

Cabinet Response to the Interim Recommendations from Select Committees Following Budget Deep Dives and Budget Briefing Sessions

Communities, Environment and Highways Select Committee:

Deep Dive Capital Programme

- I. The Council's capital financing requirement trajectory presents too high a risk with regards to affordability and financial stability. Levels of borrowing need to be reduced.

Cabinet Response:

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

- II. Cabinet/Council should review its appetite for risk and set an appropriate limit for borrowing going forward. A risk policy should be put in place if it does not already exist. (This *might* prioritise most spend on projects which generate income or avoid future costs).

Cabinet Response:

A borrowing strategy, including the risks associated with it and limits to manage such risks, is included in the Councils' annual Capital, Investment and Treasury Management Strategy which is approved by Audit & Governance Committee and Full Council as part of the budget setting process each year. This strategy is also scrutinised by the Resources and Performance Select Committee.

- III. Cabinet should re-examine the process for prioritising Capital programmes in line with SCC strategic priorities to drive more ruthless investment decisions and ensure the right schemes are coming through the pipeline in future.

Cabinet Response:

As set out above, a thorough review of the capital programme and pipeline allocations has been undertaken in advance of the Draft Budget being proposed by Cabinet. This has included a line by line review of all capital projects to ensure alignment with Council priorities, the prioritisation of schemes that deliver ongoing revenue and a reduction in the overall borrowing requirement.

- IV. Capital spend on highways maintenance for improving the overall condition and safety should continue to be prioritised to reflect resident concerns and priorities.

Cabinet Response:

Cabinet notes the views of the Select Committee. The Draft Capital Programme includes significant investment in highways assets including the extension of the enhanced highways maintenance programme into 2026/27.

Deep Dive Bus Services & DDRT (Digital Demand Responsive Transport)

- I. Ongoing publicity and promotion of existing DDRT should be prioritised to increase numbers of passenger journeys to decrease the cost per passenger and increase value for money.

Cabinet Response:

Work is continuing to promote and publicise the existing network of Surrey Connect Digital Demand Responsive Transport Services, which offers a flexible transport option to an increasing number of residents across Surrey. The service has exceptionally high levels of customer satisfaction, and we will continue to prioritise our work to promote the services, grow patronage, and increase overall value for money.

- II. Consideration should be given to delay/deferring phase 3 rollout of DDRT. Alternative bus provision should be investigated, including commercial bus services that might receive a subsidy. DDRT should only be introduced as the provider of last resort where all other options are exhausted. The Department should encourage the use of a more hybrid model (including fixed journeys) rather than a completely bespoke service.

Cabinet Response:

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

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

It should be noted that Surrey Connect already has the capability to operate on a fixed route where demand supports this. We therefore already operate a hybrid model of commercial and supported bus services, Surrey Connect Digital Demand Responsive Transport, community transport and third sector transport.

Children, Families, Lifelong Learning & Culture Select Committee:

Early Help Deep Dive

'Is early help prevention activity sufficiently well-funded to increase the wellbeing and life chances of the most disadvantaged Surrey residents in line with SCC's policy of no one left behind?'

The Children, Families, Lifelong Learning and Culture Select Committee:

- I. Notes that investing in early help – which is discretionary funding - does make a positive difference. There are indications that early help reduces the demand on statutory services in Surrey, i.e., the number of children going into care, and the number on Child Protection Plans*.

Cabinet Response:

Cabinet agrees with the select committee on the long-term value of early help support and with that in mind made the decision in the 2024/25 budget as part of the additional monies allocated through the social care grant to ensure this was targeted towards preventative and early help services.

- II. Believes investing more in preventive activities – such as easily accessed emotional wellbeing support for adolescents – would prevent young people's needs escalating, would contribute significantly to their wellbeing (and that of their families), and reduce the pressure on statutory services. Notes with regret there is no additional discretionary funding available to invest in prevention without making cutbacks elsewhere.

Cabinet Response: Cabinet notes the committee's view

- III. Since preventive spending is having a positive impact on both outcomes for children and reduced statutory demand, recommends that early help spending is protected, with inflationary costs built in. The Committee is convinced of the value that early help brings and Cabinet should factor this into its budget decision-making.

Cabinet Response:

Cabinet recognises the benefits of preventative services and has previously targeted funding to support those services and will protect those services where possible. However, Cabinet must also consider the difficult balance of setting a budget to meet the many statutory services in Children' services with an expected exceptionally difficult budget settlement.

