

**MINUTES** of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 18 October 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 Monday, 16 December 2019.

**Elected Members:**

- \* 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

**1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Graham Ellwood and Naz Islam.

**2 MINUTES OF THE PREVIOUS MEETING [Item 2]**

The minutes were agreed as a true record of the meeting.

**3 DECLARATIONS OF INTEREST [Item 3]**

None received.

**4 QUESTIONS AND PETITIONS [Item 4]**

None received.

**5 CABINET MEMBER PRIORITIES UPDATE [Item 5]**

**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 Committee heard from the Cabinet Member for Corporate Support, who provided Members with further information on work that had been completed since the last Committee meeting, as well as her ongoing projects.
2. Discussing the implementation of the digital strategy, the Cabinet Member explained that she had hoped the strategy would be in place by October 2019 but that the delay was a result of the appointment of

Rainmaker Solutions as partners in the design phase. As a result, the revised deadline was now February 2020.

3. The Cabinet Member went on to talk about the preparation of the forward procurement plan for the next financial year. This was expected to come to Cabinet in December 2019, and an interim procurement plan had already been approved by Cabinet for Q3 and Q4. Both plans listed the intentions of the strategy commissioning and had been drawn up in conjunction with all of the Council's services.
4. Members heard that the third piece of ongoing work was concerned with the improvement programme in business operations, with a particular emphasis on pensions administration. The service needed to be modernised and work had started but there was still a lot left to do.
5. Referring to the design phase of the digital strategy, a Member questioned whether between two and three weeks was a enough time to get a realistic view of the thoughts of residents and partners. He also asked for further information regarding the dates associated with the Digital Business and Insights Programme. In response, the Cabinet Member explained that the digital strategy design phases were "proof of concept phases", with the idea being to select around five of these cases so that there was a high-level sign of what needed to change. This would allow changes to be made in response to obstacles, issues that users have and matters relating to efficiency. The idea was to get feedback on those five proof of concept cases, and within 15 weeks this proof of concept would inform the strategy. With regards to the Digital Business and Insights Programme, the Cabinet Member informed the Committee that a paper was going to that month's Cabinet meeting and would include an outline of the business plan and a request to proceed to the procurement stage. It was expected to come back to Cabinet with the responses to the tendering exercise, and approval would be sought to begin implementing a new system from April 2020.
6. A Member asked about the improved online reporting for highways and asked for absolute numbers to be provided alongside the percentage changes, as this would better indicate to the Committee how big the problem still was. It was then agreed that the Cabinet Member would provide the Committee with a written response that included the required numbers relating to the percentage figures used in the report.
7. Discussing the digital strategy, the Vice-Chairman asked for assurance that the February 2020 deadline would be met and that a completed version of the system would be able to be rolled out. In response, the Cabinet Member spoke about the three transformation programmes that were being worked on – digital, agile working and moving closer to residents – and explained that they were all interrelated and needed to be supported so that the expected outcomes could be achieved. She reiterated that they were working towards the February 2020 deadline being met.
8. A Member asked for more information on the engagement that had taken place with user groups during the design phase of the online reporting for highways. The Cabinet Member explained that it was possible for users to engage with a member of the service through a web chat feature, which would allow them to raise any issues or complaints. Furthermore, customer service surveys were regularly undertaken by the service, as well as invitations to the public to give

