

WAVERLEY BOROUGH COUNCIL

CORPORATE OVERVIEW & SCRUTINY COMMITTEE – 25 JUNE 2012

REPORT TO THE COUNCIL MEETING – 17 JULY 2012

CORPORATE OVERVIEW & SCRUTINY COMMITTEE ANNUAL REPORT 2011/12

This report details the work undertaken by the Corporate Overview & Scrutiny Committee over the municipal year 2011/12.

The Committee met five times, in June, September and November 2011, and January and March 2012. The membership was as follows:

Cllr Michael Goodridge (Chairman)
Cllr Brian Ellis (Vice Chairman)
Cllr Brian Adams
Cllr Gillian Beel
Cllr Jim Edwards
Cllr Tony Gordon-Smith
Cllr Lynn Graffham
Cllr Stephen Hill

Cllr Nicky Lee
Cllr Peter Martin
Cllr Tom Martin
Cllr Stephen Mulliner
Cllr Elliot Nichols
Cllr Donal O'Neill
Cllr Liz Wheatley

Substitute members: Cllrs Paddy Blagden, Maurice Byham, Patricia Ellis, Nick Holder, Peter Isherwood.

The Committee also met jointly with Community O&S Committee on three occasions.

Details of members' attendance at committee meetings during 2011/12 are given at Annexe 1.

1. INTRODUCTION

1.1 Terms of Reference of the Committee

- 1.1.1 At its first meeting in the municipal year, the Committee noted its terms of reference and the O&S Procedure Rules.
- 1.1.2 At the meeting on 19 March 2012, the Committee received a report which proposed a re-balancing of the terms of reference between the two O&S committees for 2012/13, by transferring oversight of Waverley's Housing service to Corporate O&S. This proposal recognised that the new Housing funding regime, which would see Waverley take on around £190m of debt, had considerable corporate financial implications.
- 1.1.3 The Committee noted that Community O&S had considered the same proposal at their meeting on 12 March and had supported the proposal. Importantly, the representatives of the Tenants' Panel were relaxed about the transfer to Corporate O&S and it was understood that the Tenants' Panel representatives would be invited to sit on both O&S Committees. The Committee was content to endorse the

proposal, which was subsequently agreed by the Executive on 27 March 2012 and Council on 17 April 2012.

1.2 Annual Report 2010/11

1.2.1 At its November meeting, the Committee received a report that detailed the work it had undertaken during the municipal year 2010/11.

2. **IN-DEPTH REVIEWS**

2.1 In-Depth Review of Property Management

2.1.1 At its meeting on 15 November 2010, the Committee agreed the scope of the in-depth review of property management, which would focus on monitoring unauthorised use of Council land and ensuring that the benefit received from Council assets through granting of easements was maximised.

2.1.2 At its meeting on 26 September 2011, the Committee received a progress report setting out recommended procedures to deal with encroachments and easements. The Committee supported the procedures for existing and new encroachments and easements and suggested that indicative timescales would be helpful to show the likely time it would take to administer each process.

2.1.3 With regard to encroachments, it was noted that Waverley has very good records of land ownership but that it would be very difficult to identify all areas of unauthorised use of Council land. It was suggested that Parish and Town Councils be asked to be vigilant in their areas and help identify any new areas of land that appeared to have been encroached upon and to notify Waverley at the earliest opportunity.

2.1.4 The Committee resolved that the proposed procedures for easements and encroachments be endorsed and the observations of the Committee be passed to the Executive.

3. **REVIEW OF ITEMS CONSIDERED BY THE CORPORATE OVERVIEW & SCRUTINY COMMITTEE 2011/12**

3.1 Items considered by the Corporate Overview and Scrutiny Committee during the course of the municipal year 2011/12 (May 2011 to April 2012) are set out below: -

Overview Items

3.2 Car Park Review 2011

3.2.1 At its meeting on 26 September 2011 the Committee received a detailed report setting out the findings of a comprehensive review into the car parks in the Borough which had looked at the usage, customer expectations, demand, charges and condition of the car parks. The Committee felt that it was an excellent piece of work although there were some concerns that consultation with stakeholders such as local businesses had not been as extensive as it might have been. It was clarified that once the proposals had been agreed by the Council, there would be a statutory consultation process undertaken as part of making the new official Off-Street Car Park Order.

