

MINUTES of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 18 July 2024 at Council Chamber, Woodhatch Place, Reigate.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 18 October 2024.

Elected Members:

* Nick Darby
* Tim Hall
* David Harmer
r Edward Hawkins
* Robert Hughes (Chairman)
* Riasat Khan
* Robert King
r Andy Lynch
* Steven McCormick (Vice-Chairman)
John O'Reilly
* Lance Spencer
Lesley Steeds (Vice-Chairman)
* Hazel Watson

(* =present at the meeting, r=remote attendance)

The Chairman noted a change in the order of the agenda. Digital Inclusion Item to go first.

19/24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies received from Cllrs Lesley Steeds and John O'Reilly.

Robert King joined the meeting at 10.02 am

20/24 MINUTES OF THE PREVIOUS MEETINGS: 15 MAY 2024 [Item 2]

The Committee **AGREED** the minutes from the previous meeting were a true and accurate record of the meeting.

21/24 DECLARATIONS OF INTEREST [Item 3]

None received.

22/24 QUESTIONS AND PETITIONS [Item 4]

None received.

23/24 VERBAL UPDATE ON THE WORK OF THE DIGITAL BUSINESS AND INSIGHTS (DB&I) TASK GROUP [Item 5]

Witnesses:

Cllr Steven McCormick, Chairman of the Digital Business and Insights (DB&I) Task Group

Cllr Robert Hughes, Chairman of the Resources and Performance
Select Committee
(RPSC)
Jake Chambers, Scrutiny Officer

Key points raised during the discussion:

1. The Chairman of the DB&I Task Group outlined that the Task Group reviewed the transition from the SAP enterprise resource planning (ERP) software to Unit 4 ERP programme, evaluated and determined tangible reasons for this and benefits for the Council. The Chairman of the DB&I Task Group felt it was a balanced report that would go to Cabinet, and all the report's recommendations were accepted, in principle, by Cabinet.
2. The Chairman of RPSC noted the report was agreed in a previous online meeting of the Committee and noted the work of the Chairman of the DB&I Task Group.

24/24 DIGITAL INCLUSION [Item 7]

Witnesses:

Denise Turner-Stewart, Deputy Lead and Cabinet Member for
Customer and
Communities

Liz Mills, Interim Executive Director of Customer, Digital and Change
(CDC)

Michael Smith, Director of Design and Transformation

Louise Holloway, Digital and Customer Experience Manager

Ioni Sullivan, Programme Manager- Equality, Diversity & Inclusion (EDI)

Nikki Roberts, Chief Executive Officer (CEO) of the Surrey Coalition of
Disabled

People

Clare Burgess, CEO of Sight for Surrey

Catherine Hodgson, CEO of Age UK Surrey- Online

Saba Khan, CEO of the Surrey Minority Ethnic Forum (SMEF)- Online

Key points raised during the discussion:

1. The Chairman asked how Surrey's rate of digital inclusion compared to other counties of a similar size, such as Hampshire. The Chairman also asked if 5.7% of adults being offline was a high or low rate and how this compared to the regional average. The Programme Manager for EDI explained that the regional average for the South-East is 5.8%, in line with Surrey. Hampshire was 5.9%. Surrey is within the average rate for its size and location, while other counties have a higher rate such

as Essex with 6.3% and Buckinghamshire at 6.6%. The Digital Exclusion Risk Index examines issues such as age, broadband access and deprivation – Surrey has a slightly lower score than others at 2.47%, whereas the national average is 3%.

2. Regarding paragraph 10 of the report, which references work done to improve accessibility of digital services and resources, one Member asked what this was and how partners would be worked with to improve it. The Digital and Customer Experience Manager explained that work undertaken in Surrey, around digital accessibility, was underpinned by public sector bodies legislation which described what should be done and recommendations the council was asked to follow. Work was done with organisations such as Sight for Surrey and the Surrey Coalition of Disabled People. The council has increased the level of website content and work is undertaken to ensure staff across the authority learn about digital accessibility. Programmes of work tested this. They added that work was done with procurement given challenges around the digital accessibility of services provided to the council by the private sector. This was expected to change with legislation that will apply to the private sector.
3. The Chairman noted and praised the council's work on digital inclusion, but raised concerns around the Digital Inclusion Strategy, which was recently shared with the voluntary, community and faith sector (VCFS). The Chairman invited views from VCFS sector attendees. The CEO of the Surrey Coalition of Disabled People ('Surrey Coalition') explained that the charity provided a digital inclusion service in Surrey, (excluding North-West Surrey). Devices are provided free of charge, on loan, to people and five-to-six digital skills training sessions are provided. The CEO of Sight for Surrey explained that the charity runs digital services to help people who are blind, partially sighted, hard of hearing, deaf, or deaf blind, to access technology through an employed specialist, an Artificial Intelligence (AI) apprentice and a group of technology volunteers that helped people at home or in the community. They added that the specialist advisors have been in contact with Surrey Coalition's 'Tech Angels', and referenced the risk of digital exclusion if organisations could not afford to keep running support services. The CEO of Sight for Surrey asked if the Council would, as part the Digital Inclusion Strategy, commission organisations such as Sight for Surrey to combat geographical inequality across Surrey and provide a better standard of service, given that many voluntary organisations already have

