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To: MEMBERS OF THE AUDIT & SCRUTINY COMMITTEE
Councillors Gillman (Chair), Allen (Vice-Chair), Booth,
Botten, Chotai, Cooper, Flower, Mansfield, O'Driscoll,
C.White and N.White

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Substitute Councillors: Bilton, S.Farr, Bloore and
Pursehouse

C.C. All Other Members of the Council

27 June 2022

Dear Sir/Madam

AUDIT & SCRUTINY COMMITTEE TUESDAY, 5TH JULY, 2022 AT 7.30 PM

The agenda for this meeting of the Committee to be held in the Council Chamber, Council Offices, Station Road East, Oxted is set out below. If a member of the Committee is unable to attend the meeting, please notify officers accordingly.

Should members require clarification about any item of business, they are urged to contact officers before the meeting. In this respect, reports contain authors' names and contact details.

If a Member of the Council, not being a member of the Committee, proposes to attend the meeting, please let the officers know by no later than noon on the day of the meeting.

Yours faithfully,

David Ford
Chief Executive

AGENDA

1. Apologies for absence (if any)

2. Declarations of interest

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

(i) any Disclosable Pecuniary Interests (DPIs) and/or

(ii) other interests arising under the Code of Conduct

in respect of any item(s) of business being considered at the meeting. Anyone with a DPI must, unless a dispensation has been granted, withdraw from the meeting during consideration of the relevant item of business. If in doubt, advice should be sought from the Monitoring Officer or her staff prior to the meeting.

3. Minutes of the meeting held on 22 March 2022 (Pages 3 - 12)

To confirm as a correct record

4. Minutes of the meeting held on 26 May 2022 (Pages 13 - 14)

To confirm as a correct record

- 5. Review of minuted actions from the previous committee meeting**
- 6. To deal with any questions submitted under Standing Order 30**
- 7. To deal with any issues 'Called In' under Part F of the Council's constitution**
- 8. External Audit 20/21 Update**
To receive a verbal update.
- 9. Internal Audit Progress Report - June 2022** (Pages 15 - 32)
- 10. Internal Audit Annual Report & Opinion 2021/22** (Pages 33 - 36)
- 11. Finance Transformation Programme Update - June 2022** (Pages 37 - 76)
- 12. Future Tandridge Programme Update - June 2022** (Pages 77 - 108)
- 13. Complaints and Freedom of Information update** (Pages 109 - 118)
- 14. Performance Exceptions Report - Quarter 4 2021/22** (Pages 119 - 126)
- 15. Any urgent business**

To deal with any other item(s) which, in the opinion of the Chair, should be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972.

TANDRIDGE DISTRICT COUNCIL

AUDIT & SCRUTINY COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber - Council Offices on the 22 March 2022 at 7:30pm.

PRESENT: Councillors Langton (Chair), Allen (Vice-Chair), Bloore, Crane, Davies, Flower, Gray, O'Driscoll and C.White

PRESENT (Virtually): Councillors Dennis

ALSO PRESENT: Councillors N.White and Gillman

ALSO PRESENT (Virtually): Councillors Farr, Lockwood and Mills

287. MINUTES OF THE MEETING HELD ON THE 27TH JANUARY 2022

In respect of minute number 245, Councillor Flower requested that the word data contained in the third paragraph be changed to intelligence. Councillor Flower also requested that a reference be included in respect of the conversation held before the meeting between the Chairman and Amanda Bird and Inspector Karen Hughes.

Subject to these amendments being agreed, the minutes were confirmed and signed as a correct record.

The actions arising from the meeting on 27 January 2022 were reviewed and it was noted that:

- Information relating to payments made to staff in employment cases had been collated by the Chief Executive and issues in respect of confidentiality were being addressed before it could be provided to the Committee. It was confirmed that in the past five years there had been eleven settlement cases concluded.
- The Chair had circulated an update on the Resident's Survey received from Giuseppina Valenza.
- The Chair had held a meeting with Amanda Bird and Inspector Karen Hughes shortly after the last committee meeting and confirmed that the following points had been agreed:
 - a more frequent report to be made by Amanda Bird and Inspector Karen Hughes, but only every six months or so.
 - more focus on summarising generic themes, case volume and case type and seriousness. This would be reported every six months or so.
 - the TDC councillor representative (Councillor Gillman) will communicate what is concluded from borough Police meetings.
 - to establish a closer working relationship between all Councillors and the Community Officer and Police.

- that Councillors are welcome to contact both Amanda Bird and Inspector Karen Hughes directly on issues in their Wards.
- The Chair had written to Deloitte but had yet to receive a response. This had been followed up and should be received in due course.
- The action to explore possible funding opportunities to assist in the preventing of fraud and scams in the District had not been resolved and remained outstanding.
- It was confirmed that the Internal Audit Actions spreadsheet had been updated as requested.

288. EXTERNAL AUDIT UPDATE - 20/21 ACCOUNTS UPDATE

Laura Rogers from the Council's external auditor Deloitte provided a verbal update on the current position of the Council's external audit.

It was confirmed that FY20 had been signed off before the previous meeting of the Committee and FY21 was now progressing well with no significant issues to report currently.

It was noted that, in respect of FY22, a formal audit plan would be presented at the next committee meeting on 5 July 2022. Staff had been booked to undertake FY22 and contingency had been built in to attempt to avoid any delays similar to those experienced with other recent audits.

The Chair noted that a written response to his letter of complaint regarding the FY20 audit was still outstanding and asked that this be followed up.

289. INTERNAL AUDIT PROGRESS REPORT - MARCH 2022

Natalie Jerams presented a report which provided an overview of:

- the current status of live internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditors annual opinion.

The subsequent discussion on this report included reference to the following issues:

- It was confirmed that the Business Continuity and Emergency Planning audit reviews had previously been scheduled for Quarter 4 and scoping meetings were staggered throughout the quarter to allow for adequate resourcing for both SIAP and the Council. It was still expected that the audit would be completed by year end;

- In respect of the adjustment to the internal audit plan, it was confirmed that the Main Accounting item was being moved for capacity issues within the Finance Team whilst roles and responsibilities were being realigned;
- It was mentioned by the Chair that he had provisionally agreed the amendment to the internal audit plan following a referral by the Interim Chief Finance Officer. The Chair had since been made aware that this may have constituted a significant change and therefore should have been referred to the Committee to agree. The recommendation to the Committee would be amended accordingly.
- It was noted that the Chief Internal Auditor had a duty to inform of any significant changes to the Audit Plan but there was no requirement for the Committee to approve all variations. It was agreed that a definition of 'significant' would be included in the Internal Audit Charter to aid future referrals for adjustments to the Internal Audit Plan.
- The Chief Executive stated that resourcing issues would be addressed as part of restructure of the Senior Management Team as part of the Future Tandridge Programme. It was also noted that outstanding internal audit actions were being discussed weekly by the Management Team.
- The reference to grant certification in the rolling work programme referred to an internal audit check to confirm that money distributed under the LGCS and the Compliance & Enforcement Grant had been spent in line with the relevant scheme/grant conditions.
- In respect of the Outstanding Management Actions document, it was noted that the audit actions for the HR Policies and Procedures were now contained within the Future Tandridge Programme and should be completed by 31 March.
- It was the view of the Chief Internal Auditor that there had not been any significant change in the number of audit items becoming overdue but there was a hope that the ongoing transformation programmes would help to address a number of the outstanding audit concerns. It was noted that true and realistic completion dates should be included in the Outstanding Management Actions document.

RESOLVED – that the Internal Audit Progress Report for February 2022 is noted and approves the plan variation as set out in section 8 of report.

ACTIONS –

	Action	Responsible Person	Deadline
1.	To revise the Internal Audit Charter to reflect what is a “significant change” that requires Audit & Scrutiny approval.	Neil Pitman	27 June 2022

2.	<p>In respect of the Outstanding Management Actions:</p> <ul style="list-style-type: none"> - Revisit forecast dates to check they are realistic - review if the assessed priority for each item reflects the risk to the Council - Incorporate a metric to identify whether the number of open audit items is decreasing 	Melanie Thompson	27 June 2022
3	TDC Legal to revise the Audit & Scrutiny terms of reference to reflect that the Committee must approve all significant changes to an Audit Plan	Legal Department	Not specified

290. INTERNAL AUDIT CHARTER 2022-23

The Charter defined the internal audit activity's purpose, authority and responsibility. The report established the role of internal audit within the Council and was presented to the Committee for approval in accordance with the requirements of the Public Sector Internal Audit Standards. It was confirmed that there had been no changes to the standards over the course of the year and therefore the Charter was substantially the same as approved in 2020/21, save for an addition of a two new stakeholders to the client portfolio. It was noted that, in accordance with the action recorded under minute number 289, wording would be added to the Charter to define the meaning of 'significant' with regards to referring audit plan adjustments to the Committee.

As discussion took place in respect of the wording of the Internal Audit Resources section of the Charter. It was agreed by the Chief Internal Auditor that the wording of this section would be updated to address the concerns of the Committee.

RESOLVED – the Committee approve the Internal Audit Charter 2022-23, subject to the amendments by SIAP to paragraphs 1 and 4 at page 4 of the Charter.

291. INTERNAL AUDIT PLAN 2022-23

A draft Internal Audit Plan for 2022-23 was presented to Committee. The Plan provides the mechanism through which the Chief Internal Auditor can ensure the most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements. Natalie Jerams provided an overview of the areas that would be included within the plan, which included some areas which had a limited audit review in previous years.

The subsequent discussion included the following issues:

- the clarification of the term “plan variation” referred to in the report.
- why the likely inability of meeting the key priority referred to in the Council Strategic Plan 2020/21 to 2023/24 of “*Creating the homes, infrastructure and environment we need*” was not reflected in the Council Risk Register. The Chief

Internal Auditor agreed to review the audit plan to potential add an item that could address this issue.

- how the proposed timing of audit reviews are agreed between Internal Audit and the Council and how this does not impact on the relevant assurance opinion. It was noted that items were included in the plan on a 3-year cyclical basis and currently there were no preconceived or significant concerns relating to any area of the Council which would require an adjustment of the audit plan.
- the Chief Internal Auditor agreed to respond in writing to areas of concern raised about the audit plan (including the timing of the savings realisation and payroll audit and the absence of project management and debt management in the plan)

RESOLVED – that

1. the Committee note and approve the Internal Audit Plan 2022-23, and
2. the Chief Internal Auditor completes a review of the Internal Audit Plan to take into account the specific items raised by the Committee (such review and any changes to be approved by the Committee).

In accordance with Standing Order 25, Councillor Allen wished it recorded that he abstained from voting on the resolution.

ACTIONS –

	Action	Responsible Person	Deadline
1.	To review the Internal Audit Plan and to advise if any items could be added to address the possible issue of the Council not meeting the strategic plan priority of <i>“Creating the homes, infrastructure and environment we need”</i> .	Neil Pitman	27 June 2022
2.	To speak with the Housing Chair to enquire about the absence of the entry on the Council Risk Register regarding the likely failure to meet the strategic plan priority of <i>“Creating the homes, infrastructure and environment we need”</i> .	Councillor Langton	5 July 2022

3.	To review specific queries relating to the audit plan, including the timing of the savings realisation and payroll audit and the absence of project management and debt management in the current plan.	Neil Pitman	27 June 2022
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292. FINANCE TRANSFORMATION PROGRAMME UPDATE - MARCH 2022

The Interim Chief Finance Officer, Ricky Fuller and Janyce Danielczyk provided a detailed verbal update in respect of the current status of the Tandridge Finance Transformation (“TFT”), including:

- a review of the key stages of the TFT;
- an overview of progress of the TFT, including a presentation on the progress on the four main workstreams (New Finance Model, Deliver the Budget, Organisational Development and Exchequer Transformation);
- confirmation that the Accounts Payable and Accounts Receivable services were currently undergoing an audit, during which SIAP would review all work undertaken to date; and
- explaining the activities that would be included within phase two of the TFT and how this will transition into the Future Tandridge Programme.

It was confirmed that an end of programme review would be presented at the next Audit & Scrutiny Committee meeting.

293. 2019/20 AUDIT FINDINGS REPORT

Barry Strafull and Laura Rogers (Deloitte) presented an report that contained Deloitte’s update to the Audit & Scrutiny Committee following finalisation of the audit for the year ended 31 March 2020. Laura Rogers provided a verbal update on the contents on the updated report. It was noted that Deloitte had:

- issued an unqualified opinion on the 2019/20 financial statements; and
- issued a Value for Money assessment that was qualified and may remain so for a least a further two audits due to the identification of the pensions budget mismanagement in the 2020/21 and 2021/22 budgets.

It was noted that the Tandridge Finance Transformation (“TFT”) was seeking to address and mitigate the issues raised by Deloitte in respect of planning finances effectively and managing risks. In response to concerns raised about the impact of the TFT, the Chief Executive noted that lessons had been learnt from past transformation programmes and these would be implemented in order to ensure the positive transformation is achieved.

In response to a question on whether Deloitte should follow CIPFA guidance in respect of the Goodwin judgement, it was noted that this was not a significant enough issue and reference to this was only included for transparency purposes.

It was noted that the scale fee (as defined in Deloitte's report) had not yet been agreed and would be approved by the Committee.

RESOLVED – that the Committee approves the findings outlined in Deloitte's Audit Findings Report.

ACTIONS –

	Action	Responsible Person	Deadline
1.	To map the findings from the external audit for 19/20 against actions taken in the Tandridge Finance Transformation programme to show that weaknesses identified in the Deloitte report have been addressed.	Mark Hak-Sanders	27 June 2022
2.	That the proposed variation to the scale fee (as defined in Deloitte's report) be brought back to the Audit & Scrutiny Committee prior to its approval.	Mark Hak-Sanders	27 June 2022

294. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE - MARCH 2022

The Chief Executive presented a report which set out the progress made against the Annual Governance Statement action plan for 2021/22.

The Chair noted that, although Officer workload was currently high and was taken into account, the improvements set out against the Corporate Improvement Plan were modest. It was hoped that the current transformation programme would assist with increasing the level of improvements.

RESOLVED – that the Committee:

1. notes the progress made against the Annual Governance Statement action plan for 2021/22; and
2. notes the Local Code of Corporate Governance 2020/21.

ACTIONS –

	Action	Responsible Person	Deadline
1.	To revise the forecast dates and reconsider the prioritisation of actions in the Annual Governance Statement action plan.	Lidia Harrison	27 June 2022

295. FUTURE TANDRIDGE PROGRAMME UPDATE

The Chief Executive presented a verbal update on the Future Tandridge Programme. Since the last Committee presentation in January 2022, the service review programme had been set up and tranche 1 had now commenced, which included Communications, Legal, Building Control, Statutory Housing and Locality Team.

The reviews were being undertaken by Heads of Service but would be subject to robust challenge in the process. Any business cases to changes in service levels will be presented at the relevant committee in June 2022 before tranche 2 is started.

It was confirmed that a more robust system of staff appraisals would be reintroduced in order to improve performance and accountability and to promote and offer development and training opportunities.

It was noted that a new Strategic Plan would be commenced later in the year as the current document was not fit for purpose in respect of setting long term priorities for the Council.

The Chairman stated that in future committee meetings, the Future Tandridge Programme must be allowed more time on presenting and discussing the project status.

296. PROJECT MANAGEMENT REVIEW - MARCH 2022 UPDATE

The Executive Head of Communities presented a report that set out a Project Management Action Plan which was intended to improve project management processes within the Council. The report also provided details of current projects and set out Lead Project Officer's skills and experience that would enable them to deliver the projects.

It was confirmed that a Project Management Working Group had been set up to monitor and deliver best practices for the Council and to ensure that project management documentation is in place and that report monitoring is up to date and reviewed at the relevant project board meetings.

It was noted that there was an intention to ensure that project management responsibilities were embedded across the Council in the future, for both management and staff. The Committee also suggested that the introduction of project management software should also be considered.

RESOLVED – that the Committee notes the actions outlined in the priority action plan and supports the progressing of listed active projects using the resource available.

ACTIONS –

	Action	Responsible Person	Deadline
1.	Produce information for the Committee to assess the resources required for all future Council projects and report back to the next Audit & Scrutiny meeting.	Alison Boote	27 June 2022
2.	To provide specific information in respect of which training options would be offered to	Alison Boote	27 June 2022

	staff in order to fill training gaps within the Council		
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297. COMPLAINTS AND FREEDOM OF INFORMATION REQUESTS UPDATE

The Head of Communications & Customer Experience presented report that set out details of the complaints and Freedom of Information requests received by the Council in the last quarter. The report also set out an update on the Council's approach to managing complaints and what lessons had been learnt from recent experiences.

It was confirmed that no data was held in respect of the cost to the Council in dealing with complaints. As dealing with complaints formed a part of Officer roles, it was difficult to accurately quantify. However, the Committee requested that an estimate of costs should be provided.

The Committee also requested comparative complaint data from other Local Authorities for benchmarking purposes. It was noted that this had been previously considered but it appeared that all neighbouring authorities recorded complaints differently which made comparison difficult.

It was noted that the £50 goodwill compensation would only be paid in exceptional circumstances and only where a fundamental service failure has been identified.

RESOLVED – that the Committee note and accept the report.

ACTIONS –

	Action	Responsible Person	Deadline
1.	That an overall estimate of costs incurred as a result of dealing with complaints be provided to the Committee.	Giuseppina Valenza	7 July 2022

Rising 10.19 pm

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TANDRIDGE DISTRICT COUNCIL

AUDIT & SCRUTINY COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 26 May 2022 at 9:00pm.

PRESENT: Councillors Booth, Botten, Chotai, Cooper, Gillman, Mansfield, O'Driscoll and N.White

APOLOGIES FOR ABSENCE: Councillors Allen, Flower and C.White

1. ELECTION OF CHAIR FOR 2022/23

RESOLVED – that Councillor Gillman be elected Chair of the Committee for the 2022/23 municipal year.

2. ELECTION OF VICE-CHAIR FOR 2022/23

RESOLVED – that Councillor Allen be elected Vice-Chair of the Committee for the 2022/23 municipal year.

Rising 9.01 pm

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Internal Audit Progress Report - June 2022

Audit & Scrutiny Committee – 5 July 2022

Report of: Neil Pitman – Head of Southern Internal Audit Partnership
Neil.pitman@hants.gov.uk

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report provides an overview of internal audit activity against assurance work completed in accordance with the approved audit plan (2021-22) and to provide an overview of the outstanding management actions.

This report supports the Council's priority of: Building a better Council

Contact officer Mark Hak-Sanders Chief Finance Officer and Section 151 Officer
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the Internal Audit Progress Report – June 2022

Reason for recommendation:

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee.

Introduction and background

- 1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
 - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:
 - The status of 'live' internal audit reports (outstanding management actions);
 - an update on progress against the annual audit plan;
 - a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.
- 3 Appendix A summarises the activities of internal audit for the period up to June 2022.
- 4 The progress report provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to June 2022.

Key implications

Comments of the Chief Finance Officer

The Progress Report on Internal Audit provides the Council an important insight into areas of risk for the Council where its key processes are not functioning effectively, and their improvement must be prioritised. There are however no direct financial implications of this report.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require councils to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

The Progress Report on Internal Audit is intended to ensure that effective systems of internal control are in place. This protects the Council and its Officers and provides an assurance to stakeholders and residents regarding the security of the Council's operations.

Equality

In consideration of impacts under the Public-Sector Equality Duty the proposal within this report do not have the potential to disadvantage or discriminate against different groups on the community.

Climate change

There are no environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Internal Audit Progress Report – June 2022

Background papers

None.