3.2.2 The Committee agreed to make the following observations to the Executive:-

- a. there was concern at the level of increase proposed for the premium sites in the borough, despite the high demand for spaces in these areas;
- b. the Committee questioned the appropriateness of allowing disabled blue-badge holders to park for free in non-disabled bays if staying for more than three hours;
- c. it was suggested that some flexibility be offered to season ticket holders by offering a specified alternative car park in the event of their chosen car park being full; and
- d. concern was expressed about the proposed introduction of charges for the car park at Station Lane, Milford and it was suggested that consideration be given to introducing charging after two hours.

3.2.3 The Committee endorsed the findings of the review and the recommendations A-Q, with the exception of recommendation E (relating to increasing charges at certain town centre car parks) which was not supported by Cllrs Peter and Tom Martin, Brian Adams, Gillian Beel and Donal O'Neill.

3.2.4 The Executive considered the Car Park Review at its meeting on 4 October 2011 and endorsed the recommendations of the report to Council. The Council agreed the recommendations of the report at its meeting on 11 October 2011.

3.3 Ombudsman's Investigations into Complaints made about Waverley's Services in 2010/11

3.3.1 At its meeting on 15 November 2011, the Committee received a report addressing the issues raised in the Ombudsman's annual letter to Waverley for the year 2010/11. This included information about the types of complaint made to the Ombudsman about Waverley's services over the past year, Waverley's approach in responding to such complaints, and the eventual outcomes.

3.3.2 The Committee noted the report and congratulated officers for the continued good performance in responding to the Ombudsman's initial enquiries well within the target time of 28 days.

3.4 Complaints Handling in Waverley in 2010/11

3.4.1 At its meeting on 15 November 2011, the Committee received a report providing information on complaints handling in Waverley in 2010/11, including the number of complaints received, Waverley's performance in responding to complaints, levels of customer satisfaction and lessons learned.

3.4.2 The Committee noted that the number of complaints received had increased slightly, from 259 in 2009/10 to 271 in 2010/11. It was noted that Environmental Services logged the highest number of complaints (72), followed by the Housing and Planning Services (57 each). The greatest number of complaints (138) was at Level 1.

- 3.4.3 There had been a slight drop in the number of complaints responded to within the Council's target of 10 working days, from 94% in 2009/10 to 89% in 2010/11. There was no obvious reason for the longer response time on some complaints, other than the fact that many were quite complex and it was felt to be important to investigate each one thoroughly.
- 3.4.4 Committee noted that the satisfaction survey had achieved a response rate of 26% for the year, and felt that this was a good result bearing in mind the context of the survey. It was important to continue to scrutinise performance, even if customers' satisfaction with how their complaint had been handled might have been affected by the outcome of their complaint.
- 3.4.5 Members asked that in future the report included the total number of complaints per service. They were also interested to have more information about the outcomes of complaints e.g. how many complaints were upheld; and also a breakdown of the type of complaints made about the main service areas.

3.5 Website Strategy and Action Plan

- 3.5.1 At the meeting on 19 March 2012, the Committee received a report and presentation from the Website Manager and Senior Communications Officer outlining the strategy for the next stage in the development of Waverley's website.
- 3.5.2 The current version of the website had been launched in January 2011 with a refreshed design and additional back office features including a social media module. The website had seen considerable increase in use – a 38% increase in visits to the homepage in February 2012 compared to February 2011 – which included a 266% increase in visits from mobile devices such as tablets and smart phones. Google Analytics provided information about which pages within the website people were viewing, and also how they arrived at the pages e.g. via search engines such as Google, navigating from the homepage, or linking from other websites. These statistics helped officers to understand why people were visiting the website, e.g. which are the priority task and information.
- 3.5.3 The website had recently been awarded 3-star (out of 4) rating from the Society of IT Managers (SocITM) which reflected the work put into improving the usability of the website. The vision for the website going forward was to enhance customer experience online, and to increase the cost-effectiveness of supplying the Council's services and information. The Environmental Services web pages were highlighted as an example of how better prioritisation of information on the website to reflect what customers are interested in, and development of online forms to enable customers to apply for services at their convenience, had reduced the volume of 'avoidable' contacts. A similar approach to improving other areas of the website was now being developed.
- 3.5.4 The Committee congratulated Officers for achieving the 3-star SocITM rating, which recognised the improvements already made to the website, and endorsed the draft website strategy and action plan.

