

COVER SHEET AND INTRODUCTION FOR ITEMS 8 AND 9

STRENGTHENING THE COUNCIL'S APPROACH TO INNOVATION

Surrey County Council places a **relentless focus on delivering public value** for its residents and the need for establishing more cost effective ways of delivering services has never been greater.

Although the council has successfully delivered significant efficiency savings in recent years (£68m in 2010/11, £61m in 2011/12, £66m forecast for 2012/13) the budget assumptions for the next Medium Term Financial Plan (MTFP 2013-18) include significant further savings of £240m. The need for these savings arises from increased demands for council services (e.g. the impact of an ageing population) and a reduction in the grant received from central government. The continuing national economic challenges and revisions to the basis for local government funding add further uncertainty around the level of funding the council will receive in the future.

In preparing for this challenge the council has adopted a **strategy of strengthening** - investing in staff and developing effective partnerships - enabling it to continue to **secure economic growth and a prosperous future for Surrey and protect the vulnerable**.

The key to strengthening the organisation will be its ability to innovate. The council has already delivered many examples of innovative solutions to the challenges it has faced. Building on and learning from those examples, the council has developed a strategic framework for innovation, approved by the Cabinet on 27 November 2012 – items 8 and 9 which follow on today's Cabinet agenda provide an update on progress in implementing the recommendations from that report:

- **Item 8 – Update on our innovation journey:** this report provides an update across the seven action areas highlighted in the *Strengthening the Council's approach to innovation* Cabinet Report (27 November 2012). This includes the findings and proposed actions from the recent Local Government Association coordinated peer challenge event.
- **Item 9 – Models of delivery:** recognising the scale of the challenges ahead and anticipating the needs of the future, this report focuses on how the council proposes to use the most effective delivery model to provide services for residents while ensuring public value. The report describes the different delivery models already being used by the council; examples of successes it has achieved so far; and makes recommendations to provide the foundations for the council to develop its approach to trading.

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