links into digitally excluded communities. The CEO of Age UK Surrey explained that the charity provided a range of digital and technology face-to-face support in central Guildford and in Milford, as well as a telephone support service. They stated that they operate a team of ten volunteers, but the number of clients seeking support was still low, with the team assisting 54 clients in 2023/24. Age UK Surrey wanted to grow this client base but was dependent on funding.

4. The Chairman noted that the charitable organisations had the contacts and expertise but did not appear to be involved in the development of the Digital Inclusion Strategy. The Interim Executive Director of CDC stated that the strategy was initially intended to draw together the council's digital inclusion work, for the council to move quickly in completing the work for which it is responsible, though there is work to do on the next steps in partnership. There is currently no separate resource to undertake commissioning to deliver this, and the council does not have an explicit duty to do so, other than under the public sector equality duty. The council intended, through meetings with charitable organisations, to consider partnership arrangements to further ambitions in digital inclusion.
5. In reference to the Citizens Online survey, the Chairman queried whether it would have been beneficial to ask for the VCFS sector's opinion and what expertise they could provide before commissioning the report, stating that he felt communication was needed with organisations that could provide support and contacts of those that require it. The Interim Executive Director of CDC explained that the Citizens Online report was commissioned some time ago but agreed with the Chairman that VCFS organisations had a deep understanding of local communities, and it was important to work together. The Citizens Online report was now in the past, and a step forward was now being offered. The Cabinet Member for Customer and Communities added that the report stated that there are several partners that the council needed to work with on digital exclusion, and that activity was underway with the VCFS sector and district and borough councils.
6. The Vice-Chairman referred to paragraph 10 in the report, which stated the council would endeavour not to 'reinvent the wheel', though felt that this is what the council was in danger of doing. The Digital and Customer Experience Manager explained that the Digital Inclusion Strategy focussed on what the council needed to do, part of which was partnership working. The

partnership group that was originally created included several different groups, and meetings with these groups were to be organised to see how partnership working could be developed. A lot of work around accessibility was done with other councils, Sight for Surrey and Surrey Coalition.

7. A Member asked how much the council was viewing the Digital Inclusion Strategy from the perspective of users. The Digital and Customer Experience Manager explained that work was done to ensure that the website and online resources worked for people, as well as listening to the customer voice, utilising testing and reviewing analytics. They also noted that contact centre presence was ensured and was part of the Customer Operating Model.
8. A Member suggested there were things members could do to assist in identifying where potential pockets of disadvantage lay with digital exclusion. The Digital and Customer Experience Manager explained that work was done in the community, such as with libraries, and that officers could meet with the member to discuss this if desired. The Interim Executive Director of CDC referred to the importance of thinking broadly about all people that may be digitally excluded and the different ways to engage with them. Digital exclusion can be contributed to by a range of factors, such as lack of access, poverty, and English proficiency.
9. A Member noted that telephone services are not digitally inclusive for people with sight issues. The Member noted his personal experience registered as sight impaired, the support he had received from Sight for Surrey and the Royal National Institute of Blind People, and stated that how people are signposted to relevant organisations should be carefully considered. The Member referred to work undertaken at Woodhatch Place and suggested it would have been beneficial if he had been asked to share his lived experience in this instance. The Chairman noted the importance of the member's comments before the Cabinet Member for Customer and Communities explained that she had referred the needs of members, users and staff to Democratic Services, concerns that also permeated into work with communities. The importance of sharing lived experience was noted and the Cabinet Member thanked the Member for his contribution.
10. The Vice-Chairman, in reference to paragraph 10 of the report, asked what governance structure would be employed to ensure the 'business-as-usual' working of the Digital Inclusion Strategy.

The Interim Executive Director of CDC explained that internal council governance would happen in two ways, while accepting there would also be coordination activity with partners. The first would be through line management arrangements that would demonstrate that the workforce remains on track. This sat within the customer services team, directly reporting to the Interim Executive Director. Secondly, the council was able to broaden out governance outside of the directorate silos through the Customer Transformation Programme. Governance arrangements could therefore be broadened along with the arrangements to the Strategic Investment Board.

