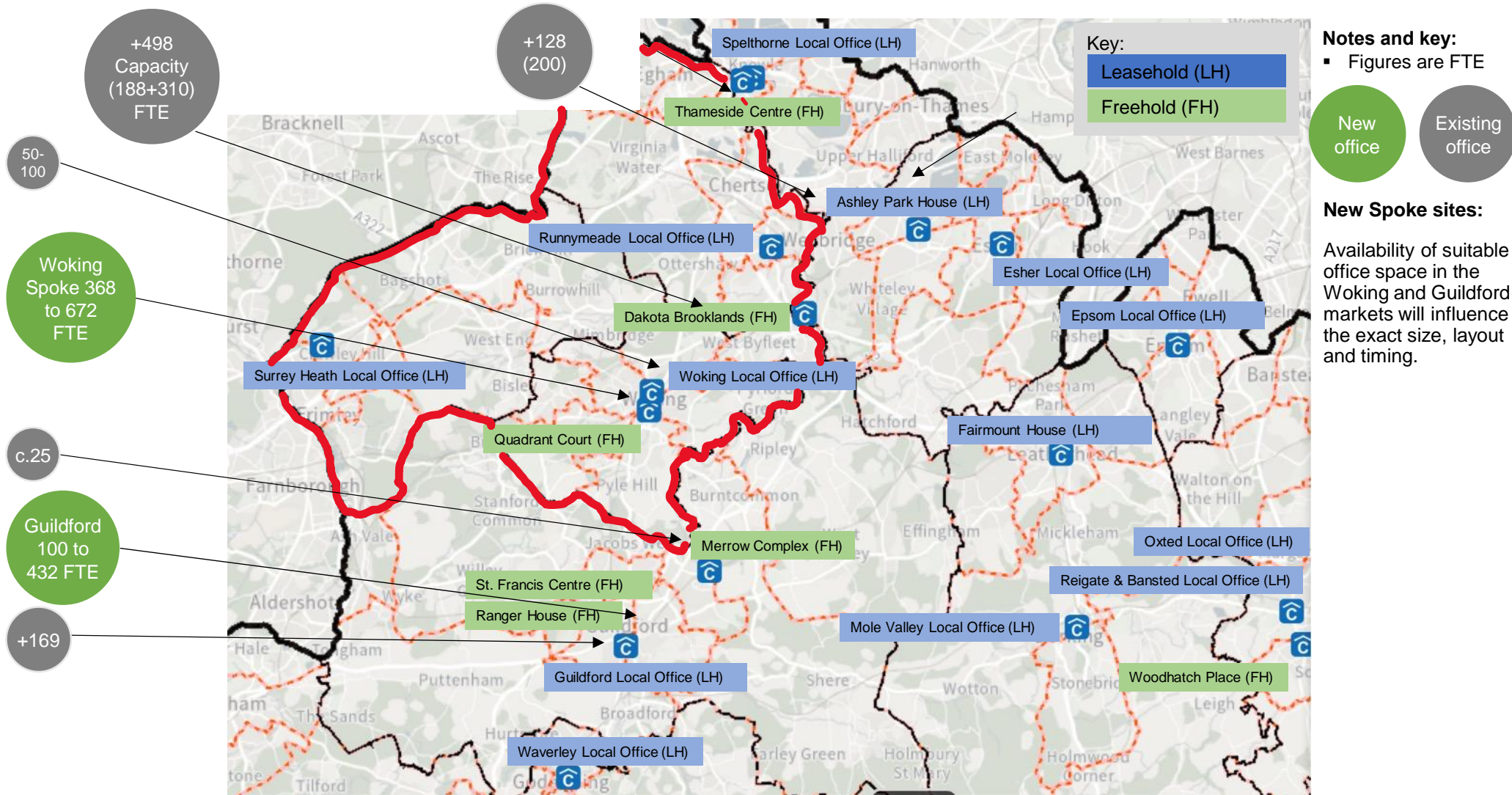
The scale of works, over many years, required to improve QC energy efficiency are likely to be extremely disruptive to staff and services.

Recently a solar canopy was installed in the car park. If an exit of QC takes place this canopy could be moved and relocated. However, significant further works are required to move towards net zero carbon.

Cost	Option	Sustainability outcome
£17m	<ul style="list-style-type: none">▪ Backlog maintenance and modernisation▪ Cat B refurbishment of existing building to meet Agile office objectives▪ Minor sustainability improvements in addition to the Salix works (B1)	Salix funded works plus minor insulation and services improvements
£41m	<ul style="list-style-type: none">▪ Cat B refurbishment to the same standard as Option B1 with replacement of the building fabric to provide a thermally efficient, net zero carbon building (B4)	Net zero carbon building (strip building envelope to structural frame and re-provide high performance cladding, glazing and insulation)

Current estate

Consolidate into existing corporate estate



Enabling new ways of working

Agile enablers

Agile Programme enablers and dependencies

To enable a significant reduction in space provision across the Guildford and Woking region, it is assumed that the Agile Programme will be resourced to deliver the following enablers.

Ref	Agile Programme enablers
1	Change management support across the services, facilitating new ways of working
2	Strategic technical and digital capability to reduce the dependency on 'anchored' processes (those processes that tie functions to specific locations)
3	An active records management approach that can significantly reduce the need for paper records through a programme of destroy, archive, or digitise
4	The ability to reduce and consolidate items of equipment and resources that are currently abundant across social care teams within the regions (for example OT equipment, car seats, toys, clothes and learning resources)
5	Strategic transport planning to ensure sustainable accessibility of office locations for both staff and residents
6	Management of interdependencies with the Greener Future programme , supporting the Council's ambition to reduce its total carbon footprint

These are core enablers to office space being used more efficiently and staff / services adopting Agile working practices.

Current Agile focused support and training for staff includes: digital skills training; Tech Advocates team; MyService Hub IT; travelling to offices; where to work; Olive Learning and Development; and of particular importance, wellbeing support.

SURREY COUNTY COUNCIL

CABINET

DATE: 21 DECEMBER 2021



REPORT OF CABINET MEMBER: NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY MEMBER

LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR FOR RESOURCES

SUBJECT: AGILE OFFICE PROGRAMME

ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES

Purpose of the Report:

In January 2021, Cabinet approved an outline 'Agile Office Estate Strategy' (Annex 1) and the development of a detailed programme to deliver the urgent transformation required between now and 2024/25.

As a workstream of the Agile Organisation Programme, it was recognised that Surrey County Council's office estate was unaffordable and no longer fit for purpose. More now than ever, as we emerge from the impacts of the Covid-19 pandemic, the Council continues to recognise the increased need to evolve towards becoming an agile organisation, to help support achieving a sustainable future for Surrey County Council.

This paper completes the draft strategy, setting out a recommended programme of activity defining both size and location of the future office estate. It should be noted that programme offsets upfront costs and provides long term annual revenue savings.

Agreement is sought for the recommended medium to long term programme of change set out in this paper and approval of the capital and revenue investment required to deliver the programme over the next five years.

Recommendations:

It is recommended that Cabinet:

1. Approves the recommended programme of activity (see paragraph 15) to deliver a reduced office estate footprint alongside essential transformational investment to deliver workspaces across the county that support the Council's agile organisation objectives. Further details are set out in the Part 2 report.
2. Agrees a total capital budget envelop of up to £21.8m to fit out the remaining core facilities and priority localised workspaces, to the Council's Agile workspace standards.
3. Approves immediate allocation (from the £21.8m envelop) of £4.7m to drive forwards the programme activity (noting that further work will be undertaken to test the scope

and available options for provision of core workspace in the North West quadrant – an additional paper will then be brought back to Cabinet in Q2 2022 with a recommended option and draw down from the remaining £17m capital funding).

4. Approves the use of the Budget Equalisation Reserve to finance the £7.2m of one-off revenue costs of change to enable delivery of the estate transformation programme from 2021-2025 and deliver revenue efficiencies of approximately £2.2m per annum from 2024/25 onwards.
5. Approves the arrangements by which a variation of up to 10% and maximum of £500k of total capital value may be agreed by the Director of Land & Property in consultation with the Cabinet Member for Property, the Cabinet Member for Corporate Resources, and the Executive Director of Resources. If the variance exceeds £500k, a further Cabinet report will be submitted to seek approval for additional capital funds.
6. Delegates the procurement of appropriate supply chain partners to enable delivery of all services associated with the above recommendation, in accordance with the Council's Procurement and Contract Standing Orders, to the Executive Director of Resources and the Director of Land and Property.

Reason for Recommendations:

January 2021: Cabinet approved the outline Agile Office Estate Strategy which made the broad case for change, setting out key drivers and key targets. Specifically, the current corporate office estate was deemed to be:

- Of generally low quality, that does not efficiently support the adoption of Agile modern working practices.
- Expensive compared to industry benchmarks and expensive to maintain.
- High in its carbon output with poor energy efficiency.
- Relatively poorly located and under-utilised.

The strategy set out the components of a new office estate for Surrey County Council based on the evidence from a review of the existing estate and of the opportunities for new ways of working. Whilst the outline strategy was approved, it concluded that further analysis was required before the volume and location of space could be finalised (refer to Table 1 below).

Following January's paper, agile workforce analysis has enabled detailed option reviews to meet demand and the development of a detailed five year programme of rationalisation and modernisation which will deliver an office estate that is flexible enough to support Services as they change office-based working practises to adopt agile ways of working; provides modern, healthy, accessible space to meet the needs of Surrey County Council and its partners; financially sustainable; and more energy efficient. Specifically, the following benefits will then be realised:

- i. Revenue savings of circa £2.2m per annum from 2025/26.
- ii. Flexibility for future increase/decrease workspace without acquiring additional assets.
- iii. Improved quality for healthy, accessible space for staff, partners, and residents.
- iv. Increased value of estate, mitigation against spiralling maintenance costs, leasable unused space, generating revenue or supporting partners to deliver.
- v. Balanced geographical coverage across Surrey (aligns to greener travel plan).

- vi. Support Net Zero ambition by 2030, by improved median energy efficiency and efficient operation.
- vii. A network of modernised touchdown/delivery facilities, developed via a place-based approach to meet Service needs, develop partnership opportunities, and deliver maximum benefit to local communities.

Executive Summary:

1. The key dependencies, which required further analysis (as agreed in January’s Cabinet) to complete the outline Agile Office Estate strategy, are set out in Table 1 in prioritised order with summarised action undertaken:

Table 1: Key dependencies/next steps as defined in the January 2021 Cabinet report.

