

MINUTES of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 11 July 2019 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on 18 October 2019.

Elected Members:

(*present)

- * Mr Nick Harrison (Chairman)
- * Mr Will Forster (Vice-Chairman)
- * Mr Graham Knight (Vice-Chairman)
- * Ms Ayesha Azad
- Mr Chris Botten
- Mr Mark Brett-Warburton
- Mr Graham Ellwood
- * Mr Bob Gardner
- * Mr Naz Islam
- * Rachael I. Lake
- * Dr Peter Szanto
- * Mr Chris Townsend

In attendance:

Dr Zully Grant-Duff, Cabinet Member for Corporate Support
Mel Few, Cabinet Member for Finance

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Graham Ellwood, Chris Botten and Mark Brett-Warburton.

2 DECLARATIONS OF INTEREST [Item 2]

Rachael I Lake declared an interest in that her son was employed by Surrey County Council.

3 QUESTIONS AND PETITIONS [Item 3]

None had been received.

4 CABINET MEMBER PRIORITIES UPDATE [Item 4]

The Chairman informed the Committee and those present at the meeting that there had been an accident on the M25 and therefore a number of attendees were running late including the Cabinet Member for Corporate Support and Vice-Chairman.

Declarations of interest:

None

Witnesses:

Dr Zully Grant-Duff, Cabinet Member for Corporate Support
Mr Mel Few, Cabinet Member for Finance

Key points raised during the discussion:

1. The Vice-Chairman started with questioning asking the Cabinet Member for Finance the following questions: what his top three priorities for the year ahead were, what his greatest areas of concern were within his portfolio, how these concerns would be tackled and finally how the Cabinet Member would work with the Cabinet Member for Corporate Support going forward. The Cabinet Member for Finance started by saying that the main area of focus for him was the budget and delivering the savings plan of £100m, which included £80m for transformation plans and £20m for operational budgets. The second focus was the delivery of capital projects and the third focus would be working to have a regular cash flow presented. Property was included as a priority and specifically how the council develop and dispose of properties and ensure property is aligned with service requirements. Staffing in property would also need attention.
2. The Cabinet Member for Finance explained that the Cabinet Member for Corporate Support was responsible for the daily running of council property whilst he was responsible for the Capital side of property. The Cabinet Member for Corporate Support was also responsible for agile working, IMT and transforming Orbis.
3. A Member queried how the Cabinet Member for Finance was involved with the development and disposal of property assets alongside services. The Cabinet Member for Finance explained that services were responsible for setting their own property agendas and property requirements were forwarded from the service to the property team for actioning. All capital investments come forward on an investment proposal which have a payback analysis.
4. The Chairman queried to what degree property savings had been separated out from operational savings and if there were savings targets for the property function. The Executive Director of Resources explained that the MTFP was currently being refreshed for the next four years and targets would be coming forward from savings flowing from the assets and place strategy which was agreed by Cabinet earlier in the year. These savings would be counted against property. To date there are some examples where service changes include some property savings which are being tracked to ensure they are being delivered. It was added that the council would be operating a corporate landlord model as part of the assets and place strategy which would require close collaboration between the service and property. Services would also be asked to develop property strategies over the next five years which sets out there service requirements going forward.
5. It was confirmed that service property strategies would focus on delivering service outcomes within financial envelopes rather than purely just being about delivering savings. The Cabinet Member for Finance added that each service now has a budget envelope to operate within.
6. A Member queried what benchmarks would be used to evaluate the property we have or look to acquire. The Cabinet Member for Finance explained that there were two elements in property which included Halsey Garton Property Investments which was set up to drive additional revenue to support council services. CBRE as the council's property advisors identify properties on market and there is a vigorous programme to identify those which will bring in an appropriate return on investment. On the internal side which deals with the council's property portfolio, there is

an assessment process as part of the capital expenditure programme which looks to see if the property meets the service requirements and delivers service objectives.

7. The Cabinet Member for Finance confirmed that there was vigorous criteria in place to ensure properties are generating income as with Halsey Garton Property Investments through the Strategic Investment Board. A committee Member queried if properties would be rejected if they no longer met the council's objectives. The committee were assured that each property would be assessed as explained in the assets and place strategy and then either disposed of or used to generate income.
8. It was queried whether the council paid business rates on empty buildings. The Cabinet Member for Finance stated that he did not have this information available to hand but would provide the Member asking with this information.
9. A Member of the Committee queried if there was a process in place to monitor capital investments, such as an investment re-appraisal process. The Member was of the view that this was something the council should be undertaking rather than leaving to external consultants. The Cabinet Member for Finance explained that with Halsey Garton he does this re-appraisal himself. With internal property, this was a new process which audit were looking through. The Executive Director of Resources added that the Cabinet Member for Finance had been a driving force in making sure investment property was making a return. For the capital programme, work was being done to widen out how capital projects were being monitored, with delivery and outcomes being at the forefront.
10. The Chairman commented that the returns from Halsey Garton were modest, further questioning what had changed culturally with regards to finance reporting. The Cabinet Member for Finance stated that Cabinet Members were now taking personal responsibilities for their budgets and that he would be meeting with them every month to go through performance appraisals and discuss any issues with their budgets. This approach was supported by the Leader. The Executive Director of Resources added that CIPFA (Chartered Institute of Public Finance and Accountancy) had visited the authority and were clear that the relationship between finance and managers had not been working well. The finance improvement programme has led to the development of the partnership protocol which is jointly produced by finance and managers and sets out how finance and managers will work together. This could be shared with the committee in the autumn.

