Notice of Meeting

Resources and Performance Select Committee

Date and Time	Place	Contact	Web:
Friday, 18 October 2024 10.00 am	Council Chamber, Woodhatch Place, Reigate	Jake Chambers, Scrutiny Officer Jake.Chambers@Surreycc.gov.uk	Council and democracy Surreycc.gov.uk **Twitter:** @SCCdemocracy

Committee Members:
Nick Darby, Tim Hall, David Harmer, Edward Hawkins, Bob Hughes (Chairman), Riasat Khan, Robert King, Andy Lynch, Steven McCormick (Vice-Chairman), John O'Reilly, Lance Spencer, Lesley Steeds (Vice-Chairman) and Hazel Watson

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AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

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

2 MINUTES OF THE PREVIOUS MEETINGS: 18 JULY 2024

(Pages 7 - 28)

Purpose of the item: To agree the minutes of the Resources and Performance Select Committee held on 18 July 2024 as a true and accurate record of proceedings.

3 DECLARATIONS OF INTEREST

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 (*Monday 14 October 2024)*.
2. The deadline for public questions is seven days before the meeting *(Friday 11 October 2024)*.
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 CABINET RESPONSE TO THE DB&I RECOMMENDATIONS (Pages 29 - 48)

Purpose of the item: For the Committee to consider the response of Cabinet to the recommendations of this select committee's Digital Business & Insights (DB&I) Task Group report.

6 STRATEGIC INVESTMENT BOARD (SIB) ANNUAL REPORT (Pages 49 - 78)

Purpose of the item: The report is due to be considered by the Strategic Investment Board at its meeting in December 2024. As part of good governance, it has previously been agreed to have the annual and mid-year reports scrutinised in advance by the Resource & Performance Select Committee.

7 EXCLUSION OF THE PUBLIC

Recommendation: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for 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.

PART TWO - IN PRIVATE

8 STRATEGIC INVESTMENT BOARD ANNUAL REPORT 2023/24 - SCC PROPERTY PORTFOLIO (Pages 79 - 90)

Purpose of the item: To consider exempt papers containing financial detail of Surrey County Council's property portfolio of directly-owned investment properties.

9 STRATEGIC INVESTMENT BOARD ANNUAL REPORT 2023/24 - HALSEY GARTON PROPERTY PORTFOLIO (Pages 91 - 106)

Purpose of the item: To consider exempt papers containing financial detail of Halsey Garton Property's portfolio of investment properties.

10 PERFORMANCE MONITORING SESSION NOTES - 19 SEPTEMBER 2024 (Pages 107 - 112)

Purpose of the item: To publish the notes of the Performance Monitoring session that took place on Thursday 19 September 2024.

11 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER (Pages 113 - 134)

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.

12 DATE OF THE NEXT MEETING

The next meeting of the Resources and Performance Select Committee will be held on Friday 6 December at 10:00am.

Terence Herbert
Chief Executive
Published: Friday, 11 October 2024

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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QUESTIONS AND PETITIONS

Cabinet and most committees will consider questions by elected Surrey County Council Members and questions and petitions from members of the public who are electors in the Surrey County Council area.

Please note the following regarding questions from the public:

1. Members of the public can submit one written question to a meeting by the deadline stated in the agenda. Questions should relate to general policy and not to detail. Questions are asked and answered in public and cannot relate to "confidential" or "exempt" matters (for example, personal or financial details of an individual); for further advice please contact the committee manager listed on the front page of an agenda.
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman's discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet members may decline to answer a supplementary question.

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MINUTES of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 18 July 2024 at Council Chamber, Woodhatch Place, Reigate.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 18 October 2024.

Elected Members:

*	Nick Darby
*	Tim Hall
*	David Harmer
r	Edward Hawkins
*	Robert Hughes (Chairman)
*	Riasat Khan
*	Robert King
r	Andy Lynch
*	Steven McCormick (Vice-Chairman)
	John O'Reilly
*	Lance Spencer
	Lesley Steeds (Vice-Chairman)
*	Hazel Watson

(* =present at the meeting, r=remote attendance)

The Chairman noted a change in the order of the agenda. Digital Inclusion Item to go first.

19/24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies received from Cllrs Lesley Steeds and John O'Reilly.

Robert King joined the meeting at 10.02 am

20/24 MINUTES OF THE PREVIOUS MEETINGS: 15 MAY 2024 [Item 2]

The Committee **AGREED** the minutes from the previous meeting were a true and accurate record of the meeting.

21/24 DECLARATIONS OF INTEREST [Item 3]

None received.

22/24 QUESTIONS AND PETITIONS [Item 4]

None received.

23/24 VERBAL UPDATE ON THE WORK OF THE DIGITAL BUSINESS AND INSIGHTS (DB&I) TASK GROUP [Item 5]

Witnesses:
Cllr Steven McCormick, Chairman of the Digital Business and Insights (DB&I) Task Group

Cllr Robert Hughes, Chairman of the Resources and Performance Select Committee
(RPSC)
Jake Chambers, Scrutiny Officer

Key points raised during the discussion:

1. The Chairman of the DB&I Task Group outlined that the Task Group reviewed the transition from the SAP enterprise resource planning (ERP) software to Unit 4 ERP programme, evaluated and determined tangible reasons for this and benefits for the Council. The Chairman of the DB&I Task Group felt it was a balanced report that would go to Cabinet, and all the report's recommendations were accepted, in principle, by Cabinet.

2. The Chairman of RPSC noted the report was agreed in a previous online meeting of the Committee and noted the work of the Chairman of the DB&I Task Group.

24/24 DIGITAL INCLUSION [Item 7]

Witnesses:
Denise Turner-Stewart, Deputy Lead and Cabinet Member for Customer and
Communities
Liz Mills, Interim Executive Director of Customer, Digital and Change (CDC)
Michael Smith, Director of Design and Transformation
Louise Holloway, Digital and Customer Experience Manager
Ioni Sullivan, Programme Manager- Equality, Diversity & Inclusion (EDI)
Nikki Roberts, Chief Executive Officer (CEO) of the Surrey Coalition of Disabled
People
Clare Burgess, CEO of Sight for Surrey
Catherine Hodgson, CEO of Age UK Surrey- Online
Saba Khan, CEO of the Surrey Minority Ethnic Forum (SMEF)- Online

Key points raised during the discussion:

1. The Chairman asked how Surrey's rate of digital inclusion compared to other counties of a similar size, such as Hampshire. The Chairman also asked if 5.7% of adults being offline was a high or low rate and how this compared to the regional average. The Programme Manager for EDI explained that the regional average for the South-East is 5.8%, in line with Surrey. Hampshire was 5.9%. Surrey is within the average rate for its size and location, while other counties have a higher rate such

as Essex with 6.3% and Buckinghamshire at 6.6%. The Digital Exclusion Risk Index examines issues such as age, broadband access and deprivation – Surrey has a slightly lower score than others at 2.47%, whereas the national average is 3%.

2. Regarding paragraph 10 of the report, which references work done to improve accessibility of digital services and resources, one Member asked what this was and how partners would be worked with to improve it. The Digital and Customer Experience Manager explained that work undertaken in Surrey, around digital accessibility, was underpinned by public sector bodies legislation which described what should be done and recommendations the council was asked to follow. Work was done with organisations such as Sight for Surrey and the Surrey Coalition of Disabled People. The council has increased the level of website content and work is undertaken to ensure staff across the authority learn about digital accessibility. Programmes of work tested this. They added that work was done with procurement given challenges around the digital accessibility of services provided to the council by the private sector. This was expected to change with legislation that will apply to the private sector.

3. The Chairman noted and praised the council's work on digital inclusion, but raised concerns around the Digital Inclusion Strategy, which was recently shared with the voluntary, community and faith sector (VCFS). The Chairman invited views from VCFS sector attendees. The CEO of the Surrey Coalition of Disabled People ('Surrey Coalition') explained that the charity provided a digital inclusion service in Surrey, (excluding North-West Surrey). Devices are provided free of charge, on loan, to people and five-to-sex digital skills training sessions are provided. The CEO of Sight for Surrey explained that the charity runs digital services to help people who are blind, partially sighted, hard of hearing, deaf, or deaf blind, to access technology through an employed specialist, an Artificial Intelligence (AI) apprentice and a group of technology volunteers that helped people at home or in the community. They added that the specialist advisors have been in contact with Surrey Coalition's 'Tech Angels', and referenced the risk of digital exclusion if organisations could not afford to keep running support services. The CEO of Sight for Surrey asked if the Council would, as part the Digital Inclusion Strategy, commission organisations such as Sight for Surrey to combat geographical inequality across Surrey and provide a better standard of service, given that many voluntary organisations already have

links into digitally excluded communities. The CEO of Age UK Surrey explained that the charity provided a range of digital and technology face-to-face support in central Guildford and in Milford, as well as a telephone support service. They stated that they operate a team of ten volunteers, but the number of clients seeking support was still low, with the team assisting 54 clients in 2023/24. Age UK Surrey wanted to grow this client base but was dependent on funding.

4. The Chairman noted that the charitable organisations had the contacts and expertise but did not appear to be involved in the development of the Digital Inclusion Strategy. The Interim Executive Director of CDC stated that the strategy was initially intended to draw together the council's digital inclusion work, for the council to move quickly in completing the work for which it is responsible, though there is work to do on the next steps in partnership. There is currently no separate resource to undertake commissioning to deliver this, and the council does not have an explicit duty to do so, other than under the public sector equality duty. The council intended, through meetings with charitable organisations, to consider partnership arrangements to further ambitions in digital inclusion.

5. In reference to the Citizens Online survey, the Chairman queried whether if it would have been beneficial to ask for the VCFS sector's opinion and what expertise they could provide before commissioning the report, stating that he felt communication was needed with organisations that could provide support and contacts of those that require it. The Interim Executive Director of CDC explained that the Citizens Online report was commissioned some time ago but agreed with the Chairman that VCFS organisations had a deep understanding of local communities, and it was important to work together. The Citizens Online report was now in the past, and a step forward was now being offered. The Cabinet Member for Customer and Communities added that the report stated that there are several partners that the council needed to work with on digital exclusion, and that activity was underway with the VCFS sector and district and borough councils.

6. The Vice-Chairman referred to paragraph 10 in the report, which stated the council would endeavour not to 'reinvent the wheel', though felt that this is what was the council was in danger of doing. The Digital and Customer Experience Manger explained that the Digital Inclusion Strategy focussed on what the council needed to do, part of which was partnership working. The

partnership group that was originally created included several different groups, and meetings with these groups were to be organised to see how partnership working could be developed. A lot of work around accessibility was done with other councils, Sight for Surrey and Surrey Coalition.

7. A Member asked how much the council was viewing the Digital Inclusion Strategy from the perspective of users. The Digital and Customer Experience Manager explained that work was done to ensure that the website and online resources worked for people, as well as listening to the customer voice, utilising testing and reviewing analytics. They also noted that contact centre presence was ensured and was part of the Customer Operating Model.

8. A Member suggested there were things members could do to assist in identifying where potential pockets of disadvantage lay with digital exclusion. The Digital and Customer Experience Manager explained that work was done in the community, such as with libraries, and that officers could meet with the member to discuss this if desired. The Interim Executive Director of CDC referred to the importance of thinking broadly about all people that may be digitally excluded and the different ways to engage with them. Digital exclusion can be contributed to by a range of factors, such as lack of access, poverty, and English proficiency.

9. A Member noted that telephone services are not digitally inclusive for people with sight issues. The Member noted his personal experience registered as sight impaired, the support he had received from Sight for Surrey and the Royal National Institute of Blind People, and stated that how people are signposted to relevant organisations should be carefully considered. The Member referred to work undertaken at Woodhatch Place and suggested it would have been beneficial if he had been asked to share his lived experience in this instance. The Chairman noted the importance of the member's comments before the Cabinet Member for Customer and Communities explained that she had referred the needs of members, users and staff to Democratic Services, concerns that also permeated into work with communities. The importance of sharing lived experience was noted and the Cabinet Member thanked the Member for his contribution.

10. The Vice-Chairman, in reference to paragraph 10 of the report, asked what governance structure would be employed to ensure the 'business-as-usual' working of the Digital Inclusion Strategy.

The Interim Executive Director of CDC explained that internal council governance would happen in two ways, while accepting there would also be coordination activity with partners. The first would be through line management arrangements that would demonstrate that the workforce remains on track. This sat within the customer services team, directly reporting to the Interim Executive Director. Secondly, the council was able to broaden out governance outside of the directorate silos through the Customer Transformation Programme. Governance arrangements could therefore be broadened along with the arrangements to the Strategic Investment Board.

11. A Member asked if the Digital Inclusion Plan objectives could be revised to be more Specific, Measurable, Actionable, and Timely (*SMART*). The Digital and Customer Experience Manager explained that work was moving at pace to ensure the objectives were '*SMART'*. Officers confirmed that they are aware of the three-to-six-month commitment they have given.

12. A Member asked how the council would maintain best practice in cooperating with partner organisations such as SMEF, how this would be measured, assessed and evaluated, and how any actions from this would be taken forward. The Interim Executive Director of CDC agreed the importance of this and clarified that existing relationships with organisations would be built upon.

13. The CEO of Surrey Coalition explained that the charity's 'Tech Angels' provide support to ethnic minority groups, such as translators, work with refugee groups and offer one-to-one or group training. The Digital Customer and Experience Manger added that the council has some libraries assist with this work, for example one library has collaborated with a Woking mosque.

14. The Chairman asked what the long-term intention was for non-digital means of service provision, such as landline phones, considering structural changes such as the Digital Voice Switchover. The Programme Manager for EDI explained that Ofcom was investigating this and the vulnerable groups that may be affected, and added that the council would need to ensure awareness of issues raised by Ofcom, and of the circumstances in the county. The CEO of Sight of Surrey stated that various voluntary sector groups were given the opportunity to raise concerns around the switch over. One concern for the charity was the reliability of alarms in the homes of those using 'technology-enabled homes', and the impact on a person's independence if the internet went down.

15. A Member raised that in his own division there had been issues with sheltered housing schemes, regarding bill quotes for updating their system, including fire and community alarms, and the risk that vulnerable older residents would abandon community alarms and other similar schemes due to the cost of installation. The Interim Executive Director for CDC referred to changing national infrastructure, noted the importance of the points raised by the members, and added that there is awareness that some of Surrey's most vulnerable residents relied on this technology. However, it was not directly in the scope of the digital inclusion work. The Interim Executive Director undertook raising the issue with colleagues in the Adults, Wellbeing and Health Partnership's (AWHP) directorate.

16. A Member referred to paragraph 12 of the report which outlined that "…the Digital Inlcusion lead will have access to resources allocated via the transformation programme and the Medium-Term Financial Strategy and improve the reach of the programme without duplication, noting that this implied the digital inclusion work was dependent on the agreement of the Customer Transformation budget and draw down of that programme's budget amounts in each subsequent year. The Member asked, if this was not endorsed, how the Digital Inclusion programme would continue. The Interim Executive Director of CDC explained that the digital inclusion work had been progressing with a reliance on the Digital and Customer Experience Manager and the Programme Manager for EDI and connecting with others across the council and externally. There was no dedicated role specifically for digital inclusion. A conversation was needed around how to balance the different responsibilities between the two roles. The opportunity of connecting digital inclusion to the Customer Transformation programme was to extend the reach and embed benefits. Without this, the status quo would remain.