Activity	Approach	Action since January
Review District and Borough leased properties	Work to be led by the Agile Organisation Programme team to engage with staff and teams based in the ten local offices, to identify future working requirements and opportunities for consolidation.	High level engagement with senior service leads to test proposals. Both lease and service impacts have been assessed and the detail used to prepare this paper.
Explore Opportunities for Partner Co-location	Engagement with partners led by Land and Property, supported by the development of IT infrastructure design and inter-operability standards led by IT and Digital.	Extensive partner engagement has been undertaken and a place-based approach to shared space is starting to be delivered, with the first leasing to NHS at Woodhatch Place.
Explore potential development of Consort House	Agile Organisation Programme team to engage with staff and teams at Consort House to identify future working requirements.	High level engagement undertaken to test outline proposals with senior service leads. Identified service requirements to inform design of specific adaptations at Woodhatch Place to facilitate future relocation.
Assimilate results of other workstreams to inform search for southern hub	Land and Property to work with Agile Organisation Team to identify demand and appropriate space requirements for fourth hub and to produce options for fulfilling.	Assessment undertaken to establish potential opportunities with service and commercial analysis of property solutions with Ranger House being identified as the best value option.
Review options for exiting Fairmount	Agile Organisation Programme team to engage with staff and teams at Fairmount in preparation for the end of the lease in 2025.	High level engagement undertaken to test outline proposals with senior service leads. Detailed staff consultation and engagement plan for initiation, as set out in the Part 2 report – subject to Agile Office Estate cabinet approval in December
Review of children’s social teams at Ashley Park House	Agile Organisation Programme to engage with staff and teams at Ashley Park House to inform the decision about whether to exercise the break clause in 2024.	No direct engagement. Detail engagement plan for initiation, as set out in the Part 2 report, subject to Agile Office Estate cabinet approval in December.

Strategic Overview

2. The Agile Organisation Programme is the delivery vehicle for the Agile Office Estate, bringing together enablers of Agile working (Change, Technology, Process, Travel and Workspace) to ensure an integrated approach in supporting other Council initiatives, including:
 - i. Greener Futures by ensuring that access and facilities promote the use of sustainable travel options and help reduce carbon emissions.
 - ii. One Public Estate and taking a 'Place' approach by ensuring that the use of property assets is integrated and meets different requirements of Services to deliver for the local community and partnership working.
 - iii. Equality, Diversity and Inclusion (EDI) promotion through ensuring spaces, facilities and technology can be used effectively by all, without compromise to working in an Agile way.
 - iv. Leadership development that is based on outcomes, maximising the benefits of digital and tech to work in a truly Agile way.
3. The Agile Organisation Programme has already delivered significant change and benefit to Surrey County Council. During Covid, the programme drove the exit of County Hall using change management to work with Services to embed Agile ways of working, capture critical Service needs and support increased efficiency. Successfully relocating staff to newly adapted Agile Office locations including Woodhatch Place and Dakota. This impacted approximately 1,700 staff of the circa 5,000 staff who have some use of offices.
4. The Agile Organisation Programme is an enabler and delivery vehicle for the Agile Office Estate. To realise the organisational benefits from the changes required to the physical estate, the programme must continue to deliver Service focussed moves, people change and support.
5. The strategy recommended in this paper sets out an approach to transforming Surrey Council Council's office estate, delivering improvements and future flexibility for both staff and residents. Through a connected programme approach this is affordable. If not adopted, the Agile Organisation Programme will be unable to fully deliver the change management, which will mean that the savings to support wider Council office estate priorities will not be achieved.

Demand Analysis

6. Following further engagement with Services and working in an indefinite period of Covid environment, the traditional office workspace is no longer required solely for day-to-day provision of desks. There is now far higher demand for space that facilitates meetings, collaboration and added value activities, complementing remote working in the community or from home.
7. Recognising that circa 5,000 of 11,000 Surrey County Council employees who traditionally were office-based, over the last 12 months, considerable analysis of customer/resident demand and consultation with Service leads has been undertaken to identify the most appropriate locations for staff to be based, particularly those teams that are providing a service to a distinct geographical area. These bases will meet the specific needs, but also act as a network of standardised Agile workspace to enable all Surrey County Council staff to work where best for them and their customers and not necessarily the same location every day.

8. Table 2 sets out the localities across Surrey and the minimum number of staff (FTE) that will need to be able to access workspace/facilities in those localities. In all instances it is critical to have a presence to serve the residents (in particular, Children and Adult Services) in these localities. This is based on existing team structures and volume, so will be continually reviewed at each stage of the proposed Agile Office Estate plan.

Table 2: Current FTE space requirement by locality

Region	Locality	FTE
North East	Elmbridge	726
	Epsom and Ewell	101
	Spelthorne	0
South West	Guildford	686
	Waverley	80
South East	Reigate and Banstead	1,920
	Mole Valley	344
	Tandridge	69
North West	Woking	1,349
	Runnymede	58
	Surrey Heath	78
	Total	5,411

9. Although some localities have smaller levels of demand, analysis has shown a critical need for core workspace in those each geographical quadrant, especially the North West and South East localities. Without this provision the service model for both Children and Adult Services in particular, becomes less effective as travel times increase (for both staff and residents) and the opportunity for teams to support each other decreases.
10. The Agile Office Estate programme set out in this paper has been designed to meet the requirements shown above, as well as having flexibility to be able to accommodate changes in the organisation as well as the ability to enable staff to work from a wide network of locations across the county.

Ways of Working

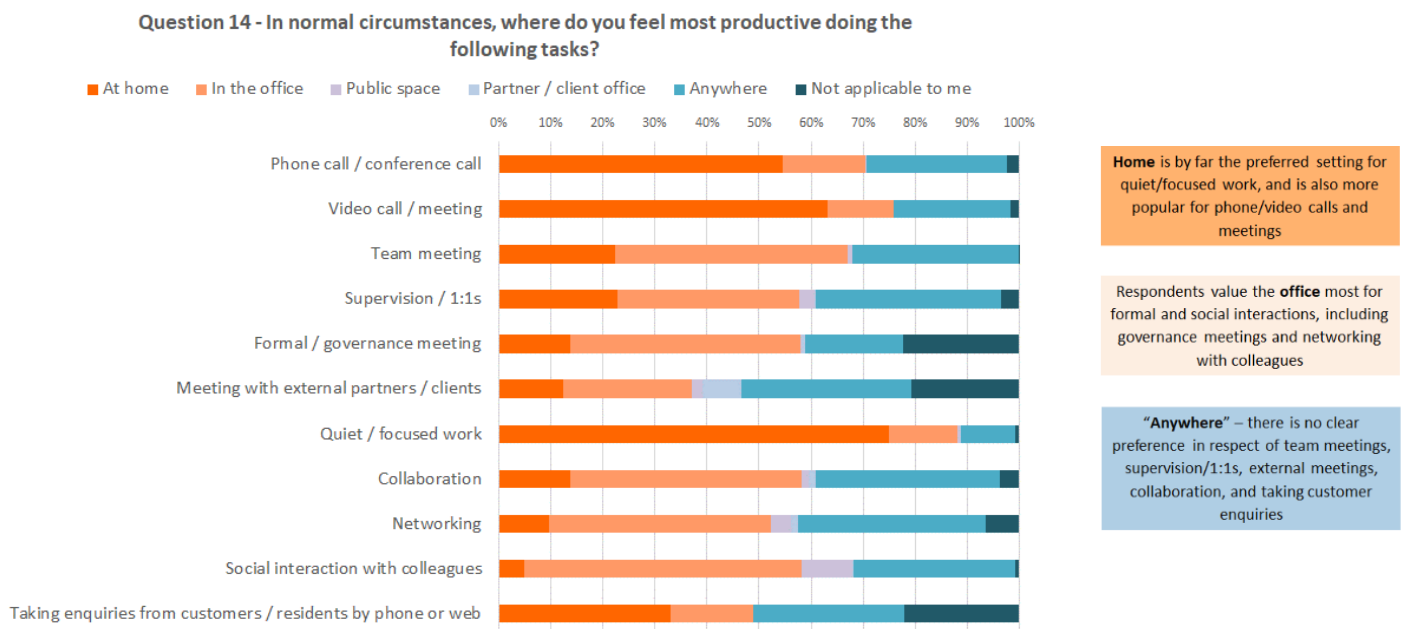
11. Analysis supports the proposed move to Agile working, with office utilisation for no more than 50% of per member of staff on average per week.
12. Staff surveys indicate that most staff currently, and will continue to, make use of office space a couple of times per week on average. Polls of Council staff (Jul 20 – Jan 21 during Covid pandemic) indicated that over 80%, are working more effectively through a mix of workspaces, with a minority of time in the traditional office location. Like many other industries, Council staff feedback indicates that

many staff feel more productive doing quiet and focused work at home and anticipate using the office spaces for activities requiring connection, collaboration, creativity and some formal meetings.

13. This aligns with thinking and research emerging from both local government and other sectors. Whilst this will not apply equally to all roles as for some it is necessary to be on site more often or not possible to work from home, as an overall headline, it conveys the magnitude of the shift in anticipated working patterns. This supports the recommendations to provide a wide spread of accessible Agile work-settings across the county to support all staff to best deliver.

14. The results below are for illustration and are from a poll of staff from County Hall (mix of Services) and the Environment, Transport & Infrastructure Directorate (ETI). A more recent poll of staff based in Woking (mainly Adults and Children’s Services) showed similar results.

Illustration: Results from office staff survey, mix of Services and Directorates, Summer/Autumn 2020.



Agile Office Estate programme

15. Incorporating this analysis into the asset strategy set out in January 2021, the following programme was recommended to deliver the right space, at the right time in the right place:

- a. Reduce the size of the existing office estate from circa 50,000m² to circa 26,000m², based on demand analysis and agile working styles. The retained freehold modernised estate will change the way and pace that the Council adapts to workforce requirements. It will enable the flexibility to continue to adapt post-Covid. If occupancy is sustained at lower levels, then additional capacity will be leased to generate additional rental income.

- b. Retain core facilities, one in each of the four regions of the county alongside smaller workspaces in priority areas to support Service delivery based on workforce demand and analysis of the existing estate, and best investment value for the Council.
- c. Invest in facilities to continue the modernisation of the workspace already achieved at Woodhatch Place and Dakota, that is healthy, accessible workspace that meets the need of the Services and partner organisations, providing the facilities required to work in an agile way and deliver for residents. Investment in modernisation and standardisation will also enable efficiencies/savings through modern, dynamic facility management.
- d. Manage delivery through a phased approach to minimise Service disruption whilst downsizing from the existing leased footprint and delivering refurbished Agile workspace/touchdown facilities, where there are high numbers of client and Service users. This is a particular requirement for Social Care teams.

Benefits

16. The preferred option will enable the following benefits to be delivered:

- a. **An efficient and affordable office estate:** It will ensure the best use of Council resources and reduce unnecessary costs, delivering an estate that is affordable both now, and in the future, through the consolidation of services within a reduced number of buildings within Surrey. Maintenance and operational costs will reduce as the estate footprint is reduced. In addition, as there is built-in additional capacity to enable future adaption at best value, spare workspace is already being leased to public sector partners (such as the NHS in Woodhatch Place).
- b. **Ongoing revenue efficiencies:** This programme will provide ongoing revenue efficiencies, over and above the borrowing costs associated with the required capital investment, enabling the Council to realise revenue efficiencies of approximately £2.2m per annum, achievable by 2024/25.
- c. **A core of complementary, modern Agile workspace:** It will support the ongoing transformation of working styles with approximately 50% of staff-time spent working in an office space and 50% remotely (a figure which is anticipated to continue to change as Agile work practises embed and greater efficiencies are realised from the estate). Staff will benefit from a standardised, agile, office environment that is fit for purpose, meets current industry standards and is flexible to adapt to future changes in working practice and partnership relationships. Facilities in each quadrant will also provide additional bespoke elements, for example, Woodhatch Place has lecture/training facilities. Other areas offer greater connectivity and different forms of environments to make the most of their individual attributes in addition to the standardised agile workspace design.
- d. **Fully Accessible Offices:** The core office facilities have been identified with accessibility in mind. As part of the proposed capital refurbishment projects, fully accessible enhancements will be made to all core buildings in line with the EDI programme.
- e. **Energy Efficiency:** Investment will follow environmental standards in line with the greener future agenda enabling development of a sustainable corporate

office estate that will support the Council to deliver on its vision for Net Zero carbon by 2030. Balancing investment alongside affordable improvements and as part of the Agile Organisation Programme supporting new working methods which also reduce the daily requirement for staff to commute.

