

CABINET- 28 January 2025**Cabinet Response to the Recommendations from Select Committees Following Scrutiny of the Draft Budget Proposals in December 2024.****Adults and Health Select Committee***Adult Social Care:*

- I. It is recommended that strong and effective Risk Management is treated as a key requirement to ensure that Surrey's Adult Social Care Services remain sustainable while delivering the services needed by Surrey's residents.

Cabinet Response:

Strong and effective risk management is essential to ensure the sustainability of Surrey's Adult Social Care Services while meeting residents' needs. Risk management in our services involves both mitigating potential negative outcomes and identifying opportunities for improvement. Our approach includes regular risk assessments, stakeholder engagement, scenario planning, and maintaining a risk register to track and manage identified risks. This proactive approach helps us address challenges such as financial pressures, staffing issues, and demographic shifts.

Data plays a critical role in both risk management and validating the impact of our services. We use data-driven insights to track service usage patterns, identify emerging risks, and monitor key performance indicators aligned with resident outcomes. We are also using predictive analytics to help us model future trends and assess how external factors may impact service delivery.

To ensure that changes and initiatives are effective, we test their impact on residents. This includes pilot programs, co-design with residents and user groups as well as commissioning independent evaluations such as using the Local Government Association to measure the impact on service users, identifying unintended consequences and then refining approaches. This helps us refine services and ensure that the voices of residents and their families are central to decision making. By evaluating the effectiveness of changes, we can quickly adjust strategies and maintain responsiveness to evolving needs.

- II. It is recommended that Needs Assessment is appropriately resourced and robust as it is central to the reduction of costs and at the same time it is essential the weaknesses identified by the CQC are rectified.

Cabinet Response:

The improvements required and identified by the CQC regarding Needs Assessment will be delivered through the transformation and improvement programme in AWHP. This will include resourcing and robust scrutiny of the plans to ensure they remain on track and deliver the required outcomes.

- III. A plan will be required within the next six months for review, to support the provision of Technology Enabled Care in areas where the provision of appropriate telecommunications services is weak or lacking.

Cabinet Response:

The plan for how the digital switch over is being managed, delivery progress and how issues around connectivity gaps are being addressed within this work will be presented to the committee within the next six months.

- IV. It is recommended that there is investment in the tracking of spending.

Cabinet Response:

We welcome this recommendation but can offer assurances that robust budget monitoring is already in place.

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Children, Families, Lifelong Learning & Culture (CFLLC) Select Committee

- I. The Committee notes the significant pressures on the Directorate's budget of pay inflation, and the efficiencies planned through staff restructuring. As the EIA is not yet available for the planned restructuring we are concerned at the impact on front line staff and at the risk that we will not have sufficient capacity to deliver vital preventive and statutory services. We are aware of high vacancy rates for social workers, with only some of these roles covered by agency staff.

Cabinet Response:

Cabinet notes the Select Committee's comments. We can confirm that an EIA is required before all restructures.

- II. The Committee was reassured that frontline staff (including social workers, SEND caseworkers and residential caseworkers or alternatively qualified professionals) have been exempted from recruitment controls. It is important to the Committee that plans do not impact the continuing need to improve our communications and responsiveness in the area of additional needs and disability (SEND).

Cabinet Response:

Cabinet notes the Select Committee's comments.

- III. We are aware that there has been some growth in senior roles over the past few years and we recommend that restructuring does not disproportionately fall on front line roles which are so vital to the delivery of services.

Cabinet Response:

Cabinet notes the Select Committee's comments.

- IV. The Committee recommends that recruitment into vacant – or currently agency filled - front line roles is prioritised, and that difficulty recruiting some roles does not lead to budget being redirected or reallocated away from the frontline.

Cabinet Response:

Cabinet notes the Select Committee's comments. We can confirm that recruitment to front-line roles is prioritised.

Culture Budget

- V. The Committee notes the success of the transformation programme which had delivered significant efficiencies whilst also transforming libraries into inclusive hubs for the community giving access to a range of community events and services.

Cabinet Response:

Cabinet notes the Select Committee's comments.

- VI. The Committee welcomes and supports the new partnerships and funding streams that are being developed to deliver additional services.

Cabinet Response:

Cabinet notes the Select Committee's comments.

- VII. The Committee recommends that the 2025/26 CDC Budget and MTFSS should ensure there are sufficient staff to provide community hubs, identified as an important aspect of the libraries' strategy and a key factor in helping to reduce isolation in society.

Cabinet Response:

There are existing resources assigned to specific community hub developments where that includes a library facility as part of the further implementation of the Libraries' transformation. Building on the success of this approach to date, additional future opportunities to make better use of community-based facilities will be identified and progressed through the One Council Transformation Programme. This will include the funding and staffing model required to deliver impact and value, with an expectation this is met through re-direction and re-prioritisation of existing council resources.

Communities, Environment & Highways Select Committee

- I. The Committee is very concerned about the deprioritisation of Greener Future's spend in the budget.

Cabinet Response:

Much of the work undertaken by the Greener Futures team is funded through grants, capital schemes or recharging. Efficiencies will result in a small reduction in staffing and in non-staffing budgets in relation to the 2050 net zero targets only. The impact of the efficiencies will be kept to a minimum as some of this work can be continued in partnership with other organisations, such as the South East Net Zero Hub.

Officers are starting to develop the next five-year Climate Change delivery plan, which will be brought to Select Committee in the summer and Cabinet thereafter. This will set out the priorities which the service can deliver with the resources that are available as well as highlight where there may be gaps where more funding will be needed. Further opportunities to bid for or leverage central government funding will be considered, especially as part of any devolution deal, to mitigate any funding gaps to support our net zero ambitions. In addition, a strong lobbying strategy will be developed to highlight shortfalls in funding and finance.

