

SURREY COUNTY COUNCIL**CABINET****DATE: 22 OCTOBER 2013****REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL****LEAD OFFICER: DAVID MCNULTY, CHIEF EXECUTIVE****SUBJECT: PUBLIC SERVICE TRANSFORMATION****SUMMARY OF ISSUE:**

Partners in Surrey have a shared ambition to transform services and outcomes for Surrey residents. The vision is that across the public sector, services will shift from an emphasis on high cost responses towards prevention and earlier intervention. The intention is for services to deliver much better value for money, with the changes providing significant benefits for Surrey residents.

An initial report to Cabinet on 23 July 2013 set out the background and approach to the council's public service transformation programme, working with key Surrey partners. The report asked officers to develop outline business cases for each of the strands for consideration at Cabinet in October 2013. These are attached in Annex A.

This report also provides an update on the Joint Statement of Intent being developed with the Public Service Transformation Network, which will set out key objectives, milestones and responsibilities for partners including the support the Network will provide.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. notes the progress made in developing the scope of the programme, represented by the public service transformation outline business cases (Annex A), and asks officers to continue developing full business cases for consideration at the February 2014 Cabinet meeting.
2. agrees Surrey's Joint Statement of Intent (Annex B) on behalf of the council, and instructs the Chief Executive, in discussion with the Leader, local partners and representatives of central Government, to continue to update this as the programme develops.
3. accepts the offer of funding from the Transformation Challenge Award, thanking the Department for Communities and Local Government for its contribution to the costs of developing this important work on behalf of the relevant partners in Surrey and Sussex.
4. notes that partner organisations have their own governance requirements and processes, which they will need to follow to agree and sign-off further business cases and implementation plans.

REASON FOR RECOMMENDATIONS:

Partners in Surrey have a shared ambition to transform services and outcomes for Surrey residents. The vision is that across the public sector, services will shift from an emphasis on high cost responses towards prevention and earlier intervention. The intention is for services to deliver much better value for money.

The council is working closely with partners to develop its plans for public service transformation in Surrey. The outline business cases provide the evidence, both to the council and to partners, that the case for change and potential benefits are sufficiently strong to justify more detailed work on each of the proposals.

DETAILS:

Background

1. The report to Cabinet on 23 July 2013 set out the background and approach to the council's public service transformation programme, working with key Surrey partners. The report asked officers to develop outline business cases for each of the strands for consideration at Cabinet in October 2013.
2. With support from the Public Service Transformation Network, the programme is adopting a sound methodology based on the experience of the four original community budget pilots in developing business cases and implementation plans in complex partnership environments. The outline business cases are the first step in this process and represent a critical milestone, confirming that in each case there is sufficient scope for transformation, partner commitment to taking forward the work, and agreement across partners that there is potential for both savings and improved outcomes for communities.
3. The programme is on track, and as anticipated five outline business cases are attached as Annex A to this report:
 - a. Emergency Services Collaboration
 - b. Extending the Family Support Programme
 - c. Dementia Friendly Surrey
 - d. Better Use of Public Sector Assets
 - e. Young People's Participation and Skills for Employment
4. As is to be expected with a complex partnership programme, some strands have developed at a quicker pace than others and this is clearly reflected in the outline business cases. The key next steps will be to develop a detailed cost-benefit analysis with partners for each of the strands, based on detailed proposals for significant service redesign.
5. The scale of ambition of the programme is high. Recognising the complexity of partnership engagement, delivery through to the point of benefits realisation is likely to be a difficult and protracted process. In this context, ensuring that the scope of the work is sound and partnership commitment solid is a key step.
6. Partners are currently considering how best to take forward the sixth original strand, Transforming Justice, within the resources available. The intention is to begin more detailed discussions during the autumn, with a focus on more

integrated working and case coordination to reduce offending and reoffending, reducing costs to the police and criminal justice system.

7. The programme is on track, with the timescale for bringing final business cases and investment agreements to Cabinet in February 2014. The intention is that subject to Cabinet agreement, expected savings can be taken into account in the council's Medium Term Financial Plan for 2014-19.

Developments in the Programme

8. There have been a number of developments in the programme as it has progressed, as a result of both discussions locally with partners and further clarity from Government about the focus and expectations of the programme and potential funding sources.
9. For the emergency services collaboration strand, the potential scope of the work has been widened as Sussex Police and East Sussex and West Sussex Fire and Rescue Services have also agreed to work with the project team to investigate the potential to expand the approach across both Surrey and Sussex. This is also made explicit in the outline business case.
10. The business cases will also aim to take advantage of additional sources of funding from Government, including the funds set out in the Chancellor's Spending Round announcement in June 2013. In July the county council together with East Sussex County Council submitted a bid for the DCLG's Transformation Challenge Award, which included a bid for support for both the development of shared back office services across the two councils along with support to develop and implement the emergency services collaboration business case. This was strongly supported by both Surrey Police and Sussex Police. The bid was successful with a total of £750,000 being awarded to support this work, one of only two multi-authority awards and the largest award made in this round.
11. In a follow-up to the announcement of a £3.8 billion national fund to ensure closer integration between health and social care, the Local Government Association and NHS England issued a statement on 8 August 2013 on what is now called the "Integration Transformation Fund". This sets out the context, background and conditions of the funding, along with a timetable and next steps.
12. The Integration Transformation Fund represents a transfer of funding from the NHS to local government to support transformation. Included within the £3.8 billion headline figure is an existing amount of approximately £0.8 billion, which is already funding a number of schemes locally to support whole systems working, along with £0.9 billion already announced for 2014/15. The full effect of the £3.8 billion is for one year only, 2015/16, with a smaller additional amount to build momentum in 2014/15 (£200m nationally, making a total of £1.9 billion for 2014/15). There has been no announcement on the future of the funding beyond 2015/16, or clarity on expectations for funding of ongoing service reform. Despite the above, it is expected to be alongside the Provisional Financial Settlement in December 2013, before the distribution of the funding is known and the county can assess the extent of any new funding.

