

Notice of Meeting

Corporate Overview Select Committee



Date & time	Place	Contact	Chief Executive
Thursday, 25 October 2018 at 10.00 am	Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN	Huma Younis or Joss Butler Room 122, County Hall Tel 020 8213 2725 or 020 8541 9702 huma.younis@surreycc.gov.uk or joss.butler@surreycc.gov.uk	Joanna Killian
If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email huma.younis@surreycc.gov.uk or joss.butler@surreycc.gov.uk.			

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Huma Younis or Joss Butler on 020 8213 2725 or 020 8541 9702.

SUPPLEMENTARY AGENDA

5 SURREY COUNTY COUNCIL ORGANISATION STRATEGY 2019 - 2023 AND 'OUR PEOPLE 2021' STRATEGY (Pages 3 - 34)

To update the Corporate Overview Select Committee on the new Surrey County Council Organisation Strategy 2019 – 2023 and ‘Our People 2021’ Strategy.

Please find attached,

- *Organisation Strategy 2019-2023*
- *Our People 2021: Workforce Strategy*

6 PRELIMINARY FINANCIAL STRATEGY (Pages 35 - 64)

In advance of the publication of the Council’s Preliminary Financial Strategy, this report sets out the scale of the challenge facing the Council and its approach to setting a balanced budget for 2019/20.

Please find attached,

- *Preliminary Financial Strategy 2019-2024*

**Joanna Killian
Chief Executive**

Published: Monday 22 October 2018

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Thank you for your co-operation

ORGANISATION STRATEGY

2019 – 2023

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Item 5

OUR ORGANISATION STRATEGY IS OUR RESPONSE TO AND CONTRIBUTION TOWARDS THE COMMUNITY VISION FOR SURREY IN 2030

We share in the long term vision for Surrey, and we will work alongside residents and partners to realise it. This is our plan for how, over the next four years, we will work towards achieving the outcomes in the vision, and focus on making a real difference to residents' lives.

OUR PURPOSE AND ROLES

Everyone has a role in delivering the Community Vision for Surrey. Collectively as partners we need to work better together, and each of us has an individual responsibility to contribute to achieving the outcomes in the vision – this includes us at Surrey County Council. We have a democratic mandate to represent and be a champion for all residents, and to deliver the best possible outcomes we can. We will focus on supporting the most vulnerable people in our communities, and those who do not have the means or resources to help themselves. This will involve truly understanding residents' needs, involving them as early as possible in service design and decision making, and using our resources in the most effective and efficient way. But as the resources available to us become more and more stretched, the way we will deliver will need to take multiple forms:

- Sometimes we will be the organisation delivering a service
- Sometimes we will do this alongside other agencies
- Sometimes we will pay another organisation or business to deliver services
- And sometimes we will make resources and support available for communities to help themselves.

Against each outcome in the Community Vision for Surrey in 2030 we have set out our priority deliverables - centred on the themes of People and Place - and a section about the Council, and we will be held to account for our contribution to the vision. We have also set out our strategic principles, themes that are important to us, and will drive our focus and approach over the next four years.

A COMMUNITY VISION FOR SURREY IN 2030

In the summer of 2018 many people provided their views about what they wanted Surrey to be like as a place to live in 2030. Residents, council staff, businesses, universities and organisations from the public, voluntary, community and faith sectors talked about what they valued, and what their hopes were for the future. This extensive engagement activity produced a shared Community Vision for Surrey in 2030

By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

We want our county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

Our ambitions for people are:

- Children and young people are safe and feel safe and confident
- Everyone benefits from education, skills and employment opportunities that help them succeed in life
- Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing
- Everyone gets the health and social care support and information they need at the right time and place
- Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life

Our ambitions for our place are:

- Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities
- Journeys across the county are easier, more predictable and safer
- Everyone has a place they can call home, with appropriate housing for all
- Businesses in Surrey thrive
- Well connected communities, with effective infrastructure, that grow sustainably

OUR FOCUS FOR THE NEXT FOUR YEARS - STRATEGIC PRINCIPLES

Surrey the place and the context within which the council, other public and voluntary, community and faith sector partners and businesses operate has significantly changed over the last decade and will continue to do so. Some of the main challenges include population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints.

Evidence tells us that while many residents and businesses thrive in Surrey, not everyone has the same opportunities to flourish. Surrey is an affluent county and this image often masks the problems that some residents face, such as domestic abuse, difficulty finding appropriate housing or homelessness, and mental health issues. As we respond to these challenges we will:

- **Focus on ensuring no one is left behind**

We know that some residents experience a poorer quality of life than their neighbours, and this isn't good enough. We want to work alongside people and their communities to help break down the barriers they face and support them to access opportunities that will improve their quality of life. This means focusing our support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves.

- **Take a fresh approach to working in partnership**

The Community Vision for Surrey in 2030 is a shared one – the council has a key role to play but cannot deliver it alone. Partnership provides the key to unlocking the strengths inherent in communities, businesses, public and civic life through sharing skills, insights and experiences to enable us to make changes. All of us will increasingly face volatility, uncertainty and complexity and our services are becoming more integrated, our resources shared or pooled and our staff deployed more flexibly. This is a significant moment to re-affirm a collective commitment to build on existing partnerships and extend and enhance them for the benefit of Surrey residents. As partners we will work together to articulate a renewed commitment and focus to delivering the best possible outcomes for people in Surrey. This will involve joining up and innovating in new ways and taking a fresh, place-based approach to leadership.

- **Support people to help themselves and each other**

Individuals and communities lead better, more fulfilling lives the more they help themselves and each other and remain independent for as long as possible. There is a huge voluntary, community and faith sector in Surrey doing much good work, but there is an opportunity for more people to be involved in these groups, as well as being 'good neighbours' to the

more vulnerable people in their communities. We will explore ideas with residents about how they can help themselves and each other more. There is also an opportunity for public sector organisations, voluntary, community and faith sector bodies and other stakeholders to work in partnership to build a new type of relationship between residents, communities and organisations focused on who is best placed to deliver outcomes for people in Surrey. With partners, we will explore the idea of 'deals' to develop a shared sense of responsibility for delivering the vision and achieving the best outcomes for residents.

- Involve and engage residents earlier and more often in designing and delivering services, and responding to challenges**

Residents have told us that they want public sector organisations in Surrey to be better at listening to their needs and concerns through more meaningful engagement with local communities in decision-making processes. We want to design services so that the right people, including residents, come together to first understand the issues and then work together to decide what we can do collectively to improve outcomes.

OUR CONTRIBUTION TO THE COMMUNITY VISION FOR SURREY IN 2030: STRATEGIC ACTIVITY

To be able to contribute to making the Community Vision for Surrey in 2030 a success, our role has to fundamentally change. We do not expect a major injection of funding from Government any time soon, so it is clear that we will be unable to do all the things we have done to this point. We need to prioritise those services that matter most to residents, and will have the biggest impact on improving people's quality of life. We will focus on carrying out a smaller number of activities, but in a more effective way.

Our contribution also does not mean we will simply deliver services - our democratic mandate and leadership role for the county puts us in a unique position. We can use this to support communities to help themselves and increase their responsibility for making their own lives better, or to work with Government and local partners to develop solutions together to improve life in the county. Given the limits on our resources, we also need to work smarter and put ourselves on a sustainable footing. We will organise our money, people and other resources in ways which improve outcomes for residents and focus on where it makes sense for us to do so. We will also make our decisions based on the best evidence available, so we are able to maximise the benefits for residents from every single pound of income we get.

CHILDREN AND YOUNG PEOPLE ARE SAFE AND FEEL SAFE AND CONFIDENT

We have a key role in supporting children, young people and families to get the best outcomes in life. Our services haven't always lived up to our aspirations, and we are taking steps to address this. Our priority is that children and young people are safe and feel safe and confident. The key to success is to make sure the voices of children, young people and families are heard so they can shape how we work with them to get the best results. This means providing accessible help and support, as timely as possible, to ensure they are resilient, independent and confident in their future. Our services include safeguarding vulnerable children and young people and providing early help to identify and address problems before they escalate.

We will:

- Work in partnership to strengthen protection and safeguarding and use the full spectrum of services to intervene as early as possible
- Work with partners to better our universal services and early help offer to promote and improve the wellbeing and welfare of children and young people
- Focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions
- Provide practical advice that builds resilience for children, young people and families, enabling them to make positive choices and resolve their own difficulties before accessing services
- Improve our caseload management to ensure practitioners have the capacity to support and meet the needs of children and young people
- Improve the quality of foster care and its availability to ensure looked after children and young people are able to remain in Surrey and experience the support and stability they need

EVERYONE BENEFITS FROM EDUCATION, SKILLS AND EMPLOYMENT OPPORTUNITIES THAT HELP THEM SUCCEED IN LIFE

Surrey is fortunate to have a well-educated working age population - over half are qualified to degree level - a range of high performing schools and a good employment rate. These good news stories can mask the experiences of some people in Surrey who have fewer opportunities, and are less likely to be employed or doing well at school. We are committed to supporting all residents to maximise their education and employment opportunities so no-one is left behind.