17. Overall, this programme generates a net positive financial benefit to the Council whilst also funding and resolving multiple related un-budget pressures, including:

- a. **Embedding Agile Transformation:** Resourcing to prepare the workforce to change to agile ways of working as the workplace is modernised.
- b. **Enabling historical commitments:** To relocate Service teams from both Fairmount House and Consort House (a commitment linked to the Woodhatch Place acquisition), by creating the new space required in core hubs, realising a capital receipt in relation in Consort House and reduced leasehold costs relating to Fairmount.
- c. **Funding dilapidations liabilities:** Including move costs and lease surrender costs (where relevant), this is estimated at a total of £3.94m (an unbudgeted pressure due to be incurred when exiting leasehold properties).
- d. **Resolving backlog maintenance:** Through both estate reduction in size and investment in retained facilities.

Consultation:

18. In the development of the programme and supporting business case, views and inputs have been sought from a range of stakeholders including:

- Industry expertise and contractors
- Executive Directors
- Cabinet members with portfolio responsibilities and local interests.
- Partner organisations (NHS CCG)
- Targeted groups of Surrey County Council staff through the Agile Organisation Programme

Risk Management and Implications:

19. Refer to Part 2 of the report.

Financial and Value for Money Implications:

20. The capital cost of the scheme is £21.8m over the next three years. These costs cover the capital fit-out of the remaining two core quadrant offices plus some future investment in priority localised workspaces to enable service delivery.

Table 3: Capital Investment

Capital Investment					
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£m	£m	£m	£m	£m
North West quadrant facility agile fit out	0.300	0.950	11.850	3.900	17.0
Ranger House agile fit out			2.500		2.5
Spoke fit out			2.300		2.3
TOTAL CAPITAL COST	0.300	0.950	16.650	3.9	21.8
Funded by:					
Third Party					0.0
Government Grant					0.0
Revenue Funding					0.0
SCC Funding Required	-0.300	-0.950	-16.650	-3.900	-21.8
TOTAL FUNDING	-0.300	-0.950	-16.650	-3.9	-21.8

21. There is £18.2m provisionally allocated in the capital pipeline to this scheme, so the request is to approve the move of this pipeline funding to the capital programme and to increase it by £3.6m to reach the total investment requirement of £21.8m. The borrowing costs associated with this borrowing requirement is included in Table 4.

22. The capital investment details are commercially sensitive and are set out in the Part 2 of the report. Given that circa 90% of the capital investment is focused on refurbishing two core buildings additional carbon cost analysis has been undertaken.

23. As a result of the capital investment which enables to movement of staff from existing leasehold offices, significant ongoing revenue efficiencies are anticipated to be delivered, as set out in Table 4.

Table 4: Revenue Implications

Revenue Implications	2021/22	2022/23	2023/24	2024/25	Annual from 2025/26	
	£m	£m	£m	£m	£m	
Existing Lease costs	3.39	3.49	3.60	3.71	3.82	
Preferred Way forward Lease CostsLease costs	3.33	2.96	1.41	0.10	0.00	
Leasing Cost Efficiencies	-0.06	-0.53	-2.19	-3.60	-3.82	
Ongoing additional building costs - QC, Ranger House & spokes	0.00	0.00	0.28	0.44	0.45	
Loss of income from existing commercial tenants - Dakota & Ranger House	0.00	0.00	0.09	0.23	0.40	
Borrowing Costs - delay to exit from Consort	0.33	0.30	0.00	0.00	0.00	
Borrowing Costs of capital investment	0.01	0.04	0.60	0.74	0.75	
Total Efficiencies	0.28	-0.19	-1.23	-2.19	-2.22	
One-Off Costs:	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL One Off Costs
	£m	£m	£m	£m	£m	£m
One-off costs of change - Resource costs	0.29	1.29	1.25	0.45		
One-off costs of change - move costs, delapidations, lease surrender	0.25	0.30	3.12	0.27		
TOTAL One-Off Costs	0.54	1.59	4.37	0.72	0.00	7.22
Net Efficiencies	0.82	1.41	3.14	-1.47	-2.22	

24. It is proposed that the one-off costs of change (£7.2m) is funded from the Budget Equalisation Reserve to enable the Council to recognise the total revenue efficiencies from these proposals within the Medium Term Financial Strategy.

25. Financial assumptions:

- i. Existing lease costs are assumed to increase year-on-year by inflation.
- ii. Additional running costs are assumed for the additional space in Ranger House and the locality spokes, which off-sets the reduction in current costs of the leasehold properties.
- iii. North West quadrant facility agile fit out capita costs have been modelled on the existing Quadrant Court facility as a baseline. The running costs at Quadrant Court are assumed to remain as is for utilities and facilities management costs, an increase in the business rates has been assumed.
- iv. The use of space at both Dakota and Ranger House that is currently occupied by a commercial tenant is shown as a reduction in income to the Council in the numbers above.
- v. The financial modelling assumes that both Consort House and Thameside are disposed of by April 2023. The disposals were committed to as part of the acquisition of Woodhatch Place. The numbers above include additional borrowing costs relating to the delay in anticipated disposal. If disposal were to be deviated from then it would need to be ensured that the associated borrowing costs were at least covered by any increased rental income from retaining and leasing out the properties.
- vi. Space requirements are modelled on 50% occupancy (compared to existing footprint). If post-pandemic working practices show a sustained level below this, then there would be additional capacity available to optimise rental income by leasing space to third parties.
- vii. Dilapidation assumptions, move costs and lease surrender costs (where relevant) have been estimated by external experts at £3.94m (exact amounts subject to final negotiations with landlords).

Section 151 Officer Commentary:

26. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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.

27. The Section 151 Officer supports the proposals set out in this paper, to create four corporate office hubs supported by a number of localised spokes, enabling a significant reduction in the leasehold office estate. The efficiencies achievable as a result of these proposals will be factored into the Medium Term Financial Strategy. The use of the Budget Equalisation Reserve to finance the one-off revenue costs of change will enable the full revenue efficiencies to be realised from the outset of the programme and also covers the cost of change required to achieve the ambitions of

the wider agile organisation programme as well as delivering the activities set out for the Agile Office Strategy.

Legal Implications – Monitoring Officer:

28. In January 2021, Cabinet approved an outline ‘Office Estate Strategy’ and the development of a detailed programme to deliver an urgent transformation to the office estate. This paper now sets out a recommended programme of activity for the future office estate, which includes retaining the freehold interest of existing assets, undertaking refurbishments works to existing assets to ensure facilities are fit for purpose as well as granting leases where capacity is above requirements which will provide additional income for the Council.
29. The Council is empowered by legislation to pursue the proposals set out in this paper:
- Under Section 123 of the Local Government Act 1972, local authorities have the power to dispose of land in any manner they wish (the proposal to grant leases where capacity is above requirements is deemed to be a disposal), subject to the disposal being for the best consideration reasonably obtainable. The Council should ensure that the price for any such disposal is ‘market value’ to comply with Section 123 of the Act.
 - As freehold owner of the assets, the Council is able to undertake refurbishment works subject to any required consents.
30. As the proposals include the need to procure supply chain partners, Procurement colleagues should be consulted to ensure legal and procedural requirements are adhered to.
31. Cabinet is under fiduciary duties to local residents in utilising public monies and in considering this business case Cabinet Members will want to satisfy themselves that the proposals and financial implications represent an appropriate use of the Council’s resources.

Equalities and Diversity:

32. There is no impact on the Equality Impact Assessment. However, this proposal will ensure that the buildings improved upon are compliant to all accessibility regulations and laws and will be in line with the gender equality standards. As a responsible modern employer this strategy will ensure that Surrey County Council is providing the right workspace for all its staff to best deliver, through a wide range of multiple accessible work settings across the county – supporting all staff those who have the ability to work from home and those who don’t - as we evolve our Agile workforce.

Other Implications:

33. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:

Direct Implications:

Corporate Parenting/Looked After Children	<p>Meeting rooms used in office buildings for Service consultation will have improved privacy and be more practical for service use.</p> <p>The estate transformation will improve the consultation and working areas required by corporate parenting or looked after children. Specifically, the proposed programme will target the corporate office facilities utilised by the service to ensure they meet current and future needs.</p>
Safeguarding responsibilities for vulnerable children and adults	<p>Meetings rooms used in office space for Service consultation will have improved privacy and be more practical for service use.</p> <p>The office estate transformation will improve the consultation and working areas for employees and residence of vulnerable children or adults.</p> <p>The office estate programme will be drive from organisational wider engagement with services through the Agile Workforce programme to ensure it is shaped by and meets demand to enable efficient service delivery</p>
Compliance against net-zero emissions target and future climate compatibility/resilience	<p>In 2019 Surrey declared a climate emergency and SCC has an ambition to achieve a net zero carbon Corporate Estate by 2030 to support a net zero carbon Surrey by 2050. Annual CO2 emissions across the council are currently over 18,833 tonnes, that's 2.5 million cubic metres a year, approximately the space of 24,683 double decker buses. It would take the annual growth from around half a million trees to offset this carbon footprint. We have committed to planting 1.2 trees by 2030. But this offsetting is only one part of a package of measures.</p> <p>The dated and poorly maintained corporate office estate is a net contributor this carbon footprint producing over 10302 tons of CO2 equivalent per year which is 55% of the total Surrey County Council targeted footprint for reduction by 2030, something which needs to be addressed if the net zero 2030 target is to be reached.</p>
Environmental sustainability	<p>Surrey has an ambition to achieve a net zero carbon Corporate Estate by 2030 The programme will include consideration of all options to rationalise or invest in the estate to support delivery of this ambition.</p>
Public Health	<p>Surrey's council office buildings will all be compliant and safe for both employees and the public.</p>

Carbon Investment Cost

34. As part of the program of works, where we are retaining existing assets, we will look to consider optimal carbon reduction through our refurbishment work, supporting Surrey County Council's ambition to be Net Zero by 2030.

35. Ranger house for example currently contributes about 1% of the total corporate estate emissions.

Intervention case

36. Refurbishment of the buildings to improve efficiency in electricity use and heating use through insulation, will achieve 15%-32% emissions reduction. Switching to complete heating via heat pumps will achieve 94% emissions reductions from heating. All measures will reduce 86% of Ranger house annual greenhouse gas emissions, reducing the projected carbon cost per year in 2030. This cost could be further reduced through generating renewable energy from solar to supply the energy requirements of the buildings.

Interventions and impact

Site	Energy efficiency emissions reduction from gas / electricity	Heat pump installation emissions saving	Emissions remaining from electricity use by 2030 tonnes CO2e	Annual Cost of Carbon from 2030
Ranger House	32%	94%	16	£1,511

37. The Council is targeting a carbon neutral estate by 2030; directly moving towards more efficient buildings where affordable and offsetting carbon via alternative methods, with environmental standards in line with the greener future agenda. Indirectly, the estate contributes to carbon production, mainly through staff travel.

38. Through investment in the modern workplace, linkages with agile working collaboration with touchdown spaces, and locating assets in the right place, the Council can significantly reduce the associated travel impact.

