

Notice of Meeting

Resources and Performance Select Committee



Date and Time

Friday, 6 December
2024
10.00 am

Place

Council Chamber,
Woodhatch Place,
Reigate

Contact

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Scrutiny Officer
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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 OCTOBER 2024

(Pages
5 - 16)

Purpose of the item: To agree the minutes of the Resources and Performance Select Committee held on 18 October 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 (*2 December 2024*).
2. The deadline for public questions is seven days before the meeting (*29 November 2024*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 CABINET RESPONSE TO SELECT COMMITTEE RECOMMENDATIONS (Pages 17 - 20)

Purpose of the item: For the Committee to consider the response of Cabinet to the recommendations of this select committee throughout the scrutiny of the budget-setting process.

6 SCRUTINY OF 2025/26 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2029/30 (Pages 21 - 70)

Purpose of the item: Scrutiny of the Draft Budget and Medium-Term Financial Strategy.

7 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER (Pages 71 - 84)

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.

8 DATE OF THE NEXT MEETING

The next meeting of the Resources and Performance Select Committee will be held on 5 February 2025 at 10:00am.

**Terence Herbert
Chief Executive**

Published: Friday, 29 November 2024

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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.

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

These minutes are subject to confirmation by the Committee at its meeting on Friday, 6 December 2024.

Elected Members:

- Nick Darby
- * Tim Hall
- * David Harmer
- * 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)

29/24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies had been received from Cllr John O'Reilly.

30/24 MINUTES OF THE PREVIOUS MEETINGS: 18 JULY 2024 [Item 2]

The committee **AGREED** the minutes as a true and accurate record of the meeting.

31/24 DECLARATIONS OF INTEREST [Item 3]

None declared.

32/24 QUESTIONS AND PETITIONS [Item 4]

One public question was received in advance of the meeting and was published as a supplement to the agenda. The Chairman noted that the answer was circulated before the meeting.

33/24 CABINET RESPONSE TO THE DB&I RECOMMENDATIONS [Item 5]

Witnesses:

Cllr Bob Hughes, Chairman

Cllr Steven McCormick, Vice-Chairman

Key points raised during the discussion:

1. The Chairman stated that all 18 recommendations had been accepted by Cabinet.
2. The Cabinet member for Finance outlined that he had emphasised to officers that the recommendations would be used as a checklist for future projects.
3. A Vice-Chairman explained that the task group's intention was to make the recommendations tangible and workable within the organisation, as well as a learning tool for other organisations. The Vice-Chairman suggested the monitoring of the recommendations' progress should be added to the Committee's Forward Work Programme. The Cabinet Member for Finance and Resources suggested the committee not look at the stabilisation work too early, noting the intention to complete the work by the end of March 2025.

The Committee **NOTED** the responses to the recommendations.

Actions/requests for further information:

The Scrutiny Officer is to ensure that any updates on the implementation of the DB&I report's recommendations are added to the FWP for after March 2025.

34/24 STRATEGIC INVESTMENT BOARD (SIB) ANNUAL REPORT [Item 6]

Witnesses:

David Lewis, Cabinet Member for Finance and Resources
Andy Brown, Deputy Chief Executive & Executive Director Finance & Corporate Services (Section 151 Officer)
Diane Wilding, Director - Land and Property
Charles Maxlow-Tomlinson, Managing Director - Halsey Garton Property
Neil Jarvey, Strategic Finance Business Partner - Commercial
Bill Harrow, Senior Finance Business Partner - Commercial

Key points raised during the discussion:

1. Prior to the discussion, Cllr Edward Hawkins noted he was previously, but no longer, a council appointed governor for Halsey Garton Properties (HGP).
2. The Strategic Finance Business Partner - Commercial provided a brief introduction to the report.

3. The Chairman outlined the report's statement that unaudited pre-tax net profits of £1.3m were achieved this year, a reduction of £1.1 million (m) on the £2.4m achieved last year. The Chairman asked if an explanation could be given about the property disposal and bad debt provision that preceded this. The Strategic Finance Business Partner - Commercial explained that the £1.1m drop mainly related to Halsey Garton Property (HGP). The disposal of Melksham contributed to this, which was a positive outcome for the Council as it had an element of long-term risk and was sold at a profit. Melksham was disposed of part way through the year which resulted in no ongoing rent, a loss of £0.7m, offset by £0.5m of additional interest. The £0.8m rental incentive for Melksham, originally expected to be amortised over the lease term, had a £0.8m impact due to its disposal. There was a £400,000 annual difference due to bad debt, and a one-off benefit where a debtor paid off their debt in 2022/23 which was accumulated in the Covid-19 pandemic and a benefit from having lower voids through less vacancies around HGP. Overall, HGP had undergone a £0.7m annual profit reduction, due to items related to one-off events or Melksham's disposal. There was a further £0.4m drop in Hendeca due to one-off items and a change in the mix of business.
4. A Vice-Chairman asked for clarification on an apparent disparity in HGP's interest payments to the Council which was quoted on page 62 of the agenda as £14.3m and £14.8m on page 49 of the agenda. The Strategic Finance Business Partner - Commercial clarified that the £14.3m related to HGP and the £14.8m referred to all the subsidiaries including around £0.4m from Halsey Garton Residential (HGR) and around £0.1m from Surrey Choices.
5. In response to the Vice-Chairman's query regarding what trend was exhibited in the £14.8m of interest paid to the council, the Strategic Finance Business Partner - Commercial explained those were longer-term loans expected to continue annually. HGP has a fixed rate of interest of around 6%, which would return £14.3m of interest annually for the duration of the loans, while HGR's was an annuity loan with a slight difference between the principal and interest each year, for example £0.1m relating to Surrey Choices ran until 2029 and reduced annually because Surrey Choices paid principal. The Vice-Chairman asked if there was an upward trend in the interest received by the Council. The Strategic Finance Business Partner - Commercial explained that dividends were more variable, noting that there were £0.4m in dividends in 2022/23 which dropped to around £22,000 in 2023/24, mainly because of a reduction in Hendeca's profits, so could not pay dividends. The TRIC Consortium Ltd's dividends were consistently between £70,000 to £90,000, but due to one-off items in their 2023/24 Profit and

Loss statement, they were unable to pay a significant dividend, they added, before noting that this was expected to return to normal levels.

6. Regarding page 64 of the agenda, which stated that a key HGR principle was to retain and repurpose existing assets forecasted to deliver Council policy, the Chairman asked what policies HGR was serving. The Strategic Finance Business Partner - Commercial explained that there was interest in essential worker housing when the strategy was produced in 2023 with the idea that the Council could repurpose some of their properties to support an essential worker policy, though this has since been put on hold. The intention was that properties that could not support an essential worker policy or were not financially viable for the Council would begin to undergo a process of disposal, with HGR revisiting the policy requirement from the Council within the next 12 months and deciding whether HGR needed to repurpose or potentially dispose of more properties. The Managing Director - Halsey Garton Property added that government legislation, such as the Renters Reform Bill and Decent Home Standard legislation, would likely make it more expensive for landlords to hold residential property for the leasing market. At the current time, they added, SIB, as the shareholder, decided not to repurpose some of HGR's assets for an essential worker housing policy, so the agreed company strategy for the short- to-medium term was to divest properties when tenancies came to renewal.
7. A member asked about the taxation implications of a large-scale disposal programme of HGR's residential properties. The Strategic Finance Business Partner - Commercial explained there was not a tax impact for disposing of HGR's properties as the freehold was retained by the Council.
8. Regarding freedoms awarded by the Localism Act to generate revenue in future years, a Vice-Chairman asked how the Council was looking to explore those freedoms and how well the Council's trading and investment activities helped to improve financial resilience, considering the previously referenced decreases in dividends and pre-tax profits. The Strategic Finance Business Partner - Commercial replied that the Council intended to conduct a refreshed review of all their investments over the next 12 months, and that financial reviews of two subsidiaries were conducted in the last 12 months, recommendations from which are being implemented. When the long-term financing of Halsey Garton Property Investments Ltd (HGPI) was reviewed, a whole strategy of the investments would be produced to examine whether it would, for example, deliver long-term financial resilience. They clarified that an updated strategy would be produced to consider alternative options, and

that case-by-case reviews are currently being conducted. The Vice-Chairman asked if the refreshed review, when complete, could be added to the Committee's Forward Work Programme.

9. Regarding the report's reference to changes in Public Works Loan Board (PWLB) borrowing rules (page 59 of the agenda), a member asked what long-term effects this was expected to have on the Council's ability to generate revenue through Local Authority Trading Companies (LATCs). The Strategic Finance Business Partner - Commercial explained that the Council can protect and maintain assets already invested in, for example, if the Council needed to invest into one of the buildings within the HGP portfolio and the company was not able to fund this, the Council would be able to add further investment to protect the value and ensure the best return. They also stated that the Council may not necessarily want to invest more into property or commercial assets due to its present level of risk, regardless of the fact that the Prudential framework and PWLB rule changes now prevent any local authority from making further investment purely for commercial purposes. The Council was comfortable with the level of investment it had and there was no indication the Council needed to divest of anything, they added. The member asked whether the Council could borrow money for the purchase or improvement of property under the current rules. The Strategic Finance Business Partner - Commercial explained that if profit could be deemed as a secondary benefit to a service purpose or regeneration, then it could, though this was not the case for HGP as its purpose was to produce commercial returns for the Council.

10. A member asked what assessment had been made of the quality of the services provided by the different investment vehicles, as well as how cost effective they are. In terms of cost effectiveness, the Strategic Finance Business Partner - Commercial provided the example of Connect2Surrey, where the Council paid a lower rate for the recruitment than under the previous third-party arrangement and agreed to share this figure after the meeting. Regarding the quality of services, the Strategic Finance Business Partner - Commercial outlined Connect2Surrey's financial benefits to the Council such as that they recruited exclusively for the Council and the rates of pay, markups and margins were fixed through a framework. They further added that Surrey Choices was subject to a financial sustainability review including an approximate comparison to market pricing, and that their contract ran to the end of March 2025. A revised commissioning strategy was being prepared, with a procurement exercise likely to follow as it was deemed prudent to reevaluate the market alternatives, they added.

11. The member asked about other organisations that provide services, such as TRICS Consortium Ltd, and if a similar assessment would be undertaken. The Strategic Finance Business Partner - Commercial explained there has not been a similar assessment of TRICS Consortium Ltd (TRICS). The majority of TRICS's business was outside of the Council, with 6 local authority partners as well as the wider market. Therefore, the Council was not compelled to use TRICS Consortium Ltd. There is an emerging intention to review the Council's shareholding in TRICS, they said; the Council also has to ensure that TRICS afforded the same opportunity to its other shareholders. Therefore, the Council intended to ask for an annual general meeting-style review of TRICS's business plans.

