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SURREY COUNTY COUNCIL

CABINET

DATE: 5 FEBRUARY 2013

REPORT OF: MR PETER MARTIN, DEPUTY LEADER

MS DENISE LE GAL, CABINET MEMBER FOR CHANGE AND EFFICIENCY

LEAD SUSIE KEMP, ASSISTANT CHIEF EXECUTIVE

OFFICERS: JULIE FISHER, STRATEGIC DIRECTOR FOR CHANGE AND EFFICIENCY

SUBJECT: 2012/13 QUARTER THREE BUSINESS REPORT



SUMMARY OF ISSUE:

For the Cabinet to acknowledge and discuss the success that Surrey County Council has achieved during the third quarter of 2012/13 (demonstrated by the latest available Council-wide results on customer feedback¹, finance, workforce and performance, the progress report on the One County One Team People Strategy 2012/17 and the January 2013 Leadership Risk Register).

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Notes the Quarter Three Business Report covering Residents Survey feedback, people performance, financial stewardship and individual Directorate performance.
2. Notes the progress made in implementing the One County One Team People Strategy 2012/17.
3. Agrees the Leadership Risk Register as of January 2013.

REASON FOR RECOMMENDATIONS:

- To ensure effective business management of the County Council and delivery of improved outcomes and value for money for Surrey residents.

¹ The Surrey Residents Survey is a telephone interview survey conducted throughout the year by Swift Research, an independent research company, with randomly selected Surrey residents. In each three month period, 1,650 people are interviewed, 150 from each of the Surrey Districts and Boroughs. This totals 6,600 interviewees from across the county per annum.

- To ensure proper implementation of the Council's One County One Team People Strategy 2012/17.
- To ensure proper consideration of Leadership Risks.

DETAILS:

Report structure

The report should be read with reference to the following annexes:

Annex 1

One County One Team Quarter Three Business Report 2012/13. This has four sections:

- Residents / Value performance
- People performance
- Financial stewardship
- Quality / Partnerships performance

Annex 2

Quarter Three Business Report – Progress towards Directorate priorities which details measurement against priorities by individual Directorate.

Annex 3

Detailed report showing progress of the implementation of the One County One Team People Strategy 2012/17.

Annex 4

Leadership Risk Register as at January 2013.

Highlights

1. Surrey County Council is a Council performing well with **95% of residents satisfied with their neighbourhood as a place to live**.
2. This report is the third 2012/13 Business Report to measure progress against the priorities set out in the **One County, One Team Corporate Strategy 2012/17**. The report includes an enhanced scorecard (Annex 1), supported by detailed commentary (Annex 2).
3. The report celebrates examples of **key achievements** during the quarter, including the completion of the Council's three year Public Value Review programme, the launch of the Council's 'Switch and Save' energy scheme and being shortlisted for the **Council of the Year** as part of the Local Government Chronicle (LGC) Awards 2013.

4. Surrey has recently taken part in **high profile meetings to make the case for Surrey's interests**. Brandon Lewis MP, Local Government Minister, visited the County Council on 15 January and met with the Leader, Deputy Leader, Chief Executive and Strategic Director for Environment and Infrastructure. The main item on the agenda was the scale of the economy in Surrey and the potentially major role that Surrey can play in delivering growth to the wider UK economy with greater support from central government. The Minister also heard about how the Council is dealing with the serious financial challenges it faces, including work to join up and reduce costs across public services within Surrey and across the South East. On 8 January 2013, the Leader, Deputy Leader and Chief Executive also met with Kevin Hurley, the Police and Crime Commissioner for Surrey and Jeff Harris, the Deputy Police and Crime Commissioner for Surrey to discuss issues including shared priorities in relation to community safety.
5. Surrey County Council has been shortlisted for three awards as part of the LGC Awards 2013. The shortlisted categories are for **Council of the Year**, the **Health and Social Care** category for the work being done on Prevention through Partnership and **Corporate Governance**. The results of the awards will be announced in March 2013.
6. On 11 December 2012, the Leader of the Council, David Hodge, unveiled a new '**switch and save**' scheme through which households and businesses will be able to bulk buy their energy, enabling them to switch to cheaper gas and electricity bills. Residents can register at www.surreyswitchandsave.org. An auction with energy providers will be held in February 2013 following which people will be told of the deal and given the option to switch.
7. The Cabinet approved a list of **major road schemes** designed to reduce congestion and boost economic growth on 27 November 2012. The list was drawn up in preparation for a series of new funding opportunities from Government worth millions of pounds. Initial work will begin on the road projects so that when funding becomes available, Surrey's bids will be ready for submission, enhancing the chances of securing funds.
8. Surrey County Council and the University of Surrey joined forces and have completed a new £4.5m road scheme to **ease congestion** outside the Surrey Research Park, Guildford. The University invested £2.5m and the Council contributed £2m to remove a roundabout and replace it with a crossroads with traffic lights. More than 140 companies are served by the Research Park and the Royal Surrey County Hospital and the Surrey Sports Park are nearby.
9. The Council has met the published target to fill **200 apprentice places** four months early. Under the scheme launched in July 2012, the Council offered to match the Government's Apprenticeship Grant for Business with a Surrey grant of £1,500, bringing the total available to £3,000.
10. Surrey County Council has won the **2012 national innovation award** from the Society of Information Technology Management (Socitm) for innovative use of technology through trialling a scheme that sees staff using their own laptops, smartphones or other devices to do their job.