11. A Member asked if the Digital Inclusion Plan objectives could be revised to be more Specific, Measurable, Actionable, and Timely (*SMART*). The Digital and Customer Experience Manager explained that work was moving at pace to ensure the objectives were '*SMART*'. Officers confirmed that they are aware of the three-to-six-month commitment they have given.
12. A Member asked how the council would maintain best practice in cooperating with partner organisations such as SMEF, how this would be measured, assessed and evaluated, and how any actions from this would be taken forward. The Interim Executive Director of CDC agreed the importance of this and clarified that existing relationships with organisations would be built upon.
13. The CEO of Surrey Coalition explained that the charity's 'Tech Angels' provide support to ethnic minority groups, such as translators, work with refugee groups and offer one-to-one or group training. The Digital Customer and Experience Manager added that the council has some libraries assist with this work, for example one library has collaborated with a Woking mosque.
14. The Chairman asked what the long-term intention was for non-digital means of service provision, such as landline phones, considering structural changes such as the Digital Voice Switchover. The Programme Manager for EDI explained that Ofcom was investigating this and the vulnerable groups that may be affected, and added that the council would need to ensure awareness of issues raised by Ofcom, and of the circumstances in the county. The CEO of Sight of Surrey stated that various voluntary sector groups were given the opportunity to raise concerns around the switch over. One concern for the charity was the reliability of alarms in the homes of those using 'technology-enabled homes', and the impact on a person's independence if the internet went down.

15. A Member raised that in his own division there had been issues with sheltered housing schemes, regarding bill quotes for updating their system, including fire and community alarms, and the risk that vulnerable older residents would abandon community alarms and other similar schemes due to the cost of installation. The Interim Executive Director for CDC referred to changing national infrastructure, noted the importance of the points raised by the members, and added that there is awareness that some of Surrey's most vulnerable residents relied on this technology. However, it was not directly in the scope of the digital inclusion work. The Interim Executive Director undertook raising the issue with colleagues in the Adults, Wellbeing and Health Partnership's (AWHP) directorate.
16. A Member referred to paragraph 12 of the report which outlined that "...the Digital Inclusion lead will have access to resources allocated via the transformation programme and the Medium-Term Financial Strategy and improve the reach of the programme without duplication, noting that this implied the digital inclusion work was dependent on the agreement of the Customer Transformation budget and draw down of that programme's budget amounts in each subsequent year. The Member asked, if this was not endorsed, how the Digital Inclusion programme would continue. The Interim Executive Director of CDC explained that the digital inclusion work had been progressing with a reliance on the Digital and Customer Experience Manager and the Programme Manager for EDI and connecting with others across the council and externally. There was no dedicated role specifically for digital inclusion. A conversation was needed around how to balance the different responsibilities between the two roles. The opportunity of connecting digital inclusion to the Customer Transformation programme was to extend the reach and embed benefits. Without this, the status quo would remain.
17. The Vice-Chairman asked how the digital inclusion work would be embedded into the Customer Transformation programme. Furthermore, in reference to paragraph 11 of the report and page 3 of the Digital Inclusion Strategy which referred to the Customer Operating Model, the Vice-Chairman asked where this would be developed and how it would be communicated and shared. The Interim Executive Director of CDC clarified that benefits would accrue from bringing the Customer Transformation Programme and digital inclusion work together, and that the Customer Operating Model was being generated through the Customer Transformation Programme. There would

be a 'SMART' plan, and there had been discussions around potentially forming a Member Reference Group from this committee to give assurance to this. It was noted that The Digital Strategy and Action Plan will be a standalone part of the Customer Transformation Programme, while the importance of Digital Inclusion would run throughout the entire Customer Transformation Programme as it is relevant to customer experience. They added that, if the Customer Transformation Programme was approved, there would be access to resources such as investment to improve the council's website functionality, navigation and user accessibility, and programme resource to measure and manage the Customer Transformation Programme, note milestones and measure activity and its benefits. This resource was not currently available to the officers.