We will:

- Work with schools to support all children and young people to achieve their full potential
- Support improvement of educational outcomes for children and young people with special educational needs and disabilities
- Collaborate with partners to help prepare people of all ages for employment through offering and supporting volunteering, work experience and apprenticeship opportunities
- Work with partners to improve access to careers and training information, advice and guidance
- Promote and inspire science, technology, engineering and maths (STEM) training and career opportunities to fill future gaps in key sectors of Surrey's economy

EVERYONE LIVES HEALTHY, ACTIVE AND FULFILLING LIVES AND MAKES GOOD CHOICES ABOUT THEIR WELLBEING

Helping residents to stay healthy and well is a priority for us. We work closely with partners to address health inequalities in the population. We commission services based on evidence, targeting the greatest health and wellbeing needs to secure better health outcomes for the population. Our services are likely to be well recognised by residents, such as stopping smoking services, programmes to promote physical activity, responsible drinking and our sexual health services.

We will:

- Work with partners to address the wider determinants of health such as housing, the built environment, air quality and healthy workplaces that impact on the physical and emotional wellbeing outcomes of residents
- Provide public health information to enable people to make decisions about their health and emotional wellbeing that are based on what is effective and what is available locally to support them
- Improve the life chances of our residents with a key focus on the most vulnerable by supporting them to make healthier lifestyle choices, reduce loneliness and help them actively contribute to their communities

EVERYONE GETS THE HEALTH AND SOCIAL CARE SUPPORT AND INFORMATION THEY NEED AT THE RIGHT TIME AND PLACE

Surrey's population is growing rapidly, with more people living longer, consistently high birth rates and high migration levels. We have a responsibility to respond to the growing shared health and care needs that come with these population changes while taking into account increasing resident expectations. To ensure residents can stay as healthy and independent as possible we support those with social care needs and work closely with partners to provide effective, integrated health and social care services. This is centred on ensuring people receive care as soon as they need it and are able to move smoothly through health and care services while using the resources available to them.

We will:

- Reduce the number of people unnecessarily entering and re-entering our services by changing the conversation we have with individuals, families and communities at our 'front door', so they can make better use of all the resources available
- Develop new models of community care to support the independence and well-being of residents
- Work with residents and partners to develop shared prevention projects that encourage lifelong, healthier lifestyle choices
- Help people to help support themselves, where appropriate, including through digital innovations such as online referrals and accounts and greater support to self-assess and self-serve
- Work with all health partners, including acute hospitals, GPs, community services and mental health, to deliver integrated models of health and social care that reduce the need for people to go into hospital wherever possible, and facilitate returning home

COMMUNITIES ARE WELCOMING AND SUPPORTIVE, ESPECIALLY OF THOSE MOST IN NEED, AND PEOPLE FEEL ABLE TO CONTRIBUTE TO COMMUNITY LIFE

We will focus our support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves, to ensure no-one is left behind. Residents feel a strong sense of community in their local area, with people from different backgrounds enjoying their communities together. We see our role as supporting communities to help themselves, and together with partners and residents, we all share a responsibility to maintain the community feeling by fostering an inclusive and secure place for everyone.

We will:

- Work better with public, voluntary, community and faith sector partners to help support local communities and the well-being of residents
- Support communities to be resilient by providing them with information and resources to be responsive to their local needs and issues
- Encourage communities to be inclusive and give them the ability to support the vulnerable and those who could be left behind

RESIDENTS LIVE IN CLEAN, SAFE AND GREEN COMMUNITIES WHERE PEOPLE AND ORGANISATIONS EMBRACE THEIR ENVIRONMENTAL RESPONSIBILITIES

Residents say they value living in Surrey as it is clean, has a number of open, green spaces, including some Areas of Outstanding Natural Beauty, and feels safe. They are clear that they want these aspects of Surrey to be preserved for future generations, pollution to be minimised and for Surrey to continue being a county with a low crime rate. People and organisations in Surrey are individually and collectively responsible for being mindful of their impact on their local environment and helping their communities feel safer.

We will:

- Work with partners and residents to continue minimising the amount of waste sent to landfill
- Improve access to the countryside, conserve and protect its biodiversity and work towards making it financially sustainable, while encouraging residents to use green spaces, increase physical activity and improve their mental health and emotional well-being
- Reduce our carbon footprint through rationalisation of our operational and non-operational estates, and supporting new, agile, ways of working across our workforce
- Collaborate closely with leaders on community safety, such as Surrey Police, to help communities feel safer and focusing on priority areas such as domestic abuse, serious organised crime, modern slavery, human trafficking, counter terrorism and road safety
- Work with partners to reduce the impact of emergencies such as fire and floods on communities

JOURNEYS ACROSS THE COUNTY ARE EASIER, ARE PREDICTABLE AND

SAFER

Surrey has some of the busiest transport infrastructure in the country. We are responsible for 3,300 miles of roads, which are well used, with a rising trend of vehicles registered within the county, rising volumes of traffic and higher than average daily traffic flow. While 62% of residents commute by car, Surrey is well served by a busy rail network, with main and branch lines connecting London to the South East and South West running through Surrey.

We have a role in maintaining Surrey's transport infrastructure to enable residents to travel as freely and easily as possible. This includes working within partnerships, such as Transport for the South East and Local Enterprise Partnerships, to influence and support investments in infrastructure.

We will:

- Encourage our workforce, partners and residents to use low-carbon and environmentally sympathetic means of transport across the county wherever possible
- Maintain Surrey's highway network, and work with third party utility companies who work on Surrey's roads, to minimise their disruption to residents
- Engage with key stakeholders to help people travel within the county quickly, easily, safely and efficiently
- Collaborate with partners, including public transport providers, district and borough councils and the voluntary, community and faith sector, to help support those who are physically and financially unable to provide their own transport

BUSINESSES IN SURREY THRIVE

Surrey has a strong economy with highly skilled residents contributing more to the national economy than the South East and England averages. The county is attractive to business, with a high proportion of active enterprises providing higher than average earnings and disposable household income. Surrey is uniquely positioned between international airports, Heathrow and Gatwick, and hosts some of the world's leading companies. Whilst Surrey's economy is strong, it has above national average skills gaps and skills shortages, and without some investment and interventions Surrey's growth pattern will slow down significantly.

Economic growth in Surrey will improve both the health and wellbeing of residents, as well as general living standards. An important part of our strategy is to encourage everybody to think about how to deliver social value, which means people using their own resources to make positive changes to the lives of others in the local area. We will encourage businesses to use their skills and time to deliver social value to communities.

Alongside partners, we want to play our part in targeted strategic development, helping to upskill residents and continuing to attract, incentivise and grow high growth industries within the county. We also have a responsibility to safeguard people against workplace exploitation through our duties to work with partners to tackle modern slavery.

We will:

- Help to ensure that Surrey's young people and adults have the qualifications and skills required by local businesses and employers, particularly in growing sectors, to enable them to have successful and stimulating careers now and in the future
- Maintain Surrey's established reputation as a place for businesses to invest and prosper, while supporting them and their employees
- Work with Local Enterprise Partnerships, districts and boroughs, universities, businesses and other partners to promote economic growth. In particular, establish a positive strategic context for growth, make the case for additional investment in the county and develop support for business growth and enterprise
- Encourage businesses to use their resources to create social value in the communities where they work
- Work with Surrey Police and wider partners under the Modern Slavery Act 2015 to boost awareness of, and identify and defend against, workplace exploitation within our organisation, our sub-contractors and supply chains

EVERYONE HAS A PLACE THEY CAN CALL HOME, WITH APPROPRIATE HOUSING FOR ALL

Surrey is a growing county and people value the opportunity to live here. Everyone deserves to have a place to call home and residents are clear that the county needs more affordable and social housing, while maintaining its green spaces and natural assets. Alongside partners, we help provide housing for vulnerable residents, such as accommodation with care and support. By working with partners, our role is to help facilitate the county's housing needs – which means enabling housing growth, developing the infrastructure to support this and maintaining spaces that residents cherish.

We will:

- Make better use of available land and property, where possible, to help deliver appropriate housing for residents
- Work with partners to deliver more housing options for key sector workers
- Work with Surrey's one public estate team and other partners to deliver new affordable and social housing for residents, contributing to Surrey's growing communities

WELL-CONNECTED COMMUNITIES WITH EFFECTIVE INFRASTRUCTURE THAT GROW SUSTAINABLY

Surrey is home to a mix of different communities, some of which are more connected – physically and digitally – and possess more available infrastructure than others. As the county grows, we have a responsibility to develop Surrey's communities - ensuring they all experience modern connectivity and accessible infrastructure that supports them; including schools, transport, retail and health services. This will ensure communities can continue to prosper and have the support to enable them to develop. Where communities are being regenerated, we will work with everybody in the area to create opportunities for people to both contribute and benefit from the changes in a way that makes the growth sustainable. At the same time, we will work to preserve the distinctiveness of individual communities.

