

To: All Members of the EXECUTIVE

When calling please ask for:

Emma McQuillan, Democratic Services
Manager

Policy and Governance

E-mail: emma.mcquillan@waverley.gov.uk

Direct line: 01483 523351

Calls may be recorded for training or monitoring

Date: 30 June 2017

Membership of the Executive

Cllr Julia Potts (Chairman)
Cllr Tom Martin (Vice Chairman)
Cllr Brian Adams
Cllr Andrew Bolton
Cllr Kevin Deanus

Cllr Jim Edwards
Cllr Jenny Else
Cllr Ged Hall
Cllr Carole King
Cllr Chris Storey

Dear Councillors

A meeting of the EXECUTIVE will be held as follows:

DATE: TUESDAY, 11 JULY 2017

TIME: 6.45 PM

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, THE BURYS,
GODALMING

The Agenda for the Meeting is set out below.

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

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NOTES FOR MEMBERS

Contact Officers are shown at the end of each report and members are welcome to raise questions, make observations etc. in advance of the meeting with the appropriate officer.

AGENDA

1. **MINUTES**

To confirm the Minutes of the Meeting held on 6 June 2017 (to be laid on the table for half-an-hour before the meeting).

2. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

3. **DECLARATIONS OF INTERESTS**

To receive from members, declarations of interest in relation to any items included on the agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

4. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Chairman to respond to any questions received from members of the public for which notice has been given in accordance with Procedure Rule 10.

The deadline for receipt of questions is 5pm on Tuesday 4 July 2017.

5. **FORWARD PROGRAMME** (Pages 9 - 14)

To agree the forward programme of decisions for Waverley Borough Council, as attached.

6. **FINANCIAL OUTTURN REPORT 2016/2017** (Pages 15 - 24)

[Portfolio Holder: Councillor Ged Hall]
[Wards Affected: All Waverley Wards]

The report provides a summary of the 2016/17 Revenue Outturn against budget for the General Fund and the Housing Revenue Account. The full Statement of Accounts will be presented for approval by the Audit Committee

late July 2017.

Recommendation

It is recommended that the Executive:

- 1. notes the outturn position on revenue and capital for 2016/17;**
- 2. approves the revenue carry forward to 2017/18 as detailed in paragraph 9; and**
- 3. approves the capital rescheduling to 2017/18 as detailed in Appendix 2, 4 and 5.**

7. BUDGET REVIEW 2017/2018 (Pages 25 - 46)

[Portfolio Holder: Councillor Ged Hall]
[Wards Affected: All Waverley Wards]

The report sets out the latest position on the Budget Review 2017/18 and the proposed changes to the Medium Term Financial Plan in the light of the Strategic Review and other emerging issues. The Value for Money and Customer Service O&S Committee considered the Financial Plan at its meeting on 26 June and its comments are included in this report. The 2017/18 budget will continue to be reviewed during the year, particularly if any changes are made to the Corporate Plan later in the year and if the new Government make announcements affecting Waverley's finances.

Recommendation

It is recommended that the Executive:

- 1. notes the interim budget review process set out in this report and asks officers to report further changes to Members following the review of the Corporate Plan and priorities;**
- 2. approves the updated Medium Term Financial Plan document as attached at Annexe 1;**
- 3. agrees to set up a cross-cutting efficiency group that develops a programme of efficiency reviews and monitors their delivery, overseen by the Strategic Director of Finance and Resources and the Portfolio Holder for Finance;**
- 4. agrees the working assumption of a cap in the annual revenue contribution to the General Fund capital programme of £0.9m;**
- 5. agrees to the implementation of a new, more rigorous bidding and monitoring process for General Fund Capital Schemes, as set out in paragraph 4;**
- 6. approves the transfer of an amount equivalent to the New Homes Bonus funding from the General Fund revenue budget each year to**

the Investment Fund;

- 7. notes the HRA capital reserves set out in Annexe 5 and asks the Housing Delivery Board to identify additional capital projects in the next 4-years up to the value of £8m and report back to Council for approval;**
- 8. recommends to the Council that the revised HRA new homes capital programme as set out in Annexe 6 be approved; and**
- 9. asks officers to make arrangements for a series of budget awareness sessions for councillors, to take place in the early Autumn.**

8. BUDGET MANAGEMENT REPORT (Pages 47 - 52)

[Portfolio Holder: Councillor Ged Hall]

[Wards Affected: All Waverley Wards]

This report provides a review of the 2017/18 budget for the General Fund and the Housing Revenue Account against the forecast to 31 March 2018, based on the latest information available.

Recommendation

It is recommended that the Executive:

- 1. notes the latest position against budget in 2017/18;**
 - 2. approves the criteria for the business rate relief scheme as set out in paragraphs 6-10 and the awarding of relief under the Council's discretionary rate relief policy, and delegates the completion of the final detailed scheme, following the receipt of Government guidance, to the Strategic Director of Finance and Resources in consultation with the Finance Portfolio Holder; and**
 - 3. approves the award of business rate discounts to public houses as set out in paragraph 6-11 under the Council's discretionary rate relief policy.**
- 9. SPRINGBOK PLANNING APPLICATION PUBLIC INQUIRY - REQUEST FOR SUPPLEMENTARY ESTIMATE (Pages 53 - 56)**

[Portfolio Holder: Councillor Christopher Storey]

[Wards Affected: Alfold Cranleigh Rural and Ellens Green]

On 30 June 2016, officers refused the planning application WA/2015/1381, which related to land at Springbok Estate, Sachel Court Drive, Alfold proposing the construction of up to 400 homes, shop, café, 60 unit independent living care facility and 20 associated bungalows.

The Council has since received an appeal against the refusal of this application, which is to be heard by way of Local Inquiry.

The purpose of this report is, therefore, to request approval for a Supplementary Estimate of £100,000 to pay for legal representation, including Counsel and planning and / or technical consultants required in order to defend the Council's reasons for refusal.

Recommendation

It is recommended that a supplementary estimate of £100,000 be approved to meet the costs of the Council defending its decision to refuse the planning application at the Springbok Estate, Sachel Court Drive, Alfold to be met from the Revenue Reserve Fund.

10. CREATION OF A PROPERTY COMPANY (Pages 57 - 70)

[Portfolio Holder: Councillor Tom Martin]

[Wards Affected: All Waverley Wards]

The Investment Advisory Board is exploring the advantages and opportunities that would be offered should the Council set up a property company. Most important amongst these is the ability of a company to pursue opportunities to acquire commercial properties that are beyond the Council's powers i.e. solely for income generation purposes.

The Executive is requested to consider these advantages and the opportunities and challenges such a vehicle might offer and to approve the creation of a company as set out below.

Recommendation

It is recommended that:

- 1. the Overview and Scrutiny Committee be thanked for their consideration and comments;**
- 2. the Council be recommended to create a company as described in this report, after the consideration of detailed legal advice; and**
- 3. the Council agree to delegate the final details of the matters set out in paragraphs 12 and 13 above, in relation to the initial set up of the company, to the Investment Advisory Board after consideration by the Value for Money and Customer Service Overview and Scrutiny Committee.**

11. WEYDON LANE FORMER LANDFILL SITE - FUTURE USE AND SITE MANAGEMENT (Pages 71 - 74)

[Portfolio Holder: Councillor James Edwards]

[Wards Affected: Farnham Firgrove]

The Council has, for some time, been exploring the scope and viability of undertaking works on the former landfill site on Weydon Lane, Farnham to enable greater public use, for example for recreational purposes.

The report updates Members on the situation to date with those investigations,

the outcome of the specialist legal advice received in relation to Weydon Lane Sandpit, Farnham and the Memorial Grounds, Crosby Way, Farnham, as part of the feasibility study, the current position and the short to medium term site maintenance issues which need to be addressed.

Recommendation

It is recommended that

- 1. in view of the Council's current financial position and the decision taken by the Council regarding capital projects in the 2017/18 budget, option f, in paragraph 6, be agreed as the way forward; and**
- 2. the necessary monitoring and maintenance works during 2017/18 be confirmed.**

12. BRIGHTWELLS SITE SECURITY (Pages 75 - 78)

[Portfolio Holder: Councillor Julia Potts]

[Wards Affected: All Farnham Wards]

The Brightwells site in Farnham is experiencing an increase in anti-social behaviour. In addition to the existing security measures, further urgent actions have been undertaken to address this.

The Executive is requested to approve the arrangements that have been made so that they can continue over the whole of the Summer period.

Recommendation

It is recommended that the Executive approves the additional security measures set out in this report, namely daily security patrols during priority times at the Brightwells site, and agree a supplementary estimate of £7,700 to enable these arrangements to continue until they are reviewed again in mid September 2017.

13. PERFORMANCE MANAGEMENT REPORT Q4 (JAN - MAR 2017) 2016/2017
(Pages 79 - 120)

[Portfolio Holder: Councillor Julia Potts]

[Wards Affected: All Waverley Wards]

The report provides an analysis of the Council's outturn performance for both performance indicators (Annexe 1) and the 2016/17 Service Plan actions (Annexe 2).

Recommendation

It is recommended that the Executive

- 1. thanks the Overview and Scrutiny Committees for their observations;**
- 2. approves the target change for HR2 [average working days lost**

due to sickness absence per employee] from 5.5 days to 6.5 days per year (1.63 days per quarter); and

- 3. gives consideration to any further recommendations raised at the Environment or Housing Overview and Scrutiny Committees, details of which will follow.**

14. OUTCOME OF O AND S REVIEW: LEISURE CENTRE MANAGEMENT
(Pages 121 - 138)

[Portfolio Holder: Councillor Jenny Else]
[Wards Affected: All Waverley Wards]

A review into the Leisure Centre Management contract was initiated by the Community Overview and Scrutiny Committee in November 2016. Community Wellbeing, Customer Services and Value for Money are corporate priorities for the Council so a review of the Leisure Services Contract was considered an important step to ensuring that the Council is providing appropriate levels of service to its residents. The report attached was considered by the Community Wellbeing O&S Committee in June 2017 and, other than some slight amendments, the Committee fully endorsed the findings of the review. The recommendations arising from the review are detailed in the report for the Executive to consider. Councillors Wyatt Ramsdale and Richard Seaborne will be in attendance at the Executive to provide a short presentation on the outcomes of the review and to answer any questions.

Recommendation

It is recommended that the Executive gives consideration to the recommendations contained within the report and agrees the way forward.

15. ROWLEDGE TENNIS CLUB - GRANT OF NEW LEASE (Pages 139 - 142)

[Portfolio Holder: Councillor Ged Hall, Councillor Kevin Deanus, Councillor Tom Martin]

[Wards Affected: Farnham Wrecclesham and Rowledge]

The report seeks authority to grant a 40 year lease to Rowledge Tennis Club for the two courts and pavilion as shown outlined on the plan annexed.

Recommendation

It is recommended that a new 40 year lease be granted to Rowledge Tennis Club on the terms and conditions set out in the (Exempt) Annexe, with other terms and conditions to be agreed by the Estates and Valuation Manager.

16. EXECUTIVE DIRECTOR'S ACTIONS

To note any urgent action taken by the Executive Director after consultation with the Chairman and Vice-Chairman since the last meeting. The Register of Decisions will be laid on the table half an hour before the meeting.

17. EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation on the motion of the Chairman:-

Recommendation

That, pursuant to Procedure Rule 20, and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item(s) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified at the meeting in the revised Part 1 of Schedule 12A to the Local Government Act 1972.

18. SERVICE REVIEW IN HOUSING OPERATIONS (Pages 143 - 148)

To consider the (Exempt) report, as attached.

19. BUILDING CONTROL OPTIONS APPRAISAL/BUSINESS PLAN (Pages 149 - 192)

To consider the (Exempt) report, as attached.

20. DISCRETIONARY COUNCIL TAX REDUCTION APPEAL (Pages 193 - 198)

To consider the (Exempt) report, as attached.

21. ANY OTHER ISSUES TO BE CONSIDERED IN EXEMPT SESSION

To consider matters (if any) relating to aspects of any reports on this agenda which, it is felt, may need to be considered in Exempt session.

**For further information or assistance, please telephone
Emma McQuillan, Democratic Services Manager, on 01483 523351 or
by email at emma.mcquillan@waverley.gov.uk**

Waverley Borough Council Key Decisions and Forward Programme

This Forward Programme sets out the decisions which the Executive expects to take over forthcoming months and identifies those which are key decisions.

A key decision is a decision to be taken by the Executive which (1) is likely to result in the local authority incurring expenditure or making savings of above £100,000 and/or (2) is significant in terms of its effects on communities living or working in an area comprising two or more wards.

Please direct any enquiries about the Forward Programme to the Democratic Services Manager, Emma McQuillan, at the Council Offices on 01483 523351 or email committees@waverley.gov.uk.

Executive Forward Programme for the period 12 July 2017 onwards

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
POLICY AND GOVERNANCE, HUMAN RESOURCES, BRIGHTWELLS AND LEP CLLR JULIA POTTS (LEADER)						
1. Brightwells [E3]	To bring forward matters when necessary	Executive (and potentially Council)		Potentially each Executive meeting	Kelvin Mills	ENVT
2. Performance Management	Quarterly combined performance report	Executive		October 2017	Louise Norie	ALL
3. Independent Remuneration Panel – Members' Allowances	To receive the report and recommendations of the Panel	Executive and Council		October 2017	Emma McQuillan	CS and VFM
CUSTOMER AND CORPORATE SERVICES – CLLR TOM MARTIN (DEPUTY LEADER)						
1. Property Acquisitions	To bring forward opportunities for approval as they arise	Executive (and potentially Council)		Potentially each Executive meeting	David Allum	CS AND VFM

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
2. Customer Services Review	To review and agree the way forward for Customer Services	Executive and Council	√	September 2017	David Allum	CS AND VFM
PLANNING I – CLLR BRIAN ADAMS						
1. CIL Draft Charging Schedule	To agree the next stage	Executive	√	October 2017	Graham Parrott	ENVT
2. Local Plan Part II – Approval for Regulation 18 Consultation	For approval	Executive and possibly Council		November 2017	Graham Parrott	ENVT
3. Local Plan Part I	For adoption	Executive and Council	√	November 2017	Graham Parrott	ENVT
ECONOMIC DEVELOPMENT – CLLR ANDREW BOLTON						
1. Economic Development Strategy	For approval	Executive and Council		October 2017	Damian Roberts	CS AND VFM
COMMUNITY SERVICES AND COMMUNITY SAFETY – CLLR KEVIN DEANUS						
1. 'Prevent' Counter-Terrorism Strategy	To agree a Strategy and Action Plan	Executive		September 2017	Katie Webb	COMM WELL

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
2. Safeguarding Policy	To review and adopt the policy	Executive		Sept 2017	Kelvin Mills	COMM WELL
3. Joint Enforcement Team (JET) Initiative	To agree next steps	Executive		Sept 2017	Richard Homewood	ENVT
ENVIRONMENT – CLLR JIM EDWARDS						
1. Disabled Parking Charges	To report on the outcome of the Equalities Impact Assessment and recommend a way forward	Executive		September 2017	Richard Homewood	ENVT
HEALTH, WELLBEING AND CULTURE – CLLR JENNY ELSE						
FINANCE – CLLR GED HALL						
1. Budget Management [E3]	Potential for seeking approval for budget variations	Executive (and possibly Council)	√	Potentially every Executive meeting	Peter Vickers	CS AND VFM
HOUSING – CLLR CAROLE KING						
1. Housing Delivery Board [E3]	Potential to approve and adopt policies and make decisions to assist in the delivery of affordable homes in the Borough	Executive (and possibly Council)	√	Potentially every Executive meeting	Andrew Smith	HOUSING

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
2.Partnership with Developers or Housing Associations for new Affordable Homes	Give consideration to matters as they arise to assist in the delivery of affordable homes in the Borough	Executive (and possibly Council)		Potentially every Executive meeting	Andrew Smith	HOUSING
3. Implementing requirements of the Housing and Planning Act 2016	Decisions to implement changes resulting from the Act	Executive (and possibly Council)	√	September 2017	Andrew Smith	HOUSING
4. Homelessness Reduction Bill	To agree a response and budget/grant allocations	Executive		September 2017	Andrew Smith	HOUSING
5. HRA Business Plan Review	To review the business plan as part of the budget process	Executive (and possibly Council)		November 2017	Hugh Wagstaff	HOUSING
6. Review Tenancy Agreements	To agree amendments and the consultation process	Executive		December 2017	Hugh Wagstaff	HOUSING
7. Housing Maintenance Contract Procurement [E3]	To report back on the progress of the project	Executive		January 2018	Hugh Wagstaff	HOUSING
8. Approve Housing Strategy	To adopt the strategy	Executive and Council		February 2018	Andrew Smith	HOUSING
9. Asset Management Strategy [E3]	To adopt the strategy	Executive and Council		February 2018	Hugh Wagstaff	HOUSING

PLANNING II – CLLR CHRIS STOREY

Background Information

The agenda for each Executive meeting will be published at least 5 working days before the meeting and will be available for inspection at the Council Offices and on the Council's Website (www.waverley.gov.uk). This programme gives at least 28 days notice of items before they are considered at a meeting of the Executive and consultation will be undertaken with relevant interested parties and stakeholders where necessary.

Exempt Information - whilst the majority of the Executive's business at the meetings listed in this Plan will be open to the public and press, there will inevitably be some business to be considered which contains confidential, commercially sensitive or personal information which will be discussed in exempt session, i.e. with the press and public excluded. These matters are most commonly human resource decisions relating to individuals such as requests for early or flexible retirements and property matters relating to individual transactions. These may relate to key and non-key decisions. If they are not key decisions, 28 days notice of the likely intention to consider the item in exempt needs to be given.

This is formal notice under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of any of the Executive meetings listed below may be held in private because the agenda and reports or annexes for that meeting contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), and that the public interest in withholding the information outweighs the public interest in disclosing it. Where this applies, the letter [E] will appear after the name of the topic, along with an indication of which exempt paragraph(s) applies, most commonly:

[E1 – Information relating to any individual; E2 – Information which is likely to reveal the identity of an individual; E3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information); E5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings; E7 – Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime].

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11 JULY 2017

Title:

FINANCIAL OUTTURN REPORT 2016/17

[Portfolio Holder: Cllr Ged Hall]

Wards Affected: All]

Summary and purpose:

This report provides a summary of the 2016/17 Revenue Outturn against budget for the General Fund and the Housing Revenue Account. The full Statement of Accounts will be presented for approval by the Audit Committee late July 2017.

How this report relates to the Council's Corporate Priorities:

The monitoring and management of the Council's budgets ensures there is financial control over the services that contribute to the Corporate Priorities.

Resource/Value for Money implications:

This report reviews the position against the budget for the General Fund, the Housing Revenue Account and Capital Programmes. It reviews the progress made on service delivery against the 2016/17 budget.

Legal Implications:

There are no direct legal implications relating to this report.

Introduction

1. This report provides a summary of the 2016/17 General Fund and Housing Revenue Account revenue outturn position and details any major variations from the budget. This report is the final budget monitoring report for the 2016/17 year and builds on the position previously reported to Members through the Budget Management Process.
2. Explanations for variations have been provided in the previous budget management reports. Where a new significant variation has appeared in the outturn, an explanation is provided in this report.

General Fund

3. The **General Fund** outturn for 2016/17 shows an **underspend** of **-£27,000** (-0.2%) on a net budget of £14.3m. A summary of the major variations to budget is provided in Appendix 1, most of which have been explained in previous monitoring reports to Members.

4. Explanations of new variations to budget emerging at outturn are provided below:
 - i. More grant funding for **Supporting People** was received in year than originally budgeted (-£34,000). The security of the funding during budget setting and continuing throughout the year was under question and therefore budgets were set at a prudent level. This remains a concern going forward and will be monitored closely.
 - ii. **Homelessness rent** cost was lower than expected due to successful management and prevention of homelessness (-£41,000). Where possible officers have sought to avoid using expensive B&B accommodation through offering rent deposits and using accommodation from Ethical Lettings.
 - iii. The **refuse and recycling** fourth quarter grant funding from Surrey County Council has been lower than estimated due to lower than expected tonnage (+£23,000).
 - iv. **Street cleaning** cost was higher due to contract variations and additional road cleaning of the A3 and A31 (+£21,000).

General Fund Capital

5. The **General Fund Capital** programme shows an **underspend** of **-£3.2m** on a budget of £9.2m.
6. A number of projects have not yet reached completion and therefore it is requested that **£2.8m** is to be **rescheduled** into 2017/18. A summary on the projects to be rescheduled is shown in Appendix 2.

Housing Revenue Account (HRA)

7. The Housing Revenue Account outturn for 2016/17 shows an **underspend** of **-£22,000** (-0.16%) on a net budget of £13.6m. A summary of variations to budget is provided in Appendix 3, most of which have been explained in previous monitoring reports to Members.
8. Explanations of new variations to budget emerging at outturn are provided below:
 - i. The **responsive repairs** budget came under considerable pressure this year and a number of virements into this budget were required through the year. The budget is demand led and the pressure comes from a combination of additional orders from tenants, the contractor catching up with a backlog of repairs as well as responding to new requests for repairs in a much more timely way. Through close monitoring, demand management and prioritising works this budget which totals £2.4m has underspent at year end (-£23,000).
 - ii. Additional controls that have been put into place this year on the spend of **void repairs** has resulted in an underspend (-£47,000).

- iii. **Cyclical repairs** cost was lower on a budget of £1.4m due to a number of small underspends across a number of streams of work (-£145,000). The underspend is partially due to savings in a boiler maintenance contract due to the installation of new boilers and an initial delay in commissioning asbestos surveys due to data issues (now resolved and on programme).
9. A carry forward to 2017/18 is requested for the remaining £5,000 of the 2016/17 budget of £20,000 for the procurement costs on maintenance contracts.

HRA Capital

Core Capital

10. The **HRA Core Capital** programme has an **underspend** of **-£0.7m** on a budget of £7.6m. This funding will remain in HRA balances and will be available to spend on HRA Core Capital programme in 2017/18.

Stock Remodelling

11. The **HRA Stock Remodelling Capital** programme has an underspend of **-£3.0m** on a budget of £3.6m.
12. A number of projects have not yet reached completion and therefore it is requested that **£2.3m** is to be **rescheduled** into 2017/18. A summary on the projects to be rescheduled is shown in [Appendix 4](#).

New Build

13. The **HRA New Build Capital** programme has an underspend of **-£4.1m** on a budget of £7.1m.
14. A number of projects have not yet reached completion and therefore it is requested that **£3.5m** is to be **rescheduled** into 2017/18. A summary on the projects to be rescheduled is shown in [Appendix 5](#).

Recommendation

It is recommended that the Executive:

1. notes the outturn position on revenue and capital for 2016/17;
2. approves the revenue carry forward to 2017/18 as detailed in paragraph 9; and
3. approves the capital rescheduling to 2017/18 as detailed in Appendix 2, 4 and 5.

Background Papers

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

CONTACT OFFICERS:

Name: Peter Vickers **Telephone:** 01483 523539
E-mail: peter.vickers@waverley.gov.uk

Name: Walter Stockdale **Telephone:** 01483 523106
E-mail: walter.stockdale@waverley.gov.uk

Appendix 1
General Fund: Summary of variations to budget

Service Variations:	(Underspend)/ Overspend £'000
Finance	
Council Tax Support – grant income	(36)
Business Rates – cost of collection	11
Council Tax – cost of collection	22
Rent Allowance and Rent Rebates overpayments recovered	50
Interest on Investments	(25)
Internal Audit Fees – non completion	(21)
Planning	
Building Control – income	124
Building Control – Consultation	10
Development Control – income	123
Development Control – resubmissions and appeals	73
Development Control – Agricultural appraisals	24
Development Control – RTPI training	(15)
Communities	
Leisure Centre – income	(296)
Careline – income	40
Waverley Training Services	81
Countryside – income	30
Housing (General Fund)	
Supporting People – Grant Funding	(34)
Homelessness – Rent	(41)
Environment	
Parking Income	(494)
Conveniences Cleaning – Farncombe reopened	9
Street cleaning	21
Saturday Garden Waste – delayed implementation	6
School parking permits – decision no to implement	20
Contaminated Land	(30)
Refuse and Recycling – returns on collection	23
Refuse and Recycling – Surrey County Council grant funding	23
Textile – income	7
Policy and Governance	
Land Charges	(60)
Licensing	15
Support Service Recharges	
Recharge to Housing Revenue Account	
Other (incl. supplementary estimates)	313
Overspend/(underspend) against budget	(27)

Appendix 2:
General Fund Capital: Summary of projects request to be rescheduled into 2017/18

Project	Reschedule £'000	Comment
Community:		
Leisure Strategy	12	Works underway however not complete at year end.
Riverside	6	Small amount outstanding for final retention amounts due.
Badshot Lea FC	105	Payments been held until lease agreed, this has now been signed so spend will be incurred in 2017/18.
Greenspace	18	Badshot Lea: Ball stop netting at Badshot Lea was delayed while planning permission was sought (£15k). Godalming LC: Pedestrian crossing required retendering (£4k).
HLS	23	Delayed due to seek of commons consent for works on Lammas Lands.
Weydon Lane	8	To be used for monitoring gases after planned works could not be undertaken.
Ditch renovation	18	Works have been committed, however delayed due to wet ground.
Haslemere LC	4	Equipment to be used in 2017/18.
Godalming LC	38	Payments to the Farncome Wanderers Cricket Club have begun now they have achieved full funding, however Waverleys contributions have not yet been fully paid.
Day Centres	11	Delayed due to changes required by fire officer.
Customer & Corporate:		
Web recording equipment	75	The equipment has been tendered for and will be installed in 2017/18.
Orchard Development	22	Delayed but will be undertaken within 2017/18.
Mobile working	18	Works to the value of £31k have been carried out in 2016/17.
Farncombe Day Centre	12	The lease was not yet signed at year end, holding up works.
Keystone	11	Further works are required for the completion of this project.
Ramsnest Flood Alleviation	9	Works were completed after year end.
Frensham Pond Resilience	5	Majority of works carried out and will complete in early 2017/18.
Network upgrade	4	Office 365
Orchard/agrosso interface	2	The majority of works are complete however some small implementation works are still required.
Environment:		
Cranleigh CHP	25	Continuation of boiler replacement works.
Disabled Facilities Grants	119	This is a budget fully funded by the Better Care Fund. To maximise use of this funding officers are working toward new methods of utilising this funding going forward.
Memorial Hall	2,169	Works are ongoing and will complete in the new financial year.
Frensham Common	59	Officers are currently undertaking work to gain the support of the National Trust to progress the scheme in 2017/18.
Urgent schemes	11	No urgent schemes budget provided for in 2017/18.
Total programme	2,784	

Appendix 3:
Housing Revenue Account: Summary of variations to budget

Service Variations:	Outturn 2016/17 (Underspend) /Overspend £'000
INCOME	
Dwelling Rent	
Gross Dwelling Rent income	179
Voids income loss	(18)
Garage Rent	
Gross Garage rents	8
Voids income loss	24
Other Income	
Family Support service	12
Interest on Investments	(25)
Leaseholder recharges	(136)
COSTS	
Maintenance	
Responsive Repairs	(23)
Void Repairs	(47)
Cyclical Repairs	(145)
Management	
Council Tax	(26)
IT upgrades	(26)
Sheltered Units - Utilities	(174)
Backfunded Pension Contributions	(44)
Other Costs	
Historical water charges	160
Change in Contribution to Reserves & Other small items	261
Overspend/(underspend) against budget	(22)

Appendix 4:
Housing Revenue Account Stock Remodelling Capital: Summary of projects request to be rescheduled into 2017/18

Project	Reschedule £'000	Comment
Conversion of Former Staff Accomodation	15	A small amount of works have been carried out in 2016/17, however further works to convert accommodation into lettable dwellings for future income generation are required.
Former Police Houses	7	To enable final works at the Former Police Houses site to be completed.
Ockford Ridge Refurbishment	1,661	The pilot phase is now complete and work is underway on preparing for both Phases 1 and 2.
Community Rooms	613	Officers are seeking planning permission on three properties so it is envisaged that works will be undertaken in 2017/18.
Total programme	2,296	

Appendix 5:
Housing Revenue Account New Build Capital: Summary of projects request to be rescheduled & vired into 2017/18

Current performance against Capital Programme for 2016/17		
Project	Reschedule	Comment
	£'000	
HCA funded scheme for two starter homes	80	All pre-development site investigations now complete but awaiting announcement from Central Government to confirm their requirements, therefore it is requested that £80,000 is rescheduled into 2017/18.
Ockford Ridge	1,418	Procurement process resulted in a change in expenditure profile
Wey Court	735	Procurement process resulted in a change in expenditure profile
Middlefield	263	Awaiting final account in retention period
Bridge Road	222	Awaiting final account, in retention period
Nursery Hill	28	Two stage procurement process resulted in a need to change in budget/expenditure profile
Station Road	45	Within retention period
Ladymead & Hullmead	47	Within retention period
Land adj 75 Sherrydon	66	Procurement process resulted in need to change in budget /expenditure profile
Unapproved Ockford Ridge Sites B & C	141	Work is underway to prepare the sites, however this work continues. Therefore it is requested that the remaining budget of £140,900 is rescheduled into 2017/18
Buybacks of council dwellings	406	A number of buybacks have been processed this year to maintain numbers of council dwellings and enable the Ockford Ridge project. To enable further buy backs to happen it is requested that this budget is rescheduled in 2017/18.
Total programme	3,451	

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11 JULY 2017

Title:

BUDGET REVIEW 2017/18

**[Wards Affected: All]
[Portfolio Holder: Cllr Ged Hall]**

Summary and purpose:

This report sets out the latest position on the Budget Review 2017/18 and the proposed changes to the Medium Term Financial Plan in the light of the Strategic Review and other emerging issues. The Value for Money O&S Committee considered the Financial Plan at its meeting on 26 June and its comments are included in this report. The 2017/18 budget will continue to be reviewed during the year, particularly if any changes are made to the Corporate Plan later in the year and if the new Government make announcements affecting Waverley's finances.

How this report relates to the Council's Corporate Priorities:

The Council could not deliver the Corporate Priorities without a robust Budget in place including the Capital Programme which supports the Council's priorities.

Resource/Value for Money implications:

All decisions made with regard to the Budget will impact on Waverley's resources. The Value for Money O&S Committee will scrutinise any budget decisions on an ongoing basis and pass comments to the Executive.

Legal implications:

There are no direct legal implications as a result of the recommendations of this report.

Introduction

1. This report presents the initial stage of the review of the 2017/2018 Budget and the Council's Medium Term Financial Plan.
2. The Annual Finance Seminar was held on 30 November 2016 for all members of the Council. The seminar set out the key aims of the Finance Strategy and the issues and risks for the next four years. The Medium Term Financial Plan document was updated and approved by Council in February 2017. This document has been reviewed in light of the Strategic Review report and other emerging issues and is included at Annexe 1. The detailed observations from Cratus, who undertook the Strategic review, on Waverley's Financial Strategy in December 2016 are shown in Annexe 2. Significant savings will be required over the next three years in view of ongoing Government Grant reductions and other financial pressures. The Financial Plan approved in February 2016 forecast a General Fund budget shortfall of £3m over the 3 – year period 17/18 to 19/20. The forecast has been updated for the period 18/19 to 20/21 to take account of

the latest budget projections and a budget shortfall of £2.8m is currently forecast for this period. The revised Financial Plan identifies the actions proposed to address this shortfall in the Medium Term. These actions will be developed into a delivery plan over the summer by officers and Members.

Budget Review

3. The review of the budget is an ongoing process and the following key actions will be taken, a number of which are considered in this report:
 - Redraft MTFP document to incorporate Strategic Review observations
 - Set up cross-cutting efficiency board and expand existing strategy to contribute to overall savings target – include systems thinking projects
 - Review budgets in light of revised Corporate Plan
 - Review 17/18 budgets in light of 16/17 outturn including pay
 - Review all capital budgets – check deliverability and align with new priorities
 - Review all reserves, balances and provisions and capital resources
 - Map cash investments to balance sheet and project over next 5 years
 - Model CTax, NHB and Business rates and undertake sensitivity analysis
 - Identify savings/income options for next 5 years including property
 - Review central and support cost allocations
 - Review budget monitoring process including strengthening capital budgeting and monitoring

Funding

4. Waverley accepted the Government's offer of locking in to a 4-year settlement in order to get certainty in its medium term financial planning. As expected, a further reduction was applied to Waverley's grant in 2017/18 on top of the very substantial reductions already made. Waverley's Revenue Support Grant is now just £60,000 in 2017/18 and reduces to zero in 2018/19. Waverley's grant has reduced dramatically over the last 5-years from £3.8m in 2012/13.
5. There is still considerable uncertainty about the 'negative grant' of £800,000 in 2019/20 that the Government notified the Council of earlier in the year. It is hoped that further clarity will be provided by the new Government in the Autumn.