17. The Vice-Chairman asked how the digital inclusion work would be embedded into the Customer Transformation programme. Furthermore, in reference to paragraph 11 of the report and page 3 of the Digital Inclusion Strategy which referred to the Customer Operating Model, the Vice-Chairman asked where this would be developed and how it would be communicated and shared. The Interim Executive Director of CDC clarified that benefits would accrue from bringing the Customer Transformation Programme and digital inclusion work together, and that the Customer Operating Model was being generated through the Customer Transformation Programme. There would

be a '*SMART*' plan, and there had been discussions around potentially forming a Member Reference Group from this committee to give assurance to this. It was noted that The Digital Strategy and Action Plan will be a standalone part of the Customer Transformation Programme, while the importance of Digital Inclusion would run throughout the entire Customer Transformation Programme as it is relevant to customer experience. They added that, if the Customer Transformation Programme was approved, there would be access to resources such as investment to improve the council's website functionality, navigation and user accessibility, and programme resource to measure and manage the Customer Transformation Programme, note milestones and measure activity and its benefits. This resource was not currently available to the officers.

18. The Digital and Customer Experience Manager added that bringing the Digital Inclusion Strategy under the Customer Transformation Programme helped get it to its current point, but there was a desire to ensure that it picked up on the range of work in digital inclusion occurring across the council.

19. The Chairman asked what evidence of success by NHS Surrey Heartlands led to them being chosen as a key partner on the digital inclusion project. The Digital and Customer Experience Manager explained that at the time NHS Surrey Heartlands was working on digital inclusion, doing lots to get more residents using more digital means of access within the NHS as the COVID-19 pandemic was still ongoing. Officers have attended meetings of a group including partner organisations and are working to progress actions from that. The Digital and Customer Experience Manager and the Programme Manager for EDI was going back to the existing group, formed by NHS Surrey Heartlands, in September 2024 and were presenting some things worked on, including work done with the VCFS sector. The officers would try to help take this group forward to ensure delivery.

20. The CEO of Sight for Surrey asked if the group spoken about was the Surrey Digital Inclusion Steering Group. If so, the CEO clarified this group was set up by the voluntary sector during the Covid-19 pandemic, not NHS Surrey Heartlands. NHS Surrey Heartlands were invited to go to the group to learn more about digital inclusion. The original partners on the groups were Surrey Coalition, the Surrey Minority Ethnic Forum (SMEF) and Sight for Surrey.

21. The Chairman stated that he felt Surrey County Council takes digital inclusion issues very seriously. However, the Chairman raised he did not feel NHS Surrey Heartlands took digital inclusion issues seriously, despite people there who understood and cared about digital inclusion, and stated that he understood not one of Surrey's hospitals was accessible to anyone who was profoundly deaf. He felt that NHS Surrey Heartlands needed to learn from the council and other organisations. The Interim Executive Director of CDC explained the council had an important role to lead the way. The Interim Executive Director was aware of the priorities in the Health and Wellbeing Board Strategy, which included many of the groups that the council would want to think about in relation to digital inclusion. The Cabinet Member for Customer and Communities added that there is an emphasis on this area through the Integrated Care Partnership and the Integrated Care Board.

22. The Chairman invited attendees from the VCFS sector to make any last comments. The CEO of Sight for Surrey stated it was good to see a renewed energy behind digital inclusion in Surrey and that Sight for Surrey remained open to working with the council and health partners. The CEO of the Surrey Coalition added that those that the organisation worked with were vulnerable people that needed the support and it therefore needed to continue. The CEO of Age UK Surrey asked for a continuation in the voluntary sector being asked, invited and involved in discussions and shaping strategies going forward, and that the voluntary organisations are experts in their areas and knew their beneficiaries. The CEO of Surrey Minority Ethnic Forum requested continued consultation with voluntary organisations as they could offer information for future strategies.

RESOLVED:

1. The Resources and Performance Select Committee notes the draft Digital Inclusion Strategy and the approach of embedding digital inclusion within the Customer Transformation Programme to ensure its reach and sustainability.

2. However, the Resources and Performance Select Committee also recommends that the Digital Inclusion Strategy is discussed with the Disability Partnership Board and their recommendations, along with those from other representative organisations, including the Surrey Minority Ethnic Forum, come to this committee; and,

3. The Digital Inclusion Strategy is revised in light of the select committee's comments and returns to the select committee for further scrutiny after review.

Actions/requests for further information:

I. The Interim Executive Director of CDC to take forward comments made by a Member regarding accessibility issues at the canteen in Woodhatch Place, in the context of the wider work and lived experience.

II. The Interim Executive Director or CDC to raise with Adults,Wellbeing and Health Partnership colleagues a Member's concerns around sheltered housing and bill quotes to update their systems (i.e. fire and community alarms).

Witnesses left and meeting paused for a break at 11.18am

The meeting resumed at 11.26 am

25/24 CUSTOMER TRANSFORMATION PROGRAMME [Item 6]

Witnesses:
Denise Turner-Stewart, Deputy Lead and Cabinet Member for Customer & Communities
Liz Mills, Interim Executive Director of Customer, Digital and Change (CDC)
Michael Smith, Director of Design and Transformation
Anna D'Alessandro, Interim Executive Director of Finance & Corporate Services and S151 Officer
Matt Marsden, Strategic Finance Business Partner for Strategy and Innovation

Key points raised during the discussion:

1. After the Deputy Lead and Cabinet Member for Customer & Communities introduced the report, the Chairman asked what would be different in five years-time if the Transformation Programme was delivered and what consequences would arise if it were not. The Interim Executive Director of CDC explained that it was understood that current systems for customers are fragmented, largely designed in siloes through a focus on services rather than customers, and that customers' achieving their desired outcomes expected from council services had been made more difficult, despite some examples of very good work. She clarified that the programme is required to unify the council's thinking regarding the customer experience, re-design processes with this in mind, underpinned by a core infrastructure

to help with delivery alongside a culture that puts the customer first. She noted, for example, that the council's than 40 microsites, often handling important work done in partnership with other organisations, would be reviewed and that the council would update some end-of-life products to increase opportunities to gain knowledge and insight, better target work and support customers, and would investigate opportunities to automate work and help staff focus on other work. The need for the Transformation Programme to evaluate every customer journey was also referenced - two different service delivery areas were evaluated in their current state, one being an online application that is considered well-designed, though in fact customers were unable to make it through the system on 80% of uses. The impact of this was measured, and a new model is being trialled. This was done in partnership across AWHP and Surrey Police in the referral of vulnerable adults into adult social care, thereby delivering significant customer benefits. The importance of supporting Surrey County Council (SCC) staff through a customer-focussed model was reiterated.

2. Referencing the government's launch of *gov.uk*, the Chairman about SCC unifying microsite content under its main webpage. The Interim Executive Director of CDC explained this was being reviewed in the Children, Families and Lifelong Learning and Culture (CFLLC) directorate, where information is presently posted for parents, carers and professionals on multiple sites, and models have been implemented elsewhere in the council that brought sites together under one area through an intelligent search function, allowing users to better navigate through these resources by bringing relevant information together. It was also being reviewed with respect to school partners, who often need to use multiple different services that could be better unified. It was noted that Hampshire County Council recently invested in this area and that colleagues from that authority were being liaised with.

3. In reference to paragraphs 3 and 8 of the report, which noted the challenges that many residents faced when contacting the council, a Member asked how Surrey would follow best practice when implementing new processes as part of the Customer Transformation Programme, especially for customers contacting the council regarding vital or urgent matters. The Interim Executive Director of CDC explained that the council started with a set of customer-centred design principles that guided work towards best practice. She also noted that the council had looked at other local authorities and business examples to

inform this work, and that internal expertise is also being further developed insight for the Transformation Programme's design. It was noted that the government model was being reviewed, that a *Test and Learn* approach is being adopted to solve complex problems rapidly and ensure benefits are realised, and that the sum of funding provided for the programme would be drawn down in phases, allowing officers to evidence the benefits of each phase to justify the drawdown of funds for the subsequent one.

4. In reference to issues a Member experienced when trying to contact the council in an emergency, the Member asked if a telephone line would be available to contact the council in emergency situations. The Member also asked for reassurance that members were being contacted to speak about their constituency case issues, which could help shape the Customer Transformation Programme. The Interim Executive Director of CDC explained that the feedback and insight received from customers and members would be built into the Customer Transformation Programme and that several things were being progressed to keep members informed, such as a future Member Development Session on the Transformation Programme. They noted that 'mystery shopping' activity had been undertaken and encouraged, particularly within the Customer Champions Group, and that finding better solutions to issues would be a focus in the programmed work, although that it was too early at this stage to describe the specific system design that would be implemented.

5. In reference to paragraph 17 of the report, which outlined that the proposed model would be a 'dynamic' rather than a 'target' operating model, the Vice-Chairman, asked how the council would be state that the Customer Transformation Programme was completed, with reference to the potential costings. The Interim Executive Director of CDC explained that the reason for using the language 'dynamic' was to address the fact that customers' needs change over time, while policy decisions may change elements outside of the council's control but requiring a different response. Nevertheless, they stated that the proposed model was clear in its components, with a beginning, middle and an end – not a suggestion for an unbounded body of work - and added that the sum of funding provided for the programme but would be drawn down in phases, allowing officers to evidence the benefits of each phase to justify the drawdown of funds for the subsequent one. They noted the size of the programme and the need to ensure the required resource & the governance

required to monitor it, adding that tangible step change improvement must be demonstrated via the programme's benefits. The Transformation Programme would be divided sequentially to ensure an ability to cope with change over time and preserve benefits if it was decommissioned part way through, they added.

6. A Member asked about the measures that were in place to ensure that the council's "most vulnerable customers", referred to in paragraph 4 of the report, benefited from improvements to efficiency and service quality; another Member asked for clarification of the challenges residents faced, while the Vice-Chairman asked for further detail on the consultation process and the service users this was undertaken with. The Interim Executive Director of CDC explained that accessibility and inclusion of services to the council's customers was a core part of the Transformation Programme and that an Equality Impact Assessment (EIA) had drawn out a range of considerations for the Transformation Programme that would guide the design. They also referred to working with experts from, for example, the Resident Insight Unit, partnerships and the CDC directorate, and the fact that Communities and Prevention teams were providing valuable information. Targeted work to respond to the needs of vulnerable customers was also being undertaken, such as with the Blue Badge scheme. It was noted that specialist interaction and support would be needed with specific groups that informed the council if work was having the impact required - this was done through a multi-disciplinary team approach that engaged customer's voices, such as with resident and customer panels.

7. In reference to paragraph 7 of the report referring to the number of customer complaints made through different avenues, which did not include the number of complaints made via the council's web forms, the Vice-Chairman asked if there was a reason for this exclusion and what that figure was. In reference to paragraph 9 of the report which stated that the council "…recorded a total of 2,598 complaints" in 2023/24, the Vice-Chairman further asked if a breakdown by category of the complaints could be provided. The Interim Executive Director of CDC agreed to share a breakdown of these complaints, clarifying that this information was also repeated in and drawn from the Annual Complaints Performance Report to the Audit and Governance Committee. It was noted that the data cited in paragraph 7 of the report related to customer interaction with the contact centre and complaints data, including web form contacts.

8. The Chairman asked if the staffing resource required to implement the Transformation Programme over its lifespan could be estimated. The Director of Design and Transformation explained that a multi-year approach was being taken with further estimations being made as the programme progresses. It was estimated that staffing resource would be an average of 23 full-time equivalents, though there would be the standard programme support in place for programme management and project support. They referred to the design-led approach being taken, user research to ensure digital inclusion, the design capabilities and capacity, change management and ensuring that the conditions for success were in place in the areas being worked on, noting that there is additionality in the programme for service roles, such as in adult social care. One of learnings from the DB&I recommendations, as well as past learning from other programmes, was that the programme needed additional support during change to be embedded and sustained, they added.

9. The Chairman referred to paragraph 31 of the report, which noted that approval of the drawdown of funding required in 2025/26 onwards would require approval from the governance boards, which would in turn be dependent on evidence that benefits were being realised - The Chairman asked how this would be evidenced and assessed. The Strategic Finance Business Partner for Strategy and Innovation explained that the council was undertaking financial modelling of each individual *Test and Learn* activity, and that a baseline would be created to measure against the performance data available, with key assumptions captured. The assumptions would be benchmarked, where possible, against other local authorities and similar activities undertaken by the council, and results would be presented back through service leads to agree on proposals, they added. The results would also be presented through the transformation governance boards for review and challenge, while results from the *Test and Learn* would be captured on a benefit tracker which would feed into the budget setting process and would be updated monthly. They also clarified that regular monitoring of progress against proposed benefits would be undertaken by the transformation governance boards and updates on progress would be shared through the Strategic Improvement and Assurance Transformation Board.

10. The Vice-Chairman stated that the report implied there would be a set of clearly defined, achievable benefits but these had not yet been defined, despite the further draw-down of funds relying

on their realisation. The Vice-Chairman asked for clarification of this. The Interim Executive Director of CDC explained that the benefits had been defined and categorised by different groupings, where examples of modelling principles from other local authorities had to be used given that SCC had not yet carried out the *Test and Learn* process. They noted that the areas of activity with the highest level of interest and where outcomes and experience most require improvement are being prioritised, adding that the council will constantly review and refine activities against outcomes as they emerge from the work.

11. The Vice-Chairman asked where the benefits were defined. The Interim Executive Director of CDC agreed to share more information on the benefits after the meeting and areas where benefits had been defined, and noted that the benefits would be captured in the full business case, which was referred to in paragraph 29 of the report.

12. In reference to paragraph 32 of the report which stated that research from other local authorities had demonstrated that benefits could be produced through digital strategies such as the use of Artificial Intelligence (AI), the Chairman asked if examples of service improvements realised at other councils could be provided with detail of how successful these have been. The Director of Design and Transformation explained that many local authorities were undertaking similar activities to introduce AI through Customer Transformation projects. The council had been working with others, such as Derby City Council, who has started to realise the benefits of using AI in Adult Social Care and Children's Services, while Kingston Borough Council had delivered pilots of automation in Adult Social Care assessments. Surrey County Council has also been in contact with Hackney and Dorset Councils. They further stated that conversations with other councils and learning would continue as SCC moved into the *Design* stage of the Transformation Programme.

13. In reference to paragraph 24 of the report that claimed £17 million of savings had been identified by the Customer Transformation Programme, the Vice-Chairman asked what these were, how they were identified and would be achieved, and whether this was an annual figure or one expected to be realised across the four years. The Strategic Finance Business Partner for Strategy and Innovation explained that the financial benefit quoted represented the collective benefits across cross-cutting transformation programmes, including Digital and Data and the Core Function Re-design, with efficiencies building year-on-year to an estimated £17.9 million for 2027/28, against the

budget, and that the links and dependencies between these different programmes made it prudent to refer to this aggregate figure. They clarified that these savings would be updated - with the expectation of improvement - as plans developed, with the Customer Transformation Programme currently targeted to deliver £7.9 million of those benefits by 2027/28. The profile financial modelling currently showed that the Customer Transformation Programme would deliver cumulative benefits over the four years of £12.4 million to 2027/28, against the £11.3 million investment. They also noted that a significant proportion of financial benefits are expected against staffing of customer contact services across Surrey through creating capacity by driving more streamlined, automated processes, and that benefits were also expected through providing customers with easier access to information and data to help meet their needs in a timely manner, reducing the impact of escalating needs and aiding demand management. Savings from the consolidation of systems and micro-sites was also referenced, with one aim being the reduction of future investment costs. Financial benefits were based on estimates against current activity on the *Test and Learn*, they also added.

14. The Vice-Chairman asked why the detail provided by the Strategic Finance Business Partner was not available in the report, and asked if it could be provided in an updated version of the report and made available to the committee and Cabinet. The Interim Executive Director of Finance & Corporate Services and S151 Officer agreed to include this and clarified that the £17.9 million savings was incremental, not cumulative. It combined the £7.9 million savings from Customer, on an incremental basis and as would be included in the Medium-Term Financial Statement, as well as £10 million from the Core Function Re-design.