We will:

- Work with industry leaders and partners to ensure communities have the available opportunities to contribute and benefit from the changes that growth brings
- Ensure better digital connectivity and facilitate accessible infrastructure across rural areas
- Work better with partners to develop existing infrastructure such as community facilities, schools, retail, transport, health services and other public sector services
- Work with developers, partners and funding bodies to improve and grow Surrey's transport and digital infrastructure so that it meets the needs of growing communities

HOW WE WILL TRANSFORM AS A COUNCIL:

To successfully deliver our contribution to the Community Vision for Surrey in 2030 with the resources we have available, we need to transform our organisation and its culture. We have some experience to draw on as we have already made changes to the way services are delivered, and made £540 million of savings since 2010. But now the size and scale of the challenges and opportunities facing us mean an accelerated, systematic and coordinated approach is needed. We are purposefully redesigning the council and how things are done so there is the capacity and capability to succeed now and in the future.

Our focus areas are:

- **Financial management**

We will spend public money in the most efficient and effective way so that we can have the greatest impact on improving people's quality of life. Over the last eight years we have worked hard to contain the pressures on our budget but we've also had to make use of our reserves. Like most other councils, we're facing unprecedented increases in demand for services and rising costs, and we need to balance our budget without having to use our savings. We will put in place robust, resilient and effective financial management to support the council's transformation and achieve a sustainable financial position.

- **Our culture**

The organisational culture directly affects our performance and ability to deliver the best possible outcomes and value for residents. The culture of the organisation has evolved over many years. As the council's role and impact changes, how we think and behave as an organisation also needs to adapt and develop. We know from surveys, analysis and member and staff feedback that we need to change the course of our present culture towards one that is agile, outward-looking, collaborative, open and focused. We will develop new patterns of thinking and working that reflect the modern society in which we operate and enable the organisation to effectively adapt, change and perform sustainably, in line with the

Community Vision for Surrey and this strategy. This will involve and require the contribution of every single person leading and working for us.

- **Our people**

Our staff are our ambassadors and are crucial to the successful delivery of the priorities our residents have articulated. We will share the Community Vision for Surrey so we all understand our role in achieving it. As we transform as a council we will have a smaller, highly productive and motivated workforce which is flexible and mobile. We will foster honest, open and constructive conversations that enable all staff to be involved in shaping the council and its work. Staff at all levels of the organisation will focus on working collaboratively - internally and externally with partners - to deliver outcomes within the budgets available.

- **Digital council**

To keep up with the digital demands of society we need faster, quicker and better public services, available through multiple channels and devices, and available any time. We will exploit these digital advances to the benefit of residents and staff. We will invest in digital technologies that will drive service transformation, reduce costs and enable us to become a truly digital council. We will use digital technology to innovate and reshape how local services are designed and delivered to help meet the challenges of the future.

- **Customer experience**

We will get better at seeing things from a resident's perspective, giving customers a more consistent experience while reducing costs. Currently, customers have to transact, interact and get information from us a number of times in different ways. We will create an improved customer experience by streamlining and simplifying this to a single point of contact where appropriate. We will also make better use of technology to improve online self-serve options, so people can access and use our services at times and places that suit them. We know that some of the most vulnerable residents and customers may not be able to make use of these digital options so people will still be able to use other communications channels so they are not excluded.

- **Commissioning**

We believe commissioning - how resources are used to meet residents' needs - should be about the right people coming together to first understand the issue (what's the need and what are the capabilities of the people or place) and then working together to decide what we can do collectively to improve outcomes. It is about how we bring together all possible resources around an identified need including communities, the council and partner organisations, and the organisations providing the services. We will develop a single approach to how we use resources to meet residents' needs (an integrated commissioning framework) across the council, lead on developing and implementing a joined up approach for delivering public services across Surrey to deliver improved outcomes for residents (a commissioning hub for public services), and work with partners to support an ambitious health and social care devolution agenda.

- **Data and insight**

We will improve the way we use our data. Currently there are significant gaps in our approach to performance management and insight – hindering our decision making and the achievement of improvements and savings. We will improve our performance management and analytical capabilities by adopting a shared single view of our performance and activity, accompanied by data and insight that is easily available and can be used in decision making across all levels. We will use these improvements to target services and support more effectively to meet residents' needs and increase transparency so it's easier for people to understand what the council is doing. This will drive the council's transformation work, decision making, commissioning and continuous improvement. We will develop strong links between this work and the development of a Surrey-wide data and information hub.

- **Property**

We own buildings to deliver services to residents, run the council, and generate income that can be re-invested back into services. Our use of buildings will change as we take opportunities to provide services in different ways with, for example, more online services. Many of the buildings we currently operate from are not modern and do not reflect the way in which the design of future services will develop. We will

review our property needs so that we create an estate that is multi-use, better supports modern ways of working, and will create income revenue, homes and jobs in Surrey. Our strategy will enable our staff to be more mobile and work flexibly, services will be better located and more accessible to residents, and where possible, co-located with district and borough and other community services.

- **Governance**

We want to adopt a fresh approach to governance which replaces the current traditional models and processes in favour of processes that support swift and effective decision making. We will minimise the levels of bureaucracy and stop those processes that slow down decision making – making sure the right people are involved at the right time, producing better outcomes in decision making. This involves providing officers at all levels with greater autonomy accompanied by more accountability. As a democratic organisation we will increase transparency by fostering genuine and meaningful involvement from residents and partners in decision making processes.

MEASURING SUCCESS

Success is determined by the collective ability of public sector organisations, the voluntary, community and faith sector, businesses and residents to achieve the outcomes set out in the Community Vision for Surrey. Each individual organisation has a responsibility to contribute towards achieving the outcomes but success will be a result of our combined efforts. Knowing if we are making the progress we all want to see will rely upon transparent and accountable performance monitoring.

Annually we will publish success measures which clearly track our performance and delivery towards the vision outcomes. We will develop an outcomes-based performance framework with indicators that will track and monitor our progress. Every individual in the council should be able to link their daily work back to the deliverables set out in this strategy and the Community Vision for Surrey.

Scrutiny will be an important part of the process to ensure we remain on track. This will be internal through the council's scrutiny processes but also through the inclusion of partners and residents in our performance monitoring process to ensure a comprehensive evaluation of progress.

OUR PEOPLE 2021: WORKFORCE STRATEGY

October 2018

INTRODUCTION

Surrey County Council's Organisation Strategy sets out how the Council will work with residents and partners and direct its resources to where they will have the most impact to deliver the Community Vision for Surrey. The corresponding Preliminary Financial Strategy and Transformation Programme will not only secure the Council's financial sustainability but will also transform the function, form and focus of the organisation.

As part of this strategic agenda, 'Our People 2021' is our plan for the current and future workforce of the Council. Our staff are our ambassadors and are crucial to successful delivery of the Organisation Strategy and consequently, achievement of the ambitions for Surrey as set out in the Community Vision.

'Our People 2021' sets out how we will develop the capacity and capability of our workforce to achieve our priority strategic outcomes for Surrey residents, ensure the effectiveness and efficiency of the Council, create a high performance culture and drive wholesale transformational change.

CONTEXT & VISION

Feedback from staff is that their work is an important part of their lives, they believe they can make a valuable contribution to the success of the organisation and they love their job. But they are frustrated about the way the Council operates. Staff have said that they really want things to change and they see that, with the right leadership and support, along with a shared vision, there is hope for a different kind of organisational culture.

To become a successful and high performing Council with an enthused and engaged workforce we need to be a sustainable, outward looking, optimistic organisation that manages change really well, is achievement orientated, works collaboratively at all levels (internally and externally) and designs interventions that go to the heart of the matter.

Our challenges include the demographic make-up of our workforce:

- 4.9% of staff are under the age of 25 against a UK average of 14%
- 33% of staff have more than ten years service
- 40% of staff are likely to retire in the next ten years
- 1.7% of the workforce is undertaking apprenticeships, against a government target of 2.3%
- voluntary turnover is comparable with the UK average at 12.4%, but 25% of turnover takes place within the first year of employment
- 22% of our social work workforce is agency

Through the Transformation Programme we have identified important cultural implications. We need to:

- develop change leaders as opposed to organisational leaders.
- deduce hierarchies, break down silos and take a value add view of the way we design our work
- improve partnership working, overcoming real or perceived barriers to collaboration
- embrace our changing role in enabling and facilitating, as opposed to providing services
- effect radical cultural change, driving a culture of innovation, accountability, agility and risk awareness

Staff feedback from the Community Vision for Surrey roadshows echoes these aspirations, with people saying that we need to:

- improve how we work together, remove silos and strengthen external partnerships;
- remove bureaucracy, simplify processes and speed up decision making;
- be more open and transparent, set clear direction and improve communications within and between teams;
- simplify and make more equitable our pay and reward offer;
- improve development opportunities so that we retain good staff;
- manage change better; and
- improve our working culture and staff morale.