3.6 Corporate Plan 2012-2015

- 3.6.1 The Committee considered the draft Corporate Plan for Waverley Borough Council from 2012 until the next Council elections in May 2015.

- 3.6.2 The Corporate Plan was a vital document for the Council as it would set the direction for the delivery of Waverley's services through the allocation of resources and the setting of service plans and targets. The new draft plan built on the successes of the previous Corporate Plan (2008-2011), together with the Conservative manifesto pledges at the election in May 2011. It reflected the difficult times currently pertaining, and set the priorities of the Council for the next three years.
- 3.6.3 Members asked how the new Corporate Plan would be publicised and communicated to residents, once it had been approved. The Chief Executive explained that there would be a number of opportunities available to publicise the Corporate Plan including the Council Tax mailing to all households, Waverley's website, and press releases. An A5 summary leaflet of the Corporate Plan would be distributed to every household, as it was important that residents were informed of the drivers for the Council's budget-setting for the next 4 years.
- 3.6.4 The Committee agreed that the draft Corporate Plan was a sound document that concisely and clearly presented the Council's achievements and priorities going forward. There were no specific observations identified in relation to the content, and the Committee endorsed the draft Corporate Plan to the Executive.
- 3.6.5 The Corporate Plan was adopted by the Council on 21 February 2012.

HR Matters

3.7 Progress against Waverley's Workforce Strategy and Waverley's Investor in People Reassessment

- 3.7.1 Members reviewed the update of progress made against Waverley's Workforce Strategy Action Plan, and feedback on the recent Investors in People re-assessment.
- 3.7.2 The Workforce Strategy 2010 - 2015 had been adopted by the Council in April 2010, and the Committee was pleased to see the good progress being made against the Action Plan. Some Members felt the idea of a formal target for the number of staff volunteering days might be contrary to the principle of volunteering being voluntary; however, they welcomed Waverley's active encouragement and promotion of volunteering by staff, and were pleased to see that staff had responded positively to take up volunteering opportunities in the community.
- 3.7.3 The Committee was pleased to note that, following re-assessment in October 2011, Waverley had retained its Investors in People award, and recognised the consistent hard work required to maintain the standard.

3.8 HR Policies Review

- 3.8.1 Members noted that the cessation of the default retirement age had prompted a thorough review of Waverley's HR policies to ensure that they reflected current legislation and were fit for purpose. The draft policies had been discussed with Staffside and their comments taken into consideration.

- 3.8.2 Members asked about the practical implications of the Retirement Policy, which would replace the 'Employment over the age of 65' policy. Officers explained that the appraisal process would be the formal avenue for managers to discuss employee's intentions regarding retirement, as well as their performance and capabilities. The related issue of managing the development and progression of younger staff was recognised, and would also be managed through the appraisal process.
- 3.8.3 Members noted that in November 2011 there had been an organisation-wide exercise to remind all staff of the Code of Conduct, and all staff had been asked to update their Register of Interests. This exercise would be repeated annually in future.
- 3.8.4 The Committee had no specific observations to make on the HR Policies, which were subsequently approved by Council on 21 February 2012.

Financial Issues

3.9 Budget Issues 2012/13

- 3.9.1 At its meeting in November 2011 the Committee received a report that outlined the financial background to producing the Council's four-year Financial Strategy and the proposed approach to be taken to the 2012-13 Budget.
- 3.9.2 The Committee noted that the Council had already achieved considerable savings but a number of issues, including a reduction in Waverley's grant in 2012/13, uncertainty surrounding Government reforms to benefits and uncertainty over interest income would require a range of initiatives to be taken in order to deliver the required level of savings for the coming year. Some had already been taken and Star Chamber sessions would be taking place again with the Chief Executive, Finance Portfolio Holder and Heads of Service to examine operation and staffing budgets in detail.
- 3.9.3 In the light of the potential budget shortfall in the medium-term, Members were therefore invited to advise the Executive of areas within the Committee's remit where discretionary spending might be reduced and to identify high priority services where expenditure should only be reduced as a last resort.
- 3.9.4 Corporate O&S Members noted the potential budget shortfall, and encouraged the Executive to:
- i) Explore all opportunities for assets transfers to town and parish councils. This should include the transfer of freehold, where appropriate. Members recognised that Waverley and parish councils might have different views on the financial case for asset transfers; transferring assets to parish councils was unlikely to result in any reduction in Waverley's Council Tax rate, and more likely would result in an increase in parish council precept.
 - ii) Continue exploring opportunities to share services with other councils in order to make savings. Members acknowledged that there had to be a sound business justification for entering into shared service arrangements, and no resultant drop in the standard of service received. It was noted that sharing

