MINUTES of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 18 March 2021 as a REMOTE MEETING.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 24 June 2021.

Elected Members:

*	Mr Nick Harrison (Chairman)
*	Mr Will Forster (Vice-Chairman)
*	Ms Ayesha Azad
*	Mr Mark Brett-Warburton
*	Mr Tim Hall
*	Mr Naz Islam
	Mr Graham Knight
*	Rachael I. Lake
*	Mr Wyatt Ramsdale
*	Dr Peter Szanto
*	Mr Chris Townsend
*	Mrs Hazel Watson

(* =present at the meeting)

12/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

None received.

13/21 MINUTES OF THE PREVIOUS MEETINGS: 21 JANUARY 2021 [Item 2]

A Member suggested that the record of discussion of the final 2021/22 budget at the 21 January meeting should include recognition of the quality of the work conducted and general praise of the budget process. The minutes of item 11/21 of the 26 January 2021 Cabinet meeting, which included the Resources and Performance Select Committee Chairman's presentation to Cabinet on the scrutiny of the 2021/22 final budget, were subsequently annexed to the 21 January 2021 Resources and Performance Select Committee minutes.

14/21 DECLARATIONS OF INTEREST [Item 3]

Rachael Lake declared that a family member is an employee of Surrey County Council and that another family member works for Zalaris UK, a company that has had past contracts with Surrey County Council.

15/21 QUESTIONS AND PETITIONS [Item 4]

Three public questions were received in advance of the meeting. The questions and responses are below, which were sent to the questioners in advance of the meeting. No supplementary questions were asked at the meeting.

Question 1, received from Andrew Matthews:

Following the very welcome announcement of 2.5 million funding for a new youth and community centre in Bookham, to replace the existing centre which was closed by SCC in 2010, how much of this funding will actually be invested in the construction of a new centre on each of the alternative sites, excluding feasibility studies etc?

Response to Question 1:

This information is not publicly available as the estimates are commercially sensitive.

Question 2, from Monica Weller:

In respect of the proposed residential development at the Bookham Youth and Community Centre, which is good news for residents, following its closure by Surrey County Council in 2019, what are the projected costs and proceeds (excluding costs up to detailed planning applications) from:

a) Delivering/developing the proposed 20 housing units alongside a new centre

b) Delivering/developing the proposed 23 housing units without a new centre.

Response to Question 2:

This information is not publicly available as the estimates are commercially sensitive.

Question 3, from Raj Haque:

It is good news for Bookham residents and young people that SCC Cabinet has at last approved £2.5m (excluding VAT) of capital funding to reprovision the Bookham Youth and Community Centre and associated residential development, following its closure in 2019. Please could you provide a breakdown of this figure into the components identified in the Cabinet paper and draft minutes, namely:

a) Costs to date in respect of feasibility and other work leading to detailed planning applications in relation to:
   (i)   Lower Road Recreation Ground
   (ii)   The existing site without a new centre
   (iii) The existing site with a new centre

b) Projected future costs in respect of (i), (ii) and (iii) above

c) Projected future costs in respect of delivery/development of a replacement Bookham Youth and Community Centre on:
   (i)   Lower Road Recreation Ground
   (ii)   The existing site.

Response to Question 3:

Regarding point a), this information is not publicly available as the estimates are commercially sensitive.

Regarding point b), this information is not publicly available as the estimates are commercially sensitive.

Regarding point c) (i), this information is not publicly available as the estimates are commercially sensitive.

Regarding point c) (ii), this is yet to be determined – pending detailed planning for the scheme.

16/21 COVID-19 FINANCIAL UPDATE [Item 5]

Witnesses:
Anna D'Alessandro, Director of Corporate Finance
Mark Hak-Sanders, Strategic Finance Business Partner
Becky Rush, Cabinet Member for Resources and Corporate Support

Key points raised during the discussion:
1. The Cabinet Member for Resources and Corporate Support introduced the item. The report outlined the Council's month 9 (December 2020) position on Covid-19 costs and grant funding. Ongoing Covid-19 related costs were being closely monitored, and there was a £9.9m Covid-19 reserve. Covid-19 related pressures were expected to continue into 2021/22.