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Internal Audit Progress Report

June 2022

Tandridge District Council



Contents:

1.	Role of Internal Audit	3
2.	Purpose of report	4
3.	Performance dashboard	5
4.	Analysis of 'Live' audit reviews	6
5.	Executive summaries 'Limited' and 'No' assurance opinions	7-9
6.	Planning and resourcing	10
7.	Rolling work programme	10-11
8.	Adjustments to the Plan	12
	Annex 1 – Previous TDC Assurance Opinions	13

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

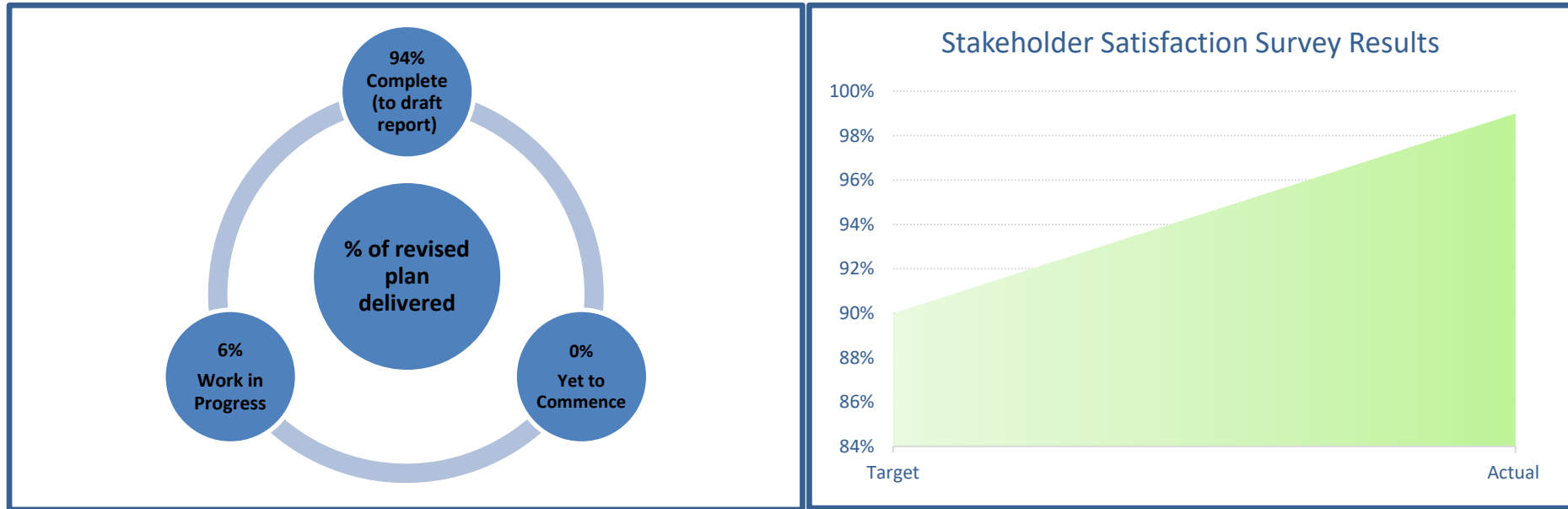
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 1*

3. Performance dashboard



Page 23

Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'


4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due*	Complete *	Overdue		
							L	M	H
HR – Policies and Procedures	04.06.20	EHofCR	Limited	5(5)	0(0)	4(4)			1
IT Disaster Recovery & Business Continuity	06.07.20	EHofCR	No Assurance	11(11)	0(0)	7(7)			4
Council Tax	02.10.20	EHofC	Adequate	5(2)	0(0)	4(2)		1	
NNDR	20.10.20	EHofC	Limited	7(3)	0(0)	6(3)		1	
Customer First	17.02.21	EHofCR	No Assurance	18(11)	0(0)	17(11)		1	
Procurement	18.05.21	HofLS	Reasonable	3(0)	0(0)	2(0)		1	
IT Asset Management	14.06.21	EHofCR	Limited	9(0)	5(0)	4(0)			
Housing Benefits	21.07.21	EHofCR	Reasonable	10(2)	0(0)	9(2)		1	
Building Control	28.07.21	CPO	Limited	19(12)	1(0)	11(8)	1	2	4
Information Governance	11.08.21	EHofCR	Limited	14(7)	0(0)	9(4)		2	3
Grants Register	18.08.21	EHofC & CFO	No Assurance	5(5)	0(0)	0(0)			5
Health & Safety	27.08.21	EHofCR & EHofC	No Assurance	26(17)	3(1)	15(10)		2	6
Annual Governance Statement	02.12.21	HofL	Limited	8(7)	0(0)	5(5)		1	2
Fraud Governance Arrangements	24.03.22	HofL	Limited	15(11)	9(6)	2(1)			4
IT Governance	20.06.22	CE	Limited	6(0)	6(0)	0(0)			
IT Database Management	20.06.22	CE	Limited	7(1)	7(1)	0(0)			
Total				168(94)	31(8)	95(57)	1	12	29

*Total number of actions (total number of high priority actions)

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been three new reports published concluding a “limited” assurance opinion since our last progress report in March 2022.

Fraud Governance Arrangements		
Audit Sponsor	Assurance opinion	Management Actions
Head of Legal	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;">Low 0</div> <div style="background-color: yellow; color: black; padding: 5px; text-align: center;">Medium 4</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 11</div> </div>

Summary of key observations:

Although a framework is in place to prevent, detect and investigate fraud and irregularities, due to its infancy, it has not yet been embedded sufficiently within the Council. In particular, the Anti-Fraud, Bribery and Corruption Policy makes reference to supporting elements which are still being developed or implemented. Despite being reviewed recently, policies and guidance do not always reflect the current underlying legislation or external methods of support.


Although the three primary anti-fraud policies reviewed are available to staff and can be accessed by external parties if appropriate, the effectiveness of the use of these is reduced as points of reference or contact is not always accurate. Also, there are various references across the policies reviewed that refer to other documents or resources which the Council does not yet have in place including eLearning for staff and reference to documents that were not evident at the time of the audit.


Documentation on the Council website refers to the Council employing a range of roles as part of their response to Council Tax, Housing Benefit and Tenancy related fraud, despite such roles no longer existing. Additionally, there is no appointed officer(s) who hold any accreditation for fraud investigation in the area.

The Council's Transparency and Open Data fraud reporting obligations are not being met as the webpage for these is incomplete.

Although the Communities and Planning fraud risk assessments were complete and proportionate, the Resources directorate fraud risk assessment was found to be incomplete. Certain functions at risk of fraud such as treasury management and types of fraud such as money laundering are not included.

The current risk management processes are still a new approach for the Council and the level of detail recorded on fraud risk, in particular the implications, could be enhanced. For example, recruitment has been recognised as being at risk of fraud, but the implications cover operational and regulatory implications rather than the financial loss from a dishonest employee.

IT Governance		
Audit Sponsor	Assurance opinion	Management Actions
Chief Executive	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;">Low 0</div> <div style="background-color: yellow; padding: 5px; text-align: center;">Medium 6</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 0</div> </div>
<p>Summary of key observations:</p> <p>The Authority has established an IT Strategic Plan for 2021-24 which was submitted to Executive Board and Committee for approval. The plan was developed with the assistance of the LGA and is aligned to corporate objectives. The strategy is supported by an IT work plan that identifies fifteen current projects, twenty-four maintenance schemes, and several programmes reflecting PSN accreditation, audit actions and contract renewals in addition to general governance initiatives. Each programme of work has been assigned a resource and a priority.</p> <p>The Authority has produced five IT policies, however, there remains a number that have not been established to promote and determine an effective IT governance framework. Three out of the five policies that have been developed did not include a reference for defined roles and responsibilities with the organisation. The Authority have proposed an IT Strategy Board and a Digital Design Board however the boards are not currently active, no meetings have taken place during 2021/22 and there are no terms of reference for these boards. There is no effective mechanism in place to escalate and report IT issues arising from project work or operational matters.</p> <p>Whilst an exercise has been undertaken to identify and capture IT risks in an IT Risk Register and assign each risk to a member of the IT team, only three of the 40 identified risks have controls, probability and impact recorded on the register. No IT risks have been escalated to the Executive Leadership Team and relevant Committees and at present there is no formal escalation process in place.</p>		

Database Management		
Audit Sponsor	Assurance opinion	Management Actions
Chief Executive	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;">Low 0</div> <div style="background-color: yellow; padding: 5px; text-align: center;">Medium 6</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 1</div> </div>
<p>Summary of key observations:</p> <p>Data management within the Authority is overseen by the IT team and database administration is undertaken by a dedicated IT specialist with experience and knowledge in database management. However, there is limited cover or resilience in the event of staff absence.</p> <p>To monitor and manage performance of the databases, the team utilise an infrastructure tool which provides alerts of any capacity issues so appropriate action can be taken to maintain performance.</p> <p>Active databases and transaction logs are regularly backed up which provides the opportunity to restore a database up to the last successful transaction. However, restores of databases from back up data were not regularly tested.</p> <p>High privilege access to the databases, and when required, remote access by third parties, were strictly controlled.</p> <p>Some databases did not have the most recent Microsoft security update deployed to them, potentially leaving them vulnerable to exploitation of a known security weakness.</p> <p>There was no formal policy or procedures for database management, security, back up and patch management although the Authority have implemented a programme to review and develop formal documentation and to capture these documents within SharePoint.</p> <p>Although a formal change control framework is being proposed for implementation, there was no formal change management process established and any changes were applied reactively within the IT team.</p>		

6. Planning & Resourcing

The internal audit plan for 2021/22 was presented to the Executive Leadership Team and the Audit & Scrutiny Committee in March 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2021/22 Reviews								
Corporate Governance								
HR & OD - Follow Up	EHofCR	✓	✓	✓	✓	✓	n/a	Follow up review.
Safeguarding	EHofCR	✓	✓	✓				Close of audit held on 22/6/22, report pending.
Financial Resilience	CFO	✓	✓	✓	✓			
Contract Management	HofLS	✓	✓	✓	✓			Draft report issued, response pending.
Risk Management	EHofCR	✓	✓	✓	✓	✓	Position Statement	
Fraud Governance Arrangements	CFO	✓	✓	✓	✓	✓	Limited	
Business Continuity & Emergency Planning	EHofCR	✓	✓	✓	✓			Draft final report issued, Senior Management sign off required.
Annual Governance Statement	HofLS	✓	✓	✓	✓	✓	Limited	

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Programme/Project Management	EHofCR	✓	✓	✓	✓			Draft report issued, response pending.
Financial Management								
Housing Rents	EHofC	✓	✓	✓	✓	✓	Reasonable	
Accounts Payable	CFO	✓	✓	✓	✓	✓	Position Statement	
Accounts Receivable/Debt Management	CFO	✓	✓	✓	✓	✓	Position Statement	
Income Collection	CFO	✓	✓	✓	✓			Draft report issued, response pending.
LGCS	CFO	✓	✓	✓	✓	✓	n/a	Grant certification
Compliance & Enforcement Grant	CFO	✓	✓	✓	✓	✓	n/a	Grant certification
Information Technology								
IT Governance	EHofCR	✓	✓	✓	✓	✓	Limited	
Database Management	EHofCR	✓	✓	✓	✓	✓	Limited	
Service Reviews								
Waste, recycling & street cleansing	EHofC	✓	✓	✓	✓			Incorporated within the Contract Management review. Draft report issued.
2022/23 Q1 Reviews								
Treasury Management	CFO	✓						
Disabled Facilities Grants	EHofC	✓	✓	✓				
Environmental Health & Licensing	EHofC	✓	✓					

Audit Sponsor					
CE	Chief Executive	CFO	Chief Finance Officer	HofLS	Head of Legal Services & Monitoring Officer
EHofCR	Exec Head of Corporate Resources	EHofC	Exec Head of Communities	CPO	Chief Planning Officer

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2021/22	
Removed from the plan	Reason
Main Accounting	Deferred until Q2 2022/23 at the request of the Chief Finance Officer, due to capacity issues within the team to accommodate the review.
Development Management	Removed from the plan due to capacity issues within the team to accommodate the review.

Tandridge District Council Assurance Opinions (Pre 2020-21)

Substantial	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

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Internal Audit Annual Report & Opinion 2021/22 Audit & Scrutiny Committee - 5 July 2022

Report of: Chief Finance Officer (Section 151)

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report sets out that the Internal Audit Annual Report & Opinion for 2022, originally scheduled to be presented to this Committee, will be delayed until the 27th September 2022. The report outlines the current status of the internal audit plan (at time of writing) and outlines the next steps.

This report supports the Council's priority of: Building a better Council

Contact officer Mark Hak-Sanders Finance -
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

The Committee note the delay to the finalisation of the Internal Audit Annual Report & Opinion for 2021/22.

Reason for recommendation:

The report sets out the progress to date in finalising the report and opinion, including the current position and the next steps.

Position statement

- 1 The Internal Audit Annual Report & Opinion for 2021/22 was scheduled to be presented to this Committee meeting. In order for the Chief Internal Auditor to produce the report and deliver an opinion, he must be satisfied that the audit plan is materially complete and sufficient evidence has been gathered.

- 2 Detailed progress is set out in the *Internal Audit Progress Report (June 2022)* elsewhere on this Committee's agenda, however in summary (at time of writing):
 - 94% of the audits for 2021/22 have been issued (final / draft)
 - 6% of reports are due to be issued imminently.
 - 61% of reports have been finalised
 - 33% of reports are with management to provide actions in response to the findings, with target dates

In some cases, management are in the process of providing responses to reports which have been issued over the last 1 to 3 weeks.

Next Steps

- 3 The Chief Internal Auditor and the Internal Audit team in SIAP will continue to work with management to finalise the outstanding reports and form their opinion. A verbal update will be provided at the Committee meeting.
- 4 The report will be finalised prior to the Audit and Scrutiny Committee meeting of the 27th September 2022.

Other options considered

- 5 The status of outstanding reports was considered at Management Team on the 14th June 2022 and again at Extended Management Team on the 21st June 2022, to determine whether it was possible to finalise outstanding audits in time for the annual report to be published by the deadline of Monday 27th June.
- 6 Management Team concluded that it was more appropriate to allow adequate time for management responses to be considered properly. This approach is more likely to result in deliverable actions, which are compatible with the outputs of the Future Tandridge Programme, decisions on which are being taken at Strategy and Resources Committee on the 30th June.

Key implications

Comments of the Chief Finance Officer

- 7 There are no direct financial implications of delaying the production of the report and opinion. The report informs the production of the Annual Governance Statement, which is due to come to this Committee in September.

Comments of the Head of Legal Services

- 8 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities 'must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal

auditing standards or guidance'. This annual report provides an overall opinion on the Council's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement. It is the senior management team's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and outcomes achieved.

Appendices

None

Background papers

None

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Finance Transformation Programme Update - June 2022

Audit & Scrutiny Committee - 5 July 2022

Report of: Chief Finance Officer (Section 151)

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

This document provides an update on the closedown process being followed for the Tandridge Finance Transformation ('TFT') programme which is due to complete at the end of June 2022.

The key objectives of the closedown process are to identify:

- what the programme has achieved including key deliverables, achievements and benefits that have been delivered.
- activities and deliverables that have not been completed and ensure that these are assigned ownership
- activities and deliverables items that will form part of a service improvement plan at the close of the programme.

Formally closing the programme is an important process to undertake because it helps Surrey County Council ('SCC') and Tandridge District Council ('TDC') to effectively ensure that the programme's original objectives have been met and, where there is remaining work, assigns ownership and ensures work continues.

The project review process also enables SCC and TDC to review the relative success of the project, confirming the realisation of its benefits and to reflect on any lessons learned/best practice that can be applied to future projects.

Effective governance and decision-making around project closure also ensure that TDC is realising the benefits of the TFT and that learning is captured which may help to improve TDC's approach to delivering projects going forward.

This report supports the Council's priority of: Building a better Council.

Contact officer:

Mark Hak-Sanders – Chief Finance Officer (Section 151)

mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That A&S Committee note the closure of the Tandridge Finance Transformation programme, achievements to date and next steps.

Reason for recommendation:

The closure report, included as Appendix A, is being brought to Committee for review and comment. The TFT programme has delivered the vast majority of the key objectives that were agreed at the outset of the programme, as well as significantly expanding on the original scope, and the report specifies how further improvements will be implemented via a continuous learning and development plan.

The need for strong governance in the delivery of the savings identified during the programme, will be carried forward into the Future Tandridge Programme and will be monitored by the Benefits Board as part of that programme.

Introduction and background

TDC interviewed two candidates for the CFO vacancy, one of which was Anna D'Alessandro who was duly appointed in Summer 2020 (on the basis of a part-time secondment from SCC) and proceeded to lead the finance function, identify improvements and develop the joint working approach with the County Council. Whilst initial improvement measures were identified and instigated, it became apparent that a more fundamental transformation of the finance function was needed to deliver sustainable improvement, and to address the underlying significant weaknesses in the financial position of the Council.

An approach to addressing these issues was developed, involving an innovative new joint finance model and an aligned transformation programme; this proposal was presented and approved at the Strategy and Resources Committee in March 2021 and, following a period of due diligence, launched in July 2021.

The TFT programme identified a set of initial objectives which have largely been delivered (see Section 4 of Appendix A); consequently, the programme is being closed at the end of June 2022.

Ongoing activities have been assigned to specific owners with set delivery dates; for example, the delivery of savings identified through the TFT programme will be managed and monitored within the Future Tandridge Programme ('FTP') which is underway.

It is important to note also that the finance partnership between TDC and Surrey County Council is continuing beyond the life of the programme. This is set out and embodied within the Joint Working Agreement (JWA) between the two Councils.

Further improvements will continue beyond the life of the programme along with ongoing work to embed some of the changes introduced. This will become part of the improvement activity led by the Finance team. The Member Reference Group (set up to oversee the TFT) expressed a desire for ongoing progress in delivering improvements to be reported periodically. It is proposed to report that progress to A&S on an annual basis.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications of this report. The finance function, delivered through the Joint Working Agreement, continues to provide services within the budget approved by Strategy & Resources. Additionally, Finance has proposed savings of £16k as part of a report to S&R on the 30th June 2022. There is an onus on the Council to ensure that this arrangement continues to deliver value for money as it progresses. Delivery of continuing improvement represents a key part of demonstrating that value for money is being achieved.

Comments of the Head of Legal Services

There are no legal implications resulting from this report. The annual report details the continued implementation and operation of the joint arrangement service. An audit of the shared service to determine the efficacy of the implementation and governance arrangements in place should be carried out.

Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

The Officers have reviewed the impact of the closure of the Finance Tandridge Programme and concur that there is no negative or positive impact on protected characteristics and residents.

Climate change

There are no direct impacts on environmental aspects in this budget report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

Appendices

Appendix A – Tandridge Finance Transformation –Programme Closedown report

Background papers

None

----- end of report -----

Appendix A – Tandridge Finance Transformation – Closedown report

Purpose of this Document

This document has been created to outline the status of the Tandridge Finance Transformation ('TFT') programme and confirm that it can be closed at the end of June 2022.

The key objectives of the process are to identify deliverables and benefits that have been achieved during the programme, to identify any activities and deliverables that may not yet be complete and those items that will be handed over to BAU and need ownership.

It is an important process to undertake because it helps Surrey County Council ('SCC') and Tandridge District Council ('TDC') to effectively ensure that the programme's original objectives have been met and where there is remaining work, assigns ownership to ensure work continues.

The project reviewing process also enables SCC and TDC to review the relative success of a project, confirming the realisation of its benefits and to reflect on any lessons learned/best practice that can be applied to future projects.

Effective governance and decision-making around project closure ensure that TDC is realising the objectives of the Finance Transformation Project and that the joint Programme and Project management approaches are constantly improving and successfully delivering tangible outputs.

1. Project Overview

Following a high turnover of s151 Officers in TDC over several years, Tandridge interviewed two candidates for the CFO vacancy, one of which was Anna D'Alessandro who was duly appointed in Summer 2020 and proceeded to lead the finance function, identify improvements and develop the joint working with the County Council. Whilst initial improvement measures were identified and instigated, it became apparent that a more fundamental transformation of the finance function was needed to deliver sustainable improvement, and to address the underlying significant weaknesses in the financial position of TDC.

SCC developed an approach to addressing these issues involving an innovative new joint finance model and an aligned transformation programme; this proposal was presented and approved at the TDC Strategy and Resources Committee in March 2021 and, following a short period of due diligence, launched in July 2021.

The overall vision and objectives for the partnership are encapsulated in a Joint Working Agreement which also provides the legal basis for the relationship between the Councils; this is summarised as follows:

- "To build a trusted, proactive, and insightful Finance service which is at the heart of developing a strong culture of financial management, accountability and evidence-based decision making across the Council.
- Blend the skills, experience, and expertise of the Surrey and Tandridge teams into a high performing, resilient finance function for the council.
- Improve our processes and use our systems more effectively to ease workload pressure and free up capacity."

The TFT programme set out 4 workstreams which, together, transformed the finance function and the role of finance within TDC. Below are the workstreams and the high-level objectives set at the start of the programme.

