

SURREY COUNTY COUNCIL**CABINET****DATE: 29 JUNE 2021****REPORT OF CABINET MEMBER: MR TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: MICHAEL COUGHLIN, DEPUTY CHIEF EXECUTIVE****SUBJECT: SURREY COUNTY COUNCIL STRATEGY AND DELIVERY – 2021 AND BEYOND****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES****Purpose of the Report:**

This report sets out the strategic intent and high-level delivery programme for the medium term to enable the Council to support residents and communities to thrive in the coming months and years as the country and our county emerge from the Covid-19 pandemic and we adjust to the effects it has had on our communities, localities and economy.

We have assessed the most likely medium-term future for Surrey and considered the role of the Council in shaping and responding to this outlook, taking into account a range of factors including:

- Forecasts of the social, economic, environmental and fiscal impacts and opportunities brought about by the pandemic
- Changing resident expectations, behaviours and their expectations of public services
- The financial pressures the Council faces over the coming years
- National policies and strategies impacting on Surrey and Local Government.

Based on this assessment, the report invites Cabinet to i) re-affirm its commitment to the Community Vision for Surrey 2030 and the ambition, strategic priorities and outcomes set out in our Organisation Strategy 2021 – 26, ii) approve a twin-track approach to the delivery of our budgets in the short and medium terms and iii) approve a high-level delivery programme as a foundational step in securing a positive and sustainable future for the county and the Council to effectively and efficiently address the demands, pressures and opportunities confronting the residents, organisations and businesses of Surrey.

Recommendations:

It is recommended that Cabinet:

1. Reaffirm and endorse the strategic direction of the Council, recognising the progress and achievements to date.
2. Acknowledge the impact that Covid-19 has had on our residents, communities and economy, and the changed context the Council now faces.
3. Recognise the financial challenge that the organisation continues to face and endorse the twin-track approach to budget setting in the short and medium terms.

4. Approve the initial elements of a high-level strategic programme, to be developed further, to ensure the ambitions of the Community Vision 2030 and Organisation Strategy priorities are achieved.
5. Approve the indicative target operating model and workforce of the future for the Council, required to achieve our ambition and priority objectives.

Reason for Recommendations:

The challenges brought about by Covid-19 make it even more important that we achieve our ambitions to be an agile, flexible and responsive organisation that engages directly with communities and utilises innovations in digital and data to transform the way we design and deliver services.

Endorsing our current ambitions and strategic direction and setting out a high-level delivery programme for the medium term will help us to add more value, make greater impact and improve services so they deliver the best possible long-term outcomes for residents. As part of this, more radically transforming our organisation to reform its function, form, focus and culture will be key.

Executive Summary:

Our transformation to date

1. Over the past 3 years good progress has been made towards our ambitions for Surrey residents, the county, and as a Council. We have delivered major reforms to Children's Services, Adult Social Care and the Fire Service to embed a preventative approach and support Surrey residents' independence. We have been prudent, driven efficiencies and as a result improved our financial sustainability as well as improving outcomes.
2. Through building stronger partnerships, we have been able to lead the way and innovate in health and social care integration, set bold shared commitments to tackle climate change, and strengthen local education and learning. We have demonstrated strong and effective leadership during the county's response to and early recovery from, the Covid-19 pandemic. Alongside this, we have improved our communication and engagement with residents to ensure our services reflect what they need and want.
3. While we have made significant progress and improvements, we know we need to do more and better still, in light of the challenges many Surrey residents and the county face.

Our strategic context

4. Certain demographic, environmental, social, economic and technological changes have accelerated due to the pandemic and present challenges, as well as providing a unique opportunity to better serve residents, more efficiently. These include:
 - Financial pressures exacerbating the budget gap – driven by a combination of increasing demand across our people services (e.g. ageing population, mental health) and uncertainty over a multi-year funding settlement for local government. Unless we implement a detailed action plan now, we estimate we will face a £200m gap (25% of revenue budget) over the next 5 years.
 - The climate emergency – without action to help mitigate and reverse the effects of climate change, the impacts will be felt across the county, our services and affect our most vulnerable residents.

- Widening inequality - Our [Covid-19 Community Impact Assessment](#) evidenced clearly the health, social and economic impacts of Covid-19 across Surrey, with these being felt most acutely in areas and in communities already identified as being amongst the most disadvantaged
 - Economic recovery – support for high streets, reimagining town centres, supporting key sectors post-Covid e.g. aviation, retail and leisure.
 - Technological innovation at pace – offers opportunities to do things more efficiently, effectively, and collaboratively with partners. We are changing how we work and respond to resident and staff expectations.
 - Government policies, strategy and direction – including NHS integration reforms, levelling up agenda, focus on cutting public debt.
5. These and other changes are subject to regular ‘horizon scanning’ based on which a set of planning assumptions about the Council’s most likely strategic environment have been derived, to inform our planning and budgeting in the short to medium term.