18. The Digital and Customer Experience Manager added that bringing the Digital Inclusion Strategy under the Customer Transformation Programme helped get it to its current point, but there was a desire to ensure that it picked up on the range of work in digital inclusion occurring across the council.
19. The Chairman asked what evidence of success by NHS Surrey Heartlands led to them being chosen as a key partner on the digital inclusion project. The Digital and Customer Experience Manager explained that at the time NHS Surrey Heartlands was working on digital inclusion, doing lots to get more residents using more digital means of access within the NHS as the COVID-19 pandemic was still ongoing. Officers have attended meetings of a group including partner organisations and are working to progress actions from that. The Digital and Customer Experience Manager and the Programme Manager for EDI was going back to the existing group, formed by NHS Surrey Heartlands, in September 2024 and were presenting some things worked on, including work done with the VCFS sector. The officers would try to help take this group forward to ensure delivery.
20. The CEO of Sight for Surrey asked if the group spoken about was the Surrey Digital Inclusion Steering Group. If so, the CEO clarified this group was set up by the voluntary sector during the Covid-19 pandemic, not NHS Surrey Heartlands. NHS Surrey Heartlands were invited to go to the group to learn more about digital inclusion. The original partners on the groups were Surrey Coalition, the Surrey Minority Ethnic Forum (SMEF) and Sight for Surrey.

21. The Chairman stated that he felt Surrey County Council takes digital inclusion issues very seriously. However, the Chairman raised he did not feel NHS Surrey Heartlands took digital inclusion issues seriously, despite people there who understood and cared about digital inclusion, and stated that he understood not one of Surrey's hospitals was accessible to anyone who was profoundly deaf. He felt that NHS Surrey Heartlands needed to learn from the council and other organisations. The Interim Executive Director of CDC explained the council had an important role to lead the way. The Interim Executive Director was aware of the priorities in the Health and Wellbeing Board Strategy, which included many of the groups that the council would want to think about in relation to digital inclusion. The Cabinet Member for Customer and Communities added that there is an emphasis on this area through the Integrated Care Partnership and the Integrated Care Board.

22. The Chairman invited attendees from the VCFS sector to make any last comments. The CEO of Sight for Surrey stated it was good to see a renewed energy behind digital inclusion in Surrey and that Sight for Surrey remained open to working with the council and health partners. The CEO of the Surrey Coalition added that those that the organisation worked with were vulnerable people that needed the support and it therefore needed to continue. The CEO of Age UK Surrey asked for a continuation in the voluntary sector being asked, invited and involved in discussions and shaping strategies going forward, and that the voluntary organisations are experts in their areas and knew their beneficiaries. The CEO of Surrey Minority Ethnic Forum requested continued consultation with voluntary organisations as they could offer information for future strategies.

RESOLVED:

1. The Resources and Performance Select Committee notes the draft Digital Inclusion Strategy and the approach of embedding digital inclusion within the Customer Transformation Programme to ensure its reach and sustainability.

2. However, the Resources and Performance Select Committee also recommends that the Digital Inclusion Strategy is discussed with the Disability Partnership Board and their recommendations, along with those from other representative organisations, including the Surrey Minority Ethnic Forum, come to this committee; and,

3. The Digital Inclusion Strategy is revised in light of the select committee's comments and returns to the select committee for further scrutiny after review.

Actions/requests for further information:

- I. The Interim Executive Director of CDC to take forward comments made by a Member regarding accessibility issues at the canteen in Woodhatch Place, in the context of the wider work and lived experience.
- II. The Interim Executive Director or CDC to raise with Adults, Wellbeing and Health Partnership colleagues a Member's concerns around sheltered housing and bill quotes to update their systems (i.e. fire and community alarms).

Witnesses left and meeting paused for a break at 11.18am

The meeting resumed at 11.26 am

25/24 CUSTOMER TRANSFORMATION PROGRAMME [Item 6]

Witnesses:

Denise Turner-Stewart, Deputy Lead and Cabinet Member for Customer & Communities

Liz Mills, Interim Executive Director of Customer, Digital and Change (CDC)

Michael Smith, Director of Design and Transformation

Anna D'Alessandro, Interim Executive Director of Finance & Corporate Services and S151 Officer

Matt Marsden, Strategic Finance Business Partner for Strategy and Innovation

Key points raised during the discussion:

1. After the Deputy Lead and Cabinet Member for Customer & Communities introduced the report, the Chairman asked what would be different in five years-time if the Transformation Programme was delivered and what consequences would arise if it were not. The Interim Executive Director of CDC explained that it was understood that current systems for customers are fragmented, largely designed in siloes through a focus on services rather than customers, and that customers' achieving their desired outcomes expected from council services had been made more difficult, despite some examples of very good work. She clarified that the programme is required to unify the council's thinking regarding the customer experience, re-design processes with this in mind, underpinned by a core infrastructure

to help with delivery alongside a culture that puts the customer first. She noted, for example, that the council's than 40 microsites, often handling important work done in partnership with other organisations, would be reviewed and that the council would update some end-of-life products to increase opportunities to gain knowledge and insight, better target work and support customers, and would investigate opportunities to automate work and help staff focus on other work. The need for the Transformation Programme to evaluate every customer journey was also referenced - two different service delivery areas were evaluated in their current state, one being an online application that is considered well-designed, though in fact customers were unable to make it through the system on 80% of uses. The impact of this was measured, and a new model is being trialled. This was done in partnership across AWHP and Surrey Police in the referral of vulnerable adults into adult social care, thereby delivering significant customer benefits. The importance of supporting Surrey County Council (SCC) staff through a customer-focussed model was reiterated.