New Finance Model

A new, right-sized, re-shaped and strengthened operating model, blending TDC directly employed staff and senior members of the SCC finance team, was developed following a detailed activity and skills analysis. This moved from a generalist approach to a focused integrated structure with SCC overseeing the technical corporate finance functions and a dedicated 'service-facing' team, with an emphasis on business partnering, supported by SCC best practice.

Organisational Development

A co-designed Finance Business Partnering Agreement was developed, setting out the roles and responsibilities of finance and budget managers, delivering increased accountability and adherence to key corporate processes, governance, and controls. An aligned Learning and Development programme based on the SCC Finance Academy was created and will be delivered to TDC budget holders and Members.

Deliver the Budget

An in-depth review of financial fundamentals including financial policies and procedures was undertaken. In parallel we adopted a 'Twin Track' approach to

identify savings to deliver a balanced budget in 2022/23 and a robust financial position for 2023/24 going forward.

Exchequer Transformation

A change team reshaped Exchequer Services with new business rules, controls and refined documented processes with clear ownership and performance metrics, allied to system changes to deliver a simpler and more effective function.

2. Change to the scope of the TFT programme

It is important to note that the plan to deliver the TFT programme was significantly impacted by the discovery of a recurring budget pressure of c£920k at the start of the programme in May/June 2021, when the 2020/21 Outturn was being prepared. The background to this has been previously presented in detail to the Audit and Scrutiny Committee (in September 2021).

The impact of this on the scope of the 'Deliver the Budget' workstream of the programme was significant, creating significant additional work which needed to be delivered at pace as set out below.

- By May 2021, when the 2020/21 outturn should have been reported, it was found that due to past decisions and unusual budget practices, the budgets for 2020/21 and 2021/22 included a recurring budget pressure of c£920k.
- In June 2021, Grant Thornton (GT) was commissioned to conduct a Fact Finding and Forensic Review to confirm that the c£920k was an actual budget gap, which they did, and also confirmed that it was a base budget (i.e. ongoing) issue.
- The GT report was presented to Strategy & Resources on 14 September 2021 and Audit & Scrutiny 30 September 2021.
- The Council required urgent assurance that the base position was sound, following correction of the budget error.
- The GT report, and subsequent work, provided the Council with confidence that the budget for 2022/23 is sound, and built on solid foundations on which to build the Tandridge Finance Transformation Programme (TFT)
- In addition to the GT review, and acceptance of their 15 recommendations, the Council commissioned:
 - an independent, fundamental root and branch review of the Council's finances; and
 - a line-by-line budget review of 2021/22.
- In order to provide confidence to set the budget for 2022/23, the results of these two reviews were presented to Members; providing assurance that the Balance sheet and 2020/21 outturn have been independently assessed and 2021/22 budget reviewed in forensic detail to find no further significant issues.
- To complete the rebuild of the Council's budget, in December 2021 the 2020/21 Outturn was reported to Strategy & Resources along

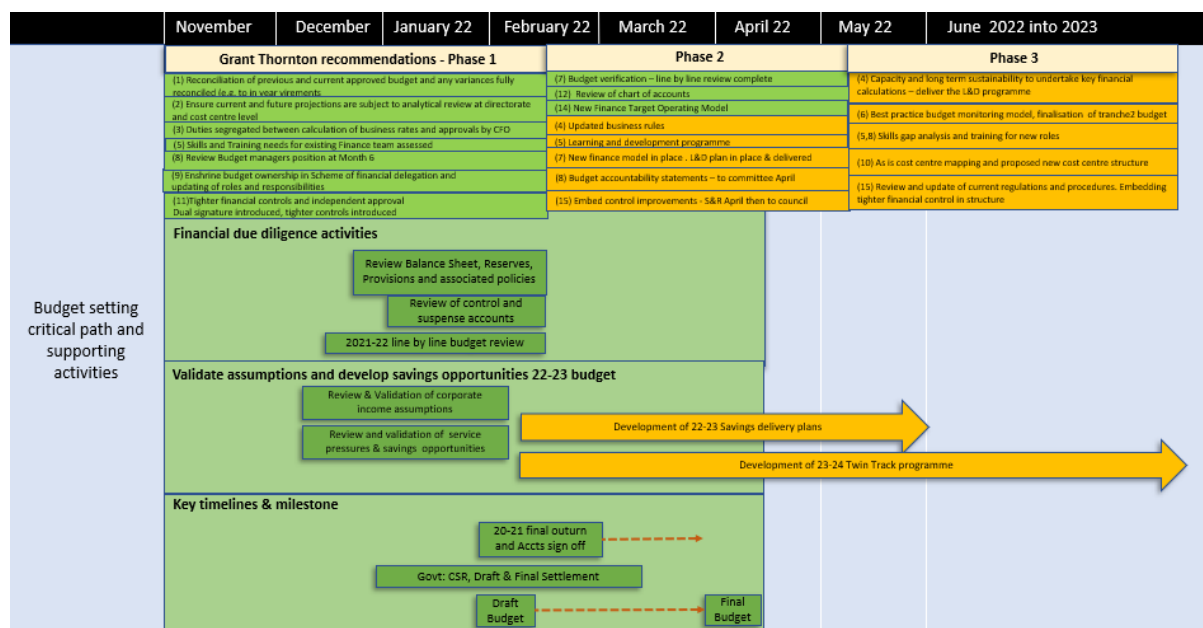
with the Draft Budget for 2022/23. The final budget was approved by Council in February 2022.

Against this backdrop, the budget setting process for 2022/23 was extremely challenging. The challenges outlined above had a severe impact on the time and resources available to set the 2022/23 budget, which took place in very compressed timelines, whilst Finance was also transitioning to the new Target Operating Model.

The recommendations from the GT report, along with those identified through the independent, fundamental root and branch review, were added to the scope of works to be addressed through the TFT programme in parallel with the budget setting process as set out in the diagram below.

Concluding the process with a sound and balanced budget against this backdrop, was a major achievement and testament to the combined hard work of Members and officers, along with the support and independent advice from GT, Laura Rowley (external independent adviser) and IMPOWER.

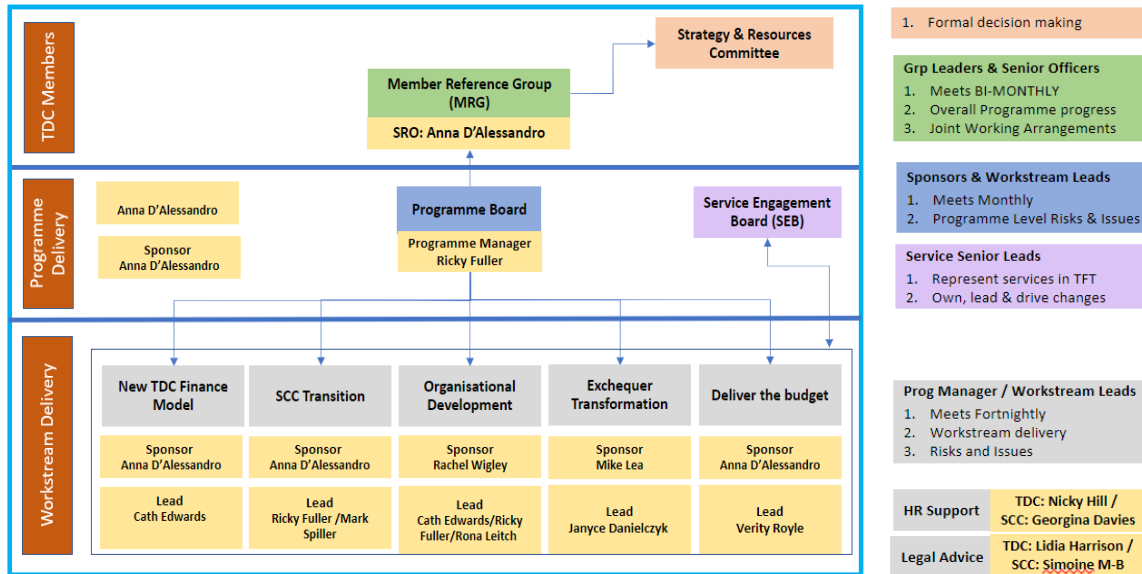
The diagram below shows the activities as described above that were required to set the budget for 2022/23.



The Grant Thornton recommendations are included in full in Appendix A.

3. Governance

The following governance structure was put in place to enable objective and transparent decision making.



The Member Reference Group (MRG), a small group of representative members was created to provide feedback on bi-monthly updates. The TFT programme board steering the programme and ensured that the programme activity was monitored and programme objectives were achieved. Working groups were set up within and across the programme workstreams to facilitate discussion and decision making and to drive progress forward.

Time, Cost and Quality

As part of every programme or project, there are three key areas of measurement that make up the project management triangle and should be considered during planning and monitoring:

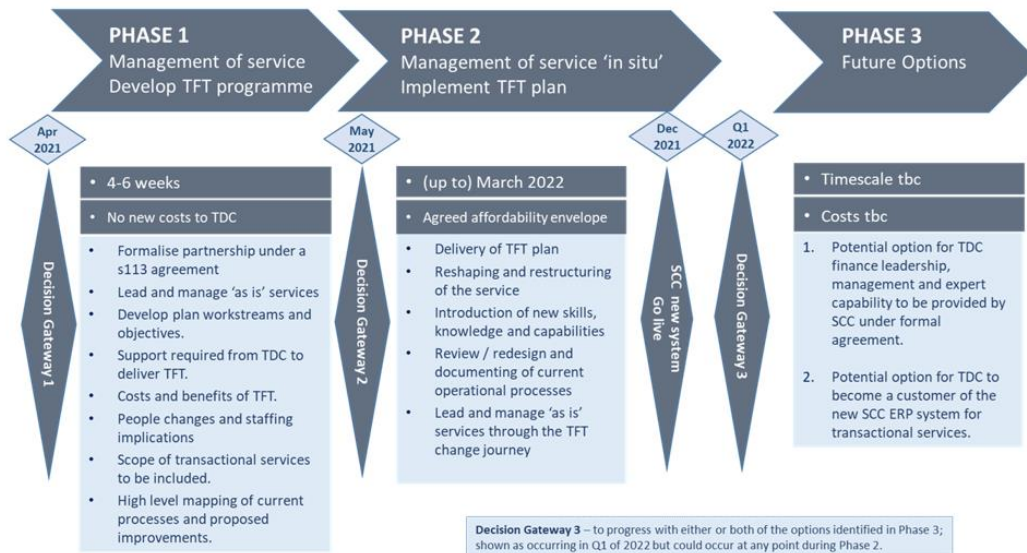
Time - available time to deliver the project

Cost - the amount of money or resources available to the project

Quality - represents the fit-to-purpose that the project must achieve to be a success.

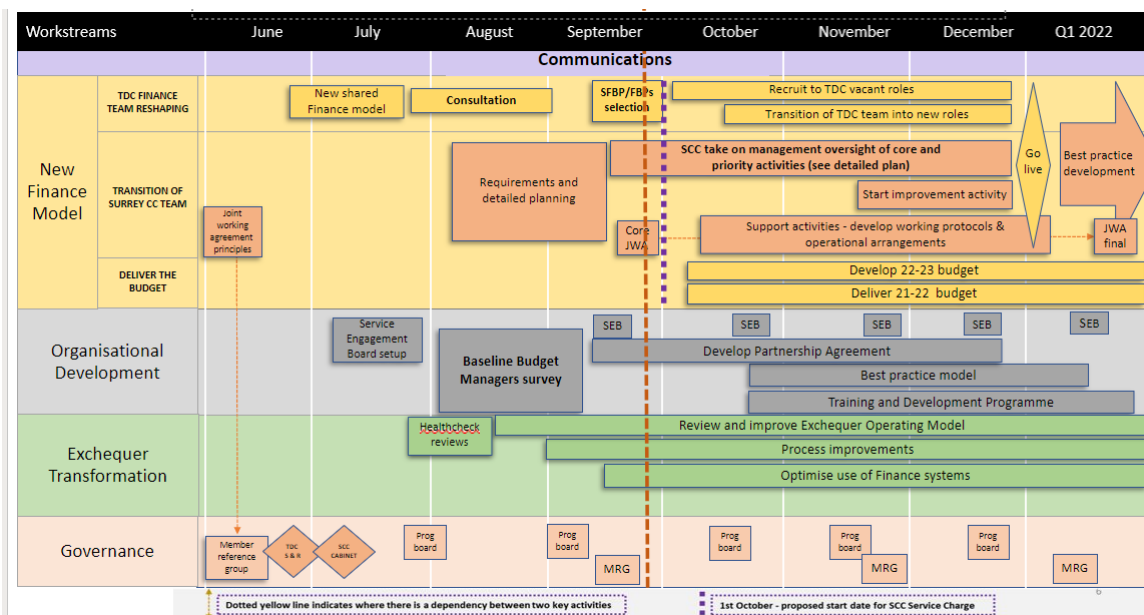
Time

As part of the programme planning, the following key decision gateways were shared in the original proposal in March 2021.



Phase 1 Mobilisation of the programme, including activities around understanding the cost, planning out the activities and defining the skills required to deliver the objectives.

Phase 2 Delivery - the roadmap below shows the workstreams and key milestones that were put in place to deliver the objectives set out in Phase 2 of the diagram above from the programme proposal.



Phase 3 Future Changes – item 1 – Management and expertise provided by SCC has been put in place though the Joint Working Agreement.

As detailed in recommended next steps, future development will be put in place through a combination of BAU changes and the Future Tandridge Programme.

Cost

During the mobilisation and planning process, resource planning took place to understand the capacity and skills required to deliver the agreed objectives and the costs involved, which were monitored on a monthly basis. The majority of costs were resource related, in particular project management and business analysis roles in the Exchequer team.

Agilyx was engaged to provide technical support on the Agresso product and following their review and specifications, system amendments were made with the intention of delivering improvements across the Agresso system resulting in benefits to in terms of efficiency and quality.

The programme was delivered within the cost envelope set out, both in terms of the capital receipt funding transformation of £50,000 for Exchequer Services and the additional investment in the revenue budget of £70,000. A further £30,000 outlined to fund the TFT was not used. This may be called upon to invest in further improvements, subject to approval by Strategy & Resources committee.

Quality

To ensure that the programme was structured to deliver the benefits, a governance structure was put in place, to provide a level of member and programme scrutiny.

Programme scope was agreed in the initial mobilisation phase and monitored regularly by the Programme delivery board. This programme delivery board provided scrutiny and steer on the delivery of the programme objectives. The board consisted of the key stakeholders including the programme sponsor and sponsors from Finance, Exchequer and the Organisation Development workstreams.

Working groups were set up in each workstream, to ensure that the right stakeholders were engaged in shaping the deliverables. In cases where objectives and the resulting deliverables spanned more than one workstream, i.e., in the case of the Internal Business & Finance agreement (IB&F) which included cross workstream effort, this was managed via cross workstream working groups, i.e., Organisation Development and Exchequer Transformation working together.

As part of the governance, weekly highlight reports were put in place, completed by the workstream leads, ensuring that deliverables, and their progress was monitored. This also enabled each workstream to flag any potential risks and issues in their workstreams. These highlight reports contributed to the monthly highlight reporting which was put in place to track progress against the programme plan, these reports were shared with both the programme delivery board and MRG governance groups.

4. Project Objectives – what has the project delivered?

Service Area	Objective (core objective and any linked objectives)	Achieved?
Finance function	Stable financial baseline to enable confidence in setting Budget for 2022/23	There was an extensive amount of work undertaken in the build of the draft budget for the first time at TDC. This exercise required a lengthy due diligence exercise and investigations into the chart of accounts in order to make the recommendations that would enable the draft budget to be set and approved by the Council. A root and branch review was carried out by an independent consultant with extensive knowledge of forensic financial investigations to provide the surety that there were no other gaps that would impact the budget going forward. The resulting report was used as evidence of a stable financial base when taking the budget to A&S and S&R in the final budget setting meeting in February 2022.
Finance function	A gap analysis of the skills and capacity required against that currently available to the council to be used to inform the need to bring in additional capacity and capability as part of the new operating model.	Joint working agreement signed and in place, seven shared roles identified to provide expertise and capacity to TDC. New Finance operating model put in place, with clearly defined roles and recruitment into the roles carried out following new behaviours, skills and capabilities tested.
Finance function	Business Partnering - A reshaped and strengthened Finance function which delivers more management capacity, resilience, and access to specialist expertise. Provide clarity around finance roles and responsibilities in the finance business partner team.	Reshaped function, clearer responsibilities, supported by development opportunities including access to the SCC business partnering / Finance Academy.

Exchequer function	New roles and responsibilities defined with clear accountability for service performance.	<p>Established partnership working with key stakeholders across the organisation e.g., Business and Income, Customer Services, Building Control, CIL, Legal - to address communications, systems and processes, resources levels, improving hand-offs and information sharing, share improvement activity, review of specific debt cases to agrees next steps and to ensure that lessons learnt are built into the new systems and processes as part of this transformation activity.</p> <p>Established an Exchequer Working Group with cross service departmental representation in November 2021 with the first meeting in December 2021, with the following objectives:</p> <ul style="list-style-type: none"> •review progress against plans, priorities, resources, ensure that the project is completed within agreed project principles, and to agree propose changes that require approval by the board •raise decision points arising relating to; business risks, and any proposed changes that require advice, support, training impacting outside the Exchequer service <p>went very week, good conversation about advance payments and more dd payers, good levels of engagement</p> <p>"As is" process mapping covering Accounts Receivable, Accounts Payable and Banking and Income</p> <p>Exchequer - Clearly defined exchequer job roles and better aligned responsibilities including ownership and job titles.</p>
Exchequer function	Service priorities delivered as part of the prioritised improvement plan	Adelante to Agresso interface - (time saving) worked with IT to improve the data downloaded from

		Adelante, which is then uploaded to Agresso which reduced the manual input by the Exchequer Team of text against income received
		Commenced running reminders every two weeks from 14th February 2022, with a plan to move to weekly reminders in June 2022. Also issued a reminder timetable to all relevant stakeholders: Customers Services and Exchequer Working Group
		Introduced a new collection code within Agresso to enable new separate reminders for Building Control
		Revamped reminders for sundry debt and now produced every two weeks
		Automated daily task of generating periodic/subscriptions invoices with a TIME SAVING of at least 1hr per week
		New Direct Debit mandate for sundry debt, available on the Tandridge website, plus signposted on the reminders
		Positive AP and AR "light touch" Audit review - Audit were able to review some of the work completed.
		Reduced the sundry debt bad debt provision £346,423.36 to £251,760.67 as of 31st March 2022. A reduction and therefore a saving of £94,662.69.
		<p>Developed key performance indicator for aged debt Measure:</p> <p>Value of unsecured debt over 6 months, plus this as a proportion of the total debt raised. The Measure refers to the amount of unsecured sundry debt outstanding older than 6 months within the Agresso system.</p> <p>Plus, this represented as a proportion of debt raised. Secured debt is defined as being secured against a property in the case of a legal charge.</p>

		Sundry aged debt report provided further improvements - have identified how an invoice status can be recorded against each invoice in Agresso which will be pulled through to the aged debt reporting.
Budget management	Budget Management - Creation of the Finance Business Partnering agreement to set out mutual expectations and a framework which defines the roles and responsibilities of a budget holder within services as well as the Finance team.	Creation of the SEB (Service Engagement Board), chaired by Alison Boote to work collaboratively to agree the content and introduction of the agreement. The IB&F agreement is approved and there now needs to be plans within BAU to embed the agreement.
Finance function	Map of all processes to identify improvement opportunities, key metrics identified and set up and ownership assigned appropriately for overall process effectiveness.	All TDC Finance team processes collated and reviewed. New Finance model created with clearly defined roles with ownership of business processes.
Skills matrix	Covering the Exchequer function, with details of the team skills to; highlight single point of failure, support training and team resilience	Skills matrix covering all Exchequer service (AP, AR, and Banking and Income) This has been reviewed and adapted with the team during the period of the project, and will be used to form the training plan for the new starters
Accounts payable/receivable	Address weaknesses identified in internal audit reviews to provide full assurance.	Agresso improvements identified and resolved as part of the improvement plan
Systems	Review system capabilities, those not currently used, and changes required to make effective use of the systems capabilities. External input from current provider and potentially an external review of current systems.	Improvement plan created following review of the existing system, Agresso. This prioritised plan was addressed as part of the Exchequer workstream. Review of the Agresso system to identify improvements and address those which were identified as being 'quick wins. High priority items scheduled and completed. Remaining items in the improvement plan to be reviewed and addressed as part of the continuous improvement BAU activities in the TDC Finance team (see Appendix C for detailed improvement plan)

