



## **REPORT OF INTERIM CHIEF EXECUTIVE TO CABINET**

**Surrey County Council – Diagnostic and Stocktake:  
Handover report to new Chief Executive, Leader and Cabinet  
14 July 2009**

**KEY ISSUE/DECISION:**

To set out the issues that will need to be addressed to respond to Surrey County Council's Corporate Performance Assessment and to move the Council forward on its path towards becoming a World Class authority.

**BUSINESS CASE:**

### **Introduction and Background**

1. During 2008 Surrey County Council found itself on the receiving end of two very negative reviews by Ofsted and CSCI (now CQC) in relation to Children's Services and Adult Services respectively. Two immediate consequences were that a number of senior and very senior staff left the County Council and restructuring took place which resulted in two large directorates each being split into two. In addition to statutory improvement notices arising from the Ofsted and CSCI reviews the DCSF established an Improvement Board for Children's Services with an independent chair.
2. In early 2009 (as was expected following the events of 2008) when the final CPA scores were announced by the Audit Commission Surrey County Council, once a 4 star authority which had dropped to 3 stars dropped further and dramatically to a 1 star rating. This was as a result of the weighting given to the Children's Services and Adults Services reviews in the CPA methodology.
3. The combination of the Ofsted and CSCI Reviews allied to the effect on the CPA star rating lead a number of senior Members and senior managers to believe that the problems were largely confined to the management of Children's Services in particular and to Adult's Services. In January 2009 when I took up post of interim Chief Executive there was a significant degree of denial amongst key members and managers about the wider problems in the County Council that had contributed to this situation.
4. My role as Interim Chief Executive has been to help the organisation to recognise its inherent weaknesses, to stabilise the situation, put in place key areas of work to start the recovery process and to support the appointment process and prepare the ground for the new permanent Chief Executive.

1. My observations, analysis and advice are based on a number of key sources most of which are cited as background documents:-
  - Meetings with Directors, Heads of Service, Interims and Partners.
  - Meetings during February/March 2009 with the majority of backbench members summarised and sent to all Members.
  - Standards of Conduct Survey – Standards Committee, 13 March 2009.
  - Surrey County Council – Employee Survey – MORI 2008.
6. As these various sources make clear this is not so much my assessment, as Surrey's, it comes from within the County Council itself. I have talked to and listened to a lot of people in order to be able to produce this report. My regret is that I have not had time to talk to front line staff directly (something I know the new Chief Executive intends to do) though I have used the Employee Survey as a surrogate.
7. My contribution as Interim Chief Executive has been to use my previous fifteen years experience as a Chief Executive (including providing Peer Review and Peer Support in a number of authorities facing difficulties) and synthesise and structure all this information in a way that hopefully will be helpful to the County Council in moving forward positively. It has perhaps also been to say things that the organisation has hitherto found difficulty in saying or acknowledging.
8. I was ready to write this report in April but chose not to as I did not want it, or myself, to become embroiled in the inevitable political knockabout of election campaigns. The issues, in my view, required a more measured and balanced consideration and response.
9. One way of viewing this report is to think of it as holding a mirror up to the organisation. As well as the many individuals I have spoken to in shaping this assessment I have also had discussions about these issues with the three political groups on the County Council. I have also shared this analysis with 250 senior managers at the Management Conference in mid May and with those new and returning Members who attended the Member Induction in mid June.
10. After the management conference one manager commented to me :-  
"You haven't told us anything we didn't already know. What you have done is given us permission and for the first time made it safe for us to talk about these things".
11. After the Member Induction one returning Member wrote to me :-  
"At last someone who listens . . . . my last four years as a Member have been hell . . . . hopefully Surrey will get back the respect it once held a decade ago".
12. Unless attributed specifically to either Elected Members or to Officers/Senior Managers my remarks refer to the County Council as a whole, both Members and Officers.