15. The Vice-Chairman referenced the statement from the report that the four-year total investment ask for the Customer Transformation, Core Function Redesign and Digital, Data and AI Partner programmes was £25.6 million, and asked if this included £17.9 million in savings. The Interim Executive Director of Finance & Corporate Services and S151 Officer stated that this was correct, and that the benefits were still being reviewed. The benefits for Data and Digital would deliver further advantages but was not yet included because the business case was still being completed.

16. The Vice-Chairman again asked why the financial modelling of the Customer Transformation programme was not included in the report. The Interim Executive Director of CDC clarified that this was simply due to the speed of providing the information – the item was added to the agenda of this meeting at a later date than was typical to ensure scrutiny's input, and future iterations can provide greater detail.

17. A Member raised an assumption that the Customer Transformation Programme would be built on system technology already available, and noted that no risk is outlined in the report concerning whether the current infrastructure could support this transformation. The Interim Executive Director of CDC explained that there is work to do with underlying systems, which was why the Customer Transformation is a long-term programme. The *Digital and Data* aspect of the programme was being worked on to ensure there was a systems architecture that informed work across the Council. The Council had duplicated multiple applications and systems, such as ways that people can pay the council or report issues, due to the absence of a Core Operating Model for customer services. Part of the programme would work with Information, Technology and Digital colleagues to streamline this. They also noted that the benefits of these activities were factored into the Medium-Term Financial Strategy, but the work needed to occur to realise the benefits in customers' experience, and that the underlying system in the council's contact centre was extended whilst a specification for the system was redeveloped. Many parts of the council wanted to commission their own Customer Relationship Management Systems (CRMs), but the Transformation Programme would re-define this for the whole authority and help in understanding the needs, they added. It was clarified that this work, considering the learnings of the DB&I Task and Finish Group, would begin in September 2024 to bring together the specification to procure and implement in 18 months, when the council's contracts end.

18. The Member voiced concern around the risks of the Customer Transformation programme being sufficiently articulated. The Interim Executive Director of CDC explained an articulation of the risks could be developed more explicitly, before and after ratings from mitigating actions.

19. A Member raised that the Customer Transformation Programme's desired objectives needed to be more firmly defined, and raised concern this was not being fully considered as part of the programme. The Cabinet Member for Customer

and Communities explained that the *Test and Learn* phase of the programme, with decision gateways for investment, was there to address this point. In term of governance, scrutiny opportunities for the programme were regular and robust. The Interim Executive Director of CDC added that the programme would be "[..]*technology-enabled not technology-driven*". This meant a clear understanding was needed around what technology needed to do to support customer experience before procuring technology solutions. Learnings would also be taken from the recent DB&I Task and Finish Group, they noted.

20. The Vice-Chairman raised that the timing around the Customer Transformation programme, with it not being considered while the 2023/24 budget was being set, and now being funded through reserves, was unconventional. The Interim Executive Director of Finance & Corporate Services and S151 Officer disputed that the funding approach was unconventional, noting that the council had the legitimate option to fund projects via reserves, which would still be considered for this kind of programme even if considered in the budget. They further added that reserves are an appropriate funding options for projects of this size, and that rigorous planning and preparatory work on the programme had begun despite its omission from the budget-setting process.

21. The Vice-Chairman asked when the business requirement for the Customer Transformation Programme was realised and when work began. The Interim Executive Director of CDC replied that communication started in Autumn 2023, work on the programme commenced in the beginning of 2024, though detail on the programme of work activities was not available until after the budget-setting period. They noted that, by the end of April 2024, they said, there was an outline approach for the programme, and work was recently completed on the programme's full-business case.

22. The Chairman asked for clarification as to why expenditure for the Customer Transformation Programme in the next financial year would come out of reserves instead of the base budget. The Interim Executive Director of Finance & Corporate Services and S151 Officer explained that programmes of works were not included in base budgets.

23. Regarding paragraph 35 of the report which noted that Cabinet would be asked to approve the *"…in principle £11.3m investment requirement over four years",* the Vice-Chairman asked if

Cabinet would be singing this off, or if it was a release of funding contingent on the staged governance board process referred to in paragraph 31 of the report. The Interim Executive Director of Finance & Corporate Services and S151 Officer explained that the £11.3 million investment was in principle, on the basis that the Interim Executive Director of CDC could plan for the scale of the Customer Transformation Programme by gauging Cabinet commitment. The draw-down of funding would indeed be on a stage control basis on the basis of a business case, and would happen when required over the programme's 4-year period.

24. Regarding the stage control process, a Member asked what would happen if it was decided no more money would be drawn down for the Customer Transformation Programme part way through the 4- year process. The Interim Executive Director of Finance & Corporate Services and S151 Officer explained that projects are reevaluated as was standard, though there is a process to bring capital projects within its budget and review them when over-budget. This was against a clear set of criteria, and if the criteria were not met the project could be re-scoped, they noted, clarifying that many aspects would be reviewed by weighing the risks of advancing against the risks of re-scoping the project, and the risks of stopping it, though this was not done lightly.

25. The Member stated that they felt that once Cabinet agreed to the project, it agreed to the full amount of funding and questioned the intention and effectiveness of the proposed stage control process. The Interim Executive Director of Finance & Corporate Services and S151 Officer disagreed and explained the programme's funding was in principle and based on a robust business case, noting that the exact amounts released within the budget would be informed by a solid business case, and the S151 Officer role included ensuring that benefits released with the first draw down were delivered.

26. A Member raised the importance of communication with members around the Customer Transformation Programme. The Interim Executive Director of CDC agreed and noted there were a range of opportunities for engagement, such as a Member Development Group session and meeting with the Member Development Steering Group. The Cabinet Member for Finance and Resources noted a distinction in that the DB&I programme was unavoidable due to system obsolescence.

RESOLVED:

1. The Resources and Performance Select Committee notes the progress made to date during the *Discovery* and *Design* phases of the programme.

2. Notes that Cabinet will receive four recommendations in relation to the Customer Transformation Programme as set out in the Cabinet papers, welcomes the progress made in the Programme to date, and further notes the potential benefits of the Customer Transformation Programme.

3. Further notes that if the programme is approved by Cabinet, the programme contains potential risks, and recommends that this select committee continue to receive regular updates, and greater information about risks, on the Customer Transformation Programme, to ensure that it delivers Best Value for Surrey residents and does not potentially adversely affect Council budgets.

4. Recommends that an updated Business Case is brought back to this Select Committee, including detailed financial, technical and other information on the risks and benefits of the programme.

Actions/requests for further information:

I. The Interim Executive Director of CDC to share the breakdown of the number of customer complaints received.

II. The Interim Executive Director of CDC to share a breakdown of the number of complaints received via the council website's web forms

III. The Interim Executive Director of CDC committed to share more information on the benefits/efficiencies of the programme (e.g. how the benefits have been defined).

IV. The Interim Executive Director of Finance & Resources and S151 committed to include detail of the £17.9 million savings for the Customer Transformation Programme - e.g. what is the figure composed of, how were the sources identified, how would they be achieved, is it an annual or 4-yearly figure? - to both Cabinet and the Resources and Performance Select Committee.

V. The Interim Executive Director of Finance & Resources and S151 also to update on the benefits of the planned changes to Data & Digital, for which a Business Case is in the process of being formulated.

VI. The Interim Executive Director of CDC to share explicit information on the risks and dependencies of the Programme, before and after mitigation ratings.

26/24 PERFORMANCE MONITORING SESSION NOTES 19 JUNE 2024 [Item 8]

The Committee **AGREED** the notes of this session.

27/24 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 9]

The Committee **NOTED** the Actions and Recommendations Tracker and Forward Work Plan.

28/24 DATE OF THE NEXT MEETING [Item 10]

The Committee **NOTED** the date of the next meeting.

Meeting ended: 1.14pm

Chairman

RESOURCES AND PERFORMANCE SELECT COMMITTEE

FRIDAY 18 OCTOBER 2024

CABINET RESPONSE TO SELECT COMMITTEE REPORTS

Purpose of report: To update the Committee on the Cabinet response to the July 2023 report of the Resources and Performance Select Committee on 'Digital Business and Insights' and the implementation of the Unit 4 *MySurrey* programme.

Introduction:

1. The Committee resolved in October 2023 to convene a Task and Finish group to examine the implementation of the Unit4 *MySurrey* enterprise resource planning (ERP) software, which went 'live' to replace SAP on 6 June 2023 after a project spanning four-and-a-half years.
2. After conducting interviews with a wide range of stakeholders and those involved in the programme from February to 1 May 2024, the Task Group produced a 33 page report with 18 recommendations.
3. The Committee presented their conclusions and recommendations to the meeting of Cabinet on 23 July 2024. (Appendix 1).
4. The Cabinet published a formal response to those recommendations (Appendix 2).

Recommendations:

5. The Select Committee to note the response to its recommendations as set out at Appendix 3 & 4.

Appendices

Appendix 1 – DB&I Report Recommendations

Appendix 2 – Cabinet response to RPSC Task Group Recommendations

Jake Chambers
Scrutiny Officer | Democratic Services | Law and Governance
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Summary of Recommendations:

Recommendation 1: A robust business readiness assessment to test the functional services' capacity to receive any new system should be a prerequisite of any other programme of this scale or complexity, with weaknesses ideally addressed in advance or, if not, factored fully into the implementation plan, thus enabling a realistic implementation timeline to be set.

Recommendation 2: Future projects should employ greater discipline in stage control, even where there may be time/cost impact.

Recommendation 3: The Council must ensure that robust testing strategies are in place for all projects that require them, ensuring strong environment and data management practices are in place to support this. Testing of new systems, processes and products should not be exclusively supplier-led, benefitting from heavy participation and design by council officers.

Recommendation 4: The Council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit) to ensure projects have met all relevant entry and exit criteria before progressing to another project stage along their critical path, and to support the programme team and board in making good stage control decisions.

Recommendation 5: The council's Transformation Support Unit should review existing protocols around effective *testing regimes*, *programme stage control,* and *environment management,* and make recommendations to the Resources & Performance Select Committee to help address the issues that occurred in this project and best ensure they do not reoccur in future council projects.

Recommendation 6: Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system to improve internal understanding of the product, promote understanding of the issues, support effective decision-making and aid in anticipation of any issues.

Recommendation 7: Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity by appointing a full-time senior responsible owner (SRO) within the organisation to work alongside the Programme Director. This should be a distinct, full-time senior leadership role for an experienced individual at the level of council leadership and should not be performed by someone with significant other time commitments. This role should work closely with the Programme Director to provide strategic direction, helping the Director to focus on managing and directing the programme itself while the SRO engages with senior leadership and helps to ensure adequate resourcing and ownership among management.

Recommendation 8: Ensure that there are stronger links between board representatives and their service users to deliver a better understanding of service weaknesses and issues at leadership and Programme Board level. This can be achieved by implementing clear workstreams and sub-boards, chaired by Board Member service leads, for resolving in-function issues. This would help mitigate the

risk of disconnection and over-optimism among Board members concerning challenges faced and the likelihood of meeting deadlines.

Recommendation 9: Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change. The council should provide training for Programme Board members on the importance of staff engagement and providing effective ownership and leadership for change when undertaking change programmes.

Recommendation 10: Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions and any other relevant materials. The task group discussed the benefits of inviting the Cabinet Member to attend meetings of the Programme Board *ex-officio,* as an observer, to ensure full visibility of the project. This may have unproductive outcomes on the dynamics of these meetings and won't lead to improvements in this area. As a suggested improvement we recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process.

Recommendation 11: Greater focus should be given to the behavioural change aspects of implementing new systems and the impacts on users who may be required to work in new ways, ensuring the provision of more, better-timed training, education and support for staff.

Recommendation 12: Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process, and that the contract model encourages constructive collaboration and involvement from an early stage of the project. This should include key project stages being led by the appropriate participant, with effective knowledge transfer to the council reinforced by collegiate working.

Recommendation 13: The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process, saving time and staff resource, before the outset of future projects and programmes. This is also recommended for other local authorities approaching ERP implementation programmes.

Recommendation 14: The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or 'dip testing' undertaken to test data management processes and the operational ability of related functions. Review of how these will interface with data migration procedures should also be carried out.

Recommendation 15: GDPR and data governance requirements must be considered and engaged at early project stages.

Recommendation 16: The council should implement contracting procedures for new projects that ensure that the full range of different contracting options are considered before project initiation, including contracting different elements of work under different arrangements - such as limited *time-and-materials* contracting if deemed appropriate - in recognition of the fact that a hybrid contracting model is likely to encourage a more

collaborative approach. These should complement the council's existing Procurement Strategy and Procurement Standing Orders in Part 5 of The Constitution of Surrey County Council.

Recommendation 17: The council should formalise arrangements for significant engagement with stakeholder recipient groups, potentially subject-matter experts, who will be involved or affected by an upcoming project. This can report to aspects of the committee structure as appropriate, such as the Schools' Forum in the case of any project involving schools, for instance.

Recommendation 18: The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture so as to ensure that the needs of stakeholder communities are appreciated in the early stages of future projects.

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CABINET- 23 July 2024

CABINET RESPONSE TO THE TASK GROUP REPORT OF THE RESOURCES & PERFORMANCE SELECT COMMITTEE

Item under consideration: TASK & FINISH GROUP – 'DB&I LESSONS LEARNED'

5

Recommendations:

1 - A robust business readiness assessment to test the functional services' capacity to receive any new system - PRIORITY RECOMMENDATION

2 - Future projects should employ greater discipline in stage control, even where there may be time/cost impact - PRIORITY RECOMMENDATION

3 - The Council must ensure that robust testing strategies are in place for all projects that require them.

4 - The Council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit).

5 - The council's Transformation Support Unit should review existing protocols around effective testing regimes, programme stage control, and environment management.

6 - Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system.

7 - Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity - PRIORITY RECOMMENDATION

8 - Ensure that there are stronger links between board representatives and their service users

9 - Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change.

10 - Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions and any other relevant materials. We recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process.

11 - Give greater emphasis to the behavioural change aspects of implementing a new system - PRIORITY RECOMMENDATION

12 - Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process.

13 - The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process.

14 - The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or ‘dip testing’ undertaken to test data management processes.

15 – The GDPR and Data Governance requirements must be considered and engaged at early project stages

16 - The council should implement contracting procedures for new projects that ensure that the full range of different contracting options are considered before project initiation.

17 - The council should formalise arrangements for significant engagement with stakeholder’s recipient groups.

18 - The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture.

5

Cabinet Response:

Introduction

The Digital Business and Insights (DB&I) Programme was the largest technology enabled change programme that SCC has carried out; a "once in a generation" change programme, unmatched in terms of scale, complexity, number of stakeholders and workforce the project directly touched.

It was agreed at a Resources & Performance Select Committee in October 2023 that a Task & Finish Group would be assembled to provide some insight on ‘Lessons Learned’. Interviews with key witnesses took place from February to 1 May 2024 across a broad range involved in the programme whereby they were asked questions from a list agreed by Task Group consensus.

The Task Group Report outlined 18 Recommendations all of which have been accepted. They have been useful for us to consider and include as part of our ongoing journey of improvement to strengthen processes and governance and how we plan and execute current and future change programmes.

The Report identifies key issues that emerged as the priority factors behind the delay and additional cost to the council, plus conclusions and recommendations for SCC to consider for any future programmes and projects, regardless of size and complexity

The Report has used, as the basis of its work, a review commissioned by an independent consultant, Phil Hall who undertook an extensive piece of work in conjunction with key officers and the Task Group.

