

County Council Meeting –21 May 2013

REPORT OF THE CABINET

The Cabinet met on 26 March and 23 April 2013.

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 both 26 March and 23 April 2013 meetings are included within the agenda at item 15. 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 20 May 2013).

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.

1. STATEMENTS/UPDATES FROM CABINET MEMBERS

There were none.

2. REPORTS FOR INFORMATION / DISCUSSION

26 March 2013

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

1. 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 recognised that over the coming years the Council would 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. 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 these will be incorporated into the continued work to strengthen the Council's innovation capacity and capability.
3. The framework reflected the fact that this would require a sustained effort over the long term, building on the foundations that are in place, learning from experiences and adapting approaches over time.
4. 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.

5. The Cabinet agreed:

1. That the good progress made so far to strengthen innovation capacity and capability be acknowledged and the findings from the peer challenge be welcomed.
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 be reported back to Cabinet and Council via the Chief Executive’s six monthly progress reports, the next of which will be published in summer 2013.

B STRENGTHENING THE COUNCIL’S APPROACH TO INNOVATION: MODELS OF DELIVERY

1. Surrey County Council has a successful track record of finding innovative ways of delivering services recognising that there is no ‘one size fits all’ model for the vast range of services it provides. Taking a proactive and longer term view has helped the council to prepare for the challenges it faces and has supported the delivery of £200m of efficiency savings over the last three years. The budget assumptions for the Council’s Medium Term Financial Plan (2013-18) include further savings requirements of £240m resulting from increased demands on council services and reductions in the grant received from central government.
2. The way that council services are delivered in Surrey continually evolves. Changes to legislation; developments in government policy; new funding arrangements; and, most importantly, the changing needs and aspirations of Surrey residents and businesses have helped to shape various models of delivery.
3. The importance of a pragmatic approach needs to be recognised and the role different delivery models can play in delivering good quality public services and value for money to residents and businesses while helping the council to meet its financial targets need.
4. Surrey County Council services are currently delivered via three delivery models:
 - Services delivered directly by the council
 - Services delivered by the council with a partner(s)
 - Services delivered by other organisations, commissioned / funded by the council (including organisations from the voluntary, community and faith sector)
5. Proposals for enhancing the council’s ability to deliver services through a fourth model, through a trading company, are being developed.
6. The power to trade allows a local authority to offer its services on a commercial basis (i.e. make a surplus) - in order to pursue a strategy of risk based

commercial trading the council could make use of powers granted by section 95 of the Local Government Act 2003 and the Local Government (Best Value Authorities)(Power to Trade) (England) Order 2009.). The powers provided by the Localism Act 2011 through the general power of competence also broaden the scope of activities upon which the council could trade. The council is already using powers to charge for its services (limited to recovery of the cost of providing those services) and is sharing services with other public sector partners.

7. In order to use those powers the council must set up a company, for the purposes of trading without subsidy. This, by its nature, will be a new legal entity created under the council's ownership, but with the ability to trade commercially with the private sector.
8. Trading can also be undertaken by the council with a private sector partner. Through the joint venture Babcock 4S, Surrey County Council already has experience of successfully operating in a trading environment. The joint venture is a public private partnership between Surrey County Council and Babcock International Group PLC, and is one of the largest providers of school support services in the country. The arrangement has delivered dividend payments to the County Council of £1.6m over the last three years.
9. The council's primary objective in relation to developing its approach to trading is to deliver public value for Surrey residents and businesses.
10. In addition, trading would give the council a range of new opportunities including:
 - Delivering services differently by creating a dynamic and entrepreneurial environment that will increase the range, choice and delivery of public services, and will help to drive service improvements as the need to compete in the market place necessitates competitive, high quality services;
 - Profits generated for the council through its trading operations will be available to support the delivery of the council's medium term financial plan. In some authorities this surplus has been used to support other services within the authority, invest in new commercial ventures via the company, or to help to keep increases in Council Tax to a minimum; and
 - A trading company will create new opportunities for staff to expand their learning base (e.g. customer services, commercial awareness and risk management skills).

