



CHIEF EXECUTIVE REPORT TO COUNCIL

SURREY COUNTY COUNCIL PROGRESS REPORT FOR DECEMBER 2009 – JUNE 2010

KEY ISSUE/DECISION:

To consider the report and the matters to which the Chief Executive draws attention.

BACKGROUND:

Introduction

1. In December 2009 Members were updated on the progress that had been made during 2009 to address serious shortcomings in Surrey County Council. That update set out actions that had been taken and evidence of progress made during 2009. It outlined the key areas of focus for the Council in 2010. This report provides an update on the progress made against those key areas over the past six months and identifies some remaining tough challenges to be tackled over the next six months.
2. The past six months have presented all local authorities with significant challenges. The scale of the financial challenges facing the country has become clearer and within that the potential implications for local government. At the same time there is increasing evidence of growth in demand for services as well as rising expectations that services should be more personalised for the individuals using them. This increased demand whilst resources are reducing in real terms has led to a ruthless focus on efficiency and value for money. For Surrey County Council, these challenges are coupled with wide-ranging structural and cultural changes across all parts of our organisation as we strive to ensure we will be fit for the very difficult decade we have entered.
3. One of the more immediate challenges we faced at the start of the year was the major disruption caused by the worst snow in the region for 30 years. This was a major challenge for all local authorities and services in the South East. Undoubtedly there are areas in which we could have improved our response and two select committees are reporting on those. We should be immensely proud of our staff who demonstrated professionalism and dedication to ensure quality services continued to be provided to residents, particularly the most vulnerable.

4. Taking decisive action to deal with the financial pressures yet continuing to provide high quality services for residents is a continuing challenge. Through careful monitoring and focussed management action we ended the financial year with a **balanced budget for 2009-10**. Indeed, there is even a small underspend that will provide additional cover against some of the risks and uncertainties in 2010-11.
5. The **quality and value for money of our services** is continuing to improve. Our progress against key performance measures, feedback from residents, staff, partners, and external regulators and the range of awards received by Council Services are all testimony to the good progress that continues to be made in our journey to become a world class organisation.
6. Underpinning all of these challenges has been the focus on supporting essential **cultural and leadership change** across the Council. Engaging with all staff through the '*Making a Difference*' work and the Organisational Development strategy have been key drivers in ensuring the Council has the right values, attitudes and behaviours to meet our challenges now and in the future.
7. The purpose of all this work is to make a difference for the residents of Surrey that we are here to serve. We are aiming to become an organisation that can make a significant contribution to the quality of life in Surrey especially for our more vulnerable residents. Before I write in more detail about our progress as an organisation I want to focus on the impact of improvements using one of directorates as an example.
8. One of our key responsibilities is care for adults and that is an area where our progress over recent months is a good example of the value that can be achieved by the changes we are making at Surrey County Council. In adult social care we are delivering a fundamental strategic shift that will enable more people to live supported at home in their local community.
9. This has required significant improvements to partnership working and much improved access to information for partners, carers and users. Our work to provide advice and guidance for vulnerable adults using personal budgets has led to us being judged as having the best service in the South East by Liveability and being in the top 20 in country. We deal with about 4 000 contacts a month and this figure is growing strongly based on the high quality service from our contact centre.
10. Dementia is a growing issue and developing effective responses will be one of the major policy issues facing the country over the next generation. We are developing a Dementia Demonstrator site in Woking with Friends of the Elderly. This is the only one in the country addressing the needs of the Black and Minority Ethnic communities. It will underpin our joint work with the PCT and other partners to deliver a high quality dementia strategy for Surrey.

