

SURREY COUNTY COUNCIL**CABINET****DATE: 23 JULY 2013**

REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL
MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES

LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES

SUBJECT: THE COUNCIL'S APPROACH TO INNOVATION: UPDATE REPORT

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| SUMMARY OF ISSUE: |
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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.

A subsequent update report to the Cabinet on 26 March 2013 set out progress on establishing the overall strategic innovation framework, encompassing the leadership, culture, skills and tools required to support innovation over the long term. This report focuses specifically on the impact of an "innovation hub" approach (called "Shift"), designed to accelerate and systematise innovation capacity and capability within the Council. The report sets out the key lessons from the first six months of this initiative and proposes the continued implementation and development of this approach over the medium term.

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| RECOMMENDATIONS: |
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It is recommended that:

1. The Cabinet acknowledges the good progress made so far to strengthen the Council's innovation capacity and capability, including the achievements and learning from the first six months of the Council's approach - called "Shift" - to accelerate and systematise innovation.
2. The Cabinet agrees to continue developing and implementing the "Shift" approach to innovation over the medium term planning period.
3. Following Investment Panel review on 24 June 2013 the Cabinet approves the use up to of £0.3m from the Invest to Save Fund in 2013/14 and up to a maximum of £0.6m per year until 2016/17 to fund the "Shift" programme.
4. The Cabinet asks the Strategic Director for Business Services, in consultation with the Leader and Cabinet Member for Business Services, to continue to develop and implement the "Shift" approach using Invest to Save Funding as required to support this, reviewing progress and plans six monthly.

REASON FOR RECOMMENDATIONS:

To further refine and strengthen the Council's approach to innovation over the medium term 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 Council's refreshed Corporate Strategy 2013-18 (reported to Cabinet 25 June 2013 and scheduled for Council 16 July 2013) confirms the importance of effective innovation given the challenge ahead.

"The challenge facing us is stark. We cannot afford to continue delivering the services needed in the way we deliver them today. There are ever growing demands for our existing services. There are new responsibilities that we have to meet. At the same time our resources in real terms will continue to reduce. We must find sustainable answers so we can continue to support those residents who need us most and play our part in working with others to secure strong economic growth in Surrey" – Confident in our Future, Corporate Strategy 2013-18

3. The strategic innovation framework reflects the fact that finding answers to this challenge will require a sustained effort over the long term, encompassing the leadership, culture, skills and tools to support innovation. The Council will need to build on the foundations that are in place, learn from experience and adapt its approaches over time.
4. To accelerate this longer term development of innovation capability and capacity an "innovation hub" approach - called "Shift" - has been set up and run over the last six months.

Shift – an innovation hub for Surrey

5. 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 and multi-disciplinary skills embedded within the organisation to support colleagues who are testing, developing and implementing new ideas.
6. In February 2013 the Council started to develop its own innovation hub called "Shift". Three key objectives were set for the first six months of "Shift". The following sections update on progress on each of these.
 - Set up an innovation space for the Council and bring together a small team with skills in design, change and digital technology;
 - Engage with people across the Council and develop a collaborative network who can work on problems together; and

- Develop and start testing a systematic innovation process and set of tools on a small number of projects

Summary of activity

- (i) *Set up an innovation space for the Council and bring together a small team with skills in design, change and digital technology*
7. 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 was refurbished and adapted to provide the kind of flexible working conditions demonstrated to be effective by leading innovative organisations.
 8. A small flexible core team was established, bringing together skills in service design, research, digital technology and change management. This comprised officers from the Policy and Performance Service (Chief Executive's Office) and external specialists in service design and digital technology from FutureGov Ltd, the Council's approved strategic partner for digital innovation.
- (ii) *Engage with people across the Council and develop a collaborative network who can work on problems together*
9. The core team have connected with wider groups of colleagues across the Council in order to bring together the people and skills needed to address key problems. This had included working particularly closely with colleagues in Business Services (e.g. the LEAN team) to co-ordinate support to other teams and services.
 10. Over 70 workshops have been held in the Shift space, involving people from all Directorates, partner organisations, central government and service users. There have been over 850 visits to the space. The Shift website (www.shiftsurrey.org) has received more than 1,000 visits.
 11. The workshops have covered a range of different service specific issues and some cross cutting challenges such as income generation, securing external funding, digital technology, and collaboration with partners to transform services (see the separate report at this Cabinet meeting on Public Service Transformation). Four specific workshops were also held to encourage skills sharing and collaboration among individuals from across different services.
- (iii) *Develop and start testing a systematic innovation process and set of tools on a small number of projects*
12. The process of innovation is complex and varied but the "[5Ds](#)" model (discover, develop, design, decide, deliver) for structured innovation has helped ensure a common understanding of the Council's approach. The tools and techniques that can be applied at each of the different stages of innovation have been developed and a campaign launched on the S::Net so staff and Members can share their experiences of using the tools and making improvements.
 13. The approach and tools have been tested and developed through a small number of specific projects with colleagues across the Council.

