

SURREY COUNTY COUNCIL

CABINET

DATE: 26 MARCH 2013

REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR CHANGE AND EFFICIENCY

SUBJECT: STRENGTHENING THE COUNCIL'S APPROACH TO INNOVATION: UPDATE ON OUR INNOVATION JOURNEY



SUMMARY OF ISSUE:

On 27 November 2012 the Cabinet approved the development of a strategic framework to achieve a strong "One Team" approach to innovation ("ideas into action to improve lives in Surrey"). This recognises that over the coming years the Council will need to continue to strengthen its capacity and capability to innovate in order to continue improving outcomes and value for money for Surrey's residents.

Significant progress has been made to establish the strategic innovation framework and begin developing new ideas and approaches. This progress was recognised by a small team of expert peers who visited the Council in February to assess progress and plans on innovation. The peer team shared some helpful recommendations and this report describes how these recommendations will be incorporated into the continued work to strengthen the Council's innovation capacity and capability.

RECOMMENDATIONS:

It is recommended that:

1. The Cabinet acknowledges the good progress made so far to strengthen innovation capacity and capability and welcomes the findings from the peer challenge
2. The Chief Executive and Strategic Director for Change and Efficiency continue to work with colleagues to develop and implement the strategic framework for innovation, incorporating the recommendations from the peer challenge
3. The learning and evaluation from innovation work will be reported back to Cabinet and Council via the Chief Executive's six monthly progress reports, the next of which will be published in the summer

REASON FOR RECOMMENDATIONS:

To further refine and strengthen the Council's approach to innovation so it can exploit new opportunities, navigate significant challenges and achieve improved outcomes and value for money for Surrey's residents.

DETAILS:

Background

1. On 27 November 2012 the Cabinet agreed the development of a strategic framework to achieve a strong “One Team” approach to innovation. It was recognised that over the coming years the Council will need to continue to strengthen its capacity and capability to innovate in order to continue improving outcomes and value for money for Surrey’s residents.
2. The framework reflects the fact that this will require a sustained effort over the long term, building on the foundations that are in place, learning from experiences and adapting approaches over time.
3. Over the last four months significant progress has been made to establish the strategic innovation framework and begin developing new ideas and approaches. Successful test workshops have been completed, the tools and methodology to support innovation have been developed and a brand for the work has been designed (known as “Shift”). A peer challenge exercise has also been completed to test progress so far and help shape the next phase of work.
4. Progress updates are described against each of the seven components of the strategic framework for innovation in the rest of the report.

The components of the Strategic Innovation Framework

Leadership	(i) All efforts to innovate will focus on achieving the core purpose and objectives in the Corporate Strategy
	(ii) A cross-Council “innovation projects programme” will be developed
Culture	(iii) To create the right climate for innovation the council’s values and People Strategy will continue to be embedded
Skills and Tools	(iv) The council’s training and development programme will be further developed with a strong focus on innovation capability
	(v) Tools, methods and IT infrastructure will be further developed to support innovation
Catalysts to accelerate progress	(vi) Introduction of an “innovation hub” approach
	(vii) A small team of expert peers will visit the council in February 2013 as part of an LGA co-ordinated Peer Challenge and will test progress and plans on innovation

Progress updates

Leadership

(i) All efforts to innovate will focus on achieving the core purpose and objectives in the Corporate Strategy.

5. The work on innovation is being developed to ensure that it supports the council’s [One County One Team Corporate Strategy 2012-17](#). A refreshed Corporate Strategy will be presented to Cabinet in June and Council in July.

(ii) A cross-Council “innovation projects programme” will be developed.

6. Work has begun on a small number of “test” projects which will help develop and refine the approach to innovation. For example, as part of the Families Support Programme a pilot is being run using “Patchwork”, a web based information sharing tool which connects professionals and agencies around individual families. This will provide broader learning about technology assisted change that may be applied elsewhere across the Council and with partners.
7. Initial workshops have also been held on a number of topics including Special Educational Needs Transport and the use of digital technology by Cultural Services.
8. The learning from the initial “test” projects will be used to help guide future innovation work. The Strategic Director for Change and Efficiency is co-ordinating the development of a programme of future projects, ensuring focus on a range of issues that need attention to help the council deliver its strategic objectives.
9. To ensure strong “one-team” leadership through what will be a challenging and complex period of change the Corporate Leadership Team have agreed some specific cross-Council leadership roles:
 - Commissioning - Strategic Director for Children Schools and Families and Strategic Director for Adult Social Care
 - Continuous Improvement - Strategic Director for Environment and Infrastructure and Strategic Director for Customers and Communities
 - Partnerships - Assistant Chief Executive
 - Innovation and trading - Strategic Director for Change and Efficiency
10. The Chief Executive will continue take an oversight role, working closely with Strategic Directors - in particular on partnerships, innovation and trading - and advising Members. Also note that the Strategic Director for Customers and Communities will continue in the role of Mole Valley District Council’s Interim Chief Executive until March 2014.
11. Leadership focus on these cross-cutting themes will help ensure the Council can continue to deliver its critical day-to-day responsibilities effectively, whilst also strengthening its capacity and capability in readiness for the future challenges it faces.