New Homes Bonus

6. The Finance Seminar reported that there was a considerable threat to the future level of payments to be made under the New Homes Bonus (NHB). Government announced its future plans for the NHB alongside the draft finance settlement and the new proposals reduced the 17/18 forecast figure by £650,000 and reduced the forecast figure for the 3-year period 2017-2020 by £3.5million. This is a significant reduction for Waverley and is the result of the Government curtailing payments made in previous years that were promised for 6 years, and from introducing a 'growth threshold' of 0.4% below which NHB is no longer paid.
7. The Financial Strategy currently includes Waverley's policy of New Homes Bonus being earmarked within the Revenue Reserve Fund, to be used for 'Invest-to-Save' schemes, so that the Council does not rely on the New Homes Bonus to support ongoing service provision. It is proposed to change this policy to transfer all New Homes Bonus received into the Investment Fund which is

overseen by the Investment Advisory Board. This will ensure that spending proposals are thoroughly evaluated against approval criteria and will generate a factorable income.

Business Rates

8. Waverley collects £37m of business rates in a year and retains £2m of this to support its General Fund Services. The Government had been developing proposals to change local authority business rate funding but these plans are currently on hold due to the General Election in June 2017. Members will be updated when further details are known and any impact can be assessed.

Council Tax

9. Waverley retains approximately 10% of the council tax collected in the Borough. It is expected that the Government will continue to allow Waverley to increase its council tax by £5 per year on its Band D charge. In the light of the projected budget shortfall in the medium term, it is proposed to have a working assumption of £5 increases for the foreseeable future.

Medium Term General Fund Revenue budget Projections

10. Annexe 3 shows the latest projections of changes to the 2017/18 General Fund revenue budget over the next 3 years and highlights the indicative budget shortfall.

11. *Emerging Budget Pressures in medium-term*

- Pay inflation and pay benchmarking - addressing hard-to-recruit areas.
- Business rates on WBC properties.
- SCC – waste grants/grounds maintenance and other cost-transfers..
- Appeals and Judicial Review costs.
- Retender of waste/street contracts could lead to increased costs.
- Achieving all savings in 17/18 budget.
- Planning and Building Control income must be maintained or increased.
- Information/data management – new strategy requirements require additional resources.

12. *Opportunities*

- Developing ongoing income from property through the Investment Advisory Board.
- Developing a more commercial culture – cost conscious and understanding the business property income eg. Enterprise Centre.
- Apprenticeship levy – maximise credit through training programme.
- Planning fee increase July 2017 – reinvest in planning service to generate future income and reduce costs.
- Procurement – savings from better procurement and commissioning.
- Developing major projects to generate income from Waverley owned assets including South Street Car Park, the Edge Sports Centre, Weyhill Car Park and Farnham Museum.

13. **Risks**

- Inflation – increase in May CPI to 2.9% compared to 0.3% in the same period the previous year.
- Building Control and Waverley Training Services need to revise business plan in the light of 16/17 outturn and new income opportunities.
- Borrowing beyond prudent level to fund capital and property acquisitions.
- Failure to ensure adequate levels of balances to meet known and unforeseen pressures in the future.

General Fund Capital

14. The core funding for the General Fund Capital Programme is from Revenue Contributions via the Revenue Reserve Fund. The Budget proposals include a Contribution to Capital from the Revenue Budget including revenue project costs included in the overall budget. In 2017/2018 this amount is £0.9m. Given the level of rescheduling needed in recent years and the need for certainty in the budget forecast, it is proposed to place a cap of £900k on the reserve funding of the General Fund Capital programme in future years.

15. In the light of the level of underspend and rescheduling of General Fund capital schemes in recent years, it is proposed to implement a new, more rigorous bidding and monitoring process for General Fund capital schemes. This will include:

- A quarterly bidding process including a requirement for delivery milestones and cash flow projections.
- A rolling reserve list of schemes that are over and above the available funding but can be implemented by agreement of the Director of Finance and The Portfolio Holder for Finance if sufficient funds become available in the year.
- Terminating or postponing schemes that are not delivering to agreed timescales in the year and reallocating resources to new or reserve schemes.
- The ability to bid for additional funding for capital spend if a return or cost saving is achieved that meets the Investment Advisory Board criteria.

General Fund Reserves

16. As reported in the Budget report to Council in February 2017 Waverley holds a number of reserves and balances to support the delivery of services going forward. An updated schedule is attached at [Annexe 4](#) This schedule shows that Waverley does not have significant unallocated funding in the medium term. The Investment Fund is projected to grow as new homes bonus funding is transferred in but this will be utilised on developing investment opportunities and acquiring new income-earning assets. Any investment opportunity above this available resource will require borrowing to fund up-front costs. The main risk continues to be that the revenue reserve fund will be required to meet the costs of defending the Council in any appeals or Judicial Review proceedings. In the event that these costs exceed the available funding, the Council will need to divert some of the funding from the Investment Fund.

Housing Revenue Account

17. The Housing Revenue Account was subject to a comprehensive review during 2016 which resulted in a realignment of revenue and capital budgets and funding to meet current demands, this was approved by Council in February 2017. The financial outturn position in 2016/2017 was positive with a relatively small overall underspend against the £30m budget.
18. The HRA capital funding statement, as reported to Council in February 2017 has been revised to reflect actual spend, new approvals and rescheduling. The available capital resources are shown at Annexe 5. This shows that by the end of the 4-year period ending March 2021, there is approximately £16m of unallocated capital funding. This has increased from that reported in February mainly due to significant capital receipts generated from the approved asset disposal programme in 2016/17. Given the ongoing uncertainty about government policy affecting the HRA business plan, in particular the 1% rent reduction and the high value tariff and the need for greater cost certainty on existing capital schemes, it would not be prudent to allocate all of this funding at this stage. However, it is proposed that up to £8m of this funding can be allocated to new build schemes and for the Housing Delivery Board to consider and identify the most appropriate projects to bring forward for approval.
19. The New Homes and Stock Remodelling capital programmes were the subject of a significant amount of rescheduling in the last few years, particularly in 2016/2017, mainly due to budgets not being profiled across years accurately and start on sites on some large schemes being delayed. This budget review process has led to a revised capital programme being prepared which is more realistic and deliverable and this is included at Annexe 6 for approval.

Observations from the Overview and Scrutiny Committee

20. The Value for Money and Customer Service Overview and Scrutiny Committee endorsed the work of the Investment Advisory Board as a good opportunity to generate income, but warned that this should not be over-relied on as a revenue stream.
21. Members expressed concern over the budget shortfall set out at Annexe 3 to the report, particularly in regard to the Negative Government Grant. As the proposed business rate retention scheme had been withdrawn by the Government, the Committee felt that the Negative Government Grant needed to be raised with Waverley's MPs and the Committee recommended that the Executive contact local MPs regarding this matter as a high priority.
22. The Committee was pleased to note the proposals to implement a more rigorous bidding and monitoring process for General Fund Capital schemes. Members expressed concern that slippages within the Capital Programme often only became apparent towards the end of the year when it was too late to substitute other schemes, adding that even small capital projects could have positive effects on communities, leading to good publicity for the Council. The Committee therefore recommended that further investigation be carried out to identify the root cause for slippages within the Capital Programme so that these could be identified sooner, giving the opportunity to substitute other schemes if necessary.

Next Steps

23. As well as developing the delivery plan referred to in paragraph 2, it is proposed that officers run a series of budget awareness sessions in the early Autumn to ensure members are fully informed ahead of the budget process for 2018/19 and beyond.

Recommendation

It is recommended that the Executive:

1. notes the interim budget review process set out in this report and asks officers to report further changes to Members following the review of the Corporate Plan and priorities;
2. approves the updated Medium Term Financial Plan document as attached at Annexe 1;
3. agrees to set up a cross-cutting efficiency group that develops a programme of efficiency reviews and monitors their delivery, overseen by the Strategic Director of Finance and Resources and the Portfolio Holder for Finance;
4. agrees the working assumption of a cap in the annual revenue contribution to the General Fund capital programme of £0.9m;
5. agrees to the implementation of a new, more rigorous bidding and monitoring process for General Fund Capital Schemes, as set out in paragraph 4;
6. approves the transfer of an amount equivalent to the New Homes Bonus funding from the General Fund revenue budget each year to the Investment Fund;
7. notes the HRA capital reserves set out in Annexe 5 and asks the Housing Delivery Board to identify additional capital projects in the next 4-years up to the value of £8m and report back to Council for approval;
8. recommends to the Council that the revised HRA new homes capital programme as set out in Annexe 6 be approved; and
9. asks officers to make arrangements for a series of budget awareness sessions for councillors, to take place in the early Autumn.

Background Papers

Local Government Finance Settlement 2017/18; Financial Strategy 2017/18 – 2019/20; Revenue Budget 2017/18.

CONTACT OFFICERS:

Name: Graeme Clark

Telephone: 01483 523099

Email: graeme.clark@waverley.gov.uk

Name: Peter Vickers

Telephone: 01483 523539

Email: peter.vickers@waverley.gov.uk

Name: Walter Stockdale

Telephone: 01483 523106

Email: walter.stockdale@waverley.gov.uk

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MEDIUM TERM FINANCIAL PLAN

UPDATE – June 2017

2017/18 – 2020/21

FINANCIAL PLAN 2017/18 – 2020/21 WAVERLEY BOROUGH COUNCIL

Introduction

The Medium Term Financial Plan is Waverley's key financial planning document which takes account of all the various factors and influences that may impact on Waverley for the next few years. These factors include economic conditions, Government spending plans, current expenditure patterns, inflation, planned changes to service delivery, changing demand for services, sources of income etc. It also includes an assessment of the risks faced by Waverley.

The Plan includes a forward look over the next four years to anticipate the spending pressures faced by Waverley. Planning now to meet known changes in the future provides greater opportunity to phase in the impact of the changes. Planning for the future will mean that Waverley can ensure sufficient funds are held in balances to be in a position to react swiftly to changing demands and emergencies as priorities or policy demands changes. Anticipating forward pressures at an early stage, helps ensure that limited financial resources are targeted to Waverley's residents' highest priorities.

Strategic Objectives

The objectives of this plan are to:

- Provide a framework for managing resources in medium term.
- Ensure that sufficient resources will be available to meet Waverley's objectives and priorities, particularly in the delivery of value for money.
- Look ahead to the longer term to protect and help plan sustainable services within an extremely challenging external economic and funding environment.
- Strengthen Waverley's financial resilience and manage volatility and risk, including maintaining an adequate level of reserves.
- Secure, maintain and develop Waverley's capital assets consistent with the Asset Management Plan.
- Anticipate financial pressures and identify potential ways to balance Waverley's budget including through efficiency measures and increased income

Delivering The Council's Priorities

The Council's Vision for 2016 -19 is:

To make Waverley a better place to live and work

The role of the council's financial planning process is to support the achievement of Waverley's Strategic Priorities and Corporate Plan.

Waverley has four main priorities that respond to residents' concerns and to ensure the delivery of high quality, cost effective services:

- Customer Service
- Community and Wellbeing
- Environment
- Value for Money

National Context

The problems of demography and caring for an increasing elderly population are well known as are increasing costs of pensions. Further significant reductions in public spending means that this period will continue to be extremely challenging for Waverley. Now, more than ever, Waverley needs to be clear about the priorities and focus on them to guide its decision making process.

Financial Plan - Context

- Continued Government grant cuts – 52% reduction in Revenue Support Grant in 2016/17 and almost complete withdrawal in 2017/18 with negative grant beyond this.
- Funding uncertainty and impact of Comprehensive Spending Review – Waverley's core resource of business rates is being reviewed – early indications are that Waverley's resources will be cut further and additional risk transferred. New Homes Bonus has been significantly reduced under Government reforms
- Government proposals for Housing – 1% rent cut for 4 years and high value forced home sell offs has taken £300million from original forecast resources.
- Challenge to focus resources on Corporate Plan objectives and priorities without impacting on other services.
- Responding to service demands, residents' and tenants' needs and Government legislation eg Homelessness.
- How to achieve further efficiency gains and generate additional income..
- Government restrictions on council tax levels and key income streams.

Financial Projection – General Fund

The latest financial projections for the General Fund are shown in the table at Annexe 3 which show a projected cumulative budget shortfall of £2.8m over the next 3 years after 2017/18.

Reserves and Balances

Waverley holds a number of balances and reserves for a range of specific and general purposes. These amounts must be used for their intended purpose and support Waverley's key objectives.

General Fund and HRA Balance – These balances are to cover variations in budgeted income & spending due to:

- Unexpected price increases
- Unbudgeted calls for spending e.g. major one-off inquiry
- Loss of income if offsetting savings can't be found
- Increased demand for services e.g. homelessness

In the light of major changes to the HRA by the Government which have a significant financial impact on Waverley's business plan, a comprehensive review was undertaken in 2016. The Council agreed a range of measures to balance the HRA revenue and capital budgets in the medium term and these have now been incorporated in the Business Plan.

Key policies are as follows:

- General Fund balances will be maintained at a prudent level of at least £ 3.2 million – This represents approximately 10% of running costs.
- The Housing Revenue Account balance will be maintained at a prudent level of at least £2.0 million.
- Investment Fund to support the Investment Advisory Board to bring forward and oversee property investment opportunities to generate ongoing income.
- Business rate equalisation fund to mitigate the impact of fluctuations and between-year adjustments on the General Fund.
- The Revenue Reserve will be the principal funding source for the General Fund Capital programme, invest to save schemes and one-off items of revenue and capital expenditure including appeal and litigation costs.
- No dependency on reserves or one off uncertain funding sources to fund ongoing services.
- New Homes Bonus will be used to fund one off revenue projects and to support invest-to-save projects.

- Not to consider replacing repaid HRA borrowing until the Government has removed its 1% rent reduction policy.
- Implement and maintain Community Infrastructure Levy in conjunction with the new Local Plan to provide capital infrastructure funding.

Key Financial Plan Actions to address budget shortfall

- Continue the budget challenge process and the Foresight Programme to ensure budgets deliver good value for money and are aligned to Corporate Plan priorities.
- Cross cutting efficiency programme to be developed.
- Deliver the Brightwells regeneration scheme and realise the significant financial, economic and social value of Waverley's asset.
- Maximise income from fees and charges and property
- Develop Waverley's borrowing strategy further for General Fund Capital to enable more investment.
- Optimising return on cash surplus in times of low interest rates, balancing security, liquidity and return.
- Utilise General Fund and HRA asset strategies including disposals and acquisitions, including the Investment Advisory Board programme.
- Review the outcome of the Economic Strategy alongside the emerging Local Plan in relation to Waverley's business rate income.
- Maximise invest to save opportunities to generate income, improve processes and/or make savings.
- Identify further efficiencies under the 'Foresight' Efficiency Plan.
- Secure new funding opportunities to help deliver priority services and projects.
- Model and monitor sensitivities on key budget areas e.g. inflation and interest, council tax and business rates.
- Rigorously test all capital proposals for relevance, timeliness and deliverability.
- Review procurement methods and contracts to identify efficiencies and cost savings including agency staff.
- Achieve social inclusion and providing accessible, affordable services for the Borough's most vulnerable residents.

- Support Service Managers to manage finances effectively.
- Do not progress capital schemes that are not high priority or make an ongoing return.

Equality Impact Assessment

Waverley's Medium Term Financial Plan aims to ensure that the Council can deliver all its services and target its resources on priority areas. These priorities were developed having regard to the Council's approved Equality and Diversity policy. This Strategy recognises Waverley's diverse population and its unique geography and is intended to have a positive impact on the most disadvantaged and vulnerable citizens by focusing resources on providing affordable and accessible services throughout the Borough. It is important that any future service change proposed to support the Financial Plan objectives is considered against Waverley's equality impact assessment.

Cratus Strategic Review

Observations on Waverley's Financial Strategy December 2016

- The changing funding climate for local councils makes it imperative that the MTFP has regard for the impact on business rate income arising from the economic prospects of the borough; the impact on council tax collection and new homes bonus from new housing and the ability of the Council to intervene to achieve increased income streams, as well as direct sources of commercial income to support its revenue spending on services.
- The Council has good financial standing and has been prudently managed. There is a need to improve on the current strategy, linking it to the corporate plan and the wider strategic ambitions for the borough; including a more expansive efficiency programme; focusing on generating income and making provision for investment including the scope and role for borrowing.
- An ambitious vision needs to be underpinned by a sound MTFP so that the Council has the ability to intervene and invest alongside provision of good basic services. The new MTFP needs to move away from an annualised budget process, needs to incorporate a cross-cutting efficiency programme and modernisation of council business processes and needs a focus on growing the income base, including income generation and targeted investment proposals which are in synergy with the new Economic Development Plan.
- The Council should identify and establish a robust efficiency savings programme to support the new MTFP and to streamline business systems and ways of working. The scope to work in partnership with other neighbouring councils or provide a modern working environment should be explored. This may be particularly applicable for services which are under pressure, where the Council finds difficulty in recruiting and retaining staff or where others are known to provide best practice services.
- Waverley can take some comfort in that, although it faces financial challenges, those it faces are similar to many other Local Authorities, particularly District Councils. Nothing emerges from the Financial Accounts, nor from the Budget Strategy and Council Tax setting reports that indicate the Council is in a fundamentally risky financial position compared to other Local Authorities. The Balance Sheet is sound, and the revenue performance against budget, and issues such as pensions liabilities, levels of cash, and debt levels to assets all indicate that generally it is prudently managed. Notwithstanding this it is clear however that the on-going financial strategy requires more specific measures to

address the withdrawal of grant, and the need to reach a broadly self-sustaining position by 2020. Although recognised, these measures are not explicitly addressed beyond broad intentions. This is understandable given the uncertain financial prospects, however there is a need for a more developed set of targeted, strategically led, accountable proposals for the MTFS.

- Although universal “dumb targets” should be avoided, some degree of quantifiable driver should be considered, linking priorities to resource shifts. The objective being a strategy-led budget and MTFS linking to a more focused Corporate Plan. Creating “headroom” in the current financial climate is very difficult, but not impossible given that the budget will need to be balanced in the longer term in any case; therefore consideration should be given to timing the phasing of efficiencies, and reflect this in the MTFS together with a longer term financial prospects element, which will provide a longer term more strategic backdrop for the Corporate Plan (and the Local Plan), and will also serve to show the impact of growth and development initiatives in supporting future sustainability
- A key action identified in the MTFS is to maximise investing to save opportunities and make savings. This needs to be developed more, into a specific delivery programme with sufficient detail to drive proactive delivery and accountability. Joining the dots from this overall aim into specific management activity would help develop organisational focus and expectations. It is fruitless to pursue a detailed MTFS beyond a medium term horizon. However the Financial Strategy should signal “Financial Prospects”. It is fully understood that the future is extremely uncertain. However there will be a range of projects, initiatives and other activities where there will be a longer term view or ambitions. For example capital projects, assets, and assumptions about service continuity and demographics, will have validity beyond a 4 year horizon. Therefore, these assumptions should be played in and potentially reflected into the Corporate Plan and Local Plan, helping to inform and develop longer term growth and investment decisions.

BUDGET REVIEW - JULY 2017

Annexe 3

General Fund Budget Projection

	2018/2019 Variance from 2017/2018 Base budget £000	2019/2020 Variance from 2018/2019 Base budget £000	2020/2021 Variance from 2019/2020 Base budget £000	Total over 3-years Variance from 2017/2018 Base budget £000
Inflation - including pay	400	350	350	1,100
Government grant reduction - £150k transition + £60k RSG	210		0	210
Benefit admin grant	50	50	50	150
Waste funding reduction from SCC/contract cost	300	300	200	800
Grounds maintenance funding reduction from SCC	70			70
Interest on investments	50	50	0	100
Waverley's business rate bill increases	70			70
Negative Government Grant		800		800
New legislation - data management	50			?
Transfer of new burdens from Govt.		100	100	?
Commercial property income - Enterprise Centre	-150	-100	-100	-350
Net reductions from budget realignments	-50			-50
Business rates equalisation - match withdrawal of transition grant	-150			-150
T&P grants - continue policy of gradual reduction	-20	-20	-20	-60
Business rates equalisation fund - restore contribution	100			100
Local plan top-up budget		-80		-80
Building control	60			60
Homelessness	?	?	?	?
Land charges - Government changes	?	?	?	?
Business rates new system			?	?
Estimated budget shortfall	990	1,450	580	2,770
Council tax increase of £5 band D	-260	-260	-260	-780
Commercial property income	?	?	?	?
Fees and charges	?	?	?	?
Brightwells income			?	?

Schedule of Reserves and Balances - Actual and Projected										
General Fund	31/3/2017	2017/18			2018/19			2019/20		
	Balance	In	Out	Balance	In	Out	Balance	In	Out	Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Working Balance	3,200			3,200			3,200			3,200
Non-Earmarked Capital Reserves										
Revenue Reserve Fund (inc NHB) (1)	2,686	1,845	(3,731)	800	900	(900)	800	900	(900)	800
General Fund Capital Receipts (2)	0	700	(700)	0	?		0	?		0
Investment Advisory Board	900	1,000	(900)	1,000	1,500	?	2,500	1,000	?	3,500
	3,586	3,545	(5,331)	1,800	2,400	(900)	3,300	1,900	(900)	4,300
Earmarked Reserves										
Asset Development Reserve	920		(920)	0			0			0
Memorial Hall Reserve (1)	797		(797)	0			0			0
Potential SANG site acquisitions	1,000			1,000		(1,000)	0			0
Renewals Fund (to replace vehicles and equipment)	74		(10)	64			64			64
	2,791	0	(1,727)	1,064	0	(1,000)	64	0	0	64
General Fund Total	9,577	3,545	(7,058)	6,064	2,400	(1,900)	6,564	1,900	(900)	7,564

1 The Memorial Hall project will need to draw £1.5million from the Revenue Reserve Fund in 2017/18 pending receipt of contributions from CNS and sale proceeds of the Pump House, Farnham.

2 Capital Receipts expected in 2017/18 up to £3million for Brightwells disposal.

Schedule of Reserves and Balances - Actual and Projected

Housing Revenue Account	31.3.2017	2017/18			2018/19			2019/20		
	Balance	In	Out	Balance	In	Out	Balance	In	Out	Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Working Balance	2,027		(27)	2,000			2,000			2,000
Total Revenue	2,027	0	(27)	2,000	0	0	2,000	0	0	2,000
Earmarked Reserves										
Revenue Reserve - Core Capital Programme	1,799	4,643	(6,442)	0	4,645	(4,645)	0	3,645	(3,645)	0
Capital Receipts Unapplied	19,775	500	(8,058)	12,218		(3,787)	8,431	500	(500)	8,431
New Affordable Homes	12,277	3,000	(8,058)	7,220	3,000	(4,271)	5,949	3,000	(393)	8,556
Stock Remodelling	7,312		(3,520)	3,792	500	(485)	3,807		(3,750)	57
HCA/External Grants	372	300	(672)	0			0			0
Total Earmarked Reserves	41,535	8,443	(26,749)	23,229	8,145	(13,188)	18,186	7,145	(8,288)	17,043
Housing Revenue Account Total	43,562	8,443	(26,776)	25,229	8,145	(13,188)	20,186	7,145	(8,288)	19,043

Project	Opening Budget 2017/18	Approved Rescheduling from 2016/17	Requested rescheduling (not yet approved)	Current Budget 2017/18	Forecast Outturn	Budget Remaining 2017/18	Reschedule	Saving / (Overspend)	2018/19 Revised Estimate	2019/20 Revised Estimate	2020/21 Revised Estimate
New Affordable Homes Projects											
Development Staff Costs	363,920			363,920	363,920	0			400,000	400,000	
Pre-development costs for 2016/17	83,500			83,500	83,500	61,992			83,500	83,500	
Starter Homes - grant funded			79,849	79,849	79,849	79,849					
COMMITTED DEVELOPMENT SCHEMES											
Ockford Ridge - utility			1,418,275	1,418,275	418,275	417,407	1,000,000		750,000	1,000,000	
Ockford Ridge - Show homes	12,150			12,150	12,150	12,150					
Ockford Ridge - Site A	4,628,440			4,628,440	628,440	583,337	4,000,000		3,650,630	5,360,560	269,920
Ockford Ridge - Site D	1,504,740			1,504,740	2,900,000	2,899,195	-1,395,260		404,740	152,860	
Wey Court, Godalming	2,964,840	1,000,000	734,707	4,699,547	4,171,757	3,670,637	527,790		527,790		
Weyhill, Haslemere		700,000		700,000	0	0	700,000		700,000		
Middlefield, Farnham			262,698	262,698	112,698	112,698		150,000			
Bridge Road, Haslemere			222,386	222,386	72,386	71,594		150,000			
Nursery Hill, Shamley Green	371,030	1,000,000	27,597	1,398,627	1,398,627	1,276,335					
Station Road			44,744	44,744	79,744	59,137		(35,000)			
Ladymead & Hullmead			46,812	46,812	46,812	46,812					
Land adj 75 Sherrydon	347,500		65,845	413,345	348,345	348,345	15,000	50,000	15,000		
OTHER SCHEMES IDENTIFIED BUT NOT APPROVED*											
Chilton Close, Alfold		360,965		360,965	0	0		360,965			
Ockford Ridge - Site B			60,398	60,398	60,398	60,398					
Ockford Ridge - Site C			80,504	80,504	80,504	80,504					
LAND AND ASSET PURCHASE											
Buy Backs			406,500	406,500	541,380	405,714		(134,880)			
Total New Affordable Homes Projects	10,276,120	3,060,965	3,450,315	16,787,400	11,398,785	10,186,104	4,847,530	541,085	6,531,660	6,996,920	269,920
New Affordable Homes Funding											
HRA funding	9,976,120	2,760,965	3,370,466	16,107,551	10,718,936	10,106,255	4,700,000	541,085	6,531,660	6,996,920	269,920
External funding											
- HCA - Wey Court	300,000	300,000		600,000	600,000						
- HCA - starter homes			79,849	79,849	79,849	79,849					
Total Funding	10,276,120	3,060,965	3,450,315	16,787,400	11,398,785	10,186,104	4,700,000	541,085	6,531,660	6,996,920	269,920

Project	Opening Budget 2017/18	Approved Rescheduling from 2016/17	Requested rescheduling (not yet approved)	Current Budget 2017/18	Forecast Outturn	Budget Remaining 2017/18	Reschedule	Saving / (Overspend)	2018/19 Revised Estimate	2019/20 Revised Estimate	2020/21 Revised Estimate
Stock Remodelling											
COMMITTED DEVELOPMENT SCHEMES											
Conversion of former staff accommodation			14,502	14,502	14,502	14,502					
Former Police Houses	9,000		6,881	15,881	15,881	14,224					
Ockford Ridge Refurbishment - pilot			155,368	155,368	155,368	155,368					
Ockford Ridge Refurbishment - Phase 1			750,839	750,839	750,839	747,826					
Ockford Ridge Refurbishment - Phase 2 - external	315,000	800,000	72,928	1,187,928	1,187,928	1,185,328					
Ockford Ridge Refurbishment - Phase 3				0	0	0			485,000		
Ockford Ridge Refurbishment - Future phases			682,569	682,569	0	0	682,569			4,432,569	
OTHER SCHEMES IDENTIFIED BUT NOT APPROVED*											
Community Rooms, Borough Wide			613,034	613,034	613,034	613,034					
Cranleigh Day Centre	50,000	50,000		100,000	50,000	50,000		50,000			
Total Stock Remodelling	374,000	850,000	2,296,121	3,520,121	2,787,552	2,780,283	682,569	50,000	485,000	4,432,569	-
Stock Remodelling Funding											
HRA funding	374,000	850,000	2,296,121	3,520,121	2,787,552	2,780,283	682,569	50,000	485,000	4,432,569	-
External Funding	0	0		0	0	0	0	0	-	-	-
Total Funding	374,000	850,000	2,296,121	3,520,121	2,787,552	2,780,283	682,569	50,000	485,000	4,432,569	-

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11 JULY 2017

Title:

BUDGET MANAGEMENT REPORT

[Portfolio Holder: Cllr Ged Hall]

[Wards Affected: All]

Summary and purpose:

This report provides a review of the 2017/18 budget for the General Fund and the Housing Revenue Account against the forecast to 31 March 2018, based on the latest information available.

How this report relates to the Council's Corporate Priorities:

The monitoring and management of the Council's budgets ensures there is financial control over the services that contribute to the Corporate Priorities. Savings identified can be redirected towards Corporate Priorities or action can be taken to rectify overspends.

Resource/Value for Money implications:

This report reviews the position against the budget to date for the General Fund, the Housing Revenue Account and Capital Programmes. It reviews the progress of service delivery against budget, taking into account 2016/17 outturn implications where necessary, projecting the potential year-end position after the impact of management actions.

Legal Implications:

There are no direct legal implications relating to this report.

Introduction

1. Throughout 2017/18, performance against budget will be monitored on a monthly basis.
2. Financial position reporting will also focus on performance against financial targets such as income, establishment and savings targets. Financial risk is always inherent in service delivery and service managers will be assisted in the identification, evaluation and mitigation of significant risks and these will be reported throughout budget management as necessary.

General Fund

3. The **General Fund** has a net budget of £13.4m in 2017/18 and the latest estimate forecast is to be **on budget** over the year.

4. The budget includes a number of income, savings and growth targets. Updates on the most significant targets are provided below:
- i. **Car parks and disabled parking:**
Upgrades to pay and display machines to accept the new £1 coins have been completed and pay and display machines in the ten busiest car parks have been updated to accept card and contactless payments and the new 'check in – check out' method of payment is being trailed in Cranleigh. Enforcement of the parking charges for Blue Badge holders has been suspended whilst we consult with disability groups and the results of the consultation will be reported to Executive in September 2017. The lining and signing in Meadrow has been completed and should show an increase in income.
 - ii. **Increase in garden waste subscription fees:**
Despite the increase in the annual subscription, there has been an increase in numbers of subscribers from 10,888 in 2016 to 12,058 in 2017.
 - iii. **Saturday garden waste collection services:**
The Saturday garden waste collection services in Godalming and Haslemere were terminated from 1 April 2017.
 - iv. **Revised building control model:**
Building Control financial performance has been under pressure for several years. A business plan to turn the service around is being taken to executive via Overview and scrutiny. This implementation of the plan as soon as possible is required to minimise the impact on this years budget.
 - v. **Investment Advisory Board:**
Since setting the 2017/18 budget, the Council has completed the acquisition of the Enterprise Centre in Farnham, generating net income of approximately £160,000, and it has secured approval to acquire two further properties in Godalming.
 - vi. **Closing of public conveniences**
There has been a delay in closing the public conveniences whilst negotiating with alternative providers and they are now expected to close by early July 2017.
 - vii. **Transfer of The Edge Leisure Centre**
Discussions with an alternative management operator are ongoing and at present are progressing well. The Council now needs to confirm contractual processes from here and liaise with the freeholder, Surrey County Council. It is envisaged that we will be in a position to decide the most appropriate option for managing the centre in the Autumn. If a different management operator is chosen then the notice period will be actioned, this will take the decision beyond October 2017. It should be noted that there will be one-off costs if the contract with PfP is terminated for this centre
 - viii. **Recruitment of Planning Officers and Planning Technicians**
Recruitment is on hold pending the outcome of the Development Control review by a consultant following on from the Strategic Review.

ix. **Procurement Resource**

A Procurement Officer started in early May and good progress is being made on the identification of savings and the coordination of the procurement process.

5. The **Staffing Establishment** cost is forecast to be **on budget** for the year. Staffing turnover and vacancies remain a risk and this is being addressed in a number of ways, including a benchmark exercise on the hard to fill posts. A number of important appointments have been made in recent months and the use of agency staff has reduced by more than a third over the last year.

Business Rate Relief

6. On 1 April 2017, the Government implemented its nationwide revaluation of business premises for the purpose of calculating business rates. Many small businesses benefitted from extensions of the small business rate relief, therefore have not seen an increase in rates payable. However, in March the Government announced that, in recognition of the extent of the resultant increase in bills for some businesses, it would provide £300m for councils across the country to give additional relief for those most affected by the revaluation increase. The £300m is spread over 4 years starting in 2017-18 and the Government set out some broad qualifying criteria, however, they have indicated that it is for individual Councils to set their own detailed criteria. Clearly in doing so, councils need to be mindful of the demand locally and also the administrative burden that the scheme may require.