11. There is a shared understanding that the more service re-designs involve users the better the outcomes that can be achieved. We are working closely with voluntary sector partners (including Advocacy Partners, Surrey Independent Living Council, Action for Carers Surrey, Age Concern Surrey and the CVS network) to co-produce a User Led Organisation that enables vulnerable adults to have their voice heard in Surrey. The project aims to provide: services to support more people into voluntary or paid work; access to user led services for local people; and a mechanism for public bodies to reach vulnerable people.
12. We have been selected as a Trailblazer pilot - one of only eight in the Country - to build on our success in delivering personal budgets enabling people to combine their employment needs with their personal support needs. Again this has been developed with partners including Jobcentreplus, Surrey Coalition of Disabled People, Surrey Independent Living Council, North West Surrey Association of Disabled People, Valuing People Partnership Board, Epsom and Ewell Borough Council and Reigate and Banstead Borough Council. This supports people to find their way through the various types of funding that are available and to control how that funding is used to provide care for them.
13. As part of our quality assurance we have appointed a new independent Chair for the Safeguarding Adults Board.
14. The council took responsibility of the commissioning fund from the health service for people with learning disabilities, which equates to around £60 million of funding each year, and is by far the biggest transfer of this kind in the country.
15. Our progress is reflected clearly in the increasing numbers of adults who are benefiting from having more personal control of their services. By March 2010 we were enabling 3445 people to get Self Directed Support. Our work has also led to a significant drop in the number of adults who have required admissions to residential and nursing placements down from 1424 a year ago to 1145. We are supporting 535 people with learning disabilities to live more independently in supported living.
16. We have enabled more than one in four of the adults we support who have learning disabilities to be engaged in paid work, work related volunteering and training. This is a hugely important outcome for nearly 1000 people. Surrey County Council itself is employing thirty people with learning disabilities and our approach has been recognised as an exemplar of good practice.

Key areas of progress in 2010

17. In my previous report I identified seven key themes for the Council to focus on in 2010. Several of these have underpinned the progress in adult social care that I have described. The report now outlines progress against each theme over the past six months together with the steps being taken to ensure continued improvement.

To continue and strengthen our engagement with staff

18. Over 600 staff attended the Listening events in 2009. Their views about what motivates them at work, what makes them proud to be here and what needs to be done better have been translated into a new set of Surrey County Council **values**: Trust, Respect, Listening and Responsibility. Staff are also clear that the reason they choose to work for the Council is because they want to “make a difference”. Listening has therefore developed into **Making a Difference**, a conversation with staff on how to modernise and transform the way people work and to identify what behaviours are needed to make the new ways of working and values the accepted “way we do things in Surrey”.
19. Over the remainder of this year more than 160 workshops are being organised for staff across the county to continue their engagement in the innovative changes that are required to how we commission and provide services. It is anticipated that up to 2500 staff will be involved in these.
20. During February and March 2010, a **staff survey** was carried out and the results, once fully analysed, will be used to help drive further change and improvement across key areas including leadership; staff engagement; communication; and managing change. All Services are developing their own Action Plans to respond to the specific issues raised in their services.

To develop and strengthen our Public Value Review programme

21. A key milestone has been reached with the Cabinet’s approval of the first **Public Value Reviews (PVRs)**. The PVR process is a fundamental building block in achieving the Council’s Medium Term Financial Plan required savings of £180 million over the next four years.
22. The PVR of Adult Social Care, Physical and Sensory Disabilities identified improvements in processes and ways of working that will give people more control over the services they need, while achieving savings of £8.2 million over the next three years, and then £3.5 million year-on-year by 2014.
23. The PVR of Recruitment identified potential savings of £1.18 million per annum by the end of 2012/13, achieved by reducing spend on recruitment advertising, reducing avoidable agency spend and developing an electronic interface with the Criminal Records Bureau (CRB). It also confirmed that in identified measurable elements of recruitment we are achieving benchmarks that rank us in the highest organisational performance.
24. Six other Public Value Reviews are currently underway - Looked After Children, Fire and Rescue, Waste Management and Minimisation/Recycling, Rethinking Surrey Highways, the Transport Coordination Centre and the Public Sector Estate. A further seven are developing their Terms of Reference – Road Safety, Children, School and Families, Adult Social Care - Older People, Libraries, the Contact Centre, the Chief Executive’s Office and the Countryside Service.

25. Learning from the first wave of reviews, the PVR approach and methodology has been strengthened. A key change is the introduction of gateways at the end of each stage with reviews reporting into the PVR Steering Board chaired by the Deputy Leader. There is also a stronger emphasis on the importance of independent challenge for each review and across the programme as a whole. Tim Wheadon, Chief Executive of Bracknell Forest Council joined the PVR Steering Board in January to provide that external challenge.

To accelerate our work with partners to identify and implement opportunities for genuine shared approaches

26. A lot of work is underway to strengthen our working relationships with partners and to develop together opportunities to reduce costs while continuing to deliver value for money for residents and businesses.

27. In March the Council, along with its partners in the **Surrey Strategic Partnership**, published the refreshed partnership plan 'Standing Up for Surrey', setting out how the Partnership will work together to preserve the things that make Surrey special and safeguard them in an uncertain future. The plan is underpinned by three-year targets and resources to deliver Surrey's priorities.