- feedback, and these were used to monitor service satisfaction. It was agreed that a report would be shared with the Committee that explained the consultation that took place during the design phase.
9. Referring to the Children's Request for Support Team, a Member asked for assurance that non-urgent requests that went through the Contact Centre were as secure as those going through the Adults Multi-Agency Safeguarding Hub. The Cabinet Member explained that every precaution was taken but recommended that the issue was considered by a task group of the Committee so that in depth questions could be asked.
  10. Responding to a question about apprenticeships, the Cabinet Member informed the Committee that the Council was not doing as well as it should be. As a result, the service was looking at where the funding it received from levies was being spent and had ensured that an active piece of work was undertaken to push that forward. It was agreed that the number of apprenticeships in IT was to be provided to the Committee.
  11. A Member questioned whether, regarding the software being developed, there was a business plan in place for this to be sold to other authorities and organisations. The Cabinet Member informed the Committee that a team within the organisation was constantly monitoring and interacting with services about their needs and were integrating new applications into what the Council already had. There was a host of applications at any one time that were being integrated into the Council's services, and it was not possible to ascertain whether these could be developed internally and then marketed outside of the Council.
  12. The Committee heard from the Cabinet Member for Finance, who explained the work that had been completed since the last meeting. He had been regularly meeting with Cabinet Members in order to understand where they were relative to their forecasts, and to identify any potential risks. The Cabinet Member went on to speak about the capital expenditure process and the work that had been done on the 2020/21 budget. Regarding property, which was now part of the his portfolio, the Cabinet Member had had numerous meetings with the Head of Property. Going forward, the Cabinet Member said it was important to make sure the budget was balanced, and in period five it would be reported that the Council was £7.8m short.
  13. The Vice-Chairman queried the time lag relating to the interim management accounts and asked the Cabinet Member to comment. In response, the Cabinet Member said he believed good progress had been made and that they were working closely with both CLT and the services. Conversations were taking place regarding the format of reports but these were likely to be resolved shortly.
  14. Responding to a question about the differences between the Cabinet Member's approach to the property portfolio and the one undertaken previously, the Cabinet Member explained that a new Head of Property had joined the Council on 1 October and this represented an opportunity for the service to start anew. The Chairman then informed the Committee that a property update paper was scheduled to be considered at the November Cabinet meeting and would be reviewed by the task group prior to that.
  15. A Member spoke about a statement made by the Leader at a previous Council meeting, where he announced that unused and empty properties would be offered to charities and organisations for

vulnerable people. She asked how that strategy was coming along and was told by the Cabinet Member that there was currently a plan in place for two youth buildings to be opened.

16. Responding to a question about what processes were in place to achieve clarity about the overall capital expenditure process, the Cabinet Member said he felt this was currently one of the weakest process areas. He went on to remind the Committee that he had previously said that in period four there was only £13m spent against the budget, and that in period five the figure stood at £45.7m. The capital budgeting process was currently a separate process to revenue budgets and the objective was for those to align. The format of reports was to be amended so that it would be clearer what had been committed to and approved.
17. Returning to the issue of the management of the property portfolio over the past two years, a Member asked for this to be quantified as a cost. In response, the Cabinet Member said that he could report back to the Committee with an estimate.

**Actions/further information to be provided:**

1. The Cabinet Member for Corporate Support is to provide the Committee with a written response that includes the absolute numbers relating to the percentage figures used in the online reporting for highways report.
2. The Cabinet Member for Corporate Support is to produce a report on the consultation that took place during the design phase of the online reporting for highways.
3. The Cabinet Member for Corporate Support is to provide the Committee with the number of apprenticeships currently working in IT.
4. The Cabinet Member for Finance is to provide the Committee with an estimate on the cost relating to the management of the property portfolio over the past two years.

**Recommendations:**

The Committee is to receive further information on questions raised regarding the Cabinet Member Update papers.

**6 QUARTERLY PERFORMANCE REPORT (Q1 2019/20) [Item 6]**

**Witnesses:**

Anna D'Alessandro, Director of Corporate Finance  
Mr Mel Few, Cabinet Member for Finance  
Dr Zully Grant-Duff, Cabinet Member for Corporate Support  
Nicola Kilvington, Director of Intelligence, Analytics and Insight

**Key points raised during the discussion:**

1. The Committee heard from the Director of Insight, Analytics and Intelligence, who explained that the report represented a snapshot in time and that officers were currently in the process of collecting information for Q2 but were not yet in a position to share that.
2. Members examined in detail the service delivery measures as outlined in the Q1 performance report. Discussing indicator ASC 05, the