7. Waverley's share of the £300m is as follows:

2017/18	£493,796
2018/19	£239,844
2019/20	£98,759
2020/21	£14,108

8. The Government launched a consultation in March to help shape the guidance around the scheme but the calling of the general election stalled the issue of the guidance. Whilst the Government has indicated that further guidance will be necessary before individual councils can finalise and operate their schemes, officers are keen to secure approval for the headline criteria and a delegation to finalise and launch the scheme as soon as possible. This will put Waverley in a position to allocated funding to those businesses that have had a significant increase in their rates bill as soon as possible without having to wait for the next Executive meeting in September.
9. The proposed minimum criteria is as follows (which accords to the Government guidance):
- i. Rateable Value **MUST** be less than £200,000
 - ii. The increase (**before reliefs**) is more than 12.5% in 2017/18.

- iii. A signed declaration to accompany all applications confirming any award would not breach state aid rules i.e. that the business would not receive a total of more than 200,000 euros in a three year period for all its businesses receiving support.
 - iv. Documentary evidence of financial hardship to be provided including up to date trading accounts.
 - v. As funding will be limited, applicants should provide a description of the business/service they provide to the Council tax payers of Waverley Borough and an explanation of how this provides a beneficial service to the residents of the borough. This will help target support to those businesses that are most beneficial to the borough.
 - vi. The application form contains a statement informing the applicant that any award is subject to recalculation should circumstances change i.e. rateable value alteration and will be re-assessed at each financial year while the temporary support scheme is in place.
10. It is proposed to consult with Surrey County Council and discuss the final proposals with the Chambers of Commerce. This relief scheme will not have a financial implication for Waverley provided that allocations of relief are kept within the Government funding allocation and provided that the scheme does not require additional resources to administer.
11. In addition to the relief scheme described above, the Government also announced that it expects councils to introduce a rate discount scheme for public houses. Qualifying businesses can get £1,000 off their business rates bill if they're a pub in England with a rateable value of less than £100,000. The relief will be applied from 1 April 2017 to 31 March 2018. The government is still developing this scheme and will confirm the details in due course but, again, officers are keen to secure the Executive's approval as soon as possible so that these discounts can be applied without delay. This scheme will be fully funded by the Government.

General Fund Capital

12. The **General Fund Capital** programme for 2017/18 is £5.5m, including rescheduled spend from 2016/17 and at this stage is **on target** to be delivered this year.

Housing Revenue Account (HRA)

13. The **HRA** contains the day to day running cost of managing the Housing Service such as staff costs and repairs, contributions to the capital programmes and financing costs and totals £30m in 2017/18. The latest forecast does not identify any material deviations from budget in the year.
14. Current staffing levels for domestics at Sheltered Units are not expected to be increased; therefore this budget will not be used in full over the year. A **saving of £13,000** is expected to be achieved by year end.

HRA Capital

Core Capital

15. The **core capital** programme budget for 2017/18 is £6.1m, including rescheduling from 2016/17. A number of capital contracts are due to come to completion in 2019, therefore procurement for these contracts are underway. As work continues some changes to budgets in 2017/18 may be required, however currently officers expect to deliver **to budget**. This will be monitored closely throughout the year.

Stock Remodelling

16. The revised **stock remodelling capital** programme budget for 2017/18 is £2.8m, including rescheduling from 2016/17 and is currently expected to be delivered **to budget**.

New Build

17. The revised **New Build capital** programme budget for 2017/18 is £11.4m, including rescheduling from 2016/17.

Recommendation

It is recommended that the Executive:

1. notes the latest position against budget in 2017/18;
2. approves the criteria for the business rate relief scheme as set out in paragraphs 6 - 10 and the awarding of relief under the Council's discretionary rate relief policy, and delegates the completion of the final detailed scheme, following the receipt of Government guidance, to the Strategic Director of Finance and Resources in consultation with the Finance Portfolio Holder; and
3. approves the award of business rates discounts to public houses as set out in paragraph 6 - 11 under the Council's discretionary rate relief policy.

Background Papers

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

CONTACT OFFICERS:

Name:	Peter Vickers	Telephone:	01483 523539
		E-mail:	peter.vickers@waverley.gov.uk
Name:	Walter Stockdale	Telephone:	01483 523106
		E-mail:	walter.stockdale@waverley.gov.uk

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11 JULY 2017

Title:

SPRINGBOK PLANNING APPLICATION, PUBLIC INQUIRY – REQUEST FOR A SUPPLEMENTARY ESTIMATE

[Portfolio Holder: Cllr Chris Storey]

[Wards Affected: Alfold, Cranleigh Rural and Ellens Green]

Summary and purpose:

On 30 June 2016, the Council, under delegated powers, refused the planning application WA/2015/1381, which related to land at Springbok Estate, Sachel Court Drive, Alfold proposing the construction of up to 400 homes, shop, café, 60 unit independent living care facility and 20 associated bungalows.

The Council has since received an appeal against the refusal of this application, which is to be heard by way of Local Inquiry.

The purpose of this report is, therefore, to request approval for a Supplementary Estimate of £100,000 to pay for legal representation, including Counsel and planning and / or technical consultants, required in order to defend the Council's reasons for refusal.

How this report relates to the Council's Corporate Priorities:

Community Wellbeing

The Council's priority is to secure the wellbeing of its communities through the provision of affordable housing, leisure and recreational facilities, support for older people and vulnerable families as well as support for local businesses.

Environment

Through the planning service, the Council can influence and support the aspirations to protect the character of its towns and villages.

Resource/Value for Money Implications:

The cost to the Council in defending its position to the Secretary of State is expected to be up to £100,000. There is no budget provision for this work and so a supplementary estimate of up to £100,000 is requested.

The cost of defending the Council's position is not recoverable, unless the appellants were to act unreasonably in their approach and actions during the appeal so as to warrant unreasonable costs being incurred by the Council.

In accordance with National Planning Practice Guidance, in refusing an application, a Council must be willing to justify and defend its reasons for refusal in the event a decision is appealed. The Council is, therefore, expected to robustly defend its reasons for refusal at appeal.

The Council would be at risk of costs being awarded against it in the event that it either decided not to defend its decision or failed to provide appropriate evidence to justify the reasons for refusal. This is one of a number of matters that can be considered unreasonable behaviour. The reason being is that this is likely to result in significant wasted cost by an appellant. Inspectors residing over an appeal can, as a result, use their legal powers to make an award of costs where they have found unreasonable behaviour, including in cases where no application for an award of costs has been made by another party. Notwithstanding cost, this could also have a significant detrimental impact upon the reputation of the Council.

So as to avoid the above situation arising, it is important that the Council puts forward its strongest possible case to defend the reasons for refusal and to avoid costs being awarded against the Council.

Legal Implications:

An Inquiry is open to the public and provides for the investigation into, and formal testing of, evidence, usually through the questioning (“cross examination) of expert and other witnesses.. The refused application for planning permission will be scrutinised before an independent Inspector at a Public Inquiry, who will then determine the application.

A bespoke timetable for the Inquiry has been agreed by all parties, and failure to keep to this timetable which has caused another party unnecessary or wasted expense, could result in a claim for costs against the party being upheld.

Considering the scale and importance of the site, experienced counsel and consultants are therefore recommended.

Introduction/Background

1. On 30 June 2016, officers refused the planning application WA/2015/1381, which related to land at Springbok Estate, Sachel Court Drive, Alford. The applications comprised a part full/ part outline application. The full application sought permission for the erection of a building to provide a 60 unit independent living care facility with 20 associated bungalows following demolition of part of existing care home; erection of 125 dwellings including a shop and café; all with community facilities including sports pitches, public open space and associated works; the provision of 2 new accesses, one on the Dunsfold Road and one on the Loxwood Road. Outline application for the erection of up to 275 dwellings, care home and primary school with associated open space.
2. On 27 September 2016, the Council received notification of the appeal and confirmation was provided by the Planning Inspectorate that the appeal would be heard by way of Local Inquiry.

3. It is acknowledged that this report is being presented to Members a significant amount of time after receipt of the appeal. It was initially proposed that funding for this appeal would be taken from the agreed appeal budget. However, in light of the length of the Inquiry, coupled with the legal costs and the need for two expert planning witnesses, there is not sufficient budget to accommodate this. The agreed budget is also required to fund other public Inquiries that are to be considered throughout the year. As such, Members' agreement to Supplementary Estimate is sought.
4. The application was refused for 11 reasons, as set out in the decision notice dated 30 June 2016. The applicants are appealing against these reasons, although some of the decisions may not be pursued in the event that an appropriate legal agreement is secured to secure proposed infrastructure and affordable housing. Nevertheless, the substantive principal matters remain, which the Council must now defend.
5. In defending its position at the Inquiry, the Council will require Counsel for advice during the preparation of the case and to represent the Council throughout the course of the Inquiry. Clearly, the Council will be in the strongest possible position with the benefit of a highly qualified and experienced planning barrister in place to robustly defend the Council's decision to refuse planning permission. It is likely that the Inquiry will last up to 8 days.
6. As well as requiring a barrister, officers are proposing to employ the services of a private planning consultant to represent the Council throughout the inquiry in order to support the demand on staffing capacity that this major Public Inquiry will cause. In addition, it is considered that securing the services of a consultant with experience of high level and complex planning inquiries will be beneficial and appropriate to defend the Council's reasons for refusal.

Recommendation

It is recommended that a supplementary estimate of £100,000 be approved to meet the costs of the Council defending its decision to refuse the planning application at the Springbok Estate, Sachel Court Drive, Alfold, to be met from the Revenue Reserve Fund.

Background Papers

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

CONTACT OFFICER:

Name: Peter Cleveland

Telephone: 01483 523362

Email: peter.cleveland@waverley.gov.uk

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 11 JULY 2017

Title:

CREATION OF A PROPERTY COMPANY

[Portfolio Holder: Cllr Tom Martin]

[Wards Affected: All]

Summary and purpose:

The Investment Advisory Board is exploring the advantages and opportunities that would be offered should the Council set up a property company. Most important amongst these is the ability of a company to pursue opportunities to acquire commercial properties that are beyond the Council's powers i.e. solely for income generation purposes.

The Executive is requested to consider these advantages and the opportunities and challenges such a vehicle might offer and to approve the creation of a company as set out below.

Background

1. The primary objective of the Council's Investment Strategy, and therefore of the Investment Board, is to contribute to offsetting the overall budget deficit. The Council is currently constrained under s.1 of the Localism Act 2011 when it comes to acquiring property for investment purposes.
2. Should the Council wish to do so it has the ability to establish a 'Local Authority Trading Company' via section 95 of the Local Government Act 2003. Such a company would in effect be a subsidiary company of the local authority and as such the shareholder (i.e the Council) would have ultimate control over activity and operational matters).
3. The company as a property vehicle would target a specified minimum return with funding either from loans from the Council or commercial sources. The aim would be to maximise the opportunities within the existing portfolio where there is a clear business case and an acceptable level of risk, and to bring in new opportunities to increase the assets the Council already owns in cases where this falls outside of the Council's legal powers. Every property option would be looked at on its own merits to decide whether to purchase through the Council or the Company dependent upon the business case and legal implications of the opportunity concerned.
4. It is the intention that the company has enough flexibility to acquire and work on a commercial basis across a range of activities if appropriate. This may include joint ventures, special purpose vehicles, operating existing council assets and possibly the development of management agreements.
5. Initially, the focus of the company would be to concentrate on property investment and development work both inside and outside of the Borough which is needed to provide a valuable income stream to the Council. The company would mainly operate in situations where the Council can't or where there is a need to respond more quickly and effectively to market opportunities where the Council is more

disadvantaged by the regulations on decision making which affect speeds of response.

Legal Implications

6. The detailed legal implications are included in the Annexe which was the information reported to the recent Investment Advisory Board Meeting. A summary of the main points is below.
7. An appropriate governance structure will be needed to ensure sound and robust management alongside protection of the Council's financial and reputational investment. The Council as shareholder would control the company and delegate operational matters via a Shareholder's Agreement.
8. The company would be subject to the Local Authorities (Companies) Order 1995. The order sets out regulations that are specific to controlled companies and start from the basis that the public should be aware that the company they are dealing with is controlled by the local authority. It should be noted that the company would be liable to corporation tax in the normal manner on profits, and would need to charge VAT.
9. The Council would also need to consider how the support services required by the company will be contracted out. This would include legal services for property acquisition and accounting services provided by local authority staff (and re-charged to the company).
10. The following documentation is required to complete the establishment of a company and associated governance arrangements.
 - Articles of Association
 - Shareholder Agreement.
 - Loan Agreements
 - Director Appointments
 - Appointment of Company Secretary and an Auditor.
 - Business Plan

Financial Implications

11. The company would need significant funding to purchase property in the open market. Therefore, as well as the council having the powers to form the company it would also need to be able to provide it with the necessary loans (which it can do via the Localism Act 2011 and also s24 of the Local Government Act 1988) and equity funding. The Company would also need working capital and this is likely to be provided by way of short term loans from the council.
12. The creation and operation of a company by a local authority is a complex matter. It is however, an action that a number of other local authorities have taken successfully. To ensure that the council maximises the opportunities from having a company and manager the associated risks effectively to safeguard the council's finances, and it will be necessary to seek specialist advice. This advice will aim to cover Waverley's specific aspirations and include advice on:

- Structure, including subsidiaries if appropriate.
- Tax.
- Raising finance, including borrowing from the Council.
- Support costs and other overheads.
- Investment criteria.
- Further scope for the company's activities in future.

Conclusions

13. The creation of a Company presents opportunities to the Council that could otherwise not be realised. Subject to the Council approving the creation of the company, the following matters will be resolved by the Investment Advisory Board after taking specialist external advice.

- Governance arrangements
- Structure
- Authorisation
- Scope of activity and types of investments
- HRA interface (in particular the use of revenue from disposals to the company for affordable housing)
- On-lending (i.e. any restrictions around the Council's ability to loan money to the company).

14. Subject to the comments of the Overview and Scrutiny Committee, the Council is requested to approve the creation of a company which should be ready to operate in the autumn.

Comments of the VFM Overview and Scrutiny Committee

15. The Value for Money and Customer Service Overview and Scrutiny Committee was supportive of the proposal for creating a property company as it would provide more flexibility for the Council. However Members felt that a clear system of monitoring and reporting needed to be put in place so that the Members could be updated on progress with property acquisitions.

16. It was noted that the matters set out in paragraphs 12 and 13 of the report would be delegated to the Investment Advisory Board for final approval and the Committee requested to have sight of the precise details of this delegation.

Recommendation

It is recommended that:

1. the Overview and Scrutiny Committee be thanked for their consideration and comments;
2. the Council be recommended to create a company as described in this report, after the consideration of detailed legal advice; and
3. the Council agree to delegate the final details of the matters set out in paragraphs 12 and 13 above, in relation to the initial set up of the company, to the Investment Advisory Board, after consideration by the Value for Money and Customer Service Overview and Scrutiny Committee.

CONTACT OFFICER:

Name: David Allum

Telephone: 01483 523338

E-mail: david.allum@waverley.gov.uk

Name: Graeme Clark

Telephone: 01483 523099

E-mail: graeme.clark@waverley.gov.uk

**Creation of a Property Company – Information provided to Investment
Advisory Board May 2017**

1. As previously advised by its external legal advisors, under section 120 of the Local Government Act 1972 the Council may acquire by agreement any land inside or outside its area for the purpose of (a) any of its statutory functions or (b) the benefit, improvement or development of its area.
2. The Council has a number of statutory functions in relation to its financial affairs. For example, sections 25 to 29 of the Local Government Act 2003 impose a statutory responsibility on the Council to set and arrange its affairs to remain within prudential limits for borrowing and capital investment. These provisions also require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year, leaving it to the Council's discretion as to the allowances to be made and action to be taken. In particular, section 28 of the LGA 2003 requires the Council, upon reviewing its budget, to take any action it considers necessary to deal with any deterioration in its financial position.
3. The objective of the Council's Investment Strategy is to offset the budget deficit that has been identified by the Council. To the extent that the purpose of acquiring any property is to deal with the deterioration in the Council's financial position by way of income generation, the Council could rely on section 120 LGA 1972 on the basis that the acquisition is for the purpose of fulfilling its statutory functions. This will need to be documented and it should be explained how an acquisition will specifically help remedy that deterioration.
4. Similarly, when justifying any property investment within its area on the basis of "the benefit, improvement or development of its area", the Council will need to clearly document the specific benefits (economic or otherwise) that the Council area will benefit from as a result of purchasing property.
5. External advice has also confirmed that it is likely the acquisition of the property in order to generate income will constitute an activity for a commercial purpose. The Council will therefore be unable to rely on the general power of competence under s.1 of the Localism Act 2011 in acquiring the property, unless it forms a company for the purposes of property investment. The Council may be able to rely on the section 1 Local Government Act 2003 power to borrow. However, the Council should be mindful that borrowing purely to invest at a profit is likely to be considered unlawful. In order to rely on this power the Council will need to clearly document how the acquisition is for the purpose of the prudent management of its financial affairs, explaining how it forms part of a range of financial management measures and why the acquisition of the Centre is necessary for that purpose. Borrowing under section 1 of the 2003 Act may also be possible

on the basis that the acquisition is for the purpose of dealing with the deterioration of the Council's financial position. Again, this will need to be clearly documented with reasons. When assessing the suitability of the Centre and the acquisition in more detail, the Council should consider whether the acquisition would meet any other statutory functions (for example, development or regeneration duties).

6. The position therefore is that a company is not required in order to invest in property outside of the Borough, provided that the Council can justify the investment as falling within one of the Council's statutory powers, and the most appropriate of these would be the preservation of the Council's financial position.
7. Having said that, should the Council wish to set up a company in order to invest in property, then the Council is able to establish a 'Local Authority Trading Company' (LATC) through the powers in section 95 of the Local Government Act 2003. A local authority is permitted to trade in anything that it is authorised to do under its ordinary functions.
8. Such a company would likely be a controlled company as defined in the Local Government and Housing Act 1989 as it would be a subsidiary company of a local authority and as such the shareholder (the Council) would have ultimate control over the activities and operational matters of the company.
9. Typically, property investment and development acquisitions within the scope of the proposed company are expected to be high, and will include a diverse range of use types. The property vehicle would normally target a specified minimum return with funding from Council's reserves, Public Works Loan Board or commercial sources. The aim would be to maximise the opportunities within the existing portfolio and bring in new opportunities to increase the mixed and balanced portfolio the Council already owns.
10. It is important that the company has enough flexibility to buy considered opportunities and work on a commercial basis. This may include joint ventures, special purpose vehicles and possibly development management agreements. A LATC could enter into and have subsidiary companies to be able to trade effectively in the property market place e.g. special purpose vehicles for particular projects.

Company Structure and Governance

11. The purpose of the company would be to concentrate on property investment and development work both inside and outside of the Borough which is needed to provide a valuable income stream to the Council. Its focus would be on responding more quickly and effectively to market opportunities where the Council is more disadvantaged by the regulations on decision making which affect speeds of response.

12. As a company wholly-owned by the Council, it would be imperative for an appropriate governance structure to be put in place to ensure the sound and robust management of the company alongside protection of the Council's financial and reputational investment in the company.

Shareholder Function

13. The company shareholder would have ultimate control over the company and would control the company in a variety of ways, including the appointment of directors, provision of funding and the Articles of Association, but operational matters could also be included in a Shareholder's Agreement as described below.
14. The most appropriate avenue would be for the Shareholder function of the Council to primarily be executed through a dedicated Sub-Committee of the Executive comprising members appointed by the Leader, with a minimum of three Members. If further appointments were required these will be made by the Leader.
15. The Shareholder will, through a Shareholder Agreement, set out the performance levels required for the company and the tolerances (e.g. financial and decision making) within which the Company may operate.
16. The Council as Shareholder can change the make-up of the Board of Directors and can change the Company Secretary in the same way.
17. The Articles of Association can make provision for the Shareholder to appoint Directors by serving notice in writing to the company and to appoint any other person to be a Director in place of a Director who leaves office by whatever means. This can take immediate effect on service to the Company Secretary.
18. As stated above, the company would be a 'controlled company' as defined by the Local Authority Government and Housing Act 1989 and as a result would be subject to the Local Authorities (Companies) Order 1995. The order sets out regulations that are specific to controlled companies and start from the basis that the public should be aware that the company they are dealing with is controlled by the local authority. The Council must provide information about the affairs of the company to any Member of the local authority as they shall reasonably require for the proper discharge of the Member's responsibilities, and they must also provide information required by the Council's auditors.

Board of Directors

19. The Board of Directors would be responsible for delivery of the expected outcomes within the Business Plan. They would have oversight of the performance, financial and operational management of the company within the parameters agreed with the Shareholder.

20. The Board would usually be comprised of senior Council officers, and whether any Councillors would also be appointed as Directors would be for the Council to decide. Both Officers and Councillors would be unpaid. Some local authorities appoint Councillors onto the Board, but this is not a requirement and there are no hard rules governing this. The Articles of Association would need to be drafted in such a way as to ensure that a Councillor's appointment would terminate should they be disqualified or fail to be returned at an election.
21. Some local authorities have appointed an independent non-executive director to each company, with that director being chairman of the Board. The non-executive director would be remunerated, and would be recruited following an advertisement and interview. This would also bring commercial experience to the Board.
22. A Company Secretary would be appointed but would not be a Director. Many local authorities have appointed their senior legal officer or monitoring officer to this position.
23. The typical areas for the Directors to consider and approve include:
- Specific investment transactions – acquisitions, sales, letting, agreement for leases, surrenders, borrowing and other key transactions.
 - Appointment of service providers – accountants, solicitors, agents, valuers, architects, property managers, and other professionals as deemed appropriate.
 - Reporting – reporting arrangements to an Executive Sub-Committee (annexe 1) and the appropriate Overview and Scrutiny Committee.
24. In making appointments to the Board, the Council would need to be extremely mindful of, and put in place measures to eliminate, any conflicts that could arise between the duties of the statutory Council officers, such as the Section 151 Officer and the Monitoring Officer, in providing their advice to the Council as the Shareholder, and the duties of the Directors to the company.
25. The statutory duties for directors of a company are set out in sections 171 – 177 of the Companies Act 2006. Those duties are, in summary:
- The duty to act within powers
 - The duty to promote the success of the company
 - The duty to exercise independent judgement
26. The Council would need to consider how the support services which will be required by the company will be contracted out to the company. This would include legal services for property acquisition and accounting services provided by local authority staff (and re-charged to the company).

Documentation required to establish a company

27. The following documentation is required to complete the establishment of a LATC and associated governance arrangements.

- Articles of Association – the company constitution setting out the rules governing the running of the company
- Shareholder Agreement – this will be a key document as it will capture how the Council as Shareholder will exercise its control over the Company and the expectations for performance delivery.
- Loan Agreements – these set out the details of the funding arrangements between the Council and the company.
- Director Appointments – the terms upon which Council officers who will be appointed as directors to the Company will need to be agreed.
- Appointment of Company Secretary and an Auditor.
- Business Plan – the business plan would be developed to cover a rolling 20 year period of investment activity and would outline the company's planned operations. The Business Plan would be reviewed and agreed annually and would cover the following:
 - Company objectives (as established in the Shareholder Agreement) but these are expected to develop over time.
 - Governance arrangements - sufficiency of the arrangements and any planned changes to the Board.
 - Operational plans.
 - Financial model and assumptions.
 - Investment strategy.
 - Rents, sales and development assumptions.
 - Distribution Policy – is all trading profit to be returned to the shareholder or is any retained for future investment and/or running capital.
 - Fees, on-costs and tax.
 - Funding profile and sensitivity analysis.

Articles of Association

28. The Articles of Association would be agreed by the Executive Sub-Committee but would likely comprise the following:

- The articles are for a company limited by shares
- There will be one shareholder – the Council
- The liability of the Council is limited to the nominal value of its share
- If a Director ceases to be employed by the Council then he will ordinarily cease to be a Director of the company and a replacement sought
- Quorum for a meeting of the Directors and to be able to vote on the decisions of the company.
- Some decisions can only be taken at a general meeting by the Council as Shareholder. For example, to allocate extra shares, to reappoint the directors, to declare a dividend, to change the articles of association, etc.

- Requirements to sign documents on behalf of the Company
- The Company is obliged to comply with all the requirements that form part of it being a wholly owned subsidiary of a Local Authority.
- The Company needs to make arrangements to have the accounts audited.

Objects

29. Since 2009 most companies do not have objects clauses relying on the fact that the objects of the Company are generally unrestricted. The Company can then reflect the wide powers granted to the Council under the Localism Act 2011 to use a company to do anything commercially that individuals may generally do.

Shareholder Agreement

30. A Shareholder Agreement would operate in addition to the Articles of Association. The Shareholder Agreement would regulate the actions of the company and give rights to the Council that would not be appropriate to be included in the Articles. It represents a finer level of detail and control:

- The setting of investment targets each year and the associated budget
- Approving and / or removing auditors
- Agreement of any borrowing arrangement and giving security in respect of borrowing
- Considerations before making a planning application or lodging an appeal
- Any matter that the Council shall advise the company of in writing.

Tax liability

31. The Company would be liable to corporation tax in the normal manner on profits, and would need to charge VAT.

32. Every property opportunity would be looked at on its own merits to decide whether to purchase through the Council or the Company dependent upon the taxation and legal implications of the opportunity concerned.

Risks

33. Councillors will be concerned to ensure that all risks of operating in a new way have been thoroughly considered.

34. Each acquisition would be considered in the light of investment and development appraisals, the overriding economic conditions prevailing, occupational and investment demand as well as the associated due diligence. These appraisals would be provided to members of the Executive Sub-Committee. Each acquisition would be subject to these assessments as well as the normal legal and survey due diligence required. Therefore each acquisition would be considered in light of this information.

35. Certain checks and balances are built into the above structure so as to ensure that the company operates within agreed parameters and can assure Councillors that there is no greater financial risk to the Council than at present:

- The Articles of Association would set out the powers available to Directors.
- The Shareholder Agreement would set out further controls around dealings with properties.
- The Executive Sub-Committee would hold the Directors accountable for delivery of the business plan. This is no different to the current arrangement whereby officers are held to account by Councillors.
- Funding provided by the Council and properties to be subject to development by the Council would need to be agreed by the Executive Sub-Committee. Funding from the capital programme and/ or funding from prudential borrowing would need to be agreed by Council.
- Any asset transferred to the company by the Council would be subject to the usual requirements of best value and section 123 of the Local Government Act 1972. The Council would need to obtain up-to-date valuation advice before any transaction were to proceed.
- Assets transferred to the company by the Council would also be subject of charge by way of legal mortgage to protect the Council's interests should the company face financial difficulties.
- There will be ongoing liaison (as exists at present) between officers and councillors to ensure there are clear channels of communication and that councillors remain comfortable at all times with proposed deals.
- The Executive Sub-Committee would be scrutinised by the appropriate Overview and Scrutiny Committee in the same way as any other Executive function.
- Any project which poses more of a commercial risk, for instance an out of borough joint venture, can be contained in a subsidiary company (if appropriate) so as not to risk the company. This is a normal way of containing risk in property transactions and it applies here as it would in the general property market
- The company will have its own auditors and will be subject to the requirements of company law and filing at Companies House

State Aid

36. EU regulations ensure that the company could not be subsidised by the Council. This means the Council must recover the costs of any accommodation, goods, services, employees or any other support it supplies to the company. State Aid would also include loans to the company and the rate of interest that loans to the company would need to be charged. This would be reviewed on an ongoing basis. Specialist advice would need to be sought when making acquisitions or receiving loans from the Council in order to ensure that State Aid regulations are complied with.

Company Loan Facilities

37. As set out above the company would seek loans from the Council that comply with State Aid requirements. Loans would include draw-down provisions that meet the need of the business case. Where property acquisitions are made by the company, loans from the Council would be secured against the property by way of a legal charge (or mortgage) in favour of the Council.
38. Loans could be sourced from the Council's capital reserves - where the Council would loan some equity – and/or from the banking sector or through Public Works Loan Board.

Powers to fund the Company

39. The company would need significant funding to purchase property in the open market. Therefore, as well as the Council having the powers to form the company it would also need to be able to provide it with the necessary loan and equity funding.
40. The Council has the power to borrow under the Local Government Act 2003 for the purposes of the prudent management of their financial affairs, or in connection with any of their functions. The borrowing would need to be prudent and comply with the Prudential Code.
41. The Council could borrow monies and in turn support the company through the provision of loans and subscription to share capital. This would be permitted by virtue of the Localism Act 2011. In addition the Council has a power to provide financial assistance to a company providing privately-let accommodation under section 24 of the Local Government Act 1988.
42. Where it were appropriate for the company to develop Council-owned land, the Council would be entitled to dispose of land to the Company provided it complied with Section 123 of the Local Government Act 1972, which is the duty to obtain best value for property disposals.

Procurement

43. In the above circumstances the Council would be establishing the company for a commercial purpose. It would be funded from a variety of sources, including Council money, other public money and private funding. It would be intended that the company would have a commercial character so as not to count as “a body governed by public law” for the purposes of the Public Contract Regulations. This would mean that the requirements of the Regulations would not apply to the company.

Executive Sub-Committee

Background

The Council would establish an Executive Sub-Committee specifically to discharge the functions of the Council as regards its corporate shareholding in the company. The Sub-Committee would meet once a year to receive an annual report and annual accounts from the company, but otherwise meetings would be called on an 'as and when required' basis to deal with company business.

Membership

To be determined by the Leader of the Council from time to time. Only members of the Executive would be able to sit and vote on the Committee. A minimum number of three Executive Members would be needed to undertake the shareholder function. Substitutes would be permitted at the discretion of the Leader.

Purpose

To exercise the function of the Council as a shareholder in relation to the Council's property company.

Remit

To undertake all functions of the Council as a shareholder under the Company Act 2006 in relation to the Council's company, which would include without limitation:

- To determine the Shareholder Agreement between the Council and the company including the Business Plan
- To appoint and dismiss directors of the company (where power is reserved to the Shareholder)
- To agree any Directors' Service Agreements (if required)
- Appointment and removal of a Company Secretary and Auditor
- To agree any Resourcing Agreement between the Council and company for the use of Council staff and facilities and reimbursement for the same
- To agree any loan agreements or draw-down of Council financing (subject to funds being made available by Council)
- To agree any reserved matter required by the Articles of Association or Shareholder Agreement
- To agree the Articles of Association or any amendment thereof.

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11 JULY 2017

Title:

WEYDON LANE FORMER LANDFILL SITE – FUTURE USE AND SITE MANAGEMENT

**[Portfolio Holder: Cllr Jim Edwards]
[Wards Affected: Farnham Firgrove]**

Summary and purpose:

1. The Council has, for some time, been exploring the scope and viability of undertaking works on the former landfill site on Weydon Lane, Farnham to enable greater public use, for example for recreational purposes.
 2. This report updates Members on the situation to date with those investigations, the outcome of the specialist legal advice received in relation to Weydon Lane Sandpit, Farnham and the Memorial Grounds, Crosby Way, Farnham, as part of the feasibility study, the current position and the short to medium term site maintenance issues which need to be addressed.
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How this report relates to the Council's Corporate Priorities:

This report relates to the Council's **Environment** priority; monitoring contaminated land is an important duty that the Council performs.

It also relates to the Council's **Community wellbeing** and **Value for money** priority, the site is an informal dog walking area that is widely used by local dog walkers however management of the site needs to have a sustainable cost.

Financial Implications:

The 2016/17 budget included £50,000 to fund the feasibility study. Approximately £10,000 of this has been spent on obtaining further legal advice.

There was an £8k underspend on the funding provided to the Parks Team in 2016/17 and it is anticipated this would be sufficient for maintenance works required during 2017/18. A request has therefore been submitted for this to be carried forward.

Future costs for managing the site could be significant if major works are required to repair or replace the clay cap for example but it is not possible to predict these at this stage in terms of amount or timescale and there is consequently no budget provision for them.

Legal Implications:

There are wide legal implications and obstacles to overcome based on the specialist legal advice received. The Council would need to ensure that it was not breaching any restrictive covenants on both sites before commencing any works to develop and formalise its leisure and recreational use.

As owner of the Weydon Lane Former Landfill Site, Waverley Borough Council has a duty of care to users of the land. The land was conveyed to Farnham Urban District Council in 1972. The terms of the conveyance deed require that the land should not be used for any purpose "other than that of a recreation ground or public open space".