12. The Chairman asked about Surrey Choices' employability performance in terms of the Council's objectives. The Strategic Finance Business Partner - Commercial agreed to provide an answer after the meeting.

13. In reference to page 14 of the Annual Report (page 64 in the agenda) which referred to "[...] pending legislation changes which are considered to be a significant risk.", a member asked what those expected legislative changes were and what their likely effects would be. The Managing Director - Halsey Garton Property noted the main legislative change was the Renters Reform Bill, the effects of which would include the ability to remove disruptive tenants, as well as those causing issues to properties and with neighbours. They also noted the Decent Home Standards legislation, which would be expensive for some landlords to comply with, particularly with the changes to Energy Performance Certificate (EPC) levels, adding that HGR would be impacted by this. The officer went on to point out that a vast majority of HGR's properties, despite being well-maintained, would not comply with the required EPC levels because of their style and age and that a minimum estimate of £10,000 per property has been made for bringing them up to the required Decent Home Standard. The member asked what the plans were to tackle those issues. The Managing Director - Halsey Garton Property explained that each individual property has been identified in HGR's budget, with each having individual condition reports, stating that a cost of anywhere between £10,000 to £100,000 on any specific asset was put in place for the expected cost to comply with the new legislation. Responding to the member's question as to whether this is considered affordable, the Managing Director - Halsey Garton Property clarified that it was not. This was why the HGR's two-year company strategy, approved by the Strategic Investment Board (SIB) on 24 July 2023, stated it as the reason the Council was looking to not renew properties and divest assets as it was not sustainable for the future viability of HGR.

14. A Vice-Chairman stated that the report referred to the fact that the expenditure plans in the Medium-Term Financial Strategy (MTFS) were dependent on achieving expected net investment income. If this was not achieved, the Vice-Chairman asked what steps would be taken to remedy the shortfall and what effects this may have on the expenditure and related services. The Strategic Finance Business Partner - Commercial explained that most of the current income - £14.3m out of the £14.8m - came from HGPI, which has around 55 tenants across 16 buildings, providing a means of potentially being able to withstand potential issues. They noted that the council tried to plan around the risks of HGP's buildings. The Strategic Finance Business Partner - Commercial used Melksham as a good example of asset planning - the council had to be aware that at some point reinvestment or repurposing of a building may be needed to make it more attractive to tenants or the Council may decide to dispose of the building, they said. If this was the case, the ability to service the current loans that continued to pay £14.3m of interest could be impacted in the long term. They stated that, when doing the piece of work looking at the strategy and the long-term financing of HGPI, the Council should be mindful of reviewing the potential risks and what reinvestment requirement might be needed to ensure planning ahead, and that a possible outcome could be Council deciding that £14.3m was not affordable in the long term. The Council was looking ahead, and the Managing Director - Halsey Garton property has conducted asset planning to improve understanding and factor the assets into SCC's long-term financial planning. They further added that there is always the risk that a big tenant could fail, but it was hoped that because HGPI was spread across 16 buildings, the Halsey Garton Property Team would monitor the market or if there are any tenants that present risks. They noted that a decision could be taken to divest or repurpose a building to mitigate the risk, as long as it was factored into the long-term planning, then the Council had mitigated against the risk.
15. A Vice-Chairman asked if the scenario of a big tenant failing had been considered and worked through, such as what the impact of this would be on the Council and on HGPI, and what the mitigations could be employed against this. The Managing Director - Halsey Garton Property explained that each year there was an annual HGPI business plan which was submitted or endorsed by the Shareholder Investment Panel (SHIP) and then approved by SIB. This sets out the risk of each individual tenant and asset, they said, and a detailed business analysis and a business review of each individual asset was done within HGPI, which then modelled this around what would happen in the event that a tenant entered administration or something happened to the property. The Director - Land and Property reassured members that extra care was taken to ensure that the correct

commercial expertise was available and that there was the right balance of risk across the different sectors of industrial, commercial and retail.

16. A Vice-Chairman asked if SIB's annual business report could be provided to the Committee. The Strategic Finance Business Partner - Commercial clarified that what went to the committee was the SIB annual report (which is largely retrospective), that there had been discussions with the Interim Director of Law & Governance (Monitoring Officer) and Democratic Services concerning this format, and that the intention was to bring a Part 2 paper detailing plans to the committee around mid-year, between each annual report where the business plans of each company are discussed. The Vice-Chairman asked if the previous years' annual business reports could be shared with the Committee. The Strategic Finance Business Partner - Commercial confirmed these could be shared.

17. A member asked about the total amount of capital the Council had invested into the general activity and how much income these generated last year. The Strategic Finance Business Partner - Commercial explained that the amount of income that came into the Council on a company-by-company basis can be found in the group statutory accounts of interest paid, and that he would provide an exact answer after the committee. Regarding HGPI and HGR, The Managing Director - Halsey Garton Property explained there are specific company accounts available which set out the total income coming into each of those companies, the total capital invested, the total annual income received and the cost of the company. The Director - Land and Property added it was long term investment, where different years would show different returns.

The Committee **NOTED** the report.

Actions/requests for further information:

1. The Scrutiny Officer is to add an item to the Forward Work Programme considering the review of council investments over the next 12 months.
2. The Strategic Finance Business Partner - Commercial to share with the committee figures relating to the cost-effectiveness of services provided by the council's different investment bodies e.g. Connect2Surrey.
3. Strategic Finance Business Partner - Commercial to provide information on Surrey Choices and the benefits that it delivers to the council in employability.

4. The Scrutiny Officer is to follow-up on the possibility of the mid-year report of the Strategic Investment Board returning to the Select Committee for consideration.
5. The Scrutiny Officer to collate previous years' SIB annual business reports to share with the select committee.
6. The Strategic Finance Business Partner – Commercial to update on where the public can view the total amount of income received and capital invested by the council in its investment companies, on a company-by-company basis. Officers to provide specific company accounts to the committee if not already available elsewhere.

35/24 EXCLUSION OF THE PUBLIC [Item 7]

RESOLVED:

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.

The committee went in Part 2 at 11.00am

36/24 STRATEGIC INVESTMENT BOARD ANNUAL REPORT 2023/24 - SCC PROPERTY PORTFOLIO [Item 8]

Witnesses:

David Lewis, Cabinet Member for Finance and Resources
Andy Brown, Deputy Chief Executive & Executive Director Finance & Corporate Services (Section 151 Officer)
Diane Wilding, Director - Land and Property
Charles Maxlow-Tomlinson, Managing Director - Halsey Garton Property
Neil Jarvey, Strategic Finance Business Partner - Commercial
Bill Harrow, Senior Finance Business Partner – Commercial

Key points raised during the discussion:

See Exempt Minute E-24-24

RESOLVED:

1. The select committee notes the report and recommends that a risk profile of capital expenditure and forecasts come back before this select committee for further oversight and scrutiny.

2. Recommends that the select committee receive a further update on the leasing strategy in relation to letting premises within the Landlord and Tenant Act 1954 (as amended).
3. Recommends that the select committee receive an overview of the asset management strategy for properties owned by the council and Hasley Garton Property Ltd.
4. Recommends that the Resources and Performance Select Committee receive an update on the capital investment in the Brightwells Regeneration Scheme at Farnham, with reference to the Economic Prosperity Strategy.

Actions/requests for further information:

1. The Scrutiny Officer and Managing Director of Halsey Garton Property to investigate potential scrutiny consideration of the council's ownership of Park Lodge, prior to this report going to the Strategic Investment Board, as well as a report regarding Ranger House, subject to what is appropriate under present delegated authorities.
2. The Strategic Finance Business Partner – Commercial is to report to the committee on current policies and practices concerning any sub-contracting in the council's Local Authority Trading Companies.

37/24 STRATEGIC INVESTMENT BOARD ANNUAL REPORT 2023/24 - HALSEY GARTON PROPERTY PORTFOLIO [Item 9]

Witnesses:

David Lewis, Cabinet Member for Finance and Resources
 Andy Brown, Deputy Chief Executive & Executive Director Finance & Corporate Services (Section 151 Officer)
 Diane Wilding, Director - Land and Property
 Charles Maxlow-Tomlinson, Managing Director - Halsey Garton Property
 Neil Jarvey, Strategic Finance Business Partner - Commercial
 Bill Harrow, Senior Finance Business Partner – Commercial

Key points raised during the discussion:

See Exempt Minute E-25-24.

RESOLVED:

The select committee notes the report, and recommends that this committee receives further updates on any financing requirements of Halsey Garton Property LTD after consideration by the Halsey Garton board and by the council's Shareholder Investment Panel (SHIP).

Actions/requests for further information:

The Scrutiny Officer is to consult with officers about adding an item on the long-term financial plans of the Strategic Investment Board to the select committee's work programme.

38/24 PERFORMANCE MONITORING SESSION NOTES - 19 SEPTEMBER 2024 [Item 10]

The committee **AGREED** the performance monitoring session notes.

39/24 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 11]

The committee **NOTED** the forward work programme and recommendation tracker.

40/24 DATE OF THE NEXT MEETING [Item 12]

The Committee **NOTED** the date of the next meeting on 6 December 2024.

Meeting ended at: 12.36pm

Chairman

CABINET- 26 November 2024**Cabinet Response to the Interim Recommendations from Select Committees Following Budget Deep Dives and Budget Briefing Sessions****Resources and Performance Select Committee:****Workforce Costs Deep Dive – The Select Committee:**

- I. Recommends the model behind the Organisational Design Principles as well as their upcoming review.

Proposed Cabinet Response:

Cabinet notes and this recommendation is complete. The Organisational Design Principles have been updated.

- II. Recommends that the Cabinet agrees action plans for the implementation of the six 'spans and layers' and clarifies the changes and potential savings that this will deliver from the present configuration.

Cabinet Response:

The Organisational Design Principles include guidance on average spans and layers within the organisation. The principles will continue to be used to inform the design of staffing structures. It is not possible to state what savings may be achieved through reviewing spans and layers as this is just one of the factors considered when restructuring.

- III. Recommends that work continues to restrict the amount of agency staff at the council to ensure that the associated costs are reduced.

Cabinet Response:

Cabinet notes and agrees. The Corporate Leadership Team reviews every request to recruit, including for new agency workers or where an assignment needs to be extended.

Data Deep Dive - The Select Committee:

- I. Recommends exploratory work is undertaken into the possibility of implementing a 'golden single source of data' practice across the council.

