

SURREY COUNTY COUNCIL

CABINET



DATE: 28 JANUARY 2020

REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE

SUBJECT: TRANSFORMATION PROGRAMME 2020: NEXT PHASE

SUMMARY OF ISSUE:

Following Cabinet's agreement of the new Organisation Strategy 2020-25 and the direction agreed for the next phase of transformation (Cabinet, 29/10/19), this report sets out the reshaped set of transformation portfolios and programmes that will be delivered to achieve the council's strategic ambitions and priorities for residents.

RECOMMENDATIONS:

Cabinet are asked to:

1. Agree the council's refreshed transformation programme.
2. Note that the investment required to deliver improved outcomes and financial benefits through transformation will be considered as part of the Medium Term Financial Strategy (MTFS) report to Cabinet (28/01/20) and Council (04/02/20).

REASON FOR RECOMMENDATIONS:

The transformation programme, stretching across all aspects of the council's work, will help to ensure we are enabling better lives and a better place, improving the quality of residents' lives and reducing the inequality in life expectancy that exists across the county. It will enable the council to respond proactively and effectively to the complex and rapidly changing context we are working in. The programme will also make a significant contribution to achieving the financial sustainability required so that the council can deliver priorities for residents within available resources.

DETAILS:

Background

1. Over the last year we have made good progress in delivering far reaching and ambitious transformation across a wide range of services.
2. The programme was agreed by Council and launched in November 2018 to address immediate financial and performance challenges, and start to fundamentally reform the function, form and focus of the organisation so that we can deliver the best possible outcomes for residents and achieve the vision for Surrey in 2030.
3. The programme has to date focused on improving services, building capacity and competency, stabilising the organisation, and addressing the critical and immediate challenges faced in 2018. This has included achieving £52m of efficiencies (2018/19-2019/21)¹ and containing costs in areas of growing demand, thereby ensuring we can operate within available resources and protect investments in key services.
4. At the same time we have started to develop new service models. By working differently with our residents and partners we can help to prevent problems earlier and support residents and communities to be independent. In key areas such as children's services and adult social care we are now seeing the positive impact these new approaches can have for residents.

Why we are refreshing the transformation programme

5. Any large scale and dynamic change programme must continue to flex and adapt if it is to meet strategic objectives in an ever-changing operating environment. We have committed to review and refresh our programme periodically, ensuring we continue to build on and improve what we do for residents.
6. On 29 October 2019 Cabinet agreed a revised Organisation Strategy with clear ambitions and eight priorities. Cabinet also confirmed the direction for the next phase of transformation in order to achieve these ambitions, agreeing it must:
 - Continue to improve the quality of residents' lives, enabling people to be more independent and reducing the inequality in life expectancy that exists across the county
 - Build on the stronger foundations we have established and look ahead to the medium term, setting our strategic direction and ambitions for the authority in the context of the Vision for 2030
 - Achieve further efficiencies and manage challenging demand pressures – while it is not simply a financial programme, our major programmes of change must make a substantial contribution to reducing demand and/or delivering efficiencies and also improve outcomes
 - Reflect the changing context in which we operate – rapidly evolving political, economic, social and technological trends will impact our county and our council over the coming years; our programme must help us to anticipate and use these developments to achieve the best outcomes for communities

¹ £52m is the total efficiencies from transformation projects between 2018/19-2019/20 (including the current forecast for Q4 2019/20)

The refreshed programme

7. The refreshed programme is set out in the attached appendixes. **Appendix A** provides a strategic summary of the programme setting out the overall shape and content alongside the investment and headline outcomes that will be delivered. **Appendix B** is a more detailed guide to each of the individual constituent programmes.
8. The overall programme has been designed to deliver directly on the council's key strategic ambitions and make a significant contribution to the efficiencies and cost avoidance targets in the Medium Term Financial Strategy (MTFS). For 2020/21 this includes £24m of recurring revenue efficiencies (out of the total MTFS efficiencies of £39m for the year) and significant cost containment.
9. We are planning ahead and have also identified efficiencies through some projects that will be achieved in future years through to 2024/25. Adding these to the £24m to be achieved in 2020/21 we expect, as a minimum, to deliver a total of £52m efficiencies through transformation projects between 2020/21 and 2024/25. This recurring revenue efficiency is a positive return on the planned one-off transformation investment of £23m. The programme will also continue to identify additional opportunities for future efficiencies and will generate further options for investments in radically different approaches that can provide the best possible value and help secure longer term financial sustainability.
10. There are a number of key underpinning themes running through the refreshed programme. There is a deliberate shift from a collection of individual services tackling largely internally focused performance and financial issues towards a more outward and outcome, longer-term, collaborative focus, designed around people's needs. We are consciously moving towards a place-based approach to better align service activity and public resource around the needs of people and places.
11. Complex issues, such as the climate emergency, mobility, care, and economic growth can only be tackled through joint effort among all public organisations, the voluntary, community and faith sector, academia, businesses, and, critically, communities themselves. This refreshed programme therefore includes key projects and initiatives that cut across multiple organisations and disciplines. This inevitably makes them more complicated to progress than traditional projects and we will continue to strengthen our leadership and partnership working to meet this challenge.
12. In particular, the refreshed programme deepens our joint work with the health system through Surrey Heartlands, delivering on a single set of shared transformation goals aligned to the Health and Wellbeing Strategy.