- II. Supports the investment in additional verge maintenance and area clear up gangs.

Cabinet Response:

Cabinet notes the views of the Select Committee. The budget includes significant investment in highways services including enhanced verge maintenance and area clear up gangs.

- III. Repeats its recommendation to reconsider expansion of Digital Demand Responsive Travel and further investment in light of the extreme financial challenges outlined in the draft budget papers, noting that Digital Demand

Responsive Travel investment is identified as a continued priority in Cabinet response to Committee's November recommendations and in the budget papers.

Cabinet Response:

Consideration has been given to pausing the introduction of Surrey Connect Phase 3 from September 2025. However, after due consideration, Cabinet has concluded that it remains committed to improving and enhancing a range of public transport options and that includes expanding the Surrey Connect network. This expansion, alongside other linked areas of work, will support residents to access employment, our town and village centres, primary medical care and a wide range of other services and commerce that are vital to residents and communities. This approach will help us to ensure that no one is left behind.

Alongside this, we are maximising the use of County Council and Bus Service Improvement Plan (BSIP) funding. The Council already invests in many local bus services to help residents travel sustainably, and we are using BSIP funding to improve frequency and operational coverage too. This investment is being undertaken in partnership with our bus operators who are committed to taking a proportion of the financial risk, the aim being to maximise commerciality of provision once BSIP funding is exhausted. This work is being channelled through our 'Enhanced Partnership' that covers the whole of Surrey.

- IV. Supports the re-set of capital expenditure plans to bring down the capital debt financing requirement. This was highlighted by the Committee as an area of concern in its budget deep dive conclusions and recommendations.

Cabinet Response:

Cabinet notes the views of the Select Committee. Cabinet, the Corporate Leadership Team and the Capital Programme Panel have reviewed the Council's Capital Financing Requirement trajectory and undertaken a full and thorough review of the capital programme and pipeline allocations. As a result, the borrowing requirement has reduced significantly from the previously approved capital programme resulting in a significant reduction in the capital financing requirement forecast over the medium term.

- V. In light of the large contracts that account for a large proportion of Environment Infrastructure & Growth's (EIG)'s spend, the Committee recommends a greater focus on driving value out of large Council contracts.

Cabinet Response:

Many large EIG contracts have been competitively tendered in recent years which allows the Council to evaluate the cost of providing the service(s) against the market as part of the selection process. In addition to tender stage, there is a regular focus on value for money throughout a contract's lifecycle, and a greater emphasis on contract management and other value based elements including Social Value, reducing carbon emissions and delivering continuous and ongoing improvements including bringing forward innovations from the respective sector of the contract.

- VI. Recommends that Members be advised of any changes to the capital programme that affect their divisions.

Cabinet Response:

Not all capital programmes are split by division, however where possible local members should always be advised of changes to the capital programme that

affects their division. This includes updating local members on capital scheme progress, rescoping or any other significant change as is already current practice.

Resources and Performance Select Committee

- I. The select committee welcomes the council's work to deliver a balanced budget in an extremely challenging financial context through aligning revenue budgets, capital investment and transformation plans within both Directorates and the organisation and recommends that this integrated approach continues to be employed in future years.

Cabinet Response: Cabinet notes the Select Committee's comments

- II. The select committee appreciates the importance of ensuring continued financial resilience to protect services for residents and the important progress made to close the budget gap to the remaining £17.4m, but recognises that the Council will need to make difficult decisions to close the gap that is likely to continue to grow over the remainder of the medium term.

Cabinet Response: Cabinet notes the Select Committee's comments

- III. The select committee welcomes the completion of Equality Impact Assessments for proposed budget efficiencies. The Committee notes that they are in different stages of completion and that further work is required to fully complete them to a high and consistent standard (using the agreed template and process). The select committee recommends that this continues to be assessed as part of its work overseeing Equalities & Diversity.

Cabinet Response: Cabinet notes the Select Committee's comments

- IV. The select committee welcomes the reduced capital financing costs in the revenue budget, but voices concern about the deliverability of the scale of the remaining capital programme, and risks that this may therefore pose to key priority areas of investment.

Cabinet Response:

Cabinet notes the Select Committee's comments. Delivery of the capital programme will continue to be overseen by the Capital Programme Panel and Strategic Capital Groups. Capital expenditure against budget will be reported to Cabinet on a monthly basis as part of the ongoing monitoring of the Council's financial position.

- V. The select committee endorses the council's attitude to risk and the budget's risk profile and recommends that work continues to revise overall risk downward across the medium term (recognising the work of the Audit and Governance Committee to monitor risk). The Committee notes the significant risk associated with transformation programmes and has continued concerns about siloed working and effective governance and oversight across the programmes at the heart of the Council's efficiencies savings (noting the experience with MySurrey) and urges the S151 officer to prioritise focus in this area.

Cabinet Response:

Cabinet notes the views of the Select Committee. The Transformation programme has been refocused, there is a new streamlined governance approach to monitoring and oversight, there is a move to a "One Council" approach to transformation work and a clear approach to ensuring delivery.

- VI. Accountability for delivery of efficiencies: The Committee supports the additional focus on good governance and increased oversight of the delivery of savings through implementation of efficiency delivery plans and robust monitoring to hold directorates to account; and looks forward to reviewing the success of this approach.

Cabinet Response: Cabinet notes the Select Committee's comments

- VII. The Committee notes concern about the Maintenance backlog and requests to review past and current maintenance reports in more detail. (*Possibly via a Task & Finish Exercise*)

Cabinet Response:

Cabinet notes the Select Committee's comments and agrees to a review. The Resources & Performance Scrutiny Officer is liaising with Land & Property to agree the best way to carry this out.