28. The partnership has also agreed to two total place pilots in Surrey. These will be led by Woking BC and Mole Valley DC and we will work closely with them to identify how Surrey residents can benefit from optimising the impact of the total resources available for identified areas.

29. In March, the Leader of the Council, together with partners from the Surrey Strategic Partnership, hosted "Have Your Say", a Question Time-style event for residents to raise questions on a variety of issues, including the environment and roads, health and well-being, education, business and other community issues.

30. Throughout 2010, the Corporate Leadership Team is visiting one **District or Borough** each month to hold joint meetings, discussing the challenges and opportunities each faces. These discussions have begun to identify important ways in which we can work together to increase value for residents in each area. Each authority has been assigned a member of CLT as a future strategic officer contact. These conversations can contribute to the development of a total place type agenda in Surrey.

31. Our relationship with the Primary Care Trust is crucially important. At present the PCT has an interim Chief Executive and there have been other significant changes in its senior management. The PCT is facing severe financial challenges. We are working with them to develop joint approaches to commissioning and providing services. We have also begun to explore the possibilities for shared organisational functions and assets.

32. The one-year **Drive SMART** joint initiative between Surrey County Council and Surrey Police is making good progress. The number of people who see anti-social driving as a problem has fallen from 48% in December 2008 to 42.6% in

December 2009. The public's confidence in the police to tackle anti-social driving in their neighbourhood has increased to 67.1% in December 2009 compared with 63.7% at the same time last year.

33. Surrey County Council has continued to work in collaboration with the **Voluntary, Community and Faith Sector** (VCFS), including through the **Surrey Compact** (public sector and voluntary sector organisations e.g. Boroughs and Districts, Surrey Police, NHS Surrey and many frontline and second tier VCFS groups). In 2009-10, the Council funded over £18m of services through the VCFS.
34. Progress has been made in the past six months to improve the way the Council works with partners to achieve efficiencies and improve service outcomes for Surrey residents. The Surrey Strategic Partnership has agreed a programme of **Total Place** pilots to explore opportunities for better local management of places to achieve improved outcomes for local people, to build social capital and to deliver services more efficiently. The programme includes two pilots at District and Borough level (Mole Valley and Woking) and four Priority Place pilots in those areas of Surrey with the highest levels of deprivation (Stanwell in Spelthorne, Maybury and Sheerwater in Woking, Westborough in Guildford, and Merstham in Reigate and Banstead).
35. Through **Surrey First**, public authorities in Surrey including Surrey County Council, the eleven District and Borough Councils and Surrey Police have been exploring ways of working together to secure improved value for money and better outcomes. The initial focus will be on Human Resources, Asset Management, Information Technology, Waste Management and Joint Procurement. These work streams are intended to begin to deliver savings for the partners by April 2011.
36. Work has progressed to procure new Highways contracts. A suppliers' conference was held in March 2010 and a contract advert was published in April 2010. Recommendations for new contractual arrangements from March 2011 are planned for December 2010 Cabinet. The new contract strategy differentiates between areas of work where the Council will be seeking sub regional collaboration to improve VFM, work that is the Council's core responsibility and work with the potential to benefit from local collaboration for example with Districts and Boroughs, Town Councils and Parish Councils.
37. Surrey and East Sussex have led the formation of a consortium of seven major Councils in the South East, the **SE7**, to use their collective purchasing power to drive down costs. A Memorandum of Understanding has been signed to allow them to investigate how they can agree major contracts as a unit. Four work streams have been identified: highways; special education needs; waste; and ICT. These work streams are intended to begin to deliver savings for the partners by April 2011.
38. A series of projects are underway to make it easier for residents to contact the Council and partner organisations and drive efficiency savings. Innovations such as **ePetitions**, (which from May allow residents to petition the Council and

Districts and Boroughs on-line, and the **Joined up calls** pilot in November 2010) could radically change the way the residents engage with the Council and other partners, as well as achieving greater value for money.