Director of Insight, Analytics and Intelligence explained that this was a primary focus of the adult social care transformation programme. The Director of Corporate Finance added that adult social care was travelling under the trajectory of a balanced budget and there was currently no underspend being identified in the budget. Responding to a question from the Chairman about the identification of alternative ways of reaching the budget, the Director of Corporate Finance explained that all services were focusing on the transformation plan and the £82m of transformational savings that had been identified in the last budget. Each service had been attributed a portion of that and an attempt to achieve these savings was driving the effort to deliver on the red risk savings. From a financial perspective, adult social care were not overspending and were managing the delivery of the savings they had been allocated as part of the budget setup.

3. Moving to indicator ASC 07, the Director of Insight, Analytics and Intelligence explained that recently compiled data indicated that the risk would be shown as amber in the Q2 performance report. The service had undertaken a diagnostic of their direct payment performance and practice and had been putting improvements in place.
4. The Vice-Chairman spoke about the difficulty of understanding the seriousness of issues without benchmarking figures that indicated the actual financial cost associated. In response, the Director of Insight, Analytics and Intelligence said that benchmarking information could be provided for indicators but that the aim was to try and keep the quarterly performance reports as concise as possible. It was agreed that the Select Committee would request information on specific indicators as and when they felt necessary.
5. Responding to a question about the gaps in RAG ratings relating to children's services indicators and whether ratings would be provided in the Q2 performance report, the Director of Insight, Analytics and Intelligence told the Committee that that was the intention but that they might end up being presented in Q3 due to complications with the data.
6. The Chairman highlighted indicator CTE 06, 'Delivery of SFRS Safe and Well visit programme', and the related red RAG rating, and it was agreed that he would raise the issue with the Chairman of the relevant select committee. The Director of Insight, Analytics and Intelligence informed the Committee that the Surrey Fire and Rescue Service had explained that Q1 tended to be much busier operationally than Q4 and the Safe and Well visits were completed on top of operational duties. As a result, they were unable to complete as many as they wanted. However, there had been a change in the quality assurance process, which required the visits to be audited before being marked as complete, and an additional 711 visits were submitted during Q1 but were not counted as being complete due to that auditing process.
7. Referring to indicator CTE 04 and the latest result available at Q1 (1.87km), a Member of the Committee questioned why the RAG rating was only amber when the latest figures were so far behind both the latest target and result this time last year. The Member also spoke about indicator PH 01 and questioned the use of percentages as results, as it was difficult for the Select Committee to properly understand what those specific percentages were relating to and whether they were good or bad.