### **Leadership**

13. The difficult position in which the County Council finds itself is fundamentally a failure of leadership, culture and governance in its widest sense. That failure is a shared responsibility of both Members and Officers.
14. As a result of the geographic size of Surrey, the scale of the County Council's operation and the more limited range of services compared to an urban or metropolitan unitary council the County Council is also seen as remote by a number of partners and District and Borough Councils. All of this has contributed to, or been fed by a stance or style that

is viewed as superior and arrogant. This is not a sound base on which to build a healthy culture, effective partnerships, or a customer focussed organisation.

15. The problems identified above have been compounded by a significant breakdown in mutual trust and confidence within the County Council. The Standards Committee Report and the Employee Survey highlight this but it was also a constant and strongly expressed theme in my meetings with backbench members. The breakdown in trust has been widespread and affects all key relationships including those between frontbench and backbench members, between senior managers and front line staff and between Members and Officers. It is of critical importance that it is addressed as a priority.
16. The organisation is widely viewed as lacking vision, direction and strategy and instead operates by a series of often disconnected short-term tactics. Nowhere is this more evident than in the making of the budget. This gives the very strong feeling of being driven by events rather than a sense of the County Council being in control of its own destiny.
17. Finally, in terms of leadership style, (and this is entirely consistent with the earlier points) the organisation is very internally focussed, obsessed with itself, with its own processes and bureaucracy. The corollary is that there is less focus on outcomes, residents, communities and working in partnership.

### **Internal Relations**

18. The organisation suffers more than most from a silo mentality. Most organisations do to a greater or lesser extent but it is particularly marked in Surrey County Council. This seems to be the product of a number of factors.
  - Geography – The lack of a single administrative headquarters with County Hall and major departments headquartered not just in separate buildings but in different towns with all the practical difficulties, inefficiencies and unintended symbolism that this inevitably gives rise to.
  - The absence of a clear vision and strategy – this leads professionally driven services to focus on the department rather than the County Council to provide a sense of purpose, mission and direction.
  - Confusion over ‘corporate’ and central’ – since Business Delivery Review (BDR) ‘corporate’ has become in many respects a derided term associated with excessive central control-freakery and direction. Corporate should mean everybody and become a state of mind in the organisation. This is not the case in Surrey County Council at present.

### **Management Style**

19. The most striking aspect of the management style in Surrey is how bureaucratic it has become as a result of an obsession with the control of inputs and resources since BDR which is then mistaken for a focus on efficiency. This is perhaps inevitable given the lack of a clear vision and strategy which means there are no clear strategic outcomes to focus on. Documents such as the Community Strategy and the Corporate Plan are widely viewed with some justifiable cynicism as being designed to keep either the Government or various Inspectors happy. They are not seen as shapers of County Council business. Both these documents will need to be revisited and revised to take account of the proposals in the next item on the agenda “Leading the Way – Enrich, Enhance and Enable”.
20. One consequence of the breakdown in trust (for which officers must take a significant share of responsibility) is that some senior members have increasingly seen their role as micromanaging services on a day to day operational basis. A number of senior members

have acknowledged that this is inappropriate and unsustainable. The council must move away from this situation to create a more empowered management ethos with significantly increased delegation matched by the necessary 'checks and balances' to ensure that delegated authority is being properly exercised in pursuit of council strategy, priorities and resource allocations.

21. A particularly worrying feature of the management style frequently referred to by both backbench Members and managers is a 'macho' style, a blame culture and bullying which is carried out and experienced by both Members and officers. This must be challenged and action taken. It is wholly unacceptable.
22. A further feature of the organisation's management style which arises from arrogance and remoteness is a "not invented here" attitude. In other words there is a belief that a response to an issue developed in another local authority must be inferior because it was not developed in Surrey. However, a complication to this attitude is an implicit, and often explicit, attitude by some Members that could be summarised as "private sector good – public sector, bad". A much healthier attitude to learning from both the public and private sector is required if the County Council is to become 'World Class' as articulated by the new Leader and Chief Executive.