Residents / Value (Annex 1)

11. The latest provisional Surrey Residents Survey results (for October and November 2012) show that **two out of every three (66%) residents are satisfied with the way the Council runs things.**
12. The latest provisional **Surrey Residents Survey** results indicate that although the year to date results are relatively stable, there has been a slight dip against key headline measures including the percentage of residents who are satisfied with the way the Council runs things, the percentage of residents who think the Council provides good value for money, the percentage of residents who feel that Surrey County Council keeps people informed and the percentage of residents who feel that they can influence decisions (Annex 1) during October and November 2012. These results will be closely monitored to assess whether they represent a trend or an anomaly.
13. The Council is continuing to **work closely with residents** to test satisfaction and engagement. For example, over 700 people completed the Council's **budget consultation** to capture residents' views about Council spending and service priorities. The survey has revealed that Surrey's spending closely reflects residents' priorities. The survey results are presented as part of the Revenue and Capital Budget 2013/14 to 2017/18 report (agenda item 6).
14. At the end of November, 94% of those contacting the **Council's Contact Centre** were satisfied, significantly exceeding the target of 85%. In addition, 89% of all stage one **complaints** were dealt with within timescale and 88% of **Freedom of Information Act requests** were responded to within the 20 working days target.
15. Over £356,000 of the **Community Improvement Fund** has been awarded to support projects that will make a difference in local areas. An indoor community swimming pool, an outdoor ball games area and a Scout group are among the 12 community projects that were successful in securing funding.

Quality/Partnerships (Annex 1 and Annex 2)

16. The Cabinet approved the **Directorate Strategies 2012/17** on 27 March 2012. A summary of progress towards achieving the priorities contained in them is included in the Quality/Partnerships quadrant of the Scorecard (Annex 1) with a full commentary in Annex 2.
17. Overall, there has been **strong progress during the third quarter**. The following examples demonstrate some of the achievements during the period:
 - Following the Cabinet approval for BT to be the preferred supplier for **Superfast Broadband in Surrey**, on 21 November 2012, the UK received the necessary State Aid Approval from the European Union. As the project is largely publicly funded (£20m from Surrey County Council, £1.3m from the Government's Broadband Delivery UK Fund and £11.8m from BT), the project was subject to EU competition law and the European Commission had to approve the programme. The Superfast Broadband project will only spend public money to provide superfast broadband to those areas that could not access it through the commercial market. The decision means that the

project implementation can begin so that nearly 100% of Surrey businesses and homes will have access to superfast broadband by the end of 2014.