We acknowledge the significant amount of work that has been undertaken by the Task Group and the breadth of stakeholders consulted in its drafting. Having accepted all the recommendations and the principles which underpin them, there may be occasions whereby they will need to be applied flexibly dependent on the size and nature of the programme. We also acknowledge the need to keep the relevant Select Committees updated on the progress of project/programme and if it

moves off-track discuss mitigations to provide assurance of bringing the programme back on track.

This document reflects the Council's response to the Task Group's recommendations. Our response in the following pages sets this out against each summary recommendation in terms of the work which is already underway and plans in place to further address the issues. Much of this work has already commenced as indicated in the lessons learned already applied column below, particularly with respect to two large cross-cutting programmes currently in train being the Customer Transformation Programme and Core Function Redesign CFR). We will also be rolling out the findings of this report and our response to the organisation as we look for ways to improve our programme management and governance and more technical aspects of large and priority programmes across the Council.

A full list of all the 18 recommendations (including the four priority) can be found in the Report of the Task Group which accompanies our response to Cabinet. Our response sets out these recommendations in summary form.

Four Key Themes emerged from the recommendations; Programme Management & Governance, Technical Design & Control, Data Management and Procurement, against which we have mapped our responses.

Recommendation Themes			
Programme Management & Governance	Technical Design & Control	Data Management	Procurement
8	**5**	**3**	**2**

SCC Response

Summary Recommendation from Task Group Report	**Lessons learned already applied**	**Our planned approach to apply lesson learned in future**	**Theme**
1 - PRIORITY RECOMMENDATION **A robust business readiness assessment to test the functional services' capacity to receive any new system thus enabling a realistic**	• Updated governance for transformation in place since September 2023 Introducing a more robust and transparent approach to our transformation portfolios with the introduction of thematic boards (increasing collaboration and engagement) which has enabled better CLT and Member oversight	• To explicitly include business/change readiness and identification of key skills, data and business capabilities on key project documentation and stage control throughout lifecycle by the end of June 2024.	**Programme Management & Governance**

implementation timeline	and understanding of business readiness. • In April 2023 we launched the Programme and Project Management (PPM) Academy across the organisation. This is a knowledge hub and learning site with a best practice document depository to support a more consistent approach to how programmes and projects are run in SCC	• To include business/change readiness as a mandatory section in key project documentation throughout lifecycle (Outline Business Case, Project Initiation Document, Full Business Case). • Strategic Design Authority (SDA) meetings will include a mandatory section on business readiness for current and pipeline projects to ensure Programme Directors and SROs are demonstrating consideration for business readiness and SDA Members can check and challenge plans. • As part of the stage gate control approach the initial set-up and discovery stage will include the baseline assessment of key business capabilities including skills, owners for key processes and data sets used for key reports or transactions.	
2 - Future projects should employ greater discipline in stage control, even where there may be time/cost impact.	• Full end-to-end external review and assessment of the transformation system (including the movement though each project stage) commissioned by new Director of Design and Transformation. Focus on Programme Management Office (PMO), Programme and Project Management	• Implementation of the full end-to-end review of PPM to support all of Council's transformation activity once completed in July 2024.	**Programme Management & Governance**

	(PPM) and Governance (incl corporate assurance). Review to be completed 12 July 2024 with recommendations and implementation timeframes determined then. Refreshed programme governance applied: • Strategic Design Authority (SDA) to bring constructive challenge and support to council wide priorities. • Technical Design Authority (TDA) to inform, advise and approve the designs of the technology and information within the council. • Refreshed Governance and oversight by PMO. • Strengthened Surrey, Transformation, Improvement and Assurance Board (STIAB) to provide better CLT and Member oversight and scrutiny primarily focused on the strategic critically & important programmes of change.		
3 - The Council must ensure that robust testing strategies are in place for all projects that require them.	• Testing regimes have been reviewed and enhanced for IT&Digital upgrade, change and replacement projects.	• Major IT&D/system projects stipulate the requirement for the full business case to identify all user testing groups and officer reps. • Plans to embed data governance and data management best practices into IT&D projects (including testing regimes) are being progressed with	**Data Management**

		further ambition to build into procurement of systems/software. This will include opportunities to adhere to data governance best practice. This is part of the going work in data management	
4 - The Council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit).	• SDA has been re-introduced as a stage control at key points of a project lifecycle. This group include key senior leads from right across the council to recommend continuation and/or the next stage of funding as part of stage control/milestone reviews and provide an additional layer of independent assurance. • Internal Audit representatives sit on all major programmes as they did on the DBI Programme (e.g. currently on Customer Transformation). For DBI assurance was being provided against several key focus areas using agreed principles **(see Appendix 1).** These are being revised and strengthened for Internal Audit as part of these Boards	• Strengthen the corporate PMO to have the right level of skill and resource to ensure corporate transformation oversight and scrutiny of major projects. • Strengthen our Project Portfolio and Resource Management, change our transformation model to a multi-disciplinary team approach and further review of the PPM (refer recommendation 2)	**Programme Management & Governance**
5 - The council's Transformation Support Unit should review existing protocols around effective testing regimes, programme stage control, and	• Currently being developed as part of PPM review sue in July 2024, at which point recommendations will be implemented.	• Internal Audit assurance provided against several principles, including testing (refer recommendation 4 and **Appendix 1**) This was reflected in a number of position statements presented to the Board	**Programme Management & Governance**

environment management.		• External maturity assessment currently being undertaken of end-to-end transformation system, as part of PPM review. • Review of governance and PMO as part of PPM review.	
6 - Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system.	The approach is currently being developed.	• The agreement and approval of a proposed support model well in advance of system go-live will support the identification of skills to be retained and developed in-house.	**Technical Design & Control**
7 – PRIORITY RECOMMENDATION **Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity by appointing a full-time SRO.**	• Strategic Director/SRO roles introduced for Customer Programme and AWHP (Adults, Wellbeing and Health Partnerships) transformation and Service Improvement programme. • Clear updated guidance on PPM Academy on roles of Project Sponsors, Senior Responsible Officers, and Programme Directors/Managers.	• CFR Prog SRO being explored to ensure clear separation of duties from Programme Director. • Clear criteria being established for Tier 1 (top priority) cross-cutting transformation programmes and those that would therefore require a full-time SRO.	**Programme Management & Governance**
8 – PRIORITY RECOMMENDATION **Ensure that there are stronger links between board representatives and their service users to deliver a better understanding of service weaknesses and issues.**	• Updated governance for transformation has been in place since 2023. This included the introduction of updated governance that ensures the right oversight and challenge at each level of the decision- making process and provides additional assurance.	• Service representation reviewed and enhanced on all relevant project boards. • Business Partnering approach introduced into portfolio management. • Enforcing a review and re-baselining of key milestones during	**Programme Management & Governance**

		projects and programmes	
9 - Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change.	• Mandatory training for all senior change leads including SROs and Sponsors on "Sponsoring and Delivering Successful Projects and Programmes" was undertaken in 2023/2024. • PPM Academy was updated with improved guidance and templates in 2023.	• Further review of PPM arrangements underway. • Further training will be rolled out as part of the review, • Plans to reduce reliance on fixed term contracts and interims and building more internal expertise and knowledge all large change programmes.	**Programme Management & Governance**
10 – Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions and any other relevant materials. We recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process.	• The Strategic Transformation, Improvement and Assurance Board (STIAB) provides strategic Member oversight of all major and cross-cutting transformation programmes (such as Customer Programme and CFR) including progress, performance, risks, issues and challenges. This has been in place since **November 2023**.	• Sponsors and Senior Responsible Officers will ensure all relevant materials are shared and regular sessions are held with Lead Cabinet Members for full visibility of project delivery including challenges, risks and issues. • We will also ensure that the governance includes consultation with the Lead Cabinet Member in moving through each critical gate/stage of the programme for clear visibility and involvement in the	**Programme Management & Governance**

		decision-making process • A more consistent approach will be explored as part of our governance review for the regular sharing of all relevant materials with Lead Cabinet Members for full visibility of project delivery. We are in the process of reinstating the Home to School Travel Assistance Oversight Board to oversee the service and financial pressures in this area.	
11 – PRIORITY RECOMMENDATION **Give greater emphasis to the behavioural change aspects of implementing a new system.**	Currently being developed as part of the PPM Review.	• As part of the establishment of the CDC (Customer, Digital and Change) directorate, People and Change will be closely involved in the key strategic change programmes. This will build in an organisational development/ behavioural change dimension to all transformation programmes, such as an honest assessment of time and cost overruns. • Learning from past examples of where behavioural change has been successful and core to the delivery of the programme (e.g. the Agile Organisation Programme) will be drawn upon to support the development of a consistent approach.	**Technical Design & Control**

5

12 - Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process.	• The discovery and design phases of the digital activities include extensive engagement with stakeholders to inform and shape the digital design and identification of opportunities to adjust process design. • Programme boards and sub-boards such as working groups for council-wide technology projects or large change programmes have senior representation from the services impacted by the changes. There is engagement from the vendors of technology projects throughout the stages of all IT&D or technology change projects e.g. Wide Area Network, Telephony.	• Review existing approaches to organisational design to ensure all key stakeholders and users are identified, engaged, and needs reflected. Draw upon the digital design exemplars such as Surrey Family Help Hub and improvements to the Home to school transport process to inform this activity. • Transformation projects that are enabled by technology will adhere to the updated project standards being reviewed and developed through the PPM review. This will include clearer stage gate entry and exit criteria.	**Technical Design & Control**
13 - The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process.	• Data migration best practice has been developed to help guide project/programme managers to understand what needs to be done and includes recommendations on the key roles required (e.g. data owners).	• Data fundamentals including data quality assessments and testing approaches will be defined in the early stages of transformation programmes (with support & agreement from the Data Governance Office) and tracked closely through stage gate reviews. • Data cleansing is not an activity that should only be done at the point of a change in systems but is something that we are working to build into part of what the council does,	**Data Management**

		proactively on an ongoing basis.	
14 - The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or 'dip testing' undertaken to test data management processes.	• Data ownership is being recorded through work to catalogue our key systems. • Data ownership is recognised as essential in our data migration best practice guidance.	• The Data Strategy and associated governance will address this point, working with the TSU and working across the Council to recommend new or changed procedures for data sampling data migration procedures. • Work is being undertaken to define data ownership roles and responsibilities and support staff in these roles. The embedding of data governance into our key process and the wider cataloguing of our data and information assets will also create better recording of data ownership.	**Data Management**
15 – GDPR and Data Governance requirements must be considered and engaged at early project stages	• Data and Digital are now fully integrated into the CFR and Customer Transformation programmes to ensure data needs and governance are identified throughout, including discovery and design. • The use of DPIA's (Data Protection Impact Assessments) for technical changes, in particular the introduction of new systems.	• Opportunities for the Data Protection Officer and SIRO stakeholders to be consulted on design will be explored.	**Technical Design & Control**
16 - The council should implement contracting procedures for new projects that ensure that the full range of different contracting options are	• Dedicated team has been created, to ensure there is a single point of contact between the Council and MySurrey Suppliers to review contract performance,	• Opportunities for increased flexibilities in IT procurement resulting from the adoption of the new procurement regulations which	**Procurement**

5

considered before project initiation.	system development, and commercials. Payments linked to clear milestones for fixed price contracts.	commence in Oct 24, will be explored.	
17 - The council should formalise arrangements for significant engagement with stakeholder's recipient groups.	• Programme boards and sub-boards such as working groups for council-wide technology projects / large change programmes have senior representation from services impacted by changes. Though representation tends to be internal.	• Review programme governance for transformation to reflect the requirement for formal stakeholder engagement with key groups such as Members and external parties (e.g. schools) impacted by change. This will be built into the project and PPM review.	**Technical Design & Control**
18 - The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture.	• All new procurement activity is developed with the key stakeholders. Specifications are set using an outcomes-based approach and where solutions are required, they should be developed through an 'off the shelf' approach to avoid bespoke development. • Inclusion of 'Proof of Concept' stage by IT&D to further explore solution functionality and accessibility prior to award. • Change management processes to be adopted to ensure business processes fit the standard system rather than the system being changed to meet our processes.	• After each procurement activity, a lesson learned exercise will be carried with respect to procurement and subsequent implementation. These lessons will then be adopted into core business processes where appropriate to improve future procurements of this type.	**Procurement**

David Lewis
Cabinet Member for Finance & Resources
23 July 2024

Appendix 1 (Recommendations 4 & 5)

5

Internal Audit Programme Support Orbis

Scope of Work – DB&I

General principles:

- Internal audit will attend programme board and working group meetings to provide independent advice, support and challenge on risk, control, probity and governance issues.
- The role of internal audit is to provide independent and objective advice and support, for this reason, when internal audit attend programme board and working group meetings or advise on projects, they will not be party to any decision making.
- It is up to the programme sponsor or Chair to ensure that internal audit is consulted appropriately on any relevant risk, control, probity and governance issues. They should also be included on all relevant circulation lists for key documents.
- The relevant internal auditor should be able to attend programme board and working group meetings as and when necessary. Generally however, they will only attend those meetings where relevant issues are being discussed.

In addition to attendance at programme board and working group meetings, we will identify a number of key focus areas to support the programme. At this early stage this is likely to include, providing assurance over the following key areas:

- Programme Governance/Risk Management
- Business processes (both on and off system)
- System security
- User access, authentication and authorisations
- Testing arrangements
- Data cleansing and migration
- Interfaces and reconciliation
- Disaster recovery and business continuity
- Training

Details of the specific focus areas and internal audit reporting arrangements throughout the programme will be set out within a formal terms of reference to be agreed by the Programme Board. Additional focus areas may however be added based on risk, as the programme progresses.

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RESOURCES AND PERFORMANCE SELECT COMMITTEE

18 October 2024

STRATEGIC INVESTMENT BOARD ANNUAL REPORT – FINANCIAL YEAR 2023/24 – Investments Overview (part 1 report)

Purpose of report:

The Strategic Investment Board (SIB) is a sub-committee of Cabinet and reports annually to the Council. The purpose of SIB is to safeguard the Council's interest as shareholder and to take decisions in matters that require the approval of the Council as owner of a company.

The report will be considered by SIB at its meeting of 31 October 2024.

Executive Summary:

1. The Council wholly owns 4 companies that are currently trading, being Halsey Garton Property Ltd, Halsey Garton Residential Ltd, Hendeca Group Ltd and Surrey Choices Ltd. It also owns 50% of Surrey and Kent Commercial Services LLP, and minority shareholdings in TRIC Consortium Ltd and UK Municipal Bonds Agency Ltd.

2. Combined pre-tax net profits (unaudited) of £1.3m were achieved, compared to £2.4m in 2022/23. This included a £0.7m reduction in Halsey Garton Property due to the loss of ongoing rent and other impacts from the disposal of a property in Halsey Garton Property, and the prior year benefiting from a bad debt provision release. A further £0.4m reduction was in Hendeca, due to an increase in staffing, change in the mix of business, and one-off costs.

3. Surrey and Kent Commercial Services (trading as Connect2Surrey) produced a small profit in its second year of trading.

4. Interest of £14.8m was paid to the Council on loans to subsidiaries, predominantly from Halsey Garton Property. The Council makes a commercial return on these arms-length loans by charging interest to subsidiaries at a commercial market rate that is higher than its own cost of financing.

5. Dividends of £22k were paid to the Council during the year, being from TRIC Consortium, compared to £430k received in 2022/23 from Hendeca and TRIC Consortium.

Introduction:

6. As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council made investments and created trading companies to deliver income and efficiencies and in doing so has established a Strategic Investment Board, which reports annually to the Council. The purpose of the Board was to safeguard the Council's interest as shareholder and to take decisions in matters that required the approval of the Council as owner of a company.