Cabinet Response:

Cabinet agrees in principle that the recommended exploratory work being undertaken, with consideration given to timing in conjunction with existing priorities and resources.

- II. Recommends that work clarifying how the estimated investment costs of the programme were arrived at is shared with the select committee for consideration.

Cabinet Response:

Cabinet notes and this recommendation is complete. Investment and resource requirements for the Data team has already been shared as part

of the deep dive as well as additional supplementary information that was shared on 4th October 2024.

- III. Recommends that Cabinet give serious consideration to continued prioritisation of data improvements and suggests it seeks a clear articulation of the benefits or this work (or risks of not doing it) and a more detailed explanation/justification of the estimated cost of continuing this programme.

Cabinet Response:

Cabinet notes and this recommendation is complete. Investment and resource requirements for the Data team has already been shared as part of the deep dive as well as additional supplementary information that was shared on 4th October 2024. This also included the risks of divesting in this area. Further work on benefit identification will be prioritised in line with wider transformation benefit improvements.

Additional Recommendations:

- I. The select committee welcomes the upcoming Organisational Redesign (formerly the 'Core Function Re-design') and recommends that the service continues to report back to this select committee as it works toward the aim of producing a return on the significant investment in the 2027/28 financial year.

Cabinet Response: Cabinet notes and agrees.

- II. The select committee recommends that analysis being undertaken to forecast possible demographic changes, including potential increases in Surrey's resident population, which includes housebuilding targets (NPPF changes) and other relevant information, is made available to the select committee, along with associated proposed changes to the planning framework, and recommends that these are factored into the revised MTFS modelling.

Cabinet Response:

Noted. The Core Planning Assumptions document is updated regularly by officers and scenarios produced. This can be made available to the select committee. The core planning assumptions are updated twice a year and budget modelling assumptions are updated more frequently, with monthly iterations discussed at the Corporate Leadership Team.

- III. The select committee recommends that it receive an update on vacant and part-vacant properties and sites in all portfolios (that are owned by SCC, companies owned by SCC, or where SCC is a shareholder) – including schools and office buildings - and related policies, usage strategies and practices, with detail on how determinations of retention or disposal are made in accordance with Best Value.

Cabinet Response:

Cabinet notes and agrees that an update will be provided.

- IV. The select committee welcomes the recruitment controls in place and further plans to examine and implement changes to organisational structure – such as the “6 spans and 6 layers” work, as discussed in the Workforce *deep dive*, - and recommends that recruitment continues to be carefully managed through robust business cases and justifications to produce the best outcomes for council services.

Cabinet Response:

Cabinet agrees. The Corporate Leadership Team considers every business case to recruit to roles and to extend existing fixed term and agency roles, ensuring robust control on recruitment to any roles which are not frontline, community-facing.

- V. The select committee welcomes the procurement controls in place and the extensive work of the Procurement Board and recommends that the Board continues in its work and examines and analyses the management of contracts to ensure value for money, quality and sustainability of the service in all council contracts.

Cabinet Response:

Cabinet agrees that the work of the Procurement Board will continue.

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Scrutiny of 2025/26 Draft Budget and Medium-Term Financial Strategy to 2029/30

Purpose of report: Scrutiny of the Draft Budget and Medium-Term Financial Strategy

Introduction:

1. Attached is a summary of the 2025/26 Draft Budget and Medium-Term Financial Strategy (MTFS), particularly focussing on the budgets for the Finance & Corporate Services (F&CS), Environment, Infrastructure & Growth Directorate (EIG), Communications, Public Affairs & Engagement (CPAE) and elements of the Customer, Digital & Change Directorate (CDC) relating to this Select Committee.
2. The [2025/26 Draft Budget & MTFS to 2029/30](#) was presented to Cabinet on 26th November 2024. The Final Budget for 2025/26 will be approved by Cabinet in January 2025 and full Council in February 2025. It is good practice to, as far as possible, set out in advance the draft budget to allow consultation on, and scrutiny of, the approach and the proposals included. There will be no movements in the Draft Budget position until the provisional Local Government Finance Settlement is published, which is expected later in December, when the implications can then be considered.
3. The production of the 2025/26 budget has been developed through an integrated approach across Directorates, Corporate Strategy and Policy, Transformation and Finance, ensuring that revenue budgets, capital investment and transformation plans are all aligned with each Directorate's service plans and the corporate priorities of the organisation.

Context:

4. The Local Government financial climate is extremely challenging. The national picture for public services is one of constrained financial resources. A number of local authorities, across the Country, are struggling to balance available funding with significantly increasing demand and cost pressures.

5. Local Government funding remains highly uncertain, with a number of factors likely to result in significant changes to our funding position over the medium-term. The first opportunity to understand in detail the direct impact of funding arrangements for the Council will be with the provisional Settlement itself, which is expected in late December 2024, with a final settlement in January 2025.
6. The overall outlook for 2025/26 is one of significant challenge. Budget envelopes are not anticipated to increase significantly, however, substantial increases in the cost of maintaining current service provision and increased demand result in pressures increasing at a higher rate than forecast funding.
7. While many of the demands we are experiencing are not unique to this Council, we cannot rely on Government, or anyone else, to solve the issue for us. We need to reduce our costs and take difficult decisions in order to ensure our ongoing financial resilience. Being realistic about our ambitions, underpinned by an earned confidence in our ability to deliver efficiencies, will enable us to continue to deliver the Council's priorities.
8. Although good progress has been made over the last few months, there remains a provisional budget gap for 2025/26 of £17.4m, driven primarily by continued high demand and price pressures. Further actions will have to be agreed to close the gap, which will be extremely challenging, given the forecast level of pressure. The level of Council Tax raised and the extent to which further efficiencies will need to be identified, will be dependent in part upon the Local Government Finance Settlement in December, and confirmation of District and Borough Council Tax Bases in January.
9. We need to be prepared for what will continue to be a difficult financial environment over the next few years. The gap is expected to continue to grow over the medium term financial strategy period.
10. The Council recognises that tackling this gap will require a focus not only on addressing the pressures in 2025/26, but simultaneously looking to address the medium-term horizon. Our financial resilience is crucial and part of the strategy will be to ensure we have adequate reserves to ensure we can transform, alongside making sure we provide for any changes to funding or unexpected effects on costs.

Engagement:

11. Over the summer of 2024, the council engaged with residents to inform the draft budget. Mindful of the current financial context, we have taken a prudent approach to our consultation and engagement activity. By using internal survey tools, costs have been limited to the creation of accessible formats of our engagement material, however, this means the results illustrate the preferences

- of those who chose to take part but does not provide data representative of Surrey residents. A summary of the results are available in Annex 1.
12. For this phase of engagement, the council asked for insight from stakeholders on:
 - The importance they placed on each of 11 outcomes, based on the Community Vision for Surrey in 2030 and Organisation Strategy 2023 – 2028:
 - a. Better roads and pavements
 - b. Providing care for adults and children who need us most
 - c. Making our communities safer
 - d. Better public transport connections for easier, more predictable journeys
 - e. Enabling people of all ages to access education and skills
 - f. Promoting better health and wellbeing for all residents
 - g. Tackling climate change and protecting Surrey’s countryside and biodiversity
 - h. Reducing waste and increasing recycling
 - i. Reinvigorating town centres and high streets
 - j. Stronger community relations through local community networks and support
 - k. Supporting local businesses to prosper and grow the economy
 - How the budget should be allocated.
 - Approaches to balancing the budget.
 - Conditions for supporting a council tax increase.
 13. Data was gathered from nearly 1,600 stakeholders using:
 - a) An open survey on the Surrey Says platform (28 Aug - 30 Sep 2024) with 1,495 participants. Survey respondents were self-selecting, which means the results should not be treated as representative of the whole of Surrey’s population.
 - b) Community events and reference groups, engaging nearly 90 residents.
 - c) Promotion via social media, the Surrey Matters website, newsletter, and local council members.
 14. We will be consulting with residents and other stakeholders on the measures being taken to balance the budget for 2025/26 after the approval of the draft Budget by Cabinet on 26 November. The results of this exercise will be reported to Cabinet and Council in January and February 2025.
 15. Impacts of budget proposals, both positive and negative, are considered by services in a variety of ways, including through services’ own consultation and engagement exercises and the use of Equality Impact Assessments (EIAs). EIAs are used to guide budget decisions and will be included in the final Budget paper alongside an overview of the cumulative impact of proposed changes. At Surrey, we consider impacts not just on the nine protected characteristics, but also other vulnerable groups, for example, those at socio-economic disadvantage, Gypsy, Roma and Traveller communities, those experiencing

homelessness, and so on. An overview of impacts of efficiencies pertinent to the areas covered by this committee are included in Annex 1.

Budget Scrutiny

16. Annex 1 sets out the budget proposals for F&CS, EIG, CDC and CPAE, including the latest calculated revenue budget requirement compared to the current budget envelopes based on the Council's estimated funding, the service budget strategy, information on revenue pressures and efficiencies and a summary of the Capital Programme. Each Select Committee should review in the context of their individual Directorates, exploring significant issues and offering constructive challenge to the relevant Cabinet Members and Executive Directors.
17. Members should consider how the 2025/26 Draft Budget supports the Council in being financially stable whilst achieving Directorate and Corporate priorities and the Council's Vision for 2030. The budget aims to balance a series of different priorities and risks with options on investment, efficiencies and increases in the rate of Council Tax. It is appropriate for the Committee to consider how successful the budget is in achieving this.

Conclusions:

18. The provisional Local Government Finance Settlement in December, to be finalised in January 2025, will clarify the funding position for the Council. Once funding is clear, Directorate pressures, efficiency requirements, the level of Council Tax and the Capital Programme will be finalised.

Recommendations:

19. That each Select Committee agrees a set of recommendations to the Cabinet, pertinent to their area, which will be reported to Cabinet in January 2025.

Next steps:

20. Between now and February 2025, when the budget is approved by full council, officers and Cabinet Members will work closely together to close the current budget gap; challenge and refine assumptions and finalise the development of the Capital Programme.
21. The recommendations resulting from Select Committee scrutiny process will be compiled and reported to the Cabinet meeting on 28th January 2025.

Report contact

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Annexes:

Annex 1: 2025/26 Draft Budget Report and Medium-Term Financial Strategy to 2029/30 – Scrutiny Report for F&CS, EIG, CDC and CPAE.

Sources/background papers

- 2025/26 Draft budget and medium-term financial strategy report to Cabinet 26th November 2024.