Business rules	Business Rules & Financial Controls – review and refinement of the current business rules and processes for inclusion in the IB&F agreement.	Updated rules & financial controls provided and included as part of the IB&F including the Exchequer Service; AP, AR and Banking and Income and including customer response times.
Banking Team	Exchequer - Clearly defined exchequer roles and responsibilities including ownership and accountability.	Exchequer team restructure and redefined roles put in place. New Exchequer manager role identified as key to the future continuous improvement within the team.
Banking Team	Key Performance Indicator reporting	<p>Unallocated receipts - report developed to detail all income that has been paid to Tandridge which cannot be allocated due to lack of information received from the customer or the service department. This is now monthly to key finance contacts to see if they can identify the income plus stress the importance of letting the Exchequer team know in advance of all income due.</p> <p>Metrics created and ownership of overall process effectiveness agreed.</p> <p>AP and AR volumetrics reporting developed</p> <ul style="list-style-type: none"> •AR invoices -aged debt/ number and value raised by user/department •AP invoices - prompt payment/number and value input <p>Developed the Promptness of paying invoices within 30 days reporting - now despatched</p>
Exchequer	Debt management in place	<p>Sundry aged debt report - developed and sent monthly to key finance contacts. Providing:</p> <ul style="list-style-type: none"> •breakdown of different categories •summary •projected bad debt provision •actions being taken by Exchequer, Legal, and Business and Income

5. Benefits delivered

	Benefit	Impact	Measurement
	Core Finance Benefits		
1	Monthly financial reporting to Senior Management and Members	Regular reporting of the latest financial information in key messages. All Monthly reports presented to Management Team for sign-off prior to distribution to Members/Committees	Clear and concise messaging on the Council's finances which support effective decision-making
2	Improvements in finance commentary in financial reports	Decision makers more aware of financial impacts on decision-making across all Council business	Improved Finance and s151 commentary on all reports with a financial implication to support better decision-making
3	Improved budget setting process, including the introduction of a draft budget, greater engagement with Members (through Budget briefings) and Management Team	Confidence in a robustly presented budget for sign-off by Members	Approval of budgets by Committees and Full Council by greater majority than previously
4	Reshaped Finance function, clear responsibilities. A remodelled budget management framework with clear roles and accountabilities within services and the finance function.	New Finance model brings control, tighter management of finance activities	Newly created Finance Team members with clear responsibilities. Roles clearly defined with specific responsibilities and accountabilities
5	Increased budget holder ownership and accountability	Ownership of budget across the organization	This is implemented and will be monitored and reinforced as part of the Learning and Development programme. Budget Accountability statements will

			be issued for sign-off to senior management as part of 2023/24 budget setting
6	TDC can draw upon the existing skills and capabilities within SCC which would otherwise be expensive and difficult for TDC to attract	Additional capacity and capability to supplement the TDC Finance team	Increased capacity across the team supported by the SCC team through the JWA, enabling delivery of monthly budget reports
7	A reshaped relationship between front-line services and the finance function with a focus on working together to develop solutions	Link between finance and the service areas which was not so evident before the programme.	Early days – finance business partners are working with service areas providing expertise and imparting knowledge. Financial accountability is being introduced across the council, embedding financial management which was previously seen before as 'Finance' only responsibilities
8	A continuing focus on delivering the budget and the savings required to ensure a robust future financial position is established going forward	Stabilised financial baseline providing the confidence needed when the 22/23 budget was set	Monitoring of financial management and forecasting, delivery of 22/23 savings as part of the FTP programme
9	Strengthened overall financial management, allowing better identification and management of financial risks.	Clear ownership and accountability of processes and financial rules. Early indication of potential problem areas, enabling pro-active resolution	New team based on SCC model, with new roles in place. All roles with defined responsibilities and accountabilities

10	A new set of business rules and controls which are operating effectively	Non-financial	Introduction of tighter financial control and management, linked to roles within the team	Rules and controls being used by the team
11	A refined set of documented processes with clear ownership and performance metrics	Non-financial	Clarity around the role of the team and individuals. Useful for existing resources and new joiners. Metrics enable focus on continuous improvement	Documented processes in place – used by the existing team and new joiners
12	Recommendations made by Grant Thornton implemented into the organisation as part of the TFT programme	Non-financial	All Grant Thornton recommendations reviewed and delivered as part of the key programme objectives, see Appendix A	Delivered as part of the TFT deliverables, such as improved accountability, financial management, learning and development.
	Exchequer benefits			
13	A transformed Exchequer function with a reshaped team	Non-financial	Increased skills and ownership within the Exchequer team	<ul style="list-style-type: none"> •Senior manager focused on the Exchequer function and service improvement programme and working closely with the Chief Finance Officer. •To align job descriptions to better describe the roles undertaken and the skills and experience required to support the provision of a high quality and cost-effective exchequer service.
14	Standard way of working in line with best practice and the control environment	Non-financial	New roles and responsibilities integrated	Consistent approach to all processes, including debt

			into the new Exchequer structure	recovery which is now already showing positive changes
15	Standard set of written procedures, business rules, process maps and associated financial procedures in line with financial regulations	Non-financial	Standard approach to financial procedures and processes leading to improved control and management	<ul style="list-style-type: none"> • Agreed standard way of doing things • Supports training • Reduced errors • Related audit recommendations implemented • Improved Audit rating
16	Established continuous improvement schedule of work	Non-financial	Improved customer service Reduced manual processes, improved efficiency	Part of the overall continuous improvement culture that needs to be implemented into the TDC Finance team
17	More efficient use of available functionality within existing systems Agresso (Finance) and Adelante (Income) to streamline and automate	Non-financial	Less manual processes, more accurate reporting	<p>Less time spent on manual processes.</p> <ul style="list-style-type: none"> •Automation of manual tasks •Resource time saving of 1hr 45mins per week

	Benefit	Type	Impact	Measurement
18	Improved audit rating	Non-financial	Positive AP and AR "light touch" Audit review - Audit were able to review some of the work completed.	<ul style="list-style-type: none"> •Audit is planned and adequately resourced •Ensure work already implemented is on track to improve the audit rating - full audit of AR and AP due in quarter 3 of 2022/23
19	£20k one-off from overpayments recovered	Financial		Immediate savings identified and recovered as part of the due diligence and improvements put in place
20	Reduction in outstanding debt	Financial	Immediate reduction in debt provision required by the council and further reductions will be possible	Debt management changes introduced, Exchequer manager role will proactively manage debt Reduction in debt provision

6. Project Objectives summary

Beyond the stabilisation of the Finances that was required to set the 22/23 budget, one of the key areas of focus for change was to review the processes and structures in the existing Tandridge Finance team and create a culture which raised the profile of financial management and established credibility and trust in the finance function across the council.

As part of the TFT programme, within the IB&F agreement, a business partnering approach has been introduced to support the Council. See Appendix D for further details. This will be vital in building accountability across the organisation.

At the outset, the key objective of the programme was to achieve the objectives set out in the Proposal document to transition the TDC team, implement the Finance Business Partnering agreement and turn around the Exchequer function. Work remains to embed the new behaviours and ways of working into TDC however this is seen as being part of the BAU continuous improvement process in Finance.

The programme is viewed as successful by all of those consulted as part of the project review process and has achieved the key project objectives.

To reflect the success of the programme, a submission has been made to the CIPFA Finance awards, in the category of 'Aligned Public Service Delivery'. See Appendix C for the award submission form and supporting information pack. Measuring the Project's Overall Financial Impact

The initial impact of the programme has been the setting and approval of the 22/23 budget. The detailed analysis that was carried out by an independent forensic financial specialist including the root and branch investigation and an in-depth review of the chart of accounts ensured that there were no unexpected financial problems in the chart of accounts providing the committee members with the confidence to agree the budget. The Finance team carried out a detailed analysis and due diligence across all the accounts to ensure that there were no other gaps that would cause issues when setting the 22/23 budget. This however has not been the only success, the programme has also introduced and began to help Tandridge to embed a new team, new ways of working and business partnering across the council, which will provide the legacy to ensure that the original problems that triggered the financial instability that the programme was put in place to address, are not likely to happen again.

7. Project Closedown and Review Approach

As part of a well-run delivery programme, it is good practice to run retrospective reviews of the programme objectives to understand whether all objectives were delivered and to confirm the outcomes and benefits from the programme whether delivered as part of the programme or those that may be delivered later due to changes brought about by the programme. In the case of the TFT programme, changes to ways of working in Finance and their relationship with services across the council that were started within the programme, will continue to be implemented by the team as part of their continuous learning process. These activities will be monitored to ensure this takes place, see benefits table for more information.

Part of the Project closedown and Review process includes the gathering of feedback from stakeholders that have worked on or been impacted by the programme. As part of the closedown process it is invaluable to collect objective, honest feedback which will be documented here and added to lessons learned process at TDC to enable continuous learning. The intention being that Future Tandridge programme will benefit from any findings during the Project Closedown and Review.

During May 2022, a series of short, focused project review discussions were conducted via Teams with key groups of stakeholders. The discussions were conceived and set up by the TFT PMO lead and facilitated by an objective SCC colleague, working to a session outline, and set of questions provided by the PMO lead on TFT.

The objective was to run objective and impartial discussions where people could speak honestly. Participants were encouraged to share their views and experiences freely and openly and were also asked to remain focused on processes and outcomes - not people.

This approach worked extremely well and forms part of a best practice approach which will be used in future project closure processes.

The Questions

All sessions followed an identical format, which included a short introduction from the facilitator and a reminder of the original project objectives, then the majority of the 30-minute session was used for stakeholders to discuss and answer the three questions below:

- 1. What went well? Has the project achieved the original objectives?**
- 2. What didn't go so well?**
- 3. What should we focus on next?**

Stakeholder interviews

As part of the closedown and feedback process, the stakeholders below participated in interviews and their feedback was collated in the project review section below. Lessons learned will be recorded in the central lessons learned log at Surrey County Council and Tandridge District Council for future use on programmes and projects.

Programme Sponsor

Anna D'Alessandro

TFT Programme Board

Ricky Fuller
Rachel Wigley
Mark Hak-Sanders
Cath Edwards
Janyce Danielczyk

Stakeholder Engagement Board

Alison Boote
Rona Leitch

Independent External Finance expert

Laura Rowley

Member Reference Group (MRG)

Further feedback on the above three questions was provided by the following council members at the final MRG meeting on 8th June 2022

Catherine Sayer – Leader of the Council and Independents and OLRG Alliance Group

Chris Langton – Head of the Strategy Resources committee, Independents and OLRG Alliance Group

Robin Bloore – Conservative

Martin Allen – Leader of the Independent group

Project Review – Views & Feedback

Note that comments have been summarised for clarity and brevity.

What went well?

- The programme has reshaped the TDC finance and introduced team objectives, this is a huge step forward and Tandridge are hugely supportive of the joint approach with SCC.
- Creation of collaborative groups, such as SEB, started off slowly but TDC began to see the value and worked together to create a lasting IB&F agreement
- Highly collaborative – the team worked well together and although at first engagement was low, this improved and TDC could see the value that was being provided by the programme team
- SCC brought structure to the Finance team
- Setting of budgets was possible due to the programme and the hard work from team members over and above expectations and standard working hours
- The PMO role in the team was very organised and provided clear instructions as to the steps required to deliver the work that was needed
- Tandridge are in a much better financial position than they were in 18 months ago, broadly the time that SCC and Anna D’Alessandro started to support them

- Members comments
- The programme was praised by the leader of the council, Catherine Sayer, for the good leadership and the approach taken, including the level of transparency and candour used throughout at MRG and committee meetings.
- The programme was a great example of how collaboration between the organisations can work well

What didn’t go so well?

- Recruitment into the Finance team – slow and still ongoing to fill new finance model
- Stakeholder communication –the TDC Finance team felt they were not engaged in the changes and the programme. Once delivery was underway, regular whole TDC team stand ups were put in place for all team members, including the Finance team, where progress, blockers and other relevant updates were provided.
- TDC Finance team capacity - needs to get a proper structure in place. More staff required in the Finance team to get the actual work done. This is currently still proving difficult, whilst recruitment to the remaining roles is slow.
- Doing transformation work alongside BAU proved difficult

- Members comments
- Concern around the loss of some members of the Finance team, however good people are being recruited into the team and highly experienced people involved from Surrey CC.

What should we focus on next?

- Implement a learning and development programme across TDC Finance
- Ensure the Finance Business Partnering agreement and the new ways of working it brings are embedded into the organisation and are part of a continuous improvement programme

- Ensure there is capacity in the team to give people time to improve
 - Ensure that it is clear what has been delivered and what is outstanding
 - Members comments
 - Ensure there is a good set of KPIs in place to monitor and improve where required, for example in the areas of budget accountability and budget training
- As above ensure that training is embedded, and that Finance are included in the overall approach being taken in the Future Tandridge programme
- Finance improvements – enable the right structure to be put in place to take these forwards, which will be part of the Benefits board responsibility
- Regarding how members updates will be provided in future – reporting in the Future Tandridge programme and agreement to provide an update in December 2022 at Audit & Scrutiny.

8. Plans for Transition to BAU

Much of the project focus has been about setting up a stronger BAU function in TDC, including establishing the new Finance model and introducing new ways of working within Finance and more widely within the council, by reinforcing the role of the Finance Business partner across the organisation and by introducing the Finance Business Partnering agreement.

The transition from the project phase into BAU has been made easier by the fact that the lead on the SCC Transition workstream has now moved into the S151 role at TDC. This will enhance the quality of embedding the behaviours into the team and across the heads of service in the organisation.

The balance of managing the line between BAU and programme activities caused challenges at times and SCC fulfilled some of the everyday activities due to leavers and vacant roles. This was recorded as a high area of risk in the programme where operational resources were also used as SMEs within the programme. The new Finance model was put in place with clear roles and recruitment has also helped to bring clarity and ownership to the team members.

9. Continuing delivery of programme objectives

Two key factors have contributed to some activities not being delivered fully during the programme:

- **Recruitment difficulties despite continuing attempts** – unexpected leavers and difficulty in recruiting to new roles slowed down the planned changes in the Finance team and will continue to do so until full capacity has been reached.
- **Discovering a significant budget gap at the early stages of the programme** during due diligence resulted in a large amount of work being required by the team who were working on setting the budget. Following the identification of the gap, implementation of the Grant Thornton recommendations and associated deliverables were agreed to be an integral part of the implementation, which were not originally part of the scope for the programme.

Action	Status June 2022	By When	Owner
Organisation Development			
Set up Finance Academy in Tandridge and ensure Team culture and working practices – embed business partnering and lift the team to focus on value-added work	Scoping for business case in progress	August 2022	CFO
Organisational development and culture – budget accountability and improving the strength of financial information to enable that accountability	Further work to progress accountability and ownership	September 2022	CFO
Link roles in the Finance Business Partnering Agreement with finance regulations across the Council	Embed ownership of regulations	September 2022	CFO
Learning and Development for Councillors	In planning - Invitations to be shared with councillors	Module 1 - mid July. Module 2 - mid Sep. Module 3 - beg Oct	Senior Finance Business Partner

New Finance Model			
Ensure Finance Team is fully resourced and embedding the new team	Recruit to remaining Business Partner role – dependant on recruitment success	TBC	CFO
Ensure people possess best practice skills and behaviours and are able to continuously improve their knowledge	Embed best ways of working and continuous improvement plan	In place	CFO
Exchequer Transformation			
Review and schedule items on the Exchequer Improvement Plan	High priorities identified and progressed, other items to be reviewed and addressed as required.	Complete	Exchequer Manager

10. Recommended next steps - Programme / Organisation level

Action	Recommendation	By When	Owner
Agree benefit review plan	Part of the Finance & Benefits delivery workstream in Future Tandridge Programme	September 2022	CFO/Programme Mgr.
Continuous improvement plan in place embedded in Finance and across the council	New ways of working to be embedded in the finance team and to continue to be assessed and improved	September 2022	CX/CFO
Prioritised improvement plan for Exchequer – ensuring this becomes part of the continuous improvement activity in the Exchequer Team	Handover of improvement plan from Exchequer workstream to S151 officer and Exchequer Manager to plan	June 2022	Exchequer Services Manager / Team
Lessons learned – Learnings for reference in future activity at Tandridge. Ensure outstanding items are clearly highlighted.	Use this document as a basis along with final highlight reports to understand outstanding items and agree next steps on each	July 2022	PMO

Deliver 22/23 savings programme - ensure identified savings have plans and owners to take forward to completion	22/23 savings are mapped out as part of service reviews and other areas such as SMT restructure – these are managed by the Finance and Benefits board, part of the Future Tandridge programme	Identified by June 2022, delivery managed monthly	Finance and Benefits Board
Peer review / external validation of improvement	Review and validation will be sought to provide an independent opinion	TBC	CFO
Benefits board – transition to BAU – will run throughout the Future Tandridge Programme and remain in place as part of Finance/Change BAU	Pro-active identification and management of savings throughout the FTP programme. Future savings management to be part of the Target Operating Model for the council	In place	PMO
Agreed KPIs embedded in Finance – identify required KPIs, set up process to monitor and measure	Recommend usage of KPIs across Finance team to continuously monitor and improve service	TBC	Finance
Embedding clear and robust financial processes and procedures – set up as part of part of the programme, with clear ownership	Roles and processes defined as part of the new finance model. These need to be	September 2022	Finance
Embedding the role of Business Partners into services – early engagement and involvement in decision making	New finance model in place with business partner roles. Working already during the service reviews.	In place	Service wide
Embedding the approach to Learning and Development	Recommend the use of SCC Finance Academy and Tandridge branding to take this forward with ownership within Finance	August 2022	Finance
Keeping members updated on progressing the recommended next steps from the	Report progress to A&S on an annual basis.	June 2023 annually	Finance

Tandridge Finance Transformation programme.			
Carry out a Savings realisation audit for 2022/23 savings plan	Engage with SIAP to undertake an audit of the programme	Q2/Q3 2023	Finance

The above activities will form part of the continuing improvement plan for Finance. Updates against this plan will be provided to Audit and Scrutiny annually.

11. Appendices

Document	Publication Date
A. Grant Thornton recommendations –	September 2021
B. Independent Laura Rowley report	November 2021
C. CIPFA Award Submission for Aligned Public Service Delivery 2022	May 2022
D. Finance Business Partnering Agreement (Internal Business and Finance Agreement)	April 2022

Appendix A - Grant Thornton recommendations and mitigation actions

No.	Recommendation
1	When the draft budget and MTFs are being prepared, the opening budget baseline should be reconciled to the prior year's approved budget and any variances should be fully reconciled (e.g., to in year virements).
2	The current year proposed budget, and future projections in the MTFs, should be subject to analytical review at directorate and cost centre level, to ensure that all movements away from the baseline opening budget reconcile to known adjustments (e.g., savings and pressures).
3	Segregation of duties should be re-established between the calculation of all key budget items (such as business rates) with review and approval undertaken by the Chief Finance Officer.
4	The Council should ensure that the finance team includes sufficient skills and capacity to undertake key calculations, including calculation of business rates, to enable the Chief Finance Officer to function effectively in a review and approval role.
5	The Council should undertake a skills and training needs assessment of the finance team and provide targeted investment in staff development where it will have most impact. The Council should also consider whether skills gaps are best addressed through targeted recruitment.

Page 68

THE BUDGET MONITORING PROCESS

No.	Recommendation
6	We recommend that the monthly budget monitoring information provided to budget holders is improved to incorporate greater focus on comparison to the prior year budget and the expected profile of the budget throughout the year, with greater focus on documenting and challenging the basis by which budget outturn has been forecast.
7	Within the monitoring information, the inclusion of budget lines that have zero budget in the current year but did have budget in the prior year should be considered as a failsafe measure. This could provide a useful reference point to monitor the impact budget changes may be having on current year variances. (Note that this could have highlighted the removal of one half of the £920,500 pensions costs, enabling it to be questioned early in 2020/21).