39. Cost analysis has shown that a staged investment in improvements to energy efficiency delivers best value, where refurbishment of existing assets is undertaken.

What Happens Next:

1. Subject to approval of funding the Agile Office Estate implementation programme will be formally initiated.
2. The programme of activity will be resourced, and both the property related and staff / official's engagement and activity can be progressed as set out in Annex 4.
7. A detailed review of the North West quadrant demand (detailed engagement with impacted service and staff in locality) and all available options to meet service needs will be undertaken. This will conclude in an additional report being brought back to Cabinet in Q2 2022 with a recommended, costed option and associated request to draw down from the remaining £17m capital funding).
3. Governance will continue to be maintained, reporting to the Agile Organisational Programme Board (Executive Director of Resources as the Senior Responsible Officer) with the Agile Office Estate Steering Group managing delivery. The Programme Director will also ensure organisational wide engagement as the strategy develops over the next 4 years, through direct representation on the Council's EDI forum.

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Consulted:

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Annexes:

Annex 1: Outline Agile Office Estate Strategy (Approved Annex to Jan 2021 Cabinet paper)
Part 2 Report

Sources/background papers:

Cabinet Report January 2021: [Agile Office Estate Strategy Item 21/21](#)

Outline - Agile Office Estate Strategy
(Approved Annex to Jan 2021 Cabinet paper)

Introduction

This paper sets out the initial and outline Agile Office Estate (AOE) Strategy for Surrey County Council. The purpose of the outline strategy is to gain agreement for the overall direction of travel in relation to our office estate. Further engagement with services and partners is required to test the hypotheses and proposals set out in the paper, which will lead to a finalisation of a complete AOE strategy in summer 2021.

The strategy sets ambitious targets across several different domains which will shape implementation and act as measures of its success.

Steps have already been taken towards addressing the challenges within the County Council's office estate, with the move out of County Hall and relocation of the Civic Heart back into the County of Surrey. The analysis in the strategy uses April 2020 as the baseline position, and therefore provides an overview and a context of the steps already taken towards realising the objectives set out herein.

Summary

The County Council's office estate has evolved over time with some but not a completely coordinated approach. This has brought about a situation where the current corporate office estate is no longer fit for purpose and subject to several weaknesses. The most striking example of many of these characteristics is County Hall, which has been outside of the County boundaries since 1965.

The Agile Office Estate Strategy proposes to address these issues by adopting a strategically led approach to transforming the county council's office estate. Using the move out of County Hall as the initial catalyst, we will work towards the establishment and maintenance of a corporate office estate that is better value, in better condition, supports our Greener Future ambitions, and is better located for its current purposes.

To provide adequate coverage for the whole county, a proposed model based on four main office hubs is planned, along with necessary numbers of satellite offices for touchdown or ultra local working requirements. To further develop and refine the strategy, engagement will be undertaken with services and partners to consider operational impacts as well as specific financial and property considerations. Engagement with key strategic public sector partners is intended to identify the possibility of the county council office estate providing adequate space for those organisations as well as our directly employed staff. This could aid collaboration across organisations as well as delivering shared benefits across the public sector in Surrey.

The strategy will deliver efficiencies in the medium term and on an ongoing basis but will require upfront capital investment to bring it about and may also lead to increased revenue costs in the short term before ongoing savings are realised.

The following benefits will be targeted through the work of the strategy:

- Reduce overall spend on the office estate by c£3m per annum
- Reduce overall space from c50,000m² to c20,000m²
- All offices to be within the County
- Carbon emissions to fall from 2,600 tonnes per annum to net zero by 2030

Background and Context

Analysis undertaken on the council's existing office estate has demonstrated several shortcomings, which are the result of a failure to manage the estate in a coherent and strategic manner, and which are ultimately resolvable by implementing an evidence based and strategically aligned approach to the development and maintenance of the estate.

Since 1965, Surrey County Hall has been located outside of the County’s boundaries, a unique and unwelcome position for a local government body. Beyond this though, the location of offices is imbalanced across the county. Efforts have been made over time to ensure that community-based teams are located close to the point of service delivery, and sometimes co-located with delivery partners. However, this piecemeal approach has resulted in a lack of generally accessible office space across large portions of the county.

Furthermore, it has also contributed to a scenario where the cost of the office estate is above the industry benchmark. In part this is because of a high proportion of leasehold property in the portfolio, which is generally more expensive than freehold equivalents. Counter-intuitively, despite this high cost, the condition and quality of the estate is poor. There is also a significant maintenance backlog, and this is growing over time. The importance of energy efficiency and buildings which contribute to the council’s climate change agenda has also grown in recent years. The aged and poorly maintained estate is unsurprisingly under performing in this regard too.

Against this backdrop, the nature of office space and the requirement for it have changed significantly, with the development of technology that makes being physically ‘in the office’ progressively less important. The adaptations that have been made in working approaches over the past year due to the restrictions arising from the Covid 19 pandemic have significantly accelerated this agenda, even though the conditions they impose are not a blueprint for the future. The past year has demonstrated the validity of assumptions made in the council’s agile working strategy about the ability to work remotely, which leads to a need for significantly less office space, and a change in what office space will be used for. Such developments also make it easier to envisage effective co-location with public sector partners, with the possibility of the county council using its capacity and scale to provide a wider public service office estate, beyond its own direct needs.

Our Existing Estate

At the beginning of the 2020/21 financial year, the council’s office estate consisted of the following eighteen buildings:

Site Name	Location	Tenure	Gross Internal Area (m2)
County Hall	Out of County	Freehold	24,795
Quadrant Court	Woking	Freehold	7,940
Consort House	Reigate and Banstead	Freehold	3,381
Fairmount House	Mole Valley	Leasehold	3,187
Merrow	Guildford	Freehold	2,056
Wray Park	Reigate and Banstead	Freehold	1,569
Epsom Local Office	Epsom and Ewell	Leasehold	913
Ashley park House	Elmbridge	Leasehold	900
Waverley Local Office	Waverley	Leasehold	789
Esher Local Office	Elmbridge	Leasehold	760
Guildford Local Office	Guildford	Leasehold	724
Reigate and Banstead Local Office	Reigate and Banstead	Leasehold	573
Woking Local Office	Woking	Leasehold	331

Surrey Heath Local Office	Surrey Heath	Leasehold	326
Mole Valley Local Office	Mole Valley	Leasehold	299
Oxted Local Office	Tandridge	Leasehold	241
Runnymede Local Office	Runnymede	Leasehold	179
Thameside Centre	Spelthorne	Freehold	47
		Total	49,011

Space

County Hall dominates in terms of space, with 51% of the overall office space relating to that building. Including County Hall, in terms of total space, 81% of the portfolio is Freehold and 19% Leasehold.

In addition, much of the estate has very traditional and now out-dated configurations which are poorly aligned with the sort of flexible space required to support the council's ambition to be an 'agile' organisation. Space per employee is quite generous, but it is based predominantly around fixed desks (making up 85% of office space for employees) with much lower levels of collaboration space.

Value for Money

In cost terms, the ratios are very different: 56% of the cost relates to Freehold, and 44% to Leasehold. The total budgeted annual running cost of the estate is estimated to be just over £7.5m. In addition, the backlog maintenance is current estimated at £39m. Addressing this backlog would result in an annual cost of the estate of around £9.5m per annum

In relation to leased space, 45% of current rentals are above the market benchmark for their area, without evidence of a corresponding high level of quality.

Environmental Sustainability

The County Council has set a target for the County to become carbon neutral by 2050, and for the office estate, which currently produces 2,600 tonnes of Carbon per year, to be carbon neutral by 2030. Significant and rapid progress is required to achieve the target reduction in the next decade.

A New Direction

In late 2018, the Leader of the Council made a commitment to return the County Council's "Civic Heart" to the county itself. This ambition sought to right an issue that has been present for over five decades, since Kingston was incorporated into Greater London as part of a redrawing of local government boundaries. As well as moving the county council's functions closer to the residents they are designed to serve, this move has provided a once in a generation opportunity to re-imagine the office requirements for the county council. Plans are in train for County Hall to be vacated, with the office closing at the end of December 2020, sale plans progressing well, and an aim to entirely vacate the site by the end of March 2021.

Measures to establish the new Civic Heart were well developed by early 2020. A provisional arrangement had been made to acquire a site in Woking (Midas House), which would provide decant space for some staff from County Hall and which would host the in county Civic Heart functions. The acquisition was dependant on several related matters which were suddenly thrown into uncertainty by the advent of the Covid 19 pandemic in early 2020. Consequential third party moves on which the acquisition depended were no longer possible, and the proposed deal for Midas House therefore fell through.

Although this presented a material and immediate challenge regarding the planned timetable for moving out of County Hall, it also presented an opportunity to take a wider look at our estate. Not all staff from County Hall were envisaged to be allocated to Woking as a new

base, and numerous other challenges existed within the office portfolio that would have to take a back seat to the Civic Heart development. In Spring 2020, the County Council therefore had the opportunity to take a very different look at its entire office estate.

Key Drivers

The analysis above sets out a series of key drivers that provide the need and the impetus for the new Agile Office Estate:

Financial	The current estate is expensive, with significant and prohibitive backlog maintenance costs
Location	The Council's HQ and largest office has been outside of the county for over five decades. Coverage across the County is uneven
Environmental	The estate lacks modern environmentally friendly buildings and is a sizable contributor to our overall emissions
Quality and suitability	Office quality is generally quite poor, and is not well aligned to our vision of an agile way of working
One Public Estate	Our buildings are not set up to allow co-location and collaboration with partners, despite an appetite to explore this

These imperatives will help us to deliver an office estate that supports our refreshed organisational strategy:



The Agile Office Estate – Modernisation Proposal

We want to use the decision to move out of County Hall and to relocate the Civic Heart to act as a catalyst for a transformation in our office estate. We believe that a model centred around four main office hubs, and a reduced number of satellite offices, which would aim to make better use of our operational estate, will help us to respond to the key drivers and to achieve our objectives in relation to the estate.

An office hub in each geographical quadrant of the county will act as a focal point and ensure that we have a presence closer to all residents. We need to review and rationalise our leasehold estate, exploring the ability to consolidate into the hubs, or to utilise space created by the complementary transformation of our operational estate. To facilitate stronger

partnership working, we want to explore the potential to accommodate partners within our estate in a way that facilitates closer working and collaboration, through co-location and the provision of collaborative space.

Modernisation will allow us to transform the environmental impact of our buildings, and to work towards the target of being carbon neutral by 2030. It can help us generate efficiencies and to avoid a significant future cost by removing the maintenance backlog.

Our targets will be to:

Financial	Reduce annual running costs by £3m Eradicate the £39m maintenance backlog, and avoid that cost to the County Council
Location	Operate from an estate entirely within the County, and with the Civic Heart in Surrey itself.
Environmental	Hit the 2030 target for a net - carbon neutral office estate (this would include residual emission would be offset by natural or engineered sinks) Improve the median energy efficiency
Quality and suitability	Develop a fully agile office estate Shifting the balance between fixed desk and collaborative space from 85/15 to 50/50.
One Public Estate	Develop inter-operability for partners within our estate Let space to partners on either VFM or service benefit grounds.

Implementing the Strategy

The information about the current office estate set out above uses April 2020 as a baseline position. During this financial year we have already made some decisions that take us closer towards realising the objectives.