STRATEGIC DIRECTION

'Our People 2021' uses the quantitative and qualitative data and insight summarised above to focus on the areas that our staff have told us are important to them and will have the greatest impact on the performance of the organisation. Strategic themes are:

Organisational Design

The future design of the Council will have fewer layers and greater spans of control (applying a default six by six model in most cases), which will not only realise direct savings but will also help to create a more agile and effective organisation, enabling improved communications and engagement and facilitating faster decision making.

Individual and Collective Leadership

With fewer management layers, the work and impact of leaders at all levels of the organisation will be critical and will focus on working collaboratively to deliver sustainable high performance and change. Clarity about the leadership the Council needs now and into the future will drive how we develop existing leader as well as attract and retain new ones with the qualities needed to deliver outcomes that make a real difference within the financial envelope available.

People Development

Our focus will be on becoming an organisation with a strong reputation in local government for being “the place to work”. This will go far beyond additional training and development; we will design and develop the organisation and within it the roles, leadership, management and work itself that stimulates and enthuses talent.

Employee Engagement

How we involve and engage with staff will be fundamentally different and reflect the organisation we need to be for the future. We will move to an approach where all forms of communication foster honest and open conversations that enable information to flow and staff to be truly involved and connected with delivering the Community Vision for Surrey, strategies and outcomes for our communities.

Pay and Reward

We will put in place pay and reward arrangements that are effective, affordable, simple, transparent and recognise and reward the impact, outcomes and behaviours needed to deliver organisational outcomes and cultural change.

Performance and Achievement

Alongside reviewing the Council’s pay and reward strategy, we will design modern, progressive approaches that support honest performance discussions. We will invest time, focus and commitment to improving individual and organisational performance and delivering outcomes.

Work and Job Design

Work, roles and objectives will be designed to focus on delivering outcomes as opposed to outputs and processes. This will encompass agile and digital working; the majority of our staff will be able to work anytime, anywhere, supported by the right technology and an outcome focused management style. Encouraging and enabling staff to innovate, make decisions and focus on what really matters will also be critical.

Human Resource Planning

Forward planning for the Council's workforce of the future will be critical to the organisation's longer term success and so we will use data and insight to forecast the organisational capacity and capability needed for the future and develop strong succession planning strategies in response to this.

People Management Practices

Our focus on what's important for managing our people will be reflected within our people management policies and practices. We will design, plan and execute these to ensure they are effective, simple and reflect a whole organisation approach but also enable people and managers to perform effectively at a local level.

Individual and Organisational Resilience

Individuals, teams and organisations with high levels of resilience are more confident, high performing and can deal more effectively with radical change. At 6.4 days per Full Time Equivalent (FTE), the Council's sickness absence levels are comparatively low (for the public sector) but as the organisation experiences huge transformation we will develop clear strategies for raising and stabilising our future resilience, with a focus on staff wellbeing through change.

IMPACT

The ultimate aim of ‘Our People 2021’ is for the Council to have a reputation for being one of the best councils in the UK and a truly great place to work.

We will be resident and outcome focused, with faster and more effective decision making and work and job design that drives motivation and high performance. There will be an increased collective sense of purpose and high levels of collaboration. Our staff will have the confidence and skills to work more flexibly, building on existing and forging new partnerships to focus on delivering outcomes. We will work in a joined up and innovative way and take a fresh, place-based approach to leadership.

We will co-design services, building new relationships between residents, communities and partner organisations and fostering a shared sense of responsibility. We will design services with the full involvement of all stakeholders, taking an evidence based approach and working together to improve outcomes for the people of Surrey.

DELIVERING THE STRATEGY

‘Our People 2021’ is the foundation for a number of workforce related plans, programmes and strategies, the key elements of which will be held in the ‘Our People Strategic Work Programme’, against which progress will be measured on an ongoing basis. This Work Programme is not intended to be a static document; it should and will have the ability to adapt in response to changing organisational need and emerging workforce related priorities.

MEASURING SUCCESS

The statistics within this Strategy have been taken from workforce data currently collected, supported by qualitative data in the form of feedback from staff. We will continue to measure successful delivery of the ‘Our People 2021 Workforce Strategy’ using existing data and will continue to measure the “health” of the organisation through other relevant data, e.g. workforce demographics. This will need to be expanded to include new outcome based measures identified as we develop the Our People Strategic Work Programme, for example, the impact of people development activity as opposed to the number of people attending training courses.

Ultimately, the success of the Our People 2021 Strategy will be measured by Surrey’s success, aligned to the Community Vision for Surrey and the priorities within that. For example, our measures against the target of improving Children’s Services will include increasing retention of social workers and reducing the number of agency social workers.

‘Our People 2021’ measures will be managed by HR&OD but will be owned and delivered collaboratively with the Corporate Leadership Team. This will ensure that we only focus on the things that matter and also concentrate on the things that need to improve.

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PRELIMINARY FINANCIAL STRATEGY

2019 – 2024

October 2018



FOREWORD

The County Council (the council) has endorsed the 'Community Vision for Surrey 2030'. This sets out the vision for Surrey after talking with residents, council staff, businesses, universities and organisations from the public, voluntary, community and faith sectors about what they value, and their hopes for the future. To achieve this vision, working in partnership with others, the council needs to be financially stable, sustainable and resilient, whilst demonstrating that it provides value for money in the services it delivers.

In common with the rest of local government, Surrey County Council has seen a steady and sustained reduction in its core funding, putting increased pressure on Council Tax. This has been exacerbated through disproportionately lower grant funding for Public Health, Learning Disabilities and Unaccompanied Asylum Seeking Children. The council has worked hard to contain the costs and volume pressures, and made significant on-going savings over the last eight years totalling over £540m.

Despite the levels of savings, in recent years the council has had to use its reserves, and in 2018/19 additional one off measures, to balance the budget. It has been able to do this due to a deliberate strategy to build up reserves in the early part of the decade.

However, continuing austerity and even sharper reductions in government funding in recent years has meant the scale of the budget challenge going forward has increased significantly. Coupled with uncertainty over government funding for local government, this approach is no longer sustainable and as a result the council is undertaking a significant transformation programme to ensure that it delivers vital services within its resources.

This strategy sets out a preliminary balanced budget for 2019/20, without the use of reserves. The proposals contained within this budget will impact on service delivery in future years and the savings proposals are required in order to deliver a balanced budget for the next year, as well as ensuring a sustainable budget in future.

Some of the saving proposals still need to be consulted upon and delivery plans are currently in the early stages of development. The actions necessary to develop these plans and understand the impact on staff, partners and residents should be seen as a priority. As consultation and delivery plans develop, the level of risk around the achievability of these proposals will reduce.

The funding arrangements for local government will change from 2020/21 and the details of this will not be known until well into 2019. This strategy includes a scenario modelling the possible level of funding for the Council in the years up to 2023/24.

OUR PRELIMINARY FINANCIAL STRATEGY SUPPORTS THE COMMUNITY VISION FOR SURREY IN 2030

We share in the long term vision for Surrey, and we want to work alongside residents and partners to realise it. This preliminary financial strategy is our plan to ensure the council delivers good outcomes for our residents, remains financially stable and resilient, and demonstrates value for money as we work towards achieving the outcomes in the vision, and focus on making a real difference to residents' lives.

THE PURPOSE OF OUR PRELIMINARY FINANCIAL STRATEGY

Our financial strategy sets out the overall framework within which the Council manages its financial resources and supports the delivery of the council's priorities and the Community Vision for Surrey 2030.

The financial strategy drives the five year Medium Term Financial Plan, the revenue budget and the capital programme. It is supplemented by a number of other documents including:

- financial regulations
- the reserves policy
- the fees and charges policy
- the capital strategy
- the treasury management strategy

This financial strategy aims to ensure three primary objectives:

- Financial sustainability

- Financial management
- Great services and outcomes for our residents

DELIVERING THE VISION EFFECTIVELY AND EFFICIENTLY

The financial strategy is key to ensuring we deliver the vision and that Surrey County Council transforms into a high performing council within the next five years. Alongside this will be the new 'Our People 2021' strategy supporting our new target operating model.



THE NATIONAL FINANCIAL CONTEXT

Funding since 2010/11

The UK Government started its policy of public sector spending austerity and deficit reduction in 2010. Since then, local government has borne the brunt of this policy with central government funding support forecast to have fallen 56% by 2019/20. At the same time, total government spending is expected to rise about 20% over the same period. Many local authorities have partially mitigated this reduction in government support through rising Council Tax, although this has been constrained by government policies of offering time limited grants to freeze any increases, and the need to hold a referendum above a centrally set threshold.

At the same time local authorities have had to contend with a significant rise in the need for its services. This is illustrated below.

- 11% increase in the numbers of looked after children.
- 10% increase in those in need aged 18-64.
- 14% increase in those in need aged 65+.