Culture

(iii) To create the right climate for innovation the Council’s values and People Strategy will continue to be embedded.

12. The Corporate Strategy sets out the goal that the Council - all its Members and Officers - work together with a strong “one team ethos”. This extends beyond organisational boundaries and the Council has continued to work in partnership with residents, communities, businesses and other organisations to deliver improved outcomes and value for the county. The Council’s values – listen, responsibility, trust, respect – continue to be embedded and provide the vital underpinning ethos for new ways of working and service delivery.

13. The People Strategy supports the psychological contract (the perceptions and mutual expectations) between the organisation and employees. Delivery of the 12 People Strategy promises is integral to developing a culture in which employees are able to work in dynamic and flexible ways, finding new solutions to challenges and working in partnership with a wide variety of agencies. This is being achieved through projects and targeted interventions in specific areas such as appraisal and managers' development.
14. The current workforce planning approach has facilitated discussions with staff and identified a strong organisation-wide appetite for innovation and the desire for a culture of creativity, trust and independence with investment in continually developing and improving ways of working. The HR and Organisational Development Service will continue to work with Directorates to develop the culture and skills that foster innovation including exploring how the council recognises and rewards 'innovators'.

Skills and tools

(iv) The Council's training and development programme will be further developed with a strong focus on innovation capability.

15. Work is underway to incorporate innovation training into the STARS training and development programme. In addition, activities are being designed to give individuals the skills to recognise the relevance and impact of innovation in their work and equip them with the tools and techniques to drive innovation.
16. A programme of work is underway to build understanding of roles and impact of actions between Officers and Members. This includes a half day workshop promoting; 'one team: working together' which equips officers to 'think resident, think councillor' and equips councillors to 'think resident, think officer'. Supporting this will be further activities such as shadowing and coaching. The council is also reviewing its existing customer service training to ensure it meets the highest standards.

(v) Tools, methods and IT infrastructure will be further developed to support innovation.

17. The model and method for structured innovation has been further developed (see Annex A). It reflects the brand and visual identity for the innovation work which is now known as "Shift".
18. Within this cycle creative new ideas at the "discovery" phase provide the crucial spark but they need to be developed, designed, tested, decided on and delivered before they can improve outcomes for Surrey's residents. In practice the process of innovation is complex and varied but this model will ensure a common understanding and methodology to the Council's approach.
19. The tools and techniques that can be applied at each of the stages of innovation have been further developed and a campaign launched on the s-net (intranet) so staff and Members can share their experiences of using the tools and making improvements. A prototype website (www.shiftsurrey.org) has also been developed in order to provide an accessible place for sharing innovation tools and learning within and outside of the Council.
20. Work has continued to develop IT infrastructure and solutions that support innovation, with the Technology Boards for each Directorate helping to drive and co-ordinating planning. For example, the 'Modern Worker' programme is

enabling council staff and Members to work more flexibly by equipping them with mobile devices, mobile apps (e.g. the youth worker app), using bring your own devices (byod), collaborative tools such as gotomeeting, huddle and egress so residents benefit from a more efficient and effective services. The initiative won a national innovation award from the Society for Information Technology Management in December 2012.

21. Elsewhere, two new data centres have gone live and equipment is being moved in from Surrey's Borough and District Councils and East Sussex County Council. Another project – called UNICORN - is bringing together over 40 different networks across the county to reduce costs and enable joint working, and the Supply2Surrey and Build Surrey websites have been launched to help local businesses bid for public sector contracts and take on apprentices.
22. In addition IMT have revised the equipment replacement fund contributions to enable more regular refresh of staff and Member IT equipment. A new Digital Reward scheme for all staff will also be launched to enable cost effective access to personal IT and mobile phone technology for all staff.

Catalysts to accelerate progress

(vi) Introduction of an “innovation hub” approach.

23. The most innovative organisations design specific structures and processes to support and manage different types of innovation. A common feature is the use of innovation and design hubs – small units with flexible resources embedded within the organisation to support colleagues who are testing, developing and implementing new ideas.
24. To test this idea within the council officers from the Policy and Performance Service (Chief Executive's Office) have begun connecting with wider groups of colleagues across the Council in order to bring together the people and skills needed to address key problems. This is purposefully being developed through flexible networks, rather than being structured in a hierarchical manner.
25. Building on the Smarter Working programme, which is identifying and developing smart use of technology and physical spaces across the county, a space in County Hall has been designated to support innovation projects. As part of the overall building refurbishment adaptations have been made so that this provides the kind of flexible working conditions demonstrated to be effective by leading innovative organisations.