39. A supplier has been selected with partners to deliver the **Local Information System** (LIS). Surrey County Council and NHS Surrey have been working closely on the **Joint Strategic Needs Assessment** (JSNA) which will be a key building block in helping the Council and partners to understand Surrey's communities and target resources effectively. The LIS will provide a data repository; a powerful analytical tool for partners to interrogate, analyse and utilise information dynamically. It will allow the Council and partners to incorporate data and information into service planning and provision for the benefits of Surrey residents.
40. Surrey County Council is also working with partners to ensure the county is well prepared for the economic challenges and opportunities that lie ahead. The Council is working in collaboration with the Surrey Economic Partnership to produce a **local economic assessment** of the county. Due to be completed in September, this assessment will provide valuable information on Surrey's economic conditions, economic geography and the broad economic, social and environmental factors that impact on growth, as well as modelling future economic scenarios.
41. The Surrey Economic Partnership secured grant funding to establish the **Surrey Future Jobs Fund** to help offset the impact of the recession for Surrey's young people by creating jobs. With partners from the public, private and third sectors, the Fund will create 350 entry-level jobs by March 2011. To date 85 jobs have been identified to date, on track to reach the first target of 120 jobs created by August.
42. Alongside key stakeholders including Surrey Police, NHS Surrey, the emergency services and Districts and Boroughs, the **Surrey Infrastructure Capacity Project** is working to ensure the county's future infrastructure requirements are met with a model to manage the growth forecast in the South East Plan.
43. Surrey County Council has been actively working with Surrey Business Link to provide courses and training for business on how to bid for contracts. 61 businesses in Surrey have secured contracts related to the delivery of the **2012 Olympics**. This represents 50% of all Olympic contracts awarded to companies in the South East. A Steering Group made up of representatives from the Districts and Boroughs, the faith sector, Surrey NHS, Surrey Police and the tourism and business industry has been established to oversee the work of 2012.

To ensure we meet the Member Development Charter and implement fully the improved organisational development strategy

Member Development Charter

44. The Council has committed to achieving the **SE Charter in Member Development** within the next two years. Good progress is being made, through the Member Development Steering Group and using the support available for individuals through the IDeA to help Members develop the skills and knowledge needed for their role.
45. A key challenge has been to strengthen the role of Members in the scrutiny process. This has been enhanced through the Member seminar programme, with its strong focus on the issues facing the Council. More than half of all Members attended the localism seminar and were able to give their views on what localism means for Surrey. Members who attended the seminars on the Street lighting PFI and Rethinking Surrey Highways earlier in the year also directly contributed ideas to senior managers on the contract delivery programme and on service priorities.

Organisational Development Strategy

46. Much work across the Council is focused on defining and shaping a new culture for the Council, one that is fit for meeting the challenges of today and the future. The Council's **Organisational Development Strategy** underpins much of this work and is being constantly developed and improved through ongoing engagement with staff. Understanding the views and attitudes of Council staff will be critical to successful cultural change, and these are being harnessed both directly, for example, through the **Making a Difference** conversations, and indirectly, through regular staff surveys.
47. I was disappointed by the staff survey. There are aspects where we are performing well above local authority norms and/or where we have made significant improvements. Nevertheless, we are still some way short of where we are striving to reach and there are aspects where we do not seem to be making progress. The key message that I take from the survey is that where we have listened carefully and taken action we have seen important progress. It is important that we now have a consistent focus on staff motivation across the council.
48. As with all surveys it is possible to debate what is being said (particularly if there appear to be contradictory findings) or to speculate on factors that might have influenced a specific element. However, that is not particularly productive. Rather the senior management of the organisation is accepting the results as they stand and focussing on actions to address the key issues.
49. We will be concentrating on four themes: staff engagement; leadership; communications and managing change. Actions will be customised for service

areas aligned to the specific results from the survey. These will be integrated with our organisational development strategy. There will be an emphasis on increasing further the visibility of leaders and managers and focussing our coaching programme on improving performance. The MyWork programme is being implemented to modernise the way we work and this will be supported by simpler people policies.

50. The Organisational Development Strategy is driving the development of the Council's leadership, managers and wider workforce. A comprehensive **Leadership Development Programme**, due to begin in June 2010, will equip leaders with the confidence, skills and competencies required to transform organisational performance.
51. The annual **Leadership Workshop** for the top 450 managers was held on 12 May, based around the theme of 'Making a Difference'. The event provided an opportunity for senior managers to understand the challenges we face in more detail, to help drive forward and champion the values and objectives of the organisation and begin modelling the new ways of thinking and behaving.
52. Two **Strategic Challenge events** were held in November 2009 and March 2010. In collaboration with the IDeA, senior managers became local authority strategic leadership teams for a day. Over ninety senior managers from across the Council tackled key strategic issues in a competitive learning environment involving partners, stakeholders and Members. Further challenge events are planned for 2011 with participants drawn from across public sector organisations in Surrey.
53. The programme of **Leadership 'Lite Bites'** for leaders and managers has proved both stimulating and thought-provoking, using external 'thought' leaders to encourage new ways of thinking about how improvements can be delivered. Most recently, Matthew Taylor, Chief Executive of the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) who talked to senior managers about the 'Pro-Social Council' and, amongst other things, the need to enable and encourage citizens to engage actively in decision-making.
54. To support learning, development and performance for all staff, the **STARS** (Stretching Talent And Raising Skills) programme has been launched. Offering national standards training and development opportunities, the portfolio of programmes has been developed around the Council's corporate priorities, plus partnership working and building personal resilience. A series of Management Modules, accredited through the Institute of Leadership and Management, will equip the Council's middle managers with the skills, competencies and confidence needed to support the Council's organisational development goals. Change management will be a core module.