- At the end of quarter two (latest available data), there were only 60 **first time entrants to the Youth Justice System** (meeting the target of 100), significantly fewer than 140 first time entrants at the same time in 2011/12 and 428 first time entrants at the same time in 2009/10. This reduction has been achieved through **Youth Restorative Intervention** which enables the Youth Justice Partnership to effectively deal with lower level offending behaviour without recourse to criminalising children and young people.
 - From April 2012 to the end of November 2012, a total of 2,258 **Home Fire Safety Visits** have been conducted, of which 69% were to households at risk. This is a significant improvement from 57% in 2011/12 and exceeds the 2012/13 target of 60%.
 - The **Surrey Information Point** website has been re-launched with new features such as a text messaging service. The website now features all regulated care providers in Surrey and helps adults and carers in Surrey to find advice and information in their local area.
18. The Council recognises that there is **no room for complacency** in ensuring the delivery of high quality services to Surrey residents. Difficult issues are being tackled and concerted action is being taken in a number of priority areas, including:
- The average **cost per contact** (the total money spent on customer contact divided by the total number of contacts) of 46 pence is slightly above the year-to-date target of 44 pence. The Council is continuing to encourage residents to use lower cost methods of contacting the Council, such as the internet, where it is appropriate to do so, and while maintaining high levels of customer satisfaction.
 - At the end of November 2012, a total of 53% of waste collected had been **recycled**, against the profiled year to date target of 60%. Falling demand from China and India has impacted on rigid plastic recycling and the Council continues to work with SITA (the Council's waste contractor) to identify suitable markets for wood that is currently being stored until the waste wood market recovers. New collection systems, including food waste, were introduced in Reigate and Banstead in July 2012 with a phased rollout and in Tandridge in October 2012. These schemes will help to improve recycling rates, but will be subject to a time lag before improvements are reflected in the performance data. Surrey County Council was ranked 9th out of 32 Waste Disposal Authorities in England for waste recycled in 2011/12.
 - Surrey is ranked 21st out of 152 local authorities (an improvement from 23rd in 2011) and 5th out of 11 statistical neighbours for the percentage of pupils achieving five or more GCSEs or equivalent at grades A* to C including English and mathematics based on the latest provisional **educational attainment results** (not including results for pupils at independent schools). However, there has been a small decrease in the proportion of pupils who achieved five or more **GCSEs or equivalent at grades A* to C** including English and mathematics (62.9% compared to 63.5% in 2011). The Council

is currently undertaking a full review of the School Improvement Strategy which will inform the annual School Improvement Plan.

People (Annex 1 and Annex 3)

19. The **One County One Team People Strategy 2012/17** was approved by the Cabinet on 29 May 2012 setting out 12 County Council promises to its staff. Overall progress towards delivering the 12 promises is reported in the People quadrant of Annex 1 with a detailed progress report in Annex 3.
20. Surrey continues to perform well for **sickness absence** (reported in the People quadrant of Annex 1) compared to local government peers. When staff working with vulnerable adults are excluded (they are not allowed to work with vulnerable adults when ill), the sickness absence rate was 7.09 days per FTE at November 2012, achieving the Council target of 7.2 days per FTE. The latest Chartered Institute of Personnel and Development (CIPD) absence survey (2012) shows that the local government average was 8.1 days per FTE (down from 10.9 days in 2011). Sheffield City Council recognised Surrey County Council's success and asked Surrey County Council to share examples of how sickness absence is being tackled within the Adult Social Care Directorate.
21. The December **workforce costs** are reported alongside this report as part of the Month End Budget Report as at the end of December 2012 (agenda item 9).

Financial stewardship (Annex 1 and Annex 2)

22. The Council has set a **Revenue Efficiencies and Savings** target of £71.1m in 2012/13, set out in the Medium Term Financial Plan (MTFP). At the end of November 2012, £21.1m of the savings had been achieved and 'banked'. However, there remains a forecast shortfall of £5m in the year-end savings expected to be delivered against the MTFP target.
23. Efficiencies and savings have been achieved through a **rigorous focus on ensuring value for money**. This is evidenced, for example, by the completion of the programme of Public Value Reviews.
24. The Council successfully completed the three year programme of **Public Value Reviews** that took a systematic and focused look at services and functions to ensure that the things most important to Surrey residents were at the heart of the Councils' work. The programme has been acknowledged by Sir Merrick Cockell, Chairman of the Local Government Association (LGA) who has asked the LGA Productivity Team to consider opportunities to promote Surrey's Public Value Review programme, recognising that it contains good practice that other Councils could benefit from. The programme consisted of 29 reviews and successfully identified a total of £279m savings to be delivered by 2016. A closing report for the PVR Programme was presented to the Cabinet on 27 November 2012.
25. On 18 December 2012, the Cabinet agreed to support the establishment of a **partnership agreement** between Surrey and East Sussex County Councils under which Surrey will carry out transactional support activities and IT hosting services on behalf of East Sussex. East Sussex and Surrey County Councils are already **working in collaboration** by establishing a joint

procurement team and are working together to utilise combined buying power in order to deliver better contract value to both organisations. The Council has exceeded the quarter three **procurement savings target**, achieving £17.8m savings.

