RESOURCES AND PERFORMANCE SELECT COMMITTEE
1 July 2020

SURREY

Transformation Programme Update

Purpose of report: To provide the committee with an update on current progress regarding transformation of the council – including the impacts of COVID-19.

Introduction:

1. This committee received a transformation update on 18 October 2019 that outlined progress to date across the programme. Since this time much has been delivered including £38.5m of efficiencies and a range of significant service improvements for residents in 2019/20. These efficiencies were critical in enabling the council to meet its overall savings targets in the Medium-Term Financial Strategy (MTFS) and deliver a financially sustainable budget.

2. In addition, Cabinet approved a refreshed programme on 28 January 2020, and in March 2020 the COVID-19 pandemic shifted the council's priorities and fundamentally changed the way in which many services are delivered.

3. This report provides a strategic overview of transformation with specific focus on the Digital, Agile and Moving Closer to Residents (MCTR) programmes in the light of COVID-19. A summary of the impact of COVID-19 on the overall transformation programme is also provided.

Assurance of the overall programme:

4. The Transformation Support Unit (TSU) continues to monitor delivery of the transformation programme and a robust assurance framework is in place.

5. Internal Audit have recently reviewed the management and governance of the programme, deeming it to have *substantial assurance* in place (the highest possible rating) as a result of strong governance, clear accountability and robust programme evaluation. The full audit report is attached as **Annexe A**.

6. The TSU will continue to use these robust assurance mechanisms to track delivery of the programme. As part of this, Select Committees will also continue to help shape and scrutinise the programmes within their respective remits.

7. The success of the transformation 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.

Transformation refresh

8. 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. From the outset we committed to review and refresh our programme periodically, ensuring we continue to build on and improve what we do for residents.

9. To this end, on 28 January 2020 Cabinet approved a refresh of the transformation programme. The refresh was based on the following principles:

   - To continue improving the quality of residents' lives, enabling people to be more independent and reducing the inequality in life expectancy that exists across the county
   - To 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
   - To 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
   - To 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

The refreshed programme

10. The refreshed programme is set out in a strategic summary document that explains its overall shape and content alongside the investment and headline outcomes that will be delivered (see **Annexe B**). It also includes a more detailed guide to each of the individual constituent programmes.

11. 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 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.

12. 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 will aim 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 investment in radically different approaches that can provide the best possible value and help secure longer term financial sustainability.

13. 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.

14. 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.

Programme Focus:

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15. A brief summary of progress to date with regards to the Digital, Agile and Moving Closer to Residents (MCTR) programmes – three critical transformation programmes within this committee's remit – is provided below. For background the "programme summaries" agreed in January 2020 for each of these are attached in **Annexe C**.

16. Note that the Customer Experience programme is subject to a detailed review by a Resources & Performance Select Committee Task Group and a separate update report is on the agenda for today's meeting. Also note, for future consideration, that the following four "organisation" related programmes sit within this committee's remit: Data Insights; Land & Property; Transforming our Core Business Processes[1]; and Becoming more Entrepreneurial.

Digital

17. The digital programme is a key transformation enabler that aims to make more efficient use of existing resources and provide more effective means for residents to interact with the council.

18. The programme is currently being reviewed in the context of both the impacts of COVID-19, and the need to ensure we are investing in the right digital projects and capabilities. In summary, having developed improved infrastructure and capability over the last year, the programme will now focus on driving new service models. This will support the objectives of the digital strategy which sets out our vision to become a "living digital" organisation by 2025, using digital technologies to transform our services and become a modern and agile organisation.

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[1] Previously titled and sometimes referred to as *Digital Business Insights* (DBI)

Agile

19. The agile programme aims to enable staff to work almost anywhere, whenever, wherever, to collaborate and contribute without constraints. There are a number of different projects and workstreams within the overall programme – these include a mobile workforce project (e.g. provision of equipment for smarter working, effective use of our property portfolio), the development of mobile infrastructure, training, and the digitisation of processes and information.

20. COVID-19 has made the rollout of the agile programme more critical than ever. In March 2020 the programme team successfully facilitated a swift cultural and technical shift to agile working for the majority of employees. This included training in Microsoft Teams, increasing the effectiveness of the remote SCC network, and issuing additional laptops wherever possible.

Moving Closer to Residents (MCTR)

21. As the Committee will be aware from the item elsewhere on this agenda regarding Midas House, given the context of COVID-19, the Civic Heart element of the MCTR Programme has been paused.