Our ambitions and priorities

6. Informed by conversations with residents, communities and partners across the county in 2018 a shared vision for Surrey was created (see Annex 1 – 2030 Community Vision). Notwithstanding the impacts of the Covid-19 pandemic, this shared vision remains relevant, pertinent and even more important, to guide the Surrey-wide collective effort to support residents and communities through the recovery and towards the outcomes expressed in the vision.
7. Our [Organisation Strategy](#) is our response to and contribution towards the 2030 Vision (see Annex 2 – our focus for the next 5 years). This is our plan for how we will work towards achieving the outcomes in the vision and focus on making a difference to residents’ lives.
8. The latest version of strategy, agreed by Council in October 2020, reflects the changes in the context and environment in which the Council now operates. The strategy draws on the learning from the response to and recovery from Covid-19 as well as the work of the last few years and focusses on four priority outcomes as follows:

Growing a sustainable economy so everyone can benefit – support people and businesses across Surrey to grow during the economic recovery and re-prioritise infrastructure plans to adapt to the changing needs and demands of residents

Tackling health inequality – Drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents

Enabling a greener future – Build on behaviour changes and lessons learnt during lockdown to further progress work to tackle environmental challenges, improve air quality and focus on green energy to make sure we achieve our net zero targets

Empowering communities – Reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while

making it easier for everyone to play an active role in decisions that will shape Surrey's future.

9. In order to focus the delivery of the strategy, we have further defined the outcomes within each of the four priority objectives. These are the building blocks around which our activity and investment is focused and shows the difference we hope to make over the next 5 years (see Annex 3).

Delivering on our ambitions and priorities

10. Our current transformation programme will continue to drive key service improvements - raising performance and delivering significant efficiencies - and at the same time accelerating work to deliver the council's four priority objectives.

11. In addition, to achieve the 2030 Community Vision and the priority objectives, within the forecast financial constraints, it will be necessary to more radically reform how key services and activities are designed and delivered. A high-level programme of such work is under development and will include, amongst others, the following elements:

- Radical proposals around how we work with and support residents to help build and contribute to thriving communities, recognising that this will require and involve changes to how the council works and how we engage with communities,
- Radical proposals for how we can best deliver a Greener Future, working with residents, businesses and partners in different ways, drawing various interests together to address climate change through a Greener Future Board and to support the behaviour shift that will be required to achieve our ambitions,
- Working with families and children, including those with special educational needs and disabilities to secure better outcomes, accelerating capital spend to bring forward new, local provision and using insight and comparative performance data to ensure that support is effective and offers good value for money.
- Organising our services, activities and community engagement around localities, that work for communities and services and align with health and wellbeing arrangements, to better tackle health inequalities,
- Ensure a 'digital by default' approach across all services with additional capacity and capability to accelerate change, exploring the benefits of strategic partnerships,
- Using data, analytics and intelligence to enable our work, invest in capacity and partnerships work (e.g. Surrey Office of Data Analytics) to ensure a single county-wide 'version of the truth'
- A focus on economic growth, regeneration and net zero carbon in key localities across the county, engaging with local residents to ensure their aspirations are met
- A deliberative and methodical approach to decisions on who is best placed to provide services as suggested by robust data, evidence, insights, policies, efficiency and residents' views,
- Proposals for the further integration of public services at community level, to ensure co-ordination and better outcomes for local people
- Stripping back current ways of working and reducing bureaucracy, including governance structures and arrangements