services might mean Waverley providing services to other councils in order to reduce management costs and overheads

3.10 National Non-Domestic Rates Discretionary Rate Relief Policy Review

- 3.10.1 The Committee received a report setting out the background to the four-yearly review of Waverley's policy for awarding discretionary rate relief, and options for 2012/13 and beyond.
- 3.10.2 The Committee noted that the Localism Bill proposed amendments to the current legislation around discretionary rate relief. However, the detail of the proposals, and when they might be implemented, was unknown. The Committee also noted that a number of organisations receiving rate relief also received other forms of assistance from the Council, most significant being grant funding under the Community Partnership Grants scheme.
- 3.10.3 Corporate O&S Members agreed that, given the uncertainty around the future legislative framework, Waverley should continue to apply the current NNDR Discretionary Rate Relief Policy for 2012/13.
- 3.10.4 However, given the uncertainty about arrangements thereafter, Members suggested that Waverley should take the same approach as had been taken with the Community Partnership Grants, and write to all businesses and other organisations in receipt of discretionary rate relief to give early warning of the possibility that the amount of discretionary rate relief that the Council was able to offer might have to be reduced due to continuing financial pressure.
- 3.10.5 Careful consideration would need to be given to the impact on the service organisations provided of any reduction in discretionary rate relief and Community Partnership Grant, and the potential for this putting an increased demand on Waverley's services.
- 3.10.6 Corporate O&S Members endorsed the proposed policy for granting discretionary council tax reductions under S13a of the Local Government Act 2003, whereby reductions would only be approved when doing so would be in the interests of the wider council tax payers in Waverley.
- 3.10.7 The Committee resolved to pass the above observations to the Executive. At its meeting on 13 December 2011, Council approved the continuation of the current NNDR Discretionary Rate Relief Policy for 2012/13, with a further report to the Executive in due course to address the Policy for 2013/14.

3.11 Financial Strategy 2012/13 – 2015/16

General Fund Budget 2012/13

- 3.11.1 Officers introduced the report which outlined the financial background to producing the Council's four-year Financial Strategy and the approach taken to the 2012/13 Budget. Members had been briefed on the financial background at the Finance Seminar in September 2011, at which time the projected initial budget shortfall was £1.24m for 2012/13, increasing for future years. Measures already agreed by the Council were expected to reduce the shortfall by £1m in 2012/13 so that the

cumulative savings required at the start of the 2012/13 budget process were £0.24m.

- 3.11.2 Members' attention was drawn to the budget assumptions, Star Chamber proposals, and the General Fund Budget Overview which showed how a balanced budget had been achieved for 2012/13 whilst still allowing for an increased revenue contribution to capital financing of £0.9m and growth items of £0.14m.
- 3.11.3 Officers advised the Committee that the initial budget position for 2013/14 and 2014/15 was forecast to be even worse than 2012/13, due to the continued public sector squeeze and the reduction in Government support grants. The need to achieve further savings in forthcoming years meant that capacity for 'Invest to Save' schemes had been prioritised in the budget and it was proposed to increase the revenue contribution to capital from £1.1m to £2m for 2012/13. Officers also explained that the one-off Council Tax Freeze Grant for 2012/13 of £0.22m, and the New Homes Bonus of £0.65m, would be allocated to capital expenditure in 2012/13.
- 3.11.4 Members sought clarification on some specific issues, following which the Committee complimented the Finance Team, the Portfolio Holder and the Executive on the work undertaken on the budget and had no observations to pass to the Executive.