To embed approaches to quality assurance

55. In his report to Cabinet in June 2009 'Standing Up for Surrey – providing clear direction and strategic leadership', the Leader of the Council set out a

commitment to introduce a quality assurance system across the Council's services.

56. Over the past year the Council has made good progress in developing many elements of a quality management framework, including:

- finalising and publishing the **Corporate Strategy, Medium Term Financial Plan, Directorate Strategies and Business Plans and Service Plans**;
- ensuring **Step Ahead** personal objectives are directly aligned with Service Plans;
- revising the quarterly **Cabinet scorecard** so it reports progress against objectives for residents, performance, costs and staff;
- instigating quarterly **accountability meetings** between the Leader/Deputy Leader/Chief Executive and Portfolio holders/Strategic Directors;
- introducing **Public Value Reviews** which include a specific requirement to assess the adequacy of quality assurance systems; and
- refreshing the corporate **Data Quality Strategy and Action Plan**, which will be published in June.

57. The focus going forward is to pull all these elements together into a coherent quality management framework, to be developed in partnership with Bracknell Forest Council, providing both independent peer challenge with pooled resources to support project delivery and drive continued improvement. The Framework is due to go to the Cabinet in September.

To continue and accelerate improvements to quality and reducing costs

58. The **Medium Term Financial Plan 2010-2014** was approved by the Council in February. The challenge now is to ensure that the planned £180 million savings over the next four years are delivered. A change programme to coordinate the changes that this scale of efficiencies demands has been established to closely monitor progress and manage any risks to delivery. It reports directly to the Corporate Leadership Team.

59. For 2010/11, the budget and performance monitoring timetable has been streamlined so that Cabinet receives **monthly budget reports** and more timely **quarterly Cabinet scorecards**. The basket of key performance indicators used to measure performance across the Council has also been updated to help identify the areas in which we are progressing towards being world class and those where actions need to be accelerated. The Corporate Leadership Team will receive a monthly scorecard reporting progress against objectives for residents, performance, costs and staff.

60. A more strategic approach to investment, contracts and commissioning has also been developed. A new **Investment Panel** has been established to ensure a more rigorous approach to business case development, demanding a clear link to corporate and directorate strategic policies and objectives before approval to spend is given. Any spend from both the Invest to Save fund and the capital programme require the approval of the Panel chaired by the Strategic Director for Change and Efficiency.
61. The Council delivered over **£10 million cashable savings** in procurement during 2009-2010 and significantly exceeded the target of £4 million. This has been achieved by embedding a 'category management' approach by bringing together the design and commissioning needs of customers in front-line services with the Procurement team's market knowledge and understanding of the options available for sourcing particular goods and services.
62. Improvements in the way the Council manages **contracts** have yielded considerable savings, notably the highways contract where benchmarking of costs has enabled the Council to agree a reduction of £1.4m in 2009/10 and a further £2m for this financial year. Over coming months plans will be implemented to improve the contract management of all key contracts.
63. The Council's approach to **commissioning** has also been developed to ensure a consistent approach to the way services are procured and commissioned. This has been demonstrated through joint involvement in establishing Adult Social Care commissioning and procurement priorities and the development of a strategy for sensory impairment in Adults, and working with the Schools and Learning Directorate to re-commission schools support services.
64. On 24 May, the Council's Chief Internal Auditor presented the 2009/10 **Internal Audit Annual Report** to the Audit and Governance Committee. The overall audit opinion was 'Some Improvement Needed'. While a few specific control weaknesses were noted, controls were generally found to be adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should met. The report suggested a number of areas where further improvements could be made, and the Council will continue to focus on these over the coming year.
65. West Sussex carried out a Peer Review of emergency planning between 14 – 18 May. The Emergency Management team is now responding to the Review's recommendations with an action plan to ensure that our Business Continuity and Emergency Response continues to improve.
66. A number of key projects have been completed by **IMT** over the past six months, all of which support improved quality and reduced costs, particularly the successful completion of the SWIFT upgrade in February. A number of other key projects are due for completion over the coming months including the introduction of the Adults Integrated Solution (AIS) to support a new web based Self Directed Support Process for Adult Services; the Integrated Children System (ICS) as a new core system for the whole of Children's Service; Schools

Broadband implementation for more than 400 schools; a desktop refresh rollout to replace 7,000 PCs, Desktops and Laptops; and procurement to support new Library, Estates and Web Content Management Systems.