2. A Member asked what the expected Covid-19 emergency funding balance at the final 2020/21 outturn was. The Cabinet Member stated that as at December 2020, the forecast outturn position was for a Covid-19 related spend of £56.1m, resulting in a £3.6m deficit against the £52.5m Covid-19 budget. This would continue to be monitored over the remainder of the financial year and any deficit would be funded by emergency funding. The Director of Corporate Finance added that it was anticipated that there would be enough contingency funding available to fully cover the cost of Covid-19 for 2020/21, as well as extra money in the reserve available to bring forward into 2021/22.

3. A Member remarked that there was a possibility that government funding might be stopped after the first quarter of 2021/22. If that was the case, how would the Council cover continued Covid-19 pressures? The Cabinet Member confirmed that, while the situation remained uncertain, the circa £20m already assigned to the Council was likely to be the maximum amount of government funding the Council would receive in 2021/22. There was the possibility that specific grant funding might be continued beyond June 2021, but the Council had not received confirmation of that. The Council would continue to monitor the Covid-19 pressures alongside other budget pressures.

17/21 DIGITAL BUSINESS AND INSIGHTS UPDATE [Item 6]

Witnesses:
Anna D'Alessandro, Director of Corporate Finance
Andrew Richards, DB&I Programme Director

Becky Rush, Cabinet Member for Resources and Corporate Support

Key points raised during the discussion:
1. The DB&I Programme Director outlined the progress of the Digital Business and Insights (DB&I) programme to date. The programme was on-track to meet the 1 June 2021 and 1 December 2021 'go-live' dates for phases one (Proactis source-to-contract) and two (Unit 4 enterprise resource planning (ERP)) of the programme respectively. The programme was in a good position on business change and was at the stage of signing off organisation impact assessments. Readiness assessments had been completed, and the programme was in the process of setting up local business change governance. Moreover, the programme was reaching out to external groups that would be impacted by the programme and the software changes, such as schools.

2. The Programme Director continued to explain that a training needs analysis for each stakeholder group on phases one and two of the programme would be completed by the end of March 2021. Training content would then be developed over the following months. Another area of focus was preparing for testing of the new systems. User acceptance testing of the new ERP system would be conducted from July 2021, including testing of the payroll systems not only for Surrey County Council, but also for external customers who used the same payroll system.

3. The Programme Director stated that some permanent Council staff with relevant skills would be seconded to roles within the programme. The secondments would start at the beginning of April 2021, leaving time for these staff to prepare for the bulk of programme activity in June and July 2021. An external specialist consultancy had been employed to work on integration; there were about 30 integrations that needed to be tested. Work on integration was going well and would continue until the end of July. Finally, the invitation to tender for the archiving solution would be published tomorrow (19 March 2021); suppliers had been notified earlier that week. Procurement for the archiving solution would continue until the end of May 2021, when the Council expected to award the contract, with a target go-live date for the archiving solution of February 2022.

4. A Member asked what was being done to mitigate risk 2 outlined in the risk profile in the report (namely, the risk of poor quality of the design solution if the right business representatives were not engaged effectively). The Programme Director replied that it was important to ensure that there were both the right business representatives and continuity in the people involved over time. To mitigate this risk, meetings had been coordinated well in advance in order to ensure people were available from session to session, and efforts had been made to avoid any differences between people involved session-to-session.

5. A Member enquired what was being done to mitigate risk 4 (the risk of conflicting interests within the organisation with differing objectives and a lack of consensus). The Programme Director responded that the emphasis on developing a vision and objectives had worked well and

culminated in the programme board. This enabled a clear setting forth of the ambition of the programme in the Cabinet report, for example. Since the initial stages, only a small number of change controls had been required, and only about four of these had had a cost attached, which was positive. The programme was now at the stage whereby action was being taken and changes enacted, and so now the business change team was working with parts of the organisation to reconfirm that concrete actions should be taken. There was no evidence that this would be a problem, but it was an aspect that needed to be managed properly.

