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Agenda and Reports
for the meeting of
THE COUNTY COUNCIL
to be held on
13 NOVEMBER 2018

(i)

County Hall
Kingston upon Thames
Surrey

Friday, 2 November 2018

TO THE MEMBERS OF SURREY COUNTY COUNCIL

SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the Council to be held in the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN, on Tuesday, 13 November 2018, beginning at 10.00 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

JOANNA KILLIAN
Chief Executive

Note 1: *For those Members wishing to participate, Prayers will be said at 9.50am. Reverend Jane Vlach, Rector for the Parish of Godalming, has kindly consented to officiate. If any Members wish to take time for reflection, meditation, alternative worship or other such practice prior to the start of the meeting, alternative space can be arranged on request by contacting Democratic Services.*

There will be a very short interval between the conclusion of Prayers and the start of the meeting to enable those Members and Officers who do not wish to take part in Prayers to enter the Council Chamber and join the meeting.

Note 2: *This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.*

Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the representative of Legal and Democratic Services at the meeting.

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language please either call Democratic Services on 020 8541 9122, or write to Democratic Services, Surrey County Council at Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 9698, fax 020 8541 9009, or email joss.butler@surreycc.gov.uk

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Joss Butler on 020 841 9122

1 APOLOGIES FOR ABSENCE

The Chairman to report apologies for absence.

2 MINUTES

(Pages 7
- 24)

To confirm the minutes of the meeting of the Council held on 9 October 2018.

(Note: the Minutes, including the appendices, will be laid on the table half an hour before the start of the meeting).

3 DECLARATIONS OF INTEREST

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

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

4 CHAIRMAN'S ANNOUNCEMENTS

Recent Visits

Royal British Legion Poppy launch: Held at Surrey University, to distribute the first poppies in Surrey. The Lord Lieutenant presented the first Surrey Poppy to 100 year old veteran Ron Pearce.

British Empire Medals: The Lord Lieutenant presented British Empire Medals to eight Surrey residents in recognition of meritorious civil or military service worthy of recognition by the Crown at Loseley House.

5 LEADER'S STATEMENT

The Leader to make a statement.

There will be an opportunity for Members to ask questions and/or make comments.

6 MEMBERS' QUESTION TIME

1. The Leader of the Council or the appropriate Member of the Cabinet or the Chairman of a Committee to answer any questions on any matter relating to the powers and duties of the County Council, or which affects the county.

(Note: Notice of questions in respect of the above item on the agenda must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on 7 November 2018).

2. Cabinet Member Briefings on their portfolios

These will be circulated by email to all Members prior to the County Council meeting, together with the Members' questions and responses.

There will be an opportunity for Members to ask questions.

7 STATEMENTS BY MEMBERS

Any Member may make a statement at the meeting on a local issue of current or future concern.

(Note: Notice of statements must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on 12 November 2018).

8 ORIGINAL MOTIONS

Item 8 (i)

Mr David Hodge (Warlingham) to move under standing order 11 as follows:

The Surrey Youth Cabinet forms an important voice, representing the interests of young people across Surrey.

Surrey County Council's Cabinet met recently, and we agreed a number of areas where we will work in greater partnership going forward, which I believe will add real benefit to this Council and how we will provide services to young people in future.

I seek the Council's endorsement that we should invite the Surrey Youth Cabinet to hold formal elections to elect a young person as the Youth Mayor for Surrey for a 12 month period.

9 ORGANISATION STRATEGY, PRELIMINARY FINANCIAL STRATEGY, TRANSFORMATION PROGRAMME, AND 'OUR PEOPLE' STRATEGY

(Pages
25 - 136)

This report sets out how the Council plans to contribute towards achieving the outcomes in the Community Vision for Surrey in 2030 (Community Vision for Surrey) over the medium term, which is covered across four strategic documents that are annexed to this report. Surrey County Council's Organisation Strategy (Annex 1) sets out how the Council will work with residents and partners and direct our resources to where they will have the most impact. The Preliminary Financial Strategy (Annex 2 and Appendix 1) and Transformation Programme (Annex 3) will not only secure the Council's financial sustainability but will also reform the

function, form and focus of the organisation. 'Our People 2021' (Annex 4) is our plan for the Council's current and future workforce and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey, achieve our priority strategic outcomes for residents, ensure the effectiveness and efficiency of the Council, drive wholesale transformational change and create a high performance culture.

- 10 REPORT FROM THE PLANNING AND REGULATORY COMMITTEE ON REFERRED MOTION** (Pages 137 - 140)

To note a report from the Planning and Regulatory Committee on the motion referred to it by Council on 9 October 2018.

- 11 REPORT OF THE CABINET** (Pages 141 - 144)

To receive the report of the meeting of the Cabinet held on 30 October 2018 and to agree one recommendations in respect of:

A. Surrey Asset and Place Strategy

- 12 MINUTES OF CABINET MEETING**

Report to follow.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 9 OCTOBER 2018 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:

	Mary Angell		Julie Iles
*	Ayesha Azad		Naz Islam
	John Beckett		Colin Kemp
	Mike Bennison		Eber Kington
	Chris Botten		Graham Knight
	Liz Bowes		Rachael I Lake
	Natalie Bramhall		Yvonna Lay
*	Mark Brett-Warburton		David Lee
	Ben Carasco		Mary Lewis
	Bill Chapman		Andy MacLeod
	Helyn Clack	*	Ernest Mallett MBE
	Stephen Cooksey		David Mansfield
	Clare Curran		Peter Martin
	Nick Darby		Jan Mason
	Paul Deach		Cameron McIntosh
*	Graham Ellwood		Sinead Mooney
	Jonathan Essex		Charlotte Morley
	Robert Evans		Marsha Moseley
	Tim Evans		Tina Mountain
	Mel Few		Bernie Muir
	Will Forster		Mark Nuti
	John Furey		John O'Reilly
	Matt Furniss		Tim Oliver
	Bob Gardner		Andrew Povey
	Mike Goodman	*	Wyatt Ramsdale
	Angela Goodwin	*	Penny Rivers
	David Goodwin		Tony Samuels
*	Zully Grant-Duff		Stephen Spence
	Alison Griffiths		Lesley Steeds
	Ken Gulati		Peter Szanto
	Tim Hall		Keith Taylor
	Kay Hammond		Barbara Thomson
	Richard Hampson		Rose Thorn
	David Harmer		Chris Townsend
	Jeffrey Harris		Denise Turner-Stewart
	Nick Harrison		Richard Walsh
	Edward Hawkins		Hazel Watson
*	Marisa Heath		Fiona White
	David Hodge CBE	*	Keith Witham
	Saj Hussain		Victoria Young

*absent

62/18 CHAIRMAN [Item 1]

The Chief Executive Officer introduced the meeting and announce that item 1, Part 2 would be considered before Item 1, Part 1.

2. Election of Temporary Chairman

Under the motion proposed by Mr Hodge, seconded by Mr Hall, it was unanimously:

RESOLVED:

that Mr David Harmer be elected temporary Chairman of the Council to oversee the election of the Chairman for the remainder of the council year 2018/19.

1. Amendment of Article 4

The Leader of the Council introduced the report. It was unanimously

RESOLVED:

- a. That Council approved the amendment of Article 4.03 of the County Council's Constitution regarding the arrangements for Chairing the Council to include the following wording: 'In the event of an in-year vacancy in either role, an election will be held for a replacement to serve until the next Annual General Meeting of the Council.'
- b. That these changes be incorporated into the Council's Constitution and published on the Council's website.

3. Election of Chairman for the remainder of the Council year 2018/19.

Under the motion proposed by Mr Hodge, seconded by Mr Harrison, it was unanimously:

RESOLVED:

That Mr Anthony David Samuels be elected Chairman of the Council for the remainder of the council year 2018/19.

4. Declaration of Acceptance of Office

Mr Samuels made the statutory declaration of office and took the chair.

The newly elected Chairman expressed his thanks to the Members of the Council for electing him as Chairman.

63/18 APOLOGIES FOR ABSENCE [Item 2]

Apologies for absence have been received from Keith Witham, Wyatt Ramsdale, Ernest Mallett, Marisa Heath, Ayesha Azad, Graham Ellwood, Penny River, Mark Brett-Warburton and Zully Grant-Duff.

64/18 MINUTES [Item 3]

Members were notified of a correction in minute 56/18, item 8 (iii), where it should read 'nitrogen dioxide' rather than 'carbon dioxide'.

The amended minutes of the meeting of the County Council held on 22 May 2018 were confirmed and signed.

65/18 DECLARATIONS OF INTEREST [Item 4]

There were none.

66/18 CHAIRMAN'S ANNOUNCEMENTS [Item 5]

The Chairman:

- led a silent tribute in remembrance for Richard Wilson, former Council Councillor.
- congratulated the Surrey County Cricket team on winning the County Championship.
- informed Members that he had attended the RAF 100 Aircraft tour to celebrate their official 100th birthday.
- congratulated the Surrey Pensions Team and Cllr Tim Evans, chairman of the Surrey Pension Fund Committee, on receiving the Scheme Governance Award from the Local Authority Pension Fund for the second year in a row.

67/18 VICE-CHAIRMAN [Item 6]

Upon the motion of Mrs Lewis, seconded by Mr Botten, it was:

RESOLVED:

That Mrs Helyn Clack be appointed Vice-Chairman of the Council for the remainder of the council year 2018/19.

DECLARATION OF ACCEPTANCE OF OFFICE

Mrs Clack was invested by Mr Samuels with the Vice-Chairman's badge. she made the statutory declaration of office and expressed thanks to the Members of the Council for electing her as Vice-Chairman.

68/18 LEADER'S STATEMENT [Item 7]

The Leader made a detailed statement. A copy of the statement is attached as Appendix A.

Members raised the following topics:

- That they shared the Leader of the Council's concern with the lack of funding for Council services.
- That the lack of funding should not lead to a rise of victimhood culture in the Council.

- That 'Deals' should be fair and not one sided.
- The Council should continue to provide services to the most vulnerable.
- Raised concern with the relationship between local and Central Government
- That Local Authorities should not be forced to cut services to residents due to unfair funding.
- That they supported the Councils approach to invest to save.
- They hoped that the budget puts the residents first.
- That the Council should considering renaming the approach of 'deals'.

69/18 MEMBERS' QUESTION TIME [Item 8]

Questions:

Notice of 9 questions had been received. The questions and replies were published in a supplementary agenda on 8 October 2018.

A number of supplementary questions were asked and a summary of the main points is set out below:

(Q1) Mrs Hazel Watson asked the Cabinet Lead Member for Place if he felt it was appropriate to have a 60mph speed limit on Abinger Lane in Abinger Common, Surrey. The Cabinet Member stated that he was unable to comment on specific cases but that he would speak to Cllr Watson outside the meeting.

(Q2) Mr Robert Evans asked the Leader of the Council if he agreed that Central Government had not supported Northamptonshire County Council sufficiently and further asked if he felt Surrey County Council was being supported appropriately.

The Leader of the Council stated that he was aware that the Local Government Authority (LGA) had provided Northamptonshire County Council with advice on their situation but that he was unable to comment on the actions of Central Government. He suggested that closer links with its District and Borough partners might have proved beneficial for Northamptonshire County Council.

(Q3) Mr Chris Botten requested greater transparency from the Leader of the Council regarding the appointment and retention of consultants on the transformation programme and for the People, Performance and Development Committee to be given information about their terms and conditions. The Leader confirmed that PPDC had certain responsibilities regarding officers' appointments and would bring information to it to ensure control and transparency.

(Q4) Mr Jonathan Essex asked the Cabinet Member for Children for confirmation that the vacant dedicated Youth and Community Worker posts would be reinstated and whether they would be in post to run open-access youth club sessions in District and Boroughs. The Leader of the Council stated that this was not an appropriate question for a Cabinet Member and agreed to provide a response outside of the meeting.

(Q6) Mr Jonathan Essex asked the Cabinet Member for Environment and Transport for confirmation that the Council would continue to invest to save to cut waste disposal and increase recycling rates. The Cabinet Member confirmed that the Council would continue to work with Boroughs and District to

increase curb-side recycling and recycling at Community Recycling Centres. The Cabinet Member further highlighted that Surrey had the second highest recycling rate in the country for two tier authorities.

(Q7) Mrs Hazel Watson asked the Cabinet Member for Environment and Transport for confirmation that the risk management policy would be revised to protect residents from diseased falling Ash Trees. The Cabinet Member confirmed that officers were aware of the situation and were doing all they can do to keep the public safe. It was highlighted to Members that it was expected that 95% of Ash Trees in the country would be lost over the next few years.

(Q8) Mr Jonathan Essex highlighted a recent parliamentary report on cycling and asked the Cabinet Member for Environment and Transport if the Council would increase its investment in cycling to promote clean transport in Surrey. The Cabinet Member said the Council had demonstrated that it was committed to reducing emissions and to increasing the health of the public by promoting cycling. He added that although the Council had promoted cycling in various ways it was still the responsibility of the public to actually cycle.

Cabinet Member Briefings: these were also published with the supplementary on 8 October 2018.

Members made the following comments:

Cabinet Member for Community Services: on the level of fire cover there will be at the new Fire Station in Spelthorne and what assurances the Cabinet could give on the level of cover going forward. The Cabinet Member confirmed that the fire service was being remodelled and that the integrated risk management plan was being refreshed to look at what was required to deliver community protection in the fire service. She further stated that the fire cover in Spelthorne would remain until the remodel was completed.

Cabinet Member for Children: was asked for clarification on the detail in her update as it suggested that there was no longer a waiting list for Child & Adolescent Mental Health Services (CAMHS). The Cabinet Member apologised for any misunderstanding and informed Members that the update stated that a target outlined in the interim plan to eliminate a back log in the service had been met. She further stated that she was aware that the service still faced issues with long waiting times for service users and that work was being done to find solutions.

Members also made comments about the transformation of the children's service and if it was time for a new Cabinet Member to see the changes to a conclusion. The Cabinet Member confirmed to Members that she was confident that the Director of Children's Services and his team could execute the transformation of the service effectively. The Cabinet Member further emphasised that she strongly believed she could lead a successful transformation of the service.

Cabinet Lead Member for Place: on the work he had done to address the need for road repairs throughout Surrey.

70/18 STATEMENTS BY MEMBERS [Item 9]

There were none.

71/18 ORIGINAL MOTIONS [Item 10]

Item 8(i)

Under Standing Order 12.3 the Council agreed to debate this motion.
Under Standing Order 12.1 Mr David Hodge moved the motion, which was:

‘This Council recognises Surrey residents’ concerns about the condition of the county’s roads and the need to ensure they are well-maintained and fit for purpose.

In order to draw Parliament’s attention to the unfair formula applied by Government to the funding of road maintenance and improvement, county councillor Edward Hawkins earlier this year launched the following petition:

“We call upon the Government to reform the Fairer Funding Formula to ensure there is enough money for road repair and up-keep. The current method for calculating the grant for such work unfairly penalises Surrey. The calculation should give more weight to traffic flow and level of usage.

Surrey has almost 3,500 miles of roads with over 4.8 million miles travelled on those roads per year. The grant received by Surrey from the Government is about £4,000 per million vehicle miles travelled. A Neighbouring county has a figure of £5,500 per million vehicle miles travelled.

The recent Pothole Fund announced by the Government which uses the same formula saw Surrey get £1.8m, whereas one of our neighbouring counties received £2.9m, and a quiet west country area was given £4.4m.”

I call upon all Members of this Council to support the petition and do all within their power to help it reach 100,000 signatures, thus enabling this vital issue to be debated in Parliament.’

Mr Hodge made the following points:

- That it was time for Central Government to support Surrey.
- That Surrey had some of the busiest roads and traffic flows in the country.
- That it was important for parliament to debate and be aware of the current situation for roads in Surrey.
- That a message should be sent to all road and transportation users to sign the petition.

The motion was formally seconded by Edward Hawkins who reserved the right to speak.

Mr Cooksey moved an amendment which was formally seconded by Mrs White.

The amendment was as follows (with additional words in bold and deletions crossed through):

This Council recognises Surrey residents' concerns about the condition of the county's roads and the need to ensure they are well-maintained and fit for purpose.

The Council notes that:

1. In order to draw Parliament's attention to the unfair formula applied by Government to the funding of road maintenance and improvement, county councillor Edward Hawkins earlier this year launched the following petition:

"We call upon the Government to reform the Fairer Funding Formula to ensure there is enough money for road repair and up-keep. The current method for calculating the grant for such work unfairly penalises Surrey. The calculation should give more weight to traffic flow and level of usage.

Surrey has almost 3,500 miles of roads with over 4.8 million miles travelled on those roads per year. The grant received by Surrey from the Government is about £4,000 per million vehicle miles travelled. A Neighbouring county has a figure of £5,500 per million vehicle miles travelled.

The recent Pothole Fund announced by the Government which uses the same formula saw Surrey get £1.8m, whereas one of our neighbouring counties received £2.9m, and a quiet west country area was given £4.4m."