- *Simpl: setting up a process for capturing and sharing ideas across the organisation. A [web-based challenge](#) was set up (“how can we make Surrey an even better place to live?”) prompting 55 ideas from staff and partners. A “Shift Surrey Challenge” event was then held on 8 July where over 50 people came together to design and prototype eight of the best ideas over one day.*
- *Surrey election dashboard: applying latest design and digital development techniques to create a web page that advises the public on the election process and communicates the final results. The [Surrey Elections dashboard](#) was designed and built in only seven weeks using agile project management method. The site received over 20,000 unique visitors over the election period.*
- *Patchwork: using digital technology to help practitioners from across different agencies connect up around the individuals and families they support. The Patchwork web based tool is being used to support the implementation of the Surrey Family Support Programme. A countywide rollout is underway, focussing initially on six areas (Reigate and Banstead, Woking, Waverley, Guildford, Spelthorne, Elmbridge).*
- *Children in Care: supporting the Corporate Parenting Board on key workstreams for improving outcomes for children in care. Facilitated two workshops with practitioners and user representatives to pinpoint the key problems and draw out ideas to solve these.*
- *School admissions: working with parents and schools to improve the admissions process. Initial research conducted at local schools and community venues.*
- *Adult care assessments: designing and prototyping a solution that improves care assessments. One of the conclusions from a Rapid Improvement Event on the care assessment process was that there is value in exploring the potential for a co-designed and developed technology solution for the front end of the care assessment process. Some initial research has been completed on this.*

Feedback

14. The “Shift” space and approach has received positive feedback from the staff partners and peers involved so far.

“The workshop was a great success and [the Shift] team were superb in getting the best out of the group. I was more than pleased with the afternoon - lots of inspiration and ways to improve further for our young people!” – Service manager following workshop

“Amazing space” – Visitor to workshop

“A really inspiring and refreshing approach, that we could see and really sense has liberated staff to approach and consider change in a very innovative and creative way” – Paul Naylor, Deputy Chief Executive, Ashford Borough Council

“Love this!” – Jo Miller, CEO Doncaster Council, on Twitter in response to Surrey Election Dashboard

“Great to see the Shift Surrey space in County Hall. Key is how far its influence spreads within the council” – Phil Swann, Programme Director Shared Intelligence on Twitter

“The council has established innovation as a major organisational priority and has built strong foundations for becoming an innovative organisation. It is also beginning to establish a critical mass of the different elements that it needs to achieve its ambitions around innovation” – LGA Peer Challenge Team, final report

Key lessons

15. The process of setting up and implementing the “Shift” approach has generated a number of key lessons. At a headline level the experience so far **confirms there is much potential for the Council to apply a structured approach to innovation with user-centred design at the heart** in order to meet the challenges it faces.
16. This is underpinned by a number of more specific conclusions drawn from across the projects and workshops completed.
 - There are lots of good ideas - and innovative things already happening - across the county - it is important these shared and not hidden or lost.
 - A critical stage in any project is the clear definition of the problem – it is important this is consistently done from a resident / user perspective.
 - Networking across teams and services helps to spark ideas and get things done – the hierarchical and departmental structure typical to public services is very effective for particular tasks and operations, but supporting people to move across into more fluid and flexible working groups can help generate ideas and solutions for complex cross-cutting problems.
 - Adding specialist design skills into the mix of disciplines more typically found in the Council (e.g. service professionalisms, technical operations, policy, project management) can help with the challenge of re-thinking services.

An approach for the medium term

17. Based on its impact so far, feedback received, and the key lessons it is proposed the Council continues developing and implementing the “Shift” approach to innovation over the medium term planning period. It will continue to act as a catalyst and accelerator for the innovations required to successfully deliver the goals in the Council’s Corporate Strategy 2013-18, including the significant savings that need to be realised (see the separate report at this Cabinet meeting on The Medium Term Financial Plan).
18. In order to achieve its aims “Shift” itself will need to adapt and evolve over time. To ensure this it is proposed that “Shift” operates through a series of six monthly review and planning cycles.
19. For each six month period a set of specific projects and deliverables will be agreed with the Strategic Director for Business Services in consultation with the Leader and Cabinet Member for Business Services. The resources required for the agreed six month work programme will also be confirmed at

this stage. This will include agreeing time contributions from officers (existing establishment) and the use of invest to save funding for additional specialist support.