22. The acceleration of the agile and digital programmes in response to COVID-19, as outlined above, has also impacted office space requirements. Many teams have now developed ways to perform their duties effectively and efficiently independent of an office base – this is not to say that the current arrangements are entirely desirable or right longer term but this learning and the opportunities it presents needs to be factored into the scope for a Civic Heart. Subject to further work and engagement with teams, there could be positive opportunities to provide staff with greater flexibility and choice between working from home and a fixed office base.

Evolving the programmes in response to COVID-19

23. As already described there have been a number of immediate impacts of COVID-19 on the MCTR, Agile and Digital programmes. In addition to the actions already taken and underway it is vital we step back and re-consider the programmes' aims and approaches, given how far the situation has altered.

24. This fuller re-evaluation is now starting as we emerge from the immediate pressures and demands of the COVID-19 response and begin to look further ahead. Initial reflections and thinking suggest we will need to carefully consider the following kinds of issues and ideas:

    - Closing down the original MCTR programme and continuing change management work with County Hall based teams to ready them for a future move
    - Refocusing Agile and Digital to organise effort more sharply around the residents, staff and Members whose experiences and lives we are seeking to enhance

- Developing our culture, behaviours and skills to get the most out of new ways of working and maximise impact for residents
- Operating in "hybrid" modes where digital and physical spaces and services are seamless
- Stepping up work on digital inclusion, recognising the risks of people being left behind
- Deepening partnership working to maximise benefits for residents
- Understanding how digital and agile capabilities can further address the specific challenges the county faces in light of COVID-19

25. Further work will be undertaken over the coming months to understand the learning from our COVID-19 response and recovery and the new context in which we are operating – this in turn will inform the revised plans for these key programmes.

Impacts of COVID-19 on the overall transformation programme:

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26. The COVID-19 pandemic and subsequent re-focussing of operational priorities has understandably had an impact on all elements of the planned transformation programme. Firstly, a number of staff from the TSU and individual programmes and projects have been redeployed into roles to support the council's response to COVID-19.

27. These redeployments – plus the many practical impacts on services, partner organisations, and communities – mean all of the individual transformation programmes have been impacted in some way. This is an evolving picture given the fast-changing nature of the environment we are now operating in.

28. The current scenario has also presented some unintended opportunities to accelerate transformation initiatives. As described above, the agile programme has improved the council's remote working capability far quicker than planned. Partnership working across a number of programmes has accelerated as organisations have come together to respond to the pandemic, and additional effort and resource has been directed into functions and programmes that will be key to the provision of services as part of the 'new normal' following and during COVID-19 recovery (e.g. Customer Experience, Working Differently with Communities).

29. These various impacts and changes mean the transformation efficiencies targets for 2020/21 and beyond may take a different shape than originally envisaged in the January 2020 refresh.

30. Work is underway to fully understand the impacts and an agreed way forward will be developed in the coming months to maximise the efficiencies and opportunities that can be delivered under the current circumstances. This will be progressed as one important part of a broader review of the council's strategies and finances in light of the fundamentally altered environment we are operating in.

Conclusions:

31. The council's transformation programme has already made great strides towards ensuring we have a financially sustainable budget while meeting the changing demands and expectations of residents – though there is more significant work ahead. With the refresh of the transformation programme to support our medium-term strategy, we are confident that we are on the correct trajectory towards delivering our ambitions and Vision to 2030.

32. The fundamental impacts of COVID-19 will likely be felt for some time to come. This will of course affect the focus, ambition and achievability of the transformation programme. In response the TSU will continue to support the Corporate Leadership Team and all services to drive this work forward and maximise what can be delivered in the context of limited resource and realigned priorities.

Recommendations:

33. It is recommended that the Select Committee:

   a) Notes and comments on the overall progress of transformation to date and the delivery of a refreshed transformation programme for 2020-21 in the context of COVID-19.

   b) Considers the key enabling projects within the remit of the committee and agrees what continuing role to play in supporting and scrutinising these projects.

Next steps:

- The Committee will receive a detailed report from the Customer Services Task Group later in the year.
- The Committee will review a further update on the overall council-wide transformation programme in six months' time (November 2020).

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Annexes:
Annexe A: Internal Audit Report on Transformation Programme 2019/20
Annexe B: Transformation Programme – strategic summary (January 2020)
Annexe C: Programme summaries: Digital, Agile, MCTR (January 2020)

Sources/background papers:

Community Vision for Surrey in 2030

Transformation Programme Refresh (update 2020)

Digital Strategy 2025

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