### **Business Delivery Review**

23. The Business Delivery Review, (BDR) was frequently, vividly and negatively referred to in discussions with backbench members and with senior officers. Terms like 'bloodbath', 'inept implementation' and 'loss of talent' were frequently used. It has created a highly centralised model of control, and has encouraged micromanagement and 'control freakery' by certain Members and officers.
24. However, in all of this negativism it is easy to forget that there were also positives to the BDR, not least the fact that it resulted in £40m of savings which were re-directed into direct services or into invest-to-save initiatives. However, it has become the proverbial 'elephant in the room', still often dominating many meetings. Even staff who have joined Surrey since BDR say it affects them because continued discussion, despite the passage of time, remains so pervasive and negative.
25. My advice to the 250 senior managers at the Management Conference was to point out that its now nearly four years since BDR and it's becoming an obsession. The Council now has to move on, leave the BDR behind and focus on the challenges of the next four years. I believe those members who share those concerns about the BDR also need to move on.

### **Functionality**

26. In part as a result of the perceived unfairness in grant received from Government, there are staff and managers who believe the organisation is not well resourced. The reality is rather different. In many respects the organisation feels extremely well resourced. Two examples are the quality of operational buildings and the extent of investment in information technology. These are very positive and the benefit of such investment is well illustrated by the Customer Contact Centre in Conquest House, a remarkably impressive facility that is almost certainly a major reason for rising public satisfaction with the County Council contrary to the trend in much of local government.
27. However, there is a belief by many that because a number of private sector approaches have been adopted that Surrey is automatically very efficient. It is not. There is considerable scope for much greater efficiency across much of the County Council. Even

when adjusted for the 'Surrey cost factor' many unit costs are higher than in comparable County Councils.

28. However, one area of investment which is significantly under-resourced is Training and Development which was significantly reduced during the BDR. Then because of the central bureaucracy that was introduced, the reduced budget has still been significantly under spent creating a self-fulfilling prophecy that the budget is bigger than is needed. If schools and the Dedicated Schools Grant are excluded from the equation the Training and Development budget represents only 0.4% of the budget. Many organisations would expect to devote at least five times that sum to ensuring managers and staff are equipped with the necessary skills and abilities to do the job. Remedying this serious shortfall must be a priority if Surrey's aspiration to become a world class authority is to be realised.
29. There are two absolutely critical, and related areas of low level functionality or lack of fitness for purpose. The first is medium term planning and budgeting. This is ill developed, and unsustainable. It is not based on a strategy, on priorities or on need. It is not corporate nor is it sustainable. As a measure of just how serious the problem is the Section 151 Officer did not feel able to describe the recently completed budget as sustainable because of its tactical and short term approach. I have not seen an approach as unsophisticated as this in my entire career. Given the financial and economic challenges facing Surrey County Council over the next ten years this cannot be allowed to continue. This serious shortcoming almost certainly accounts for much of the inefficiency already referred to and is undoubtedly a contributory factor to the poor inspection results during 2008.
30. Related to this fundamental weakness in planning and budgeting is the fact that Performance Management is not ingrained in the organisations political and managerial cultures. The approach is much more about "measurement and monitoring". This is probably in large part due to the centralisation of these and allied functions in the creation of Policy and Performance Directorate which left departments with no dedicated staff for this work. That has now been remedied and there is a good corporate system run from the Chief Executive's Office which now needs to be embedded across the organisation so that performance is managed on a day to day basis. At present there are no consequences for poor performance.
31. As it is sometimes put colloquially 'You don't fatten the pig by weighing it'. Surrey's approach to performance has been largely confined to 'weighing the pig'.

### **Style, Ethos and Culture**

32. The culture of the organisation is not healthy. There is a strong focus on processes, control and inputs which is not matched by that on delivery, outcomes and achievement. In other words much of the activity of the organisation is self-serving, difficult issues tend to be swept under the carpet and with the weaknesses in planning, budgeting and performance management this obsession with bureaucracy is rarely challenged.
33. To illustrate this I have heard on a number of occasions that the term "Organisational Culture" had been banned because 'there is no such thing, people will do as they are told'. If this is true the poor state of the organisation should not be a surprise. This approach shows a striking lack of sophistication to the management of a large and complex organisation and it is an approach that sustains a culture of blame and bullying. It would also explain the eventual fall from grace in terms of Ofsted, CSCI (CQC) and Audit Commission assessments.