General Fund Draft Capital Programme 2012/13

- 3.11.5 Members reviewed proposals for the draft 2012/13 Capital Programme in respect of General Fund services. As noted in relation to the Revenue Budget, the contribution from revenue had been increased to £2m for 2012/13, with additional one-off contributions from the Council Tax Freeze Grant and New Homes Bonus totalling £0.87m. The total Capital Budget was £5.07m against which a Capital Programme totalling £5.03m was being proposed.
- 3.11.6 Members sought further detail on the proposed Replacement Telephone Systems (£0.25m). Officers advised that it was planned to replace the existing phone system as soon as possible. The current phone system was 10 years old and would cease to be supported in 2 years. The move to a digital phone system would provide new functionality to support flexible working arrangements including hot-desking, and also support improved customer service initiatives from front-facing services such as Environmental Services, Benefits, and Housing.
- 3.11.7 The Committee was pleased to see that such an extensive capital programme could be planned despite the pressure on funds, and did not identify any observations that they wished to pass to the Executive.

- 3.11.8 The Council's General Fund Revenue Budget and Capital Programme for 2012/13 were approved on 21 February 2012.

4. PERFORMANCE MANAGEMENT

4.1 Appointment of Performance Sub-Committee

- 4.1.1 At its meeting on 20 June 2011 the Committee resolved to appoint a Corporate O&S Performance Sub-Committee for 2011/12 comprising the following members:
Cllr Tony Gordon-Smith (Chair)

Cllr Brian Ellis
Cllr Donal O'Neill
Cllr Michael Goodridge

4.2 Performance Management, Quarter 1 (April-June) 2011/12

- 4.2.1 At its meeting on 26 September 2011 the Committee received the performance report for the indicators falling within its remit: take-up, security and processing of benefits; timely payment of invoices; collection of council tax and NNDR; annual rate of return on investments; complaints; and staff sickness absence. These had been scrutinised by the Performance Sub-Committee on 30 August 2011.
- 4.2.2 The Committee was generally content with the performance for the first quarter, and agreed to make observations to the Executive on two issues, relating to deleting the target for increasing the number of eligible benefit claimants, which was not within the Council's power to influence greatly; and not collecting performance information if it was not needed, specifically in relation to the satisfaction of business with the Council's licensing regulation services.

4.3 Performance Management, Quarter 2 (July-Sept) 2011/12

- 4.3.1 The Committee received the performance report for the indicators falling within its remit, which had been scrutinised by the Performance Sub-Committee on 26 October 2011. The sub-Committee had been pleased with the generally positive indicators within the remit of Corporate O&S, and were satisfied with the explanations from Officers in relation to indicators that were below target for the quarter (NI181 (Time taken to process Housing and Council Tax benefit claims) and LI6b (Percentage of NNDR collected)).
- 4.3.2 It was noted that the performance on responding to complaints within 10 working days was still below target. Whilst acknowledging the reasons for this, as had been discussed under Agenda Item 7, it was felt that it was important to aspire to a high standard of performance, and the target should remain 95%.

4.4 Performance Management Quarter 3 (October – December) 2011/12

- 4.4.1 The Committee received the report detailing performance for the third quarter 2011/12 for those indicators within the remit of the Corporate O&S Committee, and the minutes of the Corporate O&S Performance sub-committee which had considered the performance indicators on 23 February 2012.
- 4.4.2 The Chairman of the Performance sub-committee reported that the sub-committee was pleased with the generally positive overall performance. The sub-committee had considered the target for indicator LI8, Average rate of return on Council investments above market rates. It had been noted that whilst actual return on investments had been largely maintained, the 3-month interbank rate had risen consistently since 2009. The effect had been to steadily reduce the Council's effective margin as older investments at higher interest rates had matured. The majority of Waverley's investments now had a maturity of less than 3-months, e.g. call and overnight deposits, and the recently approved Treasury Management Strategy emphasized the credit quality of counterparty organizations over return on investments. For these reasons the sub-committee proposed that the target margin be reduced to 0.25% over market rates for the 2012/13 year.

4.4.3 The Committee considered the proposal, and whilst recognizing the challenging market conditions felt that it was too soon to respond by lowering the target. The Committee agreed to review the target again in the light of the 4th quarter performance.