2. **The petition, which has been circulating for some months, had collected only 7,256 signatures by 2nd October 2018 but requires 100,000 to ensure a Parliamentary debate;**
3. **It seems unlikely that a Parliamentary debate would achieve any useful purpose given that it is the Conservative government, supported by Surrey's Conservative Ministers and MPs, that is responsible for devising and implementing the funding formula that has created this situation.**

This Council resolves:

- 1, **To instruct the Leader of the Council to intensify pressure on his Conservative Parliamentary colleagues, particularly Surrey's Conservative Ministers and MPs, to seek to provide a funding formula that would ensure that adequate resources are made available for essential county services including roads, social care, children and the environment;**
2. **To call upon all Conservative county councillors to campaign vigorously to change national Conservative policies on local government funding in order to protect Surrey residents from savage cuts in services.**

~~I call upon all Members of this Council to support the petition and do all within their power to help it reach 100,000 signatures, thus enabling this vital issue to be debated in Parliament.~~

This amendment was not accepted by Mr Hodge and therefore Mr Cooksey spoke to his amendment, making the following points:

- That this was a desperate attempt by the Leader of the Council to try to influence the national Government
- The number of signatures needed was unrealistic for the timeframe.
- The petition had not received more support because it was irrelevant.
- That the issues were due to Conservative government policy.
- Asked if Members felt roads were more important than front line services.
- A parliamentary debate would not fix the issues on roads.
- That it was the responsibility of Conservative Members to speak to their colleagues in parliament.

Mrs White, as seconder to the amendment, reserved her right to speak.

Five Members spoke on the amendment and made the following comments:

- That the amendment turned the motion into a game of political football.
- That the original motion was to help the residents of Surrey.
- That the Liberal Democrat Party had previously opposed the budget which provided more funding to services.
- That it was the duty of every Member to contact Members of Parliament (MPs) to highlight the need for additional funding in Surrey.
- That the motion was specifically about funding for roads.

Mrs White, seconder of the amendment, made the following points:

- That she did contact her MP but felt she was not being listened to.
- That funding was needed for all services
- That more detail was needed in the budget
- Members need to accept that it is a Conservative Government who are underfunding the council

The amendment was put to the vote with 16 Members voting for, 51 voting against and 1 abstention.

Therefore, the amendment to the substantive motion was lost.

Returning to the substantive motion, Mr Hawkins, as seconder, made the following comments:

- Provided Members with statistics on the locations of those who had signed the petition.
- That the petition was not political and was for the benefit of all Surrey residents.
- The Transport Select Committee in Central Government were aware of the petition.
- That there was still time to obtain the signatures required.
- All Members should support the petition.

The motion was put to a vote with 61 members voting for, 0 against and 9 abstentions.

Therefore it was **RESOLVED** that:

This Council recognises Surrey residents' concerns about the condition of the county's roads and the need to ensure they are well-maintained and fit for purpose.

In order to draw Parliament's attention to the unfair formula applied by Government to the funding of road maintenance and improvement, county councillor Edward Hawkins earlier this year launched the following petition:

"We call upon the Government to reform the Fairer Funding Formula to ensure there is enough money for road repair and up-keep. The current method for calculating the grant for such work unfairly penalises Surrey. The calculation should give more weight to traffic flow and level of usage.

Surrey has almost 3,500 miles of roads with over 4.8 million miles travelled on those roads per year. The grant received by Surrey from the Government is about £4,000 per million vehicle miles travelled. A Neighbouring county has a figure of £5,500 per million vehicle miles travelled.

The recent Pothole Fund announced by the Government which uses the same formula saw Surrey get £1.8m, whereas one of our neighbouring counties received £2.9m, and a quiet west country area was given £4.4m."

I call upon all Members of this Council to support the petition and do all within their power to help it reach 100,000 signatures, thus enabling this vital issue to be debated in Parliament.

Item 8(ii)

Under Standing Order 12.3 the Council agreed to debate this motion.

Under Standing Order 12.1 Mr Mike Goodman moved the motion, which was:

'Government has set out – in the Airports National Policy Statement - the policy framework and specific principles that will be used to assess any application to construct a northwest runway at Heathrow. In the light of these developments it is timely for this Council to reaffirm its position on airport expansion set out in the resolution agreed in December 2016 and to make clear its position on Heathrow's expansion.

This Council:

1. Recognises the crucial role of Heathrow in supporting employment for Surrey residents, generating investment for the Surrey economy and attracting major businesses.
2. Urges that the environmental and infrastructure issues associated with expansion are satisfactorily addressed.
3. Continues to engage with Heathrow management, alongside other local authorities, Local Enterprise Partnerships and other organisations as part of the Heathrow Strategic Planning Group, on its expansion plans in order to protect and promote the interests of Surrey, its residents and businesses.
4. Continues to press for proper compensation for residents who are affected by the expansion plans.
5. Emphasises that the necessary infrastructure should be in place before any new runway comes into operation together with appropriate

mitigation measures and commitments to address environmental impacts.

6. Calls on the Government to prioritise a southern rail access scheme, which supports strategic transport and economic objectives and contributes to addressing environmental impacts, to be in operation before any new runway comes into service.'

Mr Goodman made the following points:

- That parliament have now supported the expansion of Heathrow Airport
- Listed various organisations who are based in Surrey and the benefits the expansion would bring to jobs and apprenticeships.
- That Surrey needed to have the right infrastructure in place to support the third runway at Heathrow Airport.
- Air pollution issues needed to be addressed with sustainable solutions.
- That it was essential for the Council to implement funding effectively and appropriately.
- The Council must continue to work in partnership with Heathrow Airport.

The motion was formally seconded by Nick Darby, who reserved the right to speak.

Seven Members made the following points:

- That they supported the expansion due to its economic impacts but acknowledged that it will impact residents' lives.
- That Surrey needed to have the correct infrastructure.
- That the expansion and car parking area would have great an impact on Spelthorne.
- Highlighted a recently published report by climate scientists and raised air quality concerns relating to the expansion.
- Stressed that Surrey residents would be negatively affected by the expansion.
- That the appropriate Select Committee could explore further options for preparing for the expansion.
- Residents will suffer due to congestion on the M25.
- Asked that the County Council worked closely with the Spelthorne Joint Committee to find solutions.
- Highlighted the importance of Members understanding the impact of the expansion on Surrey.

Mr Darby, as seconder, made the following comments:

- Stated that Surrey needed to be fully prepared before the expansion.
- Raised concerns about the impact on air quality.
- Felt that a car park of 25,000 spaces was not sensible.
- Stressed the need for Members to be informed of what was happening.

The motion was put to a vote with 68 members voting for, 1 against and 0 abstentions.

Therefore it was **RESOLVED** that:

Government has set out – in the Airports National Policy Statement - the policy framework and specific principles that will be used to assess any application to

construct a northwest runway at Heathrow. In the light of these developments it is timely for this Council to reaffirm its position on airport expansion set out in the resolution agreed in December 2016 and to make clear its position on Heathrow's expansion.

This Council:

1. Recognises the crucial role of Heathrow in supporting employment for Surrey residents, generating investment for the Surrey economy and attracting major businesses.
2. Urges that the environmental and infrastructure issues associated with expansion are satisfactorily addressed.
3. Continues to engage with Heathrow management, alongside other local authorities, Local Enterprise Partnerships and other organisations as part of the Heathrow Strategic Planning Group, on its expansion plans in order to protect and promote the interests of Surrey, its residents and businesses.
4. Continues to press for proper compensation for residents who are affected by the expansion plans.
5. Emphasises that the necessary infrastructure should be in place before any new runway comes into operation together with appropriate mitigation measures and commitments to address environmental impacts.
6. Calls on the Government to prioritise a southern rail access scheme, which supports strategic transport and economic objectives and contributes to addressing environmental impacts, to be in operation before any new runway comes into service.'

Item 8(iii)

Under Standing Order 12.3 the Council agreed to debate this motion.
Under Standing Order 12.1 Mr Robert Evans moved

an amendment to the motion set out in the agenda for this meeting in his own name, as follows: (with additional words underlined and deletions crossed through):

Since 1 November 2015, when the Conservative Government's Modern Slavery Act came into force, Surrey County Council has a duty to notify the Secretary of State of any individual encountered in Surrey who they believe is a suspected victim of slavery or human trafficking.

The government states this duty is intended to gather statistics and help build a more comprehensive picture of the nature and scale of modern slavery.

Council welcomes the recent decision by Surrey Police to crack down on such offences and notes that the force secured their first modern slavery conviction in April 2018, with arrests in Elmbridge, Spelthorne and Tandridge amongst the 49 offences reported in 2017.

Modern Slavery occurs across Surrey's towns and villages. From nail bars in our towns, to car washes, farms, factories and restaurants up and down the county, thousands of people in Surrey could be victims.

Council notes that the annual reports of the Surrey Safeguarding Adults Board, considered and noted by the cabinet at their meetings in June 2017 and July 2018 both draw attention to this issue.

Surrey Adult Safeguarding Board observes that the term 'modern slavery' captures a whole range of types of exploitation, many of which could occur together in Surrey and elsewhere. These include:

- Human trafficking
- sexual exploitation
- forced labour and domestic servitude
- criminal exploitation
- other forms of exploitation include: forced begging; forced benefit fraud; forced marriage and illegal adoption.

Mindful of its legal responsibilities and moral duties, Surrey County Council therefore agrees to

1. Ensure its corporate procurement team have appropriate training to understand modern slavery.
2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
3. ~~Highlight to its suppliers~~ **Note** that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
4. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
5. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
6. **Ensure that quality assurance safeguards are in place to protect its contractual spending and** ~~Review its contractual spending regularly to identify any potential issues with modern slavery.~~
7. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
8. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
9. Report publicly on the implementation of this policy annually.

Members agreed to accept the amendment and therefore it became a substantive motion.

Mr Evans made the following points:

- That slavery was not an issue of the past as more people were now in slavery than ever before.

- That there was no typical victim but it was prevalent in the most vulnerable.
- Many do not realise that modern slavery happens in Surrey.
- It is estimated there are 40 million people worldwide who are victims of modern slavery.
- It was important to report any possible victims
- Asked Members to support the motion to make Surrey better.

The motion was formally seconded by Jonathan Essex who reserved the right to speak.

Three Members made the following points:

- That they supported every part of the motion.
- That every individual deserved to be treated with dignity and be allowed to work in proper establishments.
- Paid tribute to the Government for the introduction of the Modern Slavery Act 2015.
- Informed Members of examples where people have been used for modern slavery.
- Highlighted that vulnerable children in care have been used for modern slavery.

Mr Essex, the seconder of the motion, made the following comments:

- Highlighted that modern slavery was an issue throughout the country, including in Surrey.
- Urged Members to support the motion.

The motion was put to a vote and received unanimous support.

Therefore it was **RESOLVED** that:

Since 1 November 2015, when the Conservative Government's Modern Slavery Act came into force, Surrey County Council has a duty to notify the Secretary of State of any individual encountered in Surrey who they believe is a suspected victim of slavery or human trafficking.

The government states this duty is intended to gather statistics and help build a more comprehensive picture of the nature and scale of modern slavery.

Council welcomes the recent decision by Surrey Police to crack down on such offences and notes that the force secured their first modern slavery conviction in April 2018, with arrests in Elmbridge, Spelthorne and Tandridge amongst the 49 offences reported in 2017.

Modern Slavery occurs across Surrey's towns and villages. From nail bars in our towns, to car washes, farms, factories and restaurants up and down the county, thousands of people in Surrey could be victims.

Council notes that the annual reports of the Surrey Safeguarding Adults Board, considered and noted by the cabinet at their meetings in June 2017 and July 2018 both draw attention to this issue.

Surrey Adult Safeguarding Board observes that the term 'modern slavery' captures a whole range of types of exploitation, many of which could occur together in Surrey and elsewhere. These include:

- Human trafficking
- sexual exploitation
- forced labour and domestic servitude
- criminal exploitation
- other forms of exploitation include: forced begging; forced benefit fraud; forced marriage and illegal adoption.

Mindful of its legal responsibilities and moral duties, Surrey County Council therefore agrees to

1. Ensure its corporate procurement team have appropriate training to understand modern slavery.
2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
3. Note that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
4. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
5. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
6. Ensure that quality assurance safeguards are in place to protect its contractual spending and to identify any potential issues with modern slavery.
7. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
8. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
9. Report publicly on the implementation of this policy annually.

Item 8(iv)

The Leader of the Council proposed that this motion be referred to the Planning and Regulatory Committee as he felt it was not appropriate to discuss at the present meeting.

Mr Essex, as proposer of the original motion, was invited to speak to the Council on why it should not be referred. .

The proposal to refer the motion was put to the vote, with 62 voting in favour, 1 against and 5 abstentions.

Therefore it was:

RESOLVED

To refer the motion to the Planning and Regulatory Committee meeting on 17 October 2018.

72/18 A COMMUNITY VISION FOR SURREY IN 2030 [Item 11]

The Chairman drew Members' attention to recommendation D of the report, on pages 41 and 42 of the agenda, which should refer to paragraphs 25 and 26, rather than 28 and 29.

The Leader of the Council introduced the report and provided Members with a brief summary. He stated that the Vision recognised both the positives and issues raised by residents in Surrey. It was noted that the Vision was able to inform a starting point and give a focus to the transformation. The Leader further stated that he recognised that partnership working was essential to bring the Vision to life.

Members made the following comments:

- That it was essential to have a vision to have a positive journey.
- Asked if there was still a need for a Strategic Stakeholder Board of key partners.
- Suggested that the title 'Deals' is reconsidered.
- That more enforcement was needed on contracts that do not deliver what was expected.
- That a deal needs to be fair for both parties.
- That the statements in the report were unlike what was expected from the Conservative Party.
- That residents should be given realistic expectations on the future of services.
- Residents should have been consulted directly on the future of services.
- The response to the Vision questionnaire was lower than expected.
- The Vision should include detail on how it is intended to deliver the transformation.
- That the transformation should have been completed five years before.

Recommendation A

53 Members voted for, 7 against and 7 abstentions.

Recommendation B

59 Members voted for, 0 against and 7 abstentions.

Recommendation C

Unanimous.

Recommendation D

Unanimous.

Therefore it was **RESOLVED**:

That Council:

- a. Approves the revised Community Vision for Surrey 2030 and notes the extensive engagement activities with residents, staff, members, partners and businesses carried out over the summer that has informed this revision.
- b. Approves the proposal to develop a new approach to partnership working in Surrey by engaging all partners in the development of a partnership commitment
- c. Approves the proposal to explore, collectively with partners in the public and VCF sectors, the development of a new relationship with residents, including engaging with residents to establish what they can do to help themselves and each other more.
- d. Notes the timeline for future work and SCC's associated activity to support the achievement of the vision, outlined in paragraphs 25 and 26.

73/18 SURREY PAY POLICY STATEMENT 2018/2019 [Item 12]

RESOLVED:

That the updated Pay Policy Statement for 2018/2019 be agreed.

74/18 APPOINTMENT OF AN INTERIM STATUTORY S151 OFFICER [Item 13]

RESOLVED:

That Leigh Whitehouse be appointed as Interim s151 Officer from the date of this meeting.

75/18 AMENDMENTS TO THE CONSTITUTION [Item 14]

RESOLVED:

- A. That the changes to the 'call in' procedure be approved as follows:
 - 'A decision can be called in by:
 - Chairman or Vice-Chairman of the relevant Select Committee or;
 - Two Members of the relevant Select Committee comprising of more than one political group.'
- B. That the change in Membership for the Shareholder Board be approved as set out in the Terms of Reference at Annex A of the report.
- C. That these changes be incorporated into the Council's Constitution and published on the Council's website.

76/18 REPORT OF THE CABINET [Item 15]

The Leader presented the report of the Cabinet meetings held on 17 July and 25 September 2018.

Reports for Information/ Discussion

- A. Annual Report of the Shareholder Board
- B. Quarterly Report on Decisions Taken Under Special Urgency Arrangements: 1 July – 28 September 2018

RESOLVED:

- a) That the Annual Report of the Shareholder Board be noted;
- b) That it be noted that there had been no urgent items in this quarter; and
- c) That the report of the meetings of the Cabinet held on 17 July and 25 September 2018 be adopted.

77/18 MINUTES OF CABINET MEETINGS [Item 16]

No notification had been received by the deadline from Members wishing to raise a question or make a statement on any matters in the minutes.

[Meeting ended at: 12.43 pm]

Chairman

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OFFICER REPORT TO COUNCIL

ORGANISATION STRATEGY, PRELIMINARY FINANCIAL STRATEGY, TRANSFORMATION PROGRAMME AND 'OUR PEOPLE' STRATEGY

KEY ISSUE/DECISION:

This report sets out how the Council plans to contribute towards achieving the outcomes in the Community Vision for Surrey in 2030 (Community Vision for Surrey) over the medium term, which is covered across four strategic documents that are annexed to this report. Surrey County Council's Organisation Strategy (Annex 1) sets out how the Council will work with residents and partners and direct our resources to where they will have the most impact. The Preliminary Financial Strategy (Annex 2 and Appendix 1) and Transformation Programme (Annex 3) will not only secure the Council's financial sustainability but will also reform the function, form and focus of the organisation. 'Our People 2021' (Annex 4) is our plan for the Council's current and future workforce and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey, achieve our priority strategic outcomes for residents, ensure the effectiveness and efficiency of the Council, drive wholesale transformational change and create a high performance culture.

