

WAVERLEY BOROUGH COUNCIL

CORPORATE OVERVIEW AND SCRUTINY COMMITTEE – 22 JUNE 2009

REPORT TO THE COUNCIL MEETING – 21 JULY 2009

This report details the work undertaken by the Corporate Overview and Scrutiny Committee over the municipal year 2008/09

A. REVIEW OF ITEMS CONSIDERED BY THE CORPORATE OVERVIEW AND SCRUTINY COMMITTEE 2008/09

A.1 Items considered by the Corporate Overview and Scrutiny Committee during the course of the municipal year 2008/09 (May 2008 to April 2009) are set out below:-

Overview Items

- New Powers for Overview & Scrutiny Committees

Financial Issues

- General Fund Revenue Estimates 2009/10
- Draft Capital Programme 2009/10

Performance Management Issues

- Best Value Performance Outturn 2007/08
- Review of National and Local Performance Indicators 2008/009–
Quarterly Reports
- Review of Performance Indicators and Targets for 2009/10

B. IN-DEPTH REVIEWS

The Committee carried out two major reviews during 2008/09.

Waverley's Discretionary Income and Expenditure

B.1 In 2007/2008 the Corporate Overview & Scrutiny Committee agreed to conduct an in-depth review of how Waverley's discretionary revenue income and expenditure and capital expenditure has been allocated geographically across the Borough in the ten years from 1999/2000 to 2008/2009. This was felt to be desirable in order to be able to respond to concerns raised by members of the public that discretionary expenditure was unbalanced between the four main settlements, and because the last such review had been conducted ten years ago. The review was over-seen by a Sub-Committee chaired by Cllr Mulliner, and the final report presented to the Committee on 17 November 2008 was substantially written by the Sub-Committee members.

B.2 The Sub-Committee sought to address the following questions:

- i. How has the Council's discretionary expenditure and income been distributed across the Borough over the last 10 years or so?

- ii. Has the distribution of resources been on the basis of criteria other than geographical proportionality and are these criteria reasonable?
 - iii. Are there alternatives to the current method of distributing discretionary expenditure and income?
 - iv. What basis do other authorities in Surrey use for the distribution of their discretionary expenditure?
 - v. Should the Council adopt a different approach to the allocation of discretionary expenditure?
- B.3 The Sub-Committee defined the scope of the review to exclude expenditure relating to statutory obligations and to services that the Council attempted to supply evenly throughout the Borough, such as care of the elderly. Almost all discretionary expenditure arose in relation to only three budget headings: Halls and Arts Centres, Leisure Centres, and Museums. Total revenue expenditure under these headings in the year ended 31 March 2008 totalled £1.1m and represented approximately 8% of Waverley's net General Fund expenditure of £14.2m. The only forms of discretionary income appropriate to include in this review were Car park charges, net of running costs, and Property rentals from industrial estates.
- B.4 The Sub-Committee agreed that the review could be conducted without significant loss of accuracy by focussing on discretionary expenditure and income associated with the four main settlements, namely Cranleigh, Farnham, Godalming and Haslemere. However, the purpose of this review was to assemble data for eventual placement in the public domain, and highlight any relevant issues; but not to attempt to settle issues or draw conclusions with policy implications from that data.
- B.5 Overall, Committee Members felt that the review was useful, and it had produced some useful data. However, it was difficult to draw reliable conclusions, and it was likely that it could be used to support arguments that any of the towns was being treated unfairly. The different circumstances behind revenue and capital expenditure investment decisions accounted for much of the variation between towns, and the Committee concluded that it was not necessarily correct to presume that achieving approximate equity in expenditure across the Borough was appropriate or desirable.
- B.6 The Committee RESOLVED that the data contained in the report be updated annually in future, including a review of appropriate heads of discretionary expenditure and income (including Community Partnership funding and other grants); that the exercise be extended in the near future to cover the whole of the Borough, by including a fifth analysis item comprising all parts of the Borough not included in the four settlements; and, by replacing the four settlements by the four planning sub-committee areas; and, that the data contained in the report be made available to councillors and the general public on the Waverley web-site.
- B.7 The Sub-Committee, comprising Cllrs Mulliner, Renshaw, Reed and Mrs James, was re-appointed in March 2009 to take forward with Officers the on-going work programme.