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Resources & Performance Select Committee

Draft Budget 2025/26 and Medium Term Financial Strategy to 2029/30

6 December 2024

OUR PURPOSE

OUR PEOPLE

OUR ORGANISATION

Introduction by Cabinet Member – David Lewis

The Local Government financial climate remains extremely challenging and consequently the 2025/26 budget setting process has required us to take difficult decisions to ensure our financial resilience.

The budget setting process began in February 2024 and monthly iterations have been produced and reported regularly to both the Corporate Leadership Team and the Cabinet.

In addition, opposition parties and select committees have been engaged in early briefings and invited to make suggestions for areas of opportunity to increase income and reduce costs. An external consultation process has also been completed.

All the Select Committees had early briefings in June/July, followed by 'deep dives' into two selected areas of focus. In September, further budget updates were delivered, providing the latest information on Directorate proposals and reviewing the findings of the deep dives. Recommendations from these informal sessions were considered by Cabinet alongside the draft budget in November.

This meeting presents a further formal opportunity for the Select Committee to scrutinise the draft budget proposals and to make further recommendations for consideration before the final budget is considered by Cabinet in January and Full Council in February 2025.

Despite progress being made, a gap of £17.4m remains within the draft budget.



Introduction by Cabinet Member – David Lewis

- Despite the challenges, the budget includes investments in specific initiatives and areas of required improvement:
 - CFLL Improvements, including continuing the Early Help & Family Support services, recruitment & retention improvements and the continuation of the EHCP timeliness improvements.
 - Additional Digital Demand Responsiveness Transport roll out.
 - Additional verge maintenance & area cleanup gangs.
 - We will probably need to draw on all options available to close the budget gap, ie. further increases to council tax, additional funding if available, potential use of reserves, reducing pressures/managing demand and identifying further efficiencies.
- Focus also needs to be on the medium term. To support this, we have developed a one-council approach to transformation with several cross-council programmes designed to optimise the way we work:
- Customer engagement and improvements to customer experiences and outcomes;
 - Organisation redesign to review ‘the way we do things’ across the whole council;
 - Data and digital to leverage emerging and innovative technology;
 - Place and communities support to improve outcomes for residents;
 - Developing the performance and culture that underpins the organization.

2025/26 Revenue Headlines

- **Revenue budget envelope of £1.242 billion - £34m / 2.8% anticipated increase from 2024/25**
- Increased Council Tax assumption of 2.99% Core Council Tax.
- Assumed 'roll over' of existing grant funding.
- Pressures of £108m identified, reflects the increases in demand and higher than inflationary price increases in key services.
- £57m of efficiencies already identified.
- Reserves and contingencies considered at an appropriate/sustainable level given the high risk environment. Potential to utilise some reserves for one-off pressures/investment opportunities.
- Despite the challenges, the budget includes investments in specific initiatives and areas of required improvement:
 - CFL Improvements, including continuing the Early Help & Family Support services, recruitment & retention improvements and the continuation of the EHCP timeliness improvements.
 - Additional Digital Demand Responsiveness Transport roll out
 - Additional verge maintenance & area cleanup gangs.
- **Remaining Budget Gap of £17.4m in 2025/26.**



Capital Programme - Headlines

- The **economic environment has changed significantly**. High inflation and interest rate rises in recent years has increased cost of financing borrowing. In order to sustain our financial resilience, **we need to re-set capital expenditure habits**.
- There is a **limit to the capacity and proportionality of debt financing as a % of our overall budget and a limit to deliverability of this scale of programme**.
- The latest capital programme iteration has reduced the overall borrowing requirement of the Council significantly, resulting in reduced capital financing costs in the revenue budget.
- The capital programme maintains a focus on key priority areas of investment, including:
 - additional school places, including those for children with SEND,
 - adults social care accommodation with care and support,
 - highways and roads improvement,
 - the transformation of our libraries, and
 - investment in our greener futures programme.



Options to close the Draft Budget Gap of £17.4m

Additional Government Funding

- Budget in October 2024 provided indication of additional funding for Local Authorities, specifically social care funding.
- No certainty on detail until December Local Government Settlement
- Significant uncertainty over Government funding into the medium term

Identification of Additional Efficiencies/Cost Containment

- Directorates continue to look for further deliverable efficiencies, including areas to stop/delay activity
- Pressures continue to be reviewed to look for ways to contain cost/mitigate increases

Use of Reserves

- Worked hard to re-build depleted reserve levels to improve financial resilience
- Current level of reserves is considered appropriate given assessment of the risk environment
- Any use of reserves should be for one-off expenditure rather than to meet ongoing budgetary pressures.

Increase Council Tax

- Current budget assumptions are a 2.99% increase
- Referendum limits still uncertain, but assumption is ability to raise core Council Tax by up to 3% and an additional 2% ASC Precept
- Any increase equates to c£9m for every 1% rise

Medium Term Position

- There remains **significant medium-term uncertainty**
- Multiple single year settlements have made medium term planning difficult. Commitment by the new Government for multi-year settlements going forward.
- The timing and impact of Fair Funding Reform remains a significant unknown. Current assumptions is that this will be in 2026/27 at the earliest and that transitional arrangements would be made available to mitigate/'smooth' initial impacts.
- **By 2029/30, the Medium-Term gap is estimated to be c.£193m / c16% of our net budget**

Indicatively:

- Directorate pressures of £343m and capital financing costs of £35m
- Overall funding increase of £37m (assuming a 'flat' position immediately after fair funding reform due to anticipated transitional arrangements). Therefore, the full effect of funding reform not felt until beyond the end of the MTFS period
- Offset by efficiencies identified so far of £148m
- Reserves have reached a sustainable level but maintaining financial resilience is key to weathering future challenges and given the current high risk operating environment.

Finance & Corporate Services - Summary Directorate Budget Position

The recently formed Resources Directorate is made up of Finance and Corporate Services, Customer, Digital and Change and Communications, Public Affairs and Engagement.

The majority of the directorate expenditure budget is staffing (58%), the corporate assumption is that these costs will be uplifted by 3% on average (dependent on service). The 2025/26 pay and non-pay inflationary pressures are expected to be £1.4m. The directorate also faces two smaller pressures for the corporate cost of copyright licences and inflationary increases to the cost of external audit fees (£0.2m).

The Directorate's proposed efficiencies are focused on staffing reductions, whilst balancing the needs and risks of the council. These are: staffing reductions in a number of services (£1.2m); back-office staffing reductions in Twelve15 and maximising income through rate increases in September 2025 (£0.25m); reduced costs of providing Children's advocacy in house where possible (£0.1m). Undelivered efficiencies from previous years (£0.3m) have been mitigated through these efficiencies.



Customer, Digital & Change - Summary Directorate Budget Position (IT&D, People & Change, Design & Transformation and Customer Services)

The recently formed Resources Directorate is made up of Finance and Corporate Services, Customer, Digital and Change and Communications, Public Affairs and Engagement.

The services within the remit of this committee are likely to face inflationary pressures of £0.8m, the majority of this is staffing inflation at 3%. Furthermore, uplifts in Microsoft licences and continued support of MySurrey adds further pressures of £0.6m.

The main revenue budget issue is that the Data Strategy and Insights Teams are funded by temporary funding for one final year in 2024/25. Funding these teams on a permanent basis represents a budget pressure of £1.6m in 2025/26.

The majority of the efficiencies for these services relate to Organisational Redesign and Customer Transformation. Services have reviewed workforce levels and are proposing efficiencies of £1.5m and council wide reductions in IT licences (£0.1m). Transformation efficiencies of £1.5m are included in the Corporate Income and Expenditure budget.

Proposals to reconfigure the welfare offer provided by the Crisis Fund are also included (£0.3m). The re-procurement of the wide area network will deliver savings of £0.3m.



Communications, Public Affairs & Engagement - Summary

Directorate Budget Position

A high proportion (90%) of the directorate budget is staffing, the corporate assumption is that these costs will be uplifted by 3%. The other area of spend is publicity costs, current assumptions are 2% inflation increases for non-staffing costs from 2025/26. Total inflation is estimated as £0.1m

Proposed efficiencies (£0.2m) include the removal of the annual all-residents mailer, a staffing reduction in the Resident Insight Unit and less spend on corporate campaigns.



Environment, Infrastructure & Growth - Summary

Directorate Budget Position (Land & Property and Economic Growth)

EIG currently has an identified revenue budget requirement of £199.3m for 2025/26 (including some services outside of this committee's remit), an increase of £11.9m from 2024/25, due to pressures of £14.5m offset by efficiencies of £2.6m.

Key messages for the services within the remit of this committee:

A high proportion of Land & Property (L&P) services are delivered through a large multi-year contract, which require inflationary uplifts. The Council's building running costs, such as utilities, rents and rates are included in the L&P budget, these also requiring inflationary uplifts. L&P pressures are expected to include contract and utilities inflation above the current 2% standard assumption. L&P Inflation, including staffing at 3%, is estimated to be £0.9m.

The majority of the Economy & Growth Service costs are staffing and as a result faces inflationary staffing pressures of £0.03m.

Proposed efficiencies included a restructure in Economic Growth to manage the discontinuation of one-off funding and deliver an efficiency of £0.05m. There is also a reversal of undelivered Land & Property efficiencies (£1.3m).

Any delays to the assumed rationalisation of office and operational buildings are risks to current L&P assumptions.

Next Steps

- Refine funding assumptions based on Provisional Local Government Finance Settlement in December.
- Finalise efficiency proposals, develop efficiency plans and consider further options to close the gap
- Consultation with residents on draft proposals and Equality Impact Assessments
- Final Budget to Cabinet in January 2025 & Council February 2025

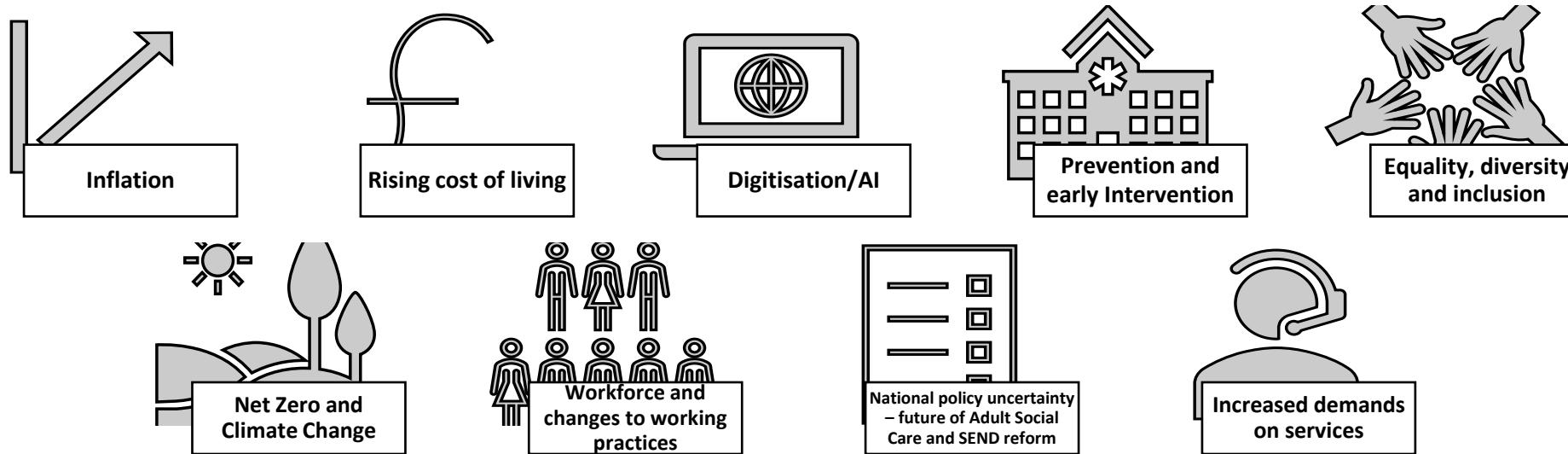


Background Reading



Strategic Content

A number of drivers are influencing our operating context, including:



Delivering priorities, ensuring no one is left behind

Our Organisation Strategy sets out our contribution to the 2030 Community Vision.