By approving the suite of documents in the annexes to this report, the Council is supporting a new financial and strategic direction for the Council, endorsing the priorities, key objectives and draft directorate budget envelopes for the medium term.

The Organisation Strategy, Preliminary Financial Strategy, Transformation Programme and 'Our People 2021' strategy provide a clear sense of the Council's direction for staff, members, residents, partner organisations and businesses. As part of the Council's Policy Framework (as set out in the Constitution) the Corporate Strategy (called the Organisation Strategy in this report) must be approved by Council.

BACKGROUND:

1. The Council sets a Corporate Strategy and revenue and capital budget each year as standard practice. The latest versions approved earlier in 2018 were the [Surrey County Council: Corporate Strategy 2018-21](#) and [Revenue and Capital Budget 2018/19 to 2020/21](#). These gave the Council clear strategic priorities and resources to support them.
2. We also have a strong track record in transforming services to improve performance and reduce costs. The [Public Value Review programme](#), which ran from 2009 to 2012, identified and delivered £279m of savings. We have

continued to make savings year on year through the budget planning process, totalling over £540m since 2010/11.

3. Since 2010, the Council has planned for reductions in funding from central government. Reserves were built up to mitigate this loss of income, however, continued reductions in local government funding, and delays in the Fair Funding review, have meant that this period has lasted for longer than could have been foreseen. The Council's strategy to build up reserves was prudent as it has had to draw down on them since 2014 to help balance the budget.
4. The Council also makes sure it responds to the challenges and opportunities for Surrey's workforce so residents continue to receive good quality services and the Council is an attractive employer to work for. The most recent example of this was the [Human Resources and Organisational Development Strategy 2017 – 2019](#), approved by the People, Performance and Development Committee (PPDC) in November 2017.
5. The Council is required in law to ensure that its expenditure in any year does not exceed its resources. Following years of cuts to government funding and rising pressures and costs, the Council now faces a significant budget shortfall in 2019/20 and beyond. The Council's reserves and balances are at a safe minimum level given the risks it faces and therefore it is no longer prudent to continue to use one-off sources of funding, such as reserves, to fund on-going expenditure.
6. The Preliminary Financial Strategy (PFS) supports the Council's organisational objectives set out in the Organisation Strategy and sets out the steps for a balanced and sustainable budget. For 2019/20, this requires an estimated £85m of on-going savings, which is a significant total, and is a high risk to achieve. The Council will be required to closely track and monitor the actions to achieve this level of savings.
7. From 2020/21 a new funding regime is due to be in place for local government in England. The PFS sets out possible scenarios of the Council's funding up to 2024. However, given the uncertainties on future funding, the Executive Director of Finance cautions against any optimism bias in future business and financial planning.
8. The Chancellor of the Exchequer's Autumn Budget of 29 October 2018 included announcements on health and social care, infrastructure, housing, welfare and the environment. Key national financial forecasts include:
 - Growth at 1.3% in 2018 (down from 1.5%) 1.6% in 2019, 1.4% in 2020 and 2021, rising to 1.6% by 2023
 - Inflation to be 2.6% in 2018 and then fall to 2.0% in 2023
 - Public sector debt to peak to 83.7% of GDP in 2018 and fall to 74.1% in 2023/24
 - Borrowing to be £25.5bn for 2018 (£11.6bn lower than forecast in March) and £20.8bn in 2022/23
 - National spending to fall from 38.2% of GDP in 2018/19 to 37.9% in 2023/23. Spending Review 2019 will set an indicative five year path for total public spending at 1.2% average annual growth.

9. Further announcements included the NHS budget rising from £115bn in 2018/19 to £148bn in 2023/24. The Spending Review will confirm the final NHS funding settlement following publication of the NHS 10-year plan. The increase includes £2bn mental health services funding. Adult Social Care will receive £240m funding in 2018/19, which was announced by the Prime Minister in her speech to the party conference, and which we have since been informed will result in £4m for the Council. The Chancellor announced £650m for social care in 2019/20, £240m to relieve adult social care challenges around transfer of care, £410m for more general adult and children social care demands. Local authorities will receive £420m to fix potholes, repair damaged roads and renew bridges and tunnels. £150m will be available to councils through the National Productivity Investment Fund for smaller highways improvement projects, such as roundabouts and to ease congestion.
10. Details on the distribution and conditions attached to all of the above funding will be expected to be announced by, or at the time of, the Local Government Finance Settlement on 6 December 2018.
11. Furthermore, schools will receive £400m directly for capital projects and equipment. Retail businesses with a rateable value below £51,000 will receive a one-third relief on business rates payable between April 2019 and April 2021. Local authorities will be fully compensated for this loss of income. The £675m Future High Streets Fund aims to increase access to high streets, redevelopment and densification. An additional £20m will be allocated to support local authorities to meet their air quality obligations. The Government has allocated £13m to tackle the risks of floods and climate change through pilot projects to protect homes.

Surrey County Council's Contribution to the Community Vision for Surrey in 2030

12. Surrey as a place and the context within which the Council, other public and voluntary, community and faith (VCF) sector partners and businesses operate has significantly changed over the last decade and will continue to do so. Recent reports to Council on 22 May 2018 ([Developing a Vision for Surrey in 2030](#)) and 9 October 2018 ([A Community Vision for Surrey in 2030](#)) set out some of the main challenges, including population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints. These reports also outlined how, 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, homelessness and mental health issues.
13. On 9 October Council endorsed a new Community Vision for Surrey in 2030 ([A Community Vision for Surrey in 2030](#)), informed by extensive stakeholder engagement. The Community Vision for Surrey recognises the need for, and value of, a shared set of outcomes to focus on - to inspire public services, the VCF sector, businesses, residents, staff and members - as we collectively strive to improve the lives of everyone who lives in the county. The Community Vision for Surrey describes the kind of place we all want Surrey to be, and includes ten outcome-focused ambition statements.

14. The fast changing, and continually evolving, context within which the Council is working, coupled with development of a new Community Vision for Surrey, means the council needs to build on its strong track record. The Council has developed the following documents:
- An Organisation Strategy (Annex 1) that sets out how the Council will work with residents and partners and direct our resources to where they will have the most impact. It is our plan for how, over the next four years, we will work towards achieving the outcomes in the Community Vision for Surrey, and focus on making a real difference to residents' lives.
 - A Preliminary Financial Strategy (Annex 2 and Appendix 1) that sets out the overall framework within which the Council will manage its financial resources and supports the delivery of the Council's priorities and the Community Vision for Surrey in 2030. Reserves are now back at the low levels they were in the 2009/10 financial year, and the Council needs a revised strategy. The PFS will drive the five year Medium Term Financial Plan, the revenue budget and the capital programme. It also sets out a draft balanced budget for 2019/20, proposing a budget envelope for each of our service areas to achieve outcomes to meet residents' needs, without the use of reserves, except for in the most extreme circumstances. The proposals contained within this draft 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.
 - A Transformation Programme (Annex 3), shaped around six thematic areas, which will reform the function, form and focus of the organisation to help us deliver the Community Vision for Surrey. The impact of the Transformation Programme on the Council will be significant. Activities that do not add value will be decommissioned, processes will be simplified, communities will have a greater role and commercialisation will be an operating principle in much of what we do.
 - The 'Our People 2021' strategy (Annex 4) is our plan for the Council's workforce (current and future) and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey, achieve priority strategic outcomes for residents, ensure the effectiveness and efficiency of the Council, drive wholesale transformational change and create a high performance culture.
15. This suite of documents aim to respond to the new context, and our approach to the planning process this year means they are more integrated than ever before. The new documents are interdependent – the aims of one will struggle to succeed without the others - and will support the Council to achieve improved outcomes for residents and develop a more sustainable, effective organisation and services in future years.
16. In particular, the Council is taking a new approach to setting the statutory budget and council tax for the forthcoming financial year. On 29 January 2019 Cabinet will be asked to make recommendations to the Council meeting in February 2019 on the revenue and capital budget and the council tax precept

for 2019/20. We are making public the draft budget strategy, and the proposals that underpin it, much earlier than we have done in previous years, and the approval of the PFS is an important milestone in that process.

17. The PFS sets out a draft balanced budget for 2019/20 and, subject to the outcome of consultation, engagement and equality impact assessments (detailed further in paragraphs 23 to 38 and 48 to 57) is the blueprint that will inform the statutory budget. Starting the process earlier will enable us to better plan for the future, carry out thorough engagement and consultation with residents and stakeholders over the coming months, make any necessary adjustments to how residents' needs will be met - for example as a result of consultation feedback - and ensure we have everything in place to begin to make savings from 1 April 2019. In addition, the Council will fully consider the impact of the upcoming Local Government Financial Settlement in setting the statutory budget and council tax, both for 2019/20 and in to the medium term.
18. The PFS sets out how we plan to achieve financial sustainability, including through the following activity:
 - A Transformation Programme (Annex 3) 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.
 - Delivering in-year additional savings where required. A £40m cost reduction plan has been put in place for 2018/19 to reduce the need to use reserves and manage costs. If this reduction can be achieved, this will mean the Council will not have to use any reserves this year. We will regularly monitor and scrutinise achievability and progress of this plan.
 - The production of draft directorate budget envelopes for 2019/20 (in Appendix 1), within which we will manage expenditure in order to ensure budget sustainability. These have been informed by broad strategic principles (in Annex 2) and have been developed to enable demand containment and cost savings plans, service transformation, and further efficiency savings that will impact on service delivery in future years.
 - Maintaining sound financial management policies and controls to ensure value for money in our use of resources.
 - Implementing budget assurance statements to establish clear budget responsibility and accountability. Budget managers have always been charged with effective management of resources but this revised accountability for delivering within more defined budget envelopes is now contracted for in individual budget accountability statements. Cabinet Members will also be held to account appropriately against the agreed budget envelopes.
19. The PFS forecasts our total funding for 2019/20 to be £890m (see Annex 2 and Appendix 1).

20. At its Budget and Council Tax meeting on 6 February 2018, Council approved a Flexible Use of Capital Receipts Strategy. This enables the Council to use capital receipts to fund the revenue costs of service reform projects. At its meeting on 22 May 2018, Council approved £5m for capacity for the Transformation Programme, and highlighted further investment of up to £15m. It is currently anticipated that the total cost of the Transformation Programme will be £20.2m over the three years to 2020/2021. Without this investment it will be impossible to secure the savings and benefits.
21. The benefits anticipated to be delivered through the Transformation Programme are £82m in 2019/20, rising to £124m in 2020/21. Benefits will start to be delivered from 2018/19 with full realisation of most savings by 2020/21. As we progress our transformation journey, additional projects are likely to be identified and through robust governance will be added to the Transformation Programme over time.
22. The Council will develop a range of supporting strategies and business plans, including outcome-focused service plans and individual performance objectives for all staff, to support the new financial and strategic direction.

Consultation and Engagement

Organisation Strategy

23. Over the summer the Council facilitated the most systematic and extensive engagement exercise of residents and partners it has ever done to inform the development of the Community Vision for Surrey. This feedback has also been used to shape the focus of the Organisation Strategy (Annex 1). The strategy is also underpinned by evidence of need, drawing on a range of sources including the [Vision for Surrey evidence base](#).
24. The Cabinet, supported by the Corporate Leadership Team, have been central in defining the Council's key priorities included within the Organisation Strategy, and identifying the drivers of change to transform and become a very different organisation.
25. In addition, members have been more widely engaged in the shaping of the Organisation Strategy, including through Corporate Overview Select Committee (COSC) reviewing the Community Vision for Surrey and corporate Full Business Cases at their meeting on 20 September 2018, and the Organisation Strategy on 25 October 2018.

Preliminary Financial Strategy

26. The Council needs to be financially stable, sustainable and resilient, whilst demonstrating that it provides value for money in the services it delivers. The PFS (Annex 2) sets out the overall framework within which the Council will manage its financial resources and support the delivery of the Council's priorities and the Community Vision for Surrey 2030.
27. As mentioned in paragraph 16, the Council is taking a new approach to setting the statutory budget and council tax for the forthcoming financial year, which will enable us to better plan for the future and carry out thorough engagement and consultation with residents and stakeholders over the coming months. This can be considered in full as part of our budget decision

making process in early 2019, and any necessary adjustments or changes accommodated.

28. This section details the consultation and engagement activity that has already taken place and sets out our plans for further stakeholder engagement and consultation.
29. On 26 and 29 October 2018, two participatory budgeting workshops were held with 98 residents to gain some initial insight into where they would invest the Council's budget and manage the difficult competing demands with constrained resources. Residents were recruited to attend the events to reflect the diversity of Surrey's population, for example, using a quota for a broad mix of ages, sexes, disability and whether they had dependents or not.
30. The initial feedback from engagement activity to date has been used to help shape the proposals for change and transformation. There is further engagement and consultation planned so feedback can be considered as part of the decision making on the final revenue and capital budget for 2019/20. This will include, in addition to any service specific and/or statutory consultations, completing face-to-face interviews with a statistically representative sample of 1,100 residents to gather views.
31. Officers met with the Surrey Equality Group (which includes representatives from a range of VCF organisations in Surrey, chaired by Councillor Denise Turner-Stewart, Cabinet Member for Community Services) on 24 October 2018 to talk to them about the council's budget challenges and associated consultation activity. We will also arrange consultation meetings with stakeholders in Surrey, including business rate payers, the VCF sector and trade unions, and will provide members of the public opportunities to give us their feedback, for example through the Council website.
32. Members have also been briefed and updated throughout development of this process, including a briefing for all members on 15 October 2018 and a Corporate Overview Select Committee (COSC) meeting on 25 October 2018.
33. The Council is considering a range of measures to achieve the savings it needs to make to deliver a sustainable budget for the long-term. A number of public consultations launched on 30 October 2018 (paragraphs 34 to 36). Residents' and other stakeholders' views will be central to the decisions members need to take, and consultation results will be reported to Cabinet and Council in early 2019 to inform decision making around the revenue and capital budget for 2019/20.

Transformation Programme

34. Due to the nature of the policy changes being proposed by some of the transformation business cases a number of public consultations are required. Initially, these will cover the following service areas:
 - Children's centres
 - Libraries and culture
 - Special educational needs and disability (SEND)
 - Community recycling centres
 - Concessionary travel funding

35. These consultations launched on 30 October 2018 and the feedback, together with the potential equalities impacts of the proposals under consideration, will be presented to Cabinet on 29 January 2019, where Cabinet will be asked to make recommendations to the Council in February on the revenue and capital budget and the council tax precept for 2019/20. This will enable services to take the resulting feedback into account when finalising their proposals and allow members to take all relevant matters into account when deciding on them, in accordance with their statutory duties.
36. Consultation will be completed where necessary across all of the business case proposals.
37. Members have also had the opportunity to feed into the development of the Transformation Programme including:
 - Cabinet and Corporate Leadership Team away days to identify and prioritise the required changes
 - Lead Members scrutinising and helping to shape individual business cases with officers
 - COSC reviewing the emerging Outline Business Cases on 23 July 2018 and subsequently scrutinising the corporate Full Business Cases at their meeting on 20 September 2018
 - Briefings for all members which took place on 16 July and 15 October 2018. Also specific briefings on Family Resilience on 10 September, and Practice Improvement Adult Social Care on 1 October 2018.

'Our People 2021' Strategy

38. The 'Our People 2021' strategy (Annex 4) has been developed in consultation with Members and senior officers of the council. PPDC reviewed the strategy at their meeting on 20 September 2018 and COSC reviewed it at their meeting on 25 October 2018. The final draft is scheduled to be considered by PPDC on 7 November 2018. If approved by Council on 13 November, work will continue with staff across the organisation, as well as with partner organisations, to ensure the aims and objectives of the strategy are embedded into all workforce related activity going forward.

Risk management

39. The plans set out in the appendices to these report are wholesale and significant. There is a risk that the scale of change needed to implement and deliver these plans is too complex, and the pace too fast. The Council is intentionally taking an integrated approach to planning and delivering this change, as demonstrated by the integrated nature of this report and annexes, and this approach should help to mitigate this risk.
40. The 'Our People 2021' strategy (Annex 4) also states that as an organisation we need to move from a culture of risk aversion, to one of risk awareness, which should further help us effect radical cultural change, driving a culture of innovation, accountability and agility.
41. The PFS (Annex 2) sets out a number of funding risks and actions taking place to mitigate these where we can, including:

- A high degree of uncertainty about a significant element of funding for the Council due to the government's intended changes to the Business Rates Retention scheme
 - The potential that the government decides to implement a funding policy which would see us losing a further £17m so called 'negative RSG (revenue support grant)'. The PFS is 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
 - Insufficient clarity on the Parliamentary time due to be allocated to, and therefore progress of the Fair Funding review, creating a significant challenge in setting budget envelopes for 2020/21 onwards
 - The need to formally consult on some savings proposals, and understand the impact on staff, partners and residents, before delivery plans for savings can be finalised
 - Regularly reviewing the appropriate level of reserves and balances to ensure that these are appropriate for the levels of risk that we take
42. In addition, following the Chancellor's Budget announced on 29 October 2018, the Council has identified a potential risk around unfunded pension schemes. The Treasury has lowered the discount rate applied when calculating employer contribution rates for public service pensions from 2.8% to 2.4%. This does not apply to the Local Government Pension Scheme however it will increase employer contributions for fire fighters from April 2019 and for teachers from September 2019. The Department for Education have said they will fund this for schools however have not confirmed if they would fund local authorities for the teaching staff they employ centrally.
43. A number of assumptions and risks to the Transformation Programme are included in Annex 3 and these will be tracked and managed through the delivery of the programme

Ensuring value for money

44. The Council is taking an integrated approach to its financial and strategic planning. The Organisation Strategy, Transformation Programme and 'Our People 2021' strategy have been developed alongside the PFS, and therefore are in line with budget planning.
45. Taking a more integrated approach to our financial and strategic planning will enable us to better target our resources, be more efficient, contain the demands which our services are under, and transform the Council in order to deliver improved value for money.
46. The development of an outcomes based performance management framework to monitor our progress in delivering the Organisation Strategy will also help us demonstrate that we are providing value for money in the services we deliver.
47. We will work with all our partners, including district and borough councils, other public bodies, the VCF and businesses to create the best value for

every pound we spend. The Council understands how important it is to work alongside partners and our commitment to a refreshed approach to working in partnership is outlined in the Organisation Strategy (Annex 1).