34. It is also an approach that singularly fails to appreciate the implications of engaging and securing the commitment of the very large number of staff and the wide range of different professions employed by the County Council to provide a range of services to the public.
35. Whilst the County Council nominally has a set of values they are not lived by, don't feel real and therefore do not guide or shape behaviour. The organisation is controlling not empowering which when allied to blaming and bullying leads to risk-averse behaviour. This in turn drives out innovation and diminishes the ability for the organisation to learn.
36. Another casualty of the style, culture and ethos is the approach to partnership working. Despite some tenacious and dedicated work by a small number of officers and partners, partnership working is largely focussed on process rather than outcomes. The lack of trust is highlighted by the fact that the Surrey Strategic Partnership Board has eleven District Leaders and eleven County Councillors as well as other partners who sit on it making it a 'Talking Shop' that is not fit for purpose. The new Leader's initiative to dramatically reduce the number of County Councillors attending the Board and his wish to focus the Board more on strategy will undoubtedly be welcomed by partners. It is to be hoped that the Districts and Boroughs will be able to find a way of reciprocating similarly.

### **Relations with the Community**

37. The County Council does not really provide very much community leadership at a strategic level. The approach seems to be characterised more by community 'followership' or Members as community 'delegates' rather than leaders. The absence of a clear policy framework and strategy makes dealing with public demands, often from wealthy and influential people, difficult and there seems to be a reluctance to say no because there is no clear policy or strategic framework.
38. The new Leader's initiative to give greater responsibility to Local Committees and to set out a clear strategic framework (next item on the agenda) both represent important steps in addressing this issue.

### **Relationships**

39. If the County Council is to improve its relationships with the various communities of Surrey it needs to do much more to recognise value and work with the Districts and Boroughs. However, there is a widely held view amongst backbenchers and officers that the relationship between the County and the Districts is extremely poor. The fact that almost half the County Councillors are 'twin hatters' could be a threat to the County Council working as it should but it could also be seen and seized as an opportunity to rebuild healthy and effective relationships and demonstrate that two tier local government can be both effective and efficient.
40. The County Council seems to have no effective or formal relationship with Surrey's MPs. Given that a number of Surrey MPs could well become Secretaries of State in the event of a change of government in 2010 this needs to be addressed as a matter of priority. Similarly whilst Surrey engages with the South East Counties Group it does not appear to be particularly influential and consideration needs to be given to raising the County's profile, participation and influence.
41. Reference has already been made to the poorly developed and process dominated approach to partnership working. In addition some Members appear to want to try to exercise direct control over certain partners. This desire to control runs the risk of partner disengagement. Successful partnership working requires the recognition that to influence others the County Council has to be prepared to be influenced itself and effective

partnership working requires a wider repertoire of skills than those needed to manage the County Council.

42. However, before external relationships can be fully developed internal relationships must be improved. The survey by the Standards Committee highlights the tensions and poor relationships between Members and Officers and between frontbench and backbench members. Similarly, the employee survey highlights that there is a similar task to be undertaken to enhance trust and confidence between frontline staff and senior management. Whilst internal relationships remain so poorly developed it will be more difficult to address some of the more important external relationships.