Our **four priority objectives** and guiding principal that **no one is left behind** remain the central areas of focus as we deliver **modern, adaptive and resident-centred services for all.**



Budget Setting Process

- The Council bases its financial planning practices on a budget envelope approach, aimed to increase accountability and budget management responsibility.
 - Funding projections over the medium-term are developed and Directorates are given a fixed envelope/target, proportionate to the expected size of the available budget.
 - Directorates are tasked, with support from Finance, with costing the core planning assumptions and developing Directorate scenarios to identify pressures in their services across the medium term period - 2025/26 to 2029/30
 - Directorates are then required to develop efficiency proposals to offset these pressures to ensure delivery within available resources.
- Monthly iterations are taken to the Corporate Leadership Team throughout the process
- Significant Member Engagement:
 - Regular informal Cabinet briefings
 - Cabinet/CLT Workshops (July, September)
 - All Member Briefings (May / Nov)
 - Select Committee Briefings (July / Oct) & 'deep dive' workshops focused on specific areas
 - Formal Scrutiny of the Draft Budget by Select Committees (December)



Budget Engagement Update – Phase 1 (August – September 2024) insights

Balancing the budget

Respondents supported increased partnership working (80%), equipping staff to work with partners and communities (70%), and providing local communities with tools to support themselves (63%). Respondents opposed reducing or stopping services to protect others (80%) or charging for free or subsidised services (64%).

At community events, residents prioritised:

- Care for vulnerable groups and health and wellbeing
- Education and skills, especially SEN provision
- Public transport and reducing social isolation
- Community safety

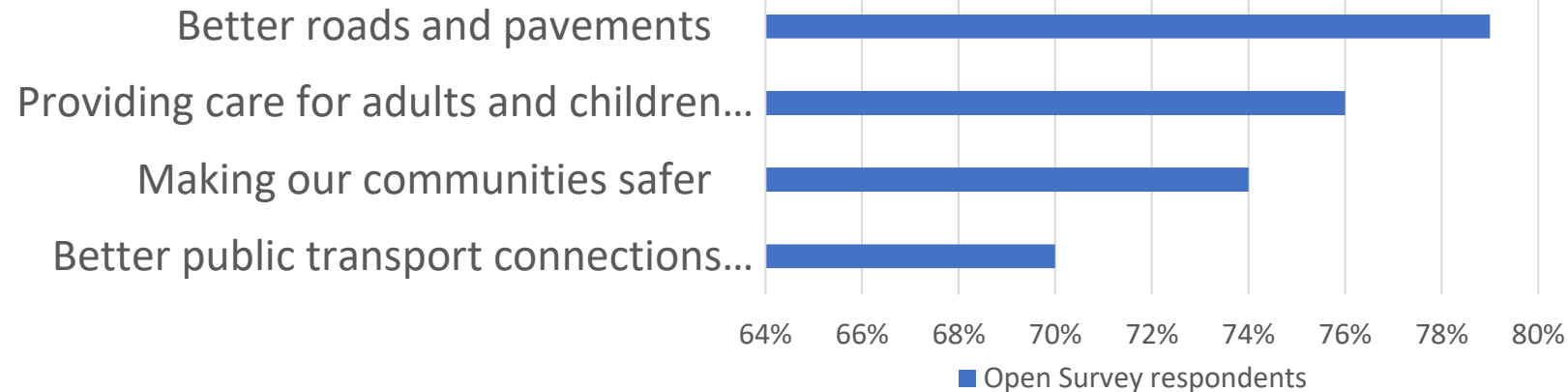
Allocating resources

Respondents preferred allocating resources to services that benefit the majority of residents (54%), are allocated across the entire county (64%), and meeting the needs of residents today (50%). This varied by age with younger respondents more likely to support a longer-term focus.

Council tax increase – scenarios

Respondents supported council tax increases to protect services for the vulnerable (67%) and after exhausting streamlining opportunities (66%). Respondents opposed increasing tax for long-term investment and as an alternative to fees and charges (both 52%). Respondents recognised legitimate circumstances for a rise in council tax (45% supported - 38% opposed).

Priority areas



If Cabinet agrees the draft budget on 26 November, phase 2 consultation on draft budget proposals will commence.

Mindful of the current financial context, we've taken a prudent approach to engagement activity. Internal survey tools have limited costs to the creation of accessible engagement material. However, results illustrate the preferences of those who chose to take part, but will not provide data representative of Surrey residents.

Budget Consultation & Engagement – Next steps

- Services are considering how the Phase 1 feedback will **inform future service design** and development, e.g., how to meet residents' appetite for further collaboration and increased partnership working.
- Phase 1 insight will also **inform how we communicate with residents** on how the council is responding to residents' and other stakeholders' priorities.
- We will be consulting on the draft budget's investment proposals and measures to close the budget gap. **A survey on Surrey Says will launch after the 26 November 2024 Cabinet meeting** and complete on 26 December 2024. All Members will receive a briefing pack and be encouraged to promote the survey to residents.
- Officers will share key messages to stakeholders and **gather feedback** through various user groups, e.g. the Learning Disability Partnership Board, Autism Reference Group and Surrey Youth Voice.
- Insight from this work will inform messaging for the final budget and **provide insight** for the planning and implementation of the 2025/26 efficiencies.



Equality Analysis 2025/26

- As each draft efficiency proposal is still being developed the equality analysis included later in these slides is the **current position for each service**, and this is **likely to evolve** as more detail on plans to deliver on proposals is developed.
- **Early indications of potential impacts** of proposals have been included where possible, along with any planned mitigating activity that is known at this stage.
- Whilst the information included in the Annex identifies service-specific equality analysis, work is underway to understand the **cumulative equality impacts** of the 2025/26 budget as a whole. This also reflects the iterative nature of service-specific equality impacts and planned mitigating actions.



Equality Analysis 2025/26 - Cumulative Analysis

The main characteristics most likely to be disproportionately impacted:

1. Older adults and their carers, and adults of all ages with physical, mental health conditions and learning disabilities and their carers
2. Children and young people, including those with special educational needs and disabilities (SEND), and families
3. Staff and residents facing socio-economic disadvantage

Emerging common mitigation themes:

- Use co-design, consultation and engagement methods to produce services that are responsive and focus on supporting people that need them most.
- Services will work to invest in preventative activity and early-intervention measures to help enable better outcomes earlier and avoiding having to resource high-cost intensive activity that leads to greater pressures on our budget.
- Work closely with strategic partners to mitigate impacts where relevant

Equality Analysis 2025/26 – Next steps

- Services will continue working on the Equality Impact Assessments for their efficiency proposals and full documents will be made available to review with the final budget papers.
- The final cumulative analysis report and completed EIAs will be made available for all Members when the budget is brought before Council in February.



Budget Positions

- **Overall Council Position**
- **Directorate Positions:**
 - **Finance & Corporate Services**
 - **Environment, Infrastructure & Growth**
 - **Customer, Digital & Change**
 - **Communications, Public Affairs & Engagement**



Overall 2025/26 Draft Budget Gap

The table below sets out the overall picture for the Council for 2025/26 against estimated funding Pressures, efficiencies and funding will continue to iterate over December.

In particular, funding estimates in respect of Government Grants, Council Tax and Business Rates estimates will be confirmed when the Provision Local Government Finance Settlement is delivered (expected before Christmas).

Directorate	Base Budget 23/24 £m	Additional Funding Estimate £m	Identified Pressures £m	Identified Efficiencies £m	Total Budget Requirement £m
Adults, Wellbeing & Health Partnerships	505.9		50.1	(31.6)	524.4
Children, Families & Lifelong Learning	291.6		29.6	(11.1)	310.1
Environment, Infrastructure & Growth	187.4		14.5	(2.6)	199.3
Community Protection & Emergencies	43.9		1.3	(0.8)	44.4
Customers, Digital & Change	49.3		4	(2.9)	50.4
Comms, Public Affairs & Engagement	2.8		0.1	(0.2)	2.7
Finance & Corporate Services	27.0		1.6	(1.4)	27.2
Central Income & Expenditure	100.6		7.1	(6.5)	101.2
Directorate Total	1,208.4	0.0	108.3	(57.1)	1,259.7
Central Funding	(1,208.4)	(33.9)			(1,242.3)
Council Total	-	(33.9)	108.3	(57.1)	17.4

While the overall funding envelope is anticipated to increase by c£34m, the cost of delivering existing services is increasing at a faster rate. The identified pressures of c£108m result in a need to find efficiencies of c£74m, of which c£57m have been identified to date. Detailed pressures and efficiencies are set out in subsequent slides.



**Finance & Corporate Services
(part of the Resources Directorate)**



FCS - Summary Directorate Budget Position

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	27.0	27.0	27.2	27.2	27.8	28.4	
Pressures		1.6	0.6	0.6	0.6	0.6	3.9
Identified efficiencies		(1.4)	(0.5)	0.0	0.0	0.0	(1.9)
Total budget requirement		27.2	27.2	27.8	28.4	29.0	

The recently formed Resources Directorate is made up of Finance and Corporate Services, Customer, Digital and Change and Communications, Public Affairs and Engagement.

