

Surrey County Council

**Corporate peer challenge – February and
March 2013**

1st March 2013

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Peer challenge team

- Caroline Tapster, former Chief Executive, Hertfordshire County Council
- Councillor Martin Tett, Leader of Buckinghamshire County Council (Conservative)
- Councillor Simon Henig, Leader of Durham County Council (Labour)
- Paul Naylor, Deputy Chief Executive, Ashford Borough Council
- John Craig, Managing Partner, Innovation Unit
- Chris Bowron, Programme Manager, Local Government Association

Introduction

- One of the early corporate peer challenges as part of the new offer around sector led improvement
- We have been made to feel welcome and have been well supported
- People have been very open and honest
- Our feedback is based on what we have heard, seen and read

The process

- Background reading was provided to the team in advance
- The council drew up a timetable of on-site activity with interviews and workshops that we have followed
- We have met with a range of elected members, staff and partners
- We have assimilated the evidence we have gathered into a set of broad themes for presentation to yourselves today
- There is the opportunity for discussion of our findings following the presentation
- The council will wish to consider how it shares the outcomes from our activities and what will be different as a result
- Our draft report will follow shortly

The 'scope' for the peer challenge

- The peer team will consider the core components that all corporate peer challenges cover:
 - Understanding of local context and priority setting
 - Financial planning and viability
 - Political and managerial leadership
 - Governance and decision-making
 - Organisational capacity
- In order to tailor the challenge specifically to Surrey, the team will consider these components in the context of 'an organisation that wants to become innovative'

A story of progress in Surrey (1)

- There is universal recognition that the council has made huge strides in the last four years, particularly with regard to its culture
- It is seen to have 'laid the foundations for it now to take off'
- The Leader and Chief Executive are seen as having been integral to the turnaround
- Relationships between elected members and officers at all levels are seen now to be effective
- There is a clear commitment to investing in people and the council knows that this needs to continue
- The level of staff commitment, enthusiasm, pride and talent is notable

A story of progress in Surrey (2)

- The council's relationships with the district and borough councils in Surrey are vastly improved
- External judgements have improved – safeguarding children and adults
- The council has been shortlisted this year in the Local Government Chronicle Awards
- A wide range of achievements:
 - Olympics and major events
 - Increased number of school places
 - Superfast broadband deal
 - Highways contract and 'Project Horizon' programme
 - Waste partnership with other councils in Surrey
 - Travel Smart

Political and managerial leadership

- The Leader and Chief Executive are held in extremely high regard both within and outside the organisation:
 - Visibility, engagement and energy
 - Trust and belief in them
- They have led a dramatic change in culture and have strongly modelled it – although this raises potential issues of sustainability
- Joint working between the Cabinet and Corporate Leadership Team, at both the individual and collective level, is strong
- There is strong leadership of Directorates and Portfolios
- Middle managers are seen to be strong and are highly valued
- Elements of the old culture still exist - the organisation is conscious of these and working to address them

Organisational capacity (1)

- The council is committed to maintaining its capacity and capability despite the current financial climate
- Change and improvement is being delivered - Public Value Reviews (£279m savings by 2016) and Rapid Improvement Events
- Strong progress has been made in relation to the likes of shared services, procurement and trading - there is a growing commercial understanding within the organisation
- There is a clear commitment to investing in people – IT, accommodation, training and development – and the council knows that this needs to continue
- Staff now feel much more empowered and able to get on
- Making things happen and engaging people needs to be seen as a responsibility to be shared across all managers

Organisational capacity (2)

- There is still a challenge around joining things up across the organisation and ensuring it is sufficiently responsive and ‘fleet of foot’ – *‘One Team’*
- The IT infrastructure has been improved over recent years and investment continues to be made
- The council is seen to have been risk-averse - attitudes towards risk are changing and a more nuanced approach is being considered
- There is less unnecessary internal process in the council now but we see it as being important for the council to ensure an appropriate balance is maintained
- The council is already well engaged in networks and learning from others but is keen to extend this

Innovation (1)