To agree and implement a genuinely localist agenda

67. A report inviting comments on this important area of work has been circulated to all Members, and partner organisations. It was discussed at two recent Member seminars and the key issues emerging to be taken forward are as follows:

- Establishing local structures that empower all Members.
- Improving the mechanisms for Members to feed information into the Council.
- Keeping Members better informed of activities or events in their wards.
- Improving the mechanisms for feeding back to residents – updating on progress or resolution of issues that they have raised either with Members or with local committees.
- Managing resident's expectations and ensuring they are better informed.
- Developing one-stop shops offering access to multiple services based in libraries, co-located with other public sector services, or even offered in other locations, such as supermarkets.

68. In addition to the seven key areas of focus set out above, a number of other significant issues were raised in the earlier progress report, which I would like to revisit.

Governance

69. At its meeting on 15 December 2009, the Council agreed the report and recommendations of the Governance Task Group. An action plan has been agreed to take forward the recommendations, with progress monitored closely by the Audit and Governance Committee. Some of the key developments that followed the Governance report are described below.

70. The **Member/Officer Protocol** has been revised to make clear the behaviours that are expected from Members and officers and how to raise concerns about behaviour. At the suggestion of the Governance Task Group the Standards Committee are reviewing the Protocol further to ensure that it adequately addresses expected behaviour. A task group has since been set up (including an independent representative, a Member and an officer) to review the Protocol against examples from other authorities to see if it could be further improved.

71. The **Standards Committee** has focused on raising its profile and promoting high standards of conduct. The Audit Commission carried out a survey of Members and officers on ethical standards in March to identify improvements in the last

year and areas for further attention. The Standards Committee will use the results from the Audit Commission's survey, reviewing any issues arising and agreeing further actions as necessary. A report on the findings of this survey will go to the Standards Committee in June.

72. Regular meetings have been set up with the **statutory officers** and the Chief Executive to discuss any issues within the organisation and areas for action or further training. These meetings are working well and have strengthened our approach to governance within the organisation.
73. In February the full Council meeting was webcast for the first time, attracting 859 viewers, some forty times the average number of people in the public gallery, and contributing to improved **transparency of decision-making**.
74. A programme of **division visits** is well underway with each member of the Corporate Leadership Team taking responsibility for eleven divisions. The visits are an opportunity for Members to showcase areas of excellence and also raise specific concerns and areas for action.

Leadership and strategic direction

75. The **strategic leadership team** was significantly strengthened earlier this year with the appointment to two key Council posts. In January, Susie Kemp joined Surrey County Council as the new Assistant Chief Executive, followed in February with the confirmation of Julie Fisher as the Director for Change & Efficiency.
76. Regular meetings continue to be held between the Leader and Chief Executive, Cabinet and CLT and individual portfolio holders and strategic directors. Regular joint **CLT and Cabinet workshops** have been scheduled throughout 2010 and are working well.
77. Senior managers in each Directorate have committed to significantly increasing their visibility by getting out across their patch in '**back to the floor**' exercises, working alongside staff, to engage and listen. This is providing an opportunity for senior managers to better understand the day-to-day experiences of customers and staff and to suggest changes where necessary.
78. Major improvements have been made in the last year in the number of **staff appraisals** completed. Performance has improved from 63% appraisal completion in the 2008 employee survey to 73% in the 2009 survey. We will continue to focus on this to further improve completion.
79. The **Chief Executive** has continued to meet with senior managers, to discuss issues relating to the financial challenges, how we are responding to them and Surrey's response to the different scenarios following the General Election.
80. A refreshed **Single Equality Scheme** 2010 to 2014 will be published in October 2010. The Scheme will set out the key priorities and commitments for the

Council to enable fair and accessible services, delivered by a skilled workforce. We have engaged Surrey's public, voluntary and private sector leaders in agreeing priorities to jointly address over the next four years. A series of sessions with equalities representatives such as Age UK and the Surrey Minority Ethnic Forum, involved our residents in having their say on our equalities progress and future priorities.