### **The Views of Backbenchers and Staff**

43. Backbenchers are angry and frustrated about being marginalized by the Executive and by officers who they think are “obsessed with the ten and ignore the seventy”. They are equally frustrated and angry about often being the last to find out about a change, development or responses to problems in their Divisions. Understandably they resent the way this treatment by officers makes them look foolish and on occasion embarrasses them in front of their constituents.
44. Backbench members concerns are not confined to their experience in relation to their Division, they also believe that Scrutiny/Select Committees are not taken seriously by either the Executive or officers. There is a strong and widely held view amongst backbench members that both Local Committees and Select Committees need to be fundamentally reviewed. It is clear that the new Leader shares this view and is already taking steps to respond to these concerns.
45. Staff on the other hand appear to view these issues through the lens of inspections, regulation and their consequences, and in particular the risk of a reduced service rating arising from ‘guilt by association’ – As one member of staff put it - “We’re a four star service dragged down to a one star Council”. Or as another expressed it - “I resent what Children’s Services have done to Surrey’s reputation”.
46. It is important that both backbenchers and staff realise that their concerns are manifestations of a wider and deeper problem and that if we believe this is simply a failure of Children’s Services and Adults Services we will delude and mislead ourselves and our responses will be inappropriate and misdirected. This is a whole system failure which has first become evident in Children’s and Adults’ Services because of the extent of inspection and regulation that these services experience. In other words many of the problems that need fixing are organisation-wide, not confined to Children’s and Adults’ Services.
47. However, like all organisations, even the most dysfunctional, Surrey also has “islands of excellence”. I’ve already referred to the Contact Centre in Conquest House, the History Centre is another. They are not the only ones though these “islands” tend to be excellent despite the organisation, not because of it.
48. Whilst I believe that most Members and officers are now out of denial there are still a few who still don’t appreciate that Surrey’s problems are a failure of leadership, governance and culture on “both sides of the house”. More worryingly, whilst everybody seems to know what is wrong, no one has hitherto felt able to articulate these concerns let alone respond to the real issues.
49. The blaming and bullying, the arrogance and remoteness, the ‘not invented here’ approach, the associated inability for the organisation to learn have in combination created a situation where it seems that almost everyone in the organisation could see

what was wrong, but no one felt able, empowered or safe enough to articulate it. This is why much clearer values and a healthier culture must be an urgent priority for the new Chief Executive.

### **The Way Forward**

50. This diagnosis of the County Council's shortcomings may make gloomy reading for some, though I believe they will be in a very small minority. Feedback from the Management Conference in May was extremely positive as has been feedback from many members individually.
51. It is not all gloom and doom, the county council has a lot going for it, not least some very talented and committed County councillors and equally talented and committed senior managers. That talent and commitment is not confined to the senior levels of the organisation. The response of some of our most junior staff during the heavy snow in February highlighted just how committed our staff are to providing good services to the residents of Surrey. What is clear from the Employee Survey is that staff are looking for leadership, clarity about purpose and direction and regular feedback of how they and the County council are doing.
52. The rest of this report summarises work started in the last six months and identifies work not yet started which needs to be undertaken. In particular work on Member development needs to be carried out as this has been delayed by the County Council elections.

### **New leadership, a golden opportunity**

53. Surrey has a new County Council, a new Cabinet and new political leadership. On the officer side the County Council has a new Chief Executive, a substantially new management team and a number of new Heads of Service and senior managers in key positions. The opportunity for a complete break with the past and a fresh start is an opportunity that is fully recognised by the new Leader and new Chief Executive.

### **Improvement work already started**

54. On the officer side considerable time has been devoted to a leadership Development Programme for Directors and Heads of Service. Allied to this has been the transformation of the former CCMT which was widely regarded as dysfunctional. The new Corporate Leadership Team is very different in terms of personnel, style and effectiveness from the former CCMT. It is now corporate, strategic and showing signs of becoming a real and effective team. Recent 'Planning for the Future' work has highlighted this capacity and capability.
55. A parallel exercise started with the previous Executive with the Improvement and Development Agency (IdeA) needs to be restarted with the new Cabinet and appropriate development work with Scrutiny and Local Committees also needs to be developed or continued. In particular there is the need for some joint work between Members and Directors/Heads of Service to address Member/Officer relations and the organisation's unhealthy culture.
56. Of critical importance is the need for some early and continuing work jointly by Members and Officers in re-building trust, mutual respect and confidence through an enhanced understanding of respective roles. This work should give full attention to the Survey by the Standards Committee in particular.