11. The Cabinet agreed

1. That the progress and achievements delivered to date through a range of existing delivery models be acknowledged.
2. That the primary objective the council seeks to achieve by developing its approach to trading is to deliver public value for Surrey residents and businesses be confirmed.

3. That the creation of a Surrey County Council Shareholder Board ('the Board') with responsibility for exercising 'shareholder control' over any limited ('trading') companies established by the council be approved and the Strategic Director for Change and Efficiency, in consultation with the Leader of the Council, Cabinet Member for Change and Efficiency and Chief Executive, be asked to establish the Board.
4. That authority be delegated to the Strategic Director for Change and Efficiency, in consultation with the Leader of the Council and Cabinet Member for Change and Efficiency, to establish a trading company that will deliver in the first instance 'business services' and in order to do so:
 - a. to consider and approve a business case, which must satisfy the statutory requirements and the criteria set out in paragraph 28 and 29; and
 - b. to approve the Articles of Association including the naming of Directors of the company.
5. That the opportunities that a range of delivery models provides be acknowledged and future proposals (expressed as options appraisals and business cases) from services across the council over the three-year period 2013 – 2016 be welcomed and the Strategic Director for Change and Efficiency be asked to lead a programme of work that will review service delivery models including currently traded activity.

C CHILDREN'S HEALTH, WELLBEING AND SAFEGUARDING PLAN 2013 / 2014

1. The Health and Social Care Act 2012 requires all upper tier local authorities to have a joint health and wellbeing strategy in place by April 2013. This strategy brings together health and wellbeing priorities for both children and adults.
2. In order to meet our statutory responsibilities the Children's Health and Wellbeing Plan has been developed to positively support children and young people's health and wellbeing and to support the delivery of Surrey's joint health and wellbeing strategy, which is currently in development.
3. The Children's Health, Wellbeing and Safeguarding Plan sets out eight priority areas where we believe we can start to make the most difference in 2013/14 to ensure that children and young people achieve the best health and wellbeing outcomes possible.
4. The plan's priorities are to:
 - Support good health and wellbeing in pregnancy and the new born
 - Protect children through strong multi-agency safeguarding and child protection arrangements
 - Support parents and carers so they can raise physically, emotionally and mentally healthy children
 - Improve health and wellbeing outcomes for looked after children and care leavers
 - Support children to develop positive personal wellbeing, values and aspirations
 - Improve outcomes for children and young people with complex needs

- Improve outcomes for young people who need additional support during the transition to adulthood
- Ensure local services meet the needs of all vulnerable children and their families.

5. Surrey County Council's is committed to working with our partners to provide coherent and effective services for children, young people and their families.

6. The Children's Health, Wellbeing and Safeguarding Plan is a one year plan. After this time it will be replaced by a visionary strategy for children linked to Surrey's Joint Health and Wellbeing Strategy. This will be supported by a partnership 3 - 5 year health, wellbeing and safeguarding plan.

7. The Cabinet agreed:

1. That the approach to supporting children, young people and families' health and wellbeing, as set out in the plan submitted with the report, be approved..
2. That the publication of the children's health, wellbeing and safeguarding plan be agreed. (Annex 1 to the submitted Cabinet report)
3. That the Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Children and Families, can sign off any subsequent amendments to the Plan provided there are no substantive changes.

D QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS – 1 JANUARY 2013 TO 31 MARCH 2013

1. The Cabinet is required under the Constitution to report to Council on a quarterly basis the details of decisions taken by the Cabinet and Cabinet Members under the special urgency arrangements set out in Article 6.05(f) of the Constitution. This occurs where a decision is required on a matter that is not contained within the Leader's Forward Plan (Notice of Decisions), nor available 5 clear days before the meeting. Where a decision on such matters could not reasonably be delayed, the agreement of the Chairman of the appropriate Select Committee, or in his/her absence the Chairman of the Council, must be sought to enable the decision to be made.

There has been one such decision during the last quarter as follows:

Member and Officer Director Indemnities

Reason for urgency: The need for clarity in current discussions regarding the joint venture with Woking Borough Council, and to assist consideration of other potential innovative arrangements.

**Mr David Hodge
Leader of the Council
10 May 2013**

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