2. Referencing the government's launch of *gov.uk*, the Chairman about SCC unifying microsite content under its main webpage. The Interim Executive Director of CDC explained this was being reviewed in the Children, Families and Lifelong Learning and Culture (CFLLC) directorate, where information is presently posted for parents, carers and professionals on multiple sites, and models have been implemented elsewhere in the council that brought sites together under one area through an intelligent search function, allowing users to better navigate through these resources by bringing relevant information together. It was also being reviewed with respect to school partners, who often need to use multiple different services that could be better unified. It was noted that Hampshire County Council recently invested in this area and that colleagues from that authority were being liaised with.
3. In reference to paragraphs 3 and 8 of the report, which noted the challenges that many residents faced when contacting the council, a Member asked how Surrey would follow best practice when implementing new processes as part of the Customer Transformation Programme, especially for customers contacting the council regarding vital or urgent matters. The Interim Executive Director of CDC explained that the council started with a set of customer-centred design principles that guided work towards best practice. She also noted that the council had looked at other local authorities and business examples to

inform this work, and that internal expertise is also being further developed insight for the Transformation Programme's design. It was noted that the government model was being reviewed, that a *Test and Learn* approach is being adopted to solve complex problems rapidly and ensure benefits are realised, and that the sum of funding provided for the programme would be drawn down in phases, allowing officers to evidence the benefits of each phase to justify the drawdown of funds for the subsequent one.

4. In reference to issues a Member experienced when trying to contact the council in an emergency, the Member asked if a telephone line would be available to contact the council in emergency situations. The Member also asked for reassurance that members were being contacted to speak about their constituency case issues, which could help shape the Customer Transformation Programme. The Interim Executive Director of CDC explained that the feedback and insight received from customers and members would be built into the Customer Transformation Programme and that several things were being progressed to keep members informed, such as a future Member Development Session on the Transformation Programme. They noted that 'mystery shopping' activity had been undertaken and encouraged, particularly within the Customer Champions Group, and that finding better solutions to issues would be a focus in the programmed work, although that it was too early at this stage to describe the specific system design that would be implemented.
5. In reference to paragraph 17 of the report, which outlined that the proposed model would be a 'dynamic' rather than a 'target' operating model, the Vice-Chairman, asked how the council would be state that the Customer Transformation Programme was completed, with reference to the potential costings. The Interim Executive Director of CDC explained that the reason for using the language 'dynamic' was to address the fact that customers' needs change over time, while policy decisions may change elements outside of the council's control but requiring a different response. Nevertheless, they stated that the proposed model was clear in its components, with a beginning, middle and an end – not a suggestion for an unbounded body of work - and added that the sum of funding provided for the programme but would be drawn down in phases, allowing officers to evidence the benefits of each phase to justify the drawdown of funds for the subsequent one. They noted the size of the programme and the need to ensure the required resource & the governance

required to monitor it, adding that tangible step change improvement must be demonstrated via the programme's benefits. The Transformation Programme would be divided sequentially to ensure an ability to cope with change over time and preserve benefits if it was decommissioned part way through, they added.

6. A Member asked about the measures that were in place to ensure that the council's "most vulnerable customers", referred to in paragraph 4 of the report, benefited from improvements to efficiency and service quality; another Member asked for clarification of the challenges residents faced, while the Vice-Chairman asked for further detail on the consultation process and the service users this was undertaken with. The Interim Executive Director of CDC explained that accessibility and inclusion of services to the council's customers was a core part of the Transformation Programme and that an Equality Impact Assessment (EIA) had drawn out a range of considerations for the Transformation Programme that would guide the design. They also referred to working with experts from, for example, the Resident Insight Unit, partnerships and the CDC directorate, and the fact that Communities and Prevention teams were providing valuable information. Targeted work to respond to the needs of vulnerable customers was also being undertaken, such as with the Blue Badge scheme. It was noted that specialist interaction and support would be needed with specific groups that informed the council if work was having the impact required - this was done through a multi-disciplinary team approach that engaged customer's voices, such as with resident and customer panels.