Closing County Hall

Since changes to local government boundaries in 1965, Surrey County Hall has been outside of the County's boundaries. In December 2018 the Leader of the Council announced his intention for the council to move back into the county by the end of 2020. In late 2019, a meeting of the Council endorsed this plan.

Work to exit County Hall has progressed through 2020 despite the impact of the Covid 19 pandemic. It closed as an operational office on 31 December 2020. The disposal of the site for redevelopment sensitive to its listing status and historical importance is underway and expected to result in sale by the end of March 2021.

The close of County Hall makes an immediate impact on the targets being pursued via this strategy in the following areas:

Area of Impact	County Hall Contribution
Financial	A gross (before re-provision of space) reduction in cost of £2.1m Removal of significant backlog maintenance liability

Location	Removal of all out of county office space
Environmental	Gross reduction in Carbon Emissions of 804 tonnes per annum
Quality and suitability	Removes 24,795m ² of poor-quality office space largely unsuited to agile and collaborative working.

Removing County Hall from the council's office estate portfolio makes a significant contribution to the aims of this strategy. The removal such a significant proportion (51%) of overall office space obviously provoked a need for the identification of additional space within the County, as well as a suitable location for the Civic Heart.

As outlined above, the initial plan developed through 2019, and part of the decision at Council to approve the move from County Hall, centred on the acquisition of an office in Woking (Midas House).

County Hall Decant and the Four Hub Model

Review work on the wider estate was beginning in conjunction with the decision not to proceed with the acquisition of Midas House. Only Quadrant Court in Woking was identified as a suitable property within the existing portfolio for a potential future office hub.

Without County Hall, the total size of the office estate reduced to 24,116m², of which 62% was Freehold and 38% Leasehold. Whilst the disposal therefore addressed some elements of the strategy, it worsened other aspects, for example reducing the Freehold proportion of the portfolio. It could not of course address the lack of good quality space elsewhere in the portfolio.

The need to decant staff from County Hall also triggered the requirement for rapid progress on the establishment of space in the north of Surrey in order to provide a smoother transition for staff moving from within South West London. The review also identified a medium term space imperative in the east of Surrey, with a major leasehold property (Fairmount) due to expire in 2024, and an opportunity to develop another freehold property in the area (Consort House in Redhill).

Acquisition of Woodhatch Place

In early 2020/21, the Council was able to complete the purchase of the former Canon HQ in Woodhatch near Reigate. The site was identified as the ideal option for relocation of the Reigate Priory school, as well as providing the opportunity for further service development such as accommodation with care and support for older people.

The offices on site were initially identified as a potential solution to the medium term need for space in the east of the county, providing a solution to the lease expiry at Fairmount, and allowing the potential development of the Consort House site to be progressed. The subsequently renamed Woodhatch Place provided an excellent opportunity to develop an eastern office hub, representing the second in addition to Quadrant Court in the west. However, following the purchase of the site, and the decision to halt the purchase of Midas House, Woodhatch Place was also identified as the location for the new Civic Heart, and to provide decant space from County Hall, and from part of the Surrey Fire and Rescue Service HQ at Wray Park. The building was therefore refurbished to provide accommodation for these purposes in the first instance and is on track to open in January 2021.

Woodhatch Place will provide 10,178m² workspace fully aligned to the council's vision of agile working. It will act as an initial test bed for agile configuration, which will be used to inform the layout of the rest of the estate. It will also host the Civic Heart. As a Freehold building, it helps reduce our overall average space cost. A more modern building that won awards for its environmental sustainability, it will also help us cut emissions and work

towards a more environmentally friendly estate. Ownership means that we can continue to work to improve this over time as well.

The Acquisition of the Dakota Building

A significant search for office space was undertaken in the north of the county to meet the separate but potentially complementary objectives of identifying short term decant space for staff from County Hall, and to provide a northern office hub within Surrey.

The Dakota building in Brooklands near Weybridge was identified as an opportunity to meet both objectives. Immediate space of 2,109m² is available, rising to a potential 3,224m² if all tenanted space is released. It is a recently refurbished, modern office space with good environmental credentials.

The building will allow the decant of staff from County Hall, and provide additional space for touch down and collaboration, along with the necessary space to accommodate staff from rationalisation of the wider leasehold office estate.

Summary

The key actions of exiting and disposing of County Hall, and the acquisition and fit out of Woodhatch Place and Dakota as new agile working hubs will see the County Council entering 2021/22 with an office estate that is much closer to the ideal laid out in this strategy, and the platform on which to develop it further. The next step is to utilise this platform to realise the overall objectives set out within this strategy.

Progressing the Strategy

The establishment of three agile working office hubs in the County addresses the immediate need for space and provides headroom to be able to rationalise our wider office estate. Broadly speaking there are four main areas of opportunity:

East of County

As identified in the original business case for the acquisition of Woodhatch Place, there is a need to provide alternative office space for staff currently based at Fairmount House no later than when the lease expires in 2025. In addition, the freehold ownership at Consort House represents an opportunity to decant staff from that building and to develop the site. The combined space in these two buildings is 6,568m², and total annual running costs are £1.813m per annum. Current staff numbers are 790.

Wider Leasehold Estate

Amongst the eighteen office locations that the county council began 2020/21 with, ten are 'local offices' with space leased from Districts and Boroughs. These offices represent a total of 5,135m² office space, and an annual cost of just over £1.5m. Decisions were taken for operational reasons to base teams in these locations. However, the advent of more agile working, plus the potential space at new office hubs, mean that it is timely to review the need for this space, including its cost and the amount of space taken. Work to develop touch down and collaborative space as part of new community hub spaces in the operational estate may offer another alternative source of space.

Ashley Park House – Children's Social Care

In 2019 the County Council took leasehold space in Walton on Thames to provide accommodation for children's safeguarding teams supporting communities in the north of the county. The space was taken at above market rates, but the operational importance attached to the use was concluded to justify the premium being paid. That applied in financial terms, but equally in terms of an investment in the improvement of children's services.

The lease on the space runs until 2029, with an optional break in 2024. There were strong operational reasons for locating the teams at Ashley Park House, and from a service perspective it has made a very positive impact. If there is no change to the wider operational context then any decision to exercise the break at Ashley Park House would not appear to be prudent or attractive in 2024. If, however good alternative space exists that achieves the same aims, and the service can operationally be able to move, then the option should be reviewed. No decision can be taken on this at the current time and a full analysis would be required in two to three years' time. The cost of the space at Ashley Park House is £0.45m per annum.

Co-Location with Partners

Through the development of a modern, fit for purpose agile office estate, the county council will be well placed to explore opportunities to co-locate partner functions within our buildings. As partners including Surrey Heartlands NHS, Surrey Police, and District & Boroughs review their requirements for office space, there are likely to be a number of opportunities for the exploration of co-location arising. Sub-letting space to partners is likely to be able to deliver a financial return for the county council, but also to deliver efficiencies for the wider public purse in Surrey. In addition, and with potentially greater return, it could facilitate closer integration and closer working, or just more effective collaboration between different organisations.

The extent to which any of these different options can be progressed will inform the overall amount of space required within the office estate. Further dialogue with partners and analysis of space requirements, office design space and infrastructure implications, including IT standards and digital interoperability, needs to be done on each before we finalise the plan for the office hubs.

Next Steps

This document sets out the components of a new agile office estate for Surrey County Council. It is rooted in the evidence produced from analysis of our existing estate and of the opportunities for new ways of working that are present and further emerging. The strategy is described as outline at this stage, because it requires further and detailed analysis of a wider set of issues before the volume and location of space can be finalised.

There are set of key dependencies that need to be explored, as set out below:

Activity	Approach	Priority
Review District and Borough leased properties	Work to be led by the Agile Organisation Programme team to engage with staff and teams based in the ten local offices, to identify future working requirements and opportunities for consolidation.	1
Explore Opportunities for Partner Co-location	Engagement with partners led by Land and Property, supported by the development of IT infrastructure design and inter-operability standards led by IT and Digital.	1
Explore potential development of Consort House	Agile Organisation Programme team to engage with staff and teams at Consort House to identify future working requirements	2
Assimilate results of other workstreams to inform search for southern hub	Land and Property to work with Agile Organisation Team to identify demand and appropriate space requirements for fourth hub and to produce options for fulfilling	2
Review options for exiting Fairmount	Agile Organisation Programme team to engage with staff and teams at Fairmount in preparation for the end of the lease in 2025	3

Review of children's social teams at Ashley Park House	Agile Organisation Programme to engage with staff and teams at Ashley Park House to inform the decision about whether to exercise the break clause in 2024	3
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Resourcing and Value for Money Implications

As set out above, the Agile Office Estate Strategy represents an opportunity to avoid significant capital expenditure to make good the maintenance backlog of £39m, and to generate savings of up to £3m in annual revenue costs relating to the estate. There has already been progress towards the realisation of potential savings through the imminent disposal of County Hall, which will significantly reduce the backlog maintenance.

Whilst the strategy is being implemented, resources will need to be dedicated to its delivery, and costs may in the short-term increase as properties are brought on stream in advance of further properties being rationalised. It is proposed to provide resources from earmarked reserves to fund some of these up-front costs, with amounts drawn down reported to Cabinet via the regular corporate budget monitoring report.

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RESOURCES AND PERFORMANCE SELECT COMMITTEE

FRIDAY, 7 OCTOBER 2022

**REFERRAL FROM COUNCIL – MOTION ON PROCUREMENT POLICY, TAX AVOIDANCE AND THE FAIR TAX MARK**

Purpose of report: To provide input and feedback on the aforementioned council motion referred to the Resources and Performance Select Committee by the full council.

Introduction:

1. At the meeting of Council held at Woodhatch on Tuesday, 12 July 2022, Members of Surrey County Council under item 8 voted to refer motion (iv) on procurement policy, tax avoidance and exemplary tax conduct to the Resources and Performance Select Committee for their feedback and input.
2. Focussing on leading by example and the fair tax mark accreditation, the motion, inter alia, highlights the good practice when awarding contracts, asking the Surrey County Council (SCC) to take active steps in order to promote exemplary tax conduct – including ensuring contractors pay their proper share of tax; deterring potential corporate tax avoidance; and inviting the SCC to approve the “Councils for Fair Tax Declaration”.
3. Full text of the motion is attached as Annex 1 to this report.
4. A briefing report prepared by the Service is attached as Annex 2 to this report.

The Process:

5. According to the Surrey County Council constitution, Part 1 of the Standing Orders under points 12.5 to 12.8, it states that:
 - 5.1 When an original motion is referred to the Cabinet or appropriate committee under Standing Order 12.3, the Member of the Council who has moved the original motion and his/her seconder shall be notified of

the meeting at which the Cabinet or committee will consider it. They shall have the right to attend the meeting and speak to the motion.

- 5.2 Where an original motion is referred to the Cabinet or a committee, it will report upon the motion to the following ordinary meeting of the Council and Standing Order 8.8(b) shall not apply to such report.
- 5.3 The Cabinet or committee may recommend exceptionally that consideration of an original motion should be deferred, in which case the appropriate member of the Cabinet or the committee chairman may explain the reasons for the recommendation. The mover and seconder Part 4 Standing Orders May 2022 12 of the original motion may also speak. The recommendation will then be put to the Council without further debate.
- 5.4 If a notice of an original motion relates to a matter which, under legislation or the County Council's Constitution, is the responsibility of the Cabinet, the motion may only call on the Council to request the Cabinet to consider a particular course of action and may not bind the Cabinet.
6. Councillor Jonathan Essex (Proposer), Councillor Robert King (Seconder) have been invited to speak to present this motion to the Select Committee at the meeting. Service officers will be available at the meeting to assist the Select Committee with any technical or service queries.