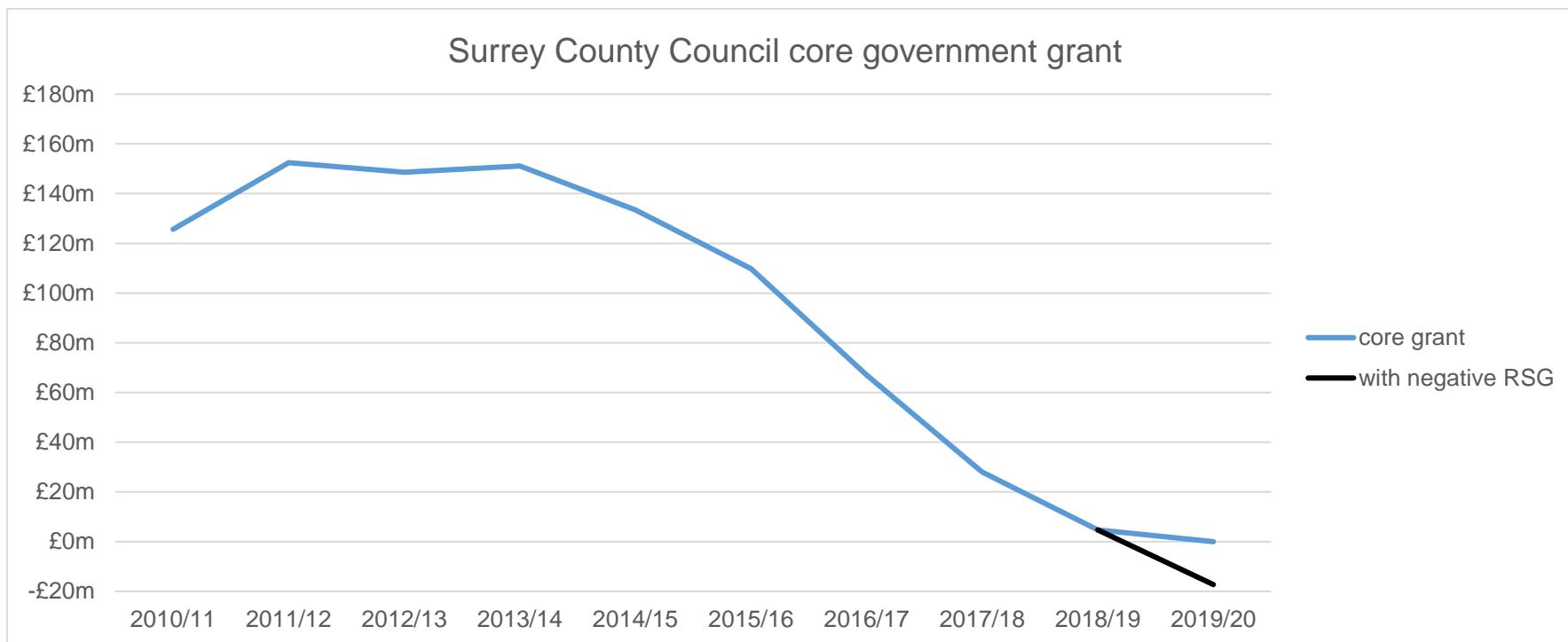
Councils have had to cut other services substantially to manage the twin pressures of reduced government funding and rising demand and costs for their services.

Funding prospects

The prospects for more government funding for councils are low, given the promise of £20bn a year extra funding for the NHS by 2023. The Government has announced a Fair Funding Review for local government and changes to the distribution of receipts raised from Business Rates. However, this only helps local government as a whole if the quantum of funding increases and is not just a redistribution. In the meantime, this all adds to the uncertainty of local government finance.

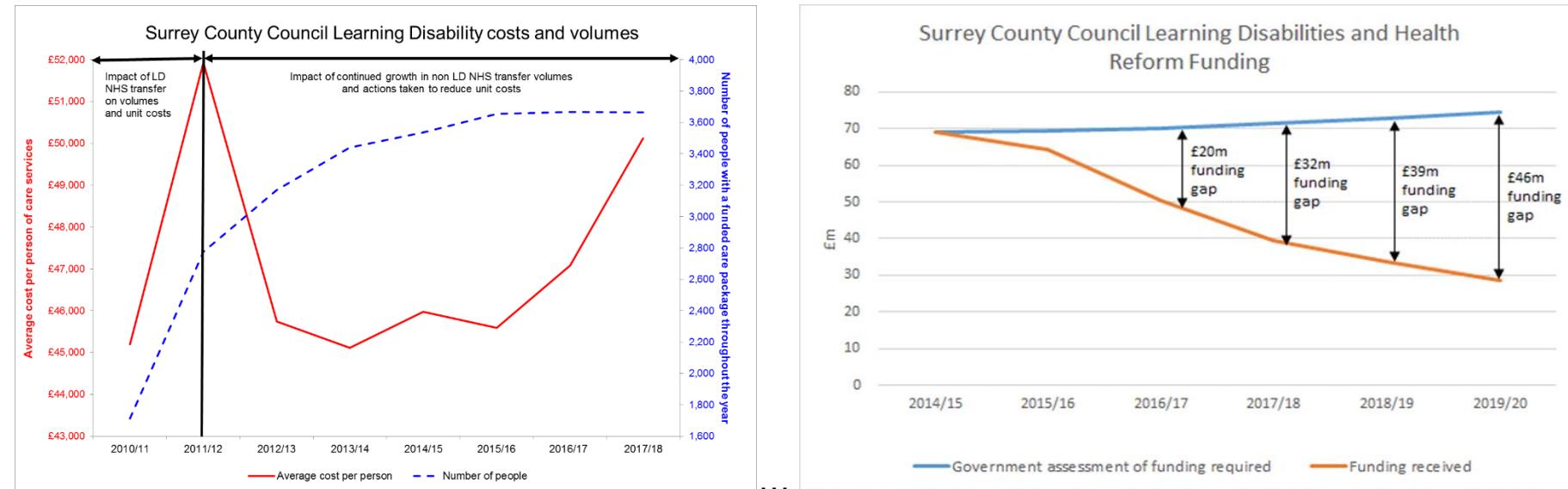
OUR FINANCIAL CONTEXT

For us, one impact of the national funding changes since 2010 has been that the Government has taken away all of our £152m core grant funding, known as the Revenue Support Grant (RSG). In 2019/20, the Government had planned to implement a funding policy which would have led to us losing a further £17m so called 'negative RSG' and a reduction of £170m core funding in total. However, at present the Government is minded to amend the policy so that Surrey County Council and the other 167 authorities facing the prospect of negative RSG receive no less than nil core grant. This plan is therefore based on the assumption that the Government acts to remove negative RSG in the upcoming Local Government Finance Settlement, as it has said it is minded to do.



We have also been consistently underfunded by government in areas such as Learning Disabilities (LD), Public Health and Unaccompanied Asylum Seeking Children. For example, in April 2011 we became responsible for almost 900 people with severe LD who transferred from the NHS with £65m of initial annual funding. As shown in the graph on the left, this increased our unit costs significantly. We subsequently reduced our unit costs by 12% by 2015/16. However, huge demand growth of 36%, which also affected unit costs, has increased total LD spend by £40m.

As shown in the graph on the right, instead of following this demand growth, our funding has reduced.



As a result of our historically low grant funding, we have had to rely increasingly on Council Tax and much more so than other local authorities. In 2018/19, 84% of our core spending power is from Council Tax, compared to averages for all county councils of 72% and all local authorities of 59%. While this means we have some financial resilience through low reliance on government grant, our ability to raise income through tax increases is effectively capped and there remains significant uncertainty about the new business rates retention system and

how the fair funding review will take account of resources. It also means our reliance on local people for funding services is among the very highest in the country.

How we compare with other county councils

In recent years, we have been relatively more successful in protecting service provision from cuts in government funding, partly due to the high Council Tax base in Surrey and the decisions to decline Council Tax Freeze Grant (CTFG) in the years 2012/13 to 2015/16 and make modest incremental changes to Council Tax. Through this we have accumulated around £250m extra funding for services for the period up to 2018/19, than if we had accepted CTFG. This includes an additional £59m in 2018/19. This has led to us having higher spending per head than the average county council shown in the graph below.



Source: CIPFA Local Authority Expenditure Comparative Profile; 2016/17 Tier Report
(2016/17 is the most recent year for which confirmed spending statistics are available).