- The council has established innovation as a major organisational priority
- Although it is very early days, the work has the visible sponsorship of leaders, backed by time and resources
- This has helped to generate wide awareness of the work and enthusiasm among staff
- This awareness and enthusiasm is beginning to be mirrored among the council's members and partners
- This commitment to innovation builds on a number of innovative pieces of work in the organisation and work to draw together and describe the council's innovation process

Innovation (2)

- Innovation should be an open, inclusive process, but as the work develops, staff will need to be challenged to respond to the council's key priorities and to the scale of its ambition
- Innovation can mean different things to different people. The council will need to continue to engage partners around its intentions to ensure the support and legitimacy it needs.
- The whole organisation will need to help to build innovation capability. From the people strategy to governance, officers and elected members will need to ensure that they have the structures and skills to deliver on their ambitions for innovation
- Alongside innovation, it is also vital to be clear about what doesn't change; the council's values and its focus on the citizens of Surrey

Governance and decision-making

- Select Committees are seen to be variable in their effectiveness, with some examples of excellent practice, and the overview and scrutiny function has more to offer
- Local Committees are assuming increasing responsibilities and there is belief that they could play an enhanced role - it feels like the right time for Surrey to consider their role in a new era
- There is good progress and performance reporting to the likes of Cabinet, Select Committees and Corporate Leadership Team, including around risk
- The council has increased the support to elected members and their development and this should continue in to the future as roles change and develop

Financial planning and viability (1)

- The council has a net revenue budget of around £1.5billion
- Budget pressures of more than £250m have been impacting the council across the period from 2010 to 2014
- Significant levels of savings have been achieved in recent years – £68m in 2010/11, £61m in 2011/12 and £66m expected this year against a target of £71m
- The budget for 2013/14 shows planned savings of £50m, with a further £33m the following year
- Over and above this, there are funding gaps of £18m in 2013/14 and £39m in 2014/15
- Further reports will be presented over the coming months including an outline of the way the 2014/15 funding gap will be addressed and a review of the Medium Term Financial Plan
- Despite the budget position, the council is still able and willing to make significant additional financial investments in projects and services

Financial planning and viability (2)

- The general view of the financial position amongst people we met was that it was “tough” and “challenging” – which contrasts heavily with the feelings of ‘crisis’ being experienced in many other councils
- It is readily obvious that the council will need to ensure the successful delivery of its savings targets and it is confident in the robustness of its approach to doing so
- As the financial future becomes more challenging elected members will be required to make more difficult decisions and, in doing so, demonstrate their resolve
- The council’s strategic approach is to focus on the long-term and, as part of this, seek to establish ways of generating additional income and better capitalising on assets and investments
- Key assumptions are made around future levels of government grant, the potential to increase council tax levels and the New Homes Bonus and future demand for services

Financial planning and viability (3)

- The overall approach and assumptions that are being made are ambitious and different to those of most other councils - the council needs to be fully aware of the risks that this entails and ensure that variations away from what is being assumed can be responded to in a timely manner

Partnership working

- The council has a strong commitment to ‘doing what is right for the people of Surrey’
- The council has worked hard to bring about vastly improved relationships with the district and borough councils in Surrey
- Relationships with the health sector have improved significantly and the Health and Well-Being Board represents a potential model for other partnerships to be based upon
- The senior leadership of the council is making a concerted effort to engage with the business community but there would be benefit in extending the dialogue to a broader range of businesses
- The changes facing local government generate significant opportunities for the voluntary and community sector – realising them will require increased dialogue, the growing of the capacity of the sector and new forms of partnership
- The council shared its budget proposals with partner organisations but there may be benefit in enabling their earlier and greater involvement in the future

Understanding of local context and priority setting

- The council has a wide source of information regarding the make-up of Surrey, what is important to local people and how it performs – this is used to inform decision-making and priorities but evidence-based thinking could develop further in the organisation
- Customer service has moved forward significantly over recent years but it may be time for the council to review how things currently operate in order to ensure they are keeping pace with customer expectations
- The Public Value Review of learning disabilities represents a model for the future around determining what the council offers and how – service user engagement, staff and elected member involvement, good innovation approaches and principles
- However, more work needs to be undertaken around the role of the citizen in the future, including the co-design and co-delivery of services

Overall ...

- 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’

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