Dr Zully Grant-Duff, Cabinet Member for Corporate Support arrived at 10:40

11. It was agreed for the Committee to consider Item 5 and then return to this item later to consider the Cabinet Member for Corporate Support's priorities.
12. The Cabinet Member for Corporate Support explained that her overarching priorities were interlinked and impacted numerous services. She went onto say that her top three priorities were to ensure there was an IT and digital strategy in place by October 2019, improve the customer experience enabling residents to self-serve and create an agile workforce.
13. A Member queried if the workforce were supportive of agile working and if lessons around agile working/IT could be taken from other councils. The Cabinet Member for Corporate Support stated that agile working was a work in progress and that the council needed to increase the pace of

digitisation and technology integration. The council was moving towards Windows 10 and staff had been surveyed about equipment they need to perform and progress in their roles. Discussions had also started to take place with IT around preparations required for agile working and PPDC would be receiving regular reports on the impacts of agile working on the workforce.

14. It was queried what the desk to staff ratio was as part of the agile working programme. The Executive Director explained that the assumption was that the council would move to an aggressive desk ratio and this would be dependent on which building what chosen as the civic heart. Studies of desk utilisations had taken place in council buildings and the Executive Director was of the opinion that the biggest challenge would be the culture change for staff.
15. A Member asked what financial implications were attached to agile working. The Executive Director stated that there was a workstream within the moving closer to resident's project which would be investigating costs associated with agile working.
16. A Member flagged that only 3% of the workforce had declared a disability and asked if there was anything more that could be done to attract people with disabilities to work for the council. It was agreed that the Director for HR & OD could provide more information around these figures.
17. It was argued that virtual meetings should be at the forefront of agile working and it was important that staff role modelled these technologies.
18. It was queried what timeframes had been set to help accelerate the digitisation process. The Cabinet Member for Corporate Support stated that for each transformation programme which the digital project is part off, a timeline including aspirations are in place which officers are working too. The Chairman stated that it would be helpful to understand the key tasks associated with each transformation project. This would be an item for consideration by the committee in October and December.
19. With regards to Orbis, Members were informed by the Executive Director that a decision in principle had been made across all three Orbis partners that HR and finance would return as sovereign Surrey functions. Any centres of expertise within finance would remain within the partnership. There is an agreement that all partners would have their property functions returned to them but integration in this area would be explored.
20. The Chairman invited the Cabinet Member for Corporate Support to pension board meetings explaining that the pension service was experiencing challenging times. The Cabinet Member for Corporate Support said that she was receiving regular reports from the service on the pension's improvement plan.
21. Work was being undertaken to revisit the method for distributing cost across the Orbis partnership by all three partners which is due to report back to the Orbis Joint Committee in October.
22. The Chairman was of the view that the current year procurement plan should be shared with the Committee. There is an attempt to involve Cabinet early in the procurement process and hence the development of the procurement forward plan.

Resolved:

That the Resources and Performance Select Committee:

- I. receive an update at each of its formal meetings from the Cabinet Member for Corporate Support and Cabinet Member for Finance on priorities and work undertaken,

- II. to be provided with the specific project targets and timescales in relation to each transformation programme within the Committee's remit at its October and December meetings.

Actions:

- a. For the current year procurement plan to be shared with the Select Committee.

5 QUARTERLY PERFORMANCE REPORT (Q4 2018/19) [Item 5]

Declarations of interest:

None

Witnesses:

Dr Zully Grant-Duff, Cabinet Member for Corporate Support

Mr Mel Few, Cabinet Member for Finance

Leigh Whitehouse, Executive Director of Resources

Nicola Kilvington, Director of Intelligence, Analytics & Insight

Una McCarthy, Interim Assistant Director for Intelligence, Data, Analytics & Insight

Key points raised during the discussion:

1. The item was introduced by the Cabinet Member for Finance who stated that the report was a great start for performance reporting as the council had not previously had this type of detailed information. He stated that there were a few issues around no trends being displayed in the report and would be asking each Cabinet Member to look through the report focusing on five key drivers and then trying to understand how the report contributes to the delivery of the £82m saving required. The Director of Intelligence, Analytics & Insight explained that this was a new approach to corporate performance reporting which is complimentary to existing performance reporting taking place across the council. An eight lenses approach had been taken with the aim of keeping the report brief to highlight interdependencies. This is a work in progress and will be tailored to comments from members.