Introduction

1. The Council has, for some time, been exploring the scope and viability of undertaking works on the former landfill site on Weydon Lane, Farnham to enable greater public use. In January 2015, a Special Interest Group (SIG) was established to assist the Portfolio Holder for the Environment in reviewing future options for the Weydon Lane site. The SIG met on three occasions and considered and consulted on a number of high level options.
2. On 1 March 2016, the Executive approved a supplementary budget of £50,000 for officers to undertake a detailed feasibility study into relocating the Farnham Town Football Club on to the Weydon Lane site and making available their current site for housing.
3. The moving of Farnham Town Football Club would be beneficial for the Club as the current ground has restricted use and access. The relocation of the Club could also allow for the current ground to be developed for much needed housing which in some way finances the upgrade costs for the move to Weydon Lane.
4. Members will be well aware that both of these sites are significantly constrained by complex legal restrictions on their future use by virtue of their trust status and covenants attached to them. Because of these complexities as the first stage of the feasibility study, further external legal advice has been sought in relation to both the Weydon Lane and the Memorial Grounds, Farnham, sites regarding: (i) the nature of the restrictive covenants at each site; (ii) what limitations there are on the Council's ability to grant leases or sell land at each site.
5. This advice confirmed that there are significant legal hurdles and obstacles to overcome and the Council would need to ensure that it was not breaching any restrictive covenants on both sites before commencing any works. The legal advice does however also confirm that these obstacles are not impossible to overcome but that it will be challenging, very costly and could meet significant local opposition. There are also significant legal and financial risks and political implications were the council to proceed with the project.
6. On the basis of this legal advice a range of options were considered and these included:
 - a. Doing nothing – simply maintain the site as required;
 - b. Fence off the boundary at Weydon Lane to prevent unauthorised access;

- c. Continue with the technical feasibility study;
 - d. Continue with the technical feasibility study but concentrate on Weydon Lane only;
 - e. Approach Heineken to release all of the restrictive covenants at the Farnham Memorial Grounds;
 - f. Look at undertaking the feasibility study at a later date, e.g in 2-3 years.
7. The Council faced significant financial cuts to its budget support from Central Government for 2017/18 and as a result major projects planned had to be reviewed as part of the budget process. It was therefore resolved, as part of the Financial Strategy 2017/18 – 2019/20 and General Fund Budget 2017/18 report, that in the light of the significant cuts to Waverley's New Homes Bonus, the progression of all other capital schemes that do not generate a positive revenue benefit be suspended, with this position being reviewed in the Spring/Summer of 2017.
8. On the basis of this Council decision regarding capital funding of projects, proposals for redevelopment of the landfill site cannot currently be progressed and Option F is therefore recommended.

Short to Medium Term Site Maintenance

9. The site will, however still need to be managed in the short to medium term, particularly because, as a closed landfill site, it is still generating landfill gases. The site is not considered to meet the definition of contaminated land as defined under Part II A of the Environmental Protection Act 1990 but as Waverley Borough Council owns the site this management is Waverley's responsibility.
10. A site maintenance and management plan (SMMP) was completed for the site in 2012 and updated in 2014. In order to implement the short term recommendations of the SMMP in 2016 a Dangerous Substances and Explosive Atmospheres Regulations (DSEAR) assessment was completed for the site as well as an updated site assessment report.
11. The 2014 SMMP recommended the following short term measures:
- (i) six rounds of gas & groundwater monitoring over a 3 month period
 - (ii) two rounds of groundwater sampling
 - (iii) surface emission monitoring
 - (iv) lead hotspot delineation and assessment
 - (v) DSEAR (Dangerous Substances and Explosive Atmospheres Regulations 2002) assessment
12. These works are reported in the DSEAR and site assessment reports dated February 2016.
13. These works have now been completed but as a result further additional works have been identified which are estimated to cost up to £8k during 2017/18. These maintenance works will be carried out in line with the Council's contaminated land management plan. There was an £8k underspend on the funding provided to the Parks Team in 2016/17 and a request has been submitted for this to be carried forward.

14. The longer term issues with the site capping as identified in the 2012 report remain. In the interim topographical and visual surveys are monitoring the site for further subsidence or cracking. The site will continue to require monitoring and maintenance into the future. .
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Recommendation

It is recommended that

1. in view of the Council's current financial position and the decision taken by the Council regarding capital projects in the 2017/18 budget, option f, in paragraph 6, be agreed as the way forward; and
 2. the necessary monitoring and maintenance works during 2017/18 be confirmed.
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Background Papers

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

CONTACT OFFICER:

Name: Richard Homewood

Telephone: 01483 523411

Email: richard.homewood@waverley.gov.uk

Name: Aine O'Brien

Telephone: 01483 523479

Email: aine.obrien@waverley.gov.uk

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 11 JULY 2017

Title:

BRIGHTWELLS SITE SECURITY

[Portfolio Holder: Cllr Julia Potts]
[Wards Affected: All Farnham Wards]

Summary and purpose:

The Brightwells site in Farnham is experiencing an increase in anti-social behaviour. In addition to the existing security measures, further urgent actions have been undertaken to address this.

The Executive is requested to approve the arrangements that have been made so that they can continue over the whole of the Summer period.

How this report relates to the Council's Corporate Priorities:

Community Wellbeing and Environment

The Brightwells regeneration project will improve the living environment for local people. Until its completion, the developer will be responsible for ensuring the site is safe. Before the site is handed over to the developer, Waverley is responsible for ensuring the site is as safe as possible.

Value for Money

Anti-social behaviour, property damage and preventing injury related to these problems have the potential to incur substantial costs to the Council. Investing in measures to prevent or reduce these issues represent mitigation against these risks.

Legal Implications

1. The Council needs to ensure that its land and buildings are secure, for a number of reasons. One of the key reasons is in order for the Council to do everything it can to prevent crime and disorder within its area. These proposals seek to achieve that, and are specifically targeted at a period within the year when anti-social behaviour is known to be likely to increase.

Financial Implications

2. The continuation of the security measures will cost an estimated £7,700. This report requests supplementary estimate approval to cover the additional cost.

Background

3. The Redgrave Theatre and Brightwell House have been closed for many years and during this time the buildings have been secured and monitored to ensure the site is water tight and entry is prevented. Since early 2016 the site has been subject to an increasing amount of anti social behaviour (ASB) including breaking and entering. The building is considered unsafe for access, there is asbestos within it and the roof has been damaged as result of forced entry.

4. The Marlborough Head public house was subject to a Compulsory Purchase Order (CPO) as part of the site assembly and enabling works for the Brightwells Scheme. The Pub's ownership passed to Waverley Borough Council on the 1 December 2016. Work was undertaken to secure this site and included boarding windows, the securing of all entrances and the protection of the outside area to restrict access to all areas of the site.
5. As a result of the delays to the Brightwells Scheme created by the Judicial Review challenge, the overall development site has not yet been passed to the developer. Once this has happened it will be part of a secured construction area. Until then, Waverley continues to be responsible for the security of land and buildings within its ownership.
6. On 20 January 2017, Surrey Police attended the site with Council officers and carried out an Environmental Visual Audit (EVA) with a view to reducing the ASB in the area. The recommendations of the audit were subsequently implemented and these included; installing a secure fence line between Brightwell House and Bright House (the former CAB building), cutting back of foliage, affixing extra signage and the securing of bins that were being used as climbing aids. In addition to this a temporary CCTV unit is to be installed at Faulkner Court that will face Brightwell Gardens, the tennis courts and the Southern elevation of Brightwell House.

Current Issues and Actions

7. June 2017 has seen a substantial increase in anti-social behaviour at the site. Breaking and entering has occurred at the Redgrave Theatre/Brightwell House with a more concerted effort than has previously been witnessed.
8. There is a significant risk of these anti-social activities increasing and spreading from the Redgrave Theatre/Brightwell House to other buildings within the Brightwells site such as the Marlborough Head and the former toilet block. As a result urgent action has been taken to put in place a temporary on-site security patrol for the entirety of the site. A security officer from the contracted security company will be on site at priority times 7 days per week.

Conclusions

9. These measures will go a long way in addressing the escalation in anti social behaviour at the Brightwells site and the associated security and safety concerns. These measures will also help mitigate against the additional risks that arise during the longer summer days and as schools start to break up for the summer holidays where seasonal increases in anti-social behaviour occur.

Recommendation

It is recommended that the Executive approves the additional security measures set out in this report, namely daily security patrols during priority times at the Brightwells site, and agrees a supplementary estimate of £7,700 to enable these arrangements to continue until they are reviewed again in mid September 2017.

CONTACT OFFICER:

Name: Damian Roberts
Kelvin Mills

Telephone: 01483 523432
E-mail: damian.roberts@waverley.gov.uk
kelvin.mills@waverley.gov.uk

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WAVERLEY BOROUGH COUNCIL

EXCECUTIVE – 11 JULY 2017

Title:

**PERFORMANCE MANAGEMENT REPORT
QUARTER 4, 2016/17
(JANUARY – MARCH 2017)**

**[Portfolio Holder: Cllr Julia Potts]
[Wards Affected: All]**

Summary and purpose:

This report provides an analysis of the Council's outturn performance for both performance indicators ([Annexe 1](#)) and the 2016/17 Service Plan actions ([Annexe 2](#)).

How this report relates to the Council's Corporate Priorities:

Waverley's Performance Management Framework and the active management of performance information help to ensure that Waverley delivers its Corporate Priorities.

Equality and Diversity Implications:

There are no direct equality and diversity implications in this report. Equality impact assessments are carried out when necessary across the Council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

Resource/Value for Money implications:

There are no resource implications in this report. Active review of Waverley's performance information is an integral part of the corporate performance management process, enabling the Council to improve Value for Money across its services.

Legal Implications:

Some indicators are based on statutory returns which the Council must make to Central Government.

Quarter 4 2016/17 Performance

1. The Performance Indicators for Finance, Strategic HR, Complaints, Communities, Planning, Environmental Services and Housing are set out in [Annexe 1](#).
2. The majority of services have performed well with 24 out of the 38 indicators being on target, 8 being within 5% and 6 being off target by more than 5%.

Value for Money & Customer Service

Finance

3. Quarter 4 has seen a very good performance from Finance with 4 out of 6 indicators meeting their targets. Performance in both the '*time taken to process new housing benefit claims*' [NI 181a] and *change events* [NI 181b] remains steady in the fourth quarter and continues the improvement over the preceding year.
4. The overall performance for the '*percentage of invoices paid within 30 days*' [F3] experienced a small dip of 0.5% which is likely to be the result of the end of year workload increase and takes it slightly below target. '*The percentage of invoices from small/local businesses paid within 10 days*' [F4] has experienced a drop of 5.9% from the previous quarter, but it still exceeds the target by 2.3%.
5. Council tax collected in 2016/17 remains similar to the last two years but non-domestic rates collection rate has seen a slight drop over the last two years from 99.1% in 2014/15 to 98.4% in 2016/17.

Resources

6. The Council's *staff turnover* [HR1] increased from 2.26% in Q3 to 4.67% in the fourth quarter, and represents 21 members of staff leaving employment at Waverley. This data includes all leavers including retirees, voluntary and non-voluntary leavers, but does not include agency staff. No target is set for this indicator. During the same period 30 members of staff were successfully recruited. Over for the year staff turnover in 2016/17 has improved slightly compared with 2015/16.
7. The average number of days lost due to sickness absence per person [HR2] has decreased from 1.94 days in Quarter 3 to 1.89 in Quarter 4, but is still 0.51days outside the challenging target of 1.38 days (5.52 days per annum). Overall, sickness levels for 2016/17 were slightly higher than in 2015/16.

Complaints

8. The number of *Level 3 (Executive Director) and Ombudsman complaints* [M1] has increased from the last quarter from 8 to 15 (15 being an average in the past 5 years). 6 of the complaints concerned Planning, two concerned Housing (anti-social behaviour) and the rest were evenly distributed across all other services. There was also an increase in the *total number of complaints received* [M2] from 112 in Q3 to 140 in Q4. The areas with the largest number of complaints were Planning with a total of 15 (5 – dealing with planning applications, 10 – other reasons) and responsive repairs with a total of 10 complaints against 'action requested not taken'. In 2016/17 there were 29 fewer Level 3 complaints than in 2015/16 but 27 more complaints received overall..
9. The *% of complaints responded to within target times of 10 days Level 1 & 15 days for Level 2 and 3* [M3] increased from 83% in Q3 to 94% in Q4 showing the best performance since March 2011.

Community Wellbeing

Communities

10. The community performance has been very good in Q4 with all 6 indicators exceeding their set targets.
11. Although the '*number of access to Leisure Cards issued*' [CS1] has dropped slightly, the fourth quarter saw a very strong performance across all leisure centres with an increase in '*number of visits*' [CS2,CS3,CS4,CS5,CS6]. All leisure centres performed well above their set target as per the table below:

	Farnham	Cranleigh	Haslemere	The Edge	Godalming
Target	140,000.00	75,000.00	92,000.00	23,000.00	92,000.00
Q4	160,327.00	99,949.00	134,530.00	38,424.00	128,959.00
Performance exceeds target by	14.52%	33.27%	46.23%	67.06%	40.17%

12. '*The number of visits and use of museums*' [CS7] increased in Farnham by 382, however Godalming museum experienced a seasonal drop of 1164. The '*total users of learning activities*' [CS8] in museums is still on the rise due to the popularity of the loan boxes scheme and outreach sessions with schools.

Environment

Planning

13. Only two of the 11 Planning performance indicators were outside their targets in this fourth quarter. The performance on processing major and minor applications, as well as 'other' category remained well within target. Whilst performance on major appeals stayed well within its target, the number of '*planning appeals allowed (cumulative year to date)*' [P2] in Q4 is still 6.7% off target at 36.7%. The number of appeals determined overall, 30, is up slightly from 29 in the previous quarter. In comparing performance from the previous year the number of appeals allowed has dropped from 43.9% to 36.7%.
14. Performance on '*enforcement cases actioned within 12 weeks of receipt*' [P4] has dipped slightly by 4.96%, but it still well within target. Overall in 2016/17 the performance has improved significantly over 2015/16.
15. There were 159 '*affordable homes permitted (homes granted planning permission)*' [P7] in the fourth quarter. 142 permissions in Cranleigh and 17 in Godalming. Overall in 2016/17 846 affordable homes were permitted as compared with 353 in 2015/16.
16. Only 6 affordable homes were delivered in Q4 by all housing providers compared to 14 in the third quarter and overall 29 fewer homes were delivered in 2016/17 than in 2015/16.
17. In Q4 quarter 105 out of 111 Building Control Applications [P8] were checked within the given target of 10 days. Although the performance slightly dipped from the preceding quarter by 3.14%, it remains strongly within the target of 80%. Overall performance has improved in 2016/17 compared to 2015/16.

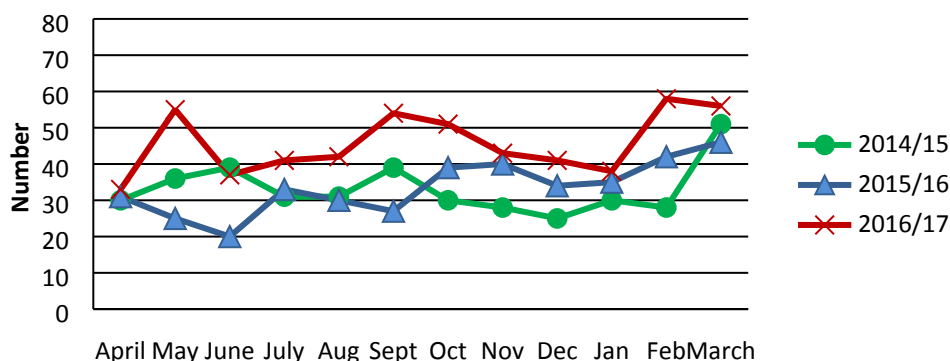
Environmental Services

18. Environmental Services performance has been mixed across the areas with 3 out of 8 indicators meeting targets, 2 being up to 5% off target and the remaining 3 falling

behind the target in excess of 5%. Performance improvement plans are being put in place with the contractors.

19. The *'residual household waste per household (kg)'* [NI191] has increased by 5.30% from the previous quarter and is now at its highest level since Q2 2014/15. The Council allowed collection of excess waste in the post Christmas period impacting overall figures. In January, residual waste was 4.48kg higher per household than average in February and March. Current performance is 12.19% below the very challenging target of 85kg, and the officers are working with Surrey Waste Partnership (SWP) on several publicity initiatives to promote recycling. "Food waste recycling campaign" was started at the end of March, with food recycling guidance labels attached to the general waste bins by contractors, encouraging public to recycle food waste. It is hoped that the campaign will reduce the residual waste in the coming months. Over in 2016/17 the performance was lower than in 2015/16.
20. The *'percentage of household waste sent for reuse, recycling and composting'* [NI 192] dropped by 2.36% to 52.08%, making it slightly below the target set in Q1 2016/17 at 54%. However performance in 2016/17 overall has improved compared with 2015/16 with targets being met in three out of the four quarters.
21. The *'MRF Reject Rate'* [E1] has slightly dipped since Q3 by 0.41% making it miss the target by 0.03%. Overall however, performance was significantly better for the year compared with 2015/16.
22. The *'average number of days to remove fly-tips'* [E2] remained on the target of 2 days in Q4 despite of increase in fly-tipping incidents from 135 in Q3 to 152 in Q4. The consistent performance for this indicator can be linked to efforts in the close monitoring of contractors through regular meetings to ensure the targets are being met.

**Number of Fly Tipping Incidents
2014/15 - 2016/17**



23. The *'percentage of compliance for litter and detritus'* [E3] experienced a significant 14% drop in performance over the previous quarters, due to ground crew supervisor issues. This has been addressed and resolved and an improvement is expected in coming months. Performance in 2016/17 for this indicator is below that of the previous year.
24. The *'average number of missed bins per 104,000 bin collections each week'* [E4], increased from 37 in Q3 to 47 in Q4 and is still above the challenging target set. The rise in number was caused by vehicle breakdown issues during one particular week. Regular meetings are held with contractors to monitor and improve the performance.

25. There was an excellent performance from the Environmental Health inspection team in Q4 with all 'higher risk food premises inspections' [E5] being carried out within 28 days of being due.

Housing (Housing Services)

Housing

26. The Housing service has performed generally well during the fourth quarter. Of the 7 indicators with associated targets, 4 performed on target, 2 were within 5% and 1 was off target by more than 5%.
27. The *time taken to re-let homes* [H2] has lengthened slightly by 1 day from the previous quarter. Performance in this quarter was impacted by a combination of the Christmas period, harder to let sheltered homes and the poor condition of returned homes. The performance on the prevention of homelessness cases and households living in temporary accommodation [H4] has remained steady with only 1 family living in temporary accommodation. They have since been assisted to find private rented accommodation. Waverley homelessness prevention efforts put the authority at number one when benchmarked with other Surrey District Councils with the lowest numbers of cases.
28. All but two annual boiler services and gas safety checks [H6] were undertaken on time in the fourth quarter. The court warrant has been obtained and as of April 2017, all checks have been completed.

Service Plans 2016/17 – Outturn Report

29. Service Plans for the past year are set out at [Annexe 2](#).

Comments from the 'Value for Money and Customer Service', 'Community Wellbeing', 'Environment', 'Housing' O&S Committees

30. The Overview and Scrutiny Committees considered the performance reports at their individual meetings on the:
- 26 June 2017 – Value for Money and Customer Service O&S Committee
 - 27 June 2017 – Community Wellbeing O&S Committee
 - 3 July 2017 – Environment O&S Committee
 - 4 July 2017 – Housing O&S Committee
- and their observations and comments are set out below.
31. Value for Money and Customer Service O&S Committee
The Committee considered how the reporting of performance indicators could be improved going forward. It was felt that the Committee only needed to receive indicators on an exception basis, and it was also suggested that other indicators could be circulated to Members for information outside of the committee environment. Members generally found the trend analysis useful and suggested that this be retained.
32. The Committee noted that while outcome measures were often harder to collect, they would provide a better indication of performance and requested that officers focus on this. In terms of Customer Service, it was agreed that it would be useful to get a baseline of customer satisfaction; suggestions for this included utilising a survey

already conducted by Surrey County Council, including a survey in the 'Your Waverley' magazine or increasing the frequency of the Citizens' Panel survey. Officers agreed to investigate this further and bring back suggestions for establishing a customer satisfaction baseline.

33. Members felt that that there should be a clear link between performance indicators and service plan and corporate plan objectives. The Committee also emphasised the importance of having a consistent approach between all Overview and Scrutiny Committees so as to make the best use of officer time.
34. Having received a report from the Strategic HR Manager on the Workforce Profile, the Committee recommended that the target for HR2 [Average working days lost due to sickness absence per employee] be increased from 5.5 days to 6.5 days (1.63 days per quarter). The Committee also requested to see a similar Workforce Profile report on an annual basis.
35. Community Wellbeing O&S Committee
The Committee considered improvements as to how the reporting of performance could be monitored going forward. The Committee proposed that the quarterly indicators should be received only on an exception basis, and it was also suggested that updates on other performance indicators could be circulated to Members outside of the committee meetings.
36. Any observations from the Environment and Housing O&S Committees will be circulated separately following their meetings on 3 and 4 July, along with any proposed recommendations to the Executive.

Recommendation

It is recommended that the Executive:

1. thanks the Overview and Scrutiny Committees for their observations;
2. approves the target change for HR2 [Average working days lost due to sickness absence per employee] from 5.5 days to 6.5 days per year (1.63 days per quarter); and
3. gives consideration to any further recommendations raised at the Environment or Housing Overview and Scrutiny Committees, details of which will follow.

Background Papers

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

CONTACT OFFICER:

Name: Nora Copping

Telephone: 01483 523465

E-mail: nora.copping@waverley.gov.uk




Name: Louise Norie

Telephone: 01483 523464

E-mail: louise.norie@waverley.gov.uk

Executive Performance Management Report

Quarter 4, 2016/17 (January - March 2017)

RAG Legend		Graph Lines Legend	
On target	Green	Waverley 2016/17 (current year outturn)	
Up to 5% off target	Amber	Waverley Outturn 2015/16 prior year	
More than 5% off target	Red	Waverley Target	
Data not available	Not available		
Data only/ no target/ not due	No target		

CONTACT OFFICER:

Name: Nora Copping

Telephone: 01483 523 465

Email: nora.copping@waverley.gov.uk

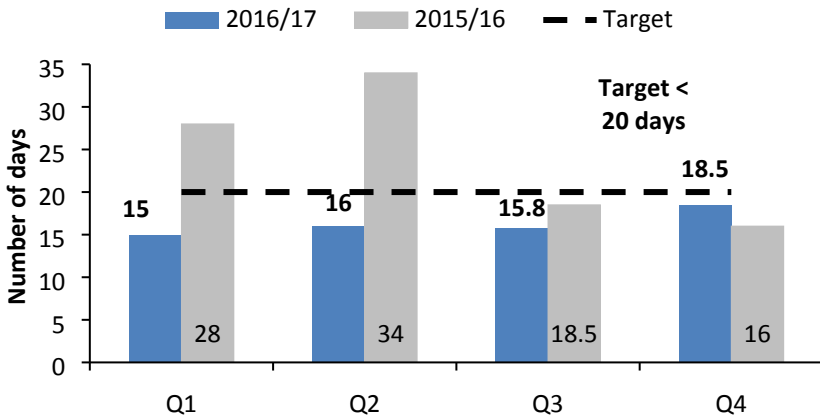
Report date: 22 June 2017

FINANCE

NI 181a Time taken to process Housing Benefit support new claims

GREEN

Time taken to process Housing Benefit (lower outturn is better)



Quarte	2016/1	2015/1	Targe
Q1	15	28	20
Q2	16	34	20
Q3	15.8	18.5	20
Q4	18.5	16	20

Comments

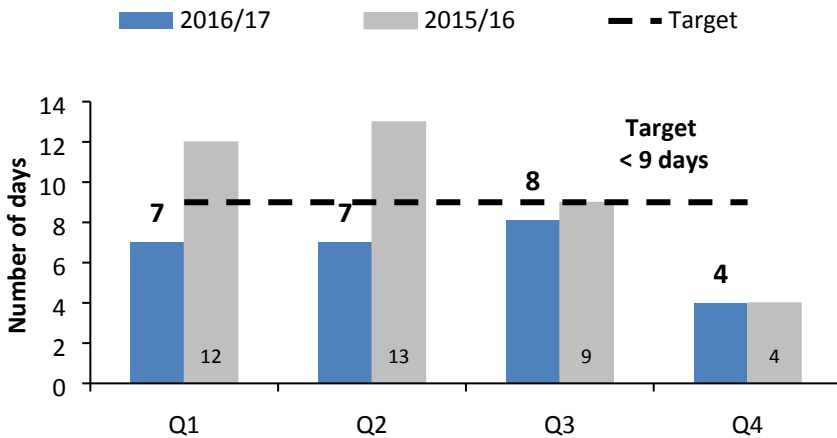
'Change processing time' has slightly increased in Q4 by 2.7 days due to the end of year workload increase and processing of yearly pension statements , however it is still on target.

FINANCE

NI 181b Time taken to process Housing Benefit change events

GREEN

Time taken to process HB support change events (lower outturn is better)



Quarter	2016/17	2015/16	Target
Q1	7	12	9
Q2	7	13	9
Q3	8	9	9
Q4	4	4	9

Comments

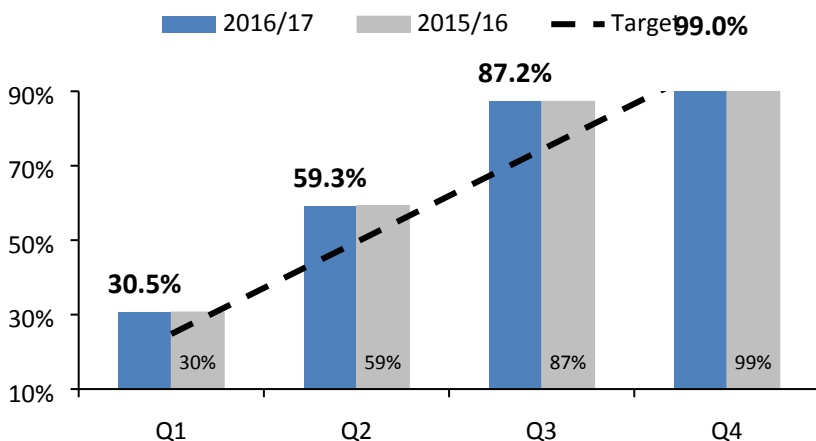
The increase in performance reflects the large number of change events being processed in February caused by the annual pension statement update. This only takes one day to process thus bringing down the overall average.

FINANCE

F1: Percentage of Council Tax collected

GREEN

% of Council Tax collected (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	30.5%	30.7%	24.8%
Q2	59.0%	59.3%	49.5%
Q3	87.2%	87.3%	74.3%
Q4	99.0%	99.1%	99.0%

Comments

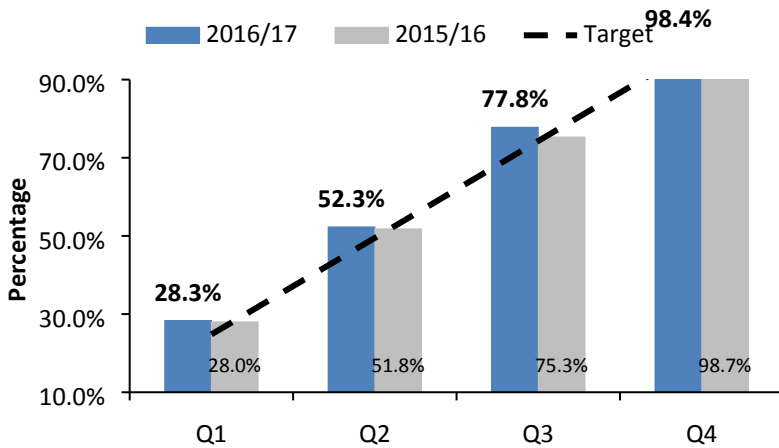
Council Tax collection for the fourth quarter has reached the target and is similar to the corresponding quarter last year.

FINANCE

F2: Percentage of non-domestic rates collected

AMBER

% of non domestic rates collected (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	28.3%	28.0%	24.8%
Q2	52.3%	51.8%	49.5%
Q3	77.8%	75.3%	74.3%
Q4	98.4%	98.7%	99.0%

Comments

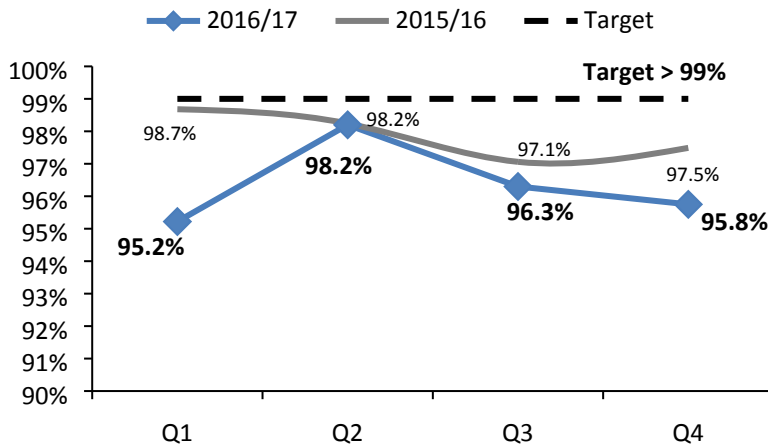
Fourth quarter collection rates were 0.6% off target due to a high volume of work and staff shortages. Staff levels are now back to normal.

FINANCE

F3: Percentage of invoices paid within 30 days

AMBER

% of invoices paid within 30 days (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	95.2%	98.7%	99%
Q2	98.2%	98.2%	99%
Q3	96.3%	97.1%	99%
Q4	95.8%	97.5%	99%

Comments

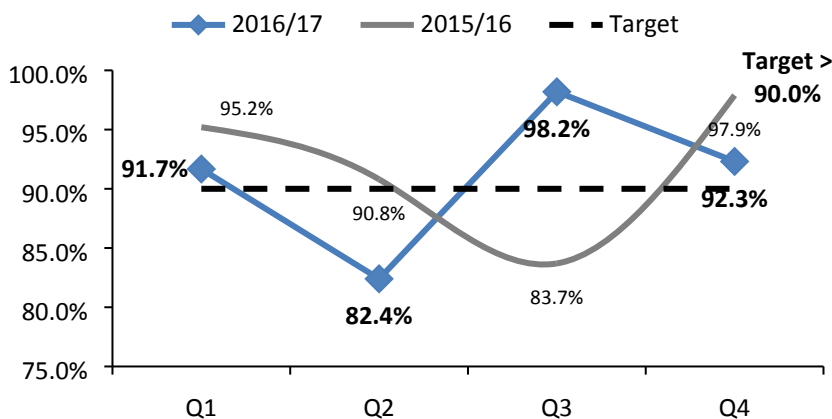
The overall performance in Q4 has dropped slightly by 0.5% as a result of the end of year workload increase. It still remains slightly outside the target. The criteria for this indicator will change in 2017/18 to pay invoices in accordance with supplier terms.

FINANCE

F4: Percentage of invoices from small/local businesses paid within 10 days

GREEN

% of invoices from small/ local businesses paid within 10 days (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	91.7%	95.2%	90.0%
Q2	82.4%	90.8%	90.0%
Q3	98.2%	83.7%	90.0%
Q4	92.3%	97.9%	90.0%

Comments

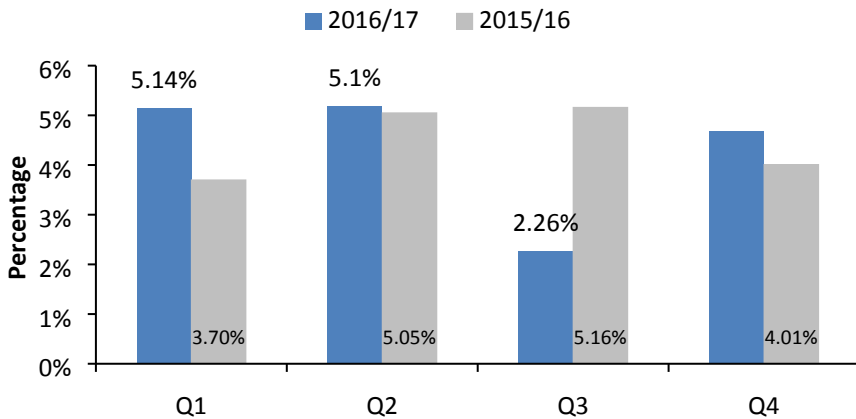
Of the 39 invoices in this category only 3 missed the target. The overall performance still remains within the target of 90%. As a comparison in Q3 8 out of 441 invoices missed their target.