6. A Member requested more information on the early establishment of the Surrey County Council Benefits Governance Board, which was listed in the report as one element of the mitigation of the risk 'that the programme is unable to demonstrate sufficient measurable benefits'. The Programme Director said that the full business case for the DB&I programme did not include cashable efficiency savings, but that the financial and non-financial benefits had been captured during the design phase. Details on these benefits were on-track to be brought back to the programme board by 6 April for the board's feedback and endorsement. The next step would be to quantify and assign benefit owners to be responsible for the delivery of those benefits. The delivery of the benefits would be managed by the Corporate Benefits Governance Board, where the DB&I benefits would be tracked in aggregate with benefits realised by other corporate programmes. The Member thanked the Programme Director for his response and asked that the Select Committee be kept updated on benefits of the programme in future reports.

Chris Townsend joined the meeting at 10:42am.

7. With regards to risk 9 ('that there will be a drop in the level of service from Business Operations for the Council and other customers during the implementation and early life of the new system'), which was rated 'high risk' pre-mitigation in the report, a Member asked whether additional business resource required for user acceptance testing, implementation and early life support had been included in the original budget or was additional. The Programme Director confirmed that this would be met by the original budget. The Member said this was good news and enquired what rating the Programme Director would give to risk 9 now that the risk was at a post-mitigation stage. The Programme Director stated he would now reduce the risk rating to low/medium.

8. A Member noted that there was a significant financial risk that the implementation of the ERP system could slip into the start of 2022, resulting in the Council incurring the full cost of SAP (the current ERP system) support and maintenance for 2022, amounting to £700,000. What was the progress to date and how realistic was a contingency plan if the Council failed to meet the deadline for shifting to the new system? The Programme Director explained that the current view was that the programme was on-track to go live on 1 December 2021. Progress on this would be continually monitored. Once the first cycle of user acceptance testing had been conducted in July, the programme's position would be clearer and a focused review would be conducted to determine the next steps. Any decision taken would

incorporate the pros and cons. A contingency plan would involve reaching out to the market to engage third party suppliers and explore whether a short-term offer would be attractive to them; it was unlikely this would be any later than 1 February 2022. This was a potential option that needed to be evaluated, but had not yet been explored in detail, because the Programme Director was confident the 1 December 2021 go-live date would be met. The Member enquired how much the short-term support would cost if it was found to be necessary. The Programme Director said that a figure on this could not be given at present; a request for information (RFI) would have to be published first as part of the procurement process, after which prospective providers could present their offers. There might be some challenges due to the short duration of a contract. However, it was not currently expected that this option would be necessary.

9. A Member noted that the Council was currently upgrading its pensions system, which related to the new ERP system, particularly with regards to payroll. Attention should be paid to ensuring that the two upgrades were integrated. The Programme Director agreed to raise this with the integration lead and to feed back to the Select Committee to confirm the pensions upgrade and DB&I programme were integrated.

Actions/further information to be provided:
1. The DB&I Programme Director to include an update on the delivery of DB&I programme benefits in the next DB&I report to the Select Committee; and
2. The DB&I Programme Director to raise integration of the upgraded pensions service and the DB&I programme with the integration lead and confirm to the Select Committee that these are integrated.

18/21 IT AND DIGITAL UPDATE (EXCLUDING DB&I) [Item 7]

Witnesses:
Marisa Heath, Deputy Cabinet Member for Organisation and People
Lorraine Juniper, Head of Strategy and Engagement
Becky Rush, Cabinet Member for Resources and Corporate Support
Matt Scott, Chief Information Officer
Leigh Whitehouse, Executive Director of Resources

Key points raised during the discussion:
1. The Cabinet Member for Resources and Corporate Support introduced the report, thanking the Information Technology and Digital (IT&D) team for their quick response and device deployment during the Covid-19 pandemic.

2. The Deputy Cabinet Member for Organisation and People added that the Council had made progress in IT&D not only during the pandemic, but also over the course of the whole of the last council term (2017-2021). Finance and IT now sat at the centre of all projects. Rather than the increased use of IT making the agile workforce seem 'faceless' and reducing human contact, the use of IT&D would in fact make a smaller workforce more visible and enable people to work from their local community, including Members, who would be enabled to spend more time in their division with residents. Digital ways of working also

enabled residents to solve problems themselves; for example, residents could now report potholes through the Council's website.

3. A Member emphasised the importance of ensuring new digital options were well publicised. How was the Council ensuring that residents knew about the digital facilities available? The Head of Strategy and Engagement agreed that this was important and stated that the Council was branding its digital offering to engage with residents and let them know what changes had been made. The branding work was at the planning stage, and the Council was engaging with partners, including the voluntary, charity and faith sector (VCFS), and residents.