Equality and Diversity

48. This report seeks approval for four strategies that will contribute towards the achievement of the Community Vision for Surrey. These set a direction of travel but do not entail any specific budget or service decisions at this stage.
49. The report acknowledges that as this work progresses there will be a need for significant engagement and, in appropriate cases, consultation with residents and other stakeholders, together with ongoing review of the potential equality impacts of the proposals under consideration.
50. This will enable services to take the resulting feedback into account when finalising their proposals and allow Members to take all relevant matters into account when deciding on them, in accordance with their statutory duties.

Organisation Strategy

51. There are no direct equality implications arising from the Organisation Strategy. A key strategic principle at the heart of the Organisation Strategy is to 'focus on ensuring no one is left behind'. This commits the Council to working with some of the most vulnerable people in Surrey, and their communities, to help them break down the barriers they face and access opportunities that improve their quality of life. The Council also intends to refresh its Equality, Fairness and Respect Strategy in 2019 to align with the Organisation Strategy.
52. When setting a budget, including savings plans, and an Organisation Strategy, the Cabinet and Council must comply with the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010 (Equality Act) which requires it to have due regard to:
 - "eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

Preliminary Financial Strategy

53. This report does not in itself define any firm proposals for service changes, so there are no equality implications arising from this report for residents and staff. However, as proposals for the budget are further developed and consulted on, officers will be required to complete Equality Impact Assessments (EIAs) where there are likely to be material changes to service design and delivery.
54. To inform decision making, a combined impact analysis for the budget proposals, which will include consultation feedback and equality analysis, will be presented to the Cabinet meeting on 29 January 2019 and the Council meeting on 5 February 2019. This will summarise the potential positive and

negative impacts of proposals on residents and staff with one or more of the protected characteristics identified by the Equality Act, and the actions in place to mitigate any negative impacts.

55. The analysis will include full assessments of new savings proposals, including those linked to the Transformation Programme, and refreshed EIAs for initiatives carried over from the MTFP 2018-2021. It will also map the cumulative effects of these changes on different people with protected characteristics.

Transformation Programme

56. Some of the transformation business cases identify the need for an EIA, and these are in development. Where the projects entail changes that could adversely impact residents or staff, full EIAs will be completed. The first will be presented with the budget to Cabinet on 29 January 2019 and the Council meeting on 5 February 2019. EIAs for any additional projects that are linked to the business cases, such as any fees and charges, may follow at subsequent Cabinet meetings depending on the timing of their implementation.

'Our People 2021' Strategy

57. An EIA has not been undertaken in relation to the 'Our People 2021' strategy as there is no evidence to suggest it will have any adverse impact on individuals with protected characteristics. EIAs will be undertaken in respect of identified activities where there is potential for an adverse impact on such individuals.

Next steps

58. The Organisation Strategy, PFS, Transformation Programme and 'Our People 2021' will be presented to the Council at its meeting on 13 November 2018.
59. All four documents will be published on the Council's website. An outcomes based performance management framework will be developed to enable progress to be monitored, with annual reports being presented to Council.
60. If approved at the Council meeting on 13 November delivery of the Transformation Programme will commence, subject to the outcome of consultation, engagement and equality impact assessments.
61. The 'Our People 2021' strategy will be 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. We will continue to measure delivery of the strategy using existing data, and new outcome based measures will also be identified (for example, the impact of people development activity as opposed to the number of people attending training courses). Progress against the strategy will be reported to PPDC on a six monthly basis.

62. Internal communications to staff and members are already taking place to raise awareness of, and engage them in, the council's new financial and strategic framework and Transformation Programme. This work will continue. Alongside this, we will continue to make residents and partners aware of our plans and the changes taking place, provide engagement opportunities and involve them in consultation activity.
63. If Council approve the business cases, officers will work with Select Committee chairmen to develop forward work programmes to enable effective scrutiny of these projects to take place.

RECOMMENDATIONS:

Council are asked to:

- a) Approve the Surrey County Council Organisation Strategy 2019 – 2023 (Annex 1), which sets out how the council will work with residents and partners to contribute to the achievement of the Community Vision for Surrey in 2030. It sets out priority areas the Council will focus on over the next four years.
- b) Approve the Preliminary Financial Strategy (PFS) 2019 – 2024 (Annex 2 and Appendix 1), which sets out a draft balanced budget for 2019/20, without the use of reserves, subject to the outcome of consultation, engagement and equality impact assessments.
- c) Approve the Transformation Programme (Full Business Case, Annex 3) subject to the outcome of consultation, engagement and equality impact assessments. The programme will be delivered through six delivery themes: Service Transformation, Partnership and Integration, New Ways of Working, Commissioning, Investment & Income and Technology and Digital Innovation.
- d) Approve the 'Our People 2021' strategy (Annex 4), which is the Council's plan for the current and future workforce and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey in 2030, achieve our priority strategic outcomes for residents, ensure the effectiveness and efficiency of the council, drive wholesale transformational change over the next few years and create a high performance culture.
- e) Note the planned engagement and consultation activity (referenced in paragraphs 27 and 28) related to the savings proposals contained within the PFS and Transformation Programme. These have been initiated under the formerly agreed delegated authority of senior officers.
- f) Note that the outcomes of the engagement and consultation activity will be brought back to Cabinet on 29 January 2019, where Cabinet will be asked to make recommendations to the Council meeting in February 2019 on the revenue and capital budget and the council tax precept for 2019/20.

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Annexes:

Annex 1 Surrey County Council Organisation Strategy 2019 - 2023

Annex 2 Preliminary Financial Strategy 2019 – 2024

- Appendix 1 2019/20 Budget Envelope Proposal

Annex 3 Full Business Case 2021

Annex 4 'Our People 2021'

Sources/background papers:

Vision 2030 consultation feedback

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ORGANISATION STRATEGY

2019 – 2023

October 2018



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:

- 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

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.

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

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

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.

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.

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+.

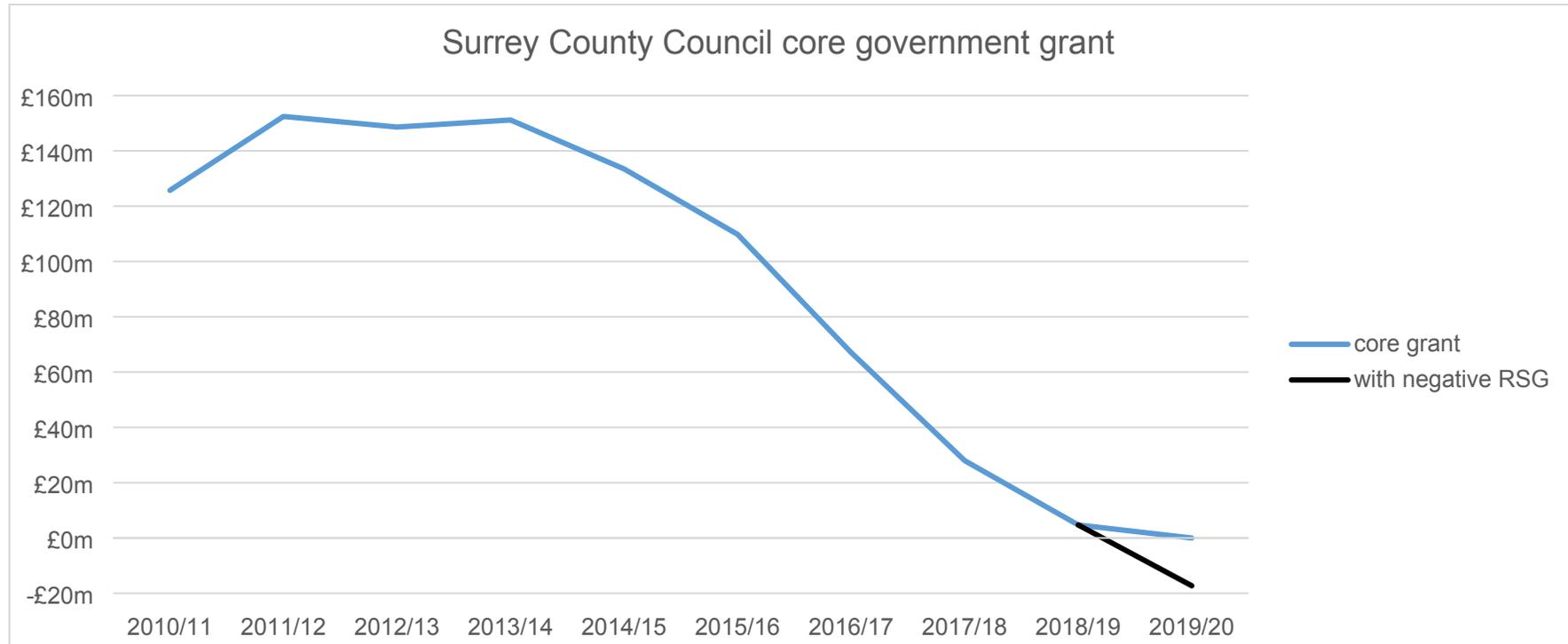
Councils have had to cut other services substantially to manage the twin pressures of reduced government funding and rising demand and costs for their services.

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.

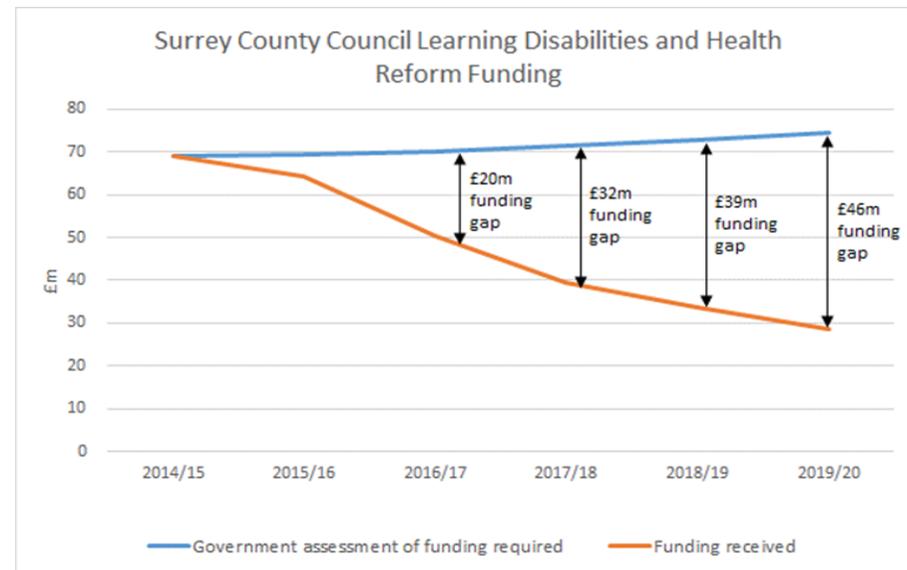
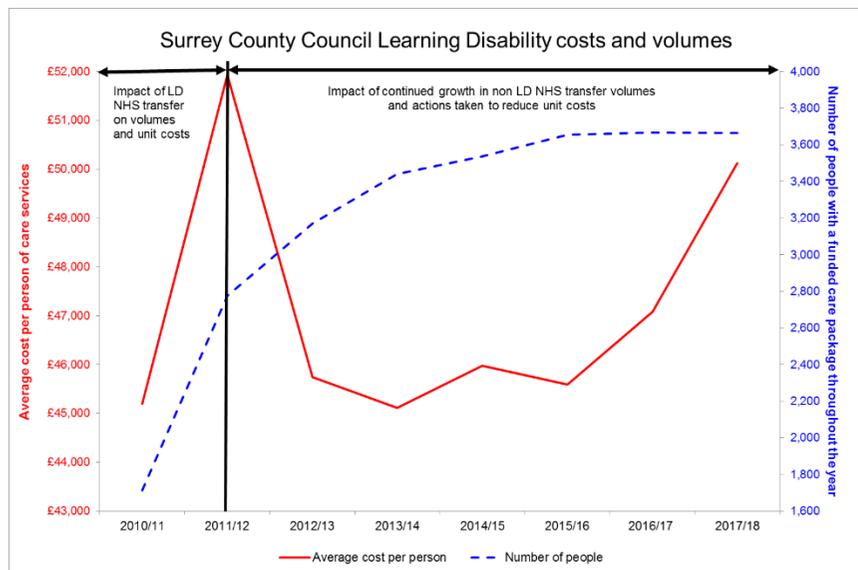
OUR FINANCIAL CONTEXT

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.

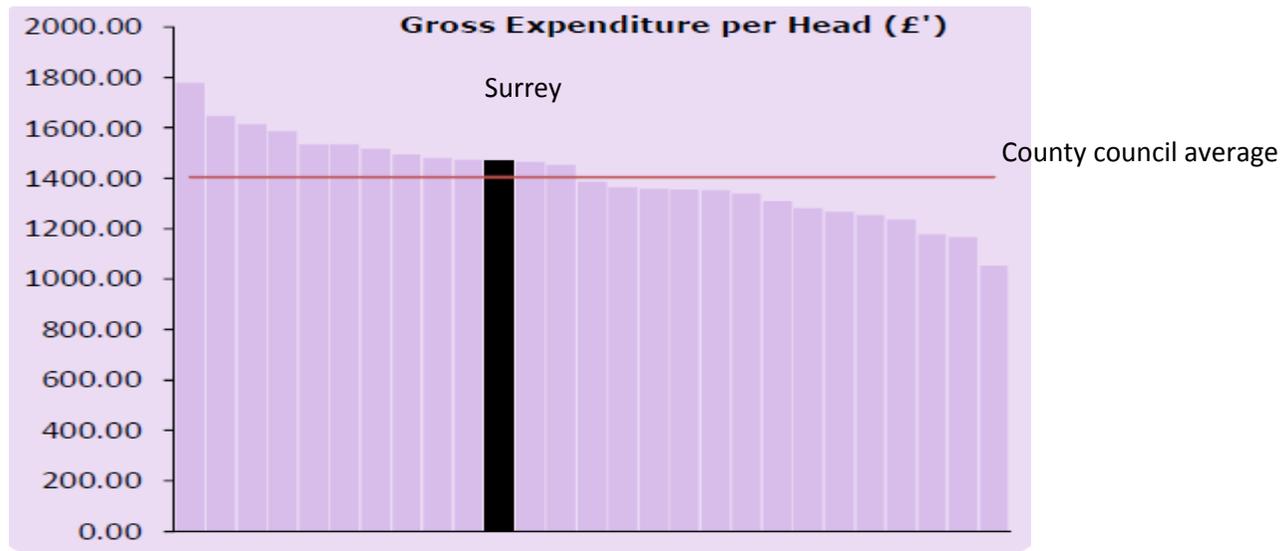


As a result of our historically low grant funding, we have had to rely increasingly on Council Tax and much more so than other local authorities. In 2018/19, 84% of our core spending power is from Council Tax, compared to averages for all county councils of 72% and all local authorities of 59%. While 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.