7. The report is to be considered by the Strategic Investment Board at its meeting of 31 October 2024.

Conclusions:

8. The Companies continue to generate income for the Council through commercial loans.

9. The current performance, risk, governance, and long-term outlook of companies is monitored by the Shareholder Investment Panel and SIB.

Recommendations:

10. Cabinet endorses the Annual Report of SIB.

Next steps:

None

Report contact

Neil Jarvey, Strategic Finance Business Partner (Commercial)

Contact details

Neil.jarvey@surreycc.gov.uk

Sources/background papers

Commentaries by Managing Directors of the companies

Strategic Investment Board Annual Report 2023/24

Investments Overview

SURREY COUNTY COUNCIL

Contents

Shareholder Board (Strategic Investment Board)

- Introduction page 3
- Purpose page 4
- Governance page 5
- The Council's Shareholdings page 7
- Directors page 8
- Changes to Funding page 9

Company Details

- Introduction page 10
- Halsey Garton page 11
- Halsey Garton Property page 12
- Halsey Garton Residential page 14
- Connect2Surrey page 16
- Hendeca Group page 17
- Surrey Choices page 18
- TRICS Consortium page 20
- Municipal Bonds Agency page 22

Glossary page 24

Shareholder Board

Introduction

The Council's strategic framework for innovation and investment has supported the development of initiatives to enhance the financial resilience of the Council. The Council Member-led Strategic Investment Board (SIB) monitors the Council's trading activity and its investments in companies to ensure satisfactory performance and effective risk management. The financial returns delivered by trading and investment helps to ensure that we continue to deliver quality services to our residents.

The SIB provides effective over-sight ensuring alignment with the strategic objectives and values of the Council. The SIB safeguards the Council's interests and takes decisions in matters that require the approval of the Council as owner or as a shareholder of a company.

The annual report of the SIB provides an overview of the progress we have made in the year in enhancing the financial resilience of the Council. The report also gives an update on the companies' full year performance for 2023/24.

Tim Oliver OBE

Leader of Surrey County Council

Purpose

The primary and most common purpose behind the creation of a Local Authority Trading Company (LATC) is to enable a Council to participate in commercial trading activities. Many local authorities have created a LATC for this purpose, with the most common reason given being in order to grow income to protect services.

The decision to create a company or invest in shares is now taken by the SIB upon the basis of a business case. Like many other Councils, Surrey County Council (SCC) has created companies to trade and grow income; with profits generated for the Council available to support the delivery of the Council's Medium Term Financial Strategy and enhance financial resilience. This is however not the only reason for the creation of a company or investment in shares.

Surrey Choices for example was set up to safeguard the provision of services to people with learning and physical disabilities. Cabinet likewise approved the creation of a Property Company to strengthen the Council's ability to invest in a diversified and balanced portfolio of assets in pursuit of its Investment Strategy. The investment in the UK Municipal Bonds Agency was made to give the Council an alternative source of finance at preferential rates. The establishment of a Recruitment Joint Venture, Connect2Surrey, is to enable the Council to have flexibility and control of temporary and interim recruitment in a changing market to suit both the needs of the Council and of the workforce.

The Council has created companies and purchased shares in order to -

Deliver services, benefiting from efficiencies driven by operating in a commercial environment	Trade & generate income	Invest in assets to deliver an income

Governance

The primary and most common purpose behind the creation of a LATC is to enable a Council to participate in commercial trading activities. Many local authorities have created a LATC for this purpose, with the most common reason given being in order to grow income to protect services.

- The SIB was created in June 2019 following the combining of the Shareholder Board and the Investment Board as noted in the 2018/19 report.
- The Board and its role are noted in the constitution of the Council.
- The Board works in accordance with its Terms of Reference which are reviewed on an annual basis.
- Meetings are scheduled to take place monthly.
- A review of the governance of the companies was conducted during 2021/22. The overarching findings were that the existing governance and reporting processes were sound and provided visibility of decision making and of performance.
- However, improvements were identified and have now been implemented. These include an increase in:
    - reporting and oversight by Members and scrutiny; safeguarding against conflicts of interest; communication between company and shareholder; and formal Director training

The SIB is comprised of three members of the Council's Cabinet and is supported by senior officers of the Council, including the Section 151 Officer (Executive Director of Finance and Corporate Services) and the Monitoring Officer (Director of Law & Governance).

Members	•Leader •Cabinet Member for Finance and Resources •Cabinet Member for Property and Waste •Cabinet Member for Communities and Community Protection
Advisors	•Chief Executive •Deputy Chief Executive (Section 151 Officer) •Director of Law & Governance (Monitoring Officer)

The SIB is further supported by the Asset Strategy Board (ASB) and the Shareholder Investment Panel (SHIP). The role of the SHIP is detailed on Page 6 of the report.

Decision-making Process

The day-to-day operation of each company is the responsibility of the Directors (of each company) with the SIB being responsible for taking decisions on behalf of the Council where these are of a more strategic nature. The extent of this decision-making will depend upon the Council's shareholding and upon the terms included in a company's Articles of Association (matters reserved for the Shareholder) and / or a Shareholders Agreement in relation to Joint Venture companies. The Articles of Association for the Council's wholly owned companies

stipulate that the shareholder, being the SHIP or the SIB as appropriate on behalf of the Council, is required to approve or make decisions in relation to the following matters summarised in the table below.

Decision	**Rationale**
Changes to the Articles	Removes all controls
Appoint and remove Directors	To ensure that the company is appropriately managed and that there is satisfactory governance
Material changes in the nature or scope of the business	To ensure companies only undertake activities for which approval has been given and to protect the Council's reputation
Purchase of shares or interest in another company. Acquisitions of any business or any shares.	Significant business decision which may involve further financial risk
Borrowing or the raising of finance (except from SCC). The creation of any security interest (except SCC)	To avoid taking on debt that undermines security for SCC debt (excluding de-minimis bank overdrafts) and to avoid incurring further financial risk
Issuing, withdrawal or buy back of shares	To maintain SCC ownership as originally intended
Enter any Joint Venture, consortium, or partnership	To ensure companies only undertake activities for which approval has been given, in order to protect SCC reputation. To ensure that it is the shareholder that takes decisions that may involve substantial financial risk (rather than the Directors alone)
Selling, transferring, leasing, assigning property or assets (excluding de-minimis and replacement of operational equipment)	To avoid dilution of assets or security in relation to SCC debt
Disposal of any business or any shares	To maintain SCC ownership as originally intended
Entering into an administration order or steps to voluntarily wind up the company	To protect SCC's reputation

The SHIP, an Officer-led panel, chaired by the Director of Finance, Corporate and Commercial (Deputy s151), works within delegated authority limits set by the SIB. The Panel's remit is to review and challenge the subsidiaries performance within year and assist with the approvals and operational workings of the respective companies. This enables approvals to be made in a timely manner so that operational effectiveness is not impacted by an elongated approval process. The SHIP also provides governance, as the client, for projects delivered by any of the subsidiaries and acts as the Senior Responsible Owner. Items that fall outside of the approval limits afforded to the SHIP will still be discussed and scrutinised by the Panel before coming forward to the SIB.

The Council's Shareholdings

The decision to create a company or to invest in shares is taken by Cabinet, or in accordance with delegated decision-making at the SIB. The decision is made upon the basis of a business case which articulates the financial implications and associated risks for the Council. These proposals are made with realistic and prudent expectations regarding the investment required and the length of time it will take to establish a successful company. The Council recognises that returns will not necessarily be received in the short-term but will contribute to financial resilience in the longer term and, may deliver wider benefits that may supersede financial returns.

Company	Ownership
Halsey Garton Property Ltd	100.0%
Halsey Garton Residential Ltd	100.0%
Surrey First Ltd **	100.0%
Hendeca Group Ltd	100.0%
Surrey Choices Ltd	100.0%
Surrey and Kent Commercial Services LLP *	50.0%
TRIC Consortium Ltd	16.7%
UK Municipal Bonds Agency	3.4%

* trading as Connect2Surrey
** dormant

Directors

Each company must have at least one person named as a Director – the Council itself cannot act in this capacity. The SHIP has delegated authority from the SIB for appointing (and removing) Directors to act on behalf of the Council. Directors have specific responsibilities in Company Law and therefore the board or panel making the selection will need to ensure that persons with the appropriate skills are appointed. The name of the person(s) appointed to each company is noted in the next section of the report. In the case of Joint Ventures, the person appointed by the Council to act in respect of its shareholding is noted.

Since the last report the following Directors have been approved to be appointed:

Halsey Garton Property Investments – Tony Orzieri
Halsey Garton Property – Tony Orzieri
Halsey Garton Residential - Tony Orzieri

These directors work alongside the other appointed directors, bringing their valuable experience to the board, and will be responsible for delivering the day-to-day activities of the company in accordance with the strategies and business plans agreed by the SIB.

As Directors, their role is not to provide scrutiny, but to be accountable to the SIB, alongside other directors, for the performance of the company and for their own performance as a Director. The SIB will continue to provide scrutiny rather than individual directors.

Directors appointed by the Council receive no additional remuneration and undertake this role as part of their duties as an Officer or Member of the Council.

Funding

Changes to the Public Works Loan Board (PWLB) lending rules have prevented Councils taking on additional borrowing to invest purely for commercial gain. Unless seeking external funding, this limits the companies to work within the current envelope of investment that has been made to date, or alternatively, make investments where commercial returns are of secondary benefit. Recent powers as part of the Levelling-up & Regeneration Act 2023 confirm the Government's long-running concerns that a small number of authorities are taking on very high, disproportionate levels of debt or have become excessively exposed to risk from commercial investment strategies. The government continues to put in place controls to reduce this risk and any changes to future strategies need to be developed in compliance with the Prudential framework.

The Council's revenue budget includes an element of income generating investment activity. The Capital, Investment & Treasury Management Strategy 2024/25 set out the extent to which expenditure plans are dependent on achieving the expected net income from investments over the lifecycle of the MTFS, to ensure proportionality. Investment activity is forecast to remain between 2-2.5% of the Council's net revenue budget over this period. Should we fail to achieve the expected return, the Council has earmarked reserves in place to manage one-off fluctuations in investment income achieved.

Company Details

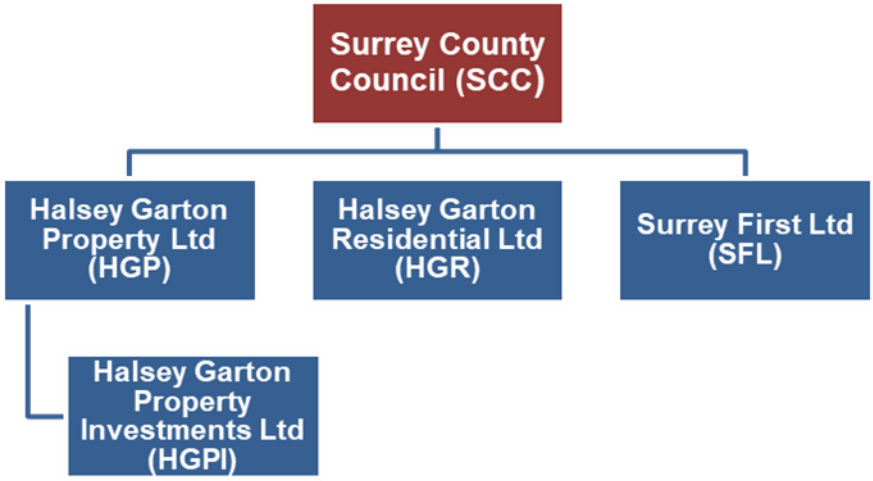
Introduction

The following pages contain information about each company, including a description of activities and purpose, Cabinet approval and date of incorporation and progress made to date. Financial information has been included where this is generally publicly available (e.g., from the statutory accounts of each company) or not commercially sensitive. However, information that is commercially sensitive, such as the future business plans, have been excluded where appropriate.

Company Profile and Business Case

The Halsey Garton companies were incorporated in June 2014. The initial remit for the companies related to Halsey Garton Property Ltd which was incorporated to fully implement the recommendations of the Investment Strategy approved by Cabinet in July 2013 via Halsey Garton Property Investments Ltd. Halsey Garton Residential Ltd was dormant until August 2020 when it became active following the long lease purchase of 23 properties, later increased to 80. Surrey First (formerly Halsey Garton Property Developments Ltd) remains dormant.

Company Structure



Cabinet Approval	May 2014
Ownership	100%
Date of Incorporation	June 2014 Commenced trade in November 2015
Council Investment	Share Capital £93m Loans of £234m
Return on Investment	2016/17 - 2017/18 the company proposed and paid dividends of £2.35m. 2018/19 to 2023/24 – nil dividend Interest payments to the Council in 2023/24 of £14.3m (2022/23 £14.3m).
Directors	Diane Wilding*, Verity Royle* (resigned – date pending), Bill Yardley, Charles Maxlow-Tomlinson, Tony Orzieri* (appointment pending) *Council appointed Officer

Company Profile

The company purchased 17 commercial property assets between November 2015 and December 2018. The portfolio consists of assets in a balance of sectors and is geographically across England. The portfolio remained unchanged up until May 2023 when it disposed of one its assets.

The strategy of the company was revised in 2023 where it was agreed that the Company will:

- Retain a clear and dedicated focus on long term revenue return.
- Adopt a portfolio approach by developing an Annual Company Business Plan.
- Retain existing assets forecast to deliver long term, secure income with minimum volatility.
- If necessary, divest underperforming assets to maximise optimum portfolio performance and recycle capital proceeds to ensure a diversified portfolio which delivers revenue benefits.
- Ensure that a primary consideration when assessing acquisitions is commercial revenue.
- Protect the capital investment as far as possible.
- Identify the availability of short-term loan facilities to leverage opportunities.

- Build up cash reserves to enable delivery of revenue enhancing initiatives of existing assets through capital investment and support, to the extent possible, the Shareholder's wider agenda of Net Zero emissions by 2030.

Progress Update

The company delivered an unaudited pre-tax operating profit of £1,284k in 2023/24 (£1,941k in 2022/23). The drop in profit vs prior year is due to £521k net impact of the disposal of a property (including loss of rent) and £399k greater release of bad debt provision in 2022/23, partly offset by £263k lower void costs. The property was disposed of for a profit. Despite the market conditions, no significant new bad debt provisions were made in relation to arrears owed by tenants at year end.

Key operational highlights over the last year include onboarding new external property managers and bringing asset management in-house. There was a disposal of one property at a capital profit, and completion of 7 new lettings and 6 lease renewals resulting in 100% occupancy within the portfolio, save for one property which is currently undergoing redevelopment.

Rent collection rates have continued to be strong. The company continues to actively manage voids within the portfolio. The company's property managing agents have stated that the rent collections are performing above average when compared to similar portfolios. The company is forecasted to be remain profitable before taxation for the year 2023/24, however, due to general market trends, no dividend is anticipated to be paid from the 2023/24 trading year.

The company owns investment assets with a value of £229m (£235m in 2022/23 on a like for like basis; £248m in 2022/23 including a property disposed during 2023/24). The drop in value is reflective of the changes in market conditions over the year.

Halsey Garton
Residential Property Ltd

Cabinet Approval	May 2014
Ownership	100%
Date of Incorporation	June 2014 Commenced trade in August 2020
Council Investment	Share Capital £4.1m Loans of £7.0m (as at 31st March 2024)
Return on Investment	No dividends to date Interest payments to the Council in 2023/24 of £0.4m (2022/23 £0.4m).
Directors	Diane Wilding*, Verity Royle* (resigned – date pending), Charles Maxlow-Tomlinson, Tony Orzieri* (appointment pending) *Council appointed Officer

Company Profile

The Council has provided debt and equity funding for the purchase of 80 residential properties, totalling £11.2m to date.