Next steps

20. The Strategic Director for Business Services, in consultation with the Leader and Cabinet Member for Business Services, will work with Members, colleagues and stakeholders to continue developing and implementing the “Shift” approach to innovation. The progress and learning from this work will continue to be reported back to Cabinet and Council via the Chief Executive’s six monthly progress reports.
21. As the “Shift” approach continues to develop further workshops will be arranged for Members, staff and stakeholders to ensure full engagement and involvement. Regular and proactive communication and engagement activities will take place with residents and other stakeholders on a project by project basis.
22. As and when new innovative proposals are formulated these will be presented to Select Committees, Cabinet and Council as appropriate.

CONSULTATION:

23. The proposals were developed following discussion and engagement with the following groups:
 - Cabinet
 - Corporate Board
 - Groups of staff and from across the council and partner organisations involved in workshops and sessions run in the first six months of “Shift”
 - Peers from Local Government and other sectors

RISK MANAGEMENT AND IMPLICATIONS:

24. There are no direct risk management implications arising from this report.
25. 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. Any risks associated with specific new innovations will be assessed in each case when the proposals are brought forward.
26. 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

27. The “Shift” programme will ensure the Members and officers across the Council are supported with the tools and multi-disciplinary skills required to foster innovations that can improve outcomes and value for money for residents.
28. The Investment Panel (24 June 2013) has reviewed and supported a proposal that provision is made from the Invest to Save Fund to support the

implementation of the “Shift” approach to innovation over the medium term period. The provision is set at up to £0.6m per annum (from Q3 2013/14 to Q4 2016/17), a maximum total of £2.1m over the period.

29. Planned use of this funding will be agreed at six monthly review points by the Strategic Director for Business Services, in consultation with the Leader and Cabinet Member for Business Services. At these six monthly reviews the impact of the work will also be evaluated to ensure it is delivering good value.
30. The Invest to Save Fund was created in the 2012/13 Budget, and replaced an annual budget with a one-off contribution to create the fund. The savings from the “Shift” programme will contribute towards services achieving MTFP efficiency targets.
31. Any further financial implications associated with specific new service innovations will be assessed in each case when the proposals are brought forward.

SECTION 151 OFFICER COMMENTARY

32. It is important that the Council has the right resource (in terms of skills and capacity) in place to deliver this ambitious innovations programme. The Chief Finance Officer confirms the Investment Panel has reviewed the business case for this continuation of the “Shift” programme and also 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. The Chief Finance Officer further confirms that the Invest to Save Fund is an appropriate method of funding for this programme.

LEGAL IMPLICATIONS – MONITORING OFFICER

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

EQUALITIES AND DIVERSITY

34. 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.

WHAT HAPPENS NEXT:

35. Pending approval of the recommendations in this report the following will happen.
 - The Strategic Director for Business Services, in consultation with the Leader and the Cabinet Member for Business Services, will continue to work with Members, colleagues and stakeholders to develop and implement the “Shift” approach to innovation.
 - The progress and learning from “Shift” will continue to be reported back to Cabinet and Council via the Chief Executive’s six monthly progress reports.
 - Further workshops will be arranged for Members, staff and stakeholders to ensure full engagement and involvement. Regular and proactive

communication and engagement activities will take place with residents and other stakeholders on a project by project basis.

- As and when new innovative proposals are formulated these will be presented to Select Committees, Cabinet and Council as appropriate.
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Lead Officer:

Julie Fisher, Strategic Director for Business Services

Consulted:

Cabinet

Corporate Board

Groups of staff and from across the council and partner organisations involved in workshops and sessions run in the first six months of "Shift"

Peers from Local Government and other sectors

Sources/background papers:

- Confident in our Future, Corporate Strategy 2013-18, report to Cabinet 25 June 2013 and report to Council 16 July 2013
 - Strengthening the Council's Approach to Innovation: Our Innovation Journey, report to Cabinet 26 March, 2013
 - Strengthening the Council's Approach to Innovation: Models of Delivery, report to Cabinet 26 March, 2013
 - One County One Team: Strengthening the Council's Approach to Innovation, report to Cabinet 27 November 2012
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