4.4.4 The Committee resolved to note the performance figures for quarter 3 and the comments of the Performance sub-committee; and to maintain the target for LI8 at 0.5% over market rates for the time being.

4.5 Treasury Management Activity 2011/12

4.5.1 Corporate Overview & Scrutiny Committee has been charged by the Executive with responsibility for reviewing treasury management operations, and received reports on key activity information relating to treasury management in 2011/12 at their meetings on 26 September 2011 and 31 January 2012.

4.5.2 In September 2011, the Committee reviewed activity for 2011/12 to 31 August 2011, and noted that the average rate of return on the Council's investments was 0.51% above the Sterling Interbank 3-month rate, which compared closely to the agreed target of 0.50% above 3-month Sterling Interbank rates. This performance was despite older investments at higher rates having matured and been replaced by current lower rates. The Committee noted that recent practice has been to invest on shorter periods in the light of the uncertainty in the banking market, and with 'A' rated counterparties.

4.5.3 In January 2012, the Committee reviewed activity for the year to 31 December 2011 and noted that despite actual performance being broadly maintained, the Sterling Interbank 3-month rate had risen every quarter since 2009 and was now 1.04% at 1 December 2011. As a result, the average return on investments had fallen to 0.27% above the 3-month rate compared to the target margin of 0.5%. The Committee noted the reasons for why the investment performance was below target, but recognized the priority maintaining a prudent approach to treasury management.

4.6 Treasury Management Policy Framework 2012/13

4.6.1 The Committee is also responsible for ensuring effective scrutiny of the treasury management strategy and policies, and in November 2011 received an update on Waverley's Treasury Management Policy framework. The Committee noted that the CIPFA Code of Practice on Treasury Management had been revised in November 2011 to incorporate the implications of the new HRA Self-Financing framework and tighten up on the requirements for the management of risk. Local authorities were required to maintain their Treasury Management Policy in accordance with the Code of Practice, and therefore Waverley's Treasury Management Policy framework had been updated to reflect the revised Code.

4.6.2 Members reviewed the Treasury Management Policy Statement, and noted the Policy explicitly states that Waverley will not invest in derivatives or foreign currency investments; and has a preference for fixed rate investments; the Treasury Management Strategy 2012/13; the Annual Investment Strategy 2012/13; and the Prudential Indicators.

**CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
ANNUAL REPORT 2011/12**

The Committee met five times, in June, September and November 2011, and January and March 2012; and jointly with Community O&S Committee in August and September 2011 and February 2012. The membership and attendance at meetings is detailed below:

	20 June 2011	30 Aug. 2011 (Joint)	26 Sept. 2011 (Joint)	26 Sept. 2011	15 Nov. 2011	31 Jan. 2012	13 Feb. 2012 (Joint)	19 March 2012
Cllr Michael Goodridge (Chairman)	✓	✓	✓	✓	✓	✓		✓
Cllr Brian Ellis (Vice-Chairman)	✓	✓	✓	✓	✓	✓	✓	✓
Cllr Brian Adams		✓	✓	✓		✓		
Cllr Gillian Beel		✓	✓	✓		✓		
Cllr Jim Edwards	✓	✓	✓	✓	✓		✓	✓
Cllr Tony Gordon- Smith	✓	✓				✓		✓
Cllr Lynn Graffham	✓	✓	✓	✓	✓	✓	✓	✓
Cllr Stephen Hill	✓					✓		
Cllr Nicky Lee	✓	✓	✓	✓				
Cllr Peter Martin	✓	✓	✓	✓	✓		✓	✓
Cllr Tom Martin	✓	✓	✓	✓	✓	✓		✓
Cllr Stephen Mulliner	✓		✓	✓	✓	✓		✓
Cllr Elliot Nichols	✓	✓			✓	✓	✓	
Cllr Donal O'Neill	✓	✓	✓	✓		✓	✓	✓
Cllr Mrs Liz Wheatley	✓	✓			✓	✓	✓	✓
SUBSTITUTES								
Cllr Paddy Blagden	✓			✓		✓	✓	
Cllr Maurice Byham				✓		✓		
Cllr Patricia Ellis	✓						✓	
Cllr Nick Holder	✓				✓			✓
Cllr Peter Isherwood	✓			✓	✓	✓		✓