The strategy of the company was revised in 2023 where the following principles were approved by SIB:

1. Not renew existing occupational tenancy agreements when they come to expiry.
2. Divest assets that do not deliver Surrey County Council Policy (SCC).
3. Retain and repurpose existing assets forecast to deliver SCC policy.

The revised strategy was driven by a desire to align subsidiary assets with the principal that they should either meet a service need or provide a compelling commercial return. In considering the future strategic principles for the Company, the Board has reviewed the historic financial performance of the Company and taken into account pending legislation changes which are considered to be a significant risk.

Progress Update

The company continues to deliver profits in line with the business case. The unaudited pre-tax profit in 2023/24 was £193k (£215k in 2022/23). Year on year there are no material changes.

The company does not have any plans to purchase or develop any additional assets. There continues to be high demand for the properties. However, in cases where individual properties are not considered to be financially viable, the decision has been made to sell some of the assets on the open market. At 31 March 2024, 11 of the properties were vacant, mostly due to preparing for disposal.

SIB Approval	July 2021
Ownership	50%
Date of Incorporation	September 2021 Commenced trade in February 2022
Council Investment	Loans of £153k
Return on Investment	£Nil
Board Members	Shella-Marie Smith (SCC)*, Helen Lock (Commercial Services Kent Ltd) *Council appointed Officer

Company Profile

The Council has provided debt funding of £153k, together with a further £153k from Commercial Services Kent Ltd (CSKL), in order to invest in the start-up infrastructure required for a Temporary Resource Recruitment joint venture with CSKL.

Previously, Temporary Resource has been acquired through various Master Vendor agreements with large private sector companies. It has been an ambition of SCC for some time to set up its own Temporary Resource solution, but this was hampered by lack of expertise, inadequate systems, and cost of set up. Following the expiration of the contract with Adecco in January 2022, SCC created a partnership with a neighbouring public sector organisation (Commercial Services Kent) in order to provide the best solution.

Progress Update

Relationships have been developed with SCC Workforce Teams through ongoing meetings and interactions, and greater adoption of mutual recruitment activities, and there is ongoing engagement at Executive level to provide strategic input with regards to Qualified Social Care hiring. Regular 'agency and supplier' forums are held to ensure maximum engagement of QSW Suppliers to support fulfilment of Surrey CC's demand.

Interim recruitment is now managed via Connect2Surrey, having been added to the services during 2023/24.

The 2023/24 financial performance of £139k net profit (2022/23: £128k loss) was £130k ahead of the original business case. The business case included a gradual growth in profitability as the business became established. The year-on-year improvement was due to an increase in revenue, as well as the benefit of interest on cash at bank.

In 2024/25 there will be a continued focus on improving the proportion of vacancies that are filled directly by Connect2Surrey, as opposed to via third party agencies.

Cabinet Approval	March 2013
Ownership	100%
Date of Incorporation	June 2013 Commenced Trade in December 2013
Council Investment	£100 Share Capital
Return on Investment	The company has paid the following dividends: 2014/15: £400,000 2015/16 £400,000 2016/17: £440,000 2017/18 £400,000 2018/19: £500,000 2019/20 £400,000 2020/21: £200,000 2021/22 £340,000 2022/23: Nil 2023/24: Not yet declared
Directors	Lynne Read, Neil Jarvey*, Pamela Vick, Tony Barry *Council appointed Officer

Company Profile

Hendeca commenced trading in December 2013 following Cabinet approval as part of the New Models of Delivery strategy in March 2013. The company was known as S.E.Business Ltd, changing name to Hendeca Group Ltd during 2019/20. The company provides fire contingency, training and data hosting services, enabling the Council to trade in those functions in which it has particular expertise and capacity. Hendeca had historically gained significant income from providing IT services, but this income stream ceased in 2020/21.

Progress Update

In 2023/24 the company had a pre-tax loss of £241k. This was a significant drop on the prior year profit of £184k, primarily due to increased staffing and other costs in attempting to grow the training business, as well as one-off costs. The majority of income is derived through the contracts held in the aviation fire contingency market. The decision to not pay a dividend for 2022/23 reflected the policy to retain some profit for potential investment into the company to assist with seeking new opportunities.

The business plan refreshed in 2024 continued to focus on the drive to diversify Hendeca's income streams and customer base.

Cabinet Approval	December 2013
Ownership	100%
Date of Incorporation	March 2014 Commenced Trade in August 2014
Council Investment	£100 Share Capital Loans of £1.65m (reduced from £2.8m)
Return on Investment	Nil dividends
Directors	Jane Earl (Chair), Martin Farrow (Managing Director), Rachel Wigley*, Stefan Nahajski (NEDs), Riasat Khan (resigned May 2024)** *Council appointed Officer **Council appointed Member

Company Profile

Surrey Choices Ltd commenced trade in August 2014, following Cabinet approval of the business case in December 2013. The company provides a range of services in a variety of settings for people with learning and physical disabilities and for autistic people. The service offer includes day services and support for people who wish to seek employment or become engaged in work, volunteering, or training opportunities, as well as a Short Breaks respite service which supports family carers. In addition, the Shared Lives service matches carers who provide support in a family home environment to people with disabilities. The commissioning contract to supply services to the Council triggered the transfer of 246 employees from the Council to the company under TUPE regulations in August 2014, of whom 51 are still employed as of 31 May 2024. Today the company has a turnover of c.£15m and employs c.330 people.

In the first three years of operation until 2017/18, the company suffered heavy losses, partly due to absorbing higher than expected volumes under a commissioning contract with the Council, resulting in it requiring a loan from the Council to provide financial stability. Since then, the financial situation has improved to deliver profits and then significant efficiency savings to the Council. The debt to the Council has reduced from £2.8m to £1.65m.

Progress Update

The unaudited profit before tax for 2023/24 is £59k (2022/23: £32k). The low profit level is primarily due to the last £1m tranche of the £3.5m 3-year savings programme being deducted from the block contract with the Council, exacerbated by delays to achieving savings from changes to the property portfolio. As part of the transformation of the service and efficiency

savings achieved to date, in Q1 of 2023 the largest Surrey Choices service, Lockwood Day Centre in Guildford, closed. In 2024 the company closed its service at Bletchingley and is working to reduce the footprint at its last remaining older segregated properties, Fernleigh, in Walton on Thames.

Another aspect of the efficiency savings programme is the home-to-service transport facility, which was brought in house in 2023, utilising the existing vehicle fleet, changing from the previous arrangements with community transport providers. This project will save c.£300k annually.

For 2024/25 the company is expected to continue to make a profit and repay some of the loan to the Council. Prioritisation is being given to winning new central government funded contracts which focus on Surrey residents, and funding has been awarded for several employment service initiatives which started in April 2024, with a total value over 2 years of c.£1m.

Surrey Choices is developing its current portfolio of services, with a primary focus on community inclusion, the expansion and development of employment services, vocational opportunities and flexible community-based support.

The company continues to develop inclusive models of support which enable people with disabilities and autistic people to develop independence, choice and control. This seeks to reduce reliance on commissioned transport and to end segregated day care centres in favour of community hubs which are integrated within local communities. To date, this programme has led to a reduction in the building footprint occupied by Surrey Choices of 50%, with an overall target reduction of 75%.

Cabinet Approval	July 2014	
Ownership	16.67%	
Date of Incorporation	October 2014 Commenced trade in January 2015	
Council Investment	£37,500 Share Capital	
Return on Investment	The company has provided the following dividends-	
	2015: £81,347	2016: £83,821
	2017: £80,219	2018: £93,040
	2019: £90,291	2020: £98,667
	2021: £96,179	2022: £89,758
	2023: £21,826	
Surrey County Council Director	Mike Green	

Company Profile

TRICS Consortium Ltd commenced trading in January 2015, following Cabinet approval in July 2014. The Company provides a service to the transport planning and property development customer community by providing access to a comprehensive database of travel patterns known as trip rates. Trip rate data is used by planning consultants in support of planning applications in order to demonstrate the impact of major developments on local traffic. The database is recognised in national planning policy and is widely used by the planning profession and its use has been given due weight by Inspectors at Planning Inquiries.

The company is a Joint Venture (JV) with five other local authorities, Dorset Council, East Sussex County Council, Hampshire County Council, Kent County Council, and West Sussex County Council. These Councils held the rights to the database under a long-standing partnership arrangement and therefore became the shareholders of the company. The company now owns all Intellectual Property Rights in relation to the database and the brand.

Progress Update

The pre-tax profit in the year to December 2023 was £532k, (£745k in 2024). The reduction was due to an increase in cost of sale including some costs relating to a prior year. The company comprises of the Managing Director, recruited to deliver the day-to-day operation of the company, three employees that TUPE transferred from the previous supplier and three further employees recruited to support its recent growth. The company is benefiting from increased memberships and increased user activity, particularly from the residential

development sector. 2023 saw a further increase in members of 1%. Membership numbers have risen each year since inception.

The TRICS TDB Australasian Database (Phase 1) was released in September 2018. However, due a lack of commitment by a partner organisation, TRICS made the decision to terminate the agreement, and the TRICS TDB systems will cease to exist from 1st January 2025.

The company continues to deliver profits in excess of expectations and has distributed a dividend to its shareholders each year since its creation, thereby delivering a significant return on investment within a short timeframe.

Cabinet Approval	Decision taken under delegated approval in September 2015
Ownership	3.4%
Date of Incorporation	September 2014
Council Investment	£450,000 share capital

Company Profile

The UK Municipal Bond Agency's (UKMBA) objective is to provide an alternative to the Public Works Loans Board (PWLB) as a cheaper source of borrowing for local authorities from the issuing of bonds. The agency, developed by the Local Government Association (LGA), raised equity funds from 56 Councils to provide for operating costs and capital against risks.

The agency aims to provide access to all local authorities to raise external borrowing provided that they meet the criteria set, and at the time of SCC's investment, preferential terms were expected to be provided to those Councils that are also shareholders in the company. It is uncertain whether this commitment will stand in the future.

Progress Update

The company currently has Net Liabilities of £1,321k (as at November 2023) and a £24k loss before tax in the trading year to November 2023 (2022: £156k loss). In order to continue operating as a going concern, the company will require continued external support, in particular from the LGA. Moreover, the company will need to facilitate further bond issuances from its pipeline to earn future revenue and justify the continued support.

Further issues are expected in 2024, and subject to the principal risks and uncertainties described in the Directors' report, the company expects to be able to generate positive cash flows from subsequent offerings on its own account in the short-medium term. New issues are not yet guaranteed, and therefore until new issues have been implemented, the company will be reliant on external support for its continued operations as described below.

The LGA, the company's service providers and local authority shareholders, have been supportive of the Company and, as the largest and founding shareholder, the LGA has issued a non-binding Letter of Comfort to the Board in January 2018. In this letter they set out an offer of ongoing financial and operational support, with the exception of financing liabilities which will benefit from a separate guarantee, for a period of 10 years with the aim of ensuring the business continuity of the company.

In line with this commitment, the LGA has arranged for a convertible loan facility to ensure the company has access to sufficient funds required for its initial bonds' issues. In 2021 the LGA Board agreed in principle to provide an additional loan facility of up to £400,000 to ensure availability of funds to the company should the need for bridging finance arise when working on its pipeline of bonds.

At the date of approval of these financial statements, the LGA has been honouring its commitment and has taken on the cost of accommodation of the company through the provision of a convertible loan facility on commercial terms, plus office space, and financial administration and company secretarial functions, at no cost to the company until March 2020, after which these services were provided on a paid for basis.

The recent Bank of England base rate rises and the war in Ukraine have adversely impacted the financial markets. The sterling debt market has been affected with a sharp increase in volatility which has contributed to the delays of the company's planned pipeline of bond transactions in 2023. In the year to 30 November 2023 there has been a further delay due to market conditions being poor, such that the UKMBA has been unable to offer issues at competitive rates below PWLB. However, the underlying demand for fixed income securities of various maturities, and other instruments, remains strong.

While interest remains from local authorities which could result in further bond issues, the lack of activity after the initial bond issue has led to the auditors of UKMBA to continue to state that there is material uncertainty related to going concern. As a result of the material uncertainty related to going concern, SCC continue to carry the value of the investment at £nil. Should the performance of the company recover, the investment value can be reinstated. However, the treatment adopted removes any future risk relating to the company for the Council.

Glossary

Articles of Association

A company's Articles of Association set the rules (the constitution) for the company. The Articles are filed as part of the incorporation process and are publicly available documents. The objects of the company describe what the company will do. The objects of a company are now deemed to be unlimited, unless the Articles limit them.

The Articles may restrict the decision-making powers of the Directors – these are described as Reserved Matters. The Articles may be changed at any time by a special resolution of the members (the shareholders) of the company.

Companies created by the Council follow the model articles with the exception of the introduction of reserve powers in matters of strategic importance and one or two other minor exceptions.

Assets

A Council owned company may purchase assets from the Council. In disposing of assets, the Council must ensure that it receives appropriate market value and the company in turn will be required to purchase at market value in order to ensure that there is no financial subsidy or advantage that may be deemed as State Aid/Subsidy Control.

The Council will retain property assets unless there is a financial advantage to transfer (for example, where the purpose of the trading company relates to property activities). Market rents will be charged for occupancy of property assets – rents are a pre-tax expense making this arrangement tax efficient and this also ensures that the Council's balance sheet remains strong and is not diluted.

Surrey Choices Ltd purchased operational assets, such as vehicles and musical equipment, at appropriate market values from the Council and this formed part of the initial set-up costs for the company.

Debt Financing

Debt financing provides the funds required to run a business. A company may borrow the money required to grow and develop the business.

Interest on debt is a business expense, and therefore deducted before tax.

Companies created by the Council, such as Hendeca Group and Surrey Choices have been set-up with limited equity funds. Funding for growth and working capital requirements has been provided by the Council under an agreed loan facility. The Council provides loans to enable Halsey Garton Property to buy investment assets.

Directors' Duties

The SHIP is responsible for appointing (and removing) Directors to act on its behalf in relation to companies in which the Council holds shares. Directors' duties are described in the Companies Act 2006 and include a responsibility to promote the success of the company, exercise independent judgement and exercise reasonable care, skill and diligence.

Directors appointed by the Shareholder Board do not receive additional remuneration for their role and are covered by indemnities provided by the Council in respect of financial loss (an extension of the indemnities provided by the Council to staff and members as agreed by Cabinet in March 2013). This does not and cannot extend to negligence, default, breach of duty or breach of trust.

The Council's legal team brief Directors so that they understand their duties.

Group Companies

Companies form a Group if one is a subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person. Companies within a Group can take advantage of Group Tax relief. In tax legislation, the Council is a body corporate that can perform the link between LATCs and therefore the losses of one company can be offset against profits of another.

This group status in tax law also provides the Council with the ability to be exempt from stamp duty which would ordinarily apply to property transactions (including the entering into lease arrangements) between group companies).

The Council is required to produce Group Accounting statements which mean that the financial results of its LATC's will be included together with the financial results of the Council. The Council will continue to also produce detailed Annual Statements of Accounts on a single entity basis.

Joint Venture

A Joint Venture company is one that is owned by more than one shareholder, where the shareholders concerned are corporate bodies in their own right. The term Joint Venture is not one that is legally defined and is often used in respect of other arrangements that do not necessarily involve a limited company. For example, a Joint Venture may also be a Limited Liability Partnership or may be used to describe an arrangement between public bodies.

LATC (Local Authority Trading Company)

The terminology "LATC" is often used to describe a company that is owned by a Local Authority (i.e., Local Authority Trading Company). It is not a different form of company and most companies described as LATC's are companies limited by shares, with the shares and therefore the company being wholly owned by the local authority.