Use of reserves and one-off funding

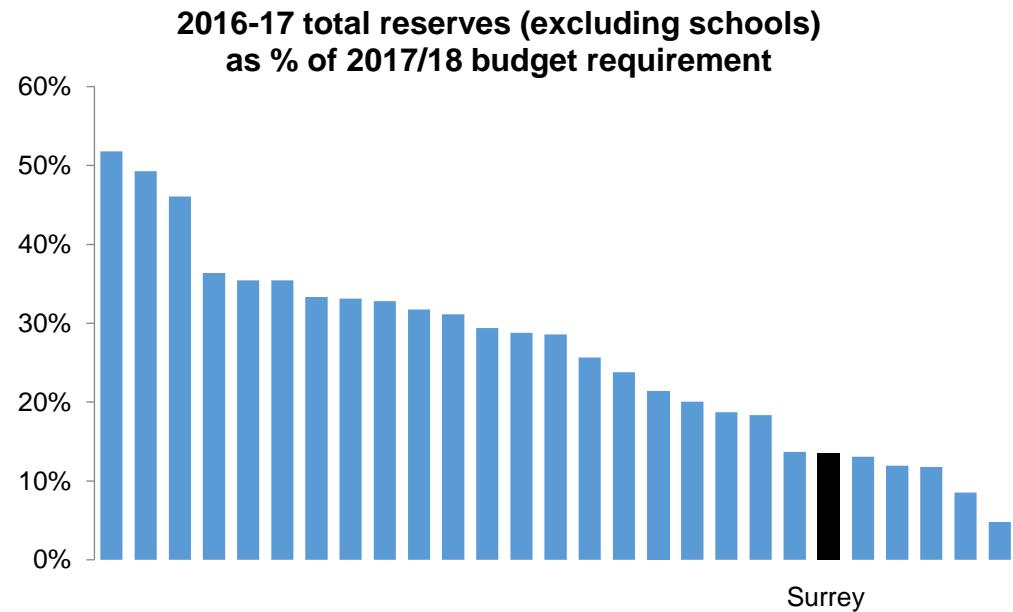
As a local authority, we are not permitted to allow spending to be more than the available resources we have. We hold a level of reserves and balances as a part of our overall resources. We hold these reserves and balances for three reasons:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary borrowing;
- a contingency to cushion the impact of unexpected events or emergencies, and
- a means of building up funds to meet future known or predicted liabilities.

From 2010, we built up reserves to provide a cushion against cuts in government funding. Since 2014, we have had to use £88m of reserves to help support the revenue budget, whilst in 2018/19 we used a further £36m of other one-off sources of funding to support the budget.

Compared to other county councils we now have a relatively low level of reserves and balances, as shown in the graph opposite.

With such low levels of reserves, any further depletion to support future budgets would more than likely impair our financial resilience and could only be justified as a last resort.



OUR FINANCIAL RESILIENCE PLAN - STRATEGIC PRINCIPLES

To ensure we are financially resilient and sustainable, we have some broad strategic principles.

- **A balanced revenue budget without the use of reserves and balances.** This is to ensure that our reserves are not further diminished and we remain financially resilient to any unexpected events. We will only plan to use one-off sources of funding where there is a strong business case, such as investing to save and for the transformation of services.
- **Level of reserves and balances.** We will regularly assess our level of reserves and balances to ensure that it is appropriate for the levels of risk that we face.
- **Budget envelopes.** Each of our service areas will have a budget envelope within which to achieve outcomes to meet our residents' needs.
- **Cost and demand containment.** We will look to manage cost and demand volume pressures within services' budgets envelopes. Our service budgets will only be increased for exceptional movements in inflation and service need and this must remain affordable.
- **Robust savings plans.** Each of our savings proposals will have a robust plan. We will regularly track and monitor progress.
- **Council Tax.** We will only consider increases to Council Tax where costs and demand pressures cannot be managed within the budget envelope or when it is clear that agreed outcomes and priorities will not be met.
- **Partnership working.** We will work with all our partners, such as other councils, other public bodies, the voluntary, community and faith sector organisations and businesses to create the best value for every pound we spend.

- **Budget accountability.** Our managers will be responsible and accountable for their budgets, within a clear budget accountability framework, maintaining transparency in how we use Council Tax payers' money.

OUR FINANCIAL RESILIENCE PLAN - STRATEGY ACTIVITY

Achieving financial sustainability, by which we mean being able to set a balanced budget for the next year and one which is sustainable into the future, requires strong leadership from members and officers in keeping to plan and taking the tough decisions to deliver our agreed priority outcomes.

Our financial sustainability will be delivered by:

- our transformation programme which focuses on reforming the way we deliver outcomes and changes the way we work to ensure we are doing the very best we can for our residents within a sustainable budget.
- developing and delivering in-year additional savings programme where required. A £40m cost reduction plan has been put in place for 2018/19 to reduce the need to use reserves and manage the costs of additional needs. We will regularly monitor and scrutinise achievability and progress of this plan.
- the production of budget envelopes for 2019/20, within which we will manage expenditure in order to ensure budget sustainability. These are shown in Appendix 1.
- maintaining sound financial management policies and controls to ensure value for money in our use of resources.
- implementing a Budget Assurance Statement to establish clear budget responsibility and accountability.
- regularly reviewing and updating the constitution and financial regulations.
- developing the monthly budget monitoring process to include key activity data alongside monitoring of service expenditure and the delivery of savings proposals.
- managing investment and borrowing decisions within the Treasury Management Strategy Statement, which ensures compliance with CIPFA's Prudential Code & Treasury Management Code of Practice.
- providing training and ongoing advice and support to budget holders and officers on financial management

- reviewing the appropriateness of our policy on fees and charges and our investment strategy.

OUR FINANCIAL RESILIENCE PLAN – 2019/20 REVENUE BUDGET

The 2019/20 financial year will be the final one of the Government's current Comprehensive Spending Review and the four year Local Government Financial Settlement. Our assumptions for funding in 2019/20 are as follows:

Council Tax

When costs and demand pressures cannot be managed within the budget envelope or when it is clear that agreed outcomes and priorities will not be met, we will have to consider increasing Council Tax.

In the Local Government Settlement for this year, the Government announced that its intention was to permit local authorities to increase Council Tax by up to 2.99% without a referendum, provided that inflation continued at its current level. Inflation is currently at around the same level it was last year, so we expect the Government to continue to allow this level of increase.

We are facing increasing demand for our services, especially those in need of social care and for children with special educational needs and disabilities. Whilst we are managing to absorb some of these increases, to ensure that provision of services is maintained and vulnerable people are cared for appropriately, we are assuming that we need to increase council tax by 2.99% in 2019/20.

The Government have also given local authorities with responsibility for adult social care the flexibility to raise a further precept, or additional Council Tax, to fund the growing cost and volume pressures. This flexibility was for

a precept totalling 6% over the three years 2017/18 to 2019/20. We have already raised a precept of 3% in the past two years, so we will not raise this again in 2019/20.

The number of houses in Surrey continues to grow and collection rates are very high. We expect this to lead to increased income from Council Tax.

In total we forecast our income from Council Tax to be **£737m** in 2019/20.

Business Rates

In 2018/19 we successfully applied to become a pilot for the 100% Business Rates Retention Scheme with our 11 borough and district partners. This scheme allows Surrey as a place to keep the full proceeds of the growth in business rates, which we expect to amount to £28m. The County Council's share of that would be £20m. However, this is only a one-year benefit.

For 2019/20, the Government are inviting bids from groups of local authorities to apply to be business rates pilots for a 75% scheme. That means keeping three quarters of any growth in business rates. We are applying to be a pilot, but are not making any financial assumptions that we will be successful.

We are forecasting our total income from business rates to be **£120m** in 2019/20.

Government Grants

We receive grants from government that are either service specific or more general. The service specific grants are included in the relevant service's budget, while the general grants form part of the council's total funding. For 2019/20 we forecast these grants to total **£33m**. Our assumption for 2019/20 is that the Government's original proposal to impose a negative RSG of £17.3m will not occur. This is based on their consultation on the Local Government Financial Settlement in July 2018.

Our total funding for 2019/20 is forecast to be **£890m**.

Other income

To build financial resilience, we will seek to increase and diversify our income sources locally, by reviewing our approach to fees and charges for services, and through making a growing return on our capital investments in property.

Budget Envelopes

Each of our services has a budget envelope, within which to deliver their agreed outcomes and priorities. These are summarised by Executive Directorate in the table below and shown in more detail in Appendix 1.

	Current 2018/19 Budget £m	Revised 2018/19 Budget Envelopes £m	Revised 2019/20 Budget Envelopes £m
Health, Wellbeing & Adults	382	372	366
Children, Families, Learning & Culture	229	223	223
Highways, Transport & Environment	172	170	163
Customer, Digital & Transformation	59	52	49
Economy, Growth & Commercial	22	20	20
Finance, Legal & Coronial	13	11	12
Corporate Income and Expenditure	49	41	57
Total	926	889	890

Appendix 1 also shows the forecast pressures and target savings for our services. We will consult and engage about these proposed savings as appropriate over the coming months, before setting the final budget in February 2019.

OUR FINANCIAL RESILIENCE PLAN – FUNDING 2020 TO 2024

Our Financial Strategy must enable us to attain and maintain a sustainable financial position. The period beginning 1 April 2020 will be the first year under the new Business Rates Retention System (BRRS). Under the new BRRS, councils will retain 75% of local business rates. There will also be a reset of the BRRS in 2020 and a new distribution of funding among local authorities. Both of these changes will follow the new fairer funding system that the Ministry of Housing, Communities and Local Government (MHCLG) is developing with the local government sector. These changes could have a significant effect on our funding. While MHCLG has promised transition arrangements for councils most severely affected by the changes brought in by the new BRRS, there is a high degree of uncertainty about a significant element of funding and therefore a risk for us and other county councils.