Graham Knight, Vice-Chairman arrived at 10:45

2. The Vice-Chairman queried with the Cabinet Member for Finance the items marked red in the current year budget. It was explained that the council was forecasting a £10.3m shortfall for the year which was driven by SEND.
3. A Member expressed their support for the scorecard approach to performance reporting asking how this performance report would interlink with various other performance reporting taking place across the organisation. The Director of Intelligence, Analytics & Insight explained that directorate reporting was robust but not standardised across the council and explained that indicators with the Q4 report are taken from directorate based reports.
4. It was queried how targets for service delivery measures were agreed and how this translated to a RAG status. The Director of Intelligence, Analytics & Insight said that she would need to go back to services to discuss individual indicators. As some indicators were new, targets had not been set but the service did want to get into a position where

- targets were set for all indicators. The Member was of the view that a RAG status should not be set if there was no target in place.
5. Another Member expressed their support for the report and the direction performance reporting was moving in.
 6. On the Strategic Risks (April 2019) contained within the Q4 report a Member queried which of the risks numbered between 3-8 would have the biggest payback for the council. The Executive Director of Resources stated that he believed the biggest risk area which would have an adverse impact on the council was SEND. The Member commented that he had knowledge of SEND and that transport in this area was very costly for the council.
 7. Concern was raised around people and customer measures included within the Q4 report. The Cabinet Member for Corporate Support explained that indicators were being worked on. With regards to filled establishment, there are around 400 staff in the process of going through a restructure with children's services being the priority. The Cabinet Member for Corporate Support was working with the HR Director to review the measures in the report. The turnover rate was linked to restructuring and therefore constantly changing. Going forward, the Cabinet Member for Corporate Support would ensure there was more detail around the financial links between people and customer measures.
 8. Concerns were raised around only 5% of staff being under 25 and the need to address this. The Cabinet Member for Corporate Support stated that this was being addressed through increasing the number of apprenticeships the council offers.
 9. It was queried why the sickness absence indicator within the report had no target but was RAG rated as green. It was added that the office of national statistics confirmed that the national average for sickness in 2017 was 4.1 days which is below the councils current 6.36 days per FTE. The Director of Intelligence, Analytics & Insight confirmed that the council's sickness absence was compared with data from other councils whereas the office of national statistics sickness data was the average sickness for all industry. The Executive Director of Resources added that sickness needed to be reviewed with regards to the type of work being undertaken by employees and that this was low when benchmarked with other local authorities. The Chairman agreed that it would be useful to view peer comparisons with regards to staff sickness.
 10. The Vice-Chairman queried how service delivery measures were agreed for inclusion in the report and how the eight performance lenses were agreed. The Director of Intelligence, Analytics & Insight explained that the eight performance lenses had been modelled on a balanced scorecard approach which included service delivery, our people, our customers, risk, finance, transformation, the Target Operating Model and areas where rapid service improvement was required. The service delivery measures included within the report were agreed by the Corporate Leadership Team but would be forwarded to Cabinet for review. The data sources used to develop the report include data reporting systems already used by services in the council. Going forward work would be undertaken to audit the reporting figures and sources.
 11. A Member of the Committee congratulated the team on the work being undertaken with performance monitoring.

12. The Chairman queried if the progress of key projects being undertaken by the council such as the development of the Eco-park could be included in the performance report.
13. Concern was raised as to why the Committee had not been provided with the strategic risk register prior to the meeting. The Executive Director explained that the most recent risk register was considered by Cabinet in May 2019 and it was agreed that it would be reported back to Cabinet on an exception basis.
14. The item was concluded and it was agreed for the Committee to consider the Cabinet Member for Corporate Supports priorities and objectives for the year ahead as part of Item 4.

Resolved:

- I. For future performance reports to include trends from previous performance reports.
- II. For the Children and Education Select Committee to review strategic risks within the SEND department as referenced in the Q4 performance report.
- III. For the Resources and Performance Select Committee to be sent the most recent risk register and to review a copy of the strategic risk register alongside future performance reports.
- IV. For each Select Committee to scrutinise service specific measures relevant to their committee remits within the quarterly performance reports.

Actions:

- a. For the Director of Intelligence, Analytics & Insight to provide the Select Committee with details of how targets for service delivery measures had been agreed with services.
- b. For the Select Committee to be provided with peer comparison data for workforce sickness absences.

6 SELECT COMMITTEE FORWARD WORK PROGRAMME [Item 6]

Declarations of interest:

None

Key points raised during the discussion:

1. The Chairman explained that the transformation projects within the Committees remit would be considered at the October and December Select Committee meetings with the possibility that the order in which these projects are considered may be changed depending on the acceleration of the projects.
2. The Vice Chairman recommended that the Digital transformation project is the main focus at the October meeting as an item on the digital strategy would be taken to Cabinet in October for consideration. It was agreed that the Chairman and Vice-Chairmen would decide which transformation projects are considered at the October and December Select Committee meetings.

3. A Member of the Committee recommended that Members review investment re-appraisal reports. The Vice Chairman explained that there were plans to convene a budget and property task group which would look at investment re-appraisals.

Resolved:

The Select Committee reviewed and agreed its forward work programme.

7 DATE OF NEXT MEETING: 18 OCTOBER 2019 [Item 7]

The next meeting of the Select Committee will be held on 18 October 2019 in the Ashcombe Suite, County Hall, Kingston upon Thames.

Meeting ended at: 12:22pm

Chairman