7. In reference to paragraph 7 of the report referring to the number of customer complaints made through different avenues, which did not include the number of complaints made via the council's web forms, the Vice-Chairman asked if there was a reason for this exclusion and what that figure was. In reference to paragraph 9 of the report which stated that the council "...recorded a total of 2,598 complaints" in 2023/24, the Vice-Chairman further asked if a breakdown by category of the complaints could be provided. The Interim Executive Director of CDC agreed to share a breakdown of these complaints, clarifying that this information was also repeated in and drawn from the Annual Complaints Performance Report to the Audit and Governance Committee. It was noted that the data cited in paragraph 7 of the report related to customer interaction with the contact centre and complaints data, including web form contacts.

8. The Chairman asked if the staffing resource required to implement the Transformation Programme over its lifespan could be estimated. The Director of Design and Transformation explained that a multi-year approach was being taken with further estimations being made as the programme progresses. It was estimated that staffing resource would be an average of 23 full-time equivalents, though there would be the standard programme support in place for programme management and project support. They referred to the design-led approach being taken, user research to ensure digital inclusion, the design capabilities and capacity, change management and ensuring that the conditions for success were in place in the areas being worked on, noting that there is additionality in the programme for service roles, such as in adult social care. One of learnings from the DB&I recommendations, as well as past learning from other programmes, was that the programme needed additional support during change to be embedded and sustained, they added.

9. The Chairman referred to paragraph 31 of the report, which noted that approval of the drawdown of funding required in 2025/26 onwards would require approval from the governance boards, which would in turn be dependent on evidence that benefits were being realised - The Chairman asked how this would be evidenced and assessed. The Strategic Finance Business Partner for Strategy and Innovation explained that the council was undertaking financial modelling of each individual *Test and Learn* activity, and that a baseline would be created to measure against the performance data available, with key assumptions captured. The assumptions would be benchmarked, where possible, against other local authorities and similar activities undertaken by the council, and results would be presented back through service leads to agree on proposals, they added. The results would also be presented through the transformation governance boards for review and challenge, while results from the *Test and Learn* would be captured on a benefit tracker which would feed into the budget setting process and would be updated monthly. They also clarified that regular monitoring of progress against proposed benefits would be undertaken by the transformation governance boards and updates on progress would be shared through the Strategic Improvement and Assurance Transformation Board.

10. The Vice-Chairman stated that the report implied there would be a set of clearly defined, achievable benefits but these had not yet been defined, despite the further draw-down of funds relying

on their realisation. The Vice-Chairman asked for clarification of this. The Interim Executive Director of CDC explained that the benefits had been defined and categorised by different groupings, where examples of modelling principles from other local authorities had to be used given that SCC had not yet carried out the *Test and Learn* process. They noted that the areas of activity with the highest level of interest and where outcomes and experience most require improvement are being prioritised, adding that the council will constantly review and refine activities against outcomes as they emerge from the work.

11. The Vice-Chairman asked where the benefits were defined. The Interim Executive Director of CDC agreed to share more information on the benefits after the meeting and areas where benefits had been defined, and noted that the benefits would be captured in the full business case, which was referred to in paragraph 29 of the report.
12. In reference to paragraph 32 of the report which stated that research from other local authorities had demonstrated that benefits could be produced through digital strategies such as the use of Artificial Intelligence (AI), the Chairman asked if examples of service improvements realised at other councils could be provided with detail of how successful these have been. The Director of Design and Transformation explained that many local authorities were undertaking similar activities to introduce AI through Customer Transformation projects. The council had been working with others, such as Derby City Council, who has started to realise the benefits of using AI in Adult Social Care and Children's Services, while Kingston Borough Council had delivered pilots of automation in Adult Social Care assessments. Surrey County Council has also been in contact with Hackney and Dorset Councils. They further stated that conversations with other councils and learning would continue as SCC moved into the *Design* stage of the Transformation Programme.
13. In reference to paragraph 24 of the report that claimed £17 million of savings had been identified by the Customer Transformation Programme, the Vice-Chairman asked what these were, how they were identified and would be achieved, and whether this was an annual figure or one expected to be realised across the four years. The Strategic Finance Business Partner for Strategy and Innovation explained that the financial benefit quoted represented the collective benefits across cross-cutting transformation programmes, including Digital and Data and the Core Function Re-design, with efficiencies building year-on-year to an estimated £17.9 million for 2027/28, against the