Companies created by SCC are most likely to be limited by shares, as this structure ensures that profits can be returned to the shareholder (the Council) in the form of dividend payments and provide the possibility for future sale. It is the most suitable structure for trading activity and enables the Council to create a tax group.

It is possible that other company structures may be applicable in certain circumstances; however, these structures tend to involve the removal of Council control or would mean an inability to return profits-examples are companies that are limited by guarantee.

Limited Liability Partnership (LLP)

A Limited Liability Partnership is an alternative legal structure that is similar to a traditional partnership (e.g., as used by a firm of solicitors) but it limits financial risk whilst still being able to benefit from flexibility of structure, tax, profit distribution and the rights and duties of the partners. A partner of an LLP is called a member and is similar to a degree to a shareholder. A

partnership agreement will usually be put in place to set out the rights, responsibilities and liabilities of each member and will specify the way in which the LLP will be managed.

LLPs do not have to pay Corporation Tax – it is "transparent" for tax. This means that each member is taxed in accordance with its own tax status. This is beneficial for the Council as it means that Corporation Tax is not payable on its share of the profits. An LLP however can only be set-up by a Council in certain circumstances and cannot be established where the purpose of the LLP is purely to trade or deliver an income.

An LLP is permissible for the creation of the "JV" with Places for People since this entity is being established for the purpose of creating a model to deliver benefits to residents from the development of housing and mixed used schemes utilising the Council's vacant sites. As this is an activity that the Council can undertake in its own right (rather than requiring a company to be set-up) an LLP is an appropriate structure.

Reserved Matters

Reserved matters are important decisions for which the Directors are required to seek and gain Shareholder Approval. These decisions are written in the company's Articles of Association which defines how the company operates.

The Shareholder Board has delegated authority to perform these functions on behalf of the Council. The reserved matters of SCC's companies have been written to ensure that the Shareholder Board is responsible for consideration of issues of strategic importance, take decisions that may involve changes to financial risks or may have an impact on the Council's reputation.

Share Capital (Equity)

Equity or shares in a company represent the ownership interests. The Equity invested is the amount of funds contributed by the owners to the financial requirements of the company. In a limited liability company, the owners / shareholders lose no more than the amount invested. Equity invested at start-up is evaluated on the basis of assets owned and/or earnings potential.

Financial returns to the shareholders are made in the form of dividend payments. Dividends are not a business expense and are paid from post-tax profits.

Shareholders

The Shareholders (the owners of a company) and directors have different roles in a company. The Shareholders own the company and the directors manage it. The Directors must obtain shareholder approval for decisions where the shareholder has restricted the powers of the Directors – these are called reserved matters. The Shareholder Board has delegated authority to perform these functions on behalf of the Council.

Shareholders' Agreement

These are agreements between shareholders which are private documents. These agreements set out how the shareholders interact with each other and can define what happens in the event of dispute. A shareholder agreement is only relevant when there is more than one shareholder and is recommended practice for Joint Ventures.

SCC has entered into a shareholder agreement for TRICS Consortium Ltd.

Support Services

The 2003 Local Government Act provides the ability for the Council to enter into agreements for the supply of goods and services, by and to a LATC. The supply of goods, services and financial assistance must be made without subsidy. The legislation guides the Council to apply CIPFA definitions of total cost in calculating the cost of supplies made to a Trading company. This provides the ability to recover all costs in the organisation, including a proportion of all central overheads, depreciation, capital costs and pension back-funding. This wide definition allows significant overhead recovery in the provision of services to an LATC. The supply of goods and services calculated on this basis will be compliant with State Aid/Subsidy Control legislation.

The arrangements for LATCs should seek to ensure that the overall cost base of the Group is not unnecessarily duplicated or increased as a result of any new arrangements. Therefore, SCC will provide services to an LATC where it is in a position to do so, where these services are fit for purpose for the business and support its strategy and can be supplied at a cost that is competitive. This is particularly important from a Group perspective where costs are relatively fixed, for example in the provision of payroll services where a substantial portion of the cost relates to the system.

TUPE

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) protects employees when a business changes to a new owner and apply to “relevant transfers” which may occur in many situations, including service provision or contract changes. In these situations, the employment transfers, employment terms and conditions transfer, and continuity of employment is maintained.

The new employer is therefore required to provide the same terms and conditions to the staff concerned. Alternate provision can be made, e.g., a cash alternative to a lease car, but this alternate provision must be acceptable to the employee.

SCC is required to follow the provisions of TUPE. This will apply where a service is being transferred to a trading company, as occurred with the award of the commissioning contract for services to Surrey Choices. A LATC will additionally be required to follow TUPE provisions when taking over a service contract from another supplier – for example, as in the case for Hendeca Group in the provision of IT managed services previously supplied to the customer by another provider.

Teckal

The Public Contracts Regulations 2015 deals with public contracts between entities within the public sector.

SCC needs to ensure that arrangements comply when considering transferring activities to a trading company, assuming that the Council wishes to purchase or continue to purchase the services. The arrangements for Surrey Choices comply with these considerations.

Transfer Pricing / State Aid / Subsidy Control

Transfer Pricing refers to the price at which divisions of a company or a group of companies transact with each other – the terminology relates to all aspects of inter-company financial arrangements. These arrangements have potential implications for the tax authorities since they can be used by multi-national corporations to move profits to countries with lower taxes. The UK has adopted principles of “arm’s length” in tax laws.

State Aid/Subsidy Control could arise where a LATC is established or provided with goods and services and financial assistance at a subsidy.

The cost of goods and services and financial assistance (e.g., loans) supplied by the Council to an LATC will therefore be tested against the market to ensure that prices / rates can be justified on an arm's length basis.

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of the Local Government Act 1972.

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RESOURCES & PERFORMANCE SELECT COMMITTEE NOTES OF PERFORMANCE MONITORING SESSION

19 September 2024 at 3pm (Remote Meeting)

Members in attendance:
David Harmer
Bob Hughes (Chairman)
Andy Lynch
Steven McCormick (Vice-Chair)
John O'Reilly
Lance Spencer
Lesley Steeds (Vice-Chair)
Hazel Watson

Officers/Cabinet Members in attendance:
David Lewis, Cabinet Member for Finance and Resources
Louise Lawson, Strategic Finance Business Partner for CDC, F&CS, Land & Property, and Property and Economic Growth.
David Oates, Head of Performance & Data Management
Richard Supple, Performance Insights Analyst
Bella Smith, Head of Insights, Systems & Governance
Matt Scott, Chief Digital Information Officer
Ricky Whitmore, Head of Architecture, Transition & Project Portfolio Management
Adrian Stockbridge, Assistant Director- Transformation
Graham Glenn, Head of Acquisitions & Disposals
Gary Clothier, Freedom of Information Officer
Abigail Linyard-Tough, Strategic Lead- Resident Insight
David John, Audit Manager
Graham Glenn, Head of Acquisitions and Disposals

Key points raised during the discussion:

Transformation

1. The Assistant Director of Transformation responded to previous queries around customer transformation coming out of the funding and where it was being reported to. What had previously been reported to the committee was the financial information relating to the transformation reserve, but general reserves were now being used to fund some of the Surrey County Council's (SCC) other key transformation programmes. All transformation reporting that went into the strategic transformation board had been revamped and it was proposed to do the same for the Resources and Performance Select Committee. The transformation team would like to provide detailed information rather than just the financial elements of the transformation programmes, such as progress to plan, RAG (Red-amber-green) ratings and areas such as key risks and challenges within the programme, as well as key achievements. The Transformation team was working on a refreshed

dashboard which would be ready for the Committee's next performance monitoring session. This should provide a greater degree of assurance around the key transformation programmes, which included Customer Transformation, Core Function Re-design, Digital and Data work and work around people and culture.

2. The Vice-Chairman asked about the £3.5 million (m) being pulled from reserves and where it would be reported on. The Vice-Chairman asked why it was removed from the performance monitoring reports and where it was going to be reported. The Assistant Director of Transformation explained that it was removed from performance monitoring report because previously only the transformation reserve had been reported to the committee and there was not enough time to get the refreshed financial information, across all transformation programmes, ready for this performance monitoring session. The Vice-Chairman further questioned further why it disappeared from the performance monitoring reports. The Assistant Director of Transformation clarified that it was never included in the performance monitoring report to begin with because the business case was being developed. What was previously included in the report was a holding position in the transformation budget, which was dependent upon the business case being developed and approved. Now the business case was developed and approved, and it was a different funding source. The Vice-Chairman asked how the Committee would continue to have sight of this. The Assistant Director of Transformation confirmed the Committee would have sight of it. The information was being refreshed, and it was hoped to have something ready in the next few weeks to share with the committee.

Residents- SCC Residents Survey

3. ***PSR14: Satisfaction that the Council is making the local area a better place to live:*** The Strategic Lead- Resident Insight provided an overview of the 10-percentage point (pp) increase in the Surrey Fire and Rescue Service (SFRS). SFRS's resourcing had not changed in terms of the services provided but were able to increase their social media presence through resources in the communications team. This meant SFRS was now answering questions raised on social media and providing a more immediate response to the public. SFRS also had a large consultation during the performance reporting period and were therefore out in the community. These two areas combined are believed to be responsible for the increased SFRS' satisfaction rate.

4. A member, in reference to the result of 39.1% for the PSR14 performance indicator, asked how SCC compared with other councils. The Strategic Lead- Resident Insight agreed to provide this information as an action.

Action: Strategic Lead- Resident Insight to provide information on how KPI PSR13 compares with other councils.

Resources- People and Change

5. ***PCO7: Off payroll workers as a % of workforce:*** The Chairman asked how the result of 4.8% for this performance indicator compared with other counties. The Head of Insights, Systems & Governance explained it would vary but agreed to collect neighbouring counties' Off payroll worker data and provide a response.

6. A member requested the same comparative data for Hertfordshire as it was both structurally and geographically comparable to Surrey.

Action: Head of Insights, Systems & Governance to collate neighbouring counties' Off payroll worker data, including for Hertfordshire.

7. ***PC12: Staff with Disabilities (%):*** The Chairman remarked that there was a good improvement in this performance indicator, which had an 8.5% result as of June 2024, but noted there was more that could be done. The Chairman queried if the latest result related to investment made to, for example, making the Woodhatch office more accessible. The Head of Insights, Systems & Governance noted it was too early to directly link this performance indicator to some of the accessibility measures undertaken, particularly in the facilities. However, the latest result reflected the investment made in terms of reasonable adjustments offered to new recruits and existing staff. It also reflected some staff network activity, encouraging people to share that they have a disability. It was noted there was still a lot more work to do in this area.

8. ***PC15: Sickness absence rate (FTE days per employee):*** The Chairman asked how the result, as of August 2024, of 6.2 Full-Time Equivalent (FTE) days sickness absence rate per employee compared to the private sector. The Head of Insights, Systems and Governance explained the result was higher than the private sector, which tended to be around 4 FTE days.

Customer, Digital and Change
Project Updates

9. ***MySurrey01- Defined up-time % of availability:*** The Chief Digital Information Officer provided a brief explanation of the new metric. The metric looked to show the infrastructure availability of the system and the performance of Unit 4 as a provider. The intention was to create a trend line to track this.

10. ***MySurrey02- Resolution of legacy issues backlog:*** The Chief Digital Information Officer highlighted there had been several audit reports carried out and it was anticipated there would be actions resulting from these, which would be added to this performance indicator's metric but managed through a holistic stabilisation programme.

11. A member raised whether a metric could be provided on the amount of people who had returned to work for SCC after previously having left. The Head of Insights, Systems & Governance explained this was not measured, though it could possibly be measured, however when an employee left SCC their personal record was closed, and a new one would be created if they returned, therefore, it would be difficult to track. SCC does conduct exit surveys, they added, which are reported on anonymously, as well as exit interviews.

Service performance (Audit)

12. ***IA02: Implementation of high priority actions agree in response to audit findings:*** The Audit Manager explained that the performance indicator regarded how effective audit's findings were and provided an idea of how the council implements the actions that are agreed. The target for June 2024 was 95%. Two follow-up audits conducted in the last quarter that were previously marked as 'Partial Assurance' had remained at this stage as the actions were not implemented as expected. These audits were the Tree Management follow-up audit and the Social Value in Procurement follow-up audit, which had three priority actions between them that were in-progress but not fully implemented. As a result of these outstanding actions, the performance indicator result was below the target level. Implementing the action was incumbent on management. It was being kept under review and the two audits identified now had re-agreed actions and dates.

Land and Property

13. ***LP08: Estates: To achieve £46m of Capital receipts by 2025:*** The Chairman asked if the latest result of £3.712m, as of September 2024, against the latest target of £26m was the result of timings. The Head of Acquisitions & Disposals confirmed it was and explained that along with the £3.712m achieved, there was also an extra £7.8m contracted for the Coxbridge payment which was payable in January 2025. 11 other assets were currently with solicitors and another 16 properties were being marked, 8 of which were anticipated to be in the 2024/25 financial year. There was a current year-end target of £26m which depends on the outcome of bids. Quadrant Court was due to close bids in the following week which would be a good indicator of whether Land and Property is on target for this performance indicator. There is around £15m of receipts going through this year and next year. It had recently been decided to re-market one of the assets that was under offer due to a change in the market, and reduction in inflation and interest rates. This was indicative of the market showing some positive signs.

Legal and Democratic

14. ***LD04: % Responses to Freedom of Information (FOI)/ Environmental Information Regulations (EIR) requests within statutory timescales- ICO target 90.0%- by Council and Directorates:*** The Freedom of Information Officer outlined that the pothole statistics (reported and repaired) were in the

process of getting published on Surrey-i. Sign-off for the insurance data/claims was awaited to also go on Surrey-i. This was hoped to reduce FOI requests as people could go directly to Surrey-i for information.

15. ***LD08.1: Number of reported data breaches across Directorates:*** The Chairman noted the latest result of 42, for August 2024, was impressive for the size of SCC as an organisation. The Freedom of Information Officer noted that the result was for the number of reported data breaches rather than the actual number of data breaches. When the result of data breaches reported was low, there was a concern of whether all data breaches are being reported.

16. A member raised it would be helpful to 'sectorise' data breaches. The Freedom of Information Officer explained that data breaches were categorised when recorded as low, medium or high significance. Some breaches, but not many, were reported to the Information Commissioner's Office (ICO) if it was a significant breach. This data could be included in the performance indicator.

Action: Freedom of Information Officer to include data on how many data breaches were reported to the ICO in future Performance Monitoring Reports.

17. A member asked if an email sent to someone that should not have been was classed as a data breach. The Freedom of Information Officer confirmed it would be classed as a low severity data breach and would expect this to be logged. The advice to reporting staff member would be to ask whoever received the email to delete it and confirm it had been deleted.

18. The Cabinet Member for Finance & Resources asked what the follow-up procedure was to ensure compliance with the correct procedure. The Freedom of Information Officer explained the report would be logged and advice would be given. It was expected that the reporter of the data breach would follow the advice and confirm it was actioned. It was not always easy to follow-up to ensure that everyone who received an email they should not have had in fact deleted it.

Action: Freedom of Information Officer/ Corporate Information Governance Manager to provide information on how compliance is measured against instructions given following a data breach. Specifically, when asking people to delete emails sent to them by mistake - how is this instruction followed-up on to ensure this was done?

Residents- SCC Resident Survey

19. ***PSR14: Satisfaction that the Council is making the local area a better place to live:*** A member asked for further clarification on the insight that was placed under the 'Bottom 3' heading of this performance indicator. The Head of Performance & Data Management clarified that the Bottom 3 were the areas that most people seemed to be dissatisfied with. 78% of people highlighted they were not satisfied with road maintenance, 50% of people highlighted they were not satisfied with pavement maintenance and 18% of people said that they were not satisfied with community recycling centres (CRCs). Insight placed in the Top 3 (areas people were most satisfied with) included SFRS, Parks and Open Spaces, and Primary Schools.