STRENGTHENING CORPORATE BUDGET RESPONSIBILITY

No.	Recommendation
8	The list of cost centres should be reviewed to ensure that each one is assigned a responsible budget holder and Finance Manager, and that these responsibilities are fully communicated and understood by the named individuals. This can be augmented by asking budget holders to sign a written declaration that they have agreed and accept responsibility for their assigned cost centres.
9	The Council should make sure that the ownership of and responsibility for budgets, is fully enshrined in the Council's Constitution and Scheme of Delegation, so that individuals can clearly and directly be held accountable for budget management. To support this, the Council should consider the establishment of a separate Scheme of Financial Delegation that sets out the respective financial responsibilities of roles and grades in detail.
10	All budget holders and supporting finance business partners should review all the list of cost centres they are responsible for and ensure that the purpose and relevance of these is fully understood. Council policy should make clear that the onus is on the individual to make sure they have the level of understanding required.
11	There are several ways that adjustments to the draft budget could have been subject to tighter financial control, where segregation of duties is difficult to maintain (for example, regarding corporate items adjusted only at year end). We recommend, the implementation of a schedule of adjustments that requires the dual signature of both Chief Finance Officer and Deputy Chief Finance Officer to confirm that all adjustments have been reviewed independently of the author.
12	The Council should review its chart of accounts to make sure it properly reflects current operations and desired approach to financial control. We recommend that the list of cost centres is reviewed, and unused or unnecessary cost centres are removed or rationalised as part of the 2022/23 budget setting process.
13	We recommend that within the next two years, the Council undertakes a targeted zero-based budgeting exercise to fully refresh the budget and its cost centres, to ensure they align to current needs and services, and to strengthen the ownership and responsibility among budget holders and responsible management accountants. This should initially focus on Strategy and Resources and Corporate budgets.

DEVELOPING A STONG FINANCIAL CULTURE

No.	Recommendation
14	The Council should consider how it can strengthen the Council's financial culture, building characteristics such as professional scepticism, self-review, and empowerment to challenge management, starting with the finance team.
15	The Council should review and update its Financial Regulations, with particular focus on embedding the control improvements recommended in this report. This should be supplemented by detailed documented financial procedures where appropriate. - owner yet to be identified

The objectives for this review

The Chief Finance Officer (CFO) has set the following objectives for this review:

Short-term Objectives:

- 1. To re-build confidence in the financial data and information used in the production of the 2020/21 Revenue Outturn Report and Statement of Accounts through careful analysis and review.**

This will enable:

- the Chief Finance Officer (CFO) to recommend with assurance that Members approve the Revenue Outturn Report for 2020/21.
- the Statement of Accounts for 2020/21 to be submitted by the CFO to Deloitte for the external audit to be finalised, and their Annual Report and value for money conclusion published.
- the CFO to use the 2020/21 Revenue Outturn Report to inform the development of the 2022/23 Budget and rebuild Members' confidence that the Draft Budget Report can be supported because any underlying financial issues are either not material or will be addressed through transformation work.

Objectives set during the review

- 2. To identify the most pressing significant weaknesses in the District Council's financial management and reporting arrangements and suggest improvements to the CFO for consideration.**

- 3. To identify opportunities, complementary to the work being undertaken by Impower on pressures, growth and savings proposals, that could help the Council set a balanced Revenue Budget for 2022/23 and future years.**

The Findings from this Review Comments and observations about financial management practices at Tandridge District Council based upon work carried out during this review are set out below.

Comment 1. Audit and Scrutiny has improved substantially over the last year. It meets regularly, the agenda is relevant, the Chair is well briefed, and the Committee is fully engaged in discussion of key issues.

The records of the meetings of the Audit and Scrutiny Committee show a marked improvement in the regularity of meetings, the quality of reports and the breadth of issues covered by the Committee from mid-2020 onwards compared with the previous two years. Tandridge DC, with advice from senior officers, has implemented a new audit and scrutiny function which is evolving and establishing its role. There is evidence in the meetings of active engagement from Members asking appropriate, relevant, and probing questions. Whilst there is work to be done to sustain and further develop audit and scrutiny, this takes nothing away from the step change in the Council's governance arrangements that a strengthened audit and scrutiny function represents. The Chair is well briefed and is fully engaged with key issues such as the setting of the Budget for 2022/23 and the closure of Accounts. Good governance on financial matters is evident in other ways too – for example the external auditor was challenged to explain why there had been an extended delay in completing the 2019/20 audit

and to find ways to overcome difficulties arising from staff sickness absence so that the audit could be completed. Page 93 The Council's approach is consistent with that recommended by the Centre for Public Scrutiny which is a respected source of advice and best practice in this area.

Comment 2. Swift steps have been taken by the Chief Finance Officer to seek independent reviews of weaknesses in financial management and to act upon the outcomes.

The CFO has taken reasonable and prompt action to be able to recommend the 2022/23 budget to Members with a reasonable degree of confidence and with managed risk. Independent reports on key areas of financial risk have been commissioned from: • The Local Government Association, • Internal Audit, and • Grant Thornton. In addition, key findings have been reported to Audit Committee, the CFO has followed up and acted on those findings and progress has been reported back to the Audit Committee.

Comment 3. The base budget for the old year, 2021/22, has been reviewed systematically with care and due diligence by the finance team and the issues identified have been addressed in the 2022/23 draft Revenue Budget.

The Tandridge Finance team has reviewed the 2021/22 budget line-by-line, sent to Members on 18th January, with diligence, not least because of the pressing need to balance the budget during the year and deal with the consequences of the c£920,000 unplanned budget gap. Other examples of the work that has been undertaken to validate the Council's revenue Budget in 2021/22 include: • Finance business partners, working with service managers, have reviewed, and verified the salaries budget which represents about three quarters of the total budget for the year. • Expenditure and income have been under scrutiny since the appointment of the new Chief Executive and the CFO.

Comment 4. The Tandridge Finance team has been restructured and strengthened, with colleagues from Surrey County Council providing additional, expert, and experienced capacity in addition to professional leadership and direction.

Working together and effectively, in a short period of time the Finance Team has been restructured and strengthened with additional, experienced colleagues from the County Council supporting the Finance team. The combined team is already laying the foundations for the change in culture required to embed tighter financial control and deliver services more efficiently. 'Silo' working has reduced and there is a greater level of engagement and accountability across all levels of staff. Page 94 The intense scrutiny of the 2021/22 Revenue Budget and the marked improvement in the leadership, management and governance of the authority have led to more openness and transparency. As a result, Councillors can be more confident that the base budget for 2021/22 has been carefully reviewed within the time and resources available, weaknesses are being identified and addressed and it provides a reasonable basis for planning 2022/23. Despite all the work done to date, there is still much to be done to develop and embed routine financial processes, effective financial management and reporting and efficient accounting and year end processes at Tandridge District Council. The transformation programme provides the means to prioritise, plan, deliver and monitor the improvements that are necessary. There will

continue to be variances, it is likely that they will be less significant and identified sooner. For an example of the extensive scope and scale of detailed work that is required to bring all the Council's processes closer to good practice standards, please see Comment 11.

Comment 5. The Finance Transformation Programme (TFT) is underway and is already bringing about change and improvement. The progress made on the Exchequer Services project is impressive and is adding value.

The TFT is part of a wider programme of service improvement and transformation being progressed across the Council as a whole. Progress on the TFT is evident in the areas listed below.

- An effective TFT Programme Management function is in place.
- The Tandridge Finance team has been restructured, interviews have been held, roles filled successfully and recruitment to vacancies is currently in train.
- Surrey County Council has provided support through a small number of highly skilled and experienced staff to strengthen the Tandridge Finance Team.

Tandridge is recharged for the support of some County Council Officers and is getting excellent value for money not least because those staff have been able to draw on the skills and expertise of their county colleagues.

- The Exchequer function is a particular area of focus in Phase 1 of the programme and is making headway. This issue is covered in some detail later in this report. The Finance staff as a whole are working purposefully and professionally together, especially given the difficult circumstances. Former Section 151 Officers are personally accountable (as prescribed in the legislation) for the effective and efficient financial management of the Council's resources. It follows that those officers carry the responsibility for failing to actively manage and prevent the deterioration in the Finance function in the period 2016 to mid2020 (until the incumbent interim CFO came into post from SCC) and for the weaknesses identified in this report, and not the Finance Team as a whole.

Comment 6. The Revenue Outturn Report for 2020/21 has been considered and noted by the Strategy and Resources Committee on 2nd December 2021. The full Council meeting on 16th December received and noted the decisions that the Strategy and Resources Committee had made under delegated powers. The outturn report for 2020/21 is now with external auditors for review and sign-off

Comment 7. The Council has made a considerable and noticeable improvement in its financial reporting.

The 2020/21 Outturn is consistent with the 2020/21 Accounts which are ready for external audit. This consistency has not been achieved in the past and it demonstrates the concerted effort made by the Finance teams during the year to produce accurate and timely revenue monitoring information has been worthwhile.

Comment 8. The Council's revenue monitoring information is now sufficiently reliable and robust to support Members' strategic decision-making, and the budget setting process. The CFO, the Senior Finance Business Partner, Business Partners, and their team members are to be congratulated on the leadership and development of the major step forward

made by the Council in the timeliness, accuracy and quality of regular monitoring information provided to Members. Members of the Council, and senior officers are now in receipt of monthly revenue monitoring information which is accurate and up to date. This information is sent by email to Members so that it is received in a timely fashion.

CIPFA award submission form



8.-Aligned-Public-Ser
vice-Delivery entry fo

CIPFA award submission- Supporting information



CIPFA TFT Finance
award supporting infc

Appendix D – Finance Business Partnering Agreement (Internal Business and Finance Agreement)



TDC IBF
Agreement.pptx

Future Tandridge Programme Update - June 2022

Audit & Scrutiny Committee - 5 July 2022

Report of: Chief Executive Officer

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

On 1st February 2022, the Strategy and Resources Committee approved the mobilisation of the Future Tandridge Programme ('FTP'). The FTP is central to reshaping the Council and addressing the underlying financial challenges that the Council faces. The aims of the FTP are to transform the operating model for the Council, to create a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way that the Council operates. The programme is also key to tackling the financial challenges faced by the Council going forward and ensuring that savings are identified in support of the Budget Strategy for 2023/24.

The programme is currently focused on undertaking service reviews which are reviewing all aspects of service delivery, including the best delivery model going forward and areas of savings and efficiencies. These reviews have helped to inform the identification of the £450k Tranche 3 savings to deliver the budget in 2022/23 (as reported to Strategy and Resources Committee on 30th June and summarised below) and will underpin the development of the business cases which will be reported to Committees in September. These business cases and the associated savings within them will support the delivery of the budget strategy for 23/24.

This report provides an update on progress in relation to the key areas of focus in the service reviews, some of the broader emerging themes from these and the implications for the future direction of the Council going forward.

This report supports the Council's priority of: Building a better Council.

Contact officer: David Ford – Chief Executive dford@tandridge.gov.uk

Recommendation to Committee:

The Committee are asked to note the progress to date on delivering the Future Tandridge Programme.

Reason for recommendation:

This report provides an update on progress with the FTP progress with a particular emphasis on the areas of focus in the service reviews, some of the broader emerging themes from these and the implications for the future direction of the Council going forward.

1. Aims and approach

- 1.1 At the Strategy & Resources Committee on 1st February 2022, the FTP programme was approved to proceed with the mobilisation and design phase (Phase 1).
- 1.2 The overall aims of the FTP programme are to transform the operating model for the Council, to create a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and which is underpinned by a more business-like approach to the way that the Council operates.
- 1.3 The programme is guided by some overall Critical Success Factors (shown below). These have been refined during the initial phase of the programme to provide a high-level framework for each of the FTP workstreams.



Financial

An overall reduction in net budget of 15% by 23-24 over 18 months
An overall reduction in expenditure on 'Enabling and Back Office' functions of 15-20% by 23-24
A higher proportion of the budget is spent on 'front-line' services and the Council's priorities



Residents and Service Users

Service Users are involved in the redesign of services
Resident and Service User feedback and insight is used to drive service improvement
Residents and Service Users are directed to use the least cost channel to access Council services



Services

Service Delivery models are assessed & service delivery is undertaken by the most appropriate means
Service performance is measured, benchmarked and actively managed
Service levels are set at an appropriate level which is aligned to Council priorities



Staff

The Council has a smaller directly employed workforce
Managers and staff are engaged and accountable for their performance
Staff feel valued and motivated and understand the values and behaviours expected of them

1.4 The programme is structured into 4 workstreams:

Workstream 1 - Leadership

The priorities of the Leadership workstream are:

Management restructure – building a new management team equipped to lead and deliver the Future Tandridge Programme and its outcomes.

Strategic Plan – the development of a new corporate vision and a new Strategic Plan to guide the Council from 2023/24.

Political leadership and Governance – understanding the impact of the Boundary Review, along with consideration of improvements to the Committee system.

Workstream 2 - Service review, redesign and delivery

The Service review and redesign workstream is undertaking a prioritised, consistent and rigorous review of all services which fundamentally challenges how and why we provide the services we do.

It considers the demand for these services, the most appropriate delivery model, performance, cost and value for money. This workstream also incorporates cross-cutting themes including Digital and Customer Services.

The focus is on identifying outcomes which support the longer-term operating model balanced against short term opportunities to deliver the budgeted savings in 22/23 and 23/24. This will not be an easy balance to strike.

Workstream 3 - Organisational and Workforce change

This workstream will implement the changes necessary to deliver to the new operating model. Work will be focused on supporting delivery of the Service Reviews and developing a consolidated People plan underpinning delivery of the FTP. This will include a review of how we recruit and retain staff who fit the 'Future Tandridge model' and ensuring that managers and staff feeling valued and motivated, with performance managed and talent nurtured.

Workstream 4 – Finance and Benefit delivery

The Tandridge Finance Transformation ('TFT') programme was approved by this Committee in July 2021. The programme has made significant progress to date and following its intended close in June 2022, a finance improvement plan will be developed to take forward areas identified for further development. This will include the Benefits Board maintaining oversight of the delivery of savings identified for 2022/23 and the delivery of other benefits identified as part of the FTP.

1.5 **Governance**

The approach to governance of the FTP is set out below:

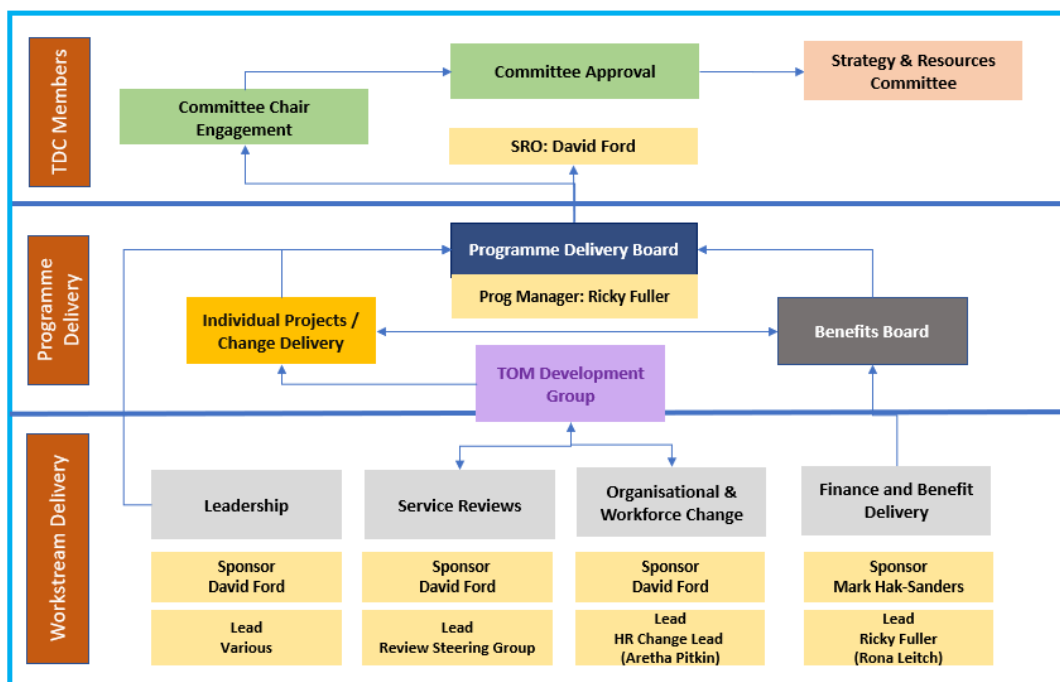
Overall Member oversight of the FTP and the impact on the financial position of the Council is through this Committee. Service Committees will consider key proposals for change resulting from the Service review and redesign work.

The Service Reviews and Organisation Development workstreams along with the overall development of the operating model are overseen through the TOM Development (TOM) Group.

This group is chaired by the Chief Executive and is, in effect, the guiding team for the development of the FTP. This group has the following responsibilities:

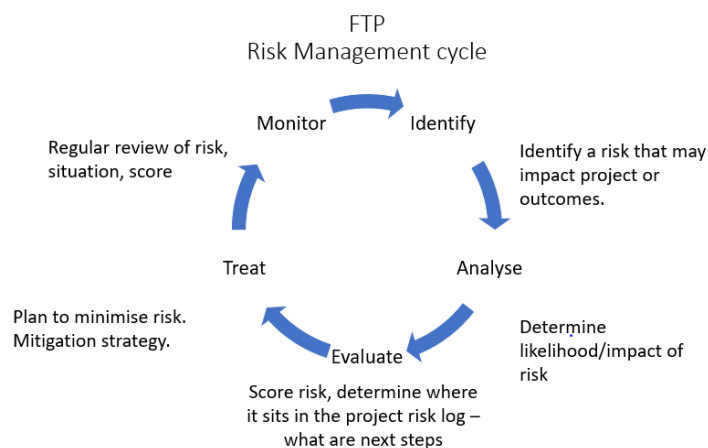
- Agrees the prioritisation and sequencing of the Service Reviews
- Sets the direction for the Service Reviews (including expected outcomes and the financial envelope)
- Consider results of the Service Reviews and the business case for change

As individual change projects are identified and approved for delivery and overseen through a Programme Delivery Board with the Benefits Board maintaining oversight of benefit delivery.



1.6 Risk Management

The programme uses a robust risk management process as set out below:



Programme risks and issues are managed in a consistent way across the FTP through the programme management office (PMO) and reported and managed through the relevant Governance Board or Committee.

The programme maintains a risk register, which is aligned to the plan, against which risks are identified and mitigation documented. All risks have owners assigned, with agreed mitigation and calculated pre- and post-mitigation scores. On a regular basis, risks are assessed against the plan and potentially updated, where the mitigation or scores may have changed.

This risk management process will be in place throughout the FTP programme, with risks and supporting information included in the regular programme highlight reporting.

2. **Senior Management Restructure**

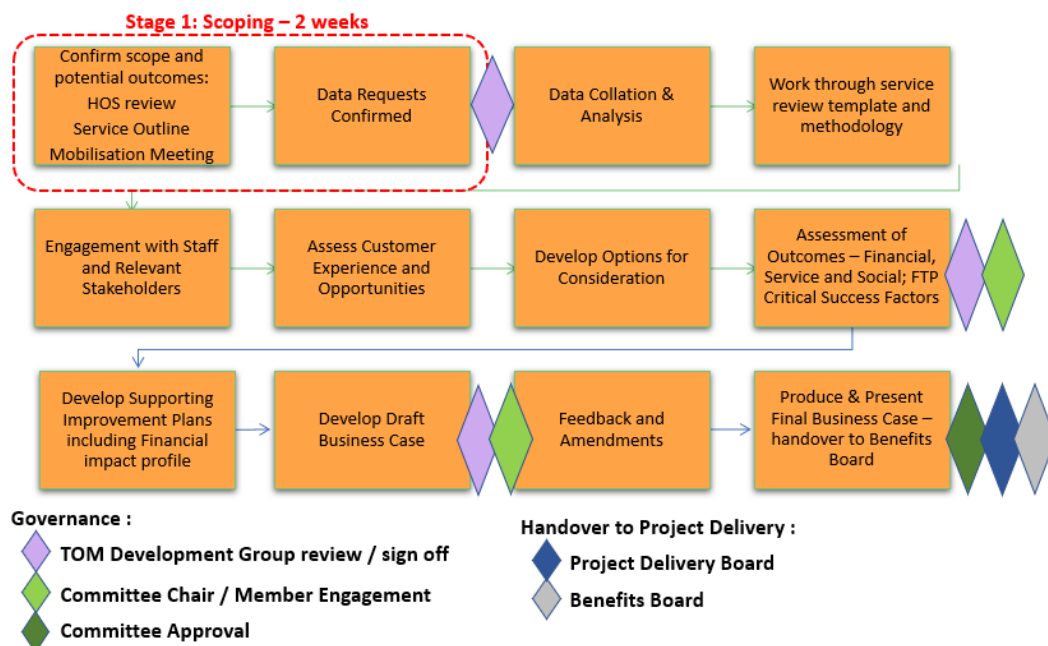
Whilst there is a case for restructuring the Council’s senior management team following the service reviews and redesign, it has been necessary to begin the process of restructuring in advance of the conclusion of that work.