Evidence of improvement

81. It is clear from this report that a lot of hard work has been undertaken over the past six months to improve the performance of Surrey County Council. Much of the improvement can be quantitatively measured through progress against key performance indicators or delivery of financial and efficiency savings. Equally important as evidence of improvement are the views and feedback from the people who work for or with the Council (see Annex A). The numerous awards and recognition received by the Council and its services provides further objective testimony of just how far the Council has come over the past year (see Annex B).

Conclusion

82. Over the next six months we will continue to build on the sound progress we are making. We face some very difficult challenges and will focus particularly on:

Responding to the financial challenges we face

83. This will mean ensuring we are on track to deliver the savings set out in the Medium Term Financial Plan and using mechanisms like the Public Value Reviews and Investment Panel to challenge the pace and ambition of delivery. The Corporate Leadership Team will continue to spend one meeting a month tracking delivery across what we are calling the Change Programme and unblocking problems as they arise.

84. We are also preparing to respond to further reductions in year if required as a result of the proposed emergency budget from the government in June.

Working with partners

85. Relationships with partners are improving and various processes for joint working being developed. With our partners we have a responsibility to reduce the cost of what we do and get the best value for money. Overheads will be reduced and options for sharing buildings, administration and the purchase of goods and services will be developed.

86. This will include trying to develop more strongly opportunities across the South East region for councils to work together to reduce costs in the system and improve outcomes for residents and businesses.

Investing in Leadership and cultural change

87. Our staff are our greatest asset and we will continue to invest time and energy in ensuring staff are equipped to do their job as well as they can. This will be achieved by an innovative leadership programme which will include developing coaching skills, rolling out the Stars Programme and using the **Making a Difference** conversations to further explore the barriers to cultural change and how they can be overcome.

Working with the New Government

88. With the recent changes to the national political landscape, local government and the way public services are delivered will also change. The Conservative Liberal Democratic Agreement of 11 May 2010 says:

89. *“The parties will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include a full review of local government finance.”*

90. Surrey will want to ensure that it has a coherent voice and presence as the policy for Local Government is developed and to acknowledge the responsibility that falls upon us from having three Surrey MPs in the Cabinet to lead the way in developing innovative solutions to the problems we face as a nation. In particular there is an opportunity to accelerate our work with partners on localism which is very much in tune with the government vision of a “Big Society”.

Continuing to improve the way we work

91. We will continue to build on and further develop some of our basic management infrastructure. So we will continue to implement the recommendations of the Governance Task Force. We will continue to improve our IT systems and we will continue to embed a culture of performance management and quality assurance.

92. We have published an annual report for 2009-2010 that provides some key points about our work during that civic year. During the remaining six months of 2010 we will start to receive assessments from regulators and inspectors about our performance as an organisation and with our partners in our role as stewards for Surrey. They will provide further evidence for my end of year report in December.

93. I would like to thank all staff for their continuing efforts over the past six months. I am deeply appreciative of the way in which colleagues have responded to the challenges we face. I would also like to thank the Elected Members of Surrey County Council who have worked constructively with officers to find solutions to serious issues. I am confident that we have developed the right approach and strategies and that we will continue to improve despite the many obstacles in our way.

RECOMMENDATIONS:

That Council notes the report of the Chief Executive, thanks the staff of the council for the progress made during this year and confirms its support for the actions outlined to ensure continued progress.

Lead/Contact Officer:

David McNulty, Chief Executive, 020 8541 8018

Sources/background papers: Reports to Council, 15 December 2010

Annex A – Feedback about progress

- **Staff**

“I like the emails from David communicating key changes – a clear message from the CEO makes a difference”

“it feels like the council is moving forward in a positive way”

“Sarah Mitchell is accessible and personable – she breaks down barriers and tackles hard issues, but keeps you informed

- **Partners**

Recent comments from partners include:

“In the last year or so there has certainly been a real change for the better in terms of communications and a genuine feeling that we are working together as equal partners on the future shape of public services in Surrey”

(Chief Executive of Elmbridge Borough Council)

“It is a major achievement that Surrey has scored the best results in the country for the confidence of the public in the local Council and the police in dealing with local concerns about anti social behaviour. I have seen a very significant increase in the county's tactical activity and commitment around working with the Police to deal with anti-social behaviour. This has been spearheaded by the success of the various phases of Operation Quake and the joint County Council/Police Drive Smart campaign.”