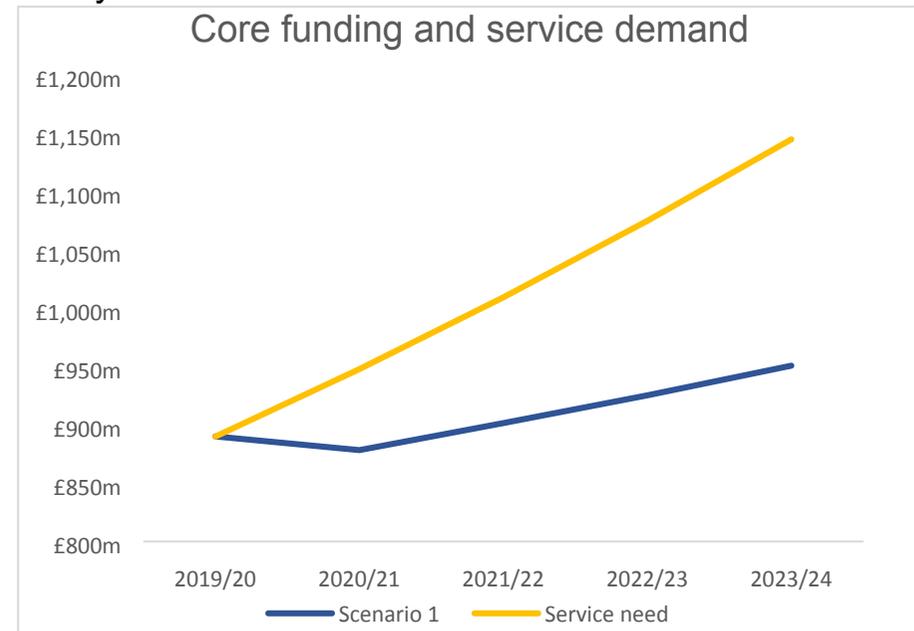
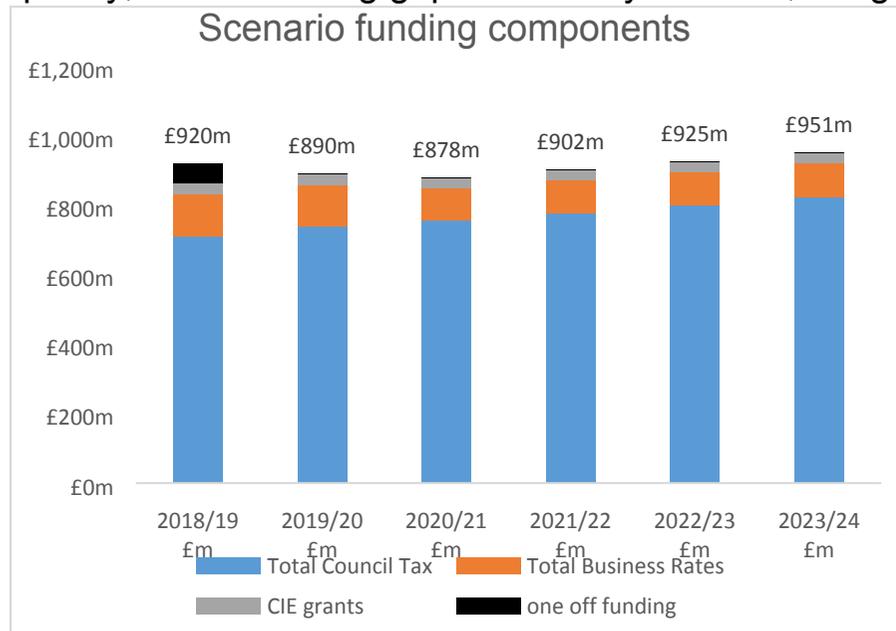
We have developed a model to make projections about prospective funding that would support our net budgets from 2020/21 onwards. The model uses assumptions about the following factors.

- **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		4,279
Service improvements	0	0	0	1,004	0	320		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		-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		-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
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	
<u>Inflationary increase for Childrens placements and transport</u>	<u>700</u>
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
<u>Total Other demand pressures</u>	<u>16,100</u>
Total Net Pressure	16,800
<i>Transformational activities to mitigate pressures</i>	
<u>Total Transformational activities to mitigate pressures</u>	<u>0</u>
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
<u>Total Transformational savings</u>	<u>-24,150</u>
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**

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**

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
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Draft Net Budget	365,699
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2019/20 BUDGET ENVELOPE PROPOSAL

Directorate for:

Economy, Growth & Commercial

This Directorate covers:

Economic Growth, Managed on behalf of Orbis -
Property Services**Movements****Prior year budget****£m**
19,453**Pressures:***Pressures before mitigating transformational activities*

Prices 935

Total Prices 935Removal of one-off savings / funding within the Revised 2018/19
budget

2018/19 additional one-off savings 3,643

Total Removal of one-off savings / funding within the Revised
2018/19 budget 3,643**Total Pressure before mitigating transformational activities 4,578***Transformational activities to mitigate pressures*

Total Transformational activities to mitigate pressures 0**Total budgeted pressures 4,578**

Transformational savings

Cleaning & grounds maintenance contracts -150

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

Budget for utilities at low usage -600

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:	
<i>Pressures before mitigating transformational activities</i>	
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
<i>Transformational activities to mitigate pressures</i>	
Total Transformational activities to mitigate pressures	0
Total budgeted pressures	11,596

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:	
<i>Pressures before mitigating transformational activities</i>	
Prices	909
Total Prices	909
Restructure to support Council-wide transformation	320
Total Restructure to support Council-wide transformation	320
Removal of one-off savings / funding within the Revised 2018/19 budget	
2018/19 additional one-off savings	7,963
Total Removal of one-off savings / funding within the Revised 2018/19 budget	7,963
Total Pressure before mitigating transformational activities	9,192
<i>Transformational activities to mitigate pressures</i>	
Total Transformational activities to mitigate pressures	0
Total budgeted pressures	9,192
<i>Transformational savings</i>	
Digital	-1,000
Orbis VFM	-3,537
Spans of control	-1,500
Mobile/agile workforce	-1,000
Channel Shift	-500
One front door	-1,000
Total Transformational savings	-8,537
Efficiency savings	
Removal of one-off Orbis Investment	-1,316
Customer Services & Communications	-123
Total Efficiency savings	-1,439
Savings	-9,976
Draft Net Budget	50,790

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:	
<i>Pressures before mitigating transformational activities</i>	
Prices	267
<hr/>	
Total Prices	267
Other service pressures	110
<hr/>	
Total Other service pressures	110
Removal of one-off savings / funding within the Revised 2018/19 budget	
2018/19 additional one-off savings	1,111
<hr/>	
Total Removal of one-off savings / funding within the Revised 2018/19 budget	1,111
<hr/>	
Total Pressure before mitigating transformational activities	1,488
<i>Transformational activities to mitigate pressures</i>	
<hr/>	
Total Transformational activities to mitigate pressures	0
Total budgeted pressures	1,488
<hr/>	
<u>Efficiency savings</u>	
Reduce contribution to council's insurance self-fund	-223
Reduce Legal, Democratic Services and Coroner spend	-123
<hr/>	
Total Efficiency savings	-346
<u>Policy Savings</u>	
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
<hr/>	
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:	
<i>Pressures before mitigating transformational activities</i>	
Other service pressures	1,364
Total Other service pressures	1,364
Removal of one-off savings / funding within the Revised 2018/19 budget	26,418
Total Removal of one-off savings / funding within the Revised 2018/19 budget	26,418
Total Pressure before mitigating transformational activities	27,782
<i>Transformational activities to mitigate pressures</i>	
Total Transformational activities to mitigate pressures	0
Total budgeted pressures	27,782
Revised borrowing strategy	-826
Total Efficiency Savings	-826
Policy Savings	
Deferred Contribution to Reserves	-3,199
Total Policy Savings	-3,199
Financing Savings	
Investment income	-4,182
Total Financing Savings	-4,182
Savings	-8,207
Draft Net Budget	60,412

Full Business Case

Surrey County Council 2018

Version 3.0

Executive Summary

Vision & Landscape

Strategic Direction

Projects

Impact

Structure

This document is structured as follows:

- Executive Summary Summarises the pack and sets out the process we have been through
- Vision & Landscape Sets out the challenges we face and where we are aiming to get to
- Strategic Direction Sets the targets for 2021 and what needs to be in place to make it happen
- Projects Summarises the projects, by theme and what they aim to achieve
- Impacts Summarises impacts on stakeholder groups and the communication approach

The Surrey County Council 2018 Full Business Case, will be delivered through six themes; Service Transformation, Partnership & Integration, New Ways of Working, Commissioning, Investment & Income and Technology & Digital Innovation.

Executive Summary

The cumulative impact of inflation and demand growth, alongside a reduction in central government funding resulted in the medium term financial plan identifying a budget gap of between £210m and £250m by 2021.

The impact of the Surrey Transformation Programme on Surrey County Council will be significant. Activities that do not add value will be decommissioned, processes will be simplified, communities will have a greater role and commercialisation will be an operating principle in much of what we do

The key to SCC's successful transformation will be its leadership. Everything that will be different in the future organisation has an impact on how it will need to be led. Transformation will only happen if leaders at SCC fully embrace change management roles.

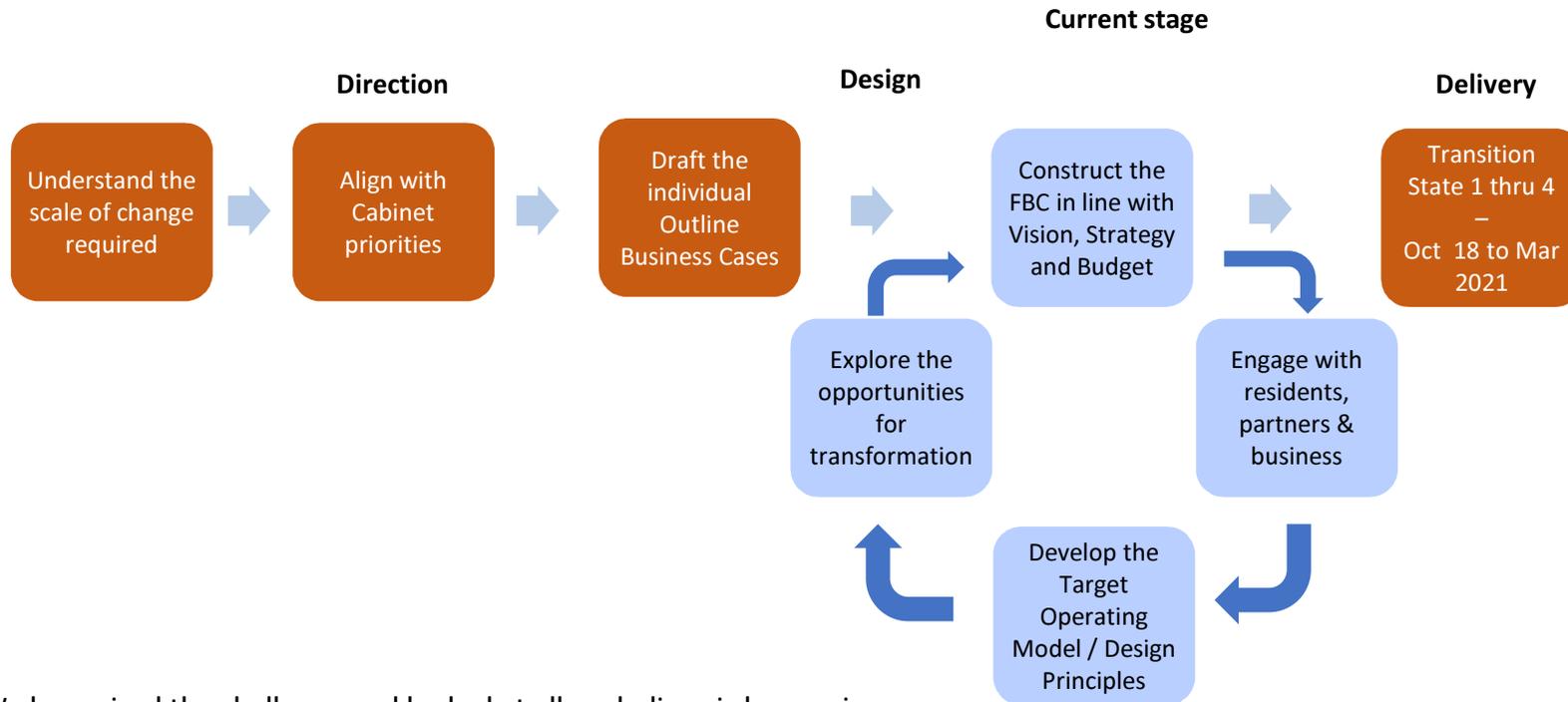
The post-Business Case phase will be different for each delivery theme; SCC will need to accept an agile and flexible approach to the maturity of a programme operating in a complex and fast-changing environment.

The benefits anticipated to be delivered through the transformation programme are £82m in 2019/20, rising to £124m in 2020/21. Anticipated investment costs are well-developed and subject to further refinement ahead of being presented to Council as part of the budget setting process in February 2019. Benefits will start to be delivered from 2018/19 with full realisation of most savings by 2020/21.

Some of the revenue costs (£6m) relate to the opportunity costs in respect of employees already working for the Council being used to deliver these projects, the remaining £20m will require investment.

Executive Summary – Our Approach

We have followed a robust process to build the Full Business Cases:-



1. We have sized the challenge and looked at all we believe is happening
2. We have heard what is important to members and Corporate Leadership Team and grouped our projects into their themes
3. We
 - a. Have worked up the opportunities into business cases to confirm scope, benefits and resource/funding needs
 - b. Will continue to engage with stakeholders including residents and partners to align our change activity
 - c. Are building a set of principles with which we will influence solution design
4. We are in a position to present a fully costed programme plan and Business Case that has been validated against the Vision & Strategy and inform the Budget

Vision - Policy context and drivers

Welfare, health and social care reforms

- Early help and prevention increasingly important (demand management)
- Increasing inequality and polarisation changes expectations on local government

Housing

- Constraints on land use and funding affect:
- the supply of a mix of housing tenures and sizes to meet needs
 - extent of local discretion to influence/deliver

Economic development

How far proceeds of growth stay in the local area affects balance of national and local investment in infrastructure, skills and employment, innovation, inward investment and trade

Changing resident expectations

- Increased expectations around responsiveness – 24/7 culture of self-serve - and access to information
- Increased co-design and co-production of services
- Extent to which family, friends and communities can step in / up

Local Government funding and sustainability

- Significant changes to local government funding mechanisms
- Increased reliance on local tax bases

Public service systems and funding

- Local partner organisations experiencing major policy and funding changes
- Ongoing downward pressure on budgets, increasing expectations around efficiency
- Opportunities/requirements for fundamental service integration

Digital transformation/automation

- Balance of high touch and high tech services
- Extent to which public services can take advantage of tech changes, at pace
- Potential to harness benefits of e.g. 5G, automation technologies

Future local government debates

- Greater devolution only through reorganisation
- Choices over numbers, size, governance (e.g. Mayors) and consequent changes to responsibilities

	2018	2019	2020	2021 - 2025	2026 - 2030	
Surrey specific		2018/19 100% Business Rates Retention pilot		2021 County Council elections	2025 County Council elections	2029 County Council elections
National	After summer recess Social Care Green Paper	March 2019 Brexit	2020/21 75% Business Rates Retention & New Local Government funding allocation system (derived from the Fair funding review)	2022 General election	2027 General election	

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

Landscape – Financial Challenge

Key Financial Assumptions in 2018-21 Medium Term Financial Plan (MTFP)

The scale of the transformation ambition is driven by a forecast financial ‘gap’ in the 2018-21 Medium Term Financial Plan. The cumulative impact of inflation and demand growth, alongside a reduction in central government funding resulted in the medium term financial plan identifying a budget gap of between £210m and £250m by 2021.

The ‘gap’ is based on a number of assumptions in the 2018-21 Medium Term Financial Plan and have been refreshed in the Preliminary Financial Strategy 2019/24 (PFS):

Current income assumptions

Council Tax:

- Council tax will be increased to the referendum threshold (2.99% for 2019/20 and assumed to be 1.99% thereafter)
- Council Tax base will increase by 1% (i.e. no. of properties)
- No further adult social care precept rises

Business Rates:

- The business rate retention pilot will be for 2018/19 only
- Business rate growth is assumed to be 1.7% per annum

No negative Revenue Support Grant (RSG) has been assumed

Current expenditure assumptions

Inflation:

- | | |
|--------------------------------|--|
| • Pay inflation (Surrey pay) | Pending outcome of pay and reward review |
| • Pay inflation (national pay) | 1% per annum |
| • Non-pay inflation | 2.5% per annum |

The Organisation Strategy

Purpose

- Medium term plan for how we will use reducing resources to contribute to Community Vision for Surrey
- Focused set of priorities with clear deliverables
- Set a level of ambition and tone
- Allows us to distinguish our role(s) in support of the vision

Content

Four strategic principles:

- No one left behind
- Fresh approach to working in partnership
- Support people to help themselves and each other
- Involve and engage residents earlier and more often

Priority deliverables – things we want to do – covering the themes of People and Place, as per Community Vision for Surrey

How we will transform as an organisation

Monitoring

Outcomes based accountability framework to measure progress

We are developing a corporate performance scorecard and other performance management frameworks

Transformation Programme

Six thematic areas have been identified to give shape to the required transformation to help us deliver the vision.

Projects that make up the totality of the transformation have been assigned to the themes. There is more detail on each of these projects over the subsequent pages.

Assumptions

As work progresses there will be a need for significant engagement and, in appropriate cases, consultation with residents and other stakeholders, together with ongoing review of the potential equalities impacts of the proposals under consideration.

The projects set out are at 'Business Case' stage and will provide the basis for more detailed delivery plans, which, where appropriate, will reflect further work and take into account the feedback generated by consultation. As a consequence, some elements of the business cases presented are likely to change over time.