The majority of the directorate expenditure budget is staffing (58%), the corporate assumption is that these costs will be uplifted by 3% on average (dependent on service). The 2025/26 pay and non-pay inflationary pressures are expected to be £1.4m. The directorate also faces two smaller pressures for the corporate cost of copyright licences and inflationary increases to the cost of external audit fees (£0.2m).

The Directorate's proposed efficiencies are focused on staffing reductions, whilst balancing the needs and risks of the council. These are: staffing reductions in a number of services (£1.2m); back-office staffing reductions in Twelve15 and maximising income through rate increases in September 2025 (£0.25m); reduced costs of providing Children's advocacy in house where possible (£0.1m). Undelivered efficiencies from previous years (£0.3m) have been mitigated through these efficiencies.



FCS - Identified Pressures

Pressures

Pressure	Description	Net Pressure					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Pay Inflation	Pay inflation 3% 2025/26 and 2% thereafter	1.677	0.611	0.624	0.636	0.649	4.197
Non-pay inflation	Non pay inflation 2%	0.366	0.141	0.143	0.146	0.149	0.945
Income inflation	Income inflation 2%	(0.633)	(0.173)	(0.177)	(0.181)	(0.184)	(1.348)
Council copyright licences	Copyright licences for the Council	0.075					0.075
Council external audit fee	Increase in external audit fee	0.070					0.070
Total Pressures		1.555	0.579	0.590	0.601	0.614	3.939

FCS – Proposed efficiencies

Efficiency	Description	Efficiency					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Previous years efficiencies	Remove unachievable 2023/24 & 2024/25 efficiencies	0.323					0.323
Organisational Redesign efficiencies	Staffing reductions from review of Finance, Leadership Office and Legal	(0.791)	(0.500)				(1.291)
Organisational Redesign efficiencies	Staffing reductions from review of vacant posts in Leadership Office and Corporate Strategy & Policy	(0.433)					(0.433)
Targeted reductions	Targeted non-staffing reductions in Leadership and Performance	(0.028)					(0.028)
Legal Services	Reduction in expenditure of advocacy	(0.114)					(0.114)
Procurement efficiencies	Woodhatch bus service	(0.050)					(0.050)
Corporate Subscriptions	Remove New Local and Local Government Information Unit (LGIU) subscriptions	(0.031)					(0.031)
Twelve15 review	Maximising income through rate increases and reducing staffing costs	(0.250)					(0.250)
Total Efficiencies		(1.374)	(0.500)	0.000	0.000	0.000	(1.874)

Equality Analysis – Finance & Corporate Services (FCS)

Efficiency	Description	2025/26 £m	Potential equality impacts
Previous years efficiencies	Remove unachievable 2023/24 & 2024/25 efficiencies	0.323	No equality impacts.
Organisational Redesign efficiencies	Staffing reductions from review of Finance, Legal and Leadership	(0.791)	The scope of this work is currently being finalised; therefore, an EIA statement is available currently: Equality Impact Assessment Statement - Staffing reductions from review of Finance, Leadership, Legal and Leadership - 25.26.docx We will continue to monitor the progress of this, once more detail becomes available a full Equality Impact Assessments (EIA) will be completed.
Organisational Redesign efficiencies	Staffing reductions from review of vacant posts in Leadership Office and Corporate Strategy & Policy	(0.433)	No equality impacts. Staffing cost reductions will be achieved through removal of vacant positions.
Targeted reductions	Targeted non-staffing reductions in Leadership and Performance	(0.028)	No equality impacts. This includes removal of unused budgets.
Legal Services	Reduction in expenditure of advocacy	(0.114)	No equality impacts.
Procurement efficiencies	Woodhatch bus service	(0.050)	No equality impacts. This was as a result in the changes to the provider to enable a best value service, no changes to the service were made as part of this efficiency.
Corporate Subscriptions	Remove New Local and Local Government Information Unit (LGIU) subscriptions	(0.031)	No equality impacts.
Twelve15 review	Maximising income through rate increases and reducing staffing costs	(0.250)	Staffing cost reductions will be achieved through removal of vacant positions. In addition, there is work in progress to understand the full equality impacts of a rate increase at the start of the academic year in 2025 which will be shared once available.

Customer, Digital & Change (part of the Resources Directorate)

(this committee Customer Services, IT&D, People & Change and Transformation)



CDC – Summary Directorate Budget Position

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	49.3	49.3	50.4	50.6	51.6	52.7	
Pressures		4.1	1.1	1.1	1.2	1.3	8.8
Identified efficiencies		(2.9)	(1.0)	(0.1)	0.0	0.0	(4.0)
Total budget requirement		50.4	50.6	51.6	52.7	54.0	

The recently formed Resources Directorate is made up of Finance and Corporate Services, Customer, Digital and Change and Communications, Public Affairs and Engagement.

The services within the remit of this committee are likely to face inflationary pressures of £0.8m, the majority of this is staffing inflation at 3%. Furthermore, uplifts in Microsoft licences and continued support of MySurrey adds further pressures of £0.6m.

The main revenue budget issue is that the Data Strategy and Insights Teams are funded by temporary funding for one final year in 2024/25. Funding these teams on a permanent basis represents a budget pressure of £1.6m in 2025/26.

The majority of the efficiencies for these services relate to Organisational Redesign and Customer Transformation. Services have reviewed workforce levels and are proposing efficiencies of £1.5m and council wide reductions in IT licences (£0.1m). Transformation efficiencies of £1.5m are included in the Corporate Income and Expenditure budget.

Proposals to reconfigure the welfare offer provided by the Crisis Fund are also included (£0.3m). The re-procurement of the wide area network will deliver savings of £0.3m.

CDC - Identified Pressures

Pressure	Description	Net Pressure					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Pay inflation	Pay inflation at 3% 2025/26 and 2% thereafter, includes impact of 2024/25 pay award	1.545	0.941	0.960	0.979	0.999	5.424
Non-pay inflation	Non pay inflation at 2%	0.199	0.281	0.286	0.292	0.298	1.356
IT&D MySurrey support	MySurrey Technical Services contract for support and payroll application	0.291	(0.125)	(0.025)	(0.100)		0.041
Coroners Special Inquests	To replenish the special inquest reserve which covers the volatile cost of special inquests each year.	0.100	0.050				0.150
Funding changes	Funding for Data & Insights Team discontinues in 2025/26 (linked to an efficiency)	1.492					1.492
Learning Management system	Funding for Learning Management System discontinues in 2025/26	0.100		(0.100)			0.000
Microsoft Licences	Increased costs of licences due to volume increases	0.340					0.340
Total Pressures		4.067	1.147	1.121	1.171	1.297	8.803

CDC – Proposed efficiencies

Efficiency	Description	Efficiency					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Staffing reductions	Review of staffing across services, through redesign and distribution.	(0.410)	(0.185)				(0.595)
Organisational Redesign and Customer Transformation	Review of staffing across services, through streamlining, removing duplication and using technology.	(1.000)	(0.533)	(0.140)			(1.673)
Organisational Redesign and Customer Transformation	Review of Data Strategy & Insights team (linked to a pressure)	(0.448)					(0.448)
People & Change professional and transactional services	Previous years unachievable efficiencies and reduced income from transactional services	0.109					0.109
Income Strategy	Maximising Income	(0.291)					(0.291)
Targeted reductions	Variety of measures to reduce spend	(0.063)					(0.063)
IT&D efficiencies	Wide area network contract reductions	(0.300)					(0.300)
IT&D licence reduction	Reduced IT&D licence costs due to staffing changes	(0.113)	(0.227)				(0.340)
Surrey Arts efficiency	Remove subsidy of non targeted music tuition	(0.053)	(0.027)				(0.080)
Reduced Trade Union Posts	Reduce the current budget for trade union roles in line with 2024/25 levels	(0.048)					(0.048)
Core Welfare offer	Maximise external grants to fund the welfare offer	(0.240)					(0.240)
Core Heritage service	Service review of Archaeological services	(0.067)					(0.067)
Total Efficiencies		(2.924)	(0.972)	(0.140)	0.000	0.000	(4.036)

Equality Impact Assessments – Customer, Digital & Change

Efficiency	Description	2025/26 £m	EIAs
Staffing reductions	Review of staffing across services, through redesign and distribution.	0.410	EIA statement: Equality Impact Assessment Statement - Staffing Efficiencies - CDC - 25.26 EIA statement and narrative: EIA Statement & Narrative - CDC - Directorate Review
Organisational Redesign and Customer Transformation	Review of staffing across services, through streamlining, removing duplication and using technology.	1.000	EIA completed Customer Transformation: Customer Transformation EIA.docx EIA statement Customer Transformation: EIA Statement - Customer Transformation.docx Organisational Redesign EIA in progress, due w/c 11 th Nov
Organisational Redesign and Customer Transformation	Review of Data Strategy & Insights team (linked to a pressure)	0.448	EIA completed: Equality Impact Assessment - Surrey County Council
People & Change professional and transactional services	Previous years unachievable efficiencies and reduced income from transactional services	0.109	No equality impacts
Income Strategy	Maximising Income	0.291	No equality impacts
Targeted reductions	Variety of measures to reduce spend	0.063	No equality impacts
IT&D efficiencies	Wide area network contract reductions	0.300	No equality impacts
IT&D licence reduction	Reduced IT&D licence costs due to staffing changes	0.113	New efficiency and EIA to be completed by Dec 2024
Surrey Arts efficiency	Remove subsidy of non targeted music tuition	0.053	EIA statement: Equality Impact Assessment Statement - Surrey Arts - Non targeted Music Tuition - CDC - 25.26
Reduced Trade Union Posts	Reduce the current budget for trade union roles in line with 2024/25 levels	0.048	New efficiency and EIA screening tool to be completed by Dec 2024
Core Welfare offer	Maximise external grants to fund the welfare offer	0.240	New efficiency and additional work required to determine impacts and complete necessary EIA screening/ EIA
Core Heritage service	Service review of Archaeological services	0.067	New efficiency and additional work required to determine impacts and complete necessary EIA screening/ EIA

CDC – Capital Programme

The Capital Programme is comprised of the Budget (schemes which are developed and ready to proceed, or already under way) and the Pipeline (schemes requiring further development and subject to business case approval).

The directorate is responsible for the delivery of IT&D schemes and is a key stakeholder for several L&P schemes. The draft capital budget for:

- IT&D totals £14.8m over 5 years and is funded from borrowing.
- L&P schemes delivered on behalf of CDC total £31m and is funded from both borrowing and capital receipts.

The Directorate has significant capital investment and delivery plans over the MTF5 period, relating to the Council's IT&D services. These investment plans are developed in close consultation with front line services to ensure that the Council's assets are used effectively and are fit to support the efficient delivery of services to our residents and to support our staff to carry out their responsibilities.