4. A Member asked whether the Cabinet Member for Resources and Corporate Support, who had taken up the role in this Cabinet portfolio two months ago, envisioned changes to the priorities as Cabinet Member for this area, particularly given that the resources and the corporate support portfolios had been combined into one (although some elements had been changed or removed, meaning the portfolio was not double the size of the previous portfolios). The Cabinet Member stated that the digital transformation was a priority, and that she would welcome the placement of IT&D at the centre of every decision. It was important to bring wider innovation in digital technologies into the Council. Also, the Cabinet Member expressed a wish to measure in a concrete way the contribution of IT&D to the transformation programme. Developments in adult social care in Surrey whereby IT in the home would soon be able to monitor elderly residents' activity, thereby allowing them to live safely and independently, showed the potential of using technology to help residents, and there were many other ways that technology could help residents and improve processes. Priorities would be reviewed after the local government election in May 2021, but the direction of travel in the Council at the moment was positive.

5. Members offered to support the publicity of the Council's digital and self-service technology through their interactions with residents, such as mailing lists.

6. A Member emphasised that the reduced use of paper and reduced need to travel effected by the move towards using digital technologies had an environmental benefit.

7. A Member asked why the report did not show performance information in the form of metrics with targets. The Cabinet Member stated that the performance monitoring dashboard being used currently was a new system, and so teething issues were a possibility. Also, as Covid-19 had had an unprecedented effect on the rollout of IT equipment, for example, targets or comparisons may not be applicable. The Chief Information Officer explained that the report showed high-level metrics and assured the Select Committee that every month officers examined financial performance, project performance, audit reports, and metrics on calls received and responded by the helpdesk. The Happy Signals platform was used to measure user satisfaction and the Council was looking to extend this further. The IT&D service had had discussions with the Executive Director of Resources about refreshing the indicators being used. The Select Committee's input on this refresh

would be welcomed. The Member expressed dissatisfaction with this response and requested that officers redevelop the performance measuring system for IT&D. The Cabinet Member provided assurance that this would be looked at and that after the Covid-19 pandemic, performance metrics could be monitored in a more regular context.

8. A Member asked how much money had been spent on temporary staff or contractors in IT&D, what saving had been made as a result, and how many of these staff had been working in these posts for more than one year. The Chief Information Officer said that in total over the last two years, the Council's IT&D service had spent £1.6m on temporary staff or contractors, primarily in the fields of transformation and resource. £37,000 of that figure had been spent on business as usual resource. In terms of benefits, employing these contractors had contributed to the digital and agile programmes in terms of providing expertise and capacity. Seven of these contractors had been working for the Council for longer than a year. The Member was of the opinion that £1.6m was a large sum of money and asked whether there was a plan to reduce reliance on temporary workers. The Chief Information Officer replied that there was already a minimal reliance on temporary or contractual workers in terms of business as usual work, and any resources of this sort that had been used were time-limited.

9. A Member enquired what the worst-case scenario and contingency plans were for the risks of a cyber threat and Covid-19 affecting staff availability, which had been recognised in the report as the two most serious risks facing the IT&D service. The Chief Information Officer stated that the cyber threat was indeed a pervasive risk across the private and the public sectors. Surrey County Council closely tracked cyber events that had taken place within other councils and linked in with regional and national cyber monitoring that took place to obtain intelligence on potential cyber vulnerabilities, so that the Council could try to respond before problems developed. The worst case scenario would be that the Council was unable to deliver services for an extended period, which had recently occurred in a London borough council whose cyber systems were hacked. Surrey County Council had been investing in systems to ensure they were secure. There were daily tests of cyber systems.

10. The Chief Information Officer continued to explain that IT&D capabilities in the case of staff absences or a cyber event had been tested in autumn 2020. This test had found that 20% staff absence would lead to noticeable disruption to the service. As a response to this scenario, an option considered was for Surrey County Council to potentially draw on capacity from the other Orbis councils. The challenge of staff capacity and absence during the pandemic continued to be monitored.