RESOURCES

HR1: Staff turnover – all leavers as a percentage of the average number of staff in period

No target

Staff turnover - all leavers as a percentage of the average number of staff in a period



Quarter	2016/17	2015/16
Q1	5.14%	3.7%
Q2	5.18%	5.05%
Q3	2.26%	5.16%
Q4	4.67%	4.01%

Comments

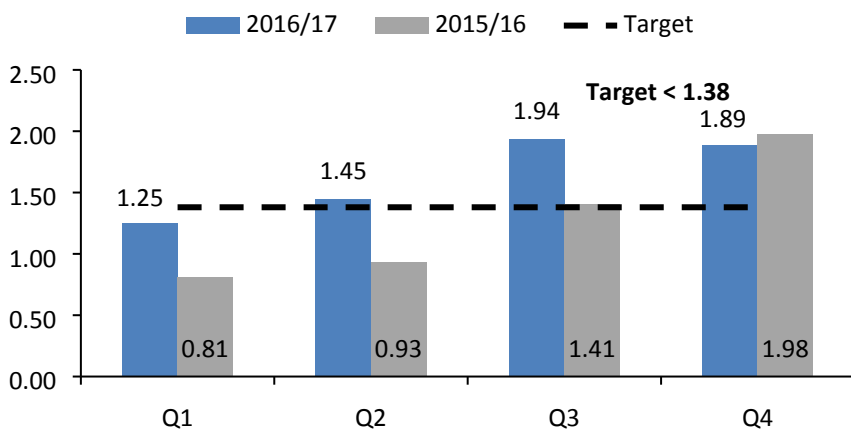
Staff turnover has increased since last quarter but it is still within the average trend in recent years. 21 members of staff left in the quarter and 30 joined in the same period.

RESOURCES

HR2: Average working days lost due to sickness absence per employee

RED

Working days lost due to sickness absence (lower outturn is better)



Quarter	2016/17	2015/16	Target
Q1	1.25	0.81	1.38
Q2	1.45	0.93	1.38
Q3	1.94	1.41	1.38
Q4	1.89	1.98	1.38

Comments

The average number of days lost due to sickness absence per person has improved slightly from last quarter but is still 0.51 days outside the challenging target of 1.38 days. This target is being reviewed for 2017/18.

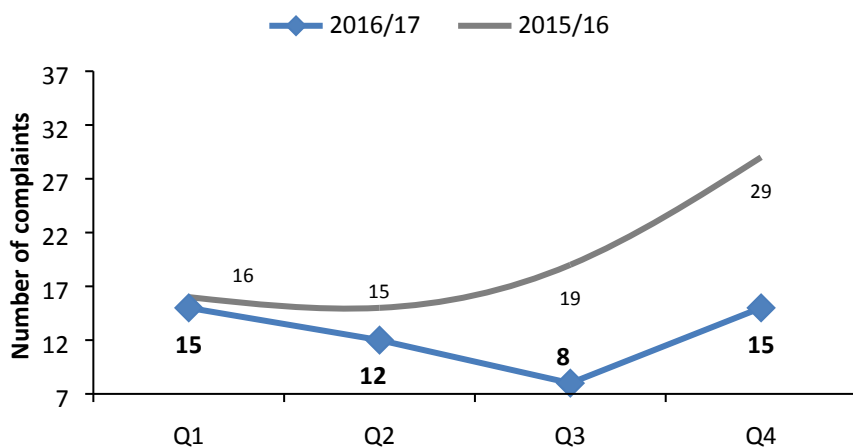
COMPLAINTS

COMPLAINTS

M1: Number of Level 3 (Exec Dir) and Ombudsman Complaints received

No target

Number of Level 3 (CEX) and Ombudsman complaints received



Quarter	2016/17	2015/16
Q1	15	16
Q2	12	15
Q3	8	19
Q4	15	29

Comments

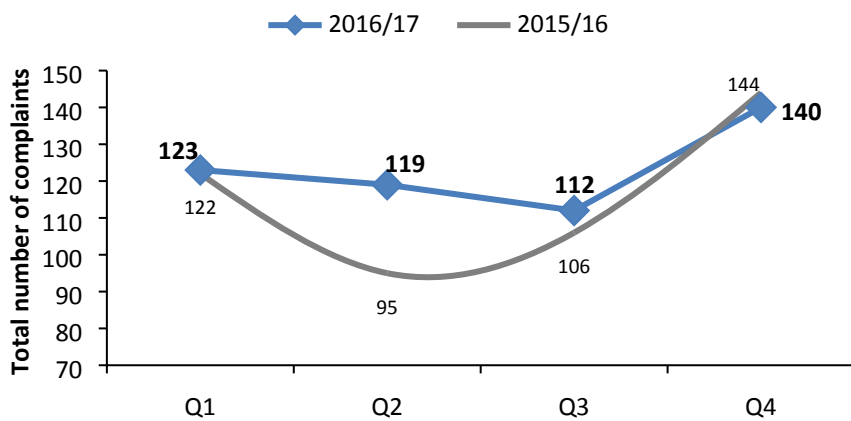
After an exceptionally low number of Level 3 complaints in Q3, Q4 figures return to what is an average figure for the past 5 years which is 15.

COMPLAINTS

M2: Total number of complaints received

No target

Total number of complaints received



Quarter	2016/17	2015/16
Q1	123	122
Q2	119	95
Q3	112	106
Q4	140	144

Comments

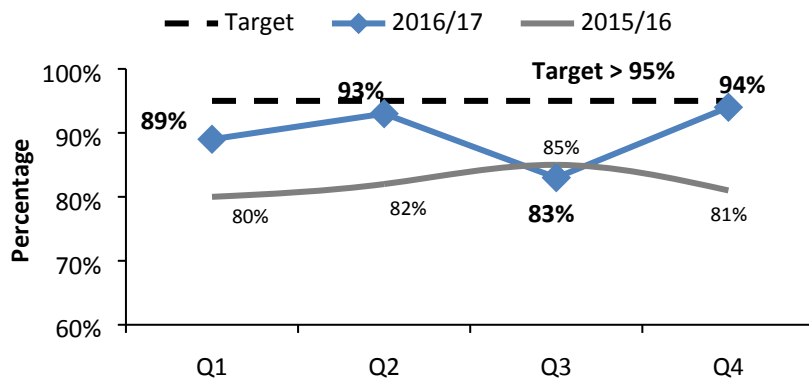
The number of complaints has increased but remains lower than the corresponding quarter last year. The highest numbers of complaints were in the Planning and Housing service areas.

COMPLAINTS

M3: % of complaints responded to within target times of 10 days Level 1 & 15 days for Level 2 and 3

AMBER

% of complaints responded to within WBC target times of Level 1 (10 days) and Level 2,3 (15 days) (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	89%	80%	95%
Q2	93%	82%	95%
Q3	83%	85%	95%
Q4	94%	81%	95%

Comments

The performance has improved by 11% from previous quarter and is at its best since March 2011. The introduction of the new database to monitor performance on complaints may have resulted in an added impetus improve turn around times.

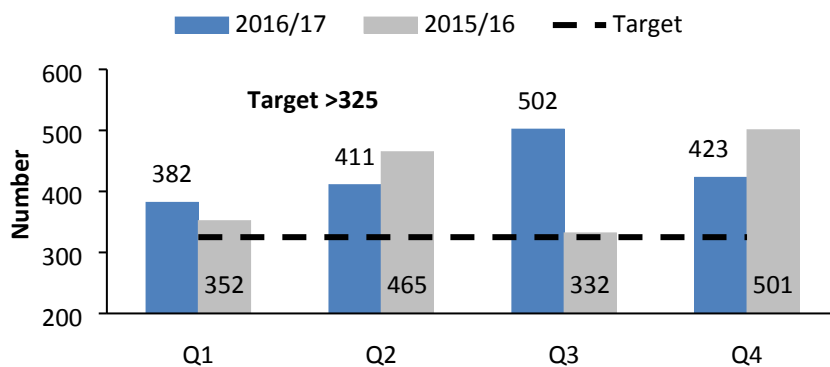
COMMUNITY SERVICES

COMMUNITY SERVICES

CS1: Number of Access to Leisure Cards issued

GREEN

Number of Access to Leisure Cards issued (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	382	352	325
Q2	411	465	325
Q3	502	332	325
Q4	423	501	325

Comments

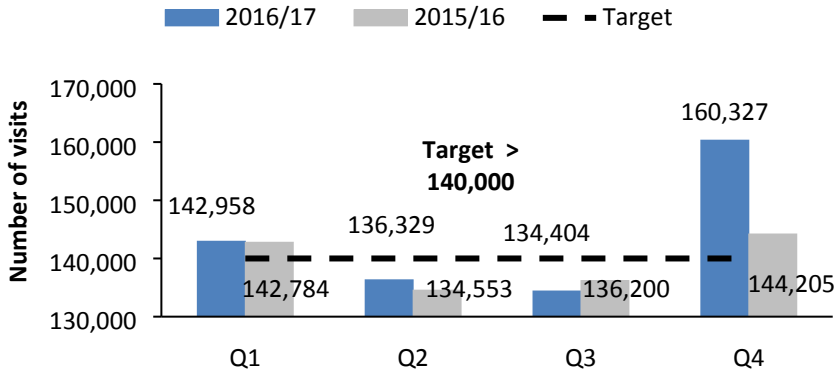
The fourth quarter figure shows a drop in the number of cards issued since the previous quarter, but the performance still exceeds the target by 30.16%.

COMMUNITY SERVICES

CS2: Number of Visits to Farnham Leisure Centre

GREEN

Number of visits to Farnham Leisure Centre (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	142,958	142,784	140,000
Q2	136,329	134,553	140,000
Q3	134,404	136,200	140,000
Q4	160,327	144,205	140,000

Comments

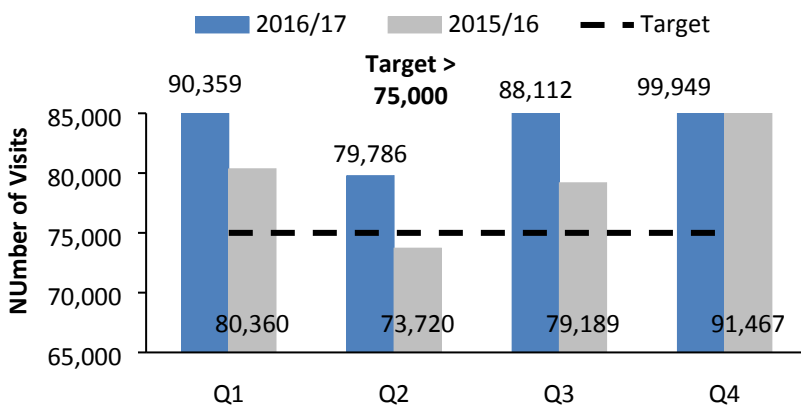
Q4 figures show a great improvement of 25,923 visits from previous quarter, exceeding the target by 14.52% .

COMMUNITY SERVICES

CS3: Number of Visits to Cranleigh Leisure Centre

GREEN

Number of visits to Cranleigh Leisure Centre (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	90,359	80,360	75,000
Q2	79,786	73,720	75,000
Q3	88,112	79,189	75,000
Q4	99,949	91,467	75,000

Comments

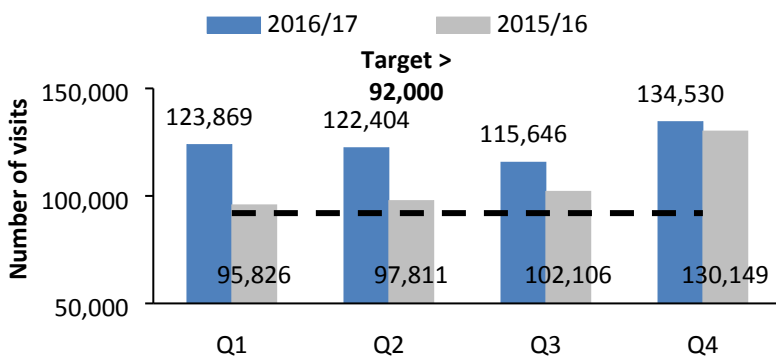
Performance in the fourth quarter has improved from Q3 by 11,837 visits and exceeds the given target by over 33.26%.

COMMUNITY SERVICES

CS4: Number of visits to Haslemere Leisure Centre

GREEN

Number of visits to Haslemere Leisure Centre (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	123,869	95,826	92,000
Q2	122,404	97,811	92,000
Q3	115,646	102,106	92,000
Q4	134,530	130,149	92,000

Comments

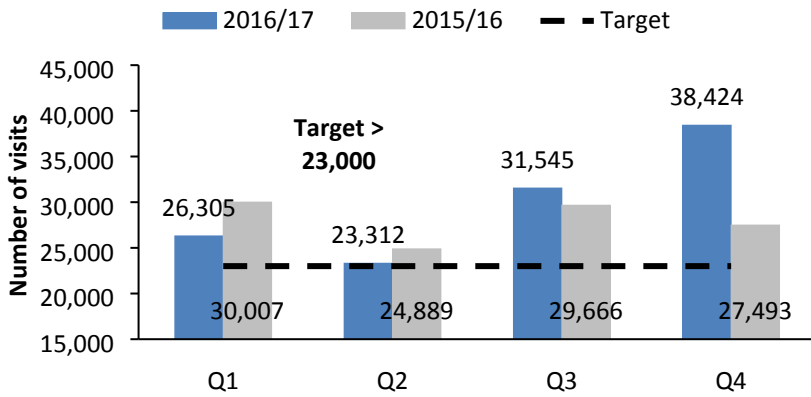
Performance continues to exceed the target in Q4 by over 46.22% and the number of visits has increased by 18,884 from the previous quarter.

COMMUNITY SERVICES

CS5: Number of Visits to The Edge Leisure Centre

GREEN

**Number of visits to the Edge Leisure Centre
(higher outturn is better)**



Quarter	2016/17	2015/16	Target
Q1	26,305	30,007	23,000
Q2	23,312	24,889	23,000
Q3	31,545	29,666	23,000
Q4	38,424	27,493	23,000

Comments

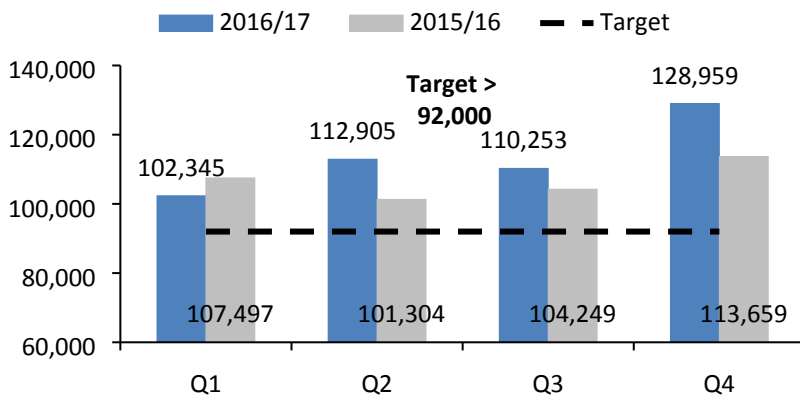
Performance in the fourth quarter has improved by 6,879 visits from quarter 3 and exceeds the given target by over 67.06%.

COMMUNITY SERVICES

CS6: Number of Visits to Godalming Leisure Centre

GREEN

**Number of visits to Godalming Leisure Centre
(higher outturn is better)**



Quarter	2016/17	2015/16	Target
Q1	114,759	107,497	92,000
Q2	112,911	101,304	92,000
Q3	110,253	104,249	92,000
Q4	128,959	113,659	92,000

Comments

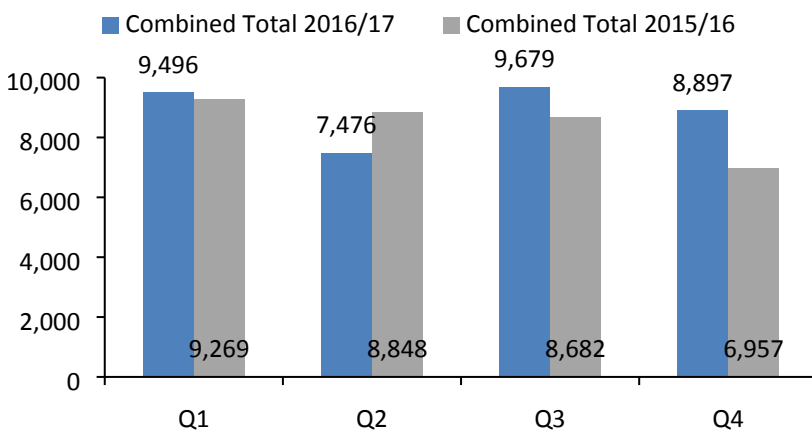
The number of visits in the fourth quarter has increased by 18,706 from Q3 and exceeds the target by over 40.17%.

COMMUNITY SERVICES

CS7: Total number of visits to and use of museums

No target

The number of visits and use of museums - Combined



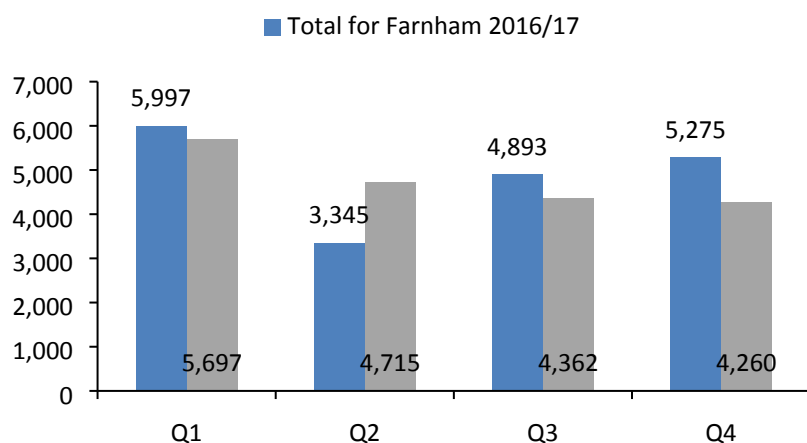
Quarter	Combined Total 2016/17	Combined Total 2015/16
Q1	9,496	9,269
Q2	7,476	8,848
Q3	9,679	8,682
Q4	8,897	6,957

Comments

The figures for quarter 4 show a drop of 782 visits and use from Q3, with an improvement in the number in Farnham (+382) and a drop in numbers for Godalming (-1164).

Farnham

The number of visits and use of museums - Farnham

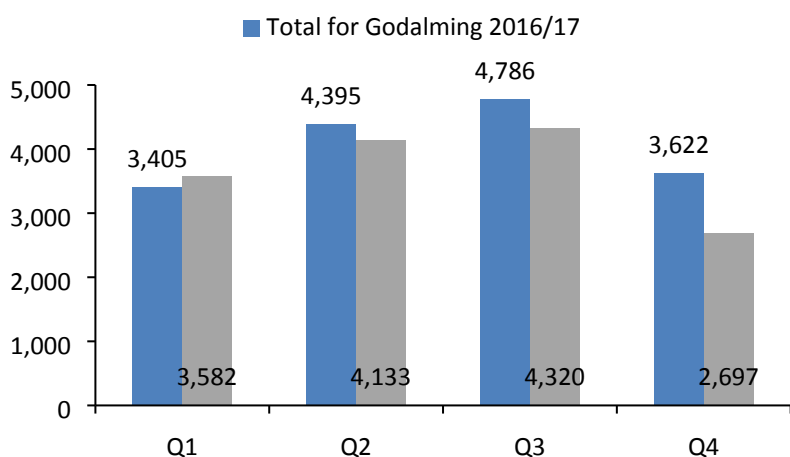


Comments

There continues to be a gradual improvement to the numbers making use of school services, thanks to increased staffing and better administration, which has enabled the museum to take more bookings. The use of loans boxes and outreach sessions have in particular seen a marked improvement, having suffered after the loss of the Education Officer in 2014. The benefits of splitting the education role into two parts, delivery and planning, has enabled more outreach sessions to be delivered. An increase in planning and development is beginning to result in increased bookings, better feedback, a wider variety of sessions and a higher quality.

Godalming

The number of visits and use of museums - Godalming



Comments

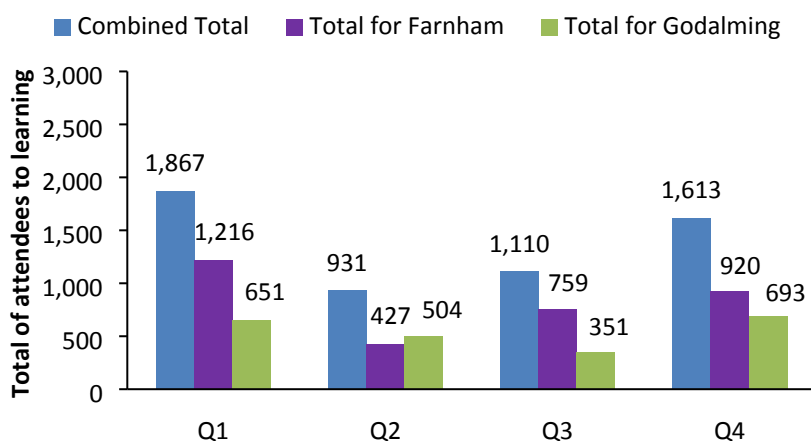
The figures for quarter 4 show a seasonal drop with January being the quietest month for the museum. However this performance is significantly better (by 925) than the equivalent quarter in the previous year. The museum is running ongoing marketing campaigns to encourage visitors and there are also plans for the year ahead to refurbish one of the galleries.

COMMUNITY SERVICES

CS8: Total users of learning activities (number of attendees to on-site and off-site learning activities)

No target

Total attendees to on-site/off-site learning activities



Quarter	Combined Total 2016/17	Total for Farnham 2016/17	Total for Godalming 2016/17
Q1	1,867	1,216	651
Q2	931	427	504
Q3	1,110	759	351
Q4	1,613	920	693

Comments

The total number of learning activities continues to increase, due to the growing popularity of loan boxes scheme and outreach sessions with schools.

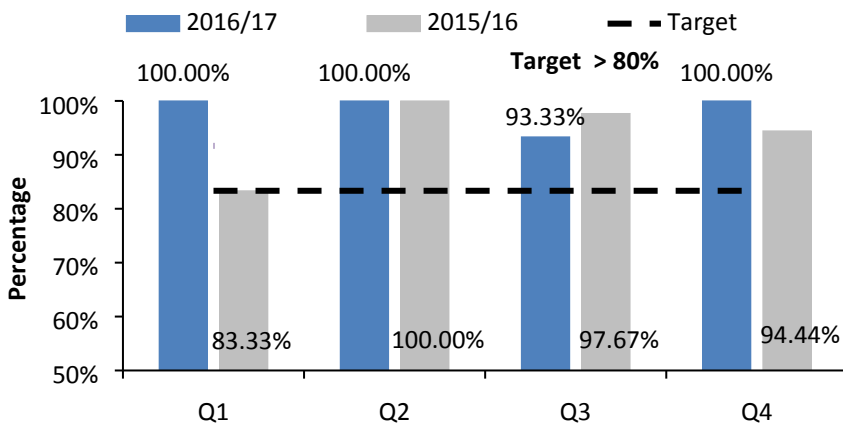
PLANNING

PLANNING:

NI157a: Processing of planning applications: Major applications - % determined within 13 weeks

GREEN

Major applications: % determined in 13 weeks (national indicator) (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	100.00%	83.33%	80%
Q2	100.00%	100.00%	80%
Q3	93.33%	97.67%	80%
Q4	100.00%	94.44%	80%

Comments

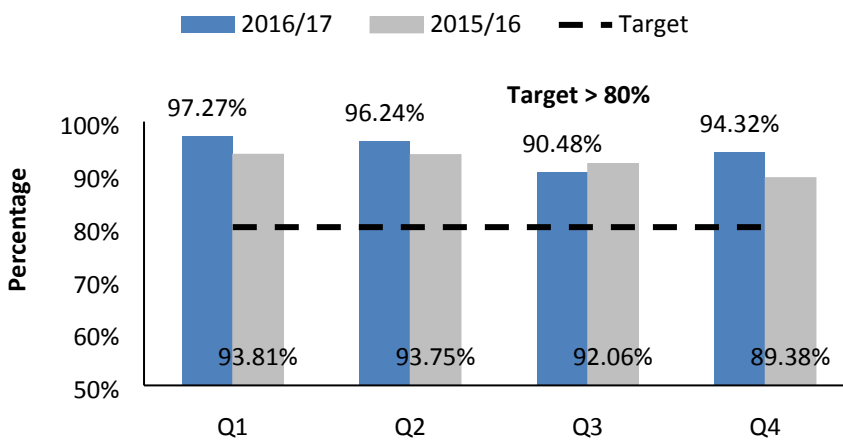
The target for this indicator was increased from 75% to 80% for 2016/2017. Performance continues to exceed target, the fourth quarter saw 16 out of 16 applications determined within 13 weeks.

PLANNING:

NI157b: Processing of planning applications: Minor applications - % determined within 8 weeks

GREEN

Minor applications: % determined in 8 weeks (national indicator) (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	97.27%	93.81%	80%
Q2	96.24%	93.75%	80%
Q3	90.48%	92.06%	80%
Q4	94.32%	89.38%	80%

Comments

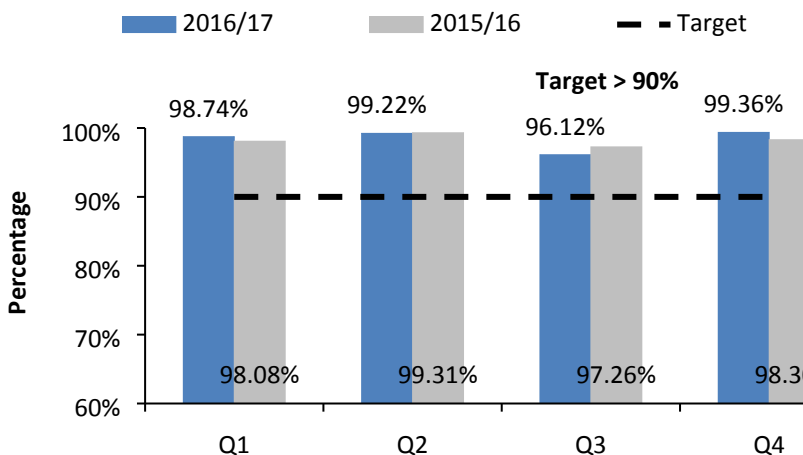
In the fourth quarter 83 out of 88 minor applications were determined within the given timescale of 8 weeks. Performance has slightly increased, and is 14.32% above the target of 80%.

PLANNING

NI157c: Processing of planning applications: Other applications - % determined within 8 weeks

GREEN

Other applications: % determined within 8 weeks (national indicator) (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	98.74%	98.08%	90%
Q2	99.22%	99.31%	90%
Q3	96.12%	97.26%	90%
Q4	99.36%	98.30%	90%

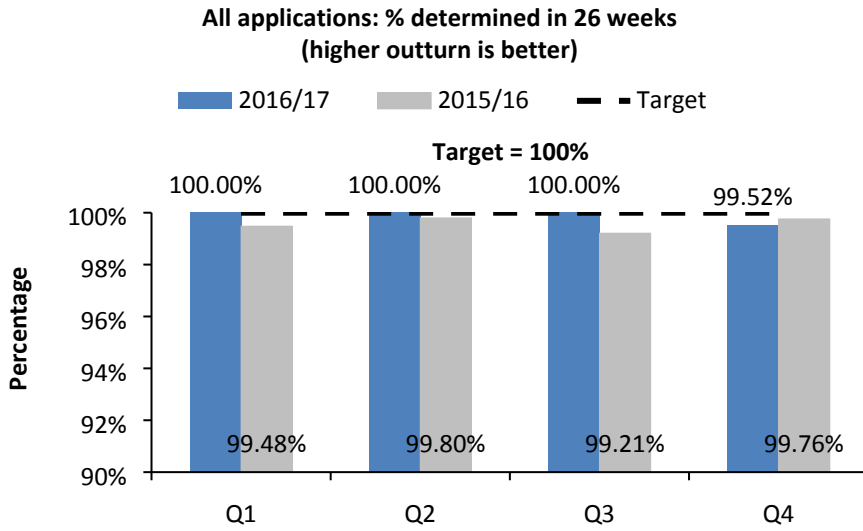
Comments

Quarter 4 performance continues to remain steadily above the target, continuing the excellent performance since the beginning of 2015. 310 out of 312 applications were determined within the expected 8 weeks time frame.

PLANNING:

P1: All planning applications - % determined within 26 weeks

AMBER



Quarter	2016/17	2015/16	Target
Q1	100%	99.48%	100%
Q2	100%	99.80%	100%
Q3	100%	99.21%	100%
Q4	99.52%	99.76%	100%

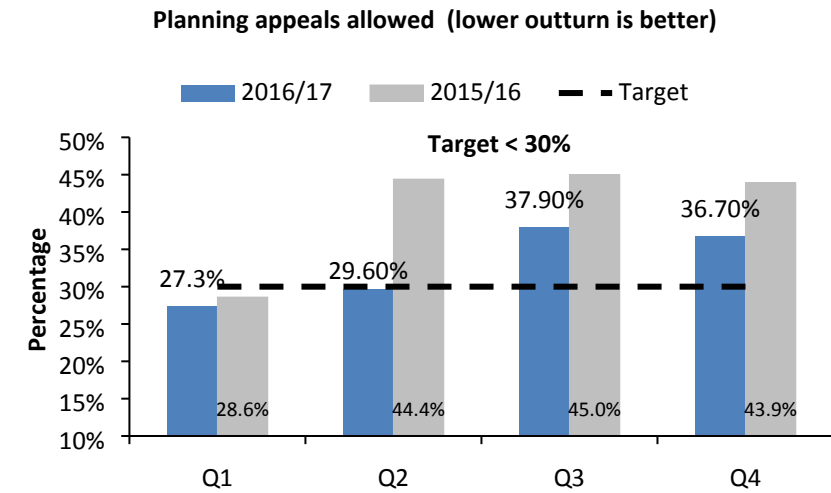
Comments

Only 2 out of 416 applications missed their 26 weeks target in this quarter, taking it slightly below target by 0.48%.

PLANNING:

P2: Planning appeals allowed (cumulative year to date)

RED



Quarter	2016/17	2015/16	Target
Q1	27.3%	28.6%	30%
Q2	29.6%	44.4%	30%
Q3	37.90%	45.0%	30%
Q4	36.70%	43.9%	30%

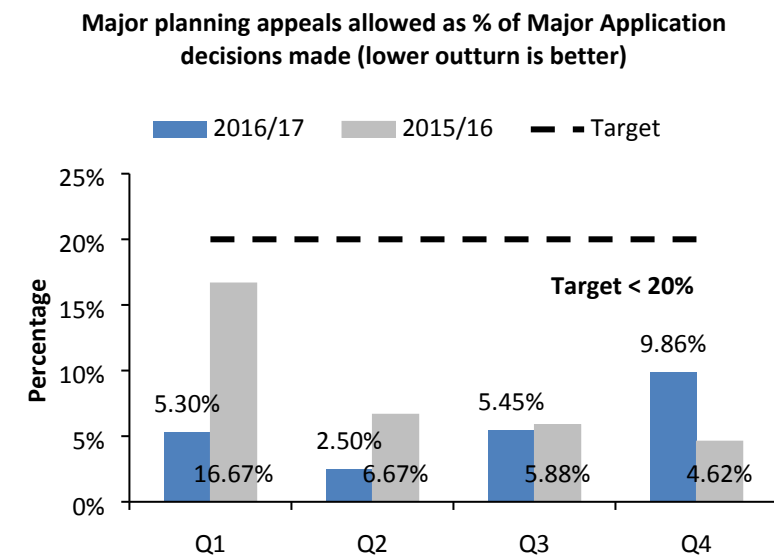
Comments

11 out of 30 appeals were allowed in the fourth quarter missing the target by 6.7%.