Recommendations:

7. Resources and Performance Select Committee is invited to consider the motion (Annex 1) along with the briefing report prepared by the Service (Annex 2) and provide its feedback to the full council through a set of recommendations, if any, that should have clear and measurable outcomes.

Next steps:

8. Recommendations agreed by the Resources and Performance Select Committee will be presented to the full council meeting.

Report contact

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Annex 1 – Full text of the motion

Annex 2 – Service briefing on responsible tax conduct motion

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Annex 1 – Referral from the Council

Jonathan Essex (Redhill East) to move under Standing Order 11 as follows:

This Council notes that:

- Polling from the Institute for Business Ethics finds that “corporate tax avoidance” has, since 2013, been the clear number one concern of the British public when it comes to business conduct.
- 66 per cent of people believe the Government and local councils should at least consider a company’s ethics and how they pay their tax, as well as value for money and quality of service provided, when awarding contracts.
- 17.5 per cent of UK public contracts have been won by companies with links to tax havens. Lost corporation tax revenues from multinational profit-shifting (just one form of tax avoidance) have been estimated to be costing the UK some £17 billion per annum.
- The Fair Tax Mark offers a means to demonstrate good tax conduct and has been secured by a wide range of UK businesses, including The Financial Times Stock Exchange (FTSE) -listed Public Limited Companies (PLCs).

This Council believes that:

- As recipient of significant public funding, Surrey County Council should promote exemplary tax conduct, including ensuring contractors pay their proper share of tax, and refusing to condone offshore tax arrangements when buying land and property.
- This should apply equally to trading companies partially or fully owned by Surrey County Council.
- Current UK procurement law imposes restrictions on councils’ ability to both penalise poor tax conduct and reward responsible tax conduct.
- Due diligence into tax arrangements of suppliers will help identify the Council’s exposure to Russia and other international bad actors. Information on the beneficial ownership of companies will help Surrey County Council ensure its procurement maximises benefit to Surrey’s economy.

This Council resolves to:

- I. Approve the “Councils for Fair Tax Declaration”.
- II. Lead by example and demonstrate good practice in its tax conduct of both Surrey County Council and its trading companies.

- III. Ensure IR35 is implemented robustly such that contract workers pay a fair share of employment taxes.
- IV. Avoid offshore vehicles for the purchase of land and property.
- V. 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.
- VI. Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position.
- VII. Include tax conduct in social value scoring for assessing contracts.
- VIII. Support Fair Tax Week events in Surrey and celebrate the tax contribution made by businesses who pay their fair share of corporation tax.
- IX. Support calls for urgent reform of UK procurement law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.

FRIDAY 7 OCTOBER 2022



PROCUREMENT SERVICE BRIEFING ON RESPONSIBLE TAX CONDUCT MOTION

Purpose of report: To brief members of the Resources and Performance Select Committee on the Original Motion regarding the responsible tax conduct of suppliers to Surrey County Council (SCC), originally submitted for the Council Meeting on 12 July 2022.

Introduction:

1. On 12 July 2022 an Original Motion regarding the responsible tax conduct of suppliers to SCC was submitted for the Council Meeting.
2. Procurement has spent time considering the motion, and Finance have been consulted where specific resolutions related to SCC activity that falls within their domain.

Approve the “Councils for Fair Tax Declaration”

3. Procurement has reviewed the declaration put forward by The Fair Tax Foundation and notes that by signing up to the Councils for Fair Tax Declaration, councils can demonstrate alignment to their values and encourage responsible tax practice through:
 - 3.1. Leading by example on their own tax conduct;
 - 3.2. Demanding to know who owns and profits from businesses the Council buys from – United Kingdom (UK) and overseas – and their full financial reports; and
 - 3.3. Joining calls for UK public procurement rules to change so that councils can do more to tackle tax avoidance and award points to suppliers that demonstrate responsible tax conduct.
4. 3.1 and 3.3 above seem simple and overall, as a political declaration, the declaration is seemingly uncontroversial.

5. However, some of the details regarding the specific resolutions covered by 3.2 are worthy of further exploration.
6. This paper therefore takes each of the specific resolutions as included in the Original Motion and discusses each in turn.

Lead by example and demonstrate good practice in its tax conduct of both Surrey County Council and its trading companies

7. The wholly-owned trading companies of SCC have limited expenditure outside of interest on loans (to SCC) and staff costs (including recharges from SCC). Finance have confirmed that there is nil or at worst negligible revenue expenditure that could fall into the categories outlined.
8. Neither Finance nor Procurement have concerns with SCC passing this resolution.

Ensure IR35 is implemented robustly such that contract workers pay a fair share of employment taxes

9. There are robust IR35 procedures in place. At the point of requisition via Connect2Surrey or a business case for off contract engagement which suggests the appointment might sit outside IR35, the matter is referred to the Human Resources (HR) Governance & Contracts team.
10. This team carry out the IR35 checks via the governments online checking process, delivering a verdict which is then documented as part of the request. S-net contains information to support staff in this process.
11. Neither Finance nor Procurement have concerns with SCC passing this resolution.

Avoid offshore vehicles for the purchase of land and property

12. The utilisation of offshore holding companies is common amongst property owners but SCC has not acquired any new properties into Halsey Garton Property Investments since 2018 and has no intention to do so in the short-term. Property acquired by Halsey Garton (HG) Residential has all been done on long leases from SCC.
13. Neither Finance nor Procurement have concerns with SCC passing this resolution.

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

and

Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position

14. Currently, financial appraisals of prospective suppliers focus purely on an organisation's financial viability and do not take an ethical view. It would be extremely challenging to investigate tax affairs in the manner suggested as part of this appraisal, given there is no readily available information on how companies pay their taxes, other than in the financial press.
15. For the avoidance of doubt, it is worth making clear that the Public Contracts Regulations 2015 (PCR 2015, regulation 57) provide for contracting authorities to exclude a supplier if they are aware it is in breach of its obligations relating to the payment of taxes or social security contributions, and where the breach has been established "*by a judicial or administrative decision having final and binding effect*".
16. Issues concerning tax avoidance, defined by the Government as bending the rules of the tax system to try to gain a tax advantage that Parliament never intended are, however, significantly more complex.
17. The PCRs do not make provision for discretionary exclusion based on concerns about matters such as tax arrangements or beneficial ownership. Current (and indeed likely future) procurement legislation only allow exclusion in very limited circumstances – that is if a mandatory exclusion is triggered around a breach of obligations relating to the payment of taxes or social security contributions that has been established by a judicial or administrative decision. Offshoring or other legal (but morally dubious) grounds to minimise tax are not legitimate grounds to exclude a company from a procurement and would rightly result in a legal challenge as companies have the right to organise their tax affairs how they like, provided they are lawful.
18. Barring suppliers on this basis would therefore expose the Authority to the risk of legal challenges and, accordingly, risk financial compensation being awarded to the very companies we wished to exclude from being in receipt of funds.
19. It is also relevant to consider the Regulations provision for "self-cleaning". In such an event, a supplier who has been excluded from a procurement process using the type of grounds proposed could challenge the decision and provide evidence

it is not exclusion is not appropriate. This will add significant additional time and risk to the process.

20. It is also worthy of note that to undertake the level of due diligence and compliance checking that would be required to evaluate bidders and manage suppliers based on their tax arrangements would necessitate a level of skill and capacity not currently available. Therefore, even if there were a legal route available to achieve this, the direct costs of doing so would be substantial.
21. Further, challenges surround potential risks to delivery of core services in sectors where there is the most potential for the existence of complex beneficial ownership structures and sub-optimal tax arrangements. Examples of such sectors include (but may not be limited to):
 - 21.1. The care sectors, including Adult Social Care and Children's Services, where private equity funding arrangements are increasingly impacting on suppliers in the sector, and complex ownerships structures are becoming more common even for smaller, locally owned operations who are restructuring businesses in order to mitigate costs and maintain profit margins; and
 - 21.2. Sectors serviced by large multinational corporations with complex tax arrangements, such as Microsoft or Amazon, who are known to have non-UK based headquarters to benefit from alternative taxation regimes and complex beneficial ownership and offshore activities.
22. These are just two examples highlighting how adoption of a complex motion could have significant unintended consequences, and where the decisions to examine suppliers would be fraught with subjective decisions.
23. Useful input into this debate can be seen in the Her Majesty's Revenue and Customs (HMRC) Corporate Report "Tax Compliance of HMRC Suppliers", published in May 2022¹. It is noted that HMRC has adopted a "*strengthened approach to tax compliance for its own procurements in circumstances where the Public Contracts Regulations allow for HMRC to take a tougher line than the cross-government position and as such permit HMRC to apply discretion in decisions to exclude a supplier from the procurement process or terminate an existing contract*". Critically, "*exclusion is based on the grounds of tax non-compliance as determined by 'any appropriate means', which means HMRC has the advantage of being able to use any information it holds*".
24. SCC does not have such information available to use for such means, and so it is unclear how the Authority would be able to implement tougher restrictions on its supplier base than is seen as standard across Central Government. It is also

¹ [Tax compliance of HMRC suppliers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107142/tax-compliance-of-hmrc-suppliers-2022.pdf)

important to note that such a level of due diligence, if even possible, would take substantial investment in resources and skills development.

25. Further, a discussion has been held with the Fair Tax Foundation, focusing on this point. The Foundation provided details of the legal advice they received regarding the compatibility of taking tax behaviour into account during procurement processes, as suggested in this resolution, which can be summed as follows:
 - 25.1. It is difficult to argue that 'poor tax conduct' can be taken into consideration as a factor during the stages of the procurement decision making process, i.e. the technical specification stage, the award stage, or as a contract performance condition.
 - 25.2. This is because a company's tax conduct is not 'linked to the subject matter of the contract', but it instead constitutes general commercial policy. It is therefore not possible to construct a convincing way in which authorities could devise criteria that could satisfy the relevant legal test that the criteria 'linked to the subject matter'.
 - 25.3. That the mandatory and discretionary grounds of exclusion that relate specifically to non-payment of tax are only available in limited circumstances.
 - 25.4. That a better approach may be to argue that 'poor tax conduct' provides public authorities with a discretionary ground for exclusion at the selection stage of a procurement as it constitutes "grave professional misconduct". However, this approach heavily depends on an inadequate European Union (EU) Commission "Blacklist" of tax havens in order to work. It is also a novel argument and is therefore subject to significant legal risk.
26. Continued discussions with the Fair Tax Foundation on this element of the motion highlighted that, whilst it appears many councils have signed the Councils for Fair Tax Declaration, in doing so they have made adjustments to the wording of this element of the Declaration. The Foundation has stated they could work with SCC to agree to some alternative wording that would allow the authority to sign the Declaration.
27. There are however opportunities to evolve in this area along the ethos of the proposed resolutions:
 - 27.1. The new regulations and supporting infrastructure proposed by Central Government will enhance access to relevant supplier data, which may allow contracting authorities to employ this data to make more informed

decisions regarding which suppliers to contract with. Current assessment of what data this central platform will hold includes:

- central debarment list
- central register of complaints
- register of legal challenges

27.2. We could review the supplier questionnaire and consider including enhanced self-declaration/self-assessment as part of the financial checks (on a pass/fail basis), shifting the burden to the suppliers to prove that their tax conduct is in accordance with UK legislation.