**Cllr John O'Reilly would like to record his acknowledgment of SCC's successes in reducing the demand on statutory services in the county (i.e. the number of children going into care and the number of Child Protection Plans, contrary to the national trend).*

Voluntary, Community & Social Enterprise Deep Dive

'What is the likely impact on the infrastructure organisations – and on the organisations they support in the wider system - of the redistribution of funding, and can any negative impacts be mitigated?'

The Select Committee has withdrawn its recommendations in the light of new information on the impact of the proposals to withdraw funding from Surrey Community Action and redistribute it to other organisations. It will advise its recommendations following an investigation to clarify the situation, which is planned by the end of November.

Adults and Health Select Committee:

- I. The committee urges Cabinet to review the planned efficiencies and savings targets for FY 25/26 to be delivered via the Transformation Programme to ensure these are realistic and achievable.

Cabinet Response:

It is recognised that delivery of the efficiencies and saving targets in the financial year 2025/26 and beyond will be challenging. The plans for the transformation programme in 2025/26 have been robustly scrutinised. They focus primarily on the delivery of the opportunities identified in the recent diagnostic carried out by Newton Europe. They used a tried and tested methodology to identify opportunities for efficiencies based on data and insights and with engagement from across the Directorate, including front-line practitioners. The leadership team have now reviewed the findings and have developed a Directorate owned plan for delivery. This is being further tested and some assumptions refined to further ensure confidence in delivery. The delivery of the diagnostic internally will strengthen capabilities within the Directorate and mean the changes are sustainable.

In the meantime, transformation continues in 2025/26 and beyond through the Market Shaping and Commissioning programme. A longer term more sustainability approach is being implemented through the transformation of the models of care offered in Surrey, including the focused work on Community Opportunities for Everyday Living, the development of new models of housing with care and support, and expanding the use of technology enabled care solutions. Supported by focused work to deliver the Council's direct payment strategy this approach will ensure that people who draw on care and support services can exercise greater choice and control over their care and support arrangements, helping them to live more independently for longer.

- II. The committee acknowledges the challenges the transformation plan presents to the Adults, Wellbeing & Health Partnerships directorate (AWHP). Members of the committee have requested to be kept up to date on the delivery of transformation, ensuring key milestones are met.

Cabinet Response:

The Chair of the Select Committee, Cabinet Members and Executive Director will review the forward plan for the Select Committee to ensure that there is regular reporting on the progress of the transformation programme.

- III. The committee recommends a review of discretionary services in all areas across the directorate, ensuring they are aligned with key pressures on managing demand and delivering good outcomes. The committee expects to see evidence to demonstrate this.

Cabinet Response:

The AWHP directorate is conducting a review of all discretionary areas of expenditure that are designed to prevent demand for services to review performance and the extent to which services are mitigating more costly services, primarily care packages. The outcomes of this review will be considered as part of formulating AWHP's proposed final budget for 2025/26 and MTFs to 2029/30 which will be reviewed by Cabinet in January 2025 and Full Council in February 2025.

- IV. The directorate continues to prioritise joint working and integration ensuring that everyone gets best value and outcomes.

Cabinet Response:

The AWHP directorate continues to prioritise working collaboratively with its partners across the Integrated Care Systems and across Surrey as a whole.

Key examples of this joint working include:

- The Mental Health Investment Fund, which is an excellent example of a collaborative programme of work led jointly by the AWHP directorate and with partners in Surrey Heartlands ICB that has had made a real difference to health and wellbeing of many Surrey residents.
- The work the AWHP directorate continues to progress related to Surrey's Better Care Fund, working closely with partners across the VCSE sector and both Frimley and Surrey Heartlands ICBs to ensure that a holistic approach is taken to commissioning services and that no-one is left behind.
- The joining up of the Surrey-wide Health and Wellbeing Board and the Surrey Heartlands Integrated Care Partnership to create a truly partnership space to improve collective oversight, collaboration for strategic decision-making and streamlined governance.

Resources and Performance Select Committee:

Workforce Costs Deep Dive – The Select Committee:

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

Proposed Cabinet Response:

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

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

Cabinet Response:

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

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

Cabinet Response:

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

Data Deep Dive - The Select Committee:

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

Cabinet Response:

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

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

Cabinet Response:

Cabinet notes and this recommendation is complete. Investment and resource requirements for the Data team has already been shared as part of the deep dive as well as additional supplementary information that was shared on 4th October 2024.

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

Cabinet Response:

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

Additional Recommendations:

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

Cabinet Response: Cabinet notes and agrees.

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

Cabinet Response:

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

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

Cabinet Response:

Cabinet notes and agrees that an update will be provided.

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

Cabinet Response:

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

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

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