Waverley's Cash Collection Arrangements

- B.8 At its meeting on 23 June 2008 the Corporate Overview & Scrutiny Committee considered a value for money review of Waverley's payment receipting service. The review looked at the service provided at the main office in Godalming and at each of the Locality offices for the receipt of payments from customers. Members asked that officers investigate in greater detail the use of payment cards/bar-coded bills and Transcash, including:
- opportunities to address the impact on Waverley's more vulnerable citizens;
 - the potential to encourage customers to make payments to the Council in ways other than by cash;
 - the practicalities of handling residual miscellaneous cash payments;
 - the cost involved in setting up pay points; and
 - contact with other local authorities to identify alternative methods of receipting payments.
- B.9 Members also asked that in parallel to the review of the payment receipting service, consideration be given to Waverley's vision for customer service and the future role for its locality offices, in particular with respect to the Council's role in addressing social inclusiveness and providing support to its more vulnerable citizens.
- B.10 At its meeting on 15 September 2008, the Committee noted the financial pressures on the General Fund and Housing Revenue Account, which is one of the drivers that the Committee identified in its scope for the report; the projected savings; the implications for staff; and the impact on customer service should the Council choose to adopt an alternative method of receipting payments. Officers referred to the experiences of other local authorities that had already made the changes being considered by Waverley. The Committee noted that whilst these were generally positive, they had emphasised the need for a long lead-in time and a careful PR and communication programme to explain the changes, these being key factors in acceptance of the changes by customers.
- B.11 Committee members were not entirely comfortable with the loss of the personal service at the cash counters, especially for vulnerable customers. There were also concerns about what removing this important service might mean for the future of the Locality Offices. Officers drew attention to the necessary re-investment of £41,000 of the savings from the changes to the payment receipting service to keep the Locality Offices operational. Removal of the secure cash counters would enable changes to the physical layout of premises to provide a different type of customer contact, or co-location of locality services with partner organisations. The first stage of the review of the customer service strategy, including the future role of the Locality Offices, would be presented to the Executive in October.

B.12 With some reservations, as noted above, the Committee resolved to commend to the Executive the proposals for changing the Council's payment receipting system on the basis that it offered a cost-effective alternative to the current arrangements. However, the Executive were asked to take note of the Committee's observations, as follows:

- (i) the Tenants' Panel (now called the Landlord Services Partnership SIG) should be consulted on the proposals;
- (ii) as well as the proposed publicity during the transition period, there should be a telephone help line service available during the implementation period, as not everyone would be able to access the website for information on the new arrangements; and
- (iii) it was important that other locality services were retained at current levels.

B.13 The Committee considered the opportunity to close the Godalming cash counter at 2.00pm each day from 1 April 2009 that had arisen following the redeployment of a cashier. Members noted that this would achieve a one-off saving of £8,000 in 2009/10 but again had some concerns about the inconvenience to those customers who currently used the cash counter in the afternoon. However, it was important to have certainty with regard to opening hours, to avoid the confusion arising from the variable opening hours at the Locality Offices. Appropriate publicity for the change to opening hours would be required. The Committee resolved to support the recommendation to close the Godalming cash counter at 2.00pm each day from 1 April 2009.