PLANNING

P3: Major planning appeals allowed as % of major application decisions made (cumulative)

GREEN



Quarter	2016/17	2015/16	Target
Q1	5.26%	16.67%	20%
Q2	2.50%	6.67%	20%
Q3	5.45%	5.88%	20%
Q4	9.86%	4.62%	20%

Comments

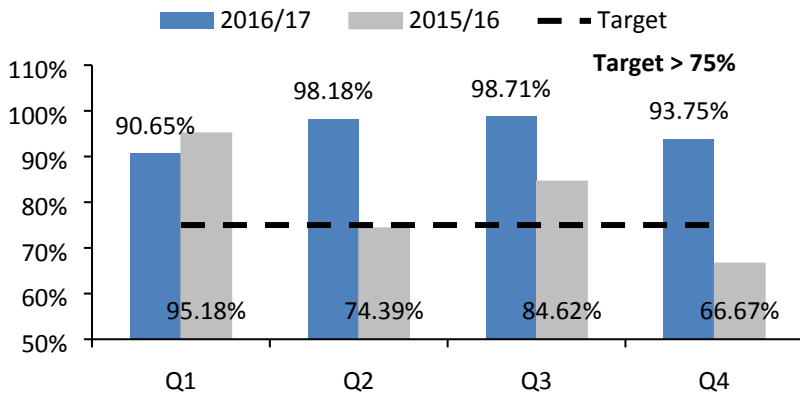
Since April 2016, a total of 7 major appeals have been allowed out of 71 major applications determined in the year to date. 1 appeal in the first quarter, 2 appeals in quarter 3 and 4 appeals in quarter 4.

PLANNING:

P4: Percentage of enforcement cases actioned within 12 weeks of receipt

GREEN

% of enforcement cases actioned within 12 weeks of receipt (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	90.65%	95.18%	75%
Q2	98.18%	74.39%	75%
Q3	98.71%	84.62%	75%
Q4	93.75%	66.67%	75%

Comments

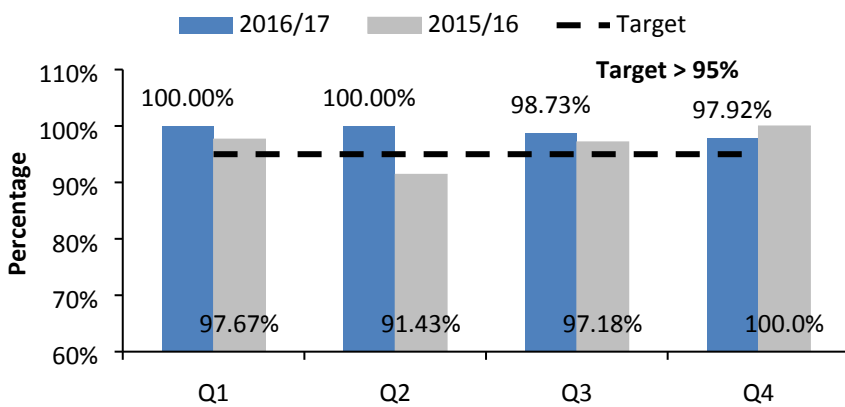
In quarter 4, 60 out of 64 enforcement cases were actioned within 12 weeks of receipt. The performance dipped slightly from the previous quarter but it still exceeds the target by 18.75%.

PLANNING:

P5: Percentage of Tree applications determined within 8 weeks

GREEN

% of tree applications determined within 8 weeks (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	100%	97.67%	95%
Q2	100%	91.43%	95%
Q3	98.73%	97.18%	95%
Q4	97.92%	100%	95%

Comments

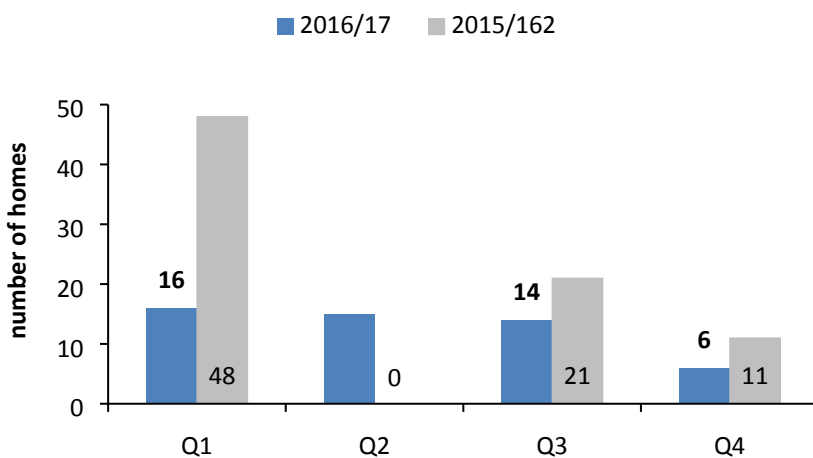
In the fourth quarter 47 out of 48 tree applications were determined within target. Although performance dipped slightly, it still exceeds the target by 2.92%.

PLANNING

P6: Number of Affordable homes delivered by all housing providers

No target

Number of affordable homes delivered (gross)



Quarter	2016/17	2015/16
Q1	16	48
Q2	15	0
Q3	14	21
Q4	6	11

Comments

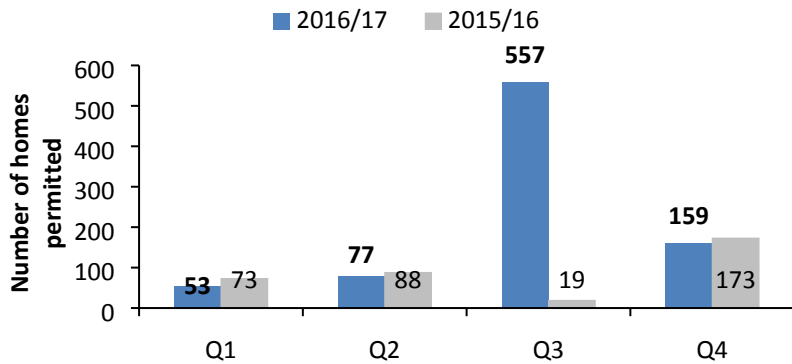
6 homes for affordable rent were completed in Q4:

- Middlefield, Farnham: 4 homes for social rent;
- 33 Bridge Road, Haslemere: 2 homes for social rent (WBC);

PLANNING:
P7: Number of affordable homes permitted (homes granted planning permission)

No target

Number of affordable homes permitted



Quarter	2016/17	2015/16
Q1	53	73
Q2	77	88
Q3	557	19
Q4	159	173

Comments

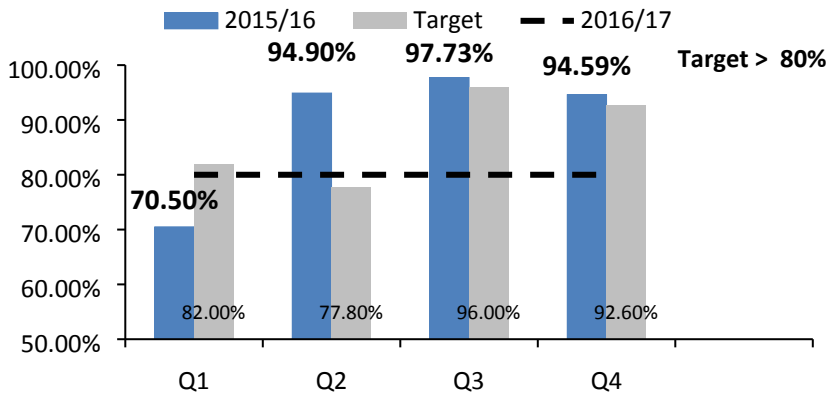
A total of 159 affordable new homes were granted permission in quarter 4:

- 106 – Knowle Park in Cranleigh;
- 36 – Hewitts in Cranleigh;
- 17 – Woodside Park, Godalming;

PLANNING:
P8: Percentage of complete Building Control applications checked within 10 days

GREEN

% of building control applications checked within 10 days (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	70.54%	82%	80%
Q2	94.90%	77.8%	80%
Q3	97.73%	96%	80%
Q4	94.59%	92.6%	80%

Comments

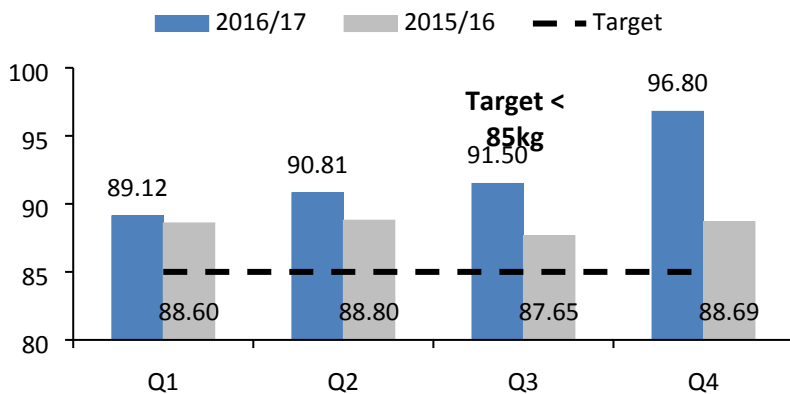
In this quarter 105 out of 111 Building Control Applications were checked within the given target.

ENVIRONMENTAL SERVICES

ENVIRONMENTAL SERVICES
NI 191: Residual household waste per household (kg)

RED

Residual household waste per household (kg) (lower outturn is better)



Quarter	2016/17	2015/16	Target
Q1	89.12	88.6	85
Q2	90.81	88.8	85
Q3	91.50	87.65	85
Q4	96.80	88.69	85

Comments

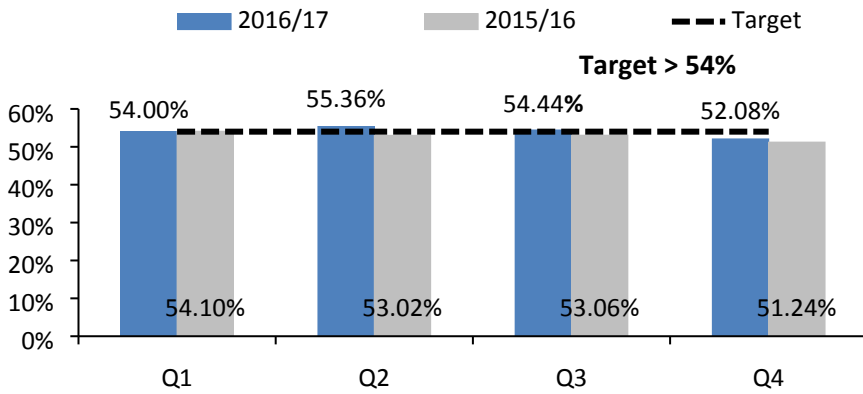
The Q4 level has continued to rise, and it is now at its highest since Q3 in 2014/15. Household waste was significantly higher in January due to changes in schedule over festive period and agreed post Christmas collection of excess waste.

ENVIRONMENTAL SERVICES

NI192: Percentage of household waste sent for reuse, recycling and composting

AMBER

% of household waste sent for reuse, recycling and composting (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	54.21%	54.1%	54%
Q2	55.36%	53.02%	54%
Q3	54.44%	53.06%	54%
Q4	52.08%	51.24%	54%

Comments

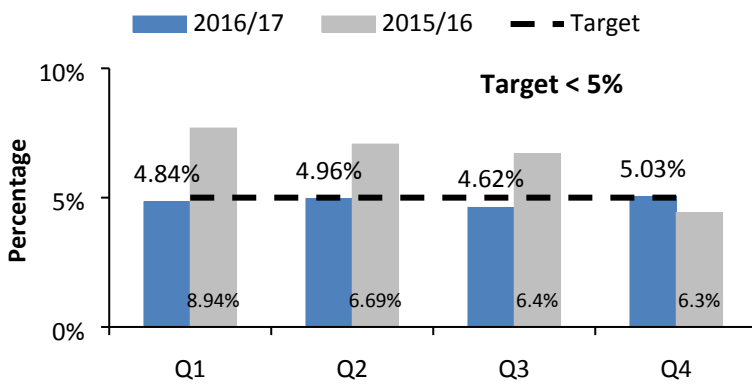
The fourth quarter performance dropped slightly from Q3, taking it slightly outside the target by 1.92%.

ENVIRONMENTAL SERVICES

E1: MRF (materials recycling facility) reject rate

AMBER

MRF Reject Rate (lower outturn is better)



Quarter	2016/17	2015/16	Target
Q1	4.84%	7.69%	5%
Q2	4.96%	7.07%	5%
Q3	4.62%	6.69%	5%
Q4	5.03%	4.42%	5%

Comments

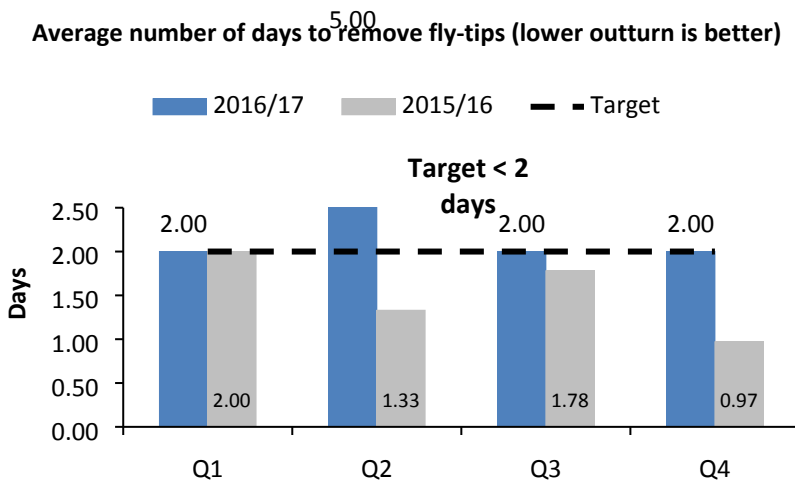
The reject rate has slightly increased since last quarter, missing the target 0.3%.

ENVIRONMENTAL SERVICES

E2: Average number of days to remove fly-tips

GREEN

Average number of days to remove fly-tips (lower outturn is better)



Quarter	2016/17	2015/16	Target
Q1	2	2	2
Q2	5	1.33	2
Q3	2	1.78	2
Q4	2	0.97	2

Comments

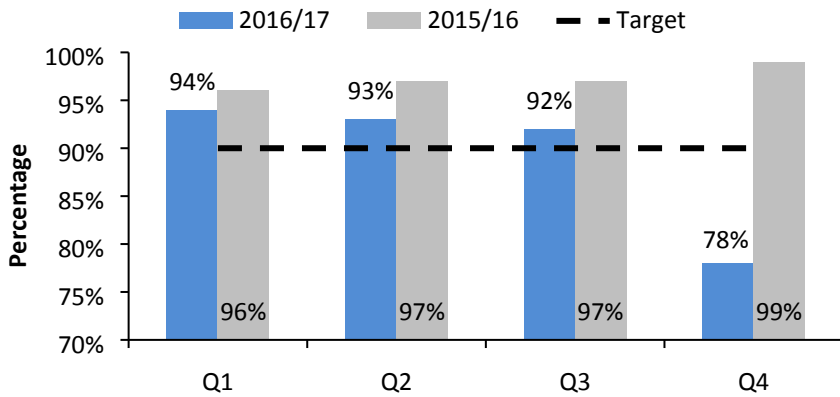
The fourth quarter performance stayed on target with fly-tips removed within an average of 2 days as in the previous quarter.

ENVIRONMENTAL SERVICES

E3: Percentage of compliance for litter and detritus

RED

Percentage of compliance for litter and detritus (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	94%	96%	90%
Q2	93%	97%	90%
Q3	92%	97%	90%
Q4	78%	99%	90%

Comments

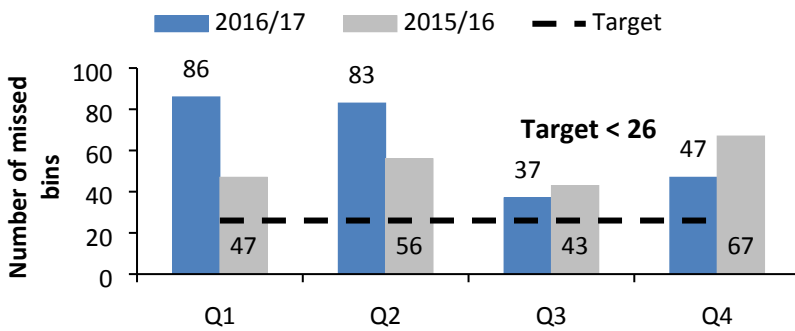
Quarter 4 experienced a big drop in performance due to ground crew supervisor issues, which have now been resolved by the contractor. This takes it 12% below the target.

ENVIRONMENTAL SERVICES

E4: Average number of missed bins per 104,000 bin collections each week

RED

Average number of missed bins per 104,000 bin collections each week (lower outturn is better)



Quarter	2016/17	2015/16	Target
Q1	86	47	26
Q2	83	56	26
Q3	37	43	26
Q4	47	67	26

Comments

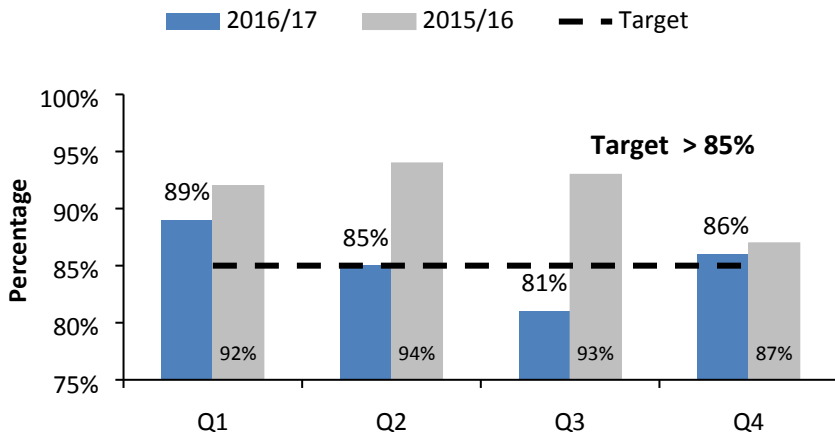
The number of missed bins is still above the challenging target set, and has increased slightly by 10 from the previous quarter due to one particularly challenging week caused by vehicle breakdown issues. There are regular meetings with the contractor to ensure missed bins are reduced as far as possible.

ENVIRONMENTAL SERVICES

NI 182: Satisfaction of Business with local authority regulation services

GREEN

% of businesses satisfied with LA regulation services (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	89%	92%	85%
Q2	85%	94%	85%
Q3	81%	93%	85%
Q4	86%	87%	85%

Comments

The fourth quarter has seen a 5% increase in satisfaction over the preceding quarter, exceeding the target of 85%.

ENVIRONMENTAL SERVICES

E5: Percentage of higher risk food premises inspections (category A&B) carried out within 28 days of being due

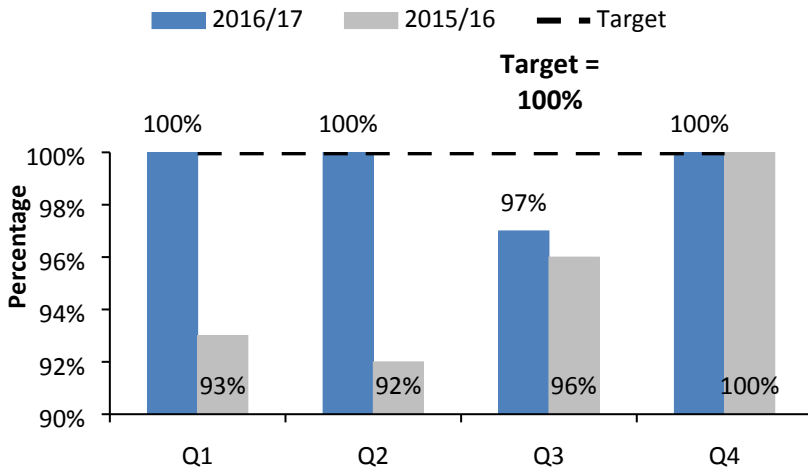
GREEN

Percentage of higher risk food premises inspections (category A&B) carried out within 28 days of being due (higher outturn is better)

Quarter	2016/17	2015/16	Target
Q1	100%	93%	100%
Q2	100%	92%	100%
Q3	97%	96%	100%
Q4	100%	100%	100%

Comments

All 20 programmed inspections for category A/ B (High Risk) Food premises in the fourth quarter were carried out on time.

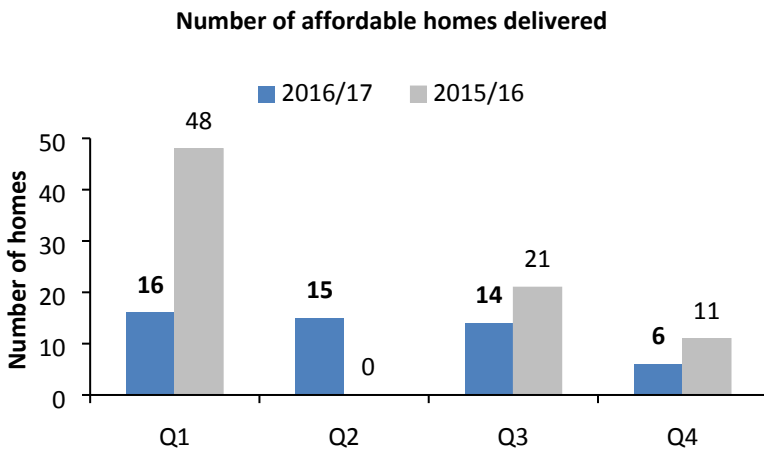


HOUSING

HOUSING

H1: Number of affordable homes delivered by all housing providers

No target



Time period	2016/17	2015/16
Q1	16	48
Q2	15	0
Q3	14	21
Q4	6	11

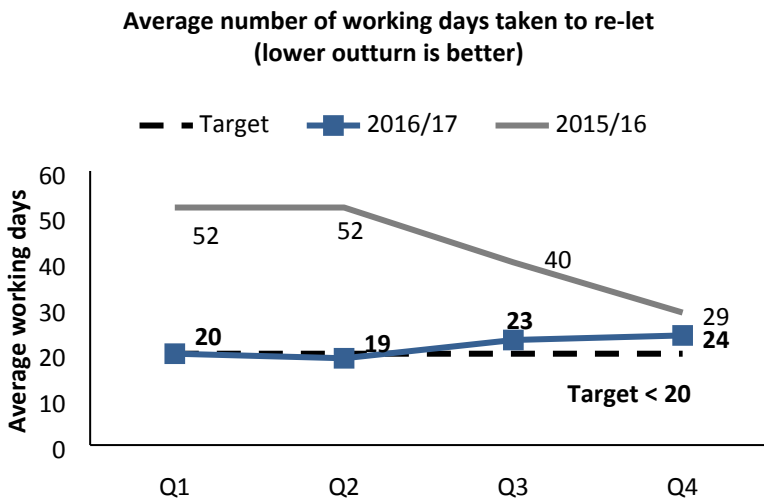
Comments

Six new homes were delivered in Q4, four in Farnham and two in Haslemere
A total of 51 affordable homes were delivered in the year - 29 housing association homes and 22 council homes.

HOUSING

H2: Average number of working days taken to re-let

RED



Quarter	Target	2016/17	2015/16
Q1	20	20	52
Q2	20	19	52
Q3	20	23	40
Q4	20	24	29

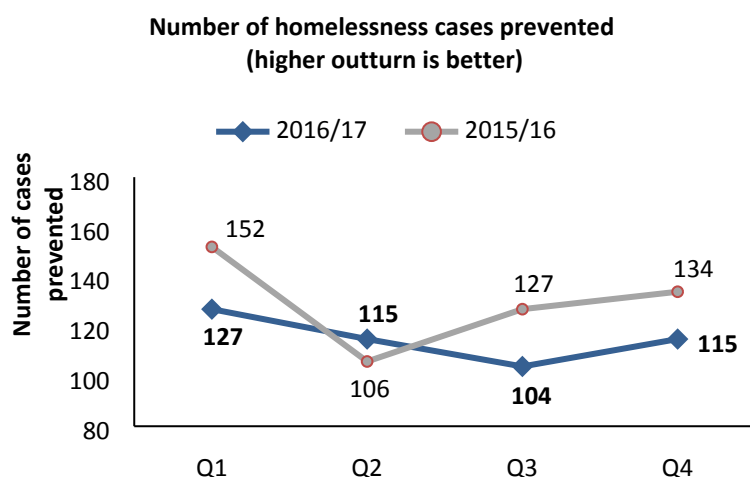
Comments

63 homes were relet in Q4. The average time taken from tenancy end to tenancy start was 24 working days. 33 homes were let within 20 working days. The Christmas period, harder to let sheltered homes and the poor condition of returned homes impacted performance this quarter. A total of 222 homes were let in 2016/17 with an average relet time of 22 days.

HOUSING

H3: Housing advice service – homelessness cases prevented

No target



Quarter	2016/17	2015/16
Q1	127	152
Q2	115	106
Q3	104	127
Q4	115	134

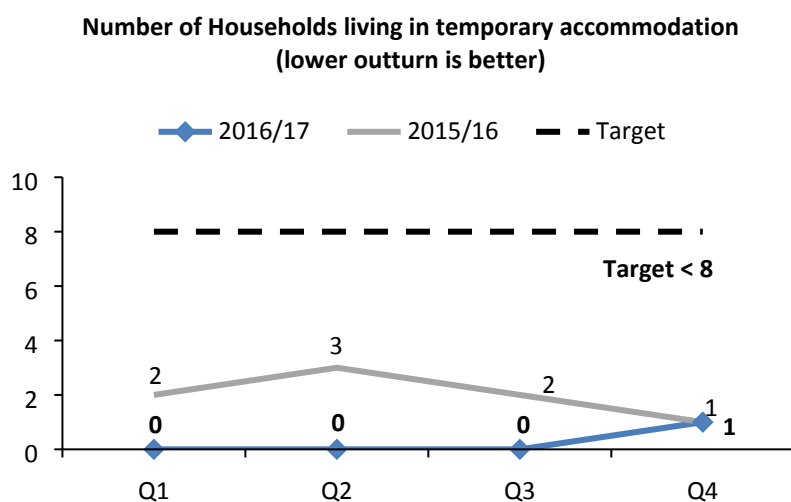
Comments

The teams continue to perform well in homelessness prevention. The data includes results from all housing teams and Waverley CAB. This indicator uses the P1E definition, which is that prevention is to be as a result of casework and the solution to last for six months.

HOUSING

H4: Number of households living in temporary accommodation

GREEN



Quarter	Target	2016/17	2015/16
Q1	<8	0	2
Q2	<8	0	3
Q3	<8	0	2
Q4	<8	1	1

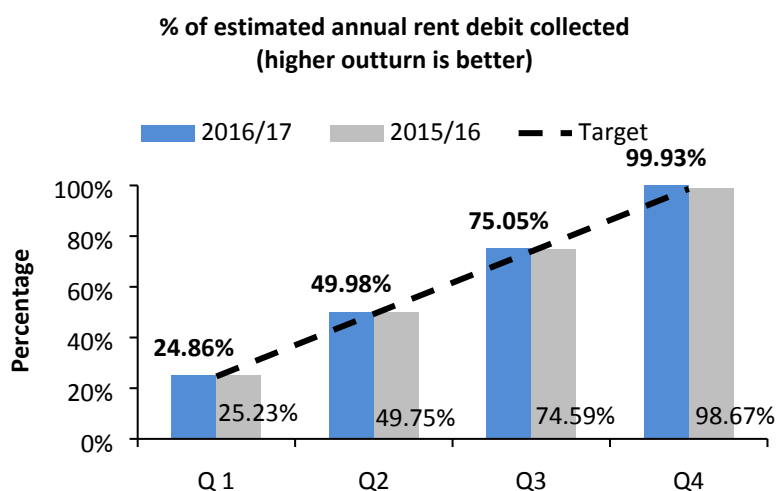
Comments

The PI reports on the number of households at a set date at the end of each quarter. There have been a total of eight households in temporary accommodation during 2016/17 (maximum period seven days). The family from March have been assisted to find private rented accommodation.

HOUSING

H5: Percentage of estimated annual rent debit collected

GREEN



Quarter	2016/17	2015/16	Target
Q1	24.86%	25.23%	24.65%
Q2	49.98%	49.75%	49.30%
Q3	75.05%	74.59%	73.95%
Q4	99.93%	98.67%	98.65%

Comments

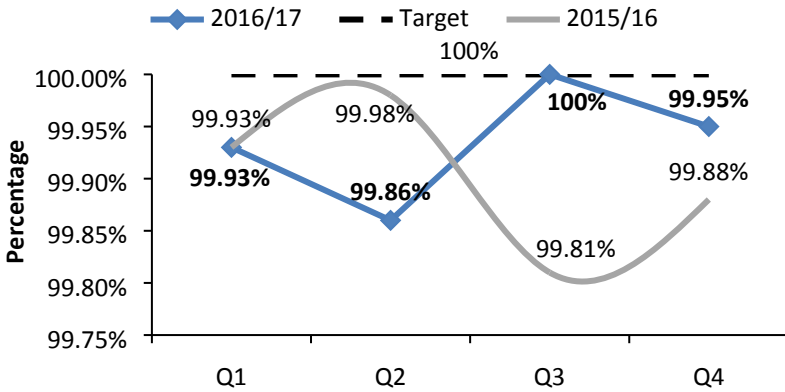
The team performed above target and above last year's performance all year. In total £30.98m has been collected of the estimated annual rent of £31m.

HOUSING

H6: % of annual boiler services and gas safety checks undertaken on time

AMBER

% of annual boiler services and gas safety checks undertaken on time (higher outturn is better)



Quarter	2016/17	2015/16	Target
Q1	99.93%	99.93%	100%
Q2	99.86%	99.98%	100%
Q3	100.00%	99.81%	100%
Q4	99.95%	99.88%	100%

Comments

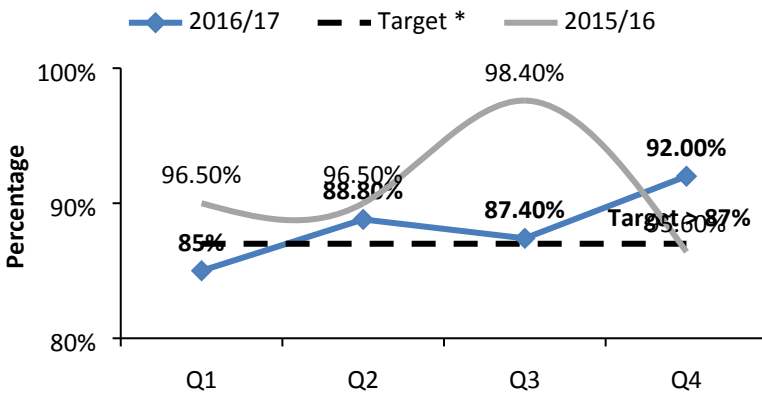
Only two checks were outstanding at the end of March. Both cases were referred to court for a warrant and were accessed in April. The improved performance reflects the team's proactive approach.

HOUSING

H7: Responsive Repairs: how would you rate the overall service you have received

GREEN

Responsive Repairs: how would you rate the overall service you have received (higher outturn is better)



Quarter	2016/17	2015/16	Target *
Q1	85.00%	96.50%	87%
Q2	88.80%	96.50%	87%
Q3	87.40%	98.40%	87%
Q4	92.00%	95.60%	87%

Comments

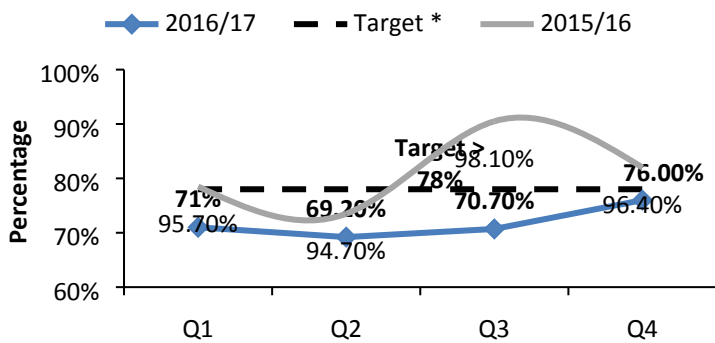
The responsive repairs data is not truly comparable due to new means of collection. In 2015/16 data was collected through operatives' handheld devices. For 2016/17 tenant's views are collected by an independent telephone survey.