8. A Member of the Committee asked for more information to be provided for indicator PH 02 and was informed by the Director of Insight, Analytics and Intelligence that this would be provided by Public Health.
9. Returning to indicators CTE 03 and CTE 04, and related annual programmes, a Member suggested that these and related programmes that were working towards annual targets could instead show a rolling 12 months so that the performance could be viewed relative to a full-year target, or for seasonal targets to be created so that there was greater clarity.
10. A discussion was had about the HROD indicators and the diversity of the Council's workforce. The Director of Insight, Analytics and Intelligence explained that Dave Hill had recently taken on the CLT lead for diversity and inclusion and a lot of work was being done to help increase the diversity of the workforce and connect with a diverse range of communities. She also spoke about the Young Employee Network that had been set up in 2018 and that they had been to CLT to talk about the issue. Work was also taking place to increase the number of apprenticeships being offered.
11. The Chairman questioned why indicators Customer 01, Customer 04, RS 01 and RS 02 did not have targets. In response, the Director of Insight, Analytics and Intelligence informed the Committee that she did not think Customer 01 had a target set for Q2 but that this would be confirmed with the service. Regarding Customer 04, this was a new measure and work was being done to look at the target around that, while traditionally targets had not been set for indicators such as RS 01 and RS 02, as these were viewed as indicators that provided useful information but could be heavily influenced by factors outside of the Council's control, making it difficult to set reliable targets. A Member of the Committee agreed that it would be difficult to set a useful target but expressed his disappointment that the latest result for RS 02 was so low.
12. The Committee heard from the Cabinet Member for Corporate Support, who explained that indicator Customer 01 concerned a piece of work that the customer services team had just started and were working in partnership with the adult social care department. They often found that it was better to wait a couple of months to see how things were working out before setting a realistic target.
13. Returning to indicators RS 01 and RS 02, the Vice-Chairman asked for targets to be provided as these could be compared with results from previous years. He also asked for the RAG rating for indicator Customer 01 to be made grey rather than green as there was no specific target being worked towards. The Vice-Chairman also suggested that information was provided on an annual basis that showed how Surrey County Council's performance figures compared to similar councils.
14. A Member of the Committee suggested that indicators RS 01 and RS 02 could be combined as they both dealt with similar issues. The Director of Insight, Analytics and Intelligence informed the Committee that all of the suggestions made would be considered.
15. The Committee turned its attention to the transformation financial figures on page 31 of the report, with the Vice-Chairman questioning how confident the Cabinet Member for Finance was that he would be able to make up the number over the next six months, and whether there were any other areas of the budget where savings could be made. In response, the Cabinet Member explained that the shortfall

was now £7.8m, and he went on to say that the report scheduled to go to Cabinet showed that the level of achievement in blue and green savings had risen on a monthly basis and that reds and blacks had decreased slightly. The pressure was coming from children's services – particularly regarding SEND – and the flattening out of spend in adult social care.

16. Responding to a question about why the overall Fire and Rescue Service rating on page 34 was showing as green when the schedule, benefits, costs and resources ratings were either amber or red, the Director of Insight, Analytics and Intelligence explained that these were being revised for the Q2 performance report so they would better reflect the nature of where the programme was.

**Actions/further information to be provided:**

An officer from Public Health is to provide more information on indicator PH 02.

**Recommendations:**

1. The Committee is to receive further information on questions raised regarding the Q1 2019/20 performance report.
2. Issues relating to the delivery of the SFRS Safe and Well visit programme are to be raised with the Service and the relevant Select Committee.
3. Officers are to explore whether targets can be created for RS 01, RS 02 and Customer 01 for inclusion in the next 2019/20 performance report.
4. The Committee is to receive on an annual basis information on how Surrey County Council's performance compares with other councils.

**7 TRANSFORMATION PROGRAMME UPDATE [Item 7]**

**Witnesses:**

Marie Snelling, Director of Transformation

**Key points raised during the discussion:**

1. The Committee heard from the Director of Transformation, who introduced the report and explained that good progress was being made. Positive changes were being seen within the Council and the transformation portfolio, and they were on track to deliver savings. The Director of Transformation also asked for Members to consider how best the Committee could be engaged in scrutiny work going forward.
2. The Vice-Chairman questioned the lack of dates, targets and benchmarks contained within the report and asked for the service to explore whether these could be provided in future reports so the Committee could be informed if the transformation project fell behind schedule in any way.
3. A Member of the Committee suggested that the service undertook a deep dive to ascertain how staff members felt about the new technology they had been provided with, and whether they felt they required any further training, as well as speaking with those members of staff who had been involved in a move to greater agile working. In

response, the Director of Transformation informed the Committee that an exercise had been undertaken with social workers who had recently moved from Leatherhead to Ashley Park House in Walton-on-Thames. This allowed officers to speak directly to staff members, and the Director of Transformation said that the resulting report would be shared with the Committee. A discussion was also had about the potential for the Committee to undertake a deep dive into agile working and for Members to speak with members of staff directly, and it was agreed that the agile working task group would look into this.