11. A Member asked how many staff there were in the business as usual teams across all Orbis organisations, how many were dedicated to Surrey and which council paid these staff. How were priorities assigned and determined across the Orbis councils? The Chief Information Officer responded that this was a challenge. Teams triaged activity to determine whether a new project would be required or there was already the capability to respond. After the initial fast

paced triage, IT business partners worked with services to assess needs. To date, a formal prioritisation methodology had not been required, but the IT&D service was giving serious consideration to how it could better accommodate demands. The Head of Strategy and Engagement added that the IT&D service's responses to new requests were aligned to Surrey County Council's priorities and strategies, such as the digital and workforce strategies. The service would also be prioritising work based on the Covid-19 recovery plans, which would be available soon.

12. Noting the financial benefits delivered by Orbis as set out in the report, a Member asked whether the savings achieved were significant and whether the Council was exploring the possibility of going out to market to expand the Orbis partnership to other organisations. The Executive Director of Resources outlined how the Orbis partnership had changed over the course of its existence; more services used to be shared between councils, including finance and HR, but it was determined that Surrey should have full sovereign control of these services, so they were withdrawn from Orbis, and this had evidently been the right choice. Other services, such as procurement, remained within Orbis, and it was useful to share knowledge for certain services. However, it was important to regularly review the services contained within Orbis. The Chief Information Officer added that significant savings were delivered through Orbis and Surrey County Council continued to make an effort provide an IT&D service that delivered savings within Orbis. Delivering savings that were sustainable without impeding business as usual work or the delivery of the transformation was a challenge. Surrey currently successfully offered a core service within Orbis, and it would not be looking to expand its Orbis services beyond that, although officers and Cabinet Members continued to work with Orbis partners on new opportunities and leveraging trading partnerships.

13. The Chairman summarised discussion of this item by outlining key points:
    a. Members offered to help publicise the IT&D service through their interaction with residents;
    b. The Select Committee should be involved where relevant in the development of performance monitoring and dashboards in the IT&D service;
    c. The Select Committee was keen to understand more about the Happy Signals platform at a future meeting; and
    d. A private briefing on the cyber threat should be arranged at an appropriate date in future.

Recommendations:
The Select Committee recommends that:
1. The Select Committee is involved in the development of performance monitoring arrangements, where relevant, in the IT&D service;
2. The next IT&D update includes more information about the Happy Signals platform; and
3. The IT&D service is to arrange a private briefing for the Select Committee on the cyber threat.

19/21 PERFORMANCE REPORT [Item 8]

Witnesses:
Anna D'Alessandro, Director of Corporate Finance
Jackie Foglietta, Director of Human Resources and Organisational Development (HR&OD)
Susan Grizzelle, Head of Customer Services
Nicola Kilvington, Director of Insight, Analytics and Intelligence
Adrian Stockbridge, Head of Portfolios
Gary Strudwick, Head of Business Intelligence
Denise Turner-Stewart, Cabinet Member for Community Protection
Leigh Whitehouse, Executive Director of Resources

Key points raised during the discussion:

1. A Member noted that the indicator CUST 04 (Adult Social Care first time resolution rate), which was a new measure, had decreased in performance since its previous result and the most recent figure stood at only 37%. What did this indicator include, and had it been affected by Covid-19? The Head of Customer Services replied that this differed from the previous incarnation of CUST 04 (last presented to the Select Committee in December 2020), which had been a flat number rather than a percentage. Regarding the new indicator, the Council aimed for the result to be high but not too high, as some customers' needs could be met quickly by general services, while others may need to have further contact with more specialised services if they required complex care. Customer services aimed to help the Adult Social Care (ASC) service to prioritise complex cases, thereby giving customers more targeted assistance, as well as helping customers to navigate the complicated system of ASC. The Member remarked that this explanation could be made clearer in the report.