Given our low levels of reserves and fast rising service need, we have little room to manoeuvre should our funding position turn out to be worse than reasonably anticipated. So, for us to continue our progress to attaining a sustainable, resilient financial position, we will take a realistic, yet prudent view of our prospective funding from 2020 onwards.

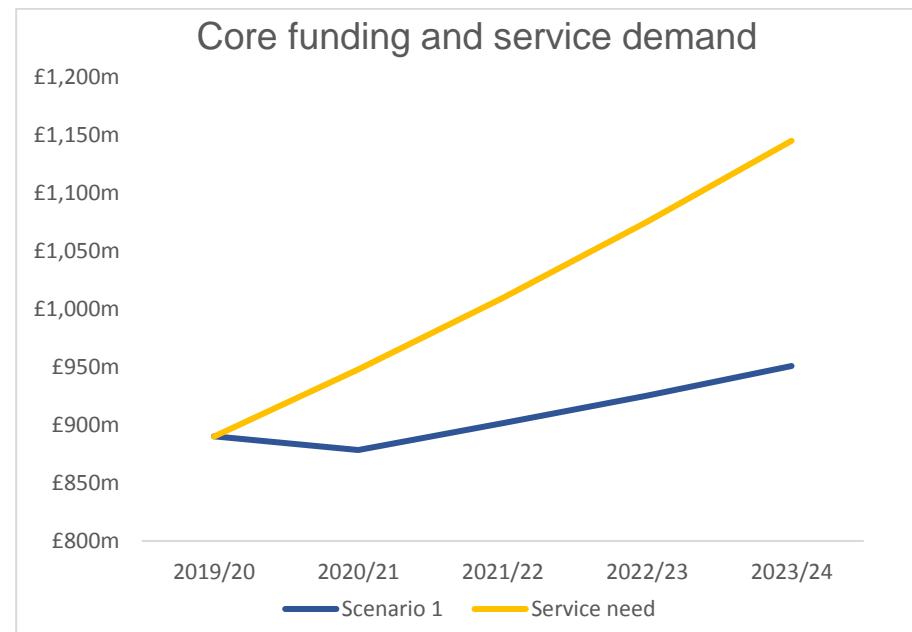
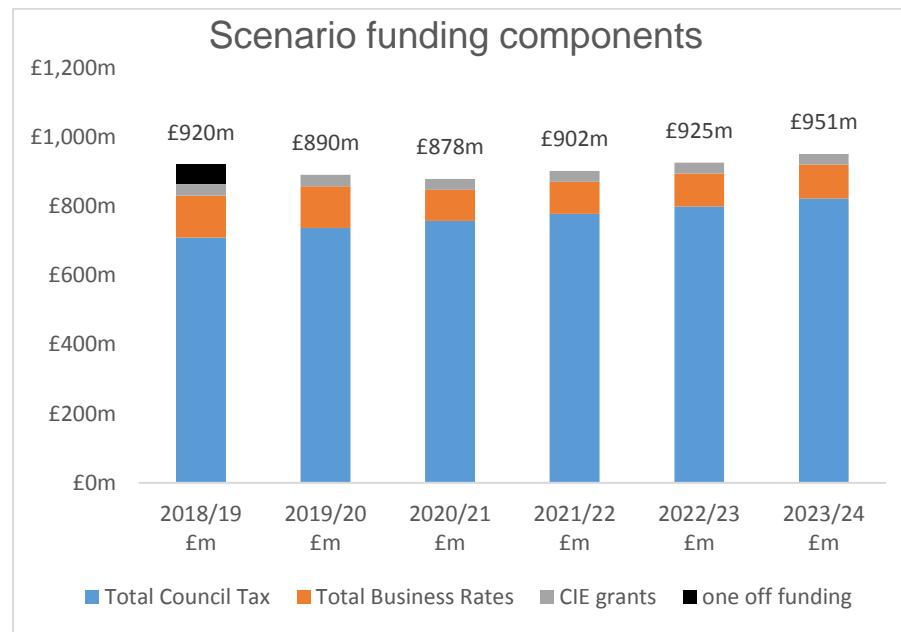
We have developed a model to make projections about prospective funding that would support our net budgets from 2020/21 onwards. The model uses assumptions about the following factors.

- **Council Tax** - including tax base growth rates, standard precept rises and collection fund surplus.
- **Business Rates Retention (BRRS)** including: growth rates; the split between county and district councils; rolled in grants; our new fairer funding share of local business rates; and the impact of re-setting retained business rates growth.
- **Other Government Grants** are those not rolled into BRRS. These are general grants.

Summary funding scenario 2020 to 2024

The overall context for the scenario is one in which local government has taken the most severe funding reductions of any sector and the prospects for more government funding for councils are low, given the promise of £20bn a year extra funding for the NHS by 2023 and expected continued protection of the Government's defence, schools and international development budgets.

The first graph below shows the funding components for that scenario. The second graph compares funding levels from the scenario to annual underlying service need growth from the 2019/20 base net budget. In the model, while funding falls between 2018/19 and 2019/20 through ceasing one off funding, it grows steadily each year from 2020/21, primarily due to our high Council Tax base. However, underlying service need grows more quickly, so the funding gap widens. By 2023/24, the gap is nearly £200m.



NEXT STEPS

Over the last eight years, we have continued to strive to provide the best value services to our residents in the face of cuts to our funding from government, rising costs and rising need for our services. We have made annual savings of over £540m in that time. We will continue to put the case to our MPs and to government that the current funding of local government is inequitable and that Surrey and its residents lose out.

From 2020/21 the Government have promised a new system of funding for local government, whereby local authorities can keep and invest a greater share of the proceeds from business rates and economic growth. Currently businesses in Surrey pay over £500m in rates but only £150m of this is retained in the county to fund local services. Whilst we recognise the national requirement to ensure all areas of the country are properly funded and there needs to be some redistribution, this has to be fair. We have successfully applied to be a pilot for the new model of funding from business rates during 2018/19 and are proactively working with government to ensure we all learn and develop a better system for the future. We are also seeking to extend this pilot for 2019/20.

Funding for adult social care nationally is inadequate, and the Government is consulting on a new model of providing and paying for this. We want to ensure that all vulnerable adults are considered in the review, whether they are young adults with learning disabilities or older people who need support to remain active and independent. We will work with government and other partners to ensure a fair distribution of funding.

We recognise that we cannot just look to government to ensure we are financially stable and sustainable into the future. We are taking action across all of the council, through a programme of transforming our services and a Financial Improvement Plan to ensure we provide the best value for money to our residents.

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Appendix 1: 2019/20 DRAFT BUDGET ENVELOPE PROPOSAL

	CFLC £'000	HWA £'000	EGC £'000	HT E £'000	Fin £'000	CDT £'000	CIE £'000	Total £'000
Prior year budget	223,157	371,515	19,453	169,801	11,439	51,574	40,837	887,776
PRESSURES:								
<u>Pressures before mitigating transformational activities</u>								
Prices	700	22,247	935	5,728	267	909	0	30,786
Impact of Demography	0	6,370	0	0	0	0	0	6,370
Other service pressures	16,100	1,957	0	2,829	110	0	1,364	22,360
Funding Changes	0	4,279	0	0	0	0	0	4,279
Service improvements	0	0	0	1,004	0	320	0	1,324
Removal of one-off savings / funding within the Revised 2018/19 budget	0	0	3,643	2,035	1,111	7,963	26,418	41,170
Total Pressure before mitigating transformational activities	16,800	34,852	4,578	11,596	1,488	9,192	27,782	106,288
Transformational activities to mitigate pressures	0	-19,393	0	0	0	0	0	-19,393
Total budgeted pressures	16,800	15,460	4,578	11,596	1,488	9,192	27,782	86,896
SAVINGS & INCOME								
Transformation projects	-24,150	-17,879	-150	-12,362	0	-8,537	0	-63,078
Efficiency savings	0	-1,924	-2,804	-930	-346	-1,439	-826	-8,269
Policy Savings	0	-1,472	-600	-384	-700	0	-3,199	-6,355
Savings to be identified				-3,088				-3,088
Financing Savings						-4,182	-4,182	-4,182
Total savings and income	-24,150	-21,275	-3,554	-16,764	-1,046	-9,976	-8,207	-84,972
Proposed 2019/20 budget at directorate level	215,807	365,699	20,477	164,633	11,881	50,790	60,412	889,699

2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:

Children, Family Learning & Community

This Directorate covers:

Schools & SEND (now included Cultural Services) , Safeguarding & Family Resilience, Corporate Parenting, Quality Assurance, Commissioning

Movements	£k
Prior year budget	223,157
Pressures:	
<i>Pressures before mitigating transformational activities</i>	
Prices	
Inflationary increase for Childrens placements and transport	700
Total Prices	700
Other demand pressures	
Children's Services - legislative and contractual	1,000
SEND High Needs Funding Sustainability	12,100
SEN Transport	3,000
Total Other demand pressures	16,100
Total Net Pressure	16,800
<i>Transformational activities to mitigate pressures</i>	
Total Transformational activities to mitigate pressures	0
Total budgeted pressures	16,800
Transformational savings	
Family Resilience	-19,450
Review of Cultural Services - libraries, heritage, arts and registration services	-4,000
SEN transport savings	-700
Total Transformational savings	-24,150
Savings	-24,150
Draft Net Budget	215,807