The L&P schemes delivered on behalf of CDC include Libraries transformation and the Registration Service.

Communications, Public Affairs & Engagement (part of the Resources Directorate)



CPAE – Summary Directorate Budget Position

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	2.8	2.8	2.7	2.8	2.8	2.9	
Pressures		0.1	0.1	0.1	0.1	0.1	0.3
Identified efficiencies		(0.2)	0.0	0.0	0.0	0.0	(0.2)
Total budget requirement		2.7	2.8	2.8	2.9	2.9	

The recently formed Resources Directorate is made up of Finance and Corporate Services, Customer, Digital and Change and Communications, Public Affairs and Engagement.

A high proportion (90%) of the directorate budget is staffing, the corporate assumption is that these costs will be uplifted by 3%. The other area of spend is publicity costs, current assumptions are 2% inflation increases for non-staffing costs from 2025/26. Total inflation is estimated as £0.1m

Proposed efficiencies (£0.2m) include the removal of the annual all-residents mailer, a staffing reduction in the Resident Insight Unit and less spend on corporate campaigns.

CPAE - Identified Pressures

Pressures

Pressure	Description	Net Pressure					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Pay inflation	Pay inflation at 3% 2025/26 and 2% thereafter	0.091	0.050	0.050	0.050	0.050	0.291
Non-pay inflation	Non pay inflation at 2%	0.004	0.004	0.004	0.004	0.004	0.020
Total Pressures		0.095	0.054	0.054	0.054	0.054	0.311

Efficiencies

Description		Efficiency					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Communications - publications	Removal of annual all-residents mailer	(0.070)					(0.070)
Communications - publications	Reduction in corporate campaign spend and advertising costs	(0.020)					(0.020)
Communications team	Reduction in the cost of the Resident Insight Unit, by review of current business case and removal of roles / capabilities	(0.110)					(0.110)
Total Efficiencies		(0.200)	0.000	0.000	0.000	0.000	(0.200)



Equality Analysis – Communications, Public Affairs & Engagement

As it stands, none of the proposed efficiencies or budget plans that require an Equality Impact Assessment.

Whilst there is an efficiency that relates to the potential removal of roles, as these are posts that are vacant/ not yet recruited to there are no anticipated impacts – therefore an Equality Impact Assessment is not required.

As and when more efficiency proposals are developed, they will be assessed for potential disproportionate implications for residents and staff with protected characteristics.



**Environment, Infrastructure & Growth
(this committee is responsible for Land & Property)**



EIG – Summary Directorate Budget Position

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	187.4	187.4	199.3	195.7	200.8	205.0	
Pressures		14.5	(1.7)	4.7	4.6	4.7	26.8
Identified efficiencies		(2.6)	(1.9)	0.4	(0.4)	0.0	(4.5)
Total budget requirement		199.3	195.7	200.8	205.0	209.7	

EIG currently has an identified revenue budget requirement of £199.3m for 2025/26 (including some services outside of this committee’s remit), an increase of £11.9m from 2024/25, due to pressures of £14.5m offset by efficiencies of £2.6m.

Key messages for the services within the remit of this committee:

A high proportion of Land & Property (L&P) services are delivered through a large multi-year contract, which require inflationary uplifts. The Council’s building running costs, such as utilities, rents and rates are included in the L&P budget, these also requiring inflationary uplifts. L&P pressures are expected to include contract and utilities inflation above the current 2% standard assumption. L&P Inflation, including staffing at 3%, is estimated to be £0.9m.

The majority of the Economy & Growth Service costs are staffing and as a result faces inflationary staffing pressures of £0.03m.

Proposed efficiencies included a restructure in Economic Growth to manage the discontinuation of one-off funding and deliver an efficiency of £0.05m . There is also a reversal of undelivered Land & Property efficiencies (£1.3m).

Any delays to the assumed rationalisation of office and operational buildings are risks to current L&P assumptions.

EIG - Identified Pressures

Pressure	Description	Net Pressure					
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
All - Pay Inflation	Expected inflationary increase in salary costs. Corporate assumption 3% 25/26, then 2%.	1.455	0.993	1.011	1.030	1.050	5.539
All - Non-Pay Inflation	Estimated cost of price inflation taking into account forecast increases to key inflation indicators including the NLW & CPI. Pressures are currently costed based on a 5.77% NLW uplift in 2025/26, 4% in 2026/27 and 3% per year thereafter. CPI is budgeted at 2% per year across the MTFS period. Pressures will need to be reviewed in light of the Autumn Statement and pending the Draft Local Government Finance Settlement. Assumptions are made about the proportion of packages for each market sector that will receive uplifts based on the inflation principles proposed for each sector. The gross inflationary pressures shown here are before any planned efficiencies to mitigate inflationary pressures.	2.744	2.791	2.855	2.920	2.987	14.297
H&T - Additional Verge Maintenance and Area Cleanup gangs	Improvements in grass-cutting, weed control, and other visual improvements including signs.	5.000	(5.000)				0.000
H&T - Additional Digital Demand Responsive Transport	Further growth of DDRT (net of offsetting reductions to local bus services), over and above the first tranche agreed by Cabinet as part of the bus network review. 2025/26 reflects the adjusted timing of phase 3.	(3.742)	0.610	0.115	0.070	0.072	(2.875)
H&T - concessionary fares and other pressures	Impact of new national concessionary fares calculator, plus other smaller pressures, offset by identified savings.	0.965					0.965
H&T - Parking	Parking contract inflation (including government increase in living wage)	0.500					0.500
H&T - Trees backlog	One-off increase in budget to help address an estimated £1m backlog of tree maintenance.	0.500	(0.500)				0.000
H&T - Bus network review	Estimated financial impact of retendering expiring local bus contracts, the introduction of a first tranche of Digital Demand Responsive Transport (DDRT), and introduction of a half price travel scheme.	0.335	(0.404)	0.685	0.582	0.582	1.780
H&T - Staffing for grass cutting	Increased staff costs of operating the service, expected to reduce following wider council reviews (core functions and customer).	0.200	(0.100)				0.100
H&T - Active Travel	Maintaining new highway infrastructure to heightened design standards		0.100				0.100
Environment - Waste - contract costs	Waste contract extension changes and pressures which arose at the end of 2023/24 (e.g. business rates) which are largely offset by linked efficiencies.	4.268					4.268
Environment - Waste - Dry Mixed Recyclable prices	Global market prices increased in 2023/24 and are expected to remain high.	2.000					2.000
Environment - Countryside - ash dieback	For a limited time £0.2m was added to the 2023/24 budget to deal with ash dieback impact on countryside trees, e.g. where they effect public rights of way.		(0.200)				(0.200)
All - Unachieved contract efficiencies	To date contract management reviews have not delivered cash savings. 2023/24 & 24/25 efficiency targets (£0.2m + £0.1m) therefore not met.	0.300					0.300
Total Pressures		14.524	(1.710)	4.666	4.602	4.691	40.773

EIG – Proposed efficiencies

Efficiency	Description	Efficiency					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Environment - Waste - Residual waste reprourement	New contract has saved £3m per year. £0.6m part year impact assumed in 24/25, balance in 25/26.	(2.400)					(2.400)
Environment - Remove D&B recycling support payments	Government have announced revenue funding for District and Borough food waste collections from 1 April 2026, allowing the County Council to consider removal of recycling support payments.		(1.200)				(1.200)
Environment - Waste - Rethinking waste	Review waste operating model and assess the implications of new Government strategy - including extended producer responsibility, deposit return scheme, infrastructure, etc.		(0.950)				(0.950)
Environment - Waste - Dry Mixed Recyclables	Estimate of saving expected from the reprourement of DMR, contract goes live October '24.	(0.180)					(0.180)
Environment - Waste - Green waste contract re-price	Lower gate fee secured through contract extension with existing provider	(0.125)					(0.125)
Environment - Waste - Closure of Swift Lane CRC	Closure of Swift Lane CRC	(0.100)					(0.100)
Environment - Waste - Sweeper waste re-price	Lower gate fee secured through contract extension with existing provider	(0.034)					(0.034)
Environment - Increased income from reuse shops	Increase sales and revenue from re-use shops	(0.050)					(0.050)
Environment - Review of Greener Futures spending including staffing	Review activities, staffing and non-staffing budgets.	(0.500)					(0.500)
H&T - Bus service funding (reversal of one-off prior year efficiency)	Reversal of one-off prior year efficiency - bus grant funding expected to be used in 2024/25 to fund bus improvements will now be used across several financial years.	6.643	3.309	1.024			10.976
H&T - Funding for capitalised repairs	The revenue budget includes funding transferred to capital to fund minor repairs including potholes. In future repairs will be funded from remaining capital budget.	(5.300)					(5.300)
H&T - Automation	Increased automation for some activities such as inspections (e.g. from AI, improvements to digitisation)	(0.050)	(0.100)				(0.150)
H&T - Community transport savings	Savings identified through EV programme rollout. Grant reduces as EV fleet expands.	(0.040)					(0.040)
H&T - Traffic signal conversions	Reversal of time limited funding for traffic signal upgrades		(0.700)				(0.700)
H&T - Advertising on the highway income	While existing efficiencies are delayed, income is forecast to increase over the medium term, dependant on planning approvals.		(0.100)	(0.100)			(0.200)
H&T - Enforcement of bus lanes and moving traffic offences	Estimated contribution to highway costs	(0.125)					(0.125)
H&T - On street parking expansion - income	Increase on street parking charging opportunity by expanding on street charging locations.		(0.200)	(0.200)			(0.400)
H&T - Feet First Programme	Seek alternative funding to enable the service to work at full cost recovery. Should this not be possible, cease provision.		(0.112)				(0.112)
H&T - Cycle Training Programme	Seek alternative funding to enable the service to work at full cost recovery. Should this not be possible, cease or reduce provision.		(0.184)				(0.184)
H&T - Lab Services	Improve the marketing offer and increase the revenue for this service to enable full cost recovery. In future years build on the service and generate a surplus.	(0.020)	(0.030)	(0.039)			(0.089)
Land & Property - Scale of Operational Estate	To reduce the scale of the operational estate, and seek to close buildings more aggressively.		(0.737)				(0.737)
Land & Property - Challenge need for Retained Properties	Work with Services to progress decisions on buildings that are currently flagged as a strategic hold (to decrease running costs across the portfolio)						
Land & Property - Challenge unit costs for Operational Estate	Review all building costs and work with Macro on all Soft & Hard FM Costs						41

EIG – Proposed efficiencies cont.