Ensuring delivery

13. We will continue to use robust assurance mechanisms - co-ordinated through the Transformation Support Unit - to track delivery of the programme. As part of this, Select Committees will continue to help shape and scrutinise the programmes within their respective remits.
14. The success of the programme will rest on the efforts and skills of staff across the organisation. As set out in "Our People 2025" we will continue to empower staff and encourage the creativity, flexibility and innovation required to meet our goals for residents.

CONSULTATION:

15. The revised Organisation Strategy and strategic direction for transformation agreed by Cabinet on 28 October 2019 was based on continued engagement with partners and residents about the future strategic direction of the county and how we can improve outcomes for the residents we serve.
16. Over the summer of 2019, Cabinet and the Corporate Leadership Team used this knowledge, among other things, to discuss and agree the future strategic direction for the council and the next phase of transformation. Officers have then supported this by developing the set of programmes and projects required to achieve these ambitions.

RISK MANAGEMENT AND IMPLICATIONS:

17. The transformation programme is a major undertaking, which is far reaching and ambitious. We will continue to use the governance and assurance mechanisms in place, co-ordinated through the Transformation Support Unit, to track delivery and manage the risks associated with the programme. This tracking will continue to be aligned with the council's overall risk management approach.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

18. Delivering the transformation programme will make a significant contribution to the efficiency and demand management / cost avoidance targets in the MTFS. The transformation programme will also start to identify further opportunities for future efficiencies and will design and develop options for radically different approaches that will provide the best possible value and help secure longer term financial sustainability.
19. The investments required to deliver transformational change are set out in the MTFS report to Cabinet, also presented on 28 January 2020. Assurance arrangements will be in place at all levels (overall programme, portfolio, each individual programme / project) to track progress, including monthly assessments and forecasts of costs and benefits aligned to core budget monitoring.

SECTION 151 OFFICER COMMENTARY

20. Although significant progress has been made over the last twelve months to improve the council's financial position, the medium term financial outlook is uncertain as it is heavily dependent on decisions made by Central Government. With no clarity on these beyond 2020/21, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
21. Delivering the transformation programme will make a significant contribution to the efficiency and demand management / cost avoidance targets in the MTFS. For 2020/21 this includes £24m of recurring revenue efficiencies, plus significant cost containment. The transformation programme will also start to identify further opportunities for future

efficiencies and will design and develop options for radically different approaches to help secure longer term financial sustainability.

22. We have taken an integrated approach to financial and strategic planning. The refreshed transformation programme has been developed alongside budget planning and therefore the financial implications of this refresh are included in the MTFS and budget also presented to Cabinet on 28 January 2020.

LEGAL IMPLICATIONS – MONITORING OFFICER

23. This report acknowledges that as the transformation programme progresses, if changes to service provision are proposed there may be a need for engagement and, in appropriate cases, consultation with residents and other stakeholders, together with ongoing review of the potential equality implications arising.

EQUALITIES AND DIVERSITY

24. There are no direct equality implications arising from the next phase of transformation. A key strategic principle at the heart of the Organisation Strategy, and therefore this programme, is to ‘focus on ensuring no-one is left behind’. This commits us to working with some of the most vulnerable people in Surrey, and their communities, to help them break down the barriers they face and access opportunities that improve their quality of life and reduce inequalities in life expectancy.
25. When approving the transformation programme, the Cabinet must comply with the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010 (Equality Act) which requires it to have due regard to:
- “eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”
26. As the transformation portfolios and programmes are progressed over the coming months, Equality Impact Assessments may be needed depending on the nature of the changes proposed through the transformation programmes, and their impacts on residents and staff. These will be presented to Cabinet as and when decisions on these programmes are required.

WHAT HAPPENS NEXT:

27. If the recommendations are agreed, the next steps will be as follows:
- The refreshed transformation programme will be communicated to residents, staff, partners and other key stakeholders
 - The constituent programmes will be led and delivered by the respective Cabinet Members and Executive Directors
 - The Executive Director for Partnerships, Prosperity and Transformation (Michael Coughlin) and the Director for Transformation (Marie Snelling) will lead the

application of a robust portfolio management framework to provide oversight and assurance

- Pending Cabinet (28/01/20) and Council (04/02/20) agreement of the MTFS report specific investments in transformation will be drawn down when required to enable delivery of resident outcomes and financial benefits
- Specific programmes will run co-design and engagement exercises with residents, partners and other stakeholders to help design and develop new approaches
- All decisions in relation to specific constituent programmes and projects will be continue to be subject to consultation and decision making protocols in line with the Council's Constitution and Scheme of Delegation
- Select Committees will continue to help shape and scrutinise programmes within their respective remits
- The programme will be continue to be revised so it responds to changing needs and new opportunities, with a further formal refresh scheduled for January 2021 alongside the next MTFS

Contact Officers:

Marie Snelling, Director for Transformation, Transformation Support Unit, 07971 664631

Consulted:

Cabinet Members

Corporate Leadership Team

Extended Leadership Team and staff working on transformation projects

Appendices:

Appendix A – Transformation Programme: strategic summary of next phase

Appendix B – Transformation Programme: guide to individual programmes

Sources/background papers:

- [Organisation Strategy 2020-25 and next phase of transformation](#), Report to Cabinet 29 October 2019
- [A Community Vision for Surrey in 2030](#), Report to Council 9 October 2018
- Surrey Health and Wellbeing Strategy, available at https://www.healthysurrey.org.uk/_data/assets/pdf_file/0007/197530/Surrey-Health-and-Wellbeing-Strategy-FINALV2.pdf