27.3. Going further, we could consider the appropriateness of incorporating the Fair Tax Mark into tenders, or ask for proof that suppliers are working towards it (noting it would be advisable to offer an “or equivalent” type option, and/or give the Fair Tax Mark as simply an indication of how good tax conduct could be evidenced, rather than favour a sole indication which carries a cost for the supplier). Note that extensive consultation should be undertaken with potentially impacted Services, and consideration given to what we would do should suppliers refuse to complete this. Also note that proportionality would have to be considered here, with the proposal that such measures were only taken with respect of contracts above certain threshold(s).

27.4. The above points 2 & 3 should be considered in tandem with a review of the Orbis Supplier Code of Conduct and implementation of the new Contract Management Advisory Service.

28. Procurement is therefore not able to recommend passing these resolutions as currently drafted. There remains the possibility of agreeing alternative wording with the Fair Tax Foundation, allowing SCC to sign an amended declaration and therefore publicly support the objectives of the Foundation.

Include tax conduct in social value scoring for assessing contracts
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29. In the broadest sense it seems reasonable to state that fair tax conduct has value for society. However, it would be hard to argue that conducting tax affairs to a higher moral standard could reasonably be awarded additional points in the evaluation of a tender against an entity whose affairs remained legal but were considered by some measure to be sub-optimal.

30. Further, it is doubtful doing so could be deemed to constitute social value as per the Public Services Act (Social Value) 2012. That act requires the public sector to ensure that the money it spends on services creates the greatest economic, social and environmental value for local communities

31. Government has defined social value through a series of priority themes and policy outcomes which are important to deliver through the public sector's commercial activities. Nowhere in that definition are tax arrangements highlighted as potential social value.
32. It is felt that it would not be possible to objectively rule that it was and apply this in a fair and transparent manner that was legal under the PCRs.
33. The new regulations will provide a greater scope - to a degree - to include environmental and social value selection criteria, but the principle that criteria must go to the heart of the contract remains. The requirement to comply with World Trade Organisation rules will continue to limit the scope here.
34. It is also noted that such a resolution would require a fundamental reconsideration of the application of social value to SCC tenders, and members would have to be aware that doing so might be at the expense of the additional social value commitments the Authority is currently obtaining during the tendering process.
35. Additionally, it would be a very imperfect mechanism, and one in which the outcome of a tender evaluation could conceivably be the highest scoring bidder securing a contract despite having declared what could be deemed to be sub-optimal tax arrangements as part of their tender response; such an outcome would present moral and reputational risk to the Authority.
36. Discussions with the Fair Tax Foundation identified that this element of the motion is not included in the wording they propose for this fair tax declaration pledge, and they agree that it would not be possible to include tax conduct in social value scoring for assessing contracts.
37. Procurement is therefore not able to recommend passing this resolution..

Support Fair Tax Week events in Surrey and celebrate the tax contribution made by businesses who pay their fair share of corporation tax.

38. The Fair Tax Foundation's website describes Fair Tax week as:

"A UK-wide recognition of the companies and organisations that are proud to promote responsible tax conduct and pay their fair share of corporation tax. Using #CelebratingFair, the week will highlight digital events and provide a platform to explore the positive contribution corporation tax makes to society."

39. Procurement could consider what activities planned for Fair Tax week 2023 it would be acceptable to support when they are published next year.
40. Procurement does not have concerns with SCC passing this resolution.

Support calls for urgent reform of UK procurement law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.

41. The government recently ran a consultation regarding the impending changes to procurement regulations, and procurement collaborated with the Local Government Association (LGA) in terms of making submissions to this consultation. That consultation is now closed, so it is unclear what route could currently be employed to achieve this resolution in an efficient manner, prior to the implementation of the new regime.
42. The new regulations are likely to make greater provision for discretionary exclusions and more variable evaluation criteria.
43. It is therefore suggested any activity against this proposed resolution would have more success once the application of the new regulations have been fully implemented and tax conduct could be better considered against them.
44. However, there is nothing to prevent SCC supporting calls for reform of procurement law in the manner suggested.
45. Procurement does not have concerns with SCC passing this resolution, on the understanding that SCC utilises existing channels such as our membership of the Local Government Association and County Council Network.

Conclusions:

46. In summary, whilst SCC could pass the overall motion as a political gesture to influence government, it is not clear how much impact it would have or how much action SCC could take in respect of it. Additionally, there are serious concerns with passing some resolutions as currently drafted.
47. Specifically, the detailed discussion of each resolution highlighted questions regarding SCC's ability to impact which suppliers the authority does business with based on an assessment of their tax affairs.

Recommendations:

48. A summary of the recommendation for each resolution contained in the motion is detailed in the table below:

Resolution	Procurement's Recommendation
i. Approve the "Councils for Fair Tax Declaration".	As a political declaration, the declaration is seemingly

	uncontroversial, and Procurement is not concerned with the proposal that SCC signs it, provided revised wording could be agreed for some of the declaration.
ii. Lead by example and demonstrate good practice in its tax conduct of both Surrey County Council and its trading companies.	Neither Finance nor Procurement have concerns with SCC passing this resolution.
iii. Ensure IR35 is implemented robustly such that contract workers pay a fair share of employment taxes.	Neither Finance nor Procurement have concerns with SCC passing this resolution.
iv. Avoid offshore vehicles for the purchase of land and property.	Neither Finance nor Procurement have concerns with SCC passing this resolution.
v. 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.	Procurement is not able to recommend passing these resolutions as currently drafted. It is however possible alternative wording could be agreed with the Fair Tax Foundation, allowing SCC to sign an amended declaration and therefore publicly support the objectives of the Foundation.
vi. Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position.	
vii. Include tax conduct in social value scoring for assessing contracts.	Procurement does not recommend using social value evaluation to achieve the objectives stated. The Fair Tax Foundation does not believe it is possible to use social value evaluation in this manner.
viii. Support Fair Tax Week events in Surrey and celebrate the tax contribution made by businesses who pay their fair share of corporation tax.	Procurement does not have concerns with SCC passing this resolution.
ix. Support calls for urgent reform of UK procurement law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.	Procurement does not have concerns with SCC passing this resolution, on the understanding that SCC utilises existing channels such as our membership of the Local Government Association and County Council Network.

Select Committee Recommends:

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

49.1. Agree to alternative wording with the Fair Tax Foundation regarding the following items:

- 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
- Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position

49.2. Remove the following item:

- Include tax conduct in social value scoring for assessing contracts.

Report contact

Anne Epsom, Head of Policy & Improvement, Orbis Procurement

Contact details

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07977 350 180

Sources/background papers

Finance has been consulted in the development of this paper.

[Agenda item - ORIGINAL MOTIONS - SCC Info \(surreycc.gov.uk\)](#)

[Tax compliance of HMRC suppliers - GOV.UK \(www.gov.uk\)](#)

FRIDAY, 7 OCTOBER 2022



FORWARD WORK PROGRAMME (FWP) AND RECOMMENDATION TRACKER (RT)

Purpose of report: To review and agree the Forward Work Programme (FWP). To track recommendations and requests made by the Select Committee.

Introduction:

1. The Forward Work Programme (FWP) and Recommendation Tracker (RT) update is a standing item on the agenda of the Select Committee.
2. The FWP covers the expected activity in 2022/23 (Annex A).
3. The RT tracks recommendations made by the Committee (Annex B).
4. The FWP includes regular items, task and reference groups updates and the additional items the Select Committee would like to engage with in coming months. This approach should enable the Select Committee to consider planning and resourcing for its scrutiny and overview work across the year whilst retaining enough flexibility to consider essential additional items as needed from time to time. There should be no more than two task groups taking place concurrently.

Recommendations:

5. The Select Committee is recommended:
 - a) To review and agree the Forward Work Programme (Annex A);
 - b) To make any appropriate suggestions for possible amendments including programming of in-depth session and other agenda items; and
 - c) To monitor the update provided in Recommendation Tracker (Annex B).

Next Steps:

The Select Committee reviews its Forward Work Programme and Recommendation Tracker at each of its meetings.

Kunwar Khan
Scrutiny Officer | Democratic Services | Law and Governance
Surrey County Council | Kunwar.Khan@surreycc.gov.uk

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Resources and Performance Select Committee Forward Work Programme 2021 – 2022

**Resources and Performance Select Committee | Chairman: Cllr Nick Darby | Scrutiny Officer: Kunwar Khan
Democratic Services Assistant: Laila Laird**

Date of Meeting	Type of Scrutiny	Issue for Scrutiny	Purpose	Outcome	Relevant Organisational Priority	Cabinet Member/Lead Officer
Friday 9 December 2022	Scrutiny	Data Insights Transformation Programme	To receive an update about Data Insights Transformation Programme.	To assure the Select Committee of informed decision-making; assurance that there is a robust business intelligence function in place that is underpinned with up to date and relevant information.	Empowering communities	<p>Ayesha Azad, Cabinet Member for Finance and Resources</p> <p>Rachel Crossley, Joint Executive Director for Public Service Reform</p> <p>Angela Lawrence, Head of Data</p>

	Scrutiny	2023/24 Draft Budget report with Treasury Management Strategy	For the Select Committee to scrutinise the draft 2022/23 budget, Medium-Term Financial Strategy and other relevant information, before it is finalised in January 2022.	To ensure the 2023/24 budget deliver good value.	Growing a sustainable economy so everyone can benefit	<p>Ayesha Azad, Cabinet Member for Finance and Resources</p> <p>Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources</p> <p>Anna D'Alessandro, Director, Corporate Finance and Commercial</p> <p>Nicola O'Connor, Strategic Finance Business Partner</p> <p>Rachel Wigley, Director - Finance, Insights and Performance</p>
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	Scrutiny	Investment Update Report	For the Select Committee to scrutinise the mid-year investment report.			<p>Ayesha Azad, Cabinet Member for Finance and Resources.</p> <p>Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources</p> <p>Anna D'Alessandro, Director, Corporate Finance and Commercial</p> <p>Neil Jarvey, Strategic Finance Business Partner</p>
TBC	Scrutiny	Digital Exclusion Report	To receive a report about digital exclusion as discussed on 17 September 2021 Select Committee meeting.	To enable the Select Committee to monitor and seek reassurance that all residents feel supported by the Council. Nobody, particularly elderly and vulnerable are not left behind due to emphasis on digital/technology and the use of chatbots.	<p>Growing a sustainable economy so everyone can benefit</p> <p>Empowering communities</p>	<p>Denise Turner-Stewart, Cabinet Member for Communities and Community Safety</p> <p>Marie Snelling, Executive Director of Customer and Communities</p>