57. At the same time a lot of work has been undertaken to ensure that the Corporate Performance Team (CPT) of Directors and Heads of Service is more focussed, effective and corporate. The decision on senior pay highlights the team's maturity, realism and corporateness. Whilst there is still work to do with CPT the experience to date has been very positive.
58. In May 2009 a Management Conference was held for the 250 most senior managers with some very positive feedback. At this conference the outline approach and thinking for a Management Development programme for Level 4 Managers was launched for consultation and subsequent development. In addition a programme of Chief Executive Briefings for Levels 2, 3 and 4 were launched at the end of June. The new Chief Executive had indicated his intention to ensure all senior managers are fully and frequently briefed by himself and engaged in the development of new initiatives.
59. Some initial work exploring the negative aspects of the culture was carried out with Directors, Heads of Service and senior managers in April using a very effective technique of Forum Theatre Workshops. Of the 150 participants 96% described the Workshops as good or excellent, mostly excellent. Many participants thought the approach should be extended to the whole organisation and many remarked that it would be beneficial for Members to participate in a similar programme. The Director of Adult Services has already commissioned a similar programme for some 700 Care Management staff. The effectiveness of that programme should be reviewed with a view to extending this work more widely as part of a culture change programme.
60. The Children's Improvement Board has been a useful focus in relation to the particular weakness in that service. In many ways it might have been helpful to have had an equivalent Improvement Board for Adults' Services but that is being remedied by early changes by the new Director for Adult Services and the intention for Adults' Services to be the first major Public Value Review starting in early Autumn. The County Council has made extensive use of Interim Managers in Children's and Adults' Services in particular. Whilst this dependence on Interim Managers is reducing the Council needs to ensure that priority is given to filling all key posts with permanent staff as quickly as possibly.
61. One piece of restructuring has been quickly and successfully concluded – the Policy and Performance Directorate has been dismantled and staff allocated to Services whilst retaining a strong Chief Executive's Office to support the Chief Executive, the Corporate Leadership Team, the Leader and the Cabinet in driving forward corporate initiatives. Work is underway in Corporate Services to transform it from 'corporate policemen' to providing corporate support to services.
62. One important piece of work undertaken during the last two months has been Planning for the Future. This has involved a considerable amount of work by Directors building on a very clear steer from the Leader and Deputy Leader and a very positive half day discussion with the new Cabinet. The new Chief Executive has been kept fully in the picture and has very positively put his name to this work which now appears as the next item on the agenda.
63. In parallel with this a number of other pieces of work have been undertaken and also appear elsewhere on the agenda in a report from the Assistant Chief Executive. Included in this programme of work are important proposals for a more robust approach to Medium Term Planning and Budgeting and proposals for a programme of Public Value Reviews linked to Zero Based Budget Reviews that will review the entire range of services and budgets over a three year period.

## **Governance**

64. One piece of work that needs to be undertaken as a priority is a full review of the Constitution to ensure it is fit for purpose, consistent with the new approaches being developed and congruent with a new set of values and culture. The Constitution is a tangible embodiment of governance and Surrey's problems have at their heart been the result of a failure of governance.
65. The review of the Constitution needs to ensure that arrangements are in place and appropriate to provide clear community and political leadership but also ensure that the necessary checks and balances are suitably recognised, embedded and effective. Two in particular are critical: the need to ensure effective scrutiny through Select Committees and the need to ensure that Opposition Groups are suitably empowered. Neither seems to be particularly satisfactory at present.
66. Another issue that is not widely appreciated or understood by Members (and indeed some senior managers) is the role of officers generally and statutory officers in particular.
67. Officers' roles include:
  - Policy advice to Members
  - Help to develop strategy
  - Implement Members Decisions
  - Manage the organisation
  - Manage budgets and performance
  - Advice on sound governance
68. Statutory roles are principally:
  - Head of Paid Service
  - Chief Finance Officer/Section 151
  - Monitoring Officer
  - Director of Children's Services
  - Director of Adult Services

The first three of these have statutory protection and these statutory roles take precedence over the officers' contractual obligations to the County Council. These roles are not widely recognised or understood and this needs to be remedied as part of Member briefing.