- Refreshed and improved performance management systems and structures, including improved benchmarking, further external challenge and a continual improvement mindset,
 - Leading thinking and work across the South East and into Government, in partnership with others, to ensure the future prosperity and success of Surrey and the region.
12. As we continue to deliver the current programme we will also further develop our ambitions and delivery plans. This will include a new, cross organisational approach to addressing the projected budget gap from 2023/24 onwards. In the medium-term the focus will need to shift towards driving the deeper more fundamental changes and reforms to public services that will be required to deliver the 2030 Community Vision in collaboration with our communities and partners.
 13. Existing service focused approaches have been successful in delivering efficiencies but will be largely exhausted by 2022/23. We will therefore take a ‘twin track’ approach, running the 22/23 budget setting process whilst simultaneously developing a new approach to 23/24 onwards that will help put the Council on a stable financial footing over the medium term, as well as setting in train a fundamentally more ambitious transformation programme, ensuring we’re in the best possible position to deliver outcomes for residents. We will develop the twin track approach with staff, members (including scrutiny), partners and residents. We have started to lay the initial foundations for these reforms and a new operating model for the council, which will feature increasingly in the transformation programme for 2022/23 onward.
 14. Our draft Target Operating Model (TOM) sets out how we need to be as an organisation in order to deliver the ambition whilst also reflecting the financial efficiencies required. The detail of this model will continue to be developed through conversations with Cabinet and other stakeholders over the summer. Importantly, this will be done in parallel to the work on the 23/24 budget so that the TOM reflects the approaches being developed as well as ensuring those new approaches remain aligned with our ambitions (see Annex 4).
 15. Two critical components of the Target Operating Model are i) the right workforce to achieve these ambitions and ii) the organisational culture in which the workforce operates. In March the People, Performance and Development Committee approved the new workforce strategy, [Workforce of the Future](#). The strategy is ambitious and future orientated, focusing on harnessing the opportunities presented by societal and technological trends to ensure we are a leading employer, able to recruit and retain a workforce with the skills and behaviours needed both now and for the future.
 16. As we continue to deliver on our ambitions and priorities whilst simultaneously looking to, and planning for the future, we will need to increase the organisation’s leadership capacity to equip us with the capability and resources to enable us to implement our bold ambitions for residents, communities and businesses in Surrey.

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| Consultation: |
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17. The Organisation Strategy was informed by engagement and research with residents and partners to understand the impact of Covid-19 and focus our strategy on the areas that are important to residents. This includes a Covid-19 temperature check postal survey carried out in summer 2020 with approximately 2,200 Surrey residents

looking at behaviours, attitudes and opinions during the pandemic. This has given us a statistically representative set of results to help us understand what has happened to our population and how we might plan for future impacts from similar events. We have also undertaken a comprehensive Community Impact Assessment to fully understand the initial impact of Covid-19 on Surrey's communities, particularly for vulnerable populations and places.

18. Our delivery plans and approach, including the twin track budget approach and the draft TOM, have been informed by discussions with the council's senior leadership team, directorate teams and Cabinet. We will engage further with staff, members, partners and residents over the coming months to develop these plans further.

Section 151 Officer Commentary:

19. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, 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. As such, the s151 Officer supports the strategy and high-level delivery programme set out in this report. The delivery of the programme is supported by the Future Thinking Reserve of £3m.

Legal Implications – Monitoring Officer:

20. This report provides Cabinet with an overview of a high level delivery programme and as such there are no legal implications to take into account. As the programme progresses through to actual delivery Cabinet will be asked to consider specific proposals and will be provided with details of the legal implications and impact on equality, diversity and inclusion.

Equalities and Diversity:

21. Running through the Organisation Strategy is a theme of addressing inequality; inequality between places and inequality between and amongst communities, with people's life chances and quality of life affected by a number of factors that drive these disparities. We know through the extensive work that we have undertaken over the past several months that the impacts of Covid-19 and lockdown measures have widened these existing social, economic and health inequalities.
22. 'No one left behind' is our guiding principle for everything we do and underpins our commitments around equality, diversity and inclusion. We are striving to become a more diverse and inclusive organisation, bringing strength through difference. For residents this means engaging with them in different ways to ensure all voices are heard, which will help us better understand the drivers of inequality so we can take more effective action. For staff this means creating an environment where people feel comfortable to bring their whole self to work and a place that values difference by embracing people's different perspectives to help tackle the challenges we face. Our

ambition is to remove barriers and level the playing field to make it easier for people to engage with the council and access the services they might need.

23. Endorsing our strategic direction will enable us to continue prioritise activity to tackle inequality as well as ensuring the council remains compliant with its legal obligations under the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010.

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| What Happens Next: |
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24. If the recommendations are agreed:
 - a. work will continue as planned to deliver commitments set out in the Organisation Strategy and current transformation programme
 - b. more detailed work will take place over the summer, including further engagement activity, on our twin track approach to our future financial strategy, transformation programme and target operating model, with a view to sharing more detail with staff and members in September, with a detailed programme and resourcing commitments identified by mid-November to tie in with the budget setting timetable for the autumn.