(Chief Constable, Surrey Police)

“A feature of the last 12 months has been the emergence of a much more productive relationship between the County Council, and the Boroughs and Districts. This is very much to do with the positive change in political and managerial leadership at the County... That has been borne out not just by the Surrey First project (where David McNulty's leadership and support have been both pivotal and compelling), but also with the Surrey Public Sector Estates Review. Led by the county (and as part of the Surrey First umbrella), that project has engaged all Surrey Council partners to the point where all have signed up for Gateway 2 – a very significant achievement. It speaks loudly to both the County Council's leadership and support, and to the willing commitment and co-operation of the Districts and Boroughs”.

(Chief Executive of Surrey Heath)

In December 2009 leaders from Surrey County Council and NHS Surrey attended a meeting with the Rt Hon. Dawn Primarolo MP, then Minister of State for Children, Young People and Families to review progress on the Improvement Notice following the Joint Area Review. The Minister recognised that:

“the foundations for a strong children's social care service have been laid and that the challenge is now to embed change across the whole of children's services in Surrey and the wider county Council”

“It was clear from the discussions that Surrey are actively engaging with the improvement agenda necessary to move out of the Priority Improvement Council status category. While we continue to monitor that journey, we are hopeful of a successful outcome in the Annual Performance Assessment as a result of your teams' hard work”. (Roxy Boyce, Regional Director SE, Care Quality Commission discussing progress in adult social care)

Annex B – Awards won and examples of best practice in the last six months

Awards

- The **Shared Services Centre** became the first service area of the Council to be awarded the Customer Service Excellence (CSE) Standard. CSE, the Government's standard for customer service, places particular emphasis on delivering in the areas that are important to customers.
- Beverley Baker, Head of **Commercial Services** was named winner of the 2010 Education Award at the Cost Sector Catering Awards.
- The **Contact Centre** was recognised as a centre of excellence by the professional body for customer service. The Centre has been awarded a Service Mark from the Institute of Customer Service (ICS) - the national customer service standard that takes customer views into account.
- **Surrey Police and Surrey County Council** won a Fresh PR award for work on anti-social behaviour on Halloween and Bonfire night.
- The **2012 team** was nominated for an award for Personal Best project, a National Training Award under the category of Partnership and Collaboration category. The project works with under 25 year olds that are out of work and provides them with the skills to move into employment.
- **Surrey Arts** has been judged as an outstanding service following the recent Peer Moderated Review of music service provision.

Best practice

- The **Surrey Channel Strategy** is being promoted as a model of best practice to local and national government. A number of Councils have already adopted the template including Kent County Council. The Society of IT Managers (SOCITM) has asked for a presentation at their national conference in Birmingham.
- **Adult Social Care** has been chosen to test a national policy that aims to give more choice and control to disabled residents over the care and support they receive. The Office for Disability Issues announced that the Council and its partners have been designated as an official Trailblazer for the Right to Control scheme.

Annex C : Summary of key elements in staff survey

The 2009 Employee Survey results show some strong improvements. SCC is out-performing against the local authority norm in areas such as:

- a. **Communicating the reasons for change:** 8% above the local authority norm (LA norm). Our performance in 2010 represents an 11% increase over 2008.
- b. **Usefulness of appraisals for work and responsibilities:** 7% above the LA norm
- c. **SCC as an equal opportunities employer:** 7% above the LA norm
- d. **Staff feeling valued and recognised for their work:** 3% above the LA norm
- e. **Feedback on performance:** 3% above the LA norm

There have also been significant improvements in key areas that have been the subject of a significant drive since the last survey.

- a. Our performance in **Top Management are interested in listening to employee opinions** is up 13% from last year and
- b. **Top Management's vision of where SCC is going** is up 11%.
- c. **Appraisal completion** is up 10% over 2008.

All of these areas need work to improve our performance further, however it is clear that when the energy and effort is concentrated, it really makes a difference to progress.

Our performance equals the local authority norm in

- a. **overall job satisfaction, line management approachability,**
- b. **work life balance,**
- c. **feeling part of a team** and
- d. **service advocacy**

The Employee Survey has also highlighted key areas where we need to improve our performance, for example:

- a. **Pride:** 9% below the LA norm
- b. **Employer advocacy:** 6% below the LA norm
- c. **Amount of information provided to staff:** 19% below the LA norm
- d. **Senior Management vision of where SCC is going:** 7% below the LA norm
- e. **Treatment of staff with fairness and respect:** 4% below the LA norm
- f. **Change management:** 4% below the LA norm