20. The member asked if any action had resulted from CRC's position in the Bottom 3, with 18% of respondents interviewed this quarter dissatisfied with CRCs. The Strategic Lead - Resident Insight explained that regular reporting to the Senior Leadership Team was being developed. Some of the areas in the Bottom 3 were consistently in this position -three areas had to be in the Bottom 3, as this was what was asked for in the reporting, but it was only just under 1/5 of residents that participated in the survey that reported being dissatisfied with CRCs. The Resident Insight team worked with each individual area to see what was being done and how areas could be improved. The survey was also perception-based, and it may be that a resident had not used a CRC in this quarter.

21. A member raised that different CRCs had differences in effectiveness and queried why all centres were put into one category. The Strategic Lead - Resident insight explained that when the Resident Insight team worked with the CRC facilities, the data could be split up by district and borough. It was not reported by district and borough at these Performance Monitoring sessions as it was beyond the scope, but it could be provided if desired.

22. The Vice-Chairman asked if there were any plans to address the items that were placed in the Bottom 3, to address the concerns raised and if the committee could see these. The Strategic Lead - Resident Insight explained that this was being worked on and would look into what could be provided at the next Performance Monitoring session.

Action: The Strategic Lead - Resident Insight to investigate what can be provided for the next Performance Monitoring Session with regards addressing items in the 'Bottom 3' and concerns raised around them.

Resources and Performance Select Committee
Forward Work Programme 2024

Resources and Performance Select Committee | Chairman: Cllr Bob Hughes Scrutiny Officer: Jake Chambers | Democratic Services Assistant: Hannah Clark					
Date of Meeting	**Issue for Scrutiny**	**Purpose**	**Outcome**	**Relevant Organisational Priority**	**Cabinet Member/Lead Officer**
6 December 2024	**Draft Budget 2025/26 and Medium-Term Financial Strategy to 2029/30**	Scrutinise the draft budget, Medium-Term Financial Strategy and other relevant information before it is finalised in January 2025.	To ensure the 2025/26 budget delivers best value.	Growing a sustainable economy so everyone can benefit	David Lewis, Cabinet Member for Finance and Resources; Andy Brown, S151 Officer and Executive Director of Finance and Corporate Services Liz Mills – Interim Executive Director – Customer, Digital & Change Rachel Wigley, Director - Finance, Insights and Performance; Nicola O'Connor, Strategic Finance Business Partner; Louise Lawson, Strategic Finance Business Partner
	Use of artificial intelligence at Surrey County Council	Consider a paper outlining the ways in which AI tools are being used to improve efficiency and effectiveness in local government, and how Surrey County Council is doing this.	For Select Committee to offer input into the use of AI at the council through conclusions and recommendations.	Growing a sustainable economy so everyone can benefit	Matt Scott, Chief Digital Information Officer Joanne Blount, Portfolio Lead, DDAT and Culture

5 February 2025	**Customer Transformation Programme Update**	To receive an update on the work of the Customer Transformation Programme	For Select Committee to continue to oversee the implementation of the Customer Transformation Programme		Liz Mills – Interim Executive Director – Customer, Digital & Change Michael Smith, Director, Design & Transformation
	Review of contract management practices and Social Value refresh	To scrutinise the proposed review of contract management practices in the council and offer views on the new approach to Social Value.	For Select Committee to offer input or recommendations on the Social Value work	Growing a sustainable economy so everyone can benefit	Andy Brown, S151 Officer and Executive Director of Finance and Corporate Services Darron Cox, Director of Procurement
2 April 2025	**Agile Programme Update**	Committee to receive an update on the Agile Programme's achievements and objectives	Overview of the Agile Programme's successes against its stated aims.	Growing a sustainable economy so everyone can benefit; Enabling a greener future	*To be confirmed.*
	Review of spending control mechanisms	Consider the different methods of spending controls available to the council, as well as the impacts of the Spending, Recruitment and Procurement Boards	To offer input or recommendations on the council's means of controlling spending.	Growing a sustainable economy so everyone can benefit	*To be confirmed.*

Task and Finish Groups					
Timescale	Issue for Scrutiny	Purpose	Outcome	Relevant Organisational Priority	Membership

Performance Monitoring Sessions: 16 December.

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).

Not yet programmed:

- **Treasury Management Strategy:** To receive information on the Treasury Management Strategy (TMS) as part of the 2024/25 budget process.
- **Update report on the Customer Transformation Programme:** Updated information regarding costings and benefits of the Customer Transformation Programme with detailed financial information, as requested at the 18 July 2024 meeting of the committee.
- **Customer Transformation Programme – Full Business Case:** [To include the scoping of the £10million savings from the Core Function Redesign.]
- **Updates on the implementation DB&I recommendations:** Regular monitoring of how the recommendations of the Digital Business & Insights Task Group Final Report. Timescales to be agreed.
- **Review of Procurement:** To consider changes to procurement practices in light of new government legislation and best practice.

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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Date	Item	Recommendation	Responsible Member/ Officer	Deadline	Progress check	Recommendation response accepted/ implemented
18 July 2024	Digital Inclusion	**RPSC 10/24:** The Resources and Performance Select Committee notes the draft Digital Inclusion Strategy and the approach of embedding digital inclusion within the Customer Transformation Programme to ensure its reach and sustainability.			20/9/24	Recommendations distributed for response on 19 July 2024. **Response of 26 September 2024** **Complete:** Sarah Hardman will continue to oversee this work under the Customer Transformation Programme in her role of Programme Director. Updates and progress will be reported into her.

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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18 July 2024	Digital Inclusion	**RPSC 11/24:** However, the Resources and Performance Select Committee also recommends that the Digital Inclusion Strategy is discussed with the Disability Partnership Board and their recommendations, along with those from other representative organisations, including the Surrey Minority Ethnic Forum, come to this committee; and,			20/9/24	Recommendations distributed for response on 19 July 2024. **Response of 26 September 2024** **Ongoing:** The Digital Inclusion Strategy will be tabled at the October meeting of the Disability Partnership Board. Officers have already met with a number of representative organisations (including Surrey Coalition of Disabled People, Age UK Surrey, Sight for Surrey and SMEF) both individually and via the Surrey Digital Inclusion Group. The revised action plan was presented to the Surrey Digital Inclusion Group on September 23 and was welcomed and endorsed by the group.

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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18 July 2024	Digital Inclusion	**RPSC 12/24:** The Digital Inclusion Strategy is revised in light of the select committee's comments, and returns to the select committee for further scrutiny after review.			20/9/24	Recommendations distributed for response on 19 July 2024. **Response:** **Complete:** The revised strategy and action plan with SMART objectives are attached. As noted above, this has been refined in collaboration with key VCSE partners, including the Digital Inclusion lead at the Surrey Coalition of Disabled People. The key update to the strategy is that one of the members of the Digital Surrey group wished it to be widened to consider infrastructure – this now shows as point 6 but is yet to be fully worked through.

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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18 July 2024	Customer Transformation Programme	**RPSC 13/24:** The Resources and Performance Select Committee notes the progress made to date during the *Discovery* and *Design* phases of the programme.			30/9/24	Recommendations distributed for response on 18 July 2024. **Response of Friday 27 September:** Noted by the Interim Executive Director of Customer Digital and Change.
18 July 2024	Customer Transformation Programme	**RPSC 14/24:** Notes that Cabinet will receive four recommendations in relation to the Customer Transformation Programme as set out in the Cabinet papers, welcomes the progress made in the Programme to date, and further notes the potential benefits of the Customer Transformation Programme.			30/9/24	Recommendations distributed for response on 18 July 2024. **Response of Friday 27 September:** Noted by the Interim Executive Director of Customer Digital and Change.

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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18 July 2024	Customer Transformation Programme	**RPSC 15/24:** Further notes that if the programme is approved by Cabinet, the programme contains potential risks, and recommends that this select committee continue to receive regular updates, and greater information about risks, on the Customer Transformation Programme, to ensure that it delivers Best Value for Surrey residents and does not potentially adversely affect Council budgets.			30/9/24	Recommendations distributed for response on 18 July 2024. **Response of Friday 27 September:** Noted - since the Resources and Performance Select Committee meeting in July the Customer Transformation Programme's Full Business Case was agreed at Formal Cabinet on 23rd July. The Customer Programme will share relevant and appropriate information with the Member Reference Group from the R&P Select Committee, which is to be established following Cabinet's response to Resources and Select Committee report on 23 July 2024. The Cabinet report included appreciation of the Committee's commitment to providing continuing scrutiny input

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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						into the programme, including through establishment of a Member Reference Group from the Select Committee.
18 July 2024	Customer Transformation Programme	**RPSC 16/24:** Recommends that an updated Business Case is brought back to this Select Committee, including detailed financial, technical and other information on the risks and benefits of the programme.			30/9/24	Recommendations distributed for response on 18 July 2024. **Response of Friday 27 September:** The Customer Programme will share relevant and appropriate information with the Member Reference Group from the R&P Select Committee, which is to be established following Cabinet's response to Resources and Select Committee report on 23 July 2024.

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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ACTIONS

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12 March 2024	Equality, Diversity and Inclusion Update (Item 6)	**RPSC 6/24:** In summer 2024, EDI Team to share the longer-term visions within the EDI Strategy.			22/08/24 Response due 11/09/24	Shared with Committee on 12/04/2024 **Responses:** This is a longer-term action and will be available following a period of co-design with partners in late summer. We will share this as soon as it is ready. **Updated Response of Tuesday 11 September 2024:** The work to develop the longer-term framework for ED&I in Surrey is progressing well. We are currently engaging with colleagues internal to SCC and

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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						partner organisations on the evidence base which helps us to understand who is experiencing greatest inequality of outcome and opportunity, and are therefore being left behind. The evidence base focusses on 5 key areas: Financial security and employment; Education and learning; Health and Wellbeing; Independent and secure living conditions; Access, participation and influence, individual, family and social life. The first draft of the Framework will be completed mid-November 2024. We will be sharing the draft evidence base with Members in the coming weeks and there is an opportunity for them to join a drop-in with Ioni Sullivan and I to

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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						discuss and share any reflections from their experiences of working within their communities on 3rd October at 2pm. We will also be in the marketplace scheduled at Woodhatch Place on 9th October.
18 July 2024	Digital Inclusion	**RPSC 11/24:** The Interim Executive Director of CDC to take forward comments made by a Member regarding accessibility issues at the canteen in Woodhatch Place, in the context of the wider work and lived experience.			9/9/24 05/09/23	Distributed for response on 8 August **Response:** The Interim Executive Director of CDC confirmed that she raised this with the Director of Land and Property with a view to them making reasonable adjustments in the light of the lived experience of those with accessibility needs. The Programme Manager- EDI noted, regarding the canteen issue, that this was raised via the Accessibility Forum – as the

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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						Customer & Experience Manager also noted, there are no immediate simple solutions to issues, but the forum will work through what is possible and advise on any future developments.
18 July 2024	Digital Inclusion	**RPSC 12/24:** The Interim Executive Director or CDC to raise with Adults, Wellbeing and Health Partnership colleagues a Member's concerns around sheltered housing and bill quotes to update their systems (i.e. fire and community alarms).			5/09/23	**Responses:** The Digital & Customer Experience Manager noted this is a nationally led programme of work by the telecom industry. They have approached colleagues in Comms to help with additional messaging to support. The Interim Executive Director for CDC noted she has asked the Chief Digital Information Officer to complete a full assessment of

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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						impact of the swich over including for these services.
18 July 2024	Customer Transformation Programme	**RPSC 13/24:** The Interim Executive Director of CDC to share the breakdown of the number of customer complaints received.			30/9/24	Distributed for response on 8 August **Response of 27 September 2024:** A breakdown of complaints are available in the 23-24 Annual Complaints June report which was shared with the Audit & Governance Committee on the 5th June (from page 40): Item 6 - Annual Complaints Performance Report.pdf (surreycc.gov.uk). Going forward, the complaints team is reviewing the reporting format for complaints performance and insight, with plans to provide a unified, organisation-wide view

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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						of complaints. The mid-year complaints report that will go to A&G in November 2024 will provide an improved breakdown of the complaints received. This report can be shared with the Resource and Performance Select Committee when available.
18 July 2024	Customer Transformation Programme	**RPSC 14/24:** The Interim Executive Director of CDC to share a breakdown of the number of complaints received via the Council website's web forms.			30/9/24	Distributed for response on 8 August **Response of 27 September 2024:** Details on the number of complaint forms submitted in total and a breakdown by services are available in the 23-24 Annual Complaints June report which was shared with the Audit & Governance Committee on the 5th June (from page 39, para 14 & 15): Item 6 - Annual Complaints

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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						Performance Report.pdf (surreycc.gov.uk).
18 July 2024	Customer Transformation Programme	**RPSC 15/24:** The Interim Executive Director of CDC committed to share more information on the benefits/efficiencies of the programme (e.g. how the benefits had been defined).			30/9/24	Distributed for response on 8 August **Response of 27 September 2024:** The Customer Programme will share relevant and appropriate information with the Member Reference Group from the R&P Select Committee, which is to be established following Cabinets response to Resources and Select Committee report on 23 July 2024.
18 July 2024	Customer Transformation Programme	**RPSC 16/24:** The Interim Executive Director of Finance & Resources and S151 committed to include detail of the £17.9 million savings for the Customer Transformation Programme - e.g. what is the figure			30/9/24	Distributed for response on 8 August **Response of 27 September 2024:**

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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		composed of, how were the sources identified, how would they be achieved, is it an annual or 4-yearly figure? - to both Cabinet and the Resources and Performance Select Committee.				The £17.9 million savings presented at Strategic Transformation, Improvement and Assurance Board (STIAB) reflects the total savings expected from both Customer Transformation (£7.9m) and the Core Function Redesign programme (£10m) by 2027. The Customer Programme will share relevant and appropriate information with the Member Reference Group from the R&P Select Committee, which is to be established following Cabinets response to Resources and Select Committee report on 23 July 2024.
18 July 2024	Customer Transformation Programme	**RPSC 17/24:** The Interim Executive Director of Finance & Resources and S151 also to update on the benefits of the planned changes to			30/9/24	Distributed for response on 8 August

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

Annex B

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		Data & Digital, for which a Business Case is in the process of being formulated.				**Response of 27 September 2024:** The Digital and Data Business case was signed off by STIAB July 2024. There is an ongoing piece of work to develop the benefits approach which will be refined over 24/25 as more insights on value can be gained from existing and planned work.
18 July 2024	Customer Transformation Programme	**RPSC 18/24:** The Interim Executive Director of CDC to share explicit information on the risks and dependencies of the Programme, before and after mitigation ratings			30/9/24	Distributed for response on 8 August **Response of 27 September 2024:** The programme risks have been reviewed considering feedback from Select Committee, and updated through work with the programme's Steering Group, the Council's Risk Manager and Transformation. The DB&I

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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						programme's 'Lessons Learned' have been used to identify and mitigate risks that may impact the programme. The transformation risk register does not include RAG ratings before mitigating controls are in place to align with the councils Risk Strategy (signed off by the Audit and Governance Committee). Key transformation programmes and services have been identified as core dependencies for the Customer Transformation Programme. As the programme develops and matures, additional dependencies will be identified and effectively monitored. The Customer Programme will share relevant and appropriate information with the Member

Annex B

RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
October 2024

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						Reference Group from the R&P Select Committee, which is to be established following Cabinets response to Resources and Select Committee report on 23 July 2024.

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