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Consulted:

Corporate Leadership Team

Directorate Leadership Teams / Leadership Forum

Strategic and Integrated Planning Group

Cabinet

People, Performance, Development Committee

Annexes:

Annex 1 – 2030 Community Vision

Annex 2 – Our focus for the next 5 years

Annex 3 – Delivering our priority objectives

Annex 4 - Target Operating Model

Annex 1 - 2030 Community Vision

COMMUNITY VISION FOR SURREY IN 2030

By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

We want our county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

OUR AMBITIONS FOR PEOPLE ARE:



Children and young people are safe and feel safe and confident



Everyone benefits from education, skills and employment opportunities that help them succeed in life



Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing



Everyone gets the health and social care support and information they need at the right time and place



Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life



Everyone has a place they can call home, with appropriate housing for all

OUR AMBITIONS FOR OUR PLACE ARE:



Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities



Journeys across the county are easier, more predictable and safer



Businesses in Surrey thrive



Well connected communities, with effective infrastructure, that grow sustainably

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Annex 2 – Our focus for the next 5 years

OUR FOCUS FOR THE NEXT 5 YEARS 2021 - 2026



We want Surrey to be a uniquely special place where everyone has a great start in life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community and where no one is left behind. Where our economy thrives and grows, in balance with our beautiful natural environment. While many residents and businesses thrive in Surrey, not everyone has the same opportunities to flourish so our focus for the next five years will be guided by the principle of **tackling inequality and ensuring no-one is left behind**

PRIORITY OBJECTIVES



Growing a sustainable economy so everyone can benefit

Support people and businesses across Surrey to grow during the economic recovery and re-prioritise infrastructure plans to adapt to the changing needs and demands of residents at a time of financial challenges.

Tackling health inequality

Drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents



Enabling a greener future

Build on behaviour changes and lessons learnt during lockdown to further progress work to tackle environmental challenges, improve air quality and focus on green energy to make sure we achieve our 2030 net zero target



Empowering communities

Reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while making it easier for everyone to play an active role in the decisions that will shape Surrey's future



TRANSFORMING THE COUNCIL

Customer experience
We will make people's experience of dealing with the council quicker, easier and better by managing enquiries in a more efficient, proactive and connected way and increasing digital self-service options.



Stronger partnerships
We will focus on building stronger and more effective partnerships with residents, other public services and businesses to collectively meet challenges and take opportunities



Transformation and reform
We will continue our comprehensive transformation programme to improve outcomes for residents, deliver efficiencies and make sure financial sustainability underpins our approach



Digital and data
We will embrace digital solutions and take a data-driven approach to transforming our organisation and services we deliver for residents



Agile, diverse and motivated workforce
We will embed new agile ways of working and provide staff with the tools and support to be high performing and outcomes-focused. We will put equality, diversity and inclusivity at the heart of everything we do, valuing the strength of a diverse workforce



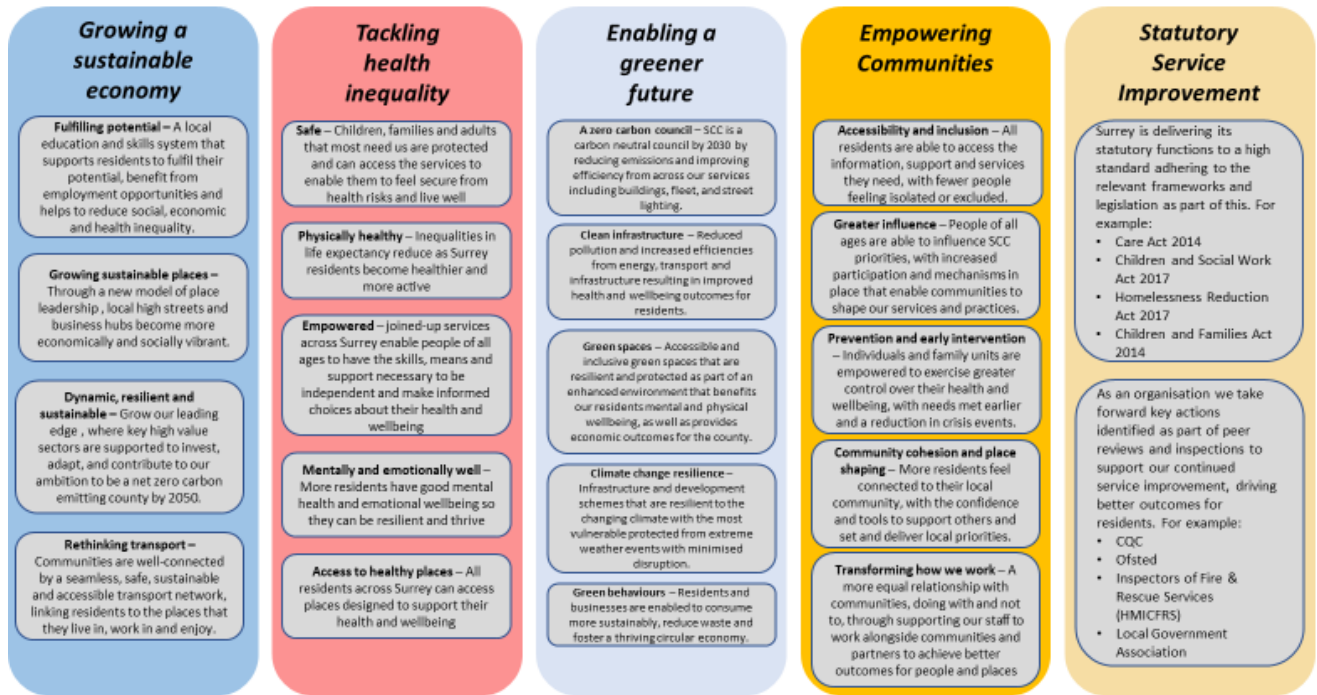
Financial management
We will spend our money in the most efficient and effective ways, so we can have the greatest impact on improving people's quality of life and ensure we provide the best value for money to our residents