4. A Member of the Committee sought clarity on the Fig. 3 graphic included in the report and asked for more information on the organisational model following the implementation of the new methodology. In response, the Director of Transformation explained that the intention of the graphic was to try and show the shape of the organisation rather than the specific details. The Council was moving towards a more streamlined and delayed structure, and this change could already be seen within the Highways department.
5. Referring to the Fig. 1 graphic, which related to the transformation governance structure, a Member of the Committee asked for more detail so the Committee could better understand what roles were embodied within the individual sections of the structure. The Director of Transformation said that the diagram was a highly simplified version of a detailed and robust architecture and the assurance framework would be shared with the Committee.
6. The Committee turned its attention to the recommendations as set out in the report and considered the overall progress that had been made to date. The Chairman asked for red and amber to be traced through into the future programme and for the Committee to have sight of this. The Director of Transformation explained that the current transformation programme ran until 2021 but they were looking at how best to extend that into future years, and she told the Committee that she would provide an update on progress made at a future meeting.

**Actions/further information to be provided:**

1. The Director of Transformation is to share with the Committee the report that was produced on the deep dive into the social workers that had moved from Leatherhead to Walton-on-Thames.
2. The Director of Transformation is to share with the Committee the assurance framework.

**Recommendations:**

1. The Committee is to receive further information on questions raised regarding the transformation programme.
2. The Committee is to receive information on specific dates and targets in future update reports.
3. The Committee is to explore ways to deep dive into customer experience.
4. The Committee is to receive further information on the Transformation Governance Structure.

**8 ORBIS VALUE FOR MONEY UPDATE [Item 8]**

**Witnesses:**

Anna D'Alessandro, Director of Corporate Finance  
Mr Mel Few, Cabinet Member for Finance  
Nikki O'Connor, Strategic Finance Business Partner (Improvement & TPP/Resources)

**Key points raised during the discussion:**

1. The Director of Corporate Finance introduced the report and explained that the Orbis Partnership had been running for around five years and had, from inception until 2018/19, achieved savings of approximately £16m, and £3.2 was expected for 2019/20. She went on to explain that 31ten had undertaken a review on the Orbis Partnership, which was prompted by the fact that all three of the partnering authorities were moving in different directions. The review concluded that the partnership as a whole had changed its strategic direction, and the review represented a forward-looking view of what each of the councils wanted to achieve in the future. Even though the Orbis Partnership had helped the Council achieve savings, the rationale behind the recommendations was to allow the Council to invest in the back office and support the transformation programme. A lot of the savings came as a result of the three councils coming together and the efficiencies that arose from this, as well as a reduction in headcount.
2. The Director of Corporate Finance went on to explain that the new target operating model was keeping the procurement, business operations and IT functions as part of a future Orbis Partnership. All three were pulling out their property functions, and the Council had removed themselves from the majority of the HR function. With regards to finance, the only arrangement that it was planned to maintain was the series of "centres of expertise", which were integrated teams that covered financial accounting, tax, treasury management and insurance. A review was currently being undertaken to analyse whether it was right for the Council to remain as part of this partnership.
3. Referring to the Director of Corporate Finance's point that savings had been through headcount reduction and not integration, the Chairman questioned whether the headcount would increase when services were moved back into the Council. In response, the Director of Corporate Finance said that one of the areas they were looking at as part of the review was how the Council could deliver savings from integrating its services. A lot of work had been done in the finance department around process integration, and HR was doing the same.
4. The Vice-Chairman asked about the savings of £1.7m that were outlined in the report, as well as the £1.4m black savings in the Q1 performance report, and questioned whether other sectors in which Orbis was operational were at risk in terms of their ability to achieve further savings. In response, the Director of Corporate Finance explained that, in order to balance the budget, the Council had to find the savings, so whatever was not being delivered by Orbis would have to be found using another method, which was the premise behind black savings. The Strategic Finance Business Partner went on to explain that the £1.7m as outlined in paragraph seven of the report was the Council's share of the agreed savings across the original Orbis services, and that £1.7m was outside of the transformation agenda and largely being delivered that financial year. With regards to

the £1.4m black saving, that was a Council-specific target in relation to a transformation project which was added to the transformation programme to highlight the importance of the 31ten review and the need for the Council to review the Orbis Partnership. Conversations were taking place regarding the Council's future contribution rates to Orbis once it pulled out of the services outlined in the report, and savings would be seen in the 2020/21 budget as a result. In terms of what was anticipated when the budget was set, altogether this amounted to savings of approximately £3.1m.