In addition to the financial imperative to make savings, an interim restructure has been necessary as key vacancies have existed at senior management level. This has simplified the structure to a more traditional service-based model whilst removing some of the legacy issues left following the Customer First programme. These interim changes will be communicated to Councillors separately once positions have been finalised.

There will be a requirement for a further senior management restructure as the Council moves to adopting the commissioning model set out in section 7 of this report.

3. **Service Review Progress**





3.1 A detailed Service Review process and a series of steps was created (as set out below).



Each service area is currently undergoing a robust review which will be concluded by the end of July. The outcomes from the reviews will form the basis of the Delivery Phase (Phase 2) of the programme with business cases created for each service area.

3.2 As part of the review process, a 'checkpoint review' has been held with the TOM group for each service area. The purpose of this was to ensure that the scope, expectations and areas to be explored in the review itself were all clear, agreed and in line with the overall programme objectives and expectations.

The checkpoint review focused on 4 key areas as set out below:

			
Financials	Service Delivery Options	Key lines of enquiry	Summary of approach
Confirmation of the level of savings ambition (10-25%) Any areas currently identified to deliver savings Does this align with TOM group view of saving ambition	Preferred options to explore further in service review including what can we stop (maximum 2/3 options) Informed by an assessment of the market by the Peopletoo SME (where applicable)	Key areas of focus for the review Emerging opportunities for savings / efficiencies Key risks and Issues	Level of engagement required from programme team including Peopletoo SMEs Drives the plan for the service

A detailed Delivery Model framework (summarised below) has been created which will support the assessment of alternate delivery options for each service area:

SERVICE DELIVERY MODEL ASSESSMENT FRAMEWORK	Stop providing the service (in whole or in part)	Retain and improve as Business Unit Internally	Wholly-Owned Local Authority Trading Company	Joint Venture	Local Authority Partnership Shared Service	Not-for-Profit Organisation	Outsourced
A. FINANCIAL IMPROVEMENT							
B. MARKET APPETITE							
C. RISK							
D. PARTNERSHIPS							
E. CORPORATE AIMS AND OBJECTIVES							
F. SOCIAL VALUE / BENEFITS							
G. STAFF							

The areas of focus for each of the reviews (key lines of enquiry or KLOEs) have been agreed and are included in Appendix A.

These business cases will be submitted to the relevant Committees for approval in September along with an overall business case for the resources required to deliver the savings identified. This will be submitted to the Strategy and Resources Committee on 30th September.

4. **Savings delivery**

4.1 On 10th February 2022, Council approved the 2022/23 Final Budget Report and Medium-Term Financial Strategy (MTFS) to 2023/24, which set out the Council's strategy for financial recovery and the development of sustainable medium-term financial plans.

- 4.2 The budget took a pragmatic approach to the distribution of pressures and savings for January Committees and February Council, meaning that some pressures and savings were held in Corporate Items pending distribution. Tranche 2 pressures and savings were distributed to Committees in March and April and this left £450,000 of Tranche 3 savings to confirm with Committees in June for delivery in 2022/23.
- 4.3 As part of the FTP, Service Reviews are being undertaken across most Council services as set out in Section 3 above. The primary focus of these is to determine the medium-term direction for service delivery and the associated savings to support the Budget Strategy for 2023/24 and beyond.
- 4.4 One of the critical success factors for the FTP programme is to target a greater reduction in enabling services (the 'back office') than in services delivered directly to residents. There has therefore been an initial focus on S&R services and, consequently, £325,000 of the Tranche 3 savings have been identified against S&R service lines, with the remaining £125,000 to be achieved through Management Savings.
- 4.5 The table below summarises the proposed allocation of savings during 2022/23 which is part of the report to the S&R Committee on 30th June.

Table 1: Allocation of Tranche 3 Savings to Services in S&R committee

Service	2022/23 Tranche 2 Net Budget £000	Mgmt Structure Saving £000	Proposed Service-Review Saving (Part year effect) £000	Distribute Vacancy Factor (Note 1) £000	Revised Tranche 3 Budget for 2022/23 £000	Full year effect of proposed saving (Note 3) £000
Asset Management - £142k T2 budget	561	0	(50)	(11)	500	(50)
Office Services - £286k T2 budget						
Communities Executive Projects - £133 T2 budget						
Communications	374	0	(47)	(9)	317	(93)
Customer Services	702	0	(26)	(19)	657	(51)
Democratic Services	562	0	0	(7)	555	(6)
Emergency Planning & Community Safety	246	0	0	(5)	241	0
Financial Services	1,019	0	(16)	(25)	978	(16)
Human Resources (Note 2)	464	(95)	(25)	64	408	(50)
Information Technology	1,383	0	(113)	(15)	1,254	(148)
Leadership Team (Note 2)	261	(30)	0	64	295	0
Legal Services	575	0	(24)	(19)	532	(48)
Revenues & Benefit Services	254	0	(25)	(17)	212	(50)
Wellbeing Prescription	0	0	0	0	0	0
Total	6,401	(125)	(325)	0	5,951	(512)
Total Saving against £450k Tranche 3			(450)			

Note 1: Vacancy factor is a blanket 4% reduction to staffing budgets to reflect a natural lag between a vacancy and subsequent recruitment. This was part of the Tranche 2 budget, but held in full in HR and Leadership team. The saving should be nominally allocated to services, but does not require amendments to service delivery.

Note 2: The Leadership Team budget is currently distributed over a number of areas, including the deleted Executive Head of Corporate Resources post, the budget for which is held in HR.

Note 3: This is the full-year effect of actions proposed in this paper to deliver the 2022/23 saving. The saving from the medium-term actions coming from the business cases will be built into 2023/24 as part of the budget process.

5. Delivery and Resourcing

- 5.1 An important principle of the FTP is that the programme should be led and owned by Tandridge. Wherever possible opportunities are being given to Tandridge staff to be an integral part of the development and delivery of the programme and this is already paying dividends with some staff demonstrating the qualities needed to be part of a high performing Council going forward.
- 5.2 Delivering organisational change at scale and pace however requires adequate resourcing, project management capacity, and expert support. It is also recognised that the Council lacks both the capacity and capability to deliver the programme successfully in isolation and will continue to need an investment in both expert support and external challenge to design and deliver the changes identified through the programme.

The estimated investment required to deliver Phase 1 (mobilisation and design for the 6 months from February to July) was approved at the Strategy and Resources Committee on 1st February, along with a high-level estimate of the funding required for Phase 2 (delivery).

The funding for Phase 1 has proved to be broadly accurate and will allow the completion of the Service Reviews by the end of July within the approved budget.

Type	Core / Var	Total	Phase 1 (6 mths)	Est Cost	Phase 2 (12 mths)	Est Cost
Prog Mgt	Core	18 mths	Buy in for up to 6 mths (SCC / External – c 0.5 FTE)	£30-£40k	Recruit during Phase 1 to oversee Delivery. Cost included in base budget.	Incl
PMO	Core	18 mths	Buy in for up to 6 mths (SCC / External – c 0.5 FTE)	£25-£35k	Continue to buy in OR recruit during Phase 1. Additional cost.	£50-£70k
Project Administration	Core	18 mths	Provided in house. Estimate 1 x FTE additional		Provided in house. Estimate 1 x FTE additional	
Business Analyst	Core	6 mths	Buy in (External)	£25-£30k	Decision whether ongoing requirement during Delivery	tbd
HR advisory	Core	18 mths	HR advisory tbd	£25k	HR advisory and Change Management	£50k
Change Management	Var	12 mths			Change Management through Delivery	£50k
Project Manager(s)	Var	12-18 mths	Review internal capacity and capability. Identify during service reviews. Estimate 1 x FTE for 3 mths (from Apr 22)	£15-£20k	Review internal capacity and capability. Identify during service reviews. Estimate 1 x FTE minimum	£60-£80k
Subject Matter Experts (SME)	Var	12-18 mths	Strategic advisory & expertise on TOM / Service Reviews. Buy in (External)	£40-£50k	Potential to support during Delivery, dependent on Service Reviews	tbd
Total			Indicative range	£160k - £200k	Indicative range	£210k - £250k

- 5.3 Phase 2 will see the programme move into detailed planning for and subsequent delivery of the identified savings. The overall business case for this will be submitted to the Strategy and Resources Committee on 30th September. There is however a requirement to commence some initial work on Phase 2 in August and September, during which time it is important to maintain momentum and develop detailed delivery plans. This will also be a key period for progressing delivery of the Tranche 3 savings identified for delivery in 2022/23, ready for the earliest possible implementation.
- 5.4 A budget approval of £50k to bridge fund the Programme as Phase 2 commences over this 2-month period is therefore being requested from the S&R committee, pending the submission of the full Phase 2 business case in September. It should be noted that provision has already been made within the budget strategy to fund this investment from Government flexibility to use capital receipts for transformation purposes. The flexibility to use capital receipts for transformation has been extended for all local authorities for 2022/23 and is independent of the Council’s application to DLUHC to use receipts to support the reserves position.
- 5.5 Redundancy costs associated with the Management Restructure and the wider programme may also need to be funded from capital receipts and from an indicative amount set aside in the 2021/22 outturn position, subject to approval by Strategy and Resources Committee on 30th June. These vary significantly according to an individual’s salary, length of service and age

and so cannot be quantified in advance. However, expectations for this phase are for costs not to exceed £200,000. Redundancies are approved on a case-by-case basis including an analysis of the cost to the Council and comparison to the associated savings.

6. Common themes emerging

6.1 As set out in Section 5 above, KLOEs have been identified for each service area as part of the Service Review process. A summary of these is included as Appendix A. These will form the basis for development of the service business cases themselves.

A number of more general observations, and themes have emerged which, taken together, have implications for and will inform the future development of the future operating model for the Council and the way that services are delivered going forward.

General Observations

- Support service capacity is stretched undertaking day to day transactional and procedural activities and struggles to provide 'added value' support to front line services.
- Support systems and procedures need to be simpler, less onerous, automated and less bureaucratic to reduce the amount of transactional effort involved. This is likely to require investment in some areas.
- Too much time is spent by support services 'shadowing' the organisation, undertaking tasks and filling in gaps which should be the responsibility of front-line services. This is due to a combination of a lack of trust, the lack of core skills and capabilities of operational managers, and a lack of focus by the Council on equipping those managers to be more self-sufficient.
- There is an urgent need to reset and redefine the relationship between front line and support services. This should be focused on establishing a clear specification / agreed set of expectations and responsibilities for each area.
- This should include the development of a Business Partnering approach for each of the support functions with clarity around the responsibilities of managers and support functions. This could be developed along the lines of the Finance Business Partnering Agreement which can act as a template for other functions.
- There is a need for support services to understand front line service requirements in a more structured way so that plans directly address these in a planned way, with a reduction in day-to-day fire-fighting.
- There is a need to provide clarity around the role of support functions within the overall operating model – e.g., Asset Management has developed in an ad hoc way over time and lacks a clear remit within the Council; introducing a Corporate Landlord approach will vest accountability for delivering value from council assets in that function.

- Support services should be refocused on core 'added value' and strategic functions. This direction will be accelerated as the Council moves towards a Commissioning model.
- There is a need to equip and require managers to be more accountability, self-sufficient, better equipped and confident to undertake functions currently undertaken by support services.
- This will require a programme of training and management development covering areas such as risk management, health and safety management and general management capability and making TDC a more attractive place to work and develop a career.
- This needs to be allied to building a stronger middle management layer in the organisation with fewer, more capable, managers.
- In the short term there is a risk that removing support from some enabling services may make things worse.
- There is a general lack of understanding of income, cost, activity/specification and resident/service user perspectives in some areas. This is due in part to the organisational complexity introduced by the 'Customer First' model.
- There is a need to strengthen client and contract management capability to drive value from existing and new contracts and shared service arrangements.
- The new operating model needs to address the lack of inherent economy of scale and cost base opportunities through access to organisations with breadth and scale where possible - market assessment to consider each individually or some as a bundle to the market.

These themes will be developed further over the coming weeks as part of the development of a new Operating Model.

7. Direction of Travel – a 'Commissioning Council'

A direction of travel is emerging for the Council to become a 'Commissioning Council'. The implications of this for the future operating model for the Council will be developed further and presented as part of the business case in September. Some general principles and issues raised by this are however set out below and included in Appendix B.

What is Commissioning?

- 7.1 Commissioning is an established approach within and across the public sector. Essentially it is a structured process to assess needs (at a strategic, operational and/or individual level), establishing the resources available to meet those needs (both those available to the Council and more widely through other partners) and to put in place the right delivery mechanisms to meet those needs. Once delivery is underway, a typical cycle will involve evaluating and reviewing performance and taking corrective actions.

Implications for TDC

- 7.2 For this Council, this means being clear on the needs and requirements of its residents and service users, evaluating carefully what the contribution of the Council should be (alongside with that of other partners), re-thinking the services it ought to provide, and taking a consistent approach to consideration of how best to deliver those services.

Whilst it does not mean outsourcing everything, it does mean a much more objective and structured way of considering the most appropriate way for services to be delivered. In the current context it is likely to lead to more services being provided by third parties coupled with a stronger focus on what the Council can afford.

- 7.3 The commissioning model can also be extended to the way in which internal support services are provided, to ensure that they support front line delivery & provide value for money. Over time, as more services are delivered by third parties, this will result in a reduced operational and transactional role for support services and a greater focus on strategic and 'value adding' elements.

- 7.4 It is important to note that the Council is already a commissioner of services at an operational level (e.g. Waste Services, Leisure and Grounds Services). It is also a service provider, including for services which have been commissioned by other partners (e.g. the Wellbeing Service commissioned through the Clinical Commissioning Group).

There are also some good examples of effective service delivery and achievement, for example waste recycling rates are amongst the best in the country, and the Southern Building Control Partnership is an effective shared service delivery model across 3 Councils.

It is also evident from the work done already in the Service Reviews that there are clear opportunities in some areas to commission services differently and more effectively. An example of this is Operational Services, where services are currently delivered through a variety of tactical third-party contracts, ad-hoc arrangements and in-house provision which, taken together, do not appear to represent best value for the Council or service users.

Overall arrangements have developed in a largely tactical, ad-hoc way over time without any overall guiding strategy, model or structured set of processes and standards to guide this, resulting in gaps and weaknesses in a number of areas.

- 7.5 Examples of these areas include:

- the availability of knowledge and evidence to inform priorities and the way that services are provided
- clarity in priority outcomes and/or services
- evaluation of performance and the effectiveness of its impact
- the lack of development of the core capabilities, skills, structure, mechanisms and disciplines necessary to be an effective commissioner of services.

Going forward, becoming a Commissioning Council will require the council to develop its skills, mechanisms and capabilities in areas such as:

- stronger focus on building evidence & knowledge
- skills in specifying outcomes and/or services required
- developing influential partnerships and relationships with other partners and service providers to deliver outcomes
- performance and Contract Management

The Particular challenges in developing internal capability due to the small size of the Council will need to be considered and a key part of the FTP programme will be to put a plan in place that sets out the steps required to support the move to a commissioned council. This begins with the senior leadership team and providing them with the skills and behaviours expected when operating in a Commissioning council environment.

Learning from elsewhere

It is important to note that there are many examples of Councils adopting a Commissioning approach and plenty of good material, tools and approaches to support both the development of a Commissioning model and skills and capabilities.

Whilst this is more typical of upper tier or unitary councils (eg LBs Sutton, Kingston, Croydon), there are also examples of comparable District Councils who have followed this model. An example is Basingstoke and Deane BC which shares a number of services with Hart DC, including legal services, a joint waste contract that also includes commercial provider Veolia and a shared grounds maintenance and street cleansing service. They also work with a number of successful charitable trusts to enhance the services provided to residents.

8. Comments of the Chief Finance Officer

Although significant progress has been made to improve the Council's financial position, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for most of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority to ensure stable provision of services in the medium term.

The report sets out how the Future Tandridge Programme will review services provided across the Council as a key element of delivering a balanced and achievable budget for 2022/23 and 2023/24. Delivering Council priorities sustainably, within a reduced budget envelope, relies on services operating to a well-defined specification, with clear outcomes, efficient processes as part of a coherent target operating model for the Council.

9. Comments of the Head of Legal Services

This report updates Committee on the progress of the Council's transformation programme, FTP and the associated savings proposals. The financial forecasts will be incorporated in the Medium Term Financial strategy. Periodic updating reports will also be provided to Members.

With regards to the future proposal that the Council should adopt a commissioning approach to its services, the Council is empowered to do anything that a private individual may do pursuant to section 1 of the Localism Act 2011. More particularly, the Council is empowered to enter into contracts for the provision to it of services pursuant to section 1 of the Local Government (Contracts) Act 1997. The nature of the commissioning arrangements will need to be documented by way of formal written agreement. Senior Management will need to work with Legal Services for the preparation of appropriate contract terms and conditions.

10. Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

The Officers have reviewed the impact of the closure of the Finance Transformation programme and the outcome of this is that the action have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the Budget-setting process and decision-making by using equality impact assessments.

11. Climate change

There are no direct impacts on environmental aspects in this programme update report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

Appendices

Appendix A – Future Tandridge Programme Service Reviews – Key Lines of Enquiry (KLOEs)

Appendix B – Becoming a Commissioning Council

Appendix C – Glossary of Terms

Background papers

S&R Committee Report 1st February 2022

S&R Committee Report 30th June 2022

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Appendix A- FTP Service Reviews - Key lines of enquiry

Service	Comms	
Lead Officer	Giuseppina Valenza	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Review current activity/specification against corporate priorities/scope and what services should the Council be undertaking or ceasing or providing in a different way 2. Source external suppliers to discuss innovation in service provision and what could be achieved against a specification and at what cost 3. Run internal survey with stakeholders 4. Discuss moving back areas of work to managers and administration back to other teams 5. Review future arrangements for services contracted out including web design and printing. 	<ul style="list-style-type: none"> • Current activity analysed and categorised into need to continue corporately or transferred to managers or ceased and a risk impact • Informal market discussions with neighbouring councils and two private sector organisations to understand what is possible for service delivery and meeting the revised priorities. Expecting outlined proposals during June and business case options by end of June • Surveys have been sent out to internal stakeholders. 	

Service	Cross Cutting Digital and IT	
Lead Officer	Mel Thompson	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Define the optimum Target Operating Model to deliver the agreed core service delivery activities for IT Services 2. Creation of Programme plan to identify future projects 3. Longer term – following the wider service reviews and the identified future state of IT, map and develop a restructure of the IT team 4. Review the use of Salesforce across the organisation and identify other back office systems that could potentially move onto the platform – in partnership with the digital cross cutting workstream 5. Review current service providers currently engaged with to deliver IT/digital solutions and how they are run / managed. 6. Gather data and analyse the cost implications of cloud first approach vs staying on premise 	<ul style="list-style-type: none"> • Workshops with Salesforce are underway to review customer journeys. Self-service is a key area that is being considered across the council with a focus on available functionality and customer journeys. The Chatbot pilot underway will inform potential usage in other areas. • Reviewing potential usage of telephony in Salesforce • Looking to rationalise the IT estate by moving new functionality into Salesforce • Four use cases have been specified for further investigation with Salesforce: • End to end Management of Waste process being reviewed, including digital customer contact which can be applied to other areas. • Housing – Orchard currently used but explore Salesforce further • Planning – review existing functionality from customer journey perspective and how this could be improved for residents • Review database/other products to understand how these could be rationalised and delivered more efficiently Dependency on the overall model in order to understand the IT service requirements • Programme planning in progress to understand outcomes and how these will be delivered • Workshops underway with Salesforce to look at the art of the possible. • Gain an understanding where self service could be provided and the potential efficiencies and savings this could bring. 	