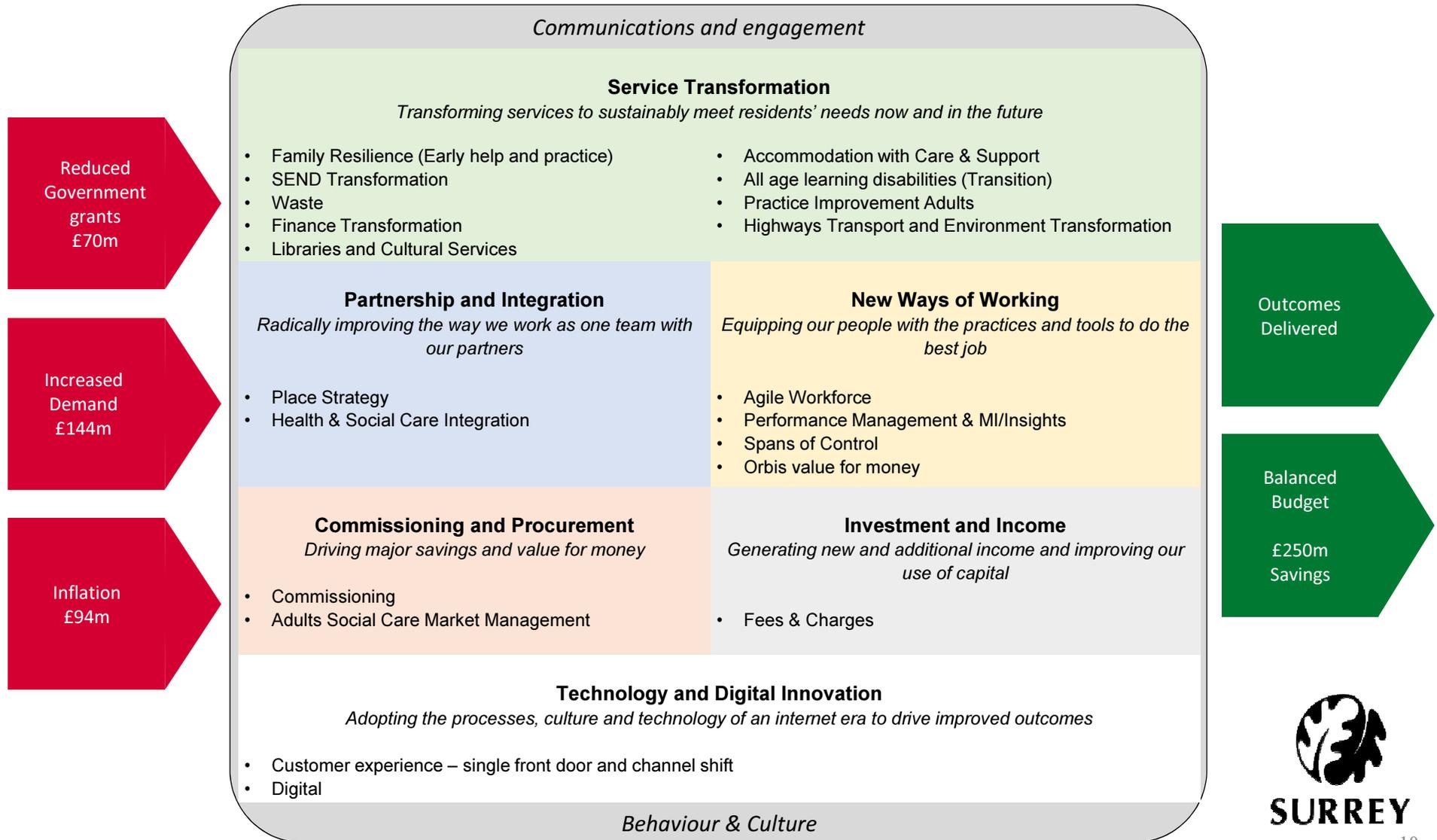
A whole-organisation view and approach will be taken to support the design of services and provide insight for future service integration with partners. There are many interdependencies between the projects so we will work consistently and collaboratively to deliver our change.

The co-operation of and collaboration with our partners (e.g. District and Borough Councils, Health agencies, voluntary and community bodies, Police, etc.) will be critical to the effective delivery of much of the change.

This is not an exhaustive, final list of projects. As we progress our transformation journey, additional projects are likely to be identified and through robust governance will be added to the Transformation Programme.



Programme Plan on a Page - Thematic Areas



Accommodation with Care & Support

(Service Transformation)

Why is the change needed?

People are living both longer and with more complex health needs, putting the care and support system under unsustainable strain.

The balance of affordable accommodation does not meet resident demand, and the market needs shaping to create options and capacity.

Implications

- Capacity will be provided through a mixture of market shaping, partner working and Council land use delivered through the Investment Strategy
- Individuals will have a greater sense of independence but with care and support on the doorstep
- The development of Extra Care housing could result in the closure of some existing care homes in the longer term

What will change?

- An enhanced range and capacity of options of accommodation with care & support will be provided to enable adults to live and age well.
- People will enter nursing care at a later life stage.
- Surrey will have an extra 2,000 extra care units, 724 affordable, bringing the ratio of units to population in line with benchmarks.
- Benefits in diverting people away from residential care and ensuring a better home from hospital process.
- Residential and nursing commissioning strategy will ensure appropriate provision to meet demand, including in specialist areas.
- Learning Disability provision will promote a shift from residential care to supported living options.

Key assumptions

- Provider interest will be sustained
- Suitable Council land is available & viable to use

Anticipated benefits & outcomes

- Across Older People, it is anticipated that £2.6m in benefits could be realised by 2028. (Savings for Learning Disability are still to be confirmed, but ~ £ 2.5m over 2019/20-2020/21).
- Residents with care & support needs have an improved quality of life and retain independence for longer.

Outline Plan with key milestones



Practice Improvement ASC

(Service Transformation)

Why is the change needed?

By 2030 it is estimated that over 22% of Surrey residents will be aged 65 and over (compared to 19% in 2018), equivalent to an increase of c.40,000 people. This increase in population will see an increased demand and dependence on the adult social care system. The additional financial costs and flow of work is unsustainable. We need to find alternative ways of meeting needs whilst delivering statutory duties.

Implications

- Significant behaviour change across social care and integrated partner services (i.e. Health).
- People will be encouraged to self-serve wherever possible, maintaining their independence.
- Resources will be targeted at those people most in need of support.

What will change?

- The 'conversation at the front door' will focus on outcomes that draw on the person's strengths and assets to achieve the lives they want for themselves - reducing unnecessary referrals where appropriate. Reablement will maintain or increase independence.
- Resources will be targeted; practice and process improvement will result in a more efficient flow of work, better decision making and outcomes - reducing the dependence on services where appropriate.
- Workforce will be mobile.
- Case holding will reduce, moving to a task-based 'see and solve approach'.
- People will be encouraged to self-serve wherever possible.
- Statutory support will be provided via pre-paid card direct payments as the default option, reducing dependency on homebased care services.

Key assumptions

- That the Green Paper on the future of ASC does not radically change the funding/direction for ASC.

Anticipated benefits & outcomes

- £2.6m in 2018/19, £14.3m in 2019/20, £8.4m in 2020/21 = savings target £25.3m.
- Reduced demand from people unnecessarily re-entering system.
- Care packages reviewed regularly.
- Possible reduction in unit cost of care (peer/market comparison).
- Efficiency savings (process automation/mobile workforce and review of existing org and accountabilities structure).
- Better resident outcomes, more self-serve and improved resilience.

Outline Plan with key milestones *Benefits realisation ongoing from now (quick wins LEAN and process automation)*

2018		2019		2020		2021	
H2		H1		H1		H2	
Design & Pilots				Delivery			
Practice Pilots	Practice Roll Out – front door conversation						
Procurement	Mobilisation	Package Reviews					
◆ Benefit realisation starts							

Family Resilience (Early Help and Practice)

(Service Transformation)

Why is the change needed?

Children’s Services in Surrey are rated as inadequate by Ofsted and requires profound and rapid improvements so that all children in the county receive the right help and the right time to enable them and their families to develop resilience to face future life challenges independently.

The service also needs to be financially sustainable and operate within a restricted financial envelope.

Implications

- Children and their families offered help at the earliest opportunity.
- Intervention only when necessary.
- Smarter utilisation of the full partnership network across all levels of need.

What will change?

- A revised service and operating model with a fundamental shift to services that are driven by early support and prevention.
- A remodelled front door and the creation of family hubs. New approaches and models such as Family Safeguarding and No Wrong Door.
- A Surrey Academy to support and develop colleagues and our partners.
- Increased number of Surrey foster carers and innovative approaches to keeping children in our care locally.
- As part of the revised service and operating model we will be consulting on the future number and location of children’s centres

Key assumptions

- The connection and communication between practitioners throughout these levels of need will be critical.
- The early help offer and family hub model delivers the necessary reduction in demand and caseloads.

Anticipated benefits & outcomes

- Improved outcomes for children and families.
- Achieve an Ofsted rating of at least Good within 5 years.
- Cost savings of £19.5m in 2019/20 and a further £7.3m in 2020/21

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Restructure Phases 1, 2a & 2b	<ul style="list-style-type: none"> ◆ New Academy in place ◆ New Framework embedded. 	<ul style="list-style-type: none"> ◆ CSF Restructure complete (target) 	<ul style="list-style-type: none"> ◆ New Contract Commences 			
Design	<ul style="list-style-type: none"> ◆ Family Workbook system and training implemented. 	<ul style="list-style-type: none"> ◆ Benefit realisation starts 				

SEND Transformation

(Service Transformation)

Why is the change needed?

Outcomes for SEND children in Surrey are lower than our peers and need to improve. Feedback from children, young people and families as well as our regulators also highlight that the service needs to improve.

Demand is increasing at much higher levels than funding. The service needs to be transformed to ensure it is financially sustainable in order to meet needs.

What will change?

Through consultation and engagement develop:-

- A joined up and whole system approach to practice and support for children and young people.
- Focus on early support and prevention, including preventing the escalation to more complex needs.
- A whole system approach with Education, Health, Care and partners
- Commissioning to ensure appropriate sufficiency and cost effective local provision.
- A reduction in SEND transport costs through increased local placements.
- This will be enabled by improved data and insight as well as digital solutions.

Implications

- More children's needs will be met through inclusive and local school provision.
- Financial sustainability will be achieved through meeting need earlier and more effectively.
- Needs are met through a graduated response and SEN support is more effective for children.

Key assumptions

- Partners, particularly education settings, are committed to a whole system approach.
- Capacity of provision will be available when required.
- The current forecast annual deficits for the next 3 years, prior to achieving financial sustainability, can be mitigated and not carried forward.

Anticipated benefits & outcomes

- Improved outcomes for children and families.
- Achieve financial sustainability over 3 years.

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design		Delivery			
Consultation	◆ Benefit realisation ongoing throughout programme					

All Age Learning Disabilities (Transitions)

(Service Transformation)

Why is the change needed?

By taking an All Age approach for service delivery for residents with a learning disability and/or autism, we can provide better quality outcomes through a more sustainable approach. As with other areas throughout the UK, we know that the current split between children and adult services and health and social care hinders our collective ability to commission effectively for people with a learning disability throughout their lives.

Implications

- Families are clear what they can expect from education, social care and health services.
- Residents will access personalised, local support at the right time.
- A whole system approach across education, care and health is required. In particular partnership working with Health will be critical.

What will change?

- All age learning disability approach starting with services for 14-25 years moving on to other age segments (of the all age approach) thereafter.
- Improve local commissioning solutions e.g. introduce 'Local Offer Plus'.
- Residents will be involved in the development of local solutions and feedback collected from them at regular intervals through a new resident focussed performance dashboard.
- Support to other areas of the business to deliver their outcomes and priorities e.g. SEND post-16 work and embedding the Family Resilience model, and supporting the new approach for strategic commissioning.

Key assumptions

- Partners are committed to the changes and the focus on operational practice improvement.
- Partners agree that we need to improve the commissioned service offer locally (Local Offer Plus).

Anticipated benefits & outcomes

- Cost savings/Cost Avoidance of £3.5m over 3 years in this business case plus ~£6m counted in the SEND business case.

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	◆ New Model in place for transitions	Delivery	◆ Start of benefit realisation			
		◆ Review and agree next stages of work for new model.				

Waste – Community Recycling Centres (CRCs)

(Service Transformation)

Why is the change needed?

The amount of waste that CRCs deal with has fallen significantly in recent years; a 36% drop from 2015/16 to 2018/19. This is a result of new measures that have been introduced that has so far generated ~£2.5m in savings. There is an opportunity to introduce further changes that will provide even better value for money for the Surrey tax payer and important savings for the council at a time of unprecedented financial need.

Implications

- Subject to consultation, potentially reduced CRC service provision
- Resident satisfaction could initially drop from 70% rating.
- Subject to consultation, some residents may have to travel further to reach their local CRC.

What will change?

- Businesses will be allowed to advertise at some CRCs.
- Commence a trade waste service at Earlswood Transfer Station
- Delivery of a strategy to manage black bag waste.
- Opening of a fifth reuse shop at Shepperton CRC.

Through consultation develop:-

- A comprehensive review of CRC service provision to align with current reduced demand.
- A charging scheme for non-household wood and roofing felt where a charge is levied for disposal.
- A price increase of all materials in the current scheme.
- An application fee for an annual van permit.

Key assumptions

- Support from Suez Surrey (contractor).

Anticipated benefits & outcomes

- ~ £1m savings per annum including increased income generation at the CRCs.
- Reduced demand – waste tonnages and car visits reduce further.

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design, consult & develop	Delivery					
	◆ Benefit realisation starts		◆ Change Completed			
Public consultation						

Finance Transformation

(Service Transformation)

Why is the change needed?

The council needs to have robust, resilient and effective financial management in place to deliver the transformation programme and a sustainable financial position going forward. The two key objectives are to:

- Address the financial challenges that the council currently face.
- Develop a more robust and sustainable culture of financial discipline across the council.

Implications

- A requirement for additional headcount on a temporary basis to support the transition.
- Potential re-structuring of the Finance team and associated costs.

Key assumptions

- Services act collaboratively and constructively to drive the changes required.

What will be delivered?

The current business case covers stage 1 of this project, which will:

- Develop an operating model, drawing on best practice elsewhere, to ensure an effective finance function and financial management across the Council.
- Preparation of a suitable transition plan, implementation of the restructure and new ways of working.

Anticipated benefits & outcomes

- Delivery of additional savings in 2018-19 to remove need to draw on reserves.
- A balanced and sustainable budget for 2019-20 and beyond, without relying on the use of reserves.
- Greater confidence in the financial estimates
- Dynamic finance team that raises standards of financial discipline and is a key driver of change across the council.

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	◆ Implementation of finance operating model		◆ Delivery of 19/20 Savings			
◆ Approval of implementation plan, allocation of budget allocations and 19/20 budget approval						

Highways, Transport & Environment (HTE) Transformation

(Service Transformation)

Why is the change needed?

HT&E provides a significant number of universal services for residents and businesses in Surrey. To ensure our services remain affordable we need to change. This change will include the creation of a visible affordable service offer to our residents, an increased focus on creating additional funding, reviewing fees and charges, empowering communities, the streamlining of our processes and a new contract strategy .

Implications

- Our offer will balance residents needs with affordability.
- Communities and partners will self deliver some activities where appropriate.
- Residents will experience more effective access to services.

What will change?

- We will complete consultation on changes to concessionary travel funding
- We will explore future possibilities around bus transport to develop options for consultation in early 2019
- We will maximise additional funding, fees and income
- We will have more effective customer services
- We will enable and empower communities and partners (including districts and boroughs and parishes) to self deliver local services.
- We will maximise the benefits of advances in technology.
- We will develop a new contract strategy.

Key assumptions

- Additional investment may be required in key enabling areas such as digital.

Anticipated benefits & outcomes

- ~ £12m ongoing savings.
- Outcomes for residents align to the Community Vision for Surrey.

Outline Plan with key milestones

2018		2019		2020		2021	
H2		H1	H2	H1	H2	H1	H2
Design		Delivery					
Develop proposed structure changes	Create Consultation Documents	Public Consultation	◆ New Core Offer in Place		◆ Benefit realisation starts		

Health & Social Care Integration

(Partnership & Integration)

Why is the change needed?

Surrey has an ageing and growing population with increasingly complex needs, putting demand on services. Surrey's health and social care system is fragmented which means patients don't always get the care they deserve. Financial constraints mean more has to be done with less.

Implications

- Close partnership working across health and social care becomes more and more critical
- Care models are tailored to the local/community level
- Continuing increase in local control of, and accountability for, the health and care system

What will change?

- We will develop a financially sustainable health and social care system that delivers improved outcomes for residents through the delivery of holistic services
- New models of care across health and social care teams will enable access to the right health and care, at the right time, in the right place
- Collaborative working will help prevent admission to hospital and support hospital discharge
- A move to a more preventative approach will help people live healthy, active lives, live independently and delay the need for care and support
- Enablers like devolution, financial planning and management, data will make full use of resources, partnership working and improve outcomes

Key assumptions

- Partner collaboration is high priority across the system
- The supporting organisational integration is viable to enable step change in use of resources and outcomes

Anticipated benefits & outcomes

- £2.8m in demand management 2018-21
- System wide savings, and utilisation of pooled budgets to invest in social care and preventative initiatives (e.g. £48m of the £85m Better Care Fund)
- Residents have access to the right health and social care at the right time

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	◆ Benefit realisation starts					
	Delivery					

Place Strategy

(Economy, Growth and Commercial)

Why is the change needed?