HOUSING

H8: Responsive Repairs: Was the repair fixed right the first time

AMBER

Responsive Repairs: Was the repair completed right the first time (higher outturn is better)

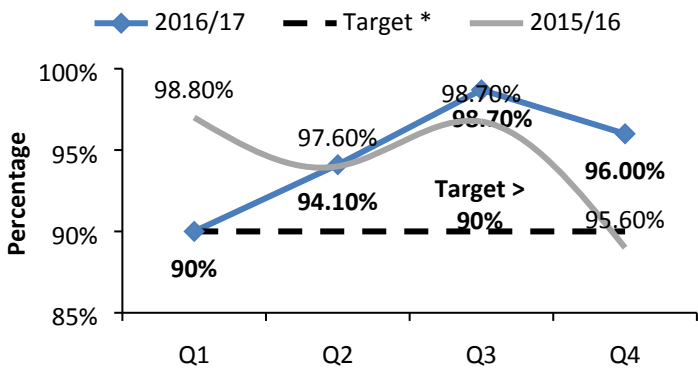


Quarter	2016/17	2015/16	Target *
Q1	71%	95.70%	78%
Q2	69.20%	94.70%	78%
Q3	70.70%	98.10%	78%
Q4	76.00%	96.40%	78%

Comments

There have been ongoing improvements in providing first time fixes. During the year the teams have worked to improve job diagnosis and maintain well stocked vans.

Responsive Repairs: Did the tradesperson arrive within the appointment slot (higher outturn is better)



Quarter	2016/17	2015/16	Target *
Q1	90.00%	98.80%	90%
Q2	94.10%	97.60%	90%
Q3	98.70%	98.70%	90%
Q4	96.00%	95.60%	90%

Comments

There have been ongoing improvements during the year with contractors to keep appointments.

* The targets have been set using past performance data and the market research company's benchmarking data. The targets have been set to deliver realistic service improvements. These targets are not contractual KPIs, the team are currently negotiating the contract target.

Service Plans Annual Outturn Report 2016/17

Customer Service and Value for Money

Service : Finance	Head of Service : Peter Vickers
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Objective: F1 Carry out a service review to improve efficiency of the Benefit Service			
Ref	Action	Status	Progress / comments
F1.1	Carry out a full and detailed service review of the Benefit Service to reduce the number of days to process new claims and changes in circumstances	50%	Systems thinking project began in January 2017. Systems thinking is a lean management type review directly applicable to service industry, as contrasted to lean management in a production environment. Phase one of the project is complete. This phase was information gathering to understand the value activities contributing to the purpose of the service. Phase two is service redesign using the findings from phase one. This will take 3 months to complete, resulting in perfect flow of work.
Objective: F2 Ensure that all of Waverley's residents who are eligible for housing benefit or council tax support claims are assessed and paid quickly and accurately			
Ref	Action	Status	Progress / comments
F2.1	Monitor the speed of processing targets and take any corrective action necessary.	Achieved	Targets met fully for 2016/17. Benefit service performance indicators were within the targets set for the full year.
Objective: F3 Improve Customer Service/satisfaction levels in the Benefits Service			
Ref	Action	Status	Progress / comments
F3.1	Extend the monitoring of customer satisfaction levels with the benefits service and use results to help identify improvements.	Achieved	The number of processing days for turning around claims is below national average and locally set performance targets. This is being improved upon through the systems thinking project currently being rolled out.
Objective: F4 Review residual fraud deterrent requirements and impact of Single Point of Contact (SPOC) impact on Benefit team capacity after transfer of Fraud Investigation team to DWP			
Ref	Action	Status	Progress / comments
F4.1	Complete an evaluation of fraud potential across all council services and propose mitigations, particularly residual fraud potential within the Benefit's service.	Achieved	Fraud within the benefits system is now the responsibility of the Single Fraud investigation service - a new national agency belonging to Dept. Works and Pensions. The Benefits service complies with all anti fraud information processing such as ATLAS and RTI and refers cases and liaises with the fraud service. A fraud risk assessment was completed during the year to assess potential fraud across all services. Mitigations and controls were assessed.
Objective: F5 Implement comprehensive project plan for the transformation of Benefits to Universal Credit			
Ref	Action	Status	Progress / comments
F5.1	Ensure a smooth introduction of Universal Credit which balances the needs of staff, the Council and claimants during and following the transition period	Achieved	Universal credit is now live at Waverley and the Council is supporting the Department of Work and Pensions Universal Credit initiative.
Objective: F6 Implement recommendations from the Employee service review to improve efficiency, internal and external communications, develop resilience and adequately resource the service.			
Ref	Action	Status	Progress / comments
F6.1	Business Service Review recommendations adopted and a	Achieved	Recommendations actioned from the review. Payroll and recruitment is adequately resourced.

	project plan devised and agreed with Head of Finance.		
F6.2	Structure the Employee Services team to ensure the appropriate level of resource is employed and business resilience is robust.	Achieved	Restructure completed and fully recruited staffing levels.
F6.3	Maintain a robust payroll function to ensure employees are paid accurately and on time. All returns to HMRC are completed accurately and on time.	Achieved	Achieved.
Objective: F7 Maximise revenue base for local taxation.			
Ref	Action	Status	Progress / comments
F7.1	Verify that all commercial and residential properties are correctly recorded on the revenues system using information from external sources and property inspections	Achieved	Full year of inspections completed.
Objective: F8 Maximise in year revenue collection rates			
Ref	Action	Status	Progress / comments
F8.1	Issue accurate demands in March for 1st April instalment and robustly apply approved enforcement and recovery measures in all cases	Achieved	Bills issued accurately and on time, enforcement action taken during the year to effect recovery where required.
Objective: F9 Improve prior year debt recovery			
Ref	Action	Status	Progress / comments
F9.1	Review historical debts for local taxation, sundry debts and overpaid housing benefit and enforce or put forward for write off.	Achieved	Debt recovery process reviewed, regular write offs are identified and actioned once proven that they are not economical to pursue.
Objective: F10 Revenues Service improvement plan to maximise capacity and improve customer access			
Ref	Action	Status	Progress / comments
F10.1	Develop a service improvement plan to understand how Council Tax and Business rate payers interact with the service and design processes to maximise access to the service.	Achieved	Surveys were undertaken and results used to redesign online forms, the systems thinking methodology will be rolled out across this service to complete a more holistic redesign.
Objective: F11 Support the delivery of Waverley's corporate objectives with effective financial management			
Ref	Action	Status	Progress / comments
F11.1	Ensure that the Medium Term Financial Strategy (MTFS) presents a sustainable and robust plan for Waverley's financial resources, anticipating the impact of future financial pressures and recognising the desire to deliver corporate plan priorities and improve services in accordance with customers' needs.	Achieved	The MTFS, taken to Council in February 2017 and approved, is being reviewed and presented to Executive in July 2017.
Objective: F12 Improve budget monitoring process			
Ref	Action	Status	Progress / comments
F12.1	Continue to improve the robustness of the budget management arrangements and ensure services are supported with proactive financial management and support	Achieved	Significant redesign of the budget process was completed in the Autumn of 2016. This will be rolled out from April 2017 to service areas.
Objective: F13 Increase financial management and technical accounting support to the Housing Service			
Ref	Action	Status	Progress / comments

F13.1	Support the delivery of the Housing Revenue Account (HRA) Business plan through effective financial management and robust monitoring and reporting.	Achieved	Housing now has a Senior Accountant dedicated to its financial management supported by an Assistant Accountant
Objective: F14 Finance team structure is staffed to required capacity and focused upon key priorities			
Ref	Action	Status	Progress / comments
F14.1	Ensure the structure of the Finance team is effective in delivering key priorities and service requirements	Achieved	Senior accountant roles are focused on ownership and accountability for specific aspects of financial management.
Objective: F15 Improve debt administration and collection			
Ref	Action	Status	Progress / comments
F15.1	Effective management of debts, particularly historical debt on Agresso.	Achieved	Monthly debt review process is now in place with clear focus and visibility on debt recovery.
Objective: F16 Treasury management operates within the approved strategy, credit ratings and limits			
Ref	Action	Status	Progress / comments
F16.1	Effective management of Treasury function within the prudential limits set within the approved strategy.	Achieved	Treasury Management is fully within parameters for the whole of 2016/17.

Service : Corporate & Customer Service	Head of Service : David Allum
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Objective: CC1. Produce an IT Strategy meeting the strategic and operational objectives of the Council and to execute effectively the commensurate work programme			
Ref	Action	Status	Progress / comments
CC1.1	Implement a re-drafted IT Strategy appropriate to the Council's requirements and priorities	Achieved	Strategy agreed and now underpinning the activity of the service.
CC1.2	Implement IT driven "invest to save" projects as key elements within the IT Work Plan for 2016/2017	Achieved	Some cashable savings identified which mitigated the inflation rises within the overall budget.
CC1.3	Create and deliver a Work Programme which facilitates the delivery of the key objectives of the IT Strategy (i.e. it will need to account for benefits systems post universal credit, mobile working requirements, document management etc.).	Ongoing	Work Programme has been agreed and is being implemented. 16 projects have been successfully completed, with the remaining 5 expected to be carried out and completed in 2017-18.
CC1.4	Ensure the corporate telephone system effectively supports the business and the staff are empowered to get maximum benefit from the facilities offered	Achieved	Very little down time this year to date and telephones were not a major issue for the IT Service Desk. Nothing emerged from the Corporate Services Survey this year regarding the telephone system.
CC1.5	Procure mobile telephone and device contracts which support the Council's business objectives	Achieved	Procurement complete and contract let.
Objective: CC2. Review, revise and re-launch a Corporate Asset Management Strategy ensuring that the Council maximises the potential returns from its portfolio			
Ref	Action	Status	Progress / comments
CC2.1	Ensure the Corporate Asset Management Strategy as agreed in October 2015 is effectively implemented	Partially achieved	Strategy is being implemented. However due to vacancies, recruitment issues and other competing priorities it has not been possible to develop Asset Management Plans for all sites as originally envisaged.

CC2.2	Audit and evaluate all corporate assets and produce individual asset plans as appropriate	Partially achieved	Rent reviews completed but individual asset plans not progressed due to the reasons stated above.
CC2.3	Identify and acquire assets which will generate revenue returns to support the Council's financial ambitions	Achieved	Investment Advisory Board created. One acquisition made. Others under active consideration.
CC2.4	Create and maintain a database of all non HRA assets which set out and facilitate all corporate responsibilities (e.g. fire safety, legionella inspections etc.)	Achieved	A new alerts system built and implemented, linking all centres to an electronic database, allowing for the upcoming job reminders to be sent to team members.
Objective: CC3. Review facilities infrastructure to ensure optimum arrangements are in place for the delivery of services			
Ref	Action	Status	Progress / comments
CC3.1	Ensure the Council's premises meet all medium and long term requirements	On Target	The long term future of the current premises are under review.
CC3.2	Re-procure energy requirements via the LASER consortia (Current contract expires in October 2016)	Achieved	The process was completed with an estimated potential saving of £20K.
Objective: CC4. Review support services infrastructure to ensure optimum arrangements are in place for the delivery of services			
Ref	Action	Status	Progress / comments
CC4.1	Review staff restaurant business direction in a bid to minimise the cost to the Council	Achieved	Review completed and changes implemented.
CC4.2	Review Print Room capacity for carrying out external work	In progress	Legal advice being sought on our trading ability.
CC4.3	Increase usage of pool cars	On-going	No significant increase in use recorded. Further work needed to encourage further use of the pool car facility.
CC4.4	Review cleaning service arrangements and implement the outcomes	Achieved.	Review concluded and implementation underway.
CC4.5	Review scanning and document processes with a view to procuring new arrangements more suitable to the needs of the business	Achieved	Review concluded with a decision not to procure new arrangements as the business case did not justify the change.
Objective: CC5. Re-design the Customer Services Delivery Model for corporate application			
Ref	Action	Status	Progress / comments
CC5.1	Complete customer services project and recommend a new delivery model	Partially achieved	A further report to Executive is expected in June/ July.
CC5.2	Re-design Reception Area and refresh other customer facing facilities	Achieved	The reception area at WBC has been refurbished. I-Pad self-service stations now available at Godalming and Farnham offices allowing access to Waverley website portal and access to online services.
Objective: CC6. Ensure staffing resources are appropriate to service needs and account for succession needs			
Ref	Action	Status	Progress / comments
CC6.1	Ensure Estates and Valuation Team is staffed according to service requirements	Achieved.	The team was fully staffed at year end. However, subsequently, further recruitment is now required.
CC6.2	Ensure Property and Engineering Team is staffed according to service requirements	Achieved.	Engineering graduate successfully appointed at the beginning of 2017.

Service : Strategic HR	Head of Service : Wendy Gane
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Objective: SHR1. Contribute to organisational and service resilience by continuing to develop and maintain a high performing, highly engaged staff team to deliver high quality customer-focused, value for money front-line services			
Ref	Action	Status	Progress / comments
SHR1.1	Continue to develop a culture of high quality performance management and staff engagement throughout the Council	Achieved	Actively supported managers to restructure their service areas to ensure that the service continues to deliver high quality customer-focused value for money services, for example Strategic Housing and Delivery (Housing Options service team).
SHR1.2	To implement a Skills Gap and Capacity Management Strategy to address skills gaps and skills shortages which affect the Council's service delivery	Achieved	Through the successful implementation of the Skills Gap and Capacity Management Strategy managers have been supported to: <ul style="list-style-type: none"> - write adverts suitable for social media - Be aware of options to review salary benchmarking and/or offer career development, flexible working etc., - remove all possible barriers for potential candidates by making it as easy as just emailing their CV - consider 'job redesign' or outsourcing if unable to recruit the appropriate calibre staff
SHR1.3	Address sensitive employee issues, sustain and enhance effective employee relations and maintain trusting relationships with Staffside/ union representatives	Achieved	Actively supported managers to resolve sensitive employee issues such as the removal of the PMI scheme, ill-health retirement, TUPE transfers and successful redeployment. Continue to maintain a positive working relationship with Staffside and union representatives.
SHR1.4	To support organisational resilience through the provision of a governance framework: Continue to develop effective HR policies and procedures to ensure they comply with employment law and meet Waverley's changing needs and priorities.	Achieved	Maintained rolling programme of review for all HR policies, ensuring they comply with employment law and meet Waverley's changing needs and priorities.

Service : Policy & Governance	Head of Service : Robin Taylor
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Objective: PG1 Democratic Services - Support democratic, transparent, informed and high quality decision-making by Waverley's Elected Councillors.			
Ref	Action	Status	Progress / comments
PG1.1	Provide effective democratic support to all Council Committees and priority internal working groups	Achieved/ Ongoing	All public meetings are properly convened in line with legal and Waverley constitutional requirements and recorded accurately.
PG1.2	Continue to monitor and improve the quality of committee reports, minutes and agendas.	Achieved/ Ongoing	The team have continued to maintain and monitor the democratic services error log and have continued to use the agenda checklist system with cross-checking of final agenda by second member of team.
PG1.3	Provide a targeted programme of member training and briefings	Achieved/ Ongoing	Take up of elected learning and development opportunities was strong in 2016/17. In addition to a programme of all member briefings and

			individual learning activities, there was a programme of scrutiny workshops for all councillors in 2017 to support the scrutiny change programme.
Objective: PG3 Legal Services and Land Charges - Provide high quality advice to ensure the Council acts lawfully and transparently and provide vital information to house and property buyers in Waverley			
Ref	Action	Status	Progress / comments
PG3.1	Ensure high quality and timely internal and external legal advice is provided to Council staff and elected members to support the delivery of service priorities and corporate plan objectives.	Achieved	The Legal Services has continued to provide high quality advice to Officers and Members across the full range of the Council's services, with a number of major projects having been a particular focus during 2016/17 and resulting in successful outcomes and significant ongoing focus.
PG3.2	Analyse and plan for the potential outcomes of the Government's Land Charges review.	Achieved Ongoing	Waverley continues to liaise with the Land Registry in respect of this project albeit the timescales for delivery for this national project have been deferred more than once by the Land Registry.
PG3.3	Maintain high performance in turning around land charges search requests	Partially complete	Performance was very good in the early part of the year but declined as the year progressed. The performance target for this action is for the 12 month rolling average turnaround figure not to exceed 7 working days and for performance not to exceed 10 working days at any point. The average 12 month performance during 2016/17 was 7.8 days (0.8 days off target) and did breach 10 days in five of the twelve months during the monitoring period. Staff turnover has to some degree impeded the team's capacity to get performance back on track. This remains an area for performance improvement within the service in 2017/18 and continues to be actively managed and monitored.
PG3.4	Provide a timely and effective response to Freedom of Information requests and ensure good progress is made against the information risk management agenda	Achieved/ Ongoing	The Information Rights service continues to perform at a very high level, with response rates that compare extremely favourably with other local authorities. The information risk management agenda continues to be progressed and will be a major focus in the 2017/18 year.
Objective: PG4 Corporate Policy - Ensure Waverley has a clear vision, robust plans and policies and an effective performance management culture			
Ref	Action	Status	Progress / comments
PG4.1	Support the Council to ensure Waverley's Corporate Plan (2016-19) is well publicised, properly monitored and effectively delivered	Achieved	After being adopted in February 2016, the Corporate Plan has been publicised widely. Corporate priorities and values are used to focus work throughout the Council and provide 'the golden thread' between the Corporate Plan through the performance management framework to individual target setting. The Council's Executive are currently reviewing the plan.
PG4.2	Manage the Council's participation in the National Graduate Development Programme and its Apprenticeship Programme	Achieved/ Ongoing	The Council has recruited to the post of graduate trainee in 2016. Four apprenticeship trainee positions were also filled successfully in 2016/17.
PG4.3	Manage the Council's Citizens Panel and use the opinion data arising from it to support decision-making.	Achieved/ Ongoing	There were 2 Citizens' Panel surveys conducted in 2016/17. The results of the surveys were used to inform service improvements.

PG4.4	Provide accurate, timely and useful performance information to enable Councillors and others to scrutinise Council performance and make informed decisions	Achieved/ Ongoing	Regular reports have been provided to Overview and Scrutiny Committees and the Executive presenting analysis of key performance indicators throughout Council services.
PG4.5	Continue to manage a programme of service reviews to deliver efficiencies and continuous improvement	Achieved/ Ongoing	On-going.
PG4.6	Coordinate the Council's programme of staff Learning and Development to ensure staff have the skills they need to perform effectively in their roles and deliver results for Waverley	Achieved/ Ongoing	The appraisal process for 2016/17 was completed during the year and guided a range of learning and development activities. The Council adopted its new Learning and Development Strategy and action plan within the year and these are being delivered on target.
PG4.7	Provide effective programme and project management support to the Council's 'Foresight' improvement and efficiency programme	Achieved/ Ongoing	Foresight Boards are held every 6 weeks with updates provided from each Project Manager. Individual project groups are held monthly with support provided to ensure work does not overlap, but complements each other (for example business improvement and customer service). Timely notes of meetings and agendas are circulated and advice provided to project managers/sponsors as required. Programme progress and success is communicated via Backstage and success boards.

Objective: PG5 Communications & PR - Ensure that information about Waverley's services reaches the right people at the right time in the most accurate, efficient and cost-effective way

Ref	Action	Status	Progress / comments
PG5.1	Provide accurate, easy-to-read and useful information and news about Waverley Borough Council to all residents and customers using both digital and non-digital channels of communication.	Achieved/ Ongoing	In terms of non-digital media, the council has continued to publish its 'Your Waverley' magazine and engage with the local press. In terms of digital media, the council has continued to progress its digital strategy by developing its social media channels, website and digital newsletters.
PG5.2	Support the delivery of Waverley's service priorities by providing communications and PR advice, expertise and support in respect of major projects and initiatives	Achieved/ Ongoing	The rolling Communications and PR team plan has been delivered. Communication and PR plans are in place for all service areas and are regularly monitored and reviewed with Heads of Service and Service leads.
PG5.3	Promote awareness of Waverley's Corporate Plan, including the Council's vision, corporate objectives and values	Achieved/ Ongoing	In the 2016 staff survey, 90%+ of staff agreed that Waverley has a Corporate Plan with a clear vision and priorities, that they understood what the council's corporate priorities were and that they were aware how their work contributed to those priorities.
PG5.4	Communications and PR staff are ready and prepared to support the council's response in the event of an emergency situation.	Achieved/ Ongoing	The Council's emergency and business continuity plans have been reviewed and revised, to ensure that the Communications and PR team will be ready to provide support in the event of a major incident. The Communications and PR team have continued to work as part of the Surrey Wide Communications and Resilience Group to plan for and respond to civil emergencies and major incidents. All communications and PR officers have had the

			relevant training and taken part in the surrey wide incident training.
PG5.5	Ensure that all aspects of Waverley's brand are professionally, positively and consistently communicated to residents and customers	Achieved/ Ongoing	The Brand Guidelines have been developed with input from the Executive, Management Team and Host and were launched in April 2017 and have been communicated internally. The new guidelines build on the work that has previously taken place refreshing 'Your Waverley', the website, the new corporate plan and other design work. This approach has ensured that the refresh of the brand guidelines has been conducted within existing budgets. Other work to ensure a consistent approach include: <ul style="list-style-type: none"> • New Waverley logos redrawn in a variety of formats • Production of poster templates • Integration of social media accounts and social media etiquette • Draft photography guide – to be approved.

Objective: M1 Maintaining high standards of governance and ethical standards

Ref	Action	Status	Progress / comments
M1.1	Raise profile of ethical standards with staff and WBC and Town and Parish councillors	Achieved/ Ongoing	Waverley's Code of Conduct, Arrangements for Dealing with Standards Allegations and Councillor Code of Good Planning Code of Good Practice have been updated and circulated to all Waverley Members and Town and Parish Clerks.
M1.2	Ensure all Councillors briefed on ethical standards before taking any decisions after WBC elections	Complete	All Councillors have received a briefing on standards.

Service : Elections	Service Manager: Tracy Standbridge
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Objective: Maintaining high standards of governance and ethical standards

Ref	Action	Status	Progress / comments
Mon. off. 3	Finish Individual elector registration process	Achieved	This has been successfully completed.
Mon. off. 4	Administer successful combined triple or quadruple combined elections	Achieved	Elections were conducted in February, May, June, August and December 2016. Of those combined elections were run in February, May and August.
Mon. off. 5	If necessary organise Neighbourhood Plan referenda- approximately eight may need to be held in 2015/16	Achieved	No Neighbourhood Plan referenda were required to be conducted before the 31/03/2017.

Service : Audit	Service Manager: Gail Beaton
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Objective: Effective Internal Audit service and good relationship with external Auditors

Ref	Action	Status	Progress / comments
Mon. off. 6	Continue to monitor external contractor performance and quality	Achieved	Regular meetings throughout the year with the RSM audit manager to review performance. RSM also attended an audit committee meeting in 2016
Mon. off. 7	Review anti fraud resources within Council once universal credit introduced	Achieved/ ongoing	Fraud officer post now in establishment following Council approval in Feb 2017. Universal Credit (UC) implementation delayed by

the Government but a small number of cases now in place. The DWP have centralised their fraud unit to manage UC fraud but officers will continue to monitor the position for the Council.

Community Wellbeing

Service : Communities	Head of Service : Kelvin Mills
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Objective: Leisure - to ensure a high level of service at our leisure centres and increase participation in sports/ exercise to improve the health and wellbeing of Waverley residents

Ref	Action	Status	Progress / comments
C1	High quality service delivered, maximise profit share from the contract and improved energy efficiency	Achieved	Highest level of profit share achieved more than double budgeted figure.

Objective: Parks & countrysides - to manage our greenspaces to ensure they offer biodiversity, are attractive and safe for our communities to enjoy (Also presented to the Environmental O&S Committee)

Ref	Action	Status	Progress / comments
C2	Grounds Maintenance contract performance monitoring, using client assessments, public survey and professional audit. Monitoring of contractors adherence to contract and implementation plan.	Achieved	Annual Review now completed confirming best performance from the Contractor in the 12 years of running the contract. All implementation targets completed and external quality audit presented a very satisfactory result. The fortnightly and monthly meetings allowed for more focused monitoring of the contract and reduction of complaints and rectification notifications issued.
C3	Improve service communication and promotion through website and social media. Expand the use of social media Facebook and increase following. Consider using Twitter.	Achieved	Facebook page for Frensham Ponds is the highest within the Council with 4,000 followers, this has now been centralised to maximise communication opportunities. Greenspaces page launched and followers are growing slowly, more promotion required, again this will now be led by central Communications. Further work being undertaken with Communications on how use of Twitter can be implemented going forward.

Objective: Community Services - to support Waverley's voluntary organisations and work closely with partners to improve the health and wellbeing of our residents and ensure our communities are safe.

Ref	Action	Status	Progress / comments
C4	Implement Waverley's Ageing Well Strategy and Health and Wellbeing Action Plans	Achieved / Ongoing	Both strategies have been adopted. The action plans have a longer lifespan and will be incorporated into Service Plan objectives for the coming years.
C5	Delivery of new Community Centre for Farnham	Achieved/ Ongoing	Good progress is being made on the construction of a new Community Centre in Farnham. Additional work has been added to the contract to improve the final product. The Gostrey Centre and Waverley Training services are aware of progress and it is envisaged that both groups will be relocating by the end of 2017.

Objective: Arts and Culture - to ensure Waverley's cultural assets are managed well and enjoyed by residents and to increase the opportunity and participation in arts and cultural based activities across the Borough.

Ref	Action	Status	Progress / comments
C6	Complete the Cultural Strategy for approval by the Council in April 2016	Achieved / Ongoing	Cultural strategy and action plan have been adopted and well received by the Council, residents and key stakeholders. Godalming and Farnham museum visitor figures are up on previous years. Godalming Museum is in process of being transferred to a more appropriate operator, namely Godalming Town Council. The transfer is expected to be complete by October 2017.

Objective: Careline - to deliver a high level of service and offer value for money for the clients of Careline and ensure the service continues to grow and benefit more residents			
Ref	Action	Status	Progress / comments
C7	To maintain a sustainable Careline and Telecare service for the future, independent of external funding	Achieved / Ongoing	Financial performance of Careline and Telecare services was very strong in 2016/17 with only 0.27% of the clients being subsidised by Surrey County Council (SCC). SCC has removed their support from the '12 weeks free trial programme' and the impact will need to be closely monitored into 2017/18. As a substitute for this programme, Waverley has initiated a 4 week free trial programme which can be sustained within Waverley's budget. The Careline/Telecare service is being actively marketed through Council Tax leaflet and 'Your Waverley' magazine campaigns to expand the existing client base.
C8	Manage the external Service Level Agreement (SLA) between Careline services and Chichester District Council, Surrey CC and successfully negotiate new SLA and charges. Review Careline SLA in preparation for re-tendering of community alarm contract.	Achieved/ Ongoing	The SLA contract has been re-tendered with Chichester DC being the successful applicant. New charges are competitive and the costing model takes into consideration fund withdrawal from Surrey County Council from the free trial programme. Additional service opportunities are now being explored.
Objective: Waverley Training Services - To offer high level training and teaching opportunities for young people which helps them into employment or higher education through well delivered apprenticeships and classroom based activities.			
Ref	Action	Status	Progress / comments
C9	Achieve Ofsted Good and improve offer for Learners	Partially Achieved	GOOD achieved for Apprenticeships but Requires Improvement was the overall outcome. Ofsted will revisit in 18 - 24 months.

Service : Policy & Governance	Head of Service : Robin Taylor
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Objective: PG2 Licensing - Properly and effectively license pubs, clubs, shops, taxis, street vendors, charity collectors and others in Waverley			
Ref	Action	Status	Progress / comments
PG2.1	Continue to deliver the planned Licensing compliance inspection programme, ensuring that results are shared and acted upon	Achieved/ Ongoing	Annual target number of compliance enforcement visits achieved. Results and any concerns have been reported internally and shared with key partners including Surrey Police.
PG2.2	Continue to strengthen the performance, resilience and efficiency of the Licensing Service by delivering phase 1 of the Licensing Process and Service Re-design programme.	Partially complete.	Partially completed. Progress was made against this action at the beginning of 2016/17 with the Temporary Event Notice (TEN) processes being mapped and analysed. However, staffing vacancies impeded further progress within the year.
PG2.3	Continue to improve customer focus across all areas of the Council's licensing function.	Achieved	Customer Services training workshops have been completed and objectives delivered.

Environment

Service: Environmental Services	Head of Service: Richard Homewood
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Objective: ES1. Environmental Services develops and delivers high quality customer services

Ref	Action	Status	Progress / comments
ES1.1	Work with contractors to improve the current street cleaning schedules, and continue to deliver improved performance relating to street cleaning	Achieved	Regular performance meetings are now held with the contractor on a monthly basis in order to drive improved performance. Standards are improving but we are maintaining pressure on the contractor until we achieve the desired standard.
ES1.2	Work with contractors to improve performance on refuse and recycling collections and reduce the number of missed bins	Achieved	Introduced monthly contract performance meetings with the contractor and these have resulted in significant improvements in performance on recycling and missed bins but the contract target remains a challenging target which the contractor is now close to achieving consistently.
ES1.3	Implement the use of mobile working tablets / smartphones by Contract Monitoring Officers	Partially achieved	This was delayed due to software functionality not fitting with what the team needed to work efficiently. New software is due to be trialled in next few weeks.
ES1.4	Continued promotion of 'Why Recycle' campaign message and support of Waverley's Recycling Improvement Plan 2014 goals	Achieved	Food waste promotional campaign in progress. Surrey Waste Partnership projects engaged with increased number of advisory bin hangers applied. Recycling reusable bags distributed to all flats. Textiles and Food waste Agripa panels applied to fleet vehicles. New recycling leaflets distributed to all households.
ES1.5	Maximise potential of new garden waste scheme and promote to encourage new subscribers	Achieved	Currently 11,400 customers and increasing levels of green waste collected and composted each month.

Objective: ES2. Providing high quality public protection services to maintain the health, safety and welfare of our residents, visitors and businesses

Ref	Action	Status	Progress / comments
ES2.1	Continue to protect the health, safety and welfare of residents, visitors and employees by offering advice and ensuring compliance with statutory food, health and safety and environmental protection legislation	Achieved	The Environmental Health Team continues to protect the health, safety and welfare of residents, visitors and employees by offering advice and dealing with service requests. In the past year we ensured compliance with statutory food, health and safety and environmental protection legislation by successfully carrying out premises inspections.
ES2.2	Continue to deliver Air Quality Action Plan	Achieved	The Air Quality Action Plan continues to be delivered and air quality monitoring throughout the borough has been carried out. The data for the 2017 annual report is being collated and will be submitted to DEFRA by the end of June 2017 with publication in due course.
ES2.3	Continue to deliver The Contaminated Land Strategy	Achieved / Ongoing	The Contaminated Land Strategy was reviewed in December 2015. The Environmental team keeps a database of all graded sites which is being updated on ongoing basis. The Council offers advice and co-operates with other agencies (e.g. DEFRA) to ensure that developed land meets safety standards required

by law.

Objective: ES3. Promote and deliver energy efficiency in Waverley

Ref	Action	Status	Progress / comments
ES3.1	Implement the energy efficiency plan	Partially achieved	The energy efficiency plan has not been progressed due to lack of funding. However, the annual green house gas reporting was successfully completed.
ES3.2	As a member of Frensham Pond Facility Redevelopment Project Team, ensure environmental and sustainability criteria are incorporated into the design and delivery of the redeveloped facility	Partially achieved	Regular attendance at the meetings until January. The project is not progressing as fast as initially anticipated due to ongoing negotiations with the National Trust and initial sustainable design is currently being reviewed.
ES3.3	Explore further the feasibility and delivery of a Photo Voltaic (PV) project for Sheltered accommodation units	Red / Project cancelled	The project could not be implemented as the allocated funding was withdrawn.

Objective: ES4. Deliver key objectives in Emergency Planning, Business Continuity and Corporate Health and Safety; building on Waverley's safe working culture and strengthening response and recovery measures to incidents & emergencies

Ref	Action	Status	Progress / comments
ES4.1	Continue to deliver Emergency Planning and Response functions Plan	Achieved	Emergency Planning and Safety Action Plan and supporting Project Implementation time chart now discussed and regularly reviewed with Head of Service. The emergency plan was updated in July/August 2016. The Multi-agency flood plan for Waverley was reviewed and updated in October 2016. The Emergency Contacts list is validated and reviewed by Emergency Planning Assistant every 3 months, and the Out of Hours Procedures are also updated at a 3 month intervals if not before due to changes in procedures. Council Members received presentation on drainage and flooding risks at O&S. Separate meetings were held with Lead Member, Ward Councillors and community groups to develop Community Resilience Forums with an open day drop in session promoting community resilience being delivered in February 2017.
ES4.2	Continue to deliver new Health and Safety Strategy	Achieved	The Health and Safety group now combines the Strategic Group, Working Group and Asbestos Management group for closer awareness and a holistic approach to all aspects of Waverley safety matters. The manual risk assessment process is now on the intranet. Only 2 of 5 main contractors reviewed – remaining contractors will be reviewed through monitoring meetings. Validation of Staff safety Register happened in Dec 2016 – however additional checks required due to large number of historical records.