2. A Member asked whether indicator HROD 06 (off payroll spend as percentage of total staffing spend (excluding schools)) included costs such as holiday and sickness pay. The Director of HR&OD responded that these costs were indeed included within this indicator. There were two different types of temporary staff employed by the Council: temporary agency staff were slightly more expensive to employ than equivalent permanent staff, but they did not incur holiday pay until they had worked for the Council for over three months; the other type employed was consultants, who tended to be significantly more expensive than permanent staff. The HR service was trying to encourage a reduction in the use of consultants across the Council and was considering reducing the 10% target for this indicator; key performance indicators such as this were regularly reviewed by Executive Directors. Three-quarters of off-payroll workers were temporary agency staff, and these agency staff mainly worked in legal, property, safeguarding and ASC services (regarding the latter, agency staff were needed as it was difficult to ensure there were enough care home staff). The Director alerted the Select Committee that next time they received the latest data on this indicator, the spend might have increased, as another 130 agency workers had been employed to work on Covid-19 test sites. It was important to note that there would always be a need for some off-payroll staff.

3. Following on from the previous point, a Member enquired what was being done to overcome the use of temporary staff in areas where

specialist, temporary staffing was not necessarily needed, such as in legal or property services. The Director of HR&OD stated that legal had required the use of locums, but this was now being reduced. Property needed to use interim resource pending recruitment to new roles developed through its transformation programme. A significant amount of work had been done on reducing unnecessary reliance on temporary workers; there was a reduced reliance on agency workers in children's social work, for example. A retention payment that was introduced in this area produced significant results, and now that learning needed to be taken into ASC. Members were pleased to hear about the progress made in children's social care and the idea of promulgating this progress throughout the Council.

4. A Member asked what the reasons for and consequences of not meeting the efficiency target of the special educational needs and disabilities (SEND) general fund reserve in 2020/21 were. The Director of Corporate Finance stated that there was currently a circa £10m overspend on the high needs block, due to an increase in volumes and costs. This overspend was on top of the planned overspend of £24m that had already been factored into the budget. There was a transformation programme for SEND that would be worked through taking the overspend into account.

5. A Member enquired what efficiencies in learning disabilities and autism (LD&A) had been overachieved. The Director of Corporate Finance responded that the LD&A transformation programme had been delivering well. The overachievement related to increased funding received from the NHS for care packages, reflecting successful outcomes; lower than budgeted expenditure on a range of services including day-care and respite, much of which had been driven by Covid-19; and a higher number of deaths than previous years, due to Covid-19.

6. A Member remarked that the report showed that the transformation programme had only spent £9.6m of overall planned financial costs, compared to the full-year target of £22.5m. What was the year-end forecast for this and the potential impact of the underspend on the 2020/21 and 2021/22 financial years? The Head of Portfolios explained that the latest forecast spend for the 2020/21 year-end was £14.4m, entailing a circa £8m underspend on the target. This underspend was predominantly related to Covid-19. Of the circa £8m, approximately half of this would be carried forward to 2021/22. The remaining £4m would be available for repurposing and Cabinet would determine the use of this in April 2021.

7. The Head of Business Intelligence thanked all the witnesses involved for their help and support and stated that a period of review would be conducted in preparation for the start of the 2021/22 financial year, including the possibility of incorporating equality, diversity and inclusion indicators in the report, and ensuring the report complied with accessibility guidelines.

20/21 TASK GROUP UPDATES [Item 9]

Witnesses:

Brendon Kavanagh, Portfolio Lead – Corporate
Leigh Whitehouse, Executive Director of Resources

Key points raised during the discussion:
1. Witnesses, Members of the County Hall Move and Agile Programme Task Group, and the Chairman of the Task Group outlined the process of the Task Group's work, culminating in its final report, and emphasised the positive working relationships between the Task Group and officers involved. Members and witnesses agreed it had been a valuable exercise providing confidence in the oversight of the agile programme and the civic heart move to Woodhatch Place.

2. Members mentioned the possibility of some form of continued scrutiny on this topic after the May 2021 election, including regular updates to the Select Committee on the agile office estate strategy, as mentioned in the Task Group's recommendations.

3. The recommendations set out in the Task Group's final report were agreed by the Select Committee.

21/21 RECOMMENDATION TRACKER AND FORWARD WORK PROGRAMME [Item 10]

The Select Committee noted the Recommendation Tracker and the Forward Work Programme.

The meeting was adjourned for a 20-minute break and resumed at 1pm.

Chris Townsend left the meeting during the break.