Surrey needs to grow. Although it is a wealthy, prosperous county, growth rates are slowing. Residents have identified a need for more affordable homes plus growth in jobs and skills, alongside the Council needing more revenue.

What will change?

- A Surrey-wide Place Strategy will be developed with collaborative place shaping at its core. The strategy will use the Council's assets to drive investment in homes, jobs and infrastructure across Surrey as well as create revenue income streams to support services for the future.
- It will be developed in partnership with a wider group of stakeholders including the Local Enterprise Partnerships, Surrey Futures, districts and boroughs, business etc.
- The strategy will aim to leverage the Council's assets along with other public estate assets to increase outcomes for residents and to drive inward investment into Surrey.
- This will be developed over 6 months, and presented to Cabinet in Q1 2019/20, along with an implementation plan.
- The implementation plan will then need to be delivered to achieve the required outcomes. This will include options for re-modelling the County Council corporate offices and developing new delivery vehicles

Implications

- Potential relocation of staff and services to a new, modern civic estate.
- Repurposing of existing assets for other uses.

Key assumptions

- Effective joint working with District and Borough Councils and partners on use of assets and resources for service delivery and on plans for specific places across Surrey.

Anticipated benefits & outcomes

- £25m additional revenue income stream to support services, by 2030
- New homes targets for Surrey are met
- Increased jobs and skills
- Improved infrastructure to support growth
- Increased inward investment in Surrey

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	◆ Cabinet Report					
◆ Cabinet Report				Delivery		
Strategy Development		Delivery planning				
	Engagement					

Agile Workforce

(New ways of working)

What does the change mean?

The ability to work almost anywhere, whenever, wherever, to collaborate and contribute without constraints. The agile workforce project will support; culture change within services, provision of equipment for smarter working, maximising use of property portfolio, reducing unproductive time for staff.

Implications

- Will allow improved partnership working and integration
- Goes hand in hand with office space reductions and savings and culture change in the way we work

What will be delivered?

- **Mobile Solutions:** An offer for all staff that enables them to undertake the majority of their work from an appropriate location, relevant to their role
- **Technology Infrastructure:** A core infrastructure that can support a greater proportion of mobile staff
- **Culture and Skills:** Teams are supported to work in an agile working manner by addressing some of the barriers to adopting this practice across; technology skills, property, support, policies
- **Digital Services:** Staff and managers are supported to adopt agile working by digitising procedures and services constrained by location
- **Information and Knowledge Management:** Staff are supported to adopt smarter working through greater amounts of information being available electronically with the ability to collaborate with colleagues in virtual spaces

Key assumptions

- Benefits are realised by services
- Agile Workforce is key enabler for the property savings and new organisation design
- Reduced future headcount in new organisation design
- Costs for establishing new property IT infrastructure is not included in the business case

Anticipated benefits & outcomes

- Services have greater capacity to manage demand
- Staff are more productive and effective
- Staff and teams can work from a variety of locations
- New working practices and digitised services
- Formation of multi-disciplinary teams is supported
- Enables the reduction of operating cost in property, organisation design and service overheads across the programme
- Additional savings to be realised by services beyond stated Transformation benefits through expansion of Agile Working (£1m for 2019/20 and a further £1m for 2020/21)

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design					
			Benefit realisation starts		IT Equipment Refresh	
			Delivery			

Orbis Value For Money

(New Ways of Working)

Why is the change needed?

The Orbis shared services arrangement needs to respond to the changing capability and capacity required by each 'sovereign' local authority, whilst ensuring services are provided in the most efficient way possible that delivers value for money.

Implications

- The Orbis services can adapt/flex to meet the needs of three quite different Councils (including governance and leadership arrangements).
- Possibility of a changed approach to the Orbis partnership model
- Some non-essential Orbis services may need to be reduced or stopped in order to deliver the required savings.

What will change?

- Services located in the Orbis arrangement capable of:
 - Delivering further efficiencies and savings
 - Supporting service departments through major organisational change
 - Bringing forward models and opportunities for new ways of working to lever transformational change
- A review of current Orbis model, assessing gaps and opportunities in each of the service areas, with a focus on:
 - **Strategic capacity:** Ability to see the bigger picture; stakeholder management;
 - **Professional Services:** Provision of quality advice; responsiveness; capacity and competency
 - **Transactional Services:** Reliability, processes, systems, efficiency location and effectiveness of service delivery

Key assumptions

- Additional investment may be required in key enabling areas e.g. digital.
- Significant changes would need to be discussed with all Orbis partners.

Anticipated benefits & outcomes

- Model able to support council transformation and provide effective ongoing support for front line service delivery.
- Savings £3.2m (Surrey proportion)

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Idea	Design	Delivery- TBC				

Performance Management and MI/Insights

(New ways of working)

Why is the change needed?

To develop a shared 'single view of the truth' across our data, giving a clear view of how well our activity is helping to achieve our ambitions for residents.

To ensure we have the data and insight required to drive effective decision making, improvement, transformation/service design and commissioning.

What will change?

Phase 1 (to end of 2018/19)

- A performance framework which ensures robust governance, reporting and accountability routines and oversight.
- Inventory of critical insight requirements.
- Performance dashboards for critical measures (Corporate Strategy and Transformation Projects) (moving to Tableau as possible).
- Roadmap for 2019/20.

Phase 2 (based on 2019/20 roadmap)

- Stronger data and insight capabilities.
- Establish the people, skills, technology and processes to develop leading-edge performance management and insight (making it business as usual).

Implications

- All service areas will support opening up of their data to a shared single analysis tool (replacing existing arrangements).
- Leaders and managers will use the data and insight produced.

Key assumptions

- That the vision, council strategy and transformation programme projects provide clarity of what Key Performance Information (KPIs) will be required as part of a new performance management framework.
- That services are recording high-quality KPIs on stable and developed core systems and that it is possible to open up that data from our core recording systems to automated reporting and analysis tools.

Anticipated benefits & outcomes

- Data and insight drives operational management, strategic decision making, commissioning and transformation - this leads to improved performance, productivity and service design [potential savings here to be aligned with other work to avoid double counting].

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design Phase 1	Deliver Phase 1	◆ Benefit realisation starts				
	Design Phase 2	Deliver Phase 2				

Spans of Control

(New ways of working)

Why is the change needed?

The change aims to move Surrey towards an organisational design that has fewer layers and greater spans of control. This will in itself deliver direct savings by reducing the number of management/supervisory levels within all services. It will also deliver a more agile and effective organisation, enabling better engagement and facilitating faster decision making.

What will change?

- Initially a set of ideal organisational design principles will be put forward.
- These will be applied to restructures (either transformational or BAU).
- Where there are no reorganisations taking place an audit/challenge will take place to apply the new principles.
- The Local Government Association (LGA) have been commissioned to support SCC using the Decision-Making Accountability (DMA) tool. 16 people in SCC will be trained as part of this programme.
- When these principles are implemented a new, leaner organisation will be designed. There will be fewer layers within services and decision making and reporting will be streamlined.

Implications

- There is a major culture change from risk avoidance to a managed risk approach.
- Many processes will need to be redesigned to enable the benefits to be realised.

Key assumptions

- That there is strong stakeholder buy in to the changes necessary and communications and engagement are effective and in place.
- Children’s Families and Learning and Surrey Fire and Rescue Service will be excluded from the principles

Anticipated benefits & outcome

- By de-layering, decision making is accelerated, communications and engagement are improved and ultimately services are either improved or maintained within a smaller financial envelope.
- Many of the savings will be realised via other directorate restructuring.

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design, Data Cleanse, Principles agreed.	LGA Support Completed		Audit Completed, Lessons Learnt			
	Restructures Underway					

Commissioning

(Commissioning & Procurement)

Why is the change needed?

To re-imagine how the council and its partners think, plan and deliver commissioning to improve outcomes for residents.

The old paradigm of analyse, plan, do, review is not necessarily fit for purpose.

What will change?

- Introduction of a new Strategic Commissioning Hub.
- Introduction of a consistent and innovation-led approach to commissioning across the council.
- There will be co-produced solutions in the communities of Surrey with need at the heart of this new approach.
- Design and adoption of new ways of working to enable joint commissioning across health and social care.

Implications

- The new strategic commissioning approach will act both as an enabler and as a means of transforming services and reducing budget spend.
- Underpinned by a deep immersive understanding of need, leading to solutions that improve outcomes

Key assumptions

- Not every major issue facing the Council will lead to a procurement and a contract
- Information governance issues can be clarified and partners will be able to share info and data to support joint working
- SCC will invest in suitable digital/technological solutions, allowing integration between systems and improvement in data quality and management.

Anticipated benefits & outcomes

- Enables innovation and service transformation across the Council, taking a system-wide approach to complex issues and identifying efficiencies.
- Enabler to other business cases with input to approx. £24m savings forecast across Full Year 2019/20 and Full Year 2020/21.
- Enable the delivery of £2m social value benefits in Full Year 2019/20.
- Non-financial: improved integration with health to enable joint commissioning where appropriate, improved partner alignment (Single Commissioning Framework) to establish consistency of approach, measurable standards and better outcomes and improved visibility of strategic commissioning opportunities

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design and Develop		Delivery			
			◆ Benefit realisation starts			

Fees & Charges

(Investment & income)

Why is the change needed?

To reduce unintentional and avoidable costs for the council that are incurred by providing non-statutory services to residents.

There is no clear policy or governance for the issuing of fees & charges at present. This therefore needs to be developed to allow for consistency of application.

Opportunities for issuing fees & charges across the council need to be identified in line with this new policy to equip services with the ability to generate further income/savings.

What will change?

- Subject to consultation, our approach to service provision will change in that it will be assumed, where it is legally permissible to do so, that a fee or charge will be levied for discretionary services, to make them cost neutral, unless stated otherwise.
- A number of discretionary services will no longer be provided without charge. Other services for which a charge is levied may be subject to an increase in charges.
- A clear policy and governance structure will be implemented which will standardise the approach for issuing fees & charges.
- Directorates will be enabled by the policy and initial identification of opportunities as a result of this project to implement fees & charges for provision of their services.

Implications

- The fees charged to the public for some services may substantially increase (e.g. over the cost of inflation as already assumed in the MTFP) where this is justified in term of cost of delivery, subject to consultation as necessary
- Some services may cease or be subject to a reduction in demand if charges are introduced/increase.

Key assumptions

- The project will act as an enabler for directorates across the council to implement fees & charges for the provision of services.

Anticipated benefits & outcomes

- Reduction of unintentional subsidies.
- Demand management.
- Additional income generation.
- Identification of opportunities for introducing fees & charges across the council.
- Financial benefits will be realised and delivered by individual directorates.

Outline Plan with key milestones

2018		2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2	
Design		Delivery					
		◆ Benefit realisation starts					

Customer Experience – Single Front Door and Channel Shift

(Technology and Digital Innovation)

Why is the change needed?

A single initial point of contact, or 'front door', for customers is needed because customers currently have multiple entry points to transact, interact and obtain information from the council which creates a prohibitively expensive and inconsistent model of customer service.

Implications

- Reduced calls on routine transactions, leading to reduction in staff and increased capacity in service.
- Consistent and accurate information given to customer first time.
- Reduced duplication.
- Enhanced customer insight will be used across the council to drive change.
- Improved consistency across channels, including management and governance of design.

What will change?

- A single front door for customers across multiple channels replicating a successful existing model for additional services.
- Enhanced online provision to encourage self service.
- Creation of single customer portal to simplify resident transactions.
- Automated processes and integration with back office systems.
- Customer insight tools and reporting.
- Enhanced insight to build a comprehensive overall customer view; used to improve customer experience and inform service delivery.

Key assumptions

- With few exceptions, services across Surrey County Council (and potentially beyond) will use the front door model.
- Assumes investment in technology.
- Digital self-serve is the cheapest form of contact.
- Cashable savings realised in services.

Anticipated benefits & outcomes

- Increased efficiencies achieved by economy of scale delivered by front door model.
- Increased customer satisfaction and self-serve.
- Improved insight into customer interactions and behaviour.

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	Delivery					
	◆ Benefit realisation starts					

Digital

(Technology & Digital Innovation)

Why is the change needed?

Adopting the processes, culture and technology of an internet era and introducing new digital capabilities to deliver the various transformation programmes business cases. This will enable service enhancements, cost reduction and improved demand management.

What will change?

- Establish cross-cutting digital solutions for staff, residents, and partners
- Implement technical solutions identified and co-designed with services which support the realisation of benefits detailed in other transformation business cases
- Exploit opportunities to join-up data, scale solutions and improve sustainability of services
- This will be enabled by developing a number of the capabilities and dimensions of a digital council;
 - online/web, automation/Artificial Intelligence/Robotics, Information and insights from data and analytics, Tech/app enabled new business, Tech-enabled services for residents, Social media platforms and content

Implications

- Co-design with services is fundamental
- Service digital capabilities will be re-used
- Digital platforms will support future service design

Key assumptions

- Digital is an enabler for other projects
- There is value in automating repetitive processes
- Revenue funding will be available to deploy scalable and supportable technology

Anticipated Benefits and Outcomes

- Residents have a seamless public service digital experience
- Services benefit from increased capacity
- Real time data insights mean services can manage demand and support residents most at risk
- Enables operating cost reduction from demand management and automation across the programme.
- Additional savings to be realised by services beyond stated Transformation benefits through expansion of digital by design (£1m for 2019/20 and a further £1m for 2020/21).

Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design		◆ Benefit realisation starts			
	Delivery					

Libraries and Cultural Services

(Service Transformation)

Why is the change needed?

There is a need to develop a new strategy for the delivery of cultural services to ensure that they can continue to be sustainable over the longer term. We aim to place libraries and cultural services at the heart of life long learning and stronger communities.

What will change?

Redesign of libraries and cultural services based upon five key principles to underpin a new service strategy:

1. Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities.
2. There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient.
3. Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces.
4. New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
5. Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.

Implications

- Innovation will drive a service that better fits with 21st century life and is more affordable.
- There will be different solutions for different places to meet local community needs.
- Digital and mobile approaches will bring services to residents.
- Resources will be better targeted to meet the needs of communities, particularly the most vulnerable.

Key assumptions

- Public engagement and consultation will be key, with phase one to consult on strategy and phase two on detailed proposals.
- Corporate capacity and support will be available when required.
- We will be committed to a strategic transformation of the service.

Anticipated benefits & outcomes

- Integrated services delivered in partnership with public, voluntary and community and private sectors.
- Strengthening communities and family resilience priority areas.
- Learning, access to information and skills at heart of approach.
- Getting close to the national average spend for cultural services.

Outline Plan with key milestones *Benefit realisation ongoing throughout programme*

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
18/19 Savings						
Consult on principles	Consult and engage on proposals		Delivery			

ASC Market Management

(Service Transformation)

Why is the change needed?

Financial pressure from the costs of existing and new adult social care packages needs to be mitigated for ASC to remain within budget in coming years. Inflationary cost pressures must be limited to manageable levels. Prices in some areas, primarily learning disability, need to be brought closer to benchmarks.

An LGA peer review highlighted limited strategic commissioning capacity within ASC, and limited ability and approach to influence on the market.

Implications

- There will be mutually beneficial working relationships between the council and the market
- A more centralised and disciplined approach to decision making and policies within the council
- Residents will be offered choice in accordance with our statutory responsibility

Key assumptions

- No change in existing policy and legislation
- No immediate significant increase in demand

What will change?

- The council will have improved commissioning capability and understanding of the market, improving ability to influence price and quality in the market
- The commissioning approach will complement health and other major buyers in the market
- Conversations with providers will involve appropriate commercial and contract management expertise, as well as social workers
- Better utilisation of council resources, and collaboration across areas of expertise

Anticipated benefits & outcomes

- £19.4m in 2019/20, £14.2m in 2020/21 = target of £33.6m from avoiding cost increases and savings through renegotiation of care prices.
- Sufficient capacity in the market for the council to purchase care at an affordable price, enabling financial sustainability

Outline Plan with key milestones *Benefit realisation ongoing throughout programme*

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Priority Delivery			Delivery of benefits			
Design		Approach and Structural Change			◆ Achievement of 2020/21 benefits	

Impact

This programme will have multiple impacts on many stakeholders.

Impacts on several areas have been considered and these are described as quotes from the future.

The impact areas considered are for our:

Residents

Partners

Members and Employees

Resident Impact Statements

A Mum

“As a mum you want to get it right for your children, but sometimes it’s hard to know what’s the right thing to do. I’ve got a team who support me. They have this amazing way of understanding what might cause an issue for the family, and they help me come up with a way of managing it before it gets out of hand.”

A resident with children and ageing parent

“As a resident with children at surrey schools, ageing parents with care needs and all my own day-to-day stuff, there are various things I need to call the council about for help. I used to get so confused about where to find information or which number to call. Now it’s easy to speak to someone, though quite often I don’t have to as I can get the help I need and use the council’s website to sort things out myself online.”