## **Conclusions**

69. Surrey County Council has had a particularly challenging twelve months since the Joint Area Review in 2008 and a great deal has happened since as a result. The issues that gave rise to this are not confined to Children's Services, nor indeed Adults' Services. This report has hopefully highlighted a much wider set of issues related to Leadership, Culture and Governance that need to be addressed.
70. Nothing in this report should be a surprise to Members or Officers. Meetings with Backbenchers and the lessons from those discussions has been a key source of information and analysis. This has been supplemented by discussions with each of the political groups, with Officers, Interims and Partners, by the Survey carried out by the Standards Committee, by the Employee Survey, and in the feedback from the Management Conference.
71. However what has become clear is that the culture of the organisation does not encourage difficult issues to be confronted and addressed, quite the opposite in fact. This

results in fundamental problems being known by everyone but ignored by all. They are either swept under the carpet or remain as 'the elephant in the room'. The new Leader's emphasis on openness must be given full effect as quickly as possible though it will inevitably take some time before staff believe that the County Council means it. There is the need for the Leader and Chief Executive to consider how they can symbolise their clear intention to create a much more open culture.

72. Members and Officers must share responsibility for the failings of the County Council that has led to a one star CPA rating. They must work together to put the County Council on the path not just to recovery but towards the aspiration for Surrey to become 'World Class' as expressed by both the new Leader and Chief Executive.
73. In doing this all Members (not just the Cabinet though their role is crucial), must understand that the way Members conduct themselves in all aspects of their role profoundly shapes and sets the mood and tone of the organisation. This in turn profoundly shapes the culture which in turn shapes organisation performance.
74. To transform Surrey County Council and to become 'World Class' at least five fundamental requirements need to be addressed and fully met:-
  - o Shared Leadership
  - o A healthy culture
  - o Sound governance
  - o Genuine partnership
  - o Mutual trust and respect.
75. Whilst all of these attributes are important the most vital is leadership, both political and managerial. From what I have seen and heard from the new Leader and Chief Executive I am optimistic that the County Council will indeed have that leadership and recover its position within a couple of years. That is a necessary first step to becoming the leading Conservative authority and a provider of World Class services
76. **Section 151 Officer Commentary** - There are no direct financial implications arising from this report, but the response to the recommendations may include plans that have an impact. These will be assessed at the time.

## **RECOMMENDATIONS:**

From my experience as Interim Chief Executive for the last six months and from the consistency of messages from Members, Directors, Heads of Services, Senior Managers and Partners I am clear that there is very broad agreement on the diagnosis of what isn't working and therefore what needs fixing.

However, it would be presumptuous and inappropriate for me as Interim Chief Executive, and due to leave shortly, to make specific recommendations. That responsibility must fall to the new permanent Chief Executive in conjunction with the Corporate Leadership Team working closely with the new Leader and Cabinet. I believe all of the issues described in this report require attention but the priority, nature and design of solutions must fall to those charged with driving the organisation forward.

## **REASONS FOR RECOMMENDATIONS:**

To inform and enable the Leader, the Cabinet and in particular the new Chief Executive to decide on the priorities for action in the quest to make Surrey a World Class authority.

<b>WHAT HAPPENS NEXT:</b>
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To be determined by the new Chief Executive.

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**Informed:** Leader, Deputy Leader, Cabinet, Corporate Leadership Team

**Sources/background papers:**

- Diagnostic – Why One Star? Presentation by Interim Chief Executive to New Members - 15 June 2009
  - Summary note of informal meetings between Interim Chief Executive and Members – February/March 2009
  - Standards of Conduct Survey – Feedback on Findings. - SCC Standards Committee - 13 March 2009
  - Employee Survey 2008 – MORI
  - ‘Survey Monkey’ – Feedback from Senior Managers on Management Conference - 14 May 2009
-