TBC	Scrutiny	Commercial Investment Portfolio (Briefing provided 21 June 2022)	To receive information on the Commercial Property Investment Portfolio, as requested by the Chairman, including information on external professional advice received by the Council with regards to acquisition of commercial properties.	Oversight and exercise critical friend function, to ensure transparency and good value for money within the investment portfolio.	Growing a sustainable economy so everyone can benefit	Natalie Bramhall, Cabinet Member for Property and Waste Simon Crowther, Director of Land and Property
TBC	Scrutiny	Procurement Modernisation Project	On a suggestion from the Cabinet Member for Finance and Resources, to bring the Procurement Modernisation Project to the Select Committee, and in order to inform Members on a number of major procurement contracts currently ongoing.	For the Select Committee to gain greater understanding and assurance on procurement modernisation.	Growing a sustainable economy so everyone can benefit Empowering communities	Ayesha Azad Rush, Cabinet Member for Finance and Resources Darron Cox, Director - Procurement
TBC (March 2023)	Scrutiny	IT & Digital Update	To review the Information Technology and Digital (IT&D) Service and any updates, following on from a previous overview of the service provided at the 18 March 2021 Select Committee meeting.	For the Select Committee to receive greater understanding and assurance on the work of the IT&D Service.	Growing a sustainable economy so everyone can benefit Empowering communities	Ayesha Azad, Cabinet Member for Finance and Resources Matt Scott, Chief Information Officer

TBC	Scrutiny	Equality, Diversity and Inclusion (EDI) Review	For the Select Committee to review the work undertaken since previous scrutiny of the draft plan by the Select Committee in January 2021, and then the Cabinet decision to approve the plan, made in February 2021.	To receive an update and monitor progress since this was last reported to the committee.	Tackling health inequality Empowering communities	Tim Oliver, Leader of the Council Karen Grave, Director - People & Change
TBC	Scrutiny	DB&I Lessons Learnt	For the Select Committee to receive a report on DB&I lessons learnt.	For the Select Committee to gain greater understanding around the lessons learnt.	Growing a sustainable economy so everyone can benefit	Ayesha Azad, Cabinet Member for Finance and Resources Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources Ian Baker, Auditor
Task and Finish Groups; Member Reference Groups, Briefings						
Timescale	Type of Scrutiny	Issue for Scrutiny	Purpose	Outcome	Relevant Organisational Priority	Membership
On-going, yearly budget monitoring 11 July 2022 8 September 2022 1 December 2022	Budget scrutiny	Budget Task Group	To enable in-depth scrutiny of the 2022/23 budget, cutting across the remits of all four Select Committees.	To ensure that the 2022/23 budget offers good value for money in all the Council's service areas, enabling the best outcomes for residents.	Growing a sustainable economy so everyone can benefit	<u>Membership:</u> <ul style="list-style-type: none"> • Nick Darby (Chairman) • Liz Bowes • Will Forster • John O'Reilly • Lance Spencer

						<ul style="list-style-type: none"> • Buddhi Weerasinghe • Robert Evans • Jeremy Webster
Tuesday 21 June 2022	Scrutiny	Strategic and Capital Investments –	To receive an update on the Council’s Strategic and Capital Investment portfolio.	To ensure scrutiny oversight, and to consider/receive assurances about transparency and best value for money.	Growing a sustainable economy so everyone can benefit Empowering communities	<p>Ayesha Azad, Cabinet Member for Finance and Resources</p> <p>Leigh Whitehouse, Deputy Chief Executive and Executive Director of Resources</p>
TBC	Scrutiny	Digital, Business & Insights (DB&I) Lessons Learnt	For the Select Committee to receive a report on DB&I lessons learnt.	For the Select Committee to gain greater understanding around the lessons learnt.	Growing a sustainable economy so everyone can benefit	<p>Ayesha Azad, Cabinet Member for Finance and Resources</p> <p>Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources</p> <p>Ian Baker, Auditor</p>
To be received in writing and informal briefing sessions						
Wednesday 9 March 2022	Equality, Diversity and Inclusion (ED&I)	For the Select Committee to receive an update on the implementation	For the Select Committee to review the progress and offer any input and feedback.		Growing a sustainable economy so everyone can benefit	Karen Grave, Director – People and Change

		and progress of the Council's ED&I plan.		Empowering communities	
Tuesday 5 July 2022	DB&I Lessons Learnt	To discuss lessons learnt	For the Select Committee to review and understand lessons learnt.	Growing a sustainable economy so everyone can benefit	Leigh Whitehouse, Deputy Chief Executive and Executive Director for Resources Ian Baker, Auditor
TBC 2023	Treasury Management Strategy	For the Select Committee to receive information on the Treasury Management Strategy (TMS) as part of the 2022/23 budget process.	For the Select Committee to offer any input or recommendations on the TMS.	Growing a sustainable economy so everyone can benefit	Nicola O'Connor, Strategic Finance Business Partner

Standing Items

- **Forward Work Programme (FWP) and Recommendations Tracker:** Review of the Select Committee's forward work programme, and monitoring of the Select Committee recommendations and actions.
- **Notes of Performance Monitoring Session:** A record of the most recent informal Performance Monitoring session (conducted every 2-4 months). >

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RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
April 2022

The actions and recommendations tracker allows Committee Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each meeting. Once an action has been completed, it will be shaded green to indicate that it will be removed from the tracker at the next meeting.

KEY			
	No Progress Reported	Action In Progress	Action Completed

RECOMMENDATIONS

Date	Item	Recommendation	Responsible Member/ Officer	Deadline	Progress check	Recommendation response accepted/ implemented
18 Oct 2019	Quarterly Performance Report (Q1 2019/20)	RPSC1/19: The Select Committee is to receive on an annual basis information on how Surrey County Council's performance compares with other councils.	Rachel Wigley, Director – Finance, Insights & Performance		20 Sept 2022	At the time of the request the remit of the Committee was much wider covering Adult and Children's services, but now focuses on Customers, Resources and Transformation. Adults and Children's services are subject to statutory performance frameworks with a high number of comparable performance indicators. Benchmarking data is harder to identify for the remaining areas. To improve access to comparable data the Performance Insight team are developing a corporate performance network with a number of other Councils (eight to date from the south-east region) to identify areas where benchmarking information can be identified and shared, to support reporting to Cabinet and Corporate Leadership Team (CLT). This work should provide a clearer picture of

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
April 2022

Annex B

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KEY			
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Date	Item	Recommendation	Responsible Member/ Officer	Deadline	Progress check	Recommendation response accepted/ implemented
Page 110						benchmarking information available, establishing an overview of Surrey County Councils 'organisational effectiveness' and enabling the authority to be more curious & inquisitive, reaching out to other Local Authorities to share and learn from best practice. We are proposing (subject to the Committee's agreement) to use this as the basis for a meaningful set of performance information for the Committee in future.
14 April 2022	People & Change Development Update [Item 10]	<p>RPSC13/22: The Interim Strategic Director for People and Change to consider as part of their update to the Committee in six months' time:</p> <ul style="list-style-type: none"> • Appropriate opportunities to use Members as advocates for the Council as a prospective employer. • As part of succession planning, explore the possibility of setting up 	<p>Ayesha Azad, Cabinet Member for Finance & Resources</p> <p>Karen Grave, Director for People & Change</p>	October 2022	20 Sept 2022	A service update will be provided at the 7 October 2022 meeting of the Resources and Performance Select Committee.

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
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Date	Item	Recommendation	Responsible Member/ Officer	Deadline	Progress check	Recommendation response accepted/ implemented
		<p>a networked approach within the organisation and with partners to allow officers to gain experience in other industries and authorities (and vice-versa) to help develop skills and experience in younger employees.</p> <ul style="list-style-type: none"> • RPSC14/22: Provide an explanation of how the Council currently collects leavers' data across Directorates and explore how this could be improved. • Explore how we can develop a systematic approach to answering the questions of 'why come to the organisation?', 'why stay?' and 'why leave?' building on the <i>itchy feet</i> pilot in Children's Services. • That videos continue to be developed to help explain and promote the work of the Council and its employment opportunities to 				

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
April 2022**

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Date	Item	Recommendation	Responsible Member/ Officer	Deadline	Progress check	Recommendation response accepted/ implemented
		<p>school age children in Surrey for use this year.</p> <ul style="list-style-type: none"> • Explore how recruitment can work with disability organisations such as the Surrey Coalition of Disabled People to better tailor its offer as an employer of choice for people with disabilities. • That the Committee agrees a scope for a future briefing session to further explore the issues raised in today's meeting ahead of future formal scrutiny. • The Deputy Leader and Cabinet Member for Finance and Resources to lobby HMRC directly and via the County Council Network (CCN) to review (enhance) the 45p mileage rate for business travel as non-taxable 				

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
April 2022**

Annex B

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KEY			
	No Progress Reported	Action In Progress	Action Completed

ACTIONS

Date	Item	Action	Responsible Member/ Officer	Deadline	Progress check	Action response. accepted/ implemented
14 April 2022	People & Change Development Update [Item 10]	The Select Committee requests: RPSC15/22: Officers to provide information relating to the effect of the £2.7 million Social Care Workforce Retention Fund on employee data.	Ayesha Azad, Cabinet Member for Finance & Resources Karen Grave Director for People & Change		20 Sept 2022	Recommendations have been sent to the Strategic Director for People & Change for action and response.
13 July 2022	Update on the roll out of digital infrastructure in Surrey [Item 6]	The Select Committee: RPSC16/22: Requests that the Cabinet Member for Transport and Infrastructure together with Executive Director Partnerships, Prosperity and Growth raises with district and borough councils the potential merits of lobbying the Government/relevant authorities via appropriate available forums (Local	Michael Coughlin, Executive Director, Partnerships, Prosperity and Growth Rhiannon Mort, Head of Economic Infrastructure	October 2022	Sept 2022	RPSC16/22: The Local Government Association (LGA) lead officer has been contacted with regard to lobbying the government and has responded as follows: At the time we gave a detailed response to the consultation and members shared concerns with Department for Digital,

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
April 2022**

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Date	Item	Action	Responsible Member/ Officer	Deadline	Progress check	Action response. accepted/ implemented
Page 114		<p>Government Association LGA, County Councils Network CCN etc.) for more effective powers and guidance to be provided to local authorities to better respond to any reasonable concerns raised by residents.</p> <p>RPSC17/22: Requests early sight, via email, of the report to Cabinet Member for Transport and Infrastructure to seek approval for the SCC project to make available SCC's assets to support the 5G roll out and other wireless technologies.</p>	Katie Brennan, Digital Infrastructure, Senior Project Manager			<p>Culture, Media and Sport (DCMS) at a People and Places board meeting. We are continuing to lobby for fully funded local authority digital champions to help coordinate delivery locally and manage the relationship between all parties involved. We were making progress with these calls prior to the change in ministers and in September will look to engage with the new minister around this ask and also raise any concerns. Any evidence of issues raised within Surrey would be really useful to strengthen our asks.</p> <p>RPSC17/22: Cabinet Report shared with Members.</p>

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
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	No Progress Reported	Action In Progress	Action Completed

Date	Item	Action	Responsible Member/ Officer	Deadline	Progress check	Action response. accepted/ implemented
Page 115		<p>RPSC18/22: In relation to points 1 and 2, the Select Committee requests a briefing note on progress at the appropriate time but no later than 31 December 2022.</p> <p>RPSC19/22: Asks the Cabinet Member for Transport and Infrastructure to have a briefing note prepared by 30 September 2022 to provide the committee with information on what legislation Statutory Undertakers must conform to in terms of repairs to the public highway after their works and what activities are carried out by the Council's Streetworks team to ensure that Statutory Undertakers meet these requirements.</p>				<p>RPSC18/22: Request noted.</p> <p>RPSC19/22: The Chairman and Vice Chairman have agreed to an extension of 30 September deadline to mid-October at the latest.</p>

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