2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:	Health, Wellbeing & Adult Social Care
This Directorate covers:	Adult Social Care, Public Health

Movements	£k
Prior year budget	371,515

Pressures:*Pressures before mitigating transformational activities*

Prices

ASC cost of care pressures prior to mitigating actions	22,247
Total Prices	22,247

Impact of Demography

ASC demographic pressures prior to mitigating actions	6,370
Total Impact of Demography	6,370

Other service pressures

Service delivery pressures beyond prices and demography	1,957
Total Other service pressures	1,957

Funding Changes

End of Adult Social Care Support Grant	2,497
Reduction in Improved Better Care Fund Grant	817
Reduction in Public Health grant	965
Total Funding Changes	4,279

Total Pressure before mitigating transformational activities	34,852
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Transformational activities to mitigate pressures

Mitigation of ASC cost of care pressures	-16,200
Mitigation of ASC demographic pressures	-3,192
Total Transformational activities to mitigate pressures	-19,393

Total budgeted pressures	15,460
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Savings:

Transformational savings	
Reviews of existing care packages	-7,075
Manage down care package volumes	-3,971
Cost of care renegotiation savings	-3,222
ASC workforce review including digital and mobile working	-2,097
Personalised strategic shift from residential to community provision	-1,000
Wider contracts and grants savings	-515
Total Transformational savings	-17,879

Efficiency savings

Resolution of significant outstanding CHC disputes / assessments	-750
Sexual health (non-contract eg. out of area spend)	-428
Surrey Choices efficiency programme	-300
Substance misuse integrated service	-200
Planned change in Healthy Child Programme (0-19) contract value	-227
Other Public Health savings	-19
Total Efficiency savings	-1,924

Policy Savings

Completion of Housing related support decommissioning	-151
Increased assessed fees & charges income	-1,200
Completion of Closure of Surrey Information Hubs	-121
Total Policy Savings	-1,472

Total budgeted savings **-21,275**

Draft Net Budget **365,699**

2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:	Economy, Growth & Commercial
This Directorate covers:	Economic Growth, Managed on behalf of Orbis - Property Services

Movements	£m
Prior year budget	19,453
Pressures:	
<i>Pressures before mitigating transformational activities</i>	
Prices	935
Total Prices	935
Removal of one-off savings / funding within the Revised 2018/19 budget	
<u>2018/19 additional one-off savings</u>	<u>3,643</u>
Total Removal of one-off savings / funding within the Revised 2018/19 budget	3,643
Total Pressure before mitigating transformational activities	4,578
<i>Transformational activities to mitigate pressures</i>	
Total Transformational activities to mitigate pressures	0
Total budgeted pressures	4,578
Transformational savings	
<u>Cleaning & grounds maintenance contracts</u>	<u>-150</u>
Total Transformational savings	-150
Efficiency savings	
Building repairs and maintenance	-1,960
External fees for building project feasibilities	-627
Building rates	-117
Printing contract	-100
Total Efficiency savings	-2,804
Policy Savings	
<u>Budget for utilities at low usage</u>	<u>-600</u>
Total Policy Savings	-600
Savings	-3,554
Draft Net Budget	20,477

2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for: Highways, Transport and Environment

This Directorate covers: Highways and Transport, Place Development & Waste, Fire Service, Trading Standards, Community Support, Emergency Management

Movements	£m
Prior year budget	169,801

Pressures:

Pressures before mitigating transformational activities

Prices

Specific Contract Inflation (Highways, Waste & Transport)	4,138
Other	1,590
Total Prices	5,728

Other service pressures

Waste Sinking Fund	2,829
Total Other service pressures	2,829

Service Improvements

Member Local Highways Fund, Local Committee Highway Fund & Member Community Fund	1,004
Total Service Improvements	1,004

Removal of one-off savings / funding within the Revised 2018/19 budget

HTE - One off savings 2018/19	2,219
HTE - One off changes	-184
Total Removal of one-off savings / funding within the Revised 2018/19 budget	2,035

Total Pressure before mitigating transformational activities **11,596**

Transformational activities to mitigate pressures

Total Transformational activities to mitigate pressures	0
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Total budgeted pressures	11,596
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Transformational savings

Environment - Changes to the waste charging scheme	-350
Environment - Further Changes at CRC's	-250
Highways - Changes to Local Bus Contracts	-3,586
Highways - Changes to Concessionary Fares	-400
Highways - Changes to Concessionary Fares	-583
Highways - Local Committee Highway Fund Schemes	-2,000
Highways -Members Local Highways Funding	-202
Highways - Members Community Fund	-202
Highways -Local Committee Revenue Schemes	-466
Highways - Bus Subsidiary Operators Grant Draw Down	-1,900
Environment - Directorate Initiatives	-323
Across HTE - Directorate Restructure	-1,000
Across HTE - Contract Renegotiation	-500
Across HTE - Additional Income	-600
Total Transformational savings	-12,362

Efficiency savings

Highways - Savings to be identified (Marginal Gains)	-178
Environment - Countryside review	-200
Environment - Waste - Kerbside recycling performance	-155
Environment - Waste - Recycling management	-57
Environment - Waste - Materials Management	-13
Environment - Savings to be identified (Marginal Gains)	-250
Trading Standards - Further savings (Marginal Gains)	-44
Trading Standards - Additional income generation	-33
Total Efficiency savings	-930

Policy Savings

HTE Income Inflation	-384
Total Policy Savings	-384

Savings to be identified

Across HT E	-3,088
Total Savings to be identified	-3,088

Savings	-16,764
Draft Net Budget	164,633

2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:

Customer, Digital and Transformation

This Directorate covers:

Customer Services, Strategic Leadership, Strategy & Performance, Communications, Orbis, Managed on behalf of Orbis Services

Movements

	£m
Prior year budget	51,574

Pressures:*Pressures before mitigating transformational activities*

Prices	909
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Total Prices	909
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Restructure to support Council-wide transformation	320
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Total Restructure to support Council-wide transformation	320
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Removal of one-off savings / funding within the Revised 2018/19 budget

2018/19 additional one-off savings	7,963
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Total Removal of one-off savings / funding within the Revised 2018/19 budget	7,963
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Total Pressure before mitigating transformational activities	9,192
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Transformational activities to mitigate pressures

Total Transformational activities to mitigate pressures	0
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Total budgeted pressures	9,192
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Transformational savings

Digital	-1,000
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Orbis VFM	-3,537
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Spans of control	-1,500
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Mobile/agile workforce	-1,000
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Channel Shift	-500
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One front door	-1,000
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Total Transformational savings	-8,537
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Efficiency savings	-1,316
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Removal of one-off Orbis Investment	-123
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Customer Services & Communications	-123
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Total Efficiency savings	-1,439
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Savings	-9,976
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Draft Net Budget	50,790
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2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:

Finance, Legal and Coronial

This Directorate covers:

Managed on behalf of Orbis - Finance, Legal,
Democratic and Coroner**Movements**

£m

Prior year budget **11,439****Pressures:***Pressures before mitigating transformational activities*

Prices 267

Total Prices 267

Other service pressures 110

Total Other service pressures 110

Removal of one-off savings / funding within the Revised 2018/19
budget2018/19 additional one-off savings **1,111**Total Removal of one-off savings / funding within the Revised
2018/19 budget **1,111****Total Pressure before mitigating transformational activities** **1,488***Transformational activities to mitigate pressures***Total Transformational activities to mitigate pressures** **0****Total budgeted pressures** **1,488**Efficiency savings

Reduce contribution to council's insurance self-fund -223

Reduce Legal, Democratic Services and Coroner spend -123

Total Efficiency savings -346

Policy Savings

Reduced Members Allowances -246

Reduce demand on Legal Services by remodelling service delivery -300

Reduce cost of agency, expert witnesses and stop use of external
venues -100

Democratic Services restructure -54

Total Policy Savings -700

Savings **-1,046****Draft Net Budget** **11,881**

2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:

Central Income & Expenditure

This Directorate covers:

Central Expenditure

Movements

	£m
Prior year budget	40,837

Pressures:*Pressures before mitigating transformational activities*

Other service pressures	1,364
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Total Other service pressures	1,364
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Removal of one-off savings / funding within the Revised 2018/19 budget	26,418
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Total Removal of one-off savings / funding within the Revised 2018/19 budget	26,418
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Total Pressure before mitigating transformational activities	27,782
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Transformational activities to mitigate pressures

Total Transformational activities to mitigate pressures	0
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Total budgeted pressures	27,782
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Revised borrowing strategy	-826
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Total Efficiency Savings	-826
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Policy Savings

Deferred Contribution to Reserves	-3,199
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Total Policy Savings	-3,199
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Financing Savings

Investment income	-4,182
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Total Financing Savings	-4,182
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Savings

Draft Net Budget	60,412
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