26. The Council continues to work to support local businesses and on 22 November 2012, hosted a **business engagement workshop** to explore ways local authorities and the business community can work better together. The latest six monthly results demonstrate that the Council is currently driving 50% of spend on **goods and services to local businesses**, representing £316m spend in the local economy.
27. The **Olympic Games and Tour of Britain** sporting events generated more than £51m for Surrey's economy². The county hosted the men's and women's cycling road races at the summer Olympic Games and staged the final leg of the Tour of Britain in September 2012. In total, the Olympic events benefitted the county's economy by almost £44m, in addition to over £800m of Games-related contracts that were secured by Surrey businesses³. The Tour of Britain stage from Reigate to Guildford generated almost £7.2m for Surrey's economy. Following the Olympics, hotels and tourist organisations in Surrey said they had started taking bookings from cyclists who wanted to ride the Olympic race routes.
28. The December 2012 financial position is presented to the Cabinet alongside this report as the **Month End Budget Report** (agenda item 9).
29. The November 2012 financial position is reflected in the financial **Stewardship** quadrant of the Scorecard (Annex 1).

Leadership Risk Register (Annex 4)

30. The **Leadership Risk Register** as at January 2013 is attached to this report as Annex 4.
31. The Risk and Resilience Steering Group, chaired by the Assistant Chief Executive, coordinates and reviews risk activity across the organisation. The Steering Group also reviews the Leadership Risk Register prior to review by Corporate Board as part of performance, finance and risk monitoring.
32. The Audit and Governance Committee reviews the Leadership Risk Register at each meeting and refers any issues to the appropriate Select Committee.

CONSULTATION:

33. The 2012/13 Quarterly Business Report has been produced in consultation with the Members and officers listed at the end of this report.

² This estimation is based on the industry standard model used for calculating the impact of the Tour of France and Tour of Britain.

³ This figure has been provided by the Olympic Delivery Authority.

RISK MANAGEMENT AND IMPLICATIONS:

34. Risk management implications to areas covered in this report are covered in either the Leadership Risk Register (Annex 4) or in the relevant Strategic Director and Service Risk Registers. Directorate and Service management teams review current and emerging risks and ensure that risks are escalated and reported where appropriate.

Financial and Value for Money Implications

35. The Annex 1 scorecard contains **Directorate level financial information** and details the delivery of the Council's Revenue Efficiencies and Savings target.
36. Tracking financial information alongside other key performance indicators as part of the quarterly Business Report is an important part of the Council's approach to ensuring **value for money** for residents.

Section 151 Officer Commentary

37. The section 151 officer confirms that forecast budget outturn and savings figures quoted in this report and annexes were correct at the end of November 2012. A separate report on this agenda will provide an updated position to the end of December 2012. Both the revenue and capital budgets continue to be monitored closely and reported to the Cabinet, particularly the risks in achieving the Medium Term Financial Plan targets for savings and efficiencies.

Legal Implications – Monitoring Officer

38. There are no legal implications/legislative requirements arising directly from this report.

Equalities and Diversity

39. This report provides a summary of progress towards achieving the Council's priorities set out within Directorate Strategies so does not require a specific Equality Impact Assessment. Where appropriate, Equality Impact Assessments will be completed for individual Directorate priorities.

WHAT HAPPENS NEXT:

- Remedial action takes place.
- The Cabinet continues to receive Quarterly Business Reports (the Quarter Four 2012/13 report will be considered on 23 April 2013).
- The next update of the One County One Team People Strategy 2012/17 will be reported to the Cabinet as part of the Quarter Four Business Report (due to be considered by the Cabinet on 23 April 2013).
- The next six monthly update of the One County One Team Fairness and Respect Strategy 2012/17 will be considered by the Cabinet as part of the Quarter Four Business Report 2012/13 (due to be considered by the Cabinet on 23 April 2013).
- Quarterly reports of progress against key Directorate indicators and commitments are published online at www.surreycc.gov.uk/ourperformance

- The Council Overview and Scrutiny Committee will review Council performance at the meeting on 13 February 2013.
- Select Committees continue to scrutinise work programmes and performance.
- Quality Board will continue to ensure effective self-regulation, oversight and assurance of quality management across the Council, via the implementation of the One County One Team Quality Management Framework.
- Risk officers continue to work with Directorate Management Teams to review current and emerging risks, and ensure that risks are escalated where appropriate.

Contact Officer:

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Consulted:

David Hodge, Leader of the Council

Corporate Leadership Team (CLT)

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James Brown, Performance Lead, Children, Schools and Families

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Annexes:

Annex 1 – Quarter Two Business Report Scorecard

Annex 2 – Progress Towards Directorate Priorities

Annex 3 – One County, One Team, People Strategy 2012/17 progress report

Annex 4 – Leadership Risk Register

Sources/background papers:

- Surrey Residents Survey results
 - One County, One Team Corporate Strategy 2012/17
 - Directorate Strategies and Business Plans 2011/15
 - One County, One Team: Fairness and Respect Strategy 2012/17
 - One County, One Team: People Strategy 2012/17
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