22/21 PROPERTY PROGRAMME UPDATE [Item 11]

Witnesses:
Dominic Barlow, Assistant Director – Corporate Landlord
Patricia Barry, Director of Land and Property
Edward Hawkins, Deputy Cabinet Member for Land and Property
Peter Hopkins, Assistant Director – Commercial
Tim Oliver, Leader of the Council
Anthony Wybrow, Assistant Director of Project Delivery

Key points raised during the discussion:
1. The Leader of the Council, who held the land and property portfolio within the Cabinet, introduced the item, stating that the Land and Property service aimed to optimise the Council's estate to ensure it worked well for residents. Staff roadshows conducted by the Leader and the Chief Executive of the Council had shown that most staff did not want to return to the office full-time; ideally, there would be a number of locations around the county that staff could use as bases. The year of the Covid-19 pandemic had accelerated the rationalisation of the office estate, but before having a knee-jerk reaction, the Council wanted to understand its property needs and whether properties were suitable to be used or sold. The service focused on obtaining the best value and best use of its estate. Moreover, the government white paper on the integration of health and social care raised the possibility of a closer relationship between the Council and NHS organisations,

including sharing property with organisations such as Surrey Heartlands Health and Care Partnership.

2. The Deputy Cabinet Member for Land and Property continued to explain that the Land and Property service's ethos was that it should create the envelope for individual services. It was important to recognise that property was not a quick fix. There were currently around 80 different projects, which seemed to be producing good results so far. The Land and Property service wished to create an environment whereby staff and residents could feel proud of the buildings they lived and worked in.

3. A Member asked whether lessons had been learnt on why the joint venture with Places for People – which had now been brought to an end – had not worked and what the stress factors had been. The Assistant Director – Commercial stated that a review was being undertaken on this. There certainly was disappointment that the joint venture had been unsuccessful; Places for People had been given multiple resources to drive forward delivery and measured against specific performance measures. The control measures were in place, but the core team was not able to achieve the venture.

4. A Member enquired whether each project would have its own RACI (responsible, accountable, contributor and informed) table, and whether this would be shared with the Select Committee and the divisional Member. The Director of Land and Property responded that a RACI table for Cabinet governance and papers was attached to the report and a RACI chart would be formulated for each project once project initiation forms had been assembled. These could be shared in future as long as they were not commercially sensitive.

5. A Member remarked that a list of properties for each Council division that had been sent out to all Members had been helpful, and asked when the Select Committee could see more documentation on housing. The Assistant Director – Commercial replied that it was expected that the internal governance of the housing strategy would be completed in quarter one of 2021/22, after which information could be shared more widely. The Leader added that there was a need for more affordable housing in Surrey, but this was difficult due to the lack of non-green belt land available. While housing sat under the remit of district and borough councils, it would nevertheless be useful for Surrey County Council to work with district and borough councils in order to resolve the lack of affordable housing. The Director of Land and Property agreed that partnership working could be beneficial to all involved. A Member commented that it was difficult for young people to enter the housing market, and also that it was important for housing to be built close to infrastructure and public services, in order to discourage the use of cars. Also, some Members said that they did not recall receiving the list of properties for their division, and requested that it be resent.

6. A Member asked where – apart from Woodhatch Place – the other three hub office buildings would be located, and whether these would be newly acquired buildings or buildings the Council already owned. The Assistant Director – Corporate Landlord explained that the Land

and Property service was currently engaging with all the services within the Council to understand their location and geographical needs. The Council's intention was to use the facilities it already owned as much as possible, rather than to buy or demolish properties. In six months, progress would have been made and a fuller update could be given. The Leader said that the Council did not currently own a suitable property in the south west of the county, and so it would be looking at acquiring one. The Director of Land and Property added that the agenda of shared spaces with other public sector bodies created an opportunity for making efficiencies while improving working environments.

7. Pointing out that it could be hard for a Member to become involved in housing in their division if they did not also sit on a district or borough council (as housing came under the district and borough remit), a Member requested that discussion was had with district and borough leaders on housing at local committee meetings. The Leader expressed an eagerness to engage with district and borough leaders on housing. There was concern about high streets in particular and how housing developments could affect the regeneration of high streets. An update to local committees on housing could be helpful so that they were aware of Members' thoughts on this, but it was important that local committees were not given decision-making powers on housing, as this could lead to difficulties in governance due to the presence of non-county Members on local committees. The Member agreed that information sharing, consultation at a broad level, and discussing housing strategies of individual boroughs at local committees could be beneficial.