Service	Cross cutting 3 rd party spend and Procurement	
Lead Officer	Mark Hak-Sanders / John McGeown	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. The Procurement function has focused primarily on the procurement of contracts, analysis of procurement activity and reporting to the Procurement Board. The wider critical aspects of a target operating model being Commissioning and Contract management have not been a focus to date due to capacity and training and development. 2. In the short term, there is an urgent need to add capacity and skills to the Procurement function which has 2 fte of which 1fte is filled as a Procurement Specialist and one post is vacant. A strategic commissioning resource will be recruited to fill the vacancy given the anticipated procurement activity coming out of the service reviews. 3. In the longer term from 2023/24, the Council will move to a Commissioning target operating model given the likely increased externalisation of services. 4. Provision of training for all managers. 5. Recruitment to a Strategic Commissioning team both in the short term and in 2023/24 as the Council transitions to a permanent solution. 6. The exact nature of the training and recruitment is dependent on the TOM Development Group recommendation for a short term solution and then the transition and full implementation of the target operating model for Commissioning, Procurement and Contract management for approval by Committee. This is expected to be in September 2022. 	<ul style="list-style-type: none"> • The development of a target operating model for Commissioning, Procurement and Contract management • Provision of training for all managers. • Recruitment to a Strategic Commissioning team both in the short term and in 2023/24 as the Council transitions to a permanent solution. • The exact nature of the training and recruitment is dependent on the TOM Development Group recommendation for a short term solution and then the transition and full implementation of the target operating model for Commissioning, Procurement and Contract management for approval by Committee. This is expected to be in September 2022. • Analysis underway to review contract and non-pay spend to identify inefficiencies or duplication and feeding data into each service review. 	

Service	Customer Services	
Lead Officer	Mel Thompson / Julie Porter (handing over)	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Reduce demand number of calls received and increased on-line automation through use of digital such as chatbots and website 2. <u>Pursue Internal Efficiencies</u> 3. Continue Pilot of Chatbot for Rev's and Bens which has just started. 4. Review incoming demand and integration with key services including Waste, Revs and Bens, Housing and Planning 5. <u>Develop plan for Channel shift / self service</u> 6. Reduce repeat callers (20% of all call backs are planning enquires, 27% are Housing needs) 7. Reduce face to face visitors (Housing needs, Council Tax, key returns, certificate of life and Benefit queries are the highest reason residents come to the office) 8. Assess digital platform in terms of optimise Salesforce or an alternative and whether delivered in-house or with a digital partner 9. Outsourcing scanning/indexing and hybrid mail 10. Agree solution to telephony as part of wider digital solutions and whether delivered in-house or with a digital partner. 	<ul style="list-style-type: none"> • <u>Review of admin functions</u> • Meetings underway with Digital Mailroom companies to understand reduction of postage costs. • Mapping workflow process for scanning and indexing of correspondence and planning redaction and how this should be carried out in the future • <u>Chatbot</u> - Review the success of this trial and looking at how other organisations deliver this functionality as well as talking to Salesforce • <u>Digital</u> Currently exploring ideas with another organisation as they are an innovator on customer services Digital – working with them to understand where they can identify potential efficiencies. Working closely to understand and document options for delivery. • <u>Telephony</u> • Waverley council model is being reviewed and meetings have taken place to understand more and collate data for bespoke model pricing. • Alternatively, investigating whether Salesforce voice and Einstein can deliver a seamless telephony experience that integrates to core enterprise solutions. 	

Service	Human Resources	
Lead Officer	Aretha Pitkin	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Review of areas of automation, with view to HR Self Service implementation, instilling efficiency and empowering workforce, this includes central HR helpdesk. 2. Senior HR professionals to deal with only high-level processes 3. Consider how to introduce a more streamlined recruitment process 4. Smaller, more strategically focused HR function with a focus on Organisational Development and upskilling the workforce and managers 	<ul style="list-style-type: none"> • Process mapping workshops in progress to understand pain points and areas where efficiencies can be made. • Review findings and look at new recruitment process • Review of the future HR operating model is in progress 	

Service	Legal	
Lead Officer	Lidia Harrison	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Review volume of work, generated primarily by Planning and Housing and look to address the root cause of this demand and lower the amount of work through improved service performance. 2. Find other ways for certain types of legal work to be undertaken. This could involve, for example, negotiating with a service area for them to absorb certain low-level work, perhaps aided by more training or templates. 3. Review business planning and budgeting for projects. Is legal budgeted in such instances at the right level/ amount? 4. Review workflow and process improvements that can support efficiency. 	<ul style="list-style-type: none"> • Next three months (June to August): • Run and assess reports from the legal case management system to see volumes and trends of work and type. Are there opportunities to reduce demand from services, services to deliver lower level legal activities themselves and any peaks and troughs? Engage services in demand analysis and mitigation opportunities. • To review and identify process and workflow improvements including what areas can be automated, introduce self-service where possible and that legal judgement is given wherever it is genuinely needed. • Assessment of current and future growth potential of income generation and potential income and cost including resource impact. 	

<p>5. Assess commercial income generation opportunities and/or pursue shared service initiatives.</p>	<ul style="list-style-type: none">• High level assessment of viability of shared services model.• Following three months (Oct -Dec):• Establish what work streams require legal input on their specific projects. Has a legal budget been included?• Progress if deemed viable, a shared service arrangement.
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Cycle 2

Service	Asset Management and FM	
Lead Officer	Alison Boote	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. The adoption of an integrated Property service (Corporate Landlord) should be considered. This could include a service restructure, including determining the appropriate level of resource, clarifying roles and responsibilities, and establishing service level agreements. Delivery models for this approach to be considered to ensure sufficient scale is achieved. 2. Aligned to the above, the centralisation of asset-related budgets could be considered. 3. Review how the wider property model supports building related compliance, and determine how this could be improved if necessary 4. Baseline all FM/Property related spend/budgets across all assets (inc. cleaning, repairs etc.) and benchmark performance 	<ul style="list-style-type: none"> • Review of the c140 properties and splitting them to identify the assets held for social economic or regeneration from investment income reasons • Review further which can be sold or redeveloped for housing – or land, especially woodland exploited for biodiversity net gain opportunities • Review all projects and determine best home for the activity – practical projects for example for parks • Review current service charge allocations and confirm that these are being recovered in full and in line with guidance • Review rent reviews, and identify priority areas to focus on • Review current debt levels, and determine what is a priority area, what may need to be written off etc. • Review current space in the Town Hall occupied by TDC, including consideration for desk/staff ratios and benchmark • Determine future space requirements for TDC, and consider impact on space which would be rented out • Develop a project plan which will consider the future of the Town Hall 	

Service	Community Partnerships	
Lead Officer	Julie Porter	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Alternative funding sources for the IRIS Programme – working with health and SCC partners 2. Partnership work with R&BBC to support a community intervention through the non-recurrent funding allocated in 22/23 3. Anti-social behaviour – Enforcement, Problem Solving, evidence gathering, prevention and awareness and victim support and guidance needs to be mapped across the authority and a new process agreed 4. Additional work streams - Lottery administration, grant funds, Community transport and Leisure development is due to fall into the remit of the team, no current resources are identified to carry out this work 5. Undertaking a review of the costs of grant funded projects 6. Wellbeing Prescription - Assess the financial impact of the service on the Council 	<ul style="list-style-type: none"> • Planning in progress to follow up on the key lines of enquiry to understand where there are efficiencies across the partnerships • Preparations underway for reviewing of the Wellbeing Prescription contract 	

Service	Democratic Services	
Lead Officer	Lidia Harrison (Mel Thompson handing over)	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Reduction in Members allowances (10 to 25%) 2. Fewer committees per cycle 3. Review number of functional committees 4. Simplified operational governance for committees eg; shorter committee reports; devise route for reports to note 5. Paperless agendas and minutes 6. Dem services move to Legal, will add resilience due to the number of legal case officers 7. Additional focus for future savings <ul style="list-style-type: none"> • Boundary commission review will likely lead to less Councillors from 2024 onwards • Consultation on all out elections could result in significant savings from 2025 onwards 	<ul style="list-style-type: none"> • Plan developed for replacement of key member of staff and going out to recruitment shortly • Planning in progress to follow up on the key lines of enquiry to understand where there are efficiencies and potential savings. 	

Service	Operations & Locality including Waste	
Lead Officer	Simon Mander	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Determining the best future location in the Council for Housing related services currently delivered by Locality and Operational Services. 2. Based on the benchmarking of performance and analysis of the Value for Money of the current service delivery arrangements, consider the future delivery arrangements, direct (in-house) or through contractual arrangements. 3. Following deciding the future delivery arrangements determining the packaging for any services to be 	<ul style="list-style-type: none"> • <u>Grounds Maintenance/Street Cleansing</u> To baseline current service delivery, including current features and assets which are being maintained, the frequency to which maintenance tasks are delivered, and the quality to which they are performed. • Benchmarking then undertaken to identify current value for money. • To baseline current financial position to understand full cost of delivery, including impact of recharges and works performed for other areas e.g. Housing. • <u>Waste</u> 	

<p>delivered through contractual arrangements, taking account of market conditions.</p> <p>4. Following on from 1, 2, and 3 above, develop a new target operating model for the integrated Locality and Operational Services.</p> <p>5 Develop an implantation plan for the new target operating model.</p>	<ul style="list-style-type: none"> • Review to the current approach to fly-tipping to re-focus services on clearance to reduce resource demands of investigation • Review continuation of Bring Bank services and how may impact upon wider Waste Service. • Review contractual arrangements for Clinical and Hazardous Waste to identify opportunities for streamlining through consolidating arrangements. • Review contractual arrangements for Clinical and Hazardous Waste to identify opportunities for streamlining through consolidating arrangements. • <u>Enforcement</u> • Review Environmental Awareness and Enforcement function with consideration given to the requirement for a new policy for enforcement that targets resources more precisely to priorities. • Localities • To consider the operational and financial benefits of tasks currently delivered through the Localities team and whether they deliver value for money through the current approach and engage services (Housing) to assess impact of the above. • <u>Vehicle Maintenance</u> • To review costs to baseline spend, and cross-charging to ensure fair allocation and full recovery. • Undertake soft market testing to confirm market appetite and likley costs of external delivery • <u>Parking</u> • Review of the current delivery arrangements for enforcement to reduce costs and/or increase PCN income will be undertaken. This may lead to recommendations to alter the arrangement with Sevenoaks District Council who currently deliver enforcement services. • Benchmark enforcement costs to evidence Value for Money. • Consider impact to arrangement with Seven Oaks and engage partner • Consider strategy, and current sites which may release assets depending on strategic position to generate Capital Receipts. • <u>Playgrounds</u>
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	<ul style="list-style-type: none"> • To benchmark current provision and volume of sites • Review current maintenance specification and confirm offers best value • Develop plan for a play area strategy, which will consider re-configuration of play areas, in alignment with Open Space Strategy • <u>Housing Repairs</u> • Baseline service demand, resource requirements, works type, and financial position, including recharges and income received from other services • Benchmark service to identify value for money delivered • Review processes, and performance, including focus on job allocation and productivity • Review processes, and performance, including focus on job allocation and productivity • Engage partners, and soft market test to consider models
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Service	Regulatory Services	
Lead Officer	Alison Boote	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Further standardisation of approach between the 2 councils including policy convergence to create a single model 2. Look at potential Productivity improvements 3. Bring coherence and consistency of make or buy decisions 4. Exploring a Risk based approach to env health inspections 5. Commercial development opportunities 6. Use of digital / online portal 	<ul style="list-style-type: none"> • Discussion with partnership manager has taken place, next steps to be followed up. • Planning in progress to follow up on the key lines of enquiry to understand where there are efficiencies across the service and partnership. 	

Service	Revs & Bens	
Lead Officer	James Devonshire	
KLOEs under consideration in service review	Update / next steps	
<ol style="list-style-type: none"> 1. Work with Finance and Exchequer team to confirm the timely handling of sundry debt being passed to CDU 2. Work with Finance and other service areas, including engagement with staff and customers, to look at most efficient and effective restructure options for deconstructing the Customer First model. 3. Comprehensive review of internal process and procedures to identify more efficient ways of working and to improve customer service – involve staff in reviewing. This will also include realization of increased self serve and automation from new NEC system 4. Benchmarking of performance against other LA's to understand how we are performing in comparison 5. Finalise MoU with RBBC for investigation of fraudulent claims and activity 6. Consult with neighbouring authorities with a view to increasing shared services beyond current arrangements. KPMG currently reviewing shared service options, further investigation for outsourcing required on a like for like basis. 7. Consider offset of salary costs against Government grant if not already in place. 8. Potential for more work and calls to be dealt with by CS at first point of contact. 	<ul style="list-style-type: none"> • Exploration of a shared service • Improved debt-recovery through a self-financed business case on the agenda for S&R 30th June • Structural review to ensure that the benefits of moving to NEC are fully realised in the staffing structure • Commission a review of delivery model options 	

Appendix B – Becoming a Commissioning Council

What is meant by Commissioning?

Commissioning is an established approach within and across the public sector. Essentially it is a structured process to assess needs (at a strategic, operational and/or individual level), establishing the resources available to meet those needs (both those available to the Council and more widely through other partners) and put in place the right delivery mechanisms to meet those needs.

The Commissioning Cycle

A typical commissioning cycle involves a structured process as set out below:



1. Analyse

Build up to date evidence and understanding of the needs and desired outcomes / requirements to gain a clear understanding of what people want and priority areas.

Resources - consider the use of all resources including money, community resources, assets available (including those of partners and other organisations).

Market – understand the market available and the best way to engage with the market to support delivery.

2. Plan

Targeting - target resources at citizens in need and priorities to have maximum effect on outcomes.

Select Delivery mechanisms – select the most appropriate; this can range from internal SLAs, performance management of internal teams through to external

service provision, partnerships, harnessing voluntary and community resources and capacity.

Requirements – establish a clear specification of requirements / outcomes against which delivery can be assessed.

3. Deliver

Identify and procure cost effective service providers and partners to work with.

Build strong relationships with service providers.

Ensure performance and contracts are measured and managed.

4. Review

Gather feedback, identify and deliver improvements to cost and performance and delivery of outcomes.

Commissioning at different levels

Commissioning is an approach that can be applied at different levels. For TDC this is likely to involve commissioning at the first 3 levels set out below:

Regional / sub-regional – working with other public sector partners

Strategic – linked to the development of the Councils Strategic Plan, Medium Term Financial Plan and annual Service Plans

Operational – choosing the most appropriate and cost-effective service provider

Commissioning Level	What is it?
Regional/Sub-regional	<ul style="list-style-type: none"> • Across local authority boundaries through existing regional structures or new partnering arrangements. • One partner can take the lead in the commissioning activity. • It can provide economies of scale and shared costs
Strategic	<ul style="list-style-type: none"> • Overall strategy of commissioned services • Linking outcomes to greater efficiencies • Setting commissioning standards and a commissioning framework • Establishing the commissioning system and processes • Building capacity and market management • Setting resources • Performance Management and governance
Operational	<ul style="list-style-type: none"> • Commissioning at operational level • Ensuring commissioning meets the strategic priorities • Carrying out the commissioning cycle activities • Can be targeted to a group, locality or service/team
Individual	<ul style="list-style-type: none"> • Commissioning of services for the individual or personalised budgets • Call off from larger contract to meet specific need • Carries out commissioning cycle activities to deliver individual outcomes (activities will need to be proportionate to the size of the commissioning)

Appendix C – Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews

Pressure	<p>Known budgeted expenditure increases and income reductions due to the following:</p> <ul style="list-style-type: none"> • Growth factors – e.g. demographic, inflation and/or increased demand for services; • Full year effects – to take account of changes to expenditure or income which have taken effect in-year and need to be accounted for in future years as they are of an ongoing nature, e.g. ongoing changes to car parking income due to the pandemic; and/or • Other increases in expenditure or reduction in income as a result of strategic, governance, funding or policy changes e.g. additions to the organisational structure or additional service activities undertaken and not budgeted for as they occur after the budget is set and have ongoing implications.
Saving	<p>Known budgeted expenditure reductions and income increases which result due to the following:</p> <ul style="list-style-type: none"> • Containing additional costs of Inflationary increases in contracts or pay; • Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money; • The delivery of new or additional services; and/or • Optimising sources of income.
TOM Development Group	Target Operating Model Development group – a governance group within the Future Tandridge Programme. This group sets the direction for the service reviews and agrees the principles that will drive the organisational change.

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Complaints and Freedom of Information update

Audit & Scrutiny Committee - 5 July 2022

Report of: Head of Legal Services & Monitoring Officer

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

This report provides an update about the Council's approach to managing complaints. Complaints are reported quarterly to the Audit and Scrutiny Committee and details about what has changed as a result of a complaint are published on the website.

In addition, this report includes details about the type of Freedom of Information requests received.

This report supports the Council's priority of: Building a better Council

Contact officer Giuseppina Valenza, gvalenza@tandridge.gov.uk

Recommendation to Committee:

The committee is asked to note and accept the report.

Reason for recommendation:

The Complaints Policy stipulates complaints should be reported quarterly to the Audit and Scrutiny Committee.

A robust complaints policy ensures customer service standards are sustained and improved. It also helps maintain the Council's reputation. An approach of continuous improvement gained by learning from complaints, supports the priority of Building a better Council.

The details about the Freedom of Information requests are provided to show the volume of requests and services impacted in being required to respond to these.

Introduction and background

1. The Council aims to provide an excellent experience every time a customer uses its services, but occasionally things do go wrong. When that happens, the Council would like the opportunity to put things right.
2. If a service falls below the expected standard, officers work with customers to resolve any issues as quickly as possible. Where this still does not resolve the issue, customers may want to make a formal complaint.
3. Complaints, comments and compliments from customers help the Council identify what has worked well and what could be better.
4. Comments and complaints are used to see where processes should be reviewed and improvements made. In addition, compliments are passed on to staff and shared internally.
5. The complaints policy has two stages. Stage 1: Resolution. If customers are not satisfied with the service they receive, they can make a Stage 1 complaint. Where the customer is not happy with the response to their Stage 1 complaint, they can escalate it to Stage 2: Review. The customer must clearly explain why they are dissatisfied with the Stage 1 investigation and what they think the Council needs to do to put matters right.

Timescales

6. At both stages complaints:
 - Are automatically acknowledged within 2 working days.
 - Are fully investigated and responded to within 10 working days. Where this is not possible the customer is contacted to let them know when they can expect a reply.
7. If customers are still not happy with the response they receive at Stage 2, they are referred to the Local Government and Social Care Ombudsman (LGSCO). The LGSCO investigates complaints about councils with the aim of putting things right if they have gone wrong.

Lessons learned

8. We capture what lessons have been learned from complaints, with the aim of improving customer service.
9. As part of the Stage 1 investigations, team leaders review the process or practice used, to highlight where improvements could be made. Any changes are recorded in the system with a record of the action taken as a result, for example staff training, changes to a system or process etc.
10. At Stage 2 a member of the Senior Leadership Team reviews the response to Stage 1, to see if it could have been prevented from escalating to Stage 2.

11. In the last quarter there were a few complaints about the way in which an enquiry was handled by the officer and that officer's response. These have been reviewed and discussed by the team leaders and service leads to see where improvements can be made. The corporate complaints training should also help officers to consider the way in which they respond.
12. A customer satisfaction survey for complaints is sent to complainants once their case has been closed. This asks if complainants found the process easy to use and are satisfied with our response to their complaint.
13. In the last quarter there were 15 responses. While most complainants found the process fairly easy to use, many responded to say they were not satisfied with the response to their request. This was largely due to the length of time it had taken for a response to be sent to them – far longer than the stated timescales - and the lack of communication from the Council.

Number of complaints

14. In the last quarter (1 January to 31 March 2022) there were 30 new complaints and 13 Stage 2 complaints. Table A provides more details.
 - There were 9 complaints about planning, with 6 at stage 2.
 - There were 6 complaints for housing (including housing needs and homelessness), with 3 at stage two.
 - There were 7 complaints about council tax, with 1 at stage 2.