An older adult with care needs

“As an older adult with care needs, I thought I might have to go into a residential home. This would not be ideal as I want to maintain some independence, and only get 24/7 care when I really need it later on. The council provided a range of extra care options, and I know they negotiated a good deal. I am still independent and it’s not costing anyone too much!”

Service transformation

Partnership & Integration

New ways of working

Commissioning & Procurement

Technology & digital innovation

Investment & Income



Partner Impact Statements

Executive Summary

Vision & Landscape

Strategic Direction

Projects

Impact

Voluntary Sector Organisation

"We join up. We're not just working together but coming together to in a way that creates collaboration between the voluntary sector and statutory sector. Engagement is improved. Ownership is taken."

Non-profit organisation focused on young people

"We have developed a culture where we take care of each other and this builds community resilience."

CCG/ICS colleague in health

"We come together around shared issues and long-term goals, talking to our residents and communities to understand where they can support each other and then working together to achieve the best outcomes we can. It's one approach where we jointly decide what's best for the whole system, which organisation we're from or how our different processes work just don't seem such a barrier anymore"

Housing Trust

"We have more genuinely affordable housing. We made cheap land available for social providers. Older people live in adapted homes with the right services to keep them independent and healthy. We use smart technology."

Parent Carer Forum

"There is early intervention for adults and children to avoid crisis management. Funding is increased at the bottom end to reduce high costs at crisis. Services collaborate to avoid duplication and save costs. We are a Surrey that responds and doesn't pass the buck."

Police

"To protect the most vulnerable within Surrey we have come together to provide tailored support services working across statutory organisations and the voluntary sector."

Service transformation

Partnership & Integration

New ways of working

Commissioning & Procurement

Technology & digital innovation

Investment & Income



Member and Employee Impact Statements

Adult Social Care - Team Member

"We have the right equipment to visit clients and assess their needs at an early stage, we use online tools so people can complete forms either themselves or with a carer or family member on their behalf. We have good links to share information between ourselves and our NHS colleagues."

Learning & Development – Team Member

"I don't need to commute to a main office. I am in a team where we are trusted to do our job and are able to choose to work wherever is most suitable. I have the tools I need to be able to communicate so I can work from home if convenient so I don't need to travel and add to congestion on Surrey's roads so much."

Adult Social Care - Team Member

"We embrace technology and are out in the field most of the time. For example I used to visit people's homes with my pen and paper and carry out an assessment of need. I then have to return to the office and type up the assessment doubling the work! I now use an iPad/tablet and I can type up the assessment at the visit and go on to my next visit without the need to return to the office. I can do more visits a week and cut down on waiting lists for people."

Surrey Family Services – Team Member

"We have streamlined working practices, for example data management – we now have one dashboard to record our work with young people and families and we share it with Police, CAMHS & Education."

Member of Council

"As a Member I need to be able to demonstrate to my constituency how the council spends council tax and be clear about what impact it has. Now that I, and managers have easy access to the information and evidence we need to base decisions on, I am confident that money is being spent on the things that make the biggest difference."

Service transformation

Partnership & Integration

New ways of working

Commissioning & Procurement

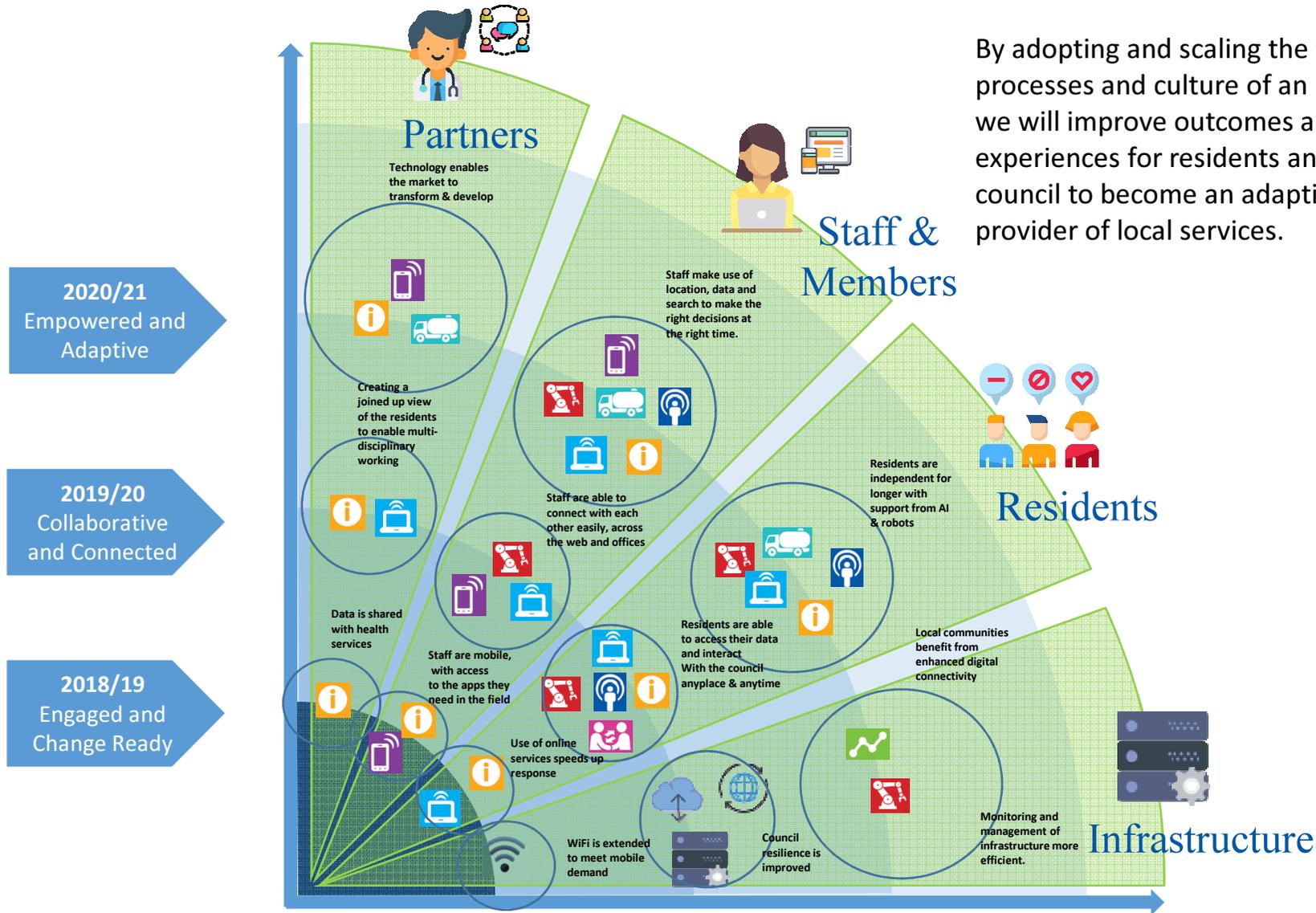
Technology & digital innovation

Investment & Income



Technology Roadmap

We anticipate the technology that is deployed to evolve through the life span of the programme as set out below.



By adopting and scaling the technology, processes and culture of an internet era we will improve outcomes and experiences for residents and enable the council to become an adaptive and smart provider of local services.

Technology Roadmap

The technology deployed have positive impacts across a multitude of areas as detailed below.

Social media: platforms and content – Residents, staff and partners can have a choice of channels, including social media, through which to engage, cooperate and collaborate with the council.

Tech-enabled services – Residents can be supported to live well and independently by use of assistive technologies, sensors and wearables.

Tech/app enabled new business models – Technology can connect residents and partners with providers, in new and innovative ways.

Online/web – Residents can meet their own/their families needs through self-help, self-care and self-serve tools.



Information and insights from data and analytics – staff and partners can use and access data and insight to support decision making, commissioning and better outcomes for residents.

Automation/AI/Robotics - Staff time can be freed up for more high value tasks through automation.

Macro infrastructure can support the organisation in encouraging local economic growth.

Agile workforce – Staff will have the tools to enable them to work anywhere, at any time and with anyone.

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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County Council Meeting – 13 November 2018

REPORT FROM THE PLANNING AND REGULATORY COMMITTEE ON REFERRED MOTION

1. At its meeting on 17 October 2018, the Planning and Regulatory Committee considered a motion in the name of Councillor Jonathan Essex referred to it by the Council on 9 October 2018.

The Motion was as follows:

“This Council notes that the government is proposing, via a Written Ministerial Statement (WMS) to allow the exploration phase of hydraulic fracturing (fracking) to be allowed under Permitted Development (PD), therefore requiring no planning permission. They also propose to bring the production phase of fracking under Nationally Significant Infrastructure Projects (NSIP), to be decided centrally by government and the planning inspectorate, thus taking decisions away from local councils. If approved, this could be extended to include other types of oil and gas exploration such as we have here in Surrey through secondary legislation.

This Council believes that local plans, local planning and local democratic decisions should retain control of all local mineral and fossil fuel development.

Therefore, this Council instructs our planning officers to respond to the government consultation accordingly, by rejecting the changes proposed for PD and NSIP as inappropriate and with the view that local Minerals Planning Authorities retain local control and primacy for all planning decisions at all stages for all types of oil and gas exploration”.

2. As Councillor Jonathan Essex was unable to attend the meeting, Councillor Stephen Cooksey, the seconder of the original motion referred from Council, presented it on his behalf.
3. An officer response to the motion was also considered by the Committee and is attached as Appendix 1.
4. Following a full debate, an amendment to the motion was proposed by Councillor Stephen Cooksey, seconded by Councillor Penny Rivers. The amended motion was put to the vote and was unanimously supported by the Committee.
5. The Chairman advised the Committee that the amended motion would be reported back to the next Council meeting for information.

Amended motion agreed by the Planning and Regulatory Committee:

“This Council notes that the government is consulting on whether non-hydraulic fracturing shale gas exploration development should be allowed under Permitted Development (PD), therefore requiring no planning permission. They also propose to bring the production phase of hydraulic fracturing (fracking) under the Nationally Significant Infrastructure Projects (NSIP) regime, to be decided centrally by government and the planning inspectorate, thus taking decisions away from local councils. This Council believes that local plans, local planning and local democratic decision making should retain control of all local mineral and fossil fuel development.

Therefore, this Council welcomes, endorses and supports the responses already submitted to Government in respect of these consultations”.

Councillor Tim Hall
Chairman of the Planning and Regulatory Committee
17 October 2018

TO: PLANNING & REGULATORY COMMITTEE

**DATE: 17 OCTOBER
2018**

BY: PLANNING DEVELOPMENT TEAM MANAGER

**TITLE: GOVERNMENT SHALE GAS CONSULTATIONS – OFFICER
REPORT ON COUNTY COUNCIL MOTION**

1. Since the 1950s, conventional oil and gas exploration and appraisal has occurred at a number of locations across the southern part of the County. Small quantities of hydrocarbons are currently produced by conventional means in the Weald Basin, to the south of the North Downs. There are two operational sites producing oil, namely Felton’s Farm in Brockham and Palmers Wood Oilfield in Godstone; and two with permission to produce gas at Kings Farm, South Godstone and at Albury. There is a further site at Horse Hill near Horley with permission for well appraisal.
2. There is no fracking for shale gas either taking place or proposed in Surrey. The Government proposals currently under consideration would not have any direct impact on Surrey at this time. Indeed, the British Geological Survey (BGS) estimates that there is no significant shale gas potential in the Weald Basin including southern Surrey – shale oil rather than gas is likely to be present. The focus for exploration for shale gas will therefore remain in the north of England for the foreseeable future.
3. The Government Written Ministerial Statements on energy and planning policy of 17 May 2018 announced a range of measures to facilitate timely planning decisions in respect of shale planning applications. There was a stated intention to consult on the criteria required to trigger the inclusion on shale production projects into the Nationally Significant Infrastructure Projects (NSIP) regime and on the principle of whether non-hydraulic fracturing shale gas exploration development should be granted planning permission through a permitted development right. These consultations are being carried out by the Department for Business, Energy & Industrial Strategy (BEIS) and the Ministry of Housing, Communities & Local Government (MHCLG) respectively. The consultations both commenced on 19 July and both end on 25 October 2018.
4. The County Council has already responded to both of these consultations. Planning Officers drafted a response to both consultations, which were subsequently signed off by the Portfolio Holder and Executive Director, in line with the County Council’s procedure for responses to formal Government consultations, and then submitted. The response letters are included as an Annexe to this report. The detailed County Council responses do not agree with the Government proposal that non-hydraulic fracturing shale gas exploration development should be granted planning permission through permitted development or that shale gas production projects should be

included within the Nationally Significant Infrastructure Project (NSIP) regime and in this respect agree with the Motion to Council.

5. Whilst the sentiment of the Motion that shale gas development should continue to be determined via existing local democratic structures is in line with the County Council's response to the consultations, the Motion does not accurately reflect the Government's consultations. The Government is not proposing to '*allow the exploration phase of hydraulic fracturing (fracking)*' to be allowed under permitted development as stated in the Motion but are consulting in respect of '*non-hydraulic fracturing shale gas exploration development*'. It is very specifically not fracking – it may be a pre-cursor to exploratory fracking, but it is not fracking. Additionally, it is a matter of conjecture that this could be extended to other types of oil and gas exploration. While officers agree with the sentiment of the Motion, it is recommended that it be amended to reflect the Government consultation prior to adoption, should Members wish to support it.

County Council Meeting – 13 November 2018

REPORT OF THE CABINET

The Cabinet met on 30 October 2018.

In accordance with the Constitution, Members can ask questions of the appropriate Cabinet Member, seek clarification or make a statement on any of these issues without giving notice.

The minutes containing the individual decisions for 30 October meeting is included within the agenda at item 12. Any Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 12 November 2018).

For members of the public all non-confidential reports are available on the web site (www.surreycc.gov.uk) or on request from Democratic Services.

REPORTS FOR DISCUSSION

A. SURREY ASSET AND PLACE STRATEGY

This report sought approval to develop a Surrey Asset and Place Strategy with a delivery plan to 2030 which will be developed in line with District and Borough Local Plans, LEP Plans and Health Plans. The Strategy report will be presented to Cabinet in April 2019 and will outline the delivery plan which will be subject to significant scheme design and financial modelling:

For the Council:

- A re-modelled operational estate that will see four or five larger town hubs and circa 20 smaller satellite hubs with at least one satellite hub in each of the Districts and Boroughs by 2025.
- The Council already has an investment portfolio that is on course to deliver a target of £10m income by 2020. We believe that schemes can deliver an additional £25m per year net income by 2030.

For Surrey to be aligned to Borough and District Local Plans and LEP plans:

- 200 additional business spaces in bespoke buildings. That is 50 units every 3 years to 2030.
- 4,000 units of housing, especially truly affordable housing including keyworker and extra care homes by 2030.
- 400 new jobs especially making full use of Apprenticeship Levies and supporting businesses to grow by 2030.
- A Digital Skills Academy in partnership with a Surrey University with a specific aim to reach young people who have difficulty in school settings by 2022.

Engagement and transparency throughout the development of the strategy is important. In order to provide technical challenge and insight, it was proposed that an Advisory Panel be set up to support and advise Cabinet on the direction of the strategy and the development of schemes. It was proposed that the Council's Asset Strategy Board which is chaired by the Leader, acts as the steering group for this work.

The work to develop a delivery plan by April 2019 is highly complex and needs significant technical design and appraisal on each scheme to develop a financial and delivery model. The report seeks approval for a budget to ensure this technical work is adequately funded.

This report was brought alongside the report on this agenda proposing the Council's Organisation Strategy, Preliminary Financial Strategy, People Strategy and Transformation Programme. The development of the Asset and Place Strategy forms part of the Council's Transformation agenda, to deliver the new Community Vision for Surrey in 2030.

Cabinet Resolved:

1. The development of a long term Asset and Place Strategy and Delivery Plan to 2030, in line with district and borough local plans, which would deliver a re-modelled operational estate and long term income for the Council and to use released assets to support growth in Surrey was approved.
2. That this work be led by the Council's Asset Strategy Board.
3. The appointment of an Advisory Panel to support the Asset Strategy Board in its work be composed of two Councillors and up to three outside advisers including the Chairman be approved.
4. That authority be delegated to the Executive Director of Economy, Growth and Commercial (in consultation with the Leader) to appoint up to two further external advisers, and to agree the Advisory Panel's terms of reference and work programme.
5. To provide support to the Programme which consisted of:
 - a programme team to co-ordinate the strategy and delivery plan work and organise space planning workshops with partners.
 - high level design and feasibility studies for each scheme (at least 20)
 - social-economic-techno analysis (in support of the work already completed by Surrey Futures).
 - commercial financial modelling expertise to develop funding strategies for each scheme and validate future income streams.
 - legal support to advise on delivery models.

The Cabinet RECOMMENDS that the County Council:

6. Approve a programme budget of up to £500,000 to enable the development of the strategy and the financial validation, as transformation expenditure to be

funded from capital receipts flexibility. This figure includes a previous decision by Council to allocate £275k.

Mr David Hodge, Leader of the Council
30 October 2018

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