

Budget and Finance – I am pleased to start this report with the good news that the outturn position for the 2022/23 financial year shows a £0.7m surplus after the application of the residual contingency budget, an overall improvement of £2.9m from month 11. It is positive to end the year with a small surplus, given the challenging financial environment, and I would like to thank staff in all directorates for their work in managing their budgets to result in this position. The use of the contingency budget reflects the high levels of inflation experienced over the 12 months, well in excess of the budgeted inflationary pressures. The capital outturn position is £199m (c£12m less than the budget which was re-set in December). The Capital Programme Panel is working closely with Strategic Capital Groups to understand the variances and improve forecasting against complex capital schemes.

Unfortunately, the 2021/22 Statement of Accounts remain unsigned by External Audit. A national issue has arisen in relation to new information available because of the pension fund triannual valuation. Audit firms are working with CIPFA and the Financial Reporting Council (FRC) to reach a resolution about how to treat this as a potential post balance sheet event.

Work is also underway to launch the budget planning process for 2024/25 - 2028/29 and Members will be given an opportunity to be fully involved and contribute their suggestions throughout the process.

With the financial and service issues that arose in Home to School Travel Assistance (H2STA) in 22/23, an Oversight Board was set up with senior officers and Cabinet Members, including myself. In the first few months of 22/23, projected overspends in H2STA were approximately £15m. The work of the team, Senior Responsible Owner and Board has brought in changes to practice and enabled the cost overspend to be reduced to £12m as well as providing an improved service.

Digital Business & Insights (DB&I): “MySurrey,” the replacement Enterprise Resource Planning (ERP) system, is on track to go live in June this year. Testing was successfully completed at the end of April. There will be a small number of issues to manage when the system goes live but this is normal for a project of this size. To proactively address any issues, a 3-month period of hypercare is planned, during which the support model will be strengthened. In parallel to implementation, the team is working on the post go-live embedding of MySurrey; the change management, adoption of new processes and the ongoing management of the new system.

Internal Audit: Despite some ongoing resourcing challenges for Internal Audit, the service has had an extremely successful year, with 91.4% of the 22/23 audit plan completed to draft report stage by year end (against a target of 90%). All key performance indicators for the service have been achieved and most significantly, the recent independent external assessment of the service by the Chartered Institute of Internal Auditors has confirmed the highest level of conformance against Public Sector Internal Audit Standards. The Internal Audit Strategy and Plan for 23/24 has recently been approved by the Audit & Governance Committee and the team are currently in the process of preparing the Annual Report and Opinion for 22/23, which will form part of the Council’s Annual Governance Statement.

Commercial Investment: A number of the Council’s commercial subsidiaries have recently been the subject of strategic and financial reviews.

Halsey Garton Property: The Strategic Investment Board (SIB) approved the 5-year strategic plan in April. The plan outlined the need to maintain a balanced portfolio to deliver a long-term revenue return. There was a recognition that this might include occasional divestment and reinvestment to ensure risk is managed and a diversified mix of asset classes is held.

Halsey Garton Residential: A strategic review is underway that will consider the best use of its existing assets and consider the potential for providing key worker housing. The review will also consider ways that the company could support further key worker housing activity, following the recent endorsement by Cabinet of the Housing, Accommodation and Homes Strategy for Surrey.

Hendeca Group: Following the appointment this year of new Non-Executive Directors, the company has prepared a Business Plan to present to the next SIB. The strategy includes plans for diversified growth to give greater focus on fire and health and safety training and consultancy services that complement its established fire contingency service to Heathrow Airport.

Surrey Choices: The first phase of a review has been completed that assesses the financial sustainability of the company following delivery of efficiency savings to SCC’s Adult Social Care day services. Phase 2

is now in progress which will include a detailed review of the block contract and an external benchmarking exercise to ensure the service is “right-sized”.

Procurement and Contract Management: Once a contract is awarded it is passed to individual services to manage. Following the recommendations of the audit report “Social Value in Procurement 2022/23” enhanced contract handover procedures have been developed and implemented and a Contract Management Advisory Service (CMAS) is being trialled in several directorates. This will explore the potential benefits from adopting a business partnering support service to help Contract Managers ensure their contract is delivering and that benefits such as Social Value commitments are captured, and services supported to ensure that there is better monitoring of their delivery. The results of the pilot programme are expected to be reported in late June.

7

An alternative approach to contract management is being trialled with the new Facilities Management contracts, separating the operational and commercial management of the contracts.

The commercial review of the Ringway contract is underway with the Terms of Reference signed off by the Chief Executive and the Executive Director. The initial report is due at the end of June 2023, subject to people and documents being available.

Changes to Procurement Regulations are expected shortly. It is anticipated that following Royal Assent of the bill, the new regulations will come into effect in Spring 2024. Procurement Officers are working closely with Cabinet Office to understand the impact of these changes and undertake preparatory work.

Legal & Democratic Services: Work is beginning to refresh the Member Development Strategy and programme with the support of the Member Development Steering Group. Following the May AGM, all Members will be invited to a mid-term 1:1 session with Democratic Services. These will provide an opportunity for councillors to discuss their individual support needs as well as helping to shape the overall Member Development Strategy for 23/24 and beyond. I would like to encourage all Members to take up the offer of a 1:1 session to help ensure that we continue to deliver effective support services to councillors.

A mid-term review of training and development support for Select Committee Chairs, Vice Chairs and members will also be undertaken with help from the Centre for Governance and Scrutiny.

The Legal team has continued to see improvement in its recruitment and retention offer with the Children’s Safeguarding Legal Team (approximately half of the whole department) now being fully staffed and operating at a capacity which meets the Council’s safeguarding case demand. More capacity has seen an improvement in internal advocacy at family court hearings with 50% of hearings now covered by the team against a target of 25%. I am pleased to report that in the last few months two trainee solicitors have qualified, alongside a trainee legal executive. All three are expected to begin lawyer roles in the department shortly.

IT/Digital: There is a significant volume of digital and technology project work underway to support the delivery of the Council’s ambitions. Project oversight and reporting processes are being adapted and supporting systems reconfigured to enable Cabinet members to maintain oversight of the projects within their respective portfolio.

The following projects are examples of the work underway to become a digital council, through the adoption of new and innovative technologies that enables transformation, efficiencies, and improved demand management:

Surrey Crisis Fund Automation: This project will use Robotic Process Automation technology to support the operation of the Surrey Crisis Fund. This project has created an automation that extracts all the information from applications submitted online and creates claims in our internal system allowing for faster processing.

Lone Worker App: This project will be providing staff with an app that can be turned on to track and send notifications or request help when lone working or travelling alone.

Vulnerable People System: This project will replace the legacy system with a platform built using advanced data integration technology

Design and Transformation: I have taken over the Chairmanship of the Transformation Assurance Board.

As we move into 2023/24 there is a significant shift in the focus of the Councils transformation programme. With 20 programmes closing or transitioning to business as usual there will be a more strategic and focused set of programmes this year, these are:

- Children Social Care Transformation
- People Strategy
- Hospital Discharge into Adult Social Care (ASC)
- Data Strategy programme
- Health & Care integration - Integrated commissioning
- Enabling you with Technology (ASC)
- Libraries & Cultural Services Transformation

Performance & Management Reporting: Following an Integrated Business Planning and Performance Review, we have developed a new corporate performance approach which aims to better integrate performance with business planning and provide improved insight and assurance.

The design of these service/organisational effectiveness reports is intended to create an insightful summary view of performance that provides assurance and/or highlights challenges, risks or issues, rather than just a list of KPIs.

This page is intentionally left blank