5. The Vice-Chairman questioned why human resources was not being shared across the Orbis Partnership and was told by the Cabinet Member for Finance that they were dealing with specific differences, as there were particular commonalities between Surrey County Council and the other councils regarding areas such as procurement, IT and business operations, whereas the human resources market was different in Surrey. The actual administration of human resources would be left in Orbis but the individual assessments needed to be undertaken by someone who understood the Council and its specific needs. This would allow the person who sits in the organisation to regularly meet with CLT, understand the issues and interpret them into an action plan better than someone overseeing all three authorities.
6. Following a request from the Vice-Chairman, it was agreed that the 31ten review would be shared with the Committee.
7. In response to a further point made by a Member of the Committee questioning the rationale behind human resources returning to Surrey, the Strategic Finance Business Partner explained that paragraph 25 of the report summarised the main reasoning behind the decision, which was focused on the level of transformation that the Council was undertaking and how important it was the human resources function could support that. It was felt that the Council needed to have full control going forward.
8. Referring to paragraph 37 of the report, a Member of the Committee questioned why the aggregated contribution ratio had continued to be based on the initial cost of the services at the point of entering the partnership. He was informed by the Director of Corporate Finance that they were planning to revisit all of the contribution rates and what was going to work going forward.
9. Responding to a question about the full business case that was produced when the Council first entered into the Orbis Partnership, the Cabinet member for Finance agreed to share these details with the Committee.
10. Following a discussion, it was agreed that a follow up report would be provided to the Committee in summer 2020.

**Actions/further information to be provided:**

1. The 31ten review is to be shared with the Committee.
2. The full business case that was produced when the Council first entered into the Orbis Partnership is to be shared with the Committee.

**Recommendations:**

The Committee is to receive a follow-up report on the progress made towards implementing the recommendations.

**9 SELECT COMMITTEE RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 9]**

**Key points raised during the discussion:**

1. The Committee reviewed the recommendations tracker and noted that all actions had been completed.
2. Regarding the forward work programme, the Chairman informed the Committee that items discussed during the meeting would be added to forward work programme for consideration at future meetings.
3. An update was provided by the Vice-Chairman on the agile working and moving closer to residents task group. He explained that agile working plans were scrutinised by the task group during the summer but that it was difficult for it to scrutinise the move out of County Hall until a new building had been identified. Once one had been identified and announced, the task group would quickly begin the scrutiny process.
4. A Member suggested that the Committee kept a close eye on the property portfolio. The Vice-Chairman informed the Committee that his budget scrutiny and asset task group would be undertaking a review of Halsey Garton and Council-owned properties. In terms of budget scrutiny, the Committee would look at Q2 at its next meeting and would examine how exactly it wanted to scrutinise the 2020/21 budget.
5. The Chairman spoke about the budget process and explained that preliminary budget papers were going to each of the other three select committees before the end of the year. The chairmen of those select committees would be invited to the next meeting of the Committee and budget scrutiny would be the primary focus.
6. It was agreed that Rachael Lake would join the budget scrutiny and asset task group.

**Resolved:**

The Committee reviewed the recommendations tracker and forward work programme.

**10 DATE OF NEXT MEETING: 16 DECEMBER 2019 [Item 10]**

The next meeting of the Committee will be held on 16 December 2019.

Meeting ended at: 12:59 pm

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**Chairman**

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