(vii) A small team of expert peers visited the council in February 2013 as part of an LGA co-ordinated Peer Challenge and tested progress and plans on innovation

26. As part of the Council's commitment to improve its services for residents a peer challenge was arranged and took place 26 February to 1 March 2013. The peer challenge, coordinated by the Local Government Association (LGA), looked at the Council's capacity and capability covering financial planning and viability, political and managerial leadership, governance and decision-making and organisational capacity. The peer team, which included the Managing Partner of the Innovation Unit (<http://www.innovationunit.org>), also assessed the Council's progress and plans on innovation.

27. Annex B contains the initial feedback from the peer team (a final report is expected from the LGA by the end of March 2013). The initial feedback included the following summary statement:

- There is universal recognition that the council has made huge strides in the last four years.
- It is seen to have 'laid the foundations for it now to take off'.
- In seeking to take the council to the next level it is important that everybody takes a greater responsibility and bears in mind the requirement to continue to 'raise their game'.

28. The Leader and Chief Executive will ensure all key points raised in the final report are fully addressed and an update on progress will be provided as part of the Chief Executive's next six-monthly report to Council in the summer.

Next steps

29. The Chief Executive and Strategic Director for Change and Efficiency will continue to work with Members, colleagues and stakeholders to develop and implement the strategic framework for innovation, incorporating the recommendations from the peer challenge.

30. Over the next few months the "test" projects and new ways of working will be taken forward. The learning and evaluation from this work will be reported back to Cabinet and Council via the Chief Executive's next six monthly progress report to be published in the summer. This next report will also update on progress on all the recommendations from the peer challenge.

31. As this new approach develops workshops will be arranged for Members, staff and stakeholders to ensure full engagement and involvement. As the programme evolves, regular and proactive communication and engagement activities will take place with residents and other stakeholders on a project by project basis. Select Committee will play an important role in scrutinising the delivery of projects.

32. As and when new innovative proposals are formulated these will be presented to Cabinet and Council as appropriate.

CONSULTATION:

33. The proposals were developed following discussion with the following groups:

- Elected Members
- Corporate Board
- Groups of staff from across the council through interviews and workshops

RISK MANAGEMENT AND IMPLICATIONS:

34. The associated risks are being managed through the council's risk management processes.

35. The Council needs to strengthen its innovation capacity and capability in order to mitigate the risks posed by the financial challenges it faces and ensure services are sustained and improved. Effective risk management will be a key and integral part of strengthening the council's approach to

innovation and any risks associated with specific new innovations will be assessed in each case when the proposals are brought forward.

36. More generally an increased focus on innovation will require the council to develop more sophisticated understanding of the opportunities and risks associated with new approaches.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

37. As the framework is implemented over the coming months business cases will be developed for investments designed to deliver value for money.
38. Any financial implications associated with specific new service innovations will be assessed in each case when the proposals are brought forward.

SECTION 151 OFFICER COMMENTARY

39. The Chief Finance Officer confirms that the full financial implications of each innovation business case will be assessed on a case by case basis and approved through appropriate governance processes in due course. Further, it is important that the council has the right resource (in terms of skills and capacity) in place to deliver this ambitious innovations programme and I confirm that these will be reported once the strategic framework has been more fully developed.

LEGAL IMPLICATIONS – MONITORING OFFICER

40. There are no direct legal implications/legislative requirements arising from this report.

EQUALITIES AND DIVERSITY

41. Equality Impact Assessments will be completed for specific future proposals as appropriate. At this stage no Equality Impact Assessment was completed as there are no immediate or direct impacts on services for residents or on council staff.

OTHER IMPLICATIONS:

42. The potential implications for the following council priorities and policy areas have been considered. There are no direct implications arising from this report but the planned work on innovation will help to identify and implement improvement opportunities across the priority and policy areas.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Public Health	No significant implications arising from this report
Climate change	No significant implications arising from this report
Carbon emissions	No significant implications arising from this report

WHAT HAPPENS NEXT:

43. Pending approval of the recommendations in this report the following will happen.

- The Chief Executive and Strategic Director for Change and Efficiency will continue to work with Members, colleagues and stakeholders to develop and implement the strategic framework for innovation, incorporating the recommendations from the peer challenge.
- Over the next five months the “test” projects and new ways of working will be taken forward. The learning and evaluation from this work will be reported back to Cabinet and Council via the Chief Executive’s next six monthly progress report published in the summer. This next report will also update on progress on all the recommendations from the peer challenge.
- As this new approach develops workshops will be arranged for staff, Members and stakeholders to ensure full engagement and involvement. A programme of regular and proactive communication and engagement activities will be completed to support this.
- As and when new innovative proposals are formulated these will be presented to Cabinet and Council as appropriate.

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Consulted:

Elected Members
Corporate Board
Groups of staff from across the council through interviews / focus groups

Annexes:

Annex A: The “5Ds” innovation cycle
Annex B: Initial feedback presentation from the LGA peer challenge team

Sources/background papers:

One County One Team: Strengthening the Council’s Approach to Innovation, report to Cabinet 27 November 2012
One County One Team Corporate Strategy 2012-17, report to Council 7 February 2012

Annex A: The “5Ds” innovation cycle