To find out more about our priorities and read our full Organisation Strategy please go to www.surreycc.gov.uk

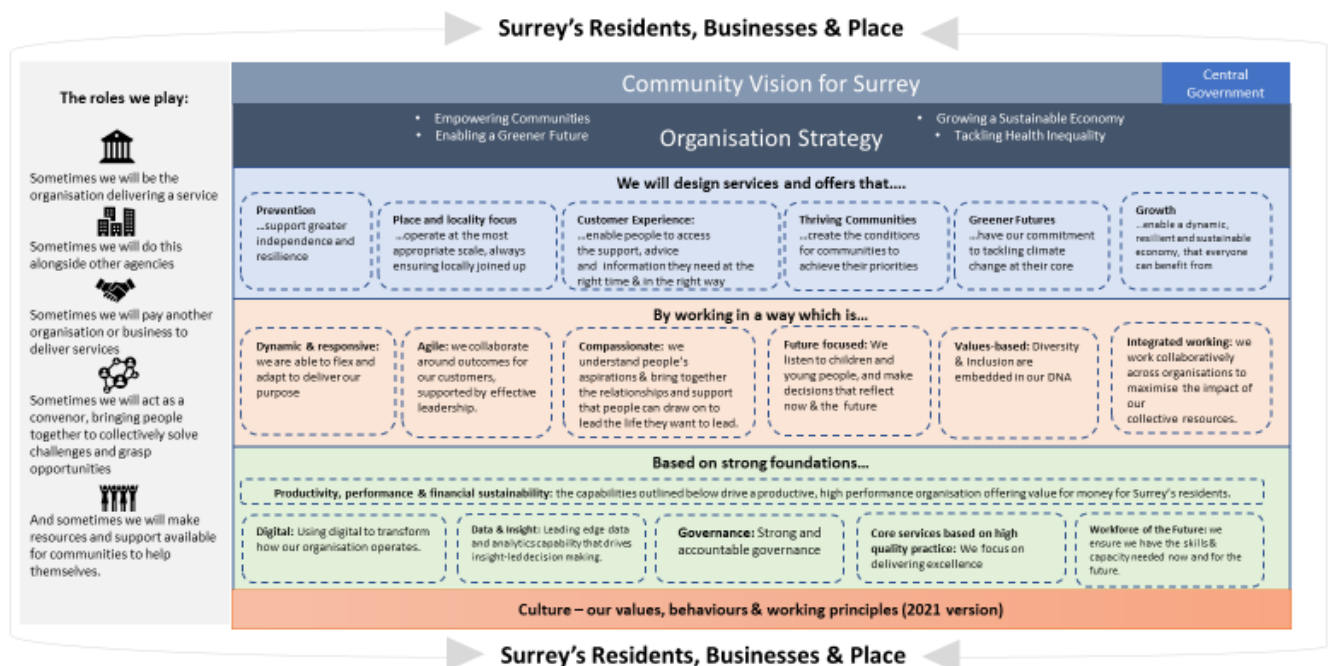
Annex 3 – Delivering our priority objectives

Delivering our priority objectives - what impact will we have?



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Annex 4 – Target Operating Model: How we need to be to deliver our ambitions in the context of significant financial challenges



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