8. A Member asked how the large number of projects within Land and Property were sorted through and prioritised. The Assistant Director – Corporate Landlord responded that the safety of buildings had been the immediate priority in the last year, followed by the provision of residential accommodation for children and adults, the condition of buildings, and factoring in the strategic priorities of the Council. Continuing service delivery during the Covid-19 pandemic had also been a priority. The next step was to ensure that Land and Property worked well with other Council services to fulfil their property needs.

9. A Member questioned how the Council decided whether to use an asset for housing, income generation or disposal. Also, what was the process behind assessing housing opportunities? The Assistant Director – Commercial replied that there was an appraisal process run for each project, which generated the best option for the Council. For example, a major criterion for determining whether a building was sold might be whether a sale could provide a windfall gain or would require a significant amount of planning and resource. All projects were assessed on a broad basis before a decision was taken. The Director of Land and Property stated that the first consideration was service delivery.

10. The Select Committee discussed the recommendations, particularly the recommendation on local committees. The recommendations were agreed, with the stipulation that the Chairman and Vice-Chairman

might tweak the wording of the recommendations if deemed necessary.

Recommendations:
The Resources and Performance Select Committee recommends that:
1. An update report be provided at its September or December 2021 meeting; and
2. Local/Joint Committees have a standing property scrutiny item at their informal/private meetings, to ensure that councillors and the Council's Land and Property service exchange information on local property projects, requirements and opportunities for development and disposals, to achieve the best outcomes for residents.

Actions/further information to be provided:
1. The Director of Land and Property to ensure the list of properties for each Member's division has been sent to all Members and to resend if necessary.

23/21 EXCLUSION OF THE PUBLIC [Item 12]

Under Section 100(A) of the Local Government Act 1972, the public was excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act.

24/21 PROPERTY PROGRAMME UPDATE [Item 13]

Witnesses:
Dominic Barlow, Assistant Director – Corporate Landlord
Patricia Barry, Director of Land and Property
Edward Hawkins, Deputy Cabinet Member for Land and Property
Peter Hopkins, Assistant Director – Commercial
Tim Oliver, Leader of the Council
Anthony Wybrow, Assistant Director of Project Delivery

Discussion of this item continued in private. Details of the discussion that can be shared publicly are below.

1. A Member asked what the challenges were in dealing with vacant properties and what the timeline was for ensuring vacant properties were either utilised or disposed of. The Director of Land and Property replied that the Council had been carrying out a number of developments for service need and demolitions on vacant sites. Each site was subject to option appraisal and services' needs would always be the first consideration. If there was no service need, the Council would look at using sites for income generation through housing. If not deemed an appropriate site for housing, vacant sites would be disposed of within a timescale of approximately two years maximum. In order to provide sufficient staffing to implement this process, there was a number of interim staff in the Land and Property team.

2. A Member requested more detail on why the joint venture with Places for People had failed, highlighting that this failure had cost a significant amount of money and time. The Leader of the Council stated that, since Places for People were the largest social housing provider in the

country and had scored highly in the tendering process, going into the joint venture with Places for People had seemed a safe and reliable option. Moreover, the Council had had a senior director within Places for People as its point of contact, and the Council kept up regular contact with Places for People throughout the process. The complications came not in the planning or set-up of the scheme, but rather in the execution of it. There had been problems with Places for People's Delivery team during the process, followed by changes to personnel within Places for People. As time went on, it became clear that the joint venture would not be successful and so the Council decided, essentially, to cut its losses. The money that the Council had paid to Places for People before leaving the joint venture related to work that had actually been done, the value of which could be built on in the future development of the sites. In retrospect, the Leader believed the Council had still made the right decision to work with a large organisation that had seemed to have sufficient capacity, but was disappointed that Places for People had not then delivered on its part of the joint venture. The Council was now keen to continue the development of the sites and the delivery of these projects.

3. The Leader emphasised that property represented a significant opportunity for the Council, and encouraged Members to take a keen interest in property in their division.

25/21 DATE OF THE NEXT MEETING [Item 14]

The next meeting of the Resources and Performance Select Committee would be held on 24 June 2021.

Meeting ended at: 2.07 pm

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                                                                    Chairman