13. The LGA and NHS England's statement on the Integration Transformation Fund sets out the expectation that the plan will be agreed between the county council and Surrey's Clinical Commissioning Groups and will be signed off by the Health and Wellbeing Board. Their expected timetable is for plans to be completed around December 2013 to January 2014, with national assurance processes in March 2014.
14. There are strong synergies between the public service transformation programme and the Integration Transformation Fund: the focus on collaboration across partners, providing better services and improved outcomes for residents, and the timetable for plans. As the public service transformation programme already brings together partners from across the public sector, partners have agreed to develop the plans for the Integration Transformation Fund as part of that wider programme.
15. Health and Social Care Integration will therefore become a strand of the programme. The existing Dementia Friendly Surrey strand will continue as one of the key components of this wider development of Health and Social Care Integration.
16. A Joint Statement of Intent has been developed with the Public Service Transformation Network, which sets out the key objectives, milestones and responsibilities across partners including what support the Network will provide. The latest version of the Joint Statement of Intent is attached as Annex B to this report.
17. As the programme develops it is likely that other areas where the council and partners working together can transform services will be included in order to take full advantage of the programme support offer. The Joint Statement of Intent will be updated to reflect such changes as the programme progresses.

CONSULTATION:

18. The proposals have been developed through a range of discussions and events since the original expression of interest was submitted in April, involving Members and officers from across the council and partners. Partner involvement has included Surrey District and Borough Councils, Surrey Police, Surrey and Sussex Probation Trust, South East Coast Ambulance Service and Surrey Clinical Commissioning Groups.
19. The Chief Executive provided a briefing to Cabinet and all Members in August, setting out the ambition and scope of the overall programme. Cabinet Members will each take responsibility for strands which form part of their individual portfolios, recognising that there may be some overlap of responsibilities given the transformative nature of the proposals and the partnership approach. Appropriate arrangements will be made for Members to input to policy development and for scrutiny as the programme progresses.

RISK MANAGEMENT AND IMPLICATIONS:

20. There are no direct risk management implications arising from this report.
21. Initial risks to the development of the business cases and, in some cases, an early indication of potential risks associated with implementation and realisation of benefits have been set out within the individual outline business

cases. The intention is that a full assessment of risks will be completed as part of the development of full business cases and subsequent implementation plans.

Financial and Value for Money Implications

- 22. Public service transformation is intended to reduce public expenditure in an area by shifting the balance of resources away from reactive and acute services to early help and preventative services. The case for transformation is based on the potential for significant improvements in the effectiveness of local services, increased value for money and improved outcomes for residents.
- 23. More detailed work to develop full business cases, including financial analysis and modelling will be required to determine where the potential efficiency gains will accrue across partners. Investment and risk-sharing agreements will be developed as part of the development of detailed business cases and implementation plans to be brought to the Cabinet in February 2014.

Section 151 Officer Commentary

- 24. There are no direct financial implications in this paper; the detailed financial analysis will take place in development of the business cases in advance of February 2014. The outline business cases make reference to potential savings and costs across all partner agencies. Once developed and identified in the full business cases, all costs and savings relating to the county council will be evaluated and reflected in the Medium Term Financial Plan (2014-19).

Legal Implications – Monitoring Officer

- 25. At this early stage, there are no legal implications arising directly from this report. Potential legal implications are likely to emerge as part of the service design process during the further development of business cases, and will be addressed as part of the development of implementation plans.

Equalities and Diversity

- 26. There are no direct equalities implications arising from this report. Full Equality Impact Assessments will be completed as part of the development of the full business cases and subsequent implementation plans to inform decision-making.

Other Implications:

- 27. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below. Public service transformation will improve outcomes for residents, including the most vulnerable such as children, and adults with dementia. The detailed implications will be assessed as part of the development of business cases.

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| Area assessed: | Direct Implications: |
| Corporate Parenting/Looked After Children | A number of the proposals could have a positive impact on looked after children |

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| | including the Family Support Programme, Increasing Youth Participation and Transforming Justice. |
| Safeguarding responsibilities for vulnerable children and adults | A number of the proposals could have a positive impact on safeguarding responsibilities, through enhanced partnership working and whole systems approaches, including the Family Support Programme and Health and Social Care Integration. |
| Public Health | A number of the proposals could have a positive impact on public health including the Family Support Programme, Increasing Youth Participation, Dementia Friendly Surrey, Health and Social Care Integration and Transforming Justice. |
| Climate change | No significant implications arising from this report. |
| Carbon emissions | No significant implications arising from this report. |

WHAT HAPPENS NEXT:

- The development of detailed business cases for each strand with partners, supported by the Public Service Transformation Network.
- The detailed business cases will be considered by Cabinet in February 2014, with the intention that savings can be taken into account in the council's MTFP from 2014-15.

Contact Officer:

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Consulted:

Leader and Deputy Leader
 Cabinet
 Surrey County Council Members
 Council Leadership Team
 Surrey Leaders
 Surrey Chief Executives
 Chief Finance Officer
 Relevant Heads of Service
 Senior managers and staff within Directorates
 Police and Crime Commissioner/Chief Constable/Surrey Police
 Police and Crime Commissioner/Chief Constable/Sussex Police
 Surrey and Sussex Probation Trust
 South East Coast Ambulance Service
 Surrey Clinical Commissioning Groups
 Public Service Transformation Network, Department for Communities and Local Government

Annexes:

Annex A: Outline business cases
Annex B: Joint Statement of Intent

Sources/background papers:

None

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