B.14 At its meeting on 7 October 2008, the Executive congratulated the Overview and Scrutiny Committee on the work carried out in the review and recommended that:

1. a payment receipting system be implemented for customers that choose to pay the Council in person for council tax, housing rents, business rates or sundry debts, using bar-coded bills and a third party operator, noting the potential for up to 55 outlets being available in the Borough including post offices;
2. the procurement and agreement of contract terms be subject to the agreement of the Deputy Chief Executive and the Legal Services Manager;
3. Waverley cease to operate its four cash counters with effect from 31 March 2010 on the basis that the service described in (1) above offers a cost-effective alternative to the current arrangements, noting in particular:
 - The timetable for implementation
 - The potential impact on customers

- The potential revenue savings
 - The proposals for a major PR and information campaign
 - Improved customer choice of payment outlets
 - Opportunities for enhancing Waverley's customer service at its offices;
4. the Godalming cash counter be closed at 2.00pm each day from 1 April 2009;
 5. as well as the proposed publicity during the transition period, there should be a telephone helpline service available during the implementation period; and
 6. the Tenants' Panel be kept fully involved and informed during the implementation period and the Executive be fully informed on the implementation, especially for small miscellaneous payments.
- B.15 The Executive also authorized the establishment of a Customer Service Special Interest Group to drive forward the development of a new customer service strategy for Waverley, including the role of the Locality Offices, following the closure of their cash desks. As part of the budget process for 2009/10, Council agreed to bring forward the date for the closure of the cash counters to 1 November 2009. The report of the Customer Service SIG including their recommendations for re-focusing the operations of the Locality Offices from 1 November is included on this agenda as Appendix A.

Electronic Communications with Customers

- B.16 As part of its work programme for 2008/09 the Committee agreed to undertake an in-depth review into the areas in which the Council currently communicates electronically with residents and businesses, and the extent to which this could be developed, thereby reducing costs and improving efficiency.
- B.17 The report of the Officer Group on this review is attached to this agenda as Appendix D.
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CALL-IN

C.1 Central Offices – Boiler Replacement

This item was considered by the Executive at its meeting on 8 July 2008. Cllrs V Duckett, Mrs D M James, K T Reed and Mrs C E Savage subsequently called-in the item in order to scrutinise the decision taken at that meeting.

- C.2 The Executive had agreed that a Condensing Boiler, together with a five-panel solar collector to be used to pre-heat water using solar power, be installed with the cost of £72,000 being substantially met from the 2008/09 capital programme; and to proceed with submission of planning applications for the five-panel solar collector and for the installation of 14 PV panels.

- C.3 The call-in had been initiated because it was felt that the Executive decision could be improved upon. In particular, it was felt further challenge was required to test Officer's recommendations regarding the Biomass boiler option; and the benefits of linking a further five-panel solar collector to the proposed new three-module multi-bank condensing gas boiler. The Committee toured the Central Offices building with Officers to see the existing boiler room and the locations considered for situating a biomass boiler and solar collector panels.
- C.4 After reviewing the issues relating to the possible siting of a biomass boiler, and the assumptions underpinning the environmental and financial model of its benefits, the Committee concluded that there were sufficient practical difficulties and other uncertainties to rule out this option. The Committee were also satisfied that the 'do nothing' option was not prudent, and the proposed three module multi-bank condensing gas boiler would provide over 90% efficiency, with savings in fuel costs and CO₂ emissions.
- C.5 Overall, the Committee was satisfied with the argument in favour of the condensing gas boiler, but had reservations regarding the incorporation of a five-panel solar collector for pre-heating water, and the addition of further solar collector panels. The Committee was sympathetic to the argument that the Council should be seen to be taking steps to reduce CO₂ emissions, and noted that new developments were required to provide a minimum of 10% of energy demands from on-site renewable sources. However, there was concern that the full costs of doing so should be set out along with the tangible and intangible benefits. The Council had to have due regard to the principle of Value For Money, and also had to take care that in 'setting an example' it made clear the basis on which decisions had been taken.
- C.6 At the conclusion of the debate the Committee RESOLVED that the Executive's original decision be endorsed, but that the Executive be asked to satisfy themselves that the benefits of installing the solar collector panels outweighed the financial uncertainties.

D. CONCLUSION

- D.1 It is RECOMMENDED that the work carried out by the Corporate Overview & Scrutiny Committee in 2008/09 be noted.

Background Papers (CEX)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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