budget, and that the links and dependencies between these different programmes made it prudent to refer to this aggregate figure. They clarified that these savings would be updated - with the expectation of improvement - as plans developed, with the Customer Transformation Programme currently targeted to deliver £7.9 million of those benefits by 2027/28. The profile financial modelling currently showed that the Customer Transformation Programme would deliver cumulative benefits over the four years of £12.4 million to 2027/28, against the £11.3 million investment. They also noted that a significant proportion of financial benefits are expected against staffing of customer contact services across Surrey through creating capacity by driving more streamlined, automated processes, and that benefits were also expected through providing customers with easier access to information and data to help meet their needs in a timely manner, reducing the impact of escalating needs and aiding demand management. Savings from the consolidation of systems and micro-sites was also referenced, with one aim being the reduction of future investment costs. Financial benefits were based on estimates against current activity on the *Test and Learn*, they also added.

14. The Vice-Chairman asked why the detail provided by the Strategic Finance Business Partner was not available in the report, and asked if it could be provided in an updated version of the report and made available to the committee and Cabinet. The Interim Executive Director of Finance & Corporate Services and S151 Officer agreed to include this and clarified that the £17.9 million savings was incremental, not cumulative. It combined the £7.9 million savings from Customer, on an incremental basis and as would be included in the Medium-Term Financial Statement, as well as £10 million from the Core Function Re-design.
15. The Vice-Chairman referenced the statement from the report that the four-year total investment ask for the Customer Transformation, Core Function Redesign and Digital, Data and AI Partner programmes was £25.6 million, and asked if this included £17.9 million in savings. The Interim Executive Director of Finance & Corporate Services and S151 Officer stated that this was correct, and that the benefits were still being reviewed. The benefits for Data and Digital would deliver further advantages but was not yet included because the business case was still being completed.

16. The Vice-Chairman again asked why the financial modelling of the Customer Transformation programme was not included in the report. The Interim Executive Director of CDC clarified that this was simply due to the speed of providing the information – the item was added to the agenda of this meeting at a later date than was typical to ensure scrutiny's input, and future iterations can provide greater detail.
17. A Member raised an assumption that the Customer Transformation Programme would be built on system technology already available, and noted that no risk is outlined in the report concerning whether the current infrastructure could support this transformation. The Interim Executive Director of CDC explained that there is work to do with underlying systems, which was why the Customer Transformation is a long-term programme. The *Digital and Data* aspect of the programme was being worked on to ensure there was a systems architecture that informed work across the Council. The Council had duplicated multiple applications and systems, such as ways that people can pay the council or report issues, due to the absence of a Core Operating Model for customer services. Part of the programme would work with Information, Technology and Digital colleagues to streamline this. They also noted that the benefits of these activities were factored into the Medium-Term Financial Strategy, but the work needed to occur to realise the benefits in customers' experience, and that the underlying system in the council's contact centre was extended whilst a specification for the system was redeveloped. Many parts of the council wanted to commission their own Customer Relationship Management Systems (CRMs), but the Transformation Programme would re-define this for the whole authority and help in understanding the needs, they added. It was clarified that this work, considering the learnings of the DB&I Task and Finish Group, would begin in September 2024 to bring together the specification to procure and implement in 18 months, when the council's contracts end.
18. The Member voiced concern around the risks of the Customer Transformation programme being sufficiently articulated. The Interim Executive Director of CDC explained an articulation of the risks could be developed more explicitly, before and after ratings from mitigating actions.
19. A Member raised that the Customer Transformation Programme's desired objectives needed to be more firmly defined, and raised concern this was not being fully considered as part of the programme. The Cabinet Member for Customer

and Communities explained that the *Test and Learn* phase of the programme, with decision gateways for investment, was there to address this point. In term of governance, scrutiny opportunities for the programme were regular and robust. The Interim Executive Director of CDC added that the programme would be “[..]*technology-enabled not technology-driven*”. This meant a clear understanding was needed around what technology needed to do to support customer experience before procuring technology solutions. Learnings would also be taken from the recent DB&I Task and Finish Group, they noted.