Efficiency	Description	Efficiency					
		2025/26	2026/27	2027/28	2028/29	2029/30	Total
Land & Property - Challenge individual Service estate transformation projects which focus on the 'as is' estate.	All individual Service estate transformation projects should be stopped. All community service provision should be considered holistically, linked to Customer & Community/ Place needs alongside commercial inputs. Receipts of property outside of embedded MTFS Capital receipts & Agile to invest in 'Place'.		(0.500)				(0.500)
Land & Property - unachieved prior year facilities management efficiencies	Previous year's facilities management efficiencies are not being achieved (£1.5m) due to the identification of more sites and assets which need maintaining. This is partially mitigated through other efficiencies.	1.290					1.290
Planning & Place - income	Income from provision of Historic Environment Planning activities	(0.100)					(0.100)
Planning & Place - income	Healthy Streets Licensing	(0.050)					(0.050)
Planning & Place - income	Income from Planning Performance Agreements and charges for discretionary services	(0.020)					(0.020)
Planning & Place - income	Planning fees	(0.025)					(0.025)
Planning & Place - Placemaking Function	Maximise capitalisation of projects and seek further alternative external funding (e.g. Horizon, MHCLG Grants etc.). If unachievable reduce Placemaking service by 1-2 FTE in 2025/2026	(0.100)	(0.100)				(0.200)
Planning, Performance & Support - PMO support to other bodies	Offer PMO support outside ETI - support to B&Ds for example	(0.025)	(0.025)	(0.025)	(0.025)		(0.100)
Infrastructure & Major Projects - capital recharges	Capitalise an assumed 50% of Director of Infrastructure time.	(0.059)					(0.059)
Infrastructure & Major Projects - on-street EV charging contract income share	Contract provides SCC with a share of the income	(0.026)	(0.059)	(0.102)	(0.157)		(0.344)
Economic Development - Restructure - 'rightsize team'	Review of Economic Development team.	(0.050)					(0.050)
All - Maximising our income	Placeholder pending further income reviews	(0.200)	(0.200)	(0.200)	(0.200)		(0.800)
All - Contract inflation reduction	The 24/25 budget assumed 5% contract inflation. Rates subsequently fell, allowing 1% to be held back to offset pressures within Waste.	(0.952)					(0.952)
Total Efficiencies		(2.598)	(1.888)	0.358	(0.382)	0.000	(4.510)

Equality Analysis – Environment, Infrastructure & Growth (EIG)

Efficiency	Potential Impact	Mitigation/Recommendation	EIA Status
Economic	The screening has considered the position of all staff affected within the restructure and established that there are no negative implications from the proposed changes. The addition of new posts at a variety of levels and the application of SCC's policy and processes is ensuring that the impact on anyone with protected characteristics is mitigated.	N/A	Not Required
Place Redesign (£ TBC)	Impacts are still to be identified. The redesign is currently in the discovery phase.	Once plans have been developed, in conjunction with our HR Business Partner an EIA will be completed, if required.	Discovery Phase



EIG – Capital Programme

The Capital Programme is comprised of the Budget (schemes which are developed and ready to proceed, or already under way) and the Pipeline (schemes requiring further development and subject to business case approval). The draft capital programme for Resources totals £0.5bn over 5 years and is funded from a number of sources including grants and borrowing.

The Directorate has significant capital investment and delivery plans over the MTFS period, relating to the Council's Land & Property. These investment plans are developed in close consultation with front line services to ensure that the Council's assets are used effectively and are fit to support the efficient delivery of services to our residents and to support our staff to carry out their responsibilities. Key schemes relate to:

- Maintaining schools and corporate buildings £150m;
- Additional Needs and Alternative Provision £151m;
- Schemes for CDC, including Libraries and Hubs £31m;
- ASC schemes £39m;
- SFRS Schemes £26m;
- Children's Schemes £22m.



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
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	Growing a sustainable economy so everyone can benefit	Liz Mills, Strategic Director - Customer Service Transformation Michael Smith, Director, Design & Transformation
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	<i>To be confirmed</i>
	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	<i>To be confirmed</i>

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).

[**Treasury Management Strategy:** To receive information on the Treasury Management Strategy (TMS) as part of the 2024/25 budget process (*to be considered at a January 2025 briefing session*).]

Not yet programmed:

- **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.

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
December 2024**

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

KEY			
	No Progress Reported	Action In Progress	Action Completed

Date	Item	Recommendation	Responsible Member/ Officer	Deadline	Progress check	Recommendation response accepted/ implemented
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,				<p>Response as of 26 September 2024</p> <p>Ongoing:</p> <p>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.</p>

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
December 2024**

Annex B

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

KEY			
	No Progress Reported	Action In Progress	Action Completed

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.
18 October 2024	Strategic Investment Board Annual Report 2023/24 - SCC Property Portfolio	RPSC 17/24: The select committee notes the report, notes the report of the CEHSC considering the risk strategy seen by them, and recommends that a risk profile of capital expenditure and forecasts come back before this select committee for further oversight and scrutiny.		20/11/24		Distributed to officers for response on 22 October 2024.

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
December 2024**

Annex B

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

KEY			
	No Progress Reported	Action In Progress	Action Completed

18 October 2024	Strategic Investment Board Annual Report 2023/24 - SCC Property Portfolio	RPSC 18/24: Recommends that the select committee receive a further update on the leasing strategy in relation to letting premises within the Landlord and Tenant Act 1954 (as amended).		20/11/24		Distributed to officers for response on 22 October 2024.
Page 73 18 October 2024	Strategic Investment Board Annual Report 2023/24 - SCC Property Portfolio	RPSC 19/24: Recommends that the select committee receive an overview of the asset management strategy for properties owned by the council and Hasley Garton Property Ltd.		20/11/24		Distributed to officers for response on 22 October 2024.
18 October 2024	Strategic Investment Board Annual Report 2023/24 - SCC Property Portfolio	RPSC 20/24: Recommends that the Resources and Performance Select Committee receive an update on the capital investment in the Brightwells Regeneration Scheme at Farnham, with reference to the Economic Prosperity Strategy.		20/11/24		Distributed to officers for response on 22 October 2024.

**RESOURCES & PERFORMANCE SELECT COMMITTEE
ACTIONS AND RECOMMENDATIONS TRACKER
December 2024**

Annex B

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

KEY			
	No Progress Reported	Action In Progress	Action Completed

18 October 2024	Strategic Investment Board Annual Report 2023/24 - HGP Property Portfolio	RPSC 21/24: The select committee notes the report, and recommends that this committee receives further updates on any financing requirements of Halsey Garton Property LTD after consideration by the Halsey Garton board and by the council's Shareholder Investment Panel (SHIP).		20/11/24		Distributed to officers for response on 22 October 2024.
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ACTIONS

Date	Item	Action	Responsible Member/ Officer	Deadline	Progress check	Action response. accepted/ implemented
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:

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						<p>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 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.</p> <p>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.</p> <p>The first draft of the Framework will be completed mid-November 2024. We will be sharing the draft evidence base with Members in</p>

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Page 78						the coming weeks and there is an opportunity for them to join a drop-in with Ioni Sullivan and I to discuss and share any reflections from their experiences of working within their communities on 3 rd October at 2pm. We will also be in the marketplace scheduled at Woodhatch Place on 9 th October.
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 Session of the R&P Select Committee, which is to be arranged following Cabinet's response to the Resources and Performance Select Committee's report on 23 July 2024.

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18 October 2024	Cabinet response to the DB&I recommendations	RPSC 19/24: The Scrutiny Officer is to ensure that any updates on the implementation of the DB&I report's recommendations are added to the FWP for after March 2025.		20/11/24		Scrutiny Officer to undertake this in collaboration with the Chairman.
18 October 2024	Strategic Investment Board (SIB) Annual Report	RPSC 20/24: The Scrutiny Officer is to add an item to the Forward Work Programme considering the review of council investments over the next 12 months.		20/11/24		Scrutiny Officer to undertake this in collaboration with the Chairman.
18 October 2024	Strategic Investment Board (SIB) Annual Report	RPSC 21/24: The Strategic Finance Business Partner - Commercial to share with the committee figures relating to the cost-effectiveness of services provided by the council's different investment bodies e.g. Connect2Surrey		20/11/24		Distributed to officers for response on 22 October 2024.
18 October 2024	Strategic Investment Board (SIB) Annual Report	RPSC 22/24: Strategic Finance Business Partner - Commercial to provide information on Surrey Choices and the benefits that it delivers to the council in employability.		20/11/24		Distributed to officers for response on 22 October 2024.
18 October 2024	Strategic Investment Board (SIB) Annual Report	RPSC 23/24: The Scrutiny Officer is to follow-up on the possibility of the mid-year report of the Strategic		20/11/24		Scrutiny Officer is undertaking to arrange this after the next review

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		Investment Board returning to the Select Committee for consideration				of the Committee's Forward Work Programme in December.
18 October 2024	Strategic Investment Board (SIB) Annual Report	RPSC 24/24: The Scrutiny Officer to collate previous years' SIB annual business reports to share with the select committee		20/11/24		Distribution of these reports to committee members is being arranged.
18 October 2024	Strategic Investment Board (SIB) Annual Report	RPSC 25/24: The Strategic Finance Business Partner – Commercial to update on where the public can view the total amount of income received and capital invested by the council in its investment companies, on a company-by-company basis. Officers to provide specific company accounts to the committee if not already available elsewhere.		20/11/24		Distributed to officers for response on 22 October 2024.
18 October 2024	Strategic Investment Board Annual Report 2023/24- SCC Property Portfolio	RPSC 26/24: The Scrutiny Officer and Managing Director of Halsey Garten Property to investigate potential scrutiny consideration of the council's ownership of Park Lodge, prior to this report it going to the Strategic Investment Board, as well as a report regarding Ranger House, subject to what is		20/11/24		Scrutiny Officer is clarifying the possibility of this and will report back to the Chairman in due course.

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		appropriate under present delegated authorities.				
18 October 2024	Strategic Investment Board Annual Report 2023/24- SCC Property Portfolio	RPSC 27/24: The Strategic Finance Business Partner – Commercial is to report to the committee on current policies and practices concerning any sub-contracting in the council's Local Authority Trading Companies.		20/11/24		Distributed to officers for response on 22 October 2024.
18 October 2024	Strategic Investment Board Annual Report 2023/24- Halsey Garton Property Portfolio	RPSC 28/24: The Scrutiny Officer is to consult with officers about adding an item on the long-term financial plans of the Strategic Investment Board to the select committee's work programme.		20/11/24		Scrutiny Officer is undertaking to arrange this after the next review of the Committee's Forward Work Programme in December.

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