Table A: Complaints 1 January to 31 March 2022

Service	Summary of complaint	Stage 1	Stage 2
Benefits	Mistake by council tax/benefits. Complaint against officers from multiple departments.	✓	
Community Surveyors	Repairs to property not done in a timely manner.	✓	
Community Surveyors	Complaint to CE wasn't responded to. Problems with window cleaner.	✓	
Community surveyors (stage 1 in previous quarter)	New property is on heating network - more expensive. Was not advised of this at viewing.		✓
Council tax	Council tax mistake, after moving over to the new computer system.	✓	✓
Council tax	Mistake made by Council tax. Cancelled account without any input or confirmation, resulting in large sum of money being owed.	✓	
Council tax	Mistake made by council tax. Non removal of empty property charges.	✓	
Council tax/elections	Mistake by council tax. Mishandling council tax bills and the registration of address.	✓	

Council tax	Mistake by council tax/benefits. Complaint against officers from multiple departments.	✓	
Council tax	Mistake by council tax. Incorrect bill.	✓	✓
Council tax	Mistake by council tax. Council tax reminder notice sent after first request two years before and previous bill sent to New Zealand.	✓	
Environmental Health	Light nuisance complaint.	✓	✓
Housing	Complaint against an officer.	✓	
Housing	Complaint about the cleaning of communal area in council property.	✓	
Housing Development	Complaint concerning the parking arrangements at Uplands.	✓	✓
Housing Needs	Officer conduct.	✓	
Housing Needs	Problems with hostel and temporary accommodation, complaints against officers.	✓	
Housing Needs	Complaint about the way the hostel is run and the structure of the housing needs team. Housing benefit reimbursement.	✓	✓
Housing Needs	Complaint against a manager.	✓	✓
Housing Needs	Mistake by council tax/benefits. Complaint against officers from multiple departments.	✓	
Housing Needs	Complaint about how the resident was treated by housing allocations.	✓	
Planning	Lack of response from planning	✓	
Planning	Problem with planning application website, lack of action to rectify, compromised consultation process.	✓	
Planning	Delays. Lack of contact from planning officers.	✓	
Planning	No one told resident why certificate of lawfulness was refused.	✓	
Planning	No response from Planning.	✓	✓
Planning	Delays. Lack of contact from planning officers.	✓	✓
Planning (stage 1 in previous quarter)	Does not believe neighbour's planning app (which they opposed) was treated correctly or fairly at committee.		✓
Planning (stage 1 in previous quarter)	Believes they were misled re application turnaround times and paying a fee.		✓
Planning enforcement	Lack of action from planning department.	✓	
Planning enforcement	Complaint about development near Coldharbour Farm, Lingfield.	✓	✓
Planning enforcement	Delays/lack of response from officers.	✓	✓

Waste and recycling	Missed bins, rude response.	✓	
Waste and recycling	No rubbish collection for 15 months – bins were not being presented.	✓	
Total		30	13

15. The Tandridge District has around 88,500 people, living in 37,500 households. There are around 3,000 business rate payers. Table B shows complaints for the last quarter as a % of the household and population figures.

Table B: Complaints per household and population

No of complaints	% of household	% of population
30	0.08	0.3

16. Benchmarking with other Surrey councils is difficult as every council categorises and records complaints in different ways. The same methods are not being used to be able to make a like for like comparison.

Number of complaints received annually

17. Compared to the previous year (2020-2021), there were fewer complaints between 1 April 2021 and 31 March 2022, as detailed in the table below and fewer than the previous year 2019-2020. This could be partially due to the introduction of the new policy and more accurate recording of complaints. The introduction of the new waste contract in April 2021 also contributed to many of the 69 complaints in April-June 2021.

Timescale	2019-2020	2020-2021	2021-2022
April to June	57	38	69
July to September	54	47	44
October to December	74	47	38
January to March	129	108	30
Total	314	240	181

Cost of complaints

18. The committee requested information about the cost of complaints. It is difficult to get an accurate figure, but in terms of the administration of complaints as an estimate it is about 20% of an officer's role, or around one day a week. This equates to an annual figure of around £5,200.

19. This estimate does not include the cost of officers who provide the response to the complaints (team leaders at Stage 1 and Extended Management Team at Stage 2). As an estimate it could take up 5-15% of an officer's time depending on the complexity of the complaint. In terms of cost that could be range from £2000 to £6000 a year at Stage 1 and £3,500 to £10,500 year at Stage 2.

Complaints to the Local Government and Social Care Ombudsman (LGSCO)

20. In the last quarter six complaints were considered by the LGSCO. Three (two for planning and one for council tax) were referred back to the Council as they had not been fully investigated under the complaints process, one for planning was not upheld, one about housing is under investigation and one about planning enforcement was upheld.
21. The planning enforcement case related to the Council's failure to issue an enforcement notice until the planning application had been determined. The Council was ordered to issue an apology and pay the complainant £1250.

Compensation

22. The Council offers compensation as a goodwill gesture and this is set at a maximum of £50. This is only considered in exceptional circumstances, where the complaint investigation identifies a fundamental service failure in the way the situation has been handled and where the issue caused a customer unnecessary upset and distress.
23. In this quarter we have made two payments of £50 compensation, both related to council tax and rent payments. This was awarded in recognition of the upset and distress caused to the customer, as well as the inconvenience caused by the failure to update records and resolve the issues swiftly.
24. In certain instances, the Council offers discretionary financial compensation to council tenants or leaseholders in the event of a failure of the Housing Landlord Service. Although a discretionary scheme, it is an expectation of the Social Housing Regulator and the Social Housing Ombudsman that there is one.
25. There are also some landlord related compensation payments required by law. These relate to homelessness and disturbance payments when tenants are required to move out of their home. Any compensation is funded by the Housing Revenue account.
26. In the last quarter we have made no housing related compensation payments.

Compliments

27. Compliments about staff and the way they have responded to customers are shared internally on the intranet.

Freedom of Information (FOI), Data Protection Act, Subject Access Request, Environmental Information Regulation process

28. There are two separate pieces of legislation under which the public can request information from the Council. These are the Freedom of Information Act (FOIA) 2000 and the Environmental Information Regulations (EIR) 2004. The FOIA provides a general right of access and the EIR provide additional rights of access to environmental information.
29. Both pieces of legislation provide the public with a general right of access to all recorded information held by public authorities. This includes drafts, e-mails, letter, notes, recordings of telephone conversations and CCTV recordings.
30. Anyone can make a freedom of information or an environmental information request – they do not have to be UK citizens, or resident in the UK.
31. All Freedom of Information (FOI), Data Protection Act (DPA), Subject Access Request (SAR) or Environmental Information Regulation (EIR) requests are registered on the corporate system.
32. The Council has 20 working days to reply to an FOI or EIR request and a month for DPAs and SAR. It can often take longer than this if the request is particularly complex or involves multiple documents. All personal data must be redacted from documents before being released and this can take a long time. If the Council is late in responding a holding response is sent to the enquirer to make them aware the response is taking longer to prepare.
33. In the last quarter (1 January-31 April 2022) we received 159 FOIs. Table C shows the breakdown of requests by service area.

Table C: FOIs 1 January to 31 April 2022

Service area	Number of FOIs
Benefits	4
Business rates	24
Climate change and energy efficiency	3
Commercial Asset Management	6
Communications	3
Community Safety	3
Community Surveyors (Property Svc)	2
Council Housing	3
Council tax	7
Customer Services	1
Environmental Health	14
Facilities	2
Finance	4

Homelessness	6
Household Support Fund	1
Housing	2
HR	13
ICT	6
Legal	5
Operational Services	2
Organisational performance (Alison Boote)	1
Parking	3
Parks	2
Planning	3
Planning Policy	2
Procurement	4
Public health funerals and burials	9
Street cleaning	3
Trees	2
Various -Homelessness, customer services	1
Various - Communications, legal, ICT	1
Various - Council tax, design and print, elections	1
Various - Council tax, housing	1
Various - Council tax, planning	1
Various - Customer Services, ICT	1
Various - Environmental Health, planning	1
Various - Flytipping, housing	1
Various - Homelessness, HR	1
Various - Legal, communications	1
Various - Legal, planning	1
Various - Parking, finance	1
Various - Planning, finance, HR	1
Waste and recycling	6
Benefits	4
Total	159

34. Over the last year (1 April 2021-31 March 2022) we have received 505 FOIs.

35. Many FOIs are repeat requests and are often from companies trying to find out what contracts the Council has, what software it currently uses, how many people are working in a particular service area etc.

36. The Information Commissioners Office (ICO) is the independent body which oversees FOI and EIR. If the public remains unhappy after the internal review procedure, they can complain to the ICO. If the ICO considers the complaint to have merit they will carry out an investigation. The FOI Officer is responsible for providing the ICO with any information they need for their investigation.
37. The ICO requires a formal written explanation of the Council's position, as well as a copy of any withheld information. The ICO will issue a Decision Notice which can either uphold the Council's position or require any withheld information be disclosed. The Council has not received any decision notices from the ICO in this quarter.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications arising from this report.

Dealing with complaints puts an additional resource burden on the Council in terms of staff time and correctly dealing with complaints in the early stages reduces this. Learning from our mistakes and improving processes reduces the chances of reoccurrence and frees up officer time to focus on delivering services. Where compensation payments are necessary these will need to be met by services from existing budgetary provision.

Comments of the Head of Legal Services

This report provides a review of the number of complaints received, as well as information about FOI and EIR requests.

The regulatory body, the Information Commissioner's Office (ICO) considers the key performance indicator is the compliance with the statutory 20 Working days deadline for both FOI and EIR requests. The ICO would intervene to monitor a council where it was aware its compliance rate had fallen below 90%.

If any complaint raises issues which may have legal implications or consequences, the Legal team should be consulted.

There is no statutory duty to report regularly to any of the committees about the Council's performance, but it is good practice to provide this information. Under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

Regular reports about the Council's performance in responding to complaints and FOI and EIR requests help to demonstrate best value and compliance with the statutory duty.

Equality

To ensure anyone can make a complaint, complaints can be submitted in a number of ways. They can:

- Complete a form.
- E-mail the Council.
- Write to the Council.
- Visit the Council Offices and a complaint can be recorded by an officer.
- Call 01883 722000 and a Customer Services Advisor can complete a form for a customer over the phone.

Complaints on social media cannot be accepted, as it is too difficult to capture information and not practical if it is sensitive or confidential. When a complaint is received via social media, the complainant is asked to contact the Council in one of the above ways.

While all complaints are dealt with confidentially, anonymous complaints cannot be responded to.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

None

Background papers

None

----- end of report -----

Performance Exceptions Report - Quarter 4 2021-2022

Audit & Scrutiny Committee - 5 July 2022

Report of: Chief Finance Officer (Section 151)

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

This is an exception report about the Council's four policy committees' performance and risk management. The aim is to support the Audit & Scrutiny Committee to monitor the Council's performance and delivery of services.

Due to the timings for the submission of committee reports, written updates on the actions, the different policy committees are taking with respect to their exception performance and risk, may not be available. The relevant committee meeting reports and minutes can be viewed online. Verbal updates will be provided at the respective committee by officers, wherever possible.

This report supports the Council's priority of: Building a better Council

Contact officer Giuseppina Valenza, Head of Policy and Communications
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Recommendation to Committee:

To review and note the policy committees' performance and risk exceptions for Quarter 4 2021-2022.

Reason for recommendation:

To help the committee monitor performance and risk at the Council.

Introduction and background

1. The committee's terms of reference include reviewing and scrutinising "the decisions and performance of the Council. In addition, section xiii of the terms state that the Committee will "Monitor the Council's performance against targets which seek to ensure the provision of cost effective, quality services to the community (as part of the Council's own performance management regime)".
2. The committee receives a performance and risk exception report for each policy committee: Community Services, Planning Policy, Housing and Strategy and Resources.
3. Due to the committee dates and associated report timelines, it is not possible to include each policy committees' responses to the off-target performance indicators and 'red' rated risks. Please review the reports listed in 4 below and officers will provide verbal updates on the outcome of the preceding policy committees wherever possible.

Policy committees' performance and risk reports

4. The most recent performance and risk reports for the policy committees can be found in the relevant committee meeting agenda, under performance report:
 - [Community Services](#)
 - [Planning Policy](#)
 - [Housing](#)
 - [Strategy and Resources](#)

Performance headlines

5. The following performance headlines have been included on the basis a target has not been met for at least two quarters.
6. Up-to-date written commentaries on the policy committees' responses to these headlines are not always available, due to the timing of this report's publication. Verbal updates will be provided during the committee wherever possible.

Community Services

7. Percentage of roads, footpaths & public open spaces which meet the environmental cleanliness standard. This was off target by 3% in quarter 3 at 92% and 7% in quarter 4 at 88%. The target is 95%. The street cleaning team has found it difficult to meet the daily schedules due to vacancies and annual leave.

Planning Policy

8. Trend data for planning is not currently available, as data gathering and reporting systems are being reviewed as part of the Council's improvement project.
9. The Local Plan is currently undergoing examination and progress is dependent on the requirements of the planning inspector. This makes it difficult to develop meaningful KPIs.

Housing

10. Average time taken to re-let local authority housing. This is off target by 1.3 days in quarter 3 and 6.8 days in quarter 4. The target is 25 days. Performance has been affected by a number of properties that are difficult to let in the current climate, as well as the increased void time caused by Covid-19 compliant practices.
11. Average time taken to re-let local authority sheltered housing. This is off target by 37.9 days in quarter 3 at 85.5 days and 38.2 days in quarter 4 at 68.2 days. The target is 30 days. The figure has been inflated by three properties which were vacant for much of 2020/2021. Demand for older persons and particularly sheltered housing decreased before the vaccination programme. As a result, the length of time taken to let these properties has increased. This is in line with effects seen by other local authorities.
12. People in Urgent Need (Bands A & B) on the Housing Register – off target by 133 people in quarter 3 at 408 people and 139 people in quarter 4 at 414 people. The target is 275 people. This figure has remains high due to high demand and a limited supply of affordable housing. The Housing Team continues to work with colleagues in strategy and development to ensure a continued supply of affordable housing is provided throughout the district, as well as pursuing other initiatives, including the Tenants' Incentive Scheme, Assisted Purchase Scheme and relocation strategies within our own housing stock.

Strategy and Resources

13. Days taken to process housing benefit/council tax change event. This is off target by 39 days in quarter 3 and by 9 days in quarter 4. The target is 12 days. This is largely due to the installation of the new council tax and business rates system, which led to a backlog of work. Work is continuing to clear the backlog and further reduce assessment times.
14. Staff Sickness (long & short term). This is off by 2.61 in quarter 3 at 9.71 days and 3.41 in quarter 4 at 10.51 days. The target is 7.1 days. Long term absences connected with Covid accounted for 12% of all absences in 2021/2022, which have increased the overall absence figures. Almost 12% of overall cases are linked to debility/fatigue, some of which are linked to Long Covid symptoms. 27.3% of all absences are attributed to stress, depression and anxiety. Musculoskeletal absences account for approximately 22% of all absences

15. Staff turnover is off target by 0.3% in quarter 3 at 15.3% and 0.9% in quarter 4 at 15.9%. The target is 15%. Reasons given for leaving included new opportunity, personal reasons, work/life balance. Staff are facing challenging times and uncertainty over the future of their job, which means it is likely this trend will continue.
16. Percentage of calls answered by Customer Services within 60 seconds – off target by 19% in quarter 3 at 61% and 25% in quarter 4 at 55%. The target is 80%. The volume of calls has been impacted by annual billing, leaseholder management expense letters and enquiries about support for Ukraine refugees. The length of calls increased due to the complex nature of the calls. The number of repeat callers increased with residents calling about planning applications. The planning service is reviewing its processes.
17. Number of overdue complaints, off target by 11 complaints in quarter 3 and 13 complaints in quarter 4. The target is 1 overdue complaint. Some complaints require wider investigation and cover more than one team or department. This can mean finalising a response sometimes takes longer than the set deadlines. If the relevant staff are away or on leave, providing a response within the timelines can also be difficult. Holding responses are sent to customers to let them know when they can expect a response
18. Number of overdue Freedom of Information Requests (FOIs) – off target by 16 FOIs in quarter 3 and 10 in quarter 4. The target is 4 overdue FOIs. Some FOIs are very complex and require a lot of information to be gathered to provide a response. This can also include documents which need to be redacted. This can also take a lot of time. Some FOI responses require input and information from more than one team and it can take time to finalise a response. Holding responses to customers to let them know when they can expect a response

Risk headlines

19. The following risk headlines have been included on the basis that a risk has remained red on the corporate or committee risk registers for at least two quarters.
20. If a risk arises as part of an audit report, but is not featured in this report, it will be due to the lead time between the audit report being published and the next internal risk register review, and/or the risk not being red for two consecutive quarters on the relevant committee register.

Corporate Risk Register

21. There are four red risks on the Corporate Risk Register. The risks listed below also appear on the risk register for each service, but are only listed once in this report.
- Local Plan is found unsound by the Inspector.
 - Lack of capacity in planning department negatively impacts performance and delivery of service, such as determining applications in statutory timeframes and managing complaints and FOIs.

- Lack of resources constrains the Council's "business as usual" capacity.
- Resources unavailable to progress the climate change action plan in set timescales.

Community Services Risk Register

22.No applicable risks.

Planning Policy Risk Register

23.Lack of five-year housing land supply, including gypsy and traveller land. There are a number of planning policies and plans which mitigate this risk.

24.Failure to determine a planning application within the statutory period and significant increase in number of complaints and FOIs related to planning. The planning department has more capacity and is more resilient than it was six months ago, which is reducing the risk of determining applications in the statutory timescales, as well as the complaints and FOIs.

Housing Risk Register

25.Overspend on housing repairs. The current software used for repairs and budget monitoring needs to be updated to ensure the systems are aligned and the correct budget spend is recorded. Officers are reviewing potential solutions.

Strategy and Resources Risk Register

26.Inability to maintain high standards of delivery for statutory services. Despite the pandemic and other operational challenges, services have been maintained, although standards in some areas may have reduced.

Review of performance indicators and risks

27.A review of all performance indicators and risks is planned to ensure they reflect and capture what really should be measured and monitored. This will be done in consultation with committee chairs. It is hoped a new approach will be in place by the next committee.

Debt update

28.At Strategy & Resources Committee on 1 February, a new *Payments from Customers and Debt Management Policy* was approved. At that meeting, discussion took place on the need for staffing resource to address the issues previously identified. Since that point, the Council has appointed a dedicated Exchequer Manager to take forward the improvement plan for Exchequer and develop a self-financed business case for resolving outstanding debt.

29.Work continues to develop, review and improve debt recovery routines. Improved monitoring and reporting practices are being implemented, along with performance indicators which will be reported quarterly.

30. The performance indicators will monitor ongoing business as usual performance, along with progress of reducing aged outstanding debts. The Council's bad debt provision is closely monitored to ensure adequate provision is made for debts which are unlikely to be recovered.

31. To progress with the recovery of aged debts and continue to implement improvement activity a report Debt Management Review was part of the agenda for [Strategy and Resources Committee on 30 June](#) to seek temporary resource to improve the position. This report includes a comprehensive update on outstanding debt.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications arising from this report. The risks identified in the corporate risk registers reported to individual policy committees and their mitigating actions may lead to additional resources and cost implications for the Council if they materialise

Once identified, the financial impact of any additional cost pressures to reduce risk and / or improve performance will be shown in the monthly budget monitoring reports. Budget monitoring reports will also identify and quantify where possible financial risks to delivering the budget, along with mitigating actions. Ensuring the Council has adequate reserves and contingencies to respond to these risks is a key element of the Medium-Term Financial Strategy.

Comments of the Head of Legal Services

A performance exception report is presented to the committee on a quarterly basis as part of the Council's current performance management framework. By working with officers from different service areas in the production of this report the Council embeds accountability for performance within the senior management structure. This allows for a flow of detailed information to and from the Council's leadership.

There is no statutory duty to report regularly to councillors on the Council's performance, but as a best value authority under the Local Government Act 1999, the Council has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness. Regular reporting of performance can assist the Council to demonstrate best value. Analysis is also needed to understand the trend, the history and probable future direction of performance of the Council.

Equality

This report contains no proposals that would disadvantage any particular minority groups.

Climate change

This report contains no proposals that would impact on the Council's commitment to climate change.

Appendices

None

Background papers

None

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