20. The Vice-Chairman raised that the timing around the Customer Transformation programme, with it not being considered while the 2023/24 budget was being set, and now being funded through reserves, was unconventional. The Interim Executive Director of Finance & Corporate Services and S151 Officer disputed that the funding approach was unconventional, noting that the council had the legitimate option to fund projects via reserves, which would still be considered for this kind of programme even if considered in the budget. They further added that reserves are an appropriate funding options for projects of this size, and that rigorous planning and preparatory work on the programme had begun despite its omission from the budget-setting process.
21. The Vice-Chairman asked when the business requirement for the Customer Transformation Programme was realised and when work began. The Interim Executive Director of CDC replied that communication started in Autumn 2023, work on the programme commenced in the beginning of 2024, though detail on the programme of work activities was not available until after the budget-setting period. They noted that, by the end of April 2024, they said, there was an outline approach for the programme, and work was recently completed on the programme’s full-business case.
22. The Chairman asked for clarification as to why expenditure for the Customer Transformation Programme in the next financial year would come out of reserves instead of the base budget. The Interim Executive Director of Finance & Corporate Services and S151 Officer explained that programmes of works were not included in base budgets.
23. Regarding paragraph 35 of the report which noted that Cabinet would be asked to approve the “...*in principle £11.3m investment requirement over four years*”, the Vice-Chairman asked if

Cabinet would be signing this off, or if it was a release of funding contingent on the staged governance board process referred to in paragraph 31 of the report. The Interim Executive Director of Finance & Corporate Services and S151 Officer explained that the £11.3 million investment was in principle, on the basis that the Interim Executive Director of CDC could plan for the scale of the Customer Transformation Programme by gauging Cabinet commitment. The draw-down of funding would indeed be on a stage control basis on the basis of a business case, and would happen when required over the programme's 4-year period.

24. Regarding the stage control process, a Member asked what would happen if it was decided no more money would be drawn down for the Customer Transformation Programme part way through the 4- year process. The Interim Executive Director of Finance & Corporate Services and S151 Officer explained that projects are reevaluated as was standard, though there is a process to bring capital projects within its budget and review them when over-budget. This was against a clear set of criteria, and if the criteria were not met the project could be re-scoped, they noted, clarifying that many aspects would be reviewed by weighing the risks of advancing against the risks of re-scoping the project, and the risks of stopping it, though this was not done lightly.
25. The Member stated that they felt that once Cabinet agreed to the project, it agreed to the full amount of funding and questioned the intention and effectiveness of the proposed stage control process. The Interim Executive Director of Finance & Corporate Services and S151 Officer disagreed and explained the programme's funding was in principle and based on a robust business case, noting that the exact amounts released within the budget would be informed by a solid business case, and the S151 Officer role included ensuring that benefits released with the first draw down were delivered.
26. A Member raised the importance of communication with members around the Customer Transformation Programme. The Interim Executive Director of CDC agreed and noted there were a range of opportunities for engagement, such as a Member Development Group session and meeting with the Member Development Steering Group. The Cabinet Member for Finance and Resources noted a distinction in that the DB&I programme was unavoidable due to system obsolescence.

RESOLVED:

1. The Resources and Performance Select Committee notes the progress made to date during the *Discovery* and *Design* phases of the programme.
2. Notes that Cabinet will receive four recommendations in relation to the Customer Transformation Programme as set out in the Cabinet papers, welcomes the progress made in the Programme to date, and further notes the potential benefits of the Customer Transformation Programme.
3. Further notes that if the programme is approved by Cabinet, the programme contains potential risks, and recommends that this select committee continue to receive regular updates, and greater information about risks, on the Customer Transformation Programme, to ensure that it delivers Best Value for Surrey residents and does not potentially adversely affect Council budgets.
4. Recommends that an updated Business Case is brought back to this Select Committee, including detailed financial, technical and other information on the risks and benefits of the programme.

Actions/requests for further information:

- I. The Interim Executive Director of CDC to share the breakdown of the number of customer complaints received.
- II. The Interim Executive Director of CDC to share a breakdown of the number of complaints received via the council website's web forms
- III. The Interim Executive Director of CDC committed to share more information on the benefits/efficiencies of the programme (e.g. how the benefits have been defined).
- IV. The Interim Executive Director of Finance & Resources and S151 committed to include detail of the £17.9 million savings for the Customer Transformation Programme - e.g. what is the figure composed of, how were the sources identified, how would they be achieved, is it an annual or 4-yearly figure? - to both Cabinet and the Resources and Performance Select Committee.
- V. The Interim Executive Director of Finance & Resources and S151 also to update on the benefits of the planned changes to Data & Digital, for which a Business Case is in the process of being formulated.

VI. The Interim Executive Director of CDC to share explicit information on the risks and dependencies of the Programme, before and after mitigation ratings.

26/24 PERFORMANCE MONITORING SESSION NOTES 19 JUNE 2024 [Item 8]

The Committee **AGREED** the notes of this session.

27/24 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 9]

The Committee **NOTED** the Actions and Recommendations Tracker and Forward Work Plan.

28/24 DATE OF THE NEXT MEETING [Item 10]

The Committee **NOTED** the date of the next meeting.

Meeting ended: 1.14pm

Chairman