ES4.3	Develop and deliver Corporate Business Continuity Plan	Achieved	The Business Continuity Plan was developed and agreed in May 2016 and successfully tested in June 2016 with participation of the Heads of Service and the directors. Consideration has also been given to an annual assurance process identifying current level of preparedness of staff and services in responding to an incident or disruptive event. An internal audit was carried out in March 2017 to evaluate the Emergency Planning and Business Continuity Service and its recommendations will be implemented as part of the 2017-18 Environmental Service Plan (as of June 2017 most of the audit recommendations have been successfully implemented).
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Objective: ES5. Further build on efficiencies achieved to date, using new technologies to create a modern and cost-effective and customer friendly parking service

Ref	Action	Status	Progress / comments
ES5.1	Maximise use of Pay by Phone (PBP) facilities in Waverley	Achieved	The transaction target for this year was to have around 8-10% of all parking transactions taking place via Ring-go. This is currently around 15% and is still increasing.
ES5.2	Car washing - Review of contract performance and additional car parks incorporated subject to satisfactory review and approval.	Partially achieved	Due to contractual issues with availability of water there have been delays to this project. Approval has recently been received to extend the scheme to other car parks, and this will be delivered in due course.
ES5.3	Implement the projects identified in year 2 of the new WBC 10-year Car Parks Asset Management Plan	Achieved	Projects, including the major resurfacing of High Street in Haslemere have been delivered on time and under budget, allowing additional projects to be completed this year. There were additional surfacing works done at Weydown Road car park and Chestnut Avenue car park in Haslemere. The team also carried out repair of a dangerous wall at Central car park in Farnham. Additionally, some of the budget was used for parking machine upgrades.
ES5.4	Review Pay by Phone Fixed Penalty Notice issuing guidance in the Parking Policy and Enforcement Local Policy document	Achieved	The Car Parking Procedures have been updated to ensure they reflect current operating practice. RingGo procedures have been reviewed and documented and are now included in the Car Parking Procedures.
ES5.5	Review the Parking Strategy in consultation with the community, Head of Planning and Surrey County Council	Delayed	This work has been delayed due to the work in relation to disabled parking charges taking priority and will be now carried out as part of the Environmental Service Plan for 2017-18.
ES5.6	Review and consolidate the Off-Street Parking Places Order	Achieved	The project was successfully implemented and the updated version of the order was approved by Full Council in April 2017.

Service: Planning	Head of Service: Elizabeth Sims
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Objective: PL1. Increasing the supply of houses to meet Waverley's needs, including affordable houses

Ref	Action	Status	Progress / comments
PL1.1	Secure planning permissions for new housing including affordable housing	Achieved	In the past year the Council issued permissions to provide 1018 net dwellings of which 165 were designated for affordable homes.

PL1.2	Update planning policy and new sites identified Local Plan adopted	Achieved / Ongoing	Local Plan Part 1 submitted to Government December 2016 and scheduled for Examination in June 2017. Provides 9861 dwellings over plan period 2013-2036 including strategic site allocations (4445).
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Objective: PL2. Supporting the needs of businesses

Ref	Action	Status	Progress / comments
PL2.1	Ensure the planning process is supportive of local businesses	Achieved	Planning permissions have permitted 10,737 sqm of gross floor space. However, there has been a net loss of 28,574 sqm mainly due to permitted development rights.
PL2.2	Update planning policy and new sites identified Local Plan adopted	Achieved	Local Plan Part 1 was submitted to Government in December 2016 and is scheduled for Examination in June 2017. It provides at least 16,000 sqm of new Classes B1a and B1b floor area of new employment space, including strategic employment sites at Water Lane, Farnham and Dunsfold Park.

Objective: PL3. To promote and celebrate excellence in design and improve the public realm

Ref	Action	Status	Progress / comments
PL3.1	Maintain quality of new development	Achieved	All planning permissions granted have met requirements of Council's Design Policies and Paragraph 64 of the National Planning Policy Framework.
PL3.2	Carry out Conservation Area appraisals in accordance with programme	Achieved / Ongoing	During the year, 3 Conservation Area Appraisals have been adopted and 2 are in progress.
PL3.3	Tree Preservation Orders kept under review	Achieved	Since April 2016, 4 old style TPOs have been reviewed and 5 are currently incomplete. Progress has been affected by tree and landscape work being diverted to major applications where 7 major sites have been surveyed and 2 TPOs made (17 other TPOs made over the Borough).
PL3.4	Preparation and agreement of Buildings of Local Merit (BLM)	Achieved / Ongoing	During this year no requests have been made to agree Buildings of Local Merit. Waverley responds to the requests of Parish/Town Councils to agree BLMs.

Objective: PL4. Put in place adequate Infrastructure to support new development

Ref	Action	Status	Progress / comments
PL4.1	Community Infrastructure Levy (CIL) adopted	Partially Achieved	Draft Preliminary Charging Schedule for Consultation reported to Corporate O and S Committee March 2017 but deferred for clarification. Further report to O&S May/June 2017 for consultation July 2017.

Objective: PL5. Successful neighbourhood plans

Ref	Action	Status	Progress / comments
PL5.1	Support the preparation of neighbourhood plans by parish councils	Achieved / Ongoing	Officers and Members have played key facilitation roles in supporting Neighbourhood Plans as follows: Farnham Neighbourhood Plan achieved positive referendum May 2017 – due to be adopted following conclusion of Judicial Review process, June 2017. Haslemere Neighbourhood Plan – work in progress, not allocating sites. Godalming Neighbourhood Plan – work in progress, not allocating sites. Cranleigh Neighbourhood Plan – renewed steering group and project plan. Alfold Neighbourhood Plan – work in progress, allocating sites. Busbridge Neighbourhood

			Plan – confirmed on hold. Chiddingfold Neighbourhood Plan – work in progress, allocating sites. Dunsfold Neighbourhood Plan – Parish Council intends to produce a Neighbourhood Plan, no application for designation received to date. Last meeting March 2017. Elstead and Weyburn Neighbourhood Plan – work in progress, allocating sites. Ewhurst and Ellen’s Green Neighbourhood Plan – work in progress, allocating sites, recent call for sites. Hascombe Neighbourhood Plan – confirmed on hold. Thursley Neighbourhood Plan – resolved not to prepare a plan. Witley Neighbourhood Plan – work in progress, allocating sites.
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Objective: PL6. Secure resilient Building Control team

Ref	Action	Status	Progress / comments
PL6.1	Agree a Business Model for delivering a resilient service in the long term	Achieved/ on-going	Report made to Corporate Overview and Scrutiny Committee January 2017 regarding future options for Building Control. Deferred to require preparations of a Business Plan to demonstrate viability of Building Control Team and future alternative options – July 2017.

Service: Communities **Head of Service: Kelvin Mills**

Objective: Parks & countryside - to manage our greenspaces to ensure they offer biodiversity, are attractive and safe for our communities to enjoy

Ref	Action	Status	Progress / comments
C2	Grounds Maintenance contract performance monitoring, using client assessments, public survey and professional audit. Monitoring of contractors adherence to contract and implementation plan.	Achieved	Annual Review now completed confirming best performance from the Contractor in the 12 years of running the contract. All implementation targets completed and external quality audit presented a very satisfactory result. The fortnightly and monthly meetings allowed for more focused monitoring of the contract and reduction of complaints and rectification notifications issued.
C3	Improve service communication and promotion through website and social media. Expand the use of social media Facebook and increase following. Consider using Twitter.	Achieved	Facebook page for Frensham Ponds is the highest within the Council with 4,000 followers, this has now been centralised to maximise communication opportunities. Greenspaces page launched and followers are growing slowly, more promotion required, again this will now be led by central communications. Further work being undertaken on how use of Twitter can be implemented going forward.

Housing

Service: Housing **Head of Service: Andrew Smith and Hugh Wagstaff**

Objective: H1. To develop the service and enhance its reputation

Ref	Action	Status	Progress / comments
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H1.1	Proactively and safely manage risk	Achieved – routine monitoring in place	Processes and systems are in place for ongoing actions CMT receive routine reports on risk and compliance Housing Maintenance H&S policies have been reviewed and implemented creating a suite of documents
H1.2	Respond to the impact of the Government’s housing reforms	Achieved – initiatives withdrawn or deferred	Housing and Planning Act initiatives informed Housing Revenue Account (HRA) Business Plan Review. Rent reduction implemented Pay to Stay withdrawn and High Value Vacant Homes Levy deferred Service awaiting new white paper and regulations for Starter homes
H1.3	Set clear service delivery outcomes and manage customer expectations	Achieved with ongoing actions	HRA Business Plan review completed Orchard Dashboard implemented Website routinely updated Process Improvement Programme post implementation review anti-social behaviour and mutual exchange Launched Tenant Involvement Strategy
H1.4	Support and invest in staff and tenants	Achieved with ongoing actions	Ongoing training eg asbestos, legal updates Regular 1:1s reiterating ownership of issues Compliment of the month recognises excellent customer service Training programme created for tenant volunteers and mentor arranged for Tenants Panel Chair

Objective: H2. To deliver and maintain affordable homes

Ref	Action	Status	Progress / comments
H2.1	Increase availability of affordable homes to meet identified need	Achieved with ongoing actions	Housing tenure and bed size mix negotiated, based on evidence in Surrey Housing Market Assessment, using current and emerging Local and National Planning Policy. Council new build directed according to Affordable Homes Delivery Plan 2012-2017. Net increase in affordable homes in the borough as 51 new affordable homes completed in 2016/17 by HAs and Waverley (inc 22 council homes). In addition c70 affordable homes currently on site (as at June 17) Choice to applicants as Housing register customers able to bid for new rented homes via Choice based lettings, shared ownership via Bedfordshire Pilgrims Housing Association and First Time buyers via Starter Homes Initiative. Continued partnership working to bring forward affordable housing, with 109 new affordable homes granted planning permission in Q1 and Q2.
H2.2	Maintain and improve homes	Completed with ongoing actions	Increased resources for responsive repairs Recommendations from pre 1945 homes survey. Works costed and added to next three years planned works programme. Increased satisfaction with repair service.
H2.3	Continue to develop compliance with health and safety regulations	Completed with ongoing actions	Achieved 99.95% gas compliance Q4 Housing Maintenance H&S policies have been reviewed and implemented creating a suite of documents

Objective: H3. To manage and maintain healthy and sustainable communities			
Ref	Action	Status	Progress / comments
H3.1	Implement Review of housing-related support services for vulnerable people	Completed	Recommendations set out in the Review of housing-related support services implemented New processes created and clear case management in place Four EasyMoves and caseload of 26 Floating support assisted 93 cases external funding to end March 2017
H3.2	Understand and address the challenges faced by residents	Completed with ongoing action	Welfare Benefit Officer support tenants with welfare reform Referrals to external agencies and other council services made at tenancy audits to support tenants
H3.3	Improve communities and neighbourhoods through resident engagement	Completed with ongoing action	Ockford Ridge consultation and community mural Parking reviews, identified areas in need of investment to improve parking with surveyors and estate officers. Ten areas identified and planning permission received for increased parking at College Gardens (16 places) and planning pending for Silo Close (24 spaces) Ecology projects – worked with tenants at Gorselands and ARBECO to close badger sett in gardens Community safety projects – worked with tenants at Rankine Close, The Glebe, Queensway and Ricardo Court developing lighting, fencing and/or bollard projects Community room reviews – Wey Court consultation in September. Working party established for Parkhurst Fields and The Glebe.
Objective: H4. To excel at Customer Service			
Ref	Action	Status	Progress / comments
H4.1	Make it simple to contact us, clear what we can and can't do and when we will do it	Completed with ongoing action	Orchard Customer Dashboard implemented Website content reviewed Ongoing messages through publications, new tenant visits on rights and responsibilities advice Clear letter to tenants re fencing work Advice letter to tenants effected by findings of Water Charge court case
H4.2	Improve Customer Satisfaction in particular with repairs and maintenance	Completed with ongoing action	Increase in overall satisfaction Voluntas surveys to 92% in Q4 from 85% in Q1. 94% satisfied with quality of work Tenants Scrutiny Group recommendations on responsive repairs complaints implemented All in housing briefing informed all staff of repair driver for overall satisfaction with service
H4.3	Be truly customer focused	Completed with ongoing action	Monitoring of complaints and lesson learned shared with contractors. 100% complaints responded to in timescale met target (95%) in 2016/17
Objective: H5. To deliver value for money			
Ref	Action	Status	Progress / comments
H5.1	Review HRA Business Plan	Completed	Member officer group reviewed HRA developed principles for review and identified challenges and opportunities including Housing and Planning Act. Illustrative savings and budgets to be presented for discussion at Corp O&S Housing Improvement Sub Committee and Corp O&S in November. Review to

			Executive in November.
H5.2	Manage contracts effectively	Completed with ongoing action	<p>Monthly contract meetings</p> <p>Value for money project on maintenance contracts in communal heating</p> <p>Through 1:1 and team meetings all staff consider vfm in activities inc procurement</p> <p>Robust contract management of Ockford Ridge development</p> <p>Commenced scoping or maintenance contract procurement ahead of schedule</p>
H5.3	Maximise opportunities for collaborative working and external funding	Completed with ongoing action	<p>Increased working with partner housing associations to develop homes to reflect local need and incomes</p> <p>WBC official funding partner with Homes and Communities Agency – funding from HCA for Wey Court development</p> <p>Successful bid for Starter Homes from HCA – though uncertain whether Starter Homes Initiative will progress in current form</p> <p>PPPF supported EasyMove and Floating Support schemes</p> <p>Working with HAs on new developments 793 new affordable homes granted planning permission 2016/17</p> <p>Explored opportunities to host database for another council – not progressed</p> <p>Proposed to work with Guildford BC on Pay to Stay – initiative not progressing</p> <p>Working with Opportunities for all to “piggy back” on events for tenant involvement in Godalming and Farnham</p>



**COMMUNITY OVERVIEW AND SCRUTINY LEISURE CENTRE CONTRACT
MANAGEMENT REVIEW SUB-COMMITTEE**

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Presented by:	Cllr Richard Seaborne and Cllr Wyatt Ramsdale
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Foreword

This report presents the findings and recommendations of a Sub-Committee established by the Community Overview and Scrutiny Committee in November 2016, to review the management of the Waverley Borough Council (the Council) Leisure Centre contract with Places for People (PfP), to explore its effectiveness and to identify opportunities for improvement including potential cost savings and lessons which might be applied to other major Council contracts. Community Wellbeing, Customer Services and Value for Money are corporate priorities for the Council so the review set out to establish how effectively these priorities are being delivered through the management of the contract for this discretionary service.

Reasons why the management of the Leisure Centres Contract was chosen for the review include:

- it is a longstanding contract which has been the subject of relatively low levels of formal scrutiny;
- the Council's leisure centres have been, are and will continue to need significant capital investment; and
- the success of the Council's contract with PfP makes it probable that important lessons can be applied to other major Council contracts.

Evidence was gathered by members of the Sub-Committee through a series of interviews with officers from both the Council and PfP, using a pre-agreed set of open questions designed to support pre-determined lines of enquiry.

The evidence gathered suggests a healthy collaborative relationship between the Council and PfP that is driving continuous improvement. Over the past five years overall attendance numbers have increased steadily and the net cost of providing the service to each Waverley resident has decreased from a significant subsidy to near breakeven in 2016-17. PfP's use of proven independent evaluation tools for commercial (NPS) and operational (Quest) performance drive innovation and continuous improvement. Interviews with centre managers demonstrated a high degree of enthusiasm and consistency in all centres. The Council's operational oversight of the contract and contractor is detailed, well informed and effective. The Sub-Committee observed much less effort being put into commercial understanding of the performance of individual centres, the combined business and of PfP as a contractor.

The Sub-Committee has generated a significant number of recommendations under a number of categories. These include:

- recommendations pertaining to Leisure centre management as required by this review;
- incidental recommendations relating to leisure centres but out-of-scope; and
- recommendations pertinent to other service areas.

Given the difficulty that the Sub-Committee had in identifying the commercial and wellbeing expectations that PfP is expected to perform to the key recommendation is that, as a matter of urgency, the Portfolio Holder for Health, Wellbeing and Culture and the Head of Communities and Special Projects develop a clear policy setting out the Council's priorities and measurable goals for leisure centres in Waverley. Other

recommendations, several of which are significant, are listed in Section 8 of this report.

1 **Aim/Purpose**

- 1.1 The aim and purpose of the Sub-Committee was to review the management of the Waverley Borough Council (The Council) Leisure Centre contract with Places for People (PfP) and to explore its effectiveness, identify lessons which might be applied to other major Council contracts and identify potential cost savings.
- 1.2 Community Wellbeing, Customer Services and Value for Money are corporate priorities for the Council so a review of the Leisure Services Contract is an important step to ensuring that the Council is providing appropriate levels of service to its residents.
- 1.3 The review was initiated by the Community Overview and Scrutiny Committee in November 2016 and the scoping report is attached at Annexe 1. Because of the large amount of evidence gathered this will be available online and will be emailed separately to Members.

2. **Reasons for the review**

- 2.1 The reasons for the review are as follows:
 - The Council's arrangement with PfP is a longstanding contract which has been the subject of relatively low levels of formal scrutiny.
 - The Council's leisure centres have been, are and will continue to be the subject of significant capital investment so understanding the value for money proposition is important.
 - The success of the Council's contract with PfP makes it probable that important lessons can be extracted for application to other major Council contracts.
- 2.2 The review aimed to cover the following questions:
 - a. Is there an effective leadership/management process and associated contract monitoring in place to ensure effective operation of the Council's leisure centres?
 - b. Can a more commercial approach to the design and implementation of the leisure centres lead to wider benefits?
 - c. In managing the Leisure Centre contract, which aspects should be managed tightly and where should greater flexibility be allowed?
 - d. Has an effective ethos of trust and partnership been developed and sustained between WBC and PfP?
 - e. How well are the leisure centres contributing to the Council's priorities? (Community Wellbeing, Customer Services and Value for Money (VfM))
 - f. How does the management of the Contract contribute to ongoing innovation and improvement?

- g. What are the skills and competencies necessary to successfully manage larger service contracts and what types of training would be most useful?
- h. What lessons can be learnt from the management of the Leisure Centre Contract for other contracted out services in the Council?
- i. Can potential cost savings be identified?

3. **Approach to the review**

- 3.1 A principles-based approach was advocated, rather than using specific rules, in order to build a flexible framework and tools to conduct the review that could be adapted and re-used by future reviews for any area of Council business. A principles-based approach should also help to ensure that discovery and learning achieved by this review does not become quickly out of date as the Council review environment matures and evolves.
- 3.2 There were a number of technical methodologies that were relevant and might have been used. However, the method that was selected is one of the more easily understood and digested: it was essentially an identification of which Suppliers deliver what critical Inputs to enable what critical management Processes to be enacted to generate critical Outputs that were delivered to core Customers and analysis of how effectively this operates. It is known as a SIPOC (suppliers, inputs, process, outputs, customers) analysis.

4. **Scope of the review**

- 4.1 The scope of the review was outlined in the papers considered by the Sub-Committee in December. Critically it was limited to the:
 - Services delivered by and on behalf of the Council at the 5 leisure centres within the borough at Cranleigh, Farnham, Godalming and Haslemere (The Edge and The Herons).
 - Contracts that have been entered into, relevant to the provision of goods and services at the 5 leisure centres.
 - Analysis of historical performance across enabling functions: people, training, resources, information, leadership, organisation, infrastructure.
 - Analysis of goods and services delivery during the period Aug 2015-Aug 2016.
 - Analysis of emergent and future trends and outcomes.

5. **People interviewed/ Findings/ Results**

- 5.1 The Sub-Committee in reaching its findings gathered evidence from a number of sources. Members specifically interviewed a number of key officers both from the Council and PfP to discuss the contract and its implementation. A list of evidence that was gathered is noted below and is available online from the Waverley Website.
 - Interview notes – Commercial and Financial

- Interview notes – Godalming
- Interview notes – Farnham
- Interview notes – Cranleigh
- Interview notes - Edge
- Summary of Community O&S Leisure Centre Contract Management Review Team interviews with Place for People Centre General Managers at Cranleigh and Godalming Leisure Centres
- Report on Agreement between WBC&DC Leisure (the former company that became PfP)
- Profit share figures
- Leisure Development Plan
- Draft Leisure facilities strategy
- Leisure feasibility study – consultants brief
- Corporate strategy
- Service Plan Communities
- Leisure centre Lifecycle costings 2016
- Monthly Finance report from PfP

6. **Findings**

a. *Is there an effective leadership/management process and associated contract monitoring in place to ensure effective operation of the Council's leisure centres?*

6.1 The Sub-Committee concluded that there is an effective operational leadership/management process and contract monitoring in place to ensure effective operation of the Council's leisure centres. This provides the right balance of tight and robust monitoring and inspection visits together with the promotion of a strong partnership ethos where ideas and innovation are encouraged. Evidence considered indicates that value for money is being achieved in the way the Council's contract management function operates.

6.2 The Sub-Committee identified that opportunities exist for enhanced commercial monitoring of the contract. The current arrangement for financial monitoring is temporary on account of a resignation and the officer carrying out the work is not available full time to respond to queries from the Leisure Centre team this could result in a delayed response to queries raised by the leisure team. No evidence was presented that there is active monitoring of the Leisure Centre market or PfP's performance within that market against which commercial performance can be assessed and through which early warning of emerging opportunities and threats can be identified.

6.3 The Sub-Committee advised that there had been very positive feedback in general from the General Managers and no significant concerns were expressed about the contract management approach being undertaken by the Council. Members noted that there was a consistently positive response given by the managers of each leisure centre and the current system of monitoring performance through Quest is providing an excellent service to assist management and performance monitoring.

b. Can a more commercial approach to the design and implementation of the leisure centres lead to wider benefits?

- 6.4 The ownership and management of leisure centres is a discretionary service that the Council chooses to provide. This discretionary nature of the service means that it is for the Council to define the commercial and wellbeing aspirations for the service. The Sub-Committee was unable to identify a Leisure Centre policy which sets out clear commercial and wellbeing expectations against which performance can be measured. Nevertheless the Sub-Committee identified positive commercial outcomes in recent years, a general trend of increasing visitor numbers and increasing wellbeing targets and achievements at each of the Council's leisure centres.
- 6.5 A positive commercial mind-set was apparent in staff from both the contractor and the Council's contract management team. Members noted that while PfP is a not for profit organisation where any overall surplus is reinvested to deliver their community aims, they still display a strong commercial acumen and recognise that they have to compete in a commercial environment with other leisure providers offering a range of services across the market.
- 6.6 It was also clear to Members that the investment strategy taken forward over the past five years has brought significant improvements to the range and quality of leisure provision, has increased usage levels by an average of 20% and has generated significant additional income to the Council.
- 6.7 Members identified that as a result of the commercial approach taken, WBC has proved that it was possible to operate a council leisure centre without the need for public subsidy, and deliver a high quality service that generates a positive income for the Council.

Members identified that as a result of the commercial approach taken, The Council has seen a year on year reduction in the level of subsidy required to the leisure centres and is approaching a point where the operation breaks even. At the same time a high quality and expanding service is being delivered. Members noted that the current contract incentivises innovative commercial thinking from both the Council and the contractor, as both parties share in any subsequent profits. It was also clear that the Council has effectively and appropriately transferred a significant amount of the commercial risk to the contractor who appears to have the experience and track record to deal with this effectively.

- 6.8 Pfp subscribes to NPS (Net Promoter Score), which is a management tool that is used to gauge individual customer loyalty, identify areas for improvement of the customer relationship and ultimately promote revenue growth. An NPS that is positive (i.e., higher than zero) is viewed as good, and an NPS of +50 is considered to be excellent. Scores at Cranleigh and Godalming were reported to be in excess of 50. Cranleigh scores have progressed over the past 2-3 years from the teens (10-20 year olds) into 50s+.

6.9 Members identified the opportunity to further improve the marketing of the leisure centres including targeting markets such as University Students returning home during their long holidays with a view to increasing participation during quieter periods.

6.10 The Sub-Committee felt that PfP could improve its own advertising as the brand offering was not perceived as being strong or consistent in centres that they had visited. Members suggested that PfP look at using targeted social media campaigns more to attract people to the centres.

c. *In managing the Leisure Centre contract, which aspects should be managed tightly and where should greater flexibility be allowed?*

6.11 Overall the evidence considered so far points to an effective balance between tight contract management and monitoring (eg Health and Safety, Customer Satisfaction etc) by the Council. This is balanced by sufficient commercial freedom offered to the contractor for them to deliver a successful service (eg prices, staff pay etc). The active and rigorous use by PfP of the Quest¹ tool for continuous improvement ensures that a combination of independent audit and inspection systematically identifies problem areas. Strong evidence was provided in several centres that PfP's centre management team members are actively and thoroughly addressing actions identified through Quest in pursuit of continuous improvement. Based on activity and timely responses, Quest operates a banding system from unsatisfactory to excellent.

- The most recent Cranleigh Quest review in May 2016 yielded a Good rating.
- The most recent Godalming Quest review in December 2016 yielded the top Excellent rating, which in context is only given to the top 15% of centres.

6.12 There was also evidence of shared design between the Council and PfP and problem solving rather than the Council simply issuing instructions in isolation. A good example of this is the successful approach taken to Health and Wellbeing and supporting new services such as Cardio Rehabilitation, Stroke Rehabilitation and Falls Prevention services.

d. *Has an effective ethos of trust and partnership been developed and sustained between the Council and PfP?*

6.13 The Sub-Committee identified a clear and effective ethos of trust and partnership between the Council and PfP. The people they had spoken to had a lot of pride in their centres and the relationship appeared successful because it was based on professionalism, high expectations on both sides, shared goals, and a belief that improved outcomes could be achieved by working together in partnership. Interviews with centre managers produced consistent

¹ Quest is a tool for continuous improvement, designed primarily for the management of leisure facilities and sports development. It is managed by Right Directions in partnership with Leisure-net Solutions.

responses, a clear openness and recognition of the many positive aspects of the relationship even when dealing with areas identified for improvement.

e. How well are the leisure centres contributing to the Council's priorities? Wellbeing /VfM / Environment

6.14 The Sub-Committee noted that the leisure centres appeared to be successful at attracting residents who had more to benefit from the service, such as older people, people recovering from long term illness and referrals by GPs. In addition the offer of free access to looked after children was seen as a powerful way to instil a healthy lifestyle for young people who may be more vulnerable due to their personal circumstances. Members noted the inherent difficulty in measuring the causal benefits for those using the service especially as some of these benefits (reduced incidence of certain health conditions such as diabetes, heart disease, stress and long term illness etc) would only become evident in future years.

6.15 The Sub-Committee noted that leisure centres are one of the highest consumers of energy of any local authority service, and the new biomass boilers are helping improve the Councils environmental performance by reducing emissions, after some initial operational issues. Members also were interested to discover the care taken to conserve resources from the increased use of LED lighting, the thermal cover placed on the pool when not in use, the reduced use of chemicals in the pool water in favour of electronic means, and the use of the recycled water from testing the pool for flushing the toilets in the building. Members suggested that more could be done to promote the positive and innovative work taking place to conserve energy in the Council's leisure centres and to build renewable energy generation into its leisure centres in the future.

6.16 The Sub-Committee felt that, prior to investing in energy saving technology in its leisure centres, the Council needed to thoroughly investigate the ongoing operational demands, alongside environmental benefits, in order to build in contingencies for equipment failure.

6.17 Evidence considered did indicate that value for money was being achieved in the way the Council's contract management function operated. It is understood that there were many long term and complex variables in establishing value for money, including positive health outcomes. It was felt that it is important to establish value for money assessment standards for the Council broadly in line with the National Audit Office criteria to assess value for money for government spending, including equity to ensure that resources are being fairly distributed.

f. How does the management of the Contract contribute to ongoing innovation and improvement?

6.18 Day-to-day operational improvements resulting from active use of the Quest management tool are discussed above. The Sub-Committee also saw evidence of on-going commercial innovation and improvement and considered the "profit share" element of the contract, the partnership ethos, the availability of

investment funds, the open book approach, appropriate handling of risk and the commercial freedom offered to the contractor, as highly effective drivers of this improvement and innovation. Members identified the need for future investment, particularly at Cranleigh, as essential for improvement and financial success as well as investigation options for increased provision of car parking at Godalming Leisure Centre.

g. What are the skills and competencies necessary to successfully manage larger service contracts and what types of training would be most useful?

6.19 The Sub-Committee considered it essential and beneficial for the officers to have the right skills and competencies to manage the contracts. It further believes that the Council currently has an appropriate team in place and that this is being achieved. Essential areas of knowledge include awareness and understanding of industry wide performance metrics used for leisure centres, financial understanding and understanding of Health and Safety. Relevant industry experience clearly enhanced each of these areas and improved the ability of the WBC team to interact with the contractor's staff.

h. What lessons can be learnt from the management of Leisure Contract here for other contracted out services in the Council?

6.20 The Sub-Committee thought there were many potential lessons for other services in the Council that deliver large scale functions through contractors. These lessons include:

- the vital and active role of the “client” or “contract management” team in the success of a service delivered through a contract.
- The benefits of using management tools to provide a framework for continuous improvement and to promote collaborative working practices between the Council and contractor.
- the need for the Council to establish key performance indicators to measure the success of the service together with consequences of poor performance.
- the need for the Council to identify the risks associated with the contract, to allocate those risks to the party best able to manage them (i.e. the Council or contractor) and to establish a systematic risk review process.
- the promotion of a partnership ethos between the Council and contractor based on a shared commitment to excellence and agreed objectives.
- the benefit of openness and trust between the Council and contractor, together with a shared and methodical approach to problem solving.
- the need to establish a mechanism to identify service benefits and opportunities and to deliver change.
- the need for a regular review process to identify areas for investment, deliver savings and service improvements.

- ensuring that the contractor actively and continuously promotes and rewards a team culture approach with its employees and its client.

6.21 Members also thought there was an opportunity for the Council's contractors and client teams to meet at least annually to identify and share best practice and promote a culture of learning across their contracts.

i Can potential cost savings be identified?

6.22 Elsewhere we have identified how the monitoring client-side group are well organised and have the necessary processes to provide effective contract management in a partnership style. No unnecessary extra activities were identified and the team appeared appropriately lean for the task.

7. **Methodology for Overview and Scrutiny Reviews**

7.1 A further part of the review, was to look into the approach the council could take to carrying out a review and to develop a methodology that could be considered those undertaking future reviews. A methodology was proposed with a set of principles to set the culture and guide the approach. This can be reviewed in the evidence pack and will be looked at in more detail by the O&S Coordinating Board

7.2 However, the Group would at this stage make the following observations with the benefit of hindsight:

- Our group took on potentially too large a workload.
- A smaller more focussed project could probably have delivered most of the benefits and thus been a better return on the resources invested.
- Greater involvement should have been made of appropriate officers from the outset. Though we continue to believe that officers supporting the interviewers must be independent of the service.

8. **Recommendations**

8.1 Having considered all the findings and evidence gathered (which is attached as a separate annexe and available online via the website), the Sub-Committee has identified a set of recommendations which pertain directly to the management of the Leisure Centre Contract and are shown in regular text below. A set of associated recommendations based on incidental observations during the course of the review are also noted in italics for consideration.

1. Given the difficulty that the Sub-Committee had in identifying the commercial and wellbeing expectations that PfP are expected to perform to it is recommended as a matter of urgency that the Portfolio Holder for Health, Wellbeing and Culture and the Head of Communities and Special Projects develop a clear policy setting out the Council's priorities for leisure centres in Waverley; For this policy to take into consideration PfP's company objectives

to ensure there is no conflict in objectives between the Council and the contractor;

Customer Service and Value for Money

2. The contractual arrangements between the Council and Places for People (PfP) should be highlighted as a success and used as an example of good practice for other services in the Council that deliver large scale functions through contractors, specifically:
 - Highlighting the importance of the in-house experience / skills of the contract management team in delivering a service through a contract.
 - Noting the promotion of a partnership ethos with the contractor based on a shared commitment to excellence and effective risk allocation.
 - Noting the promotion of openness and trust and a shared and collaborative way to problem solving.
 - Noting that both client and contractor structured the contract to promote innovation, flexibility and adaptation where necessary.
3. For the Council's Finance Department to start collecting good practice procedures by management accountants and in particular the specific procedures used by the current management accountant for Leisure.
This will provide quality information for a hand-over and back-up if the post holder is not available. Ultimately, best practice should be captured in a financial management manual.
4. For the Council to create a specific budget monitoring template for leisure centres to improve financial and commercial management and analysis.
5. For the Council to review the performance indicators currently in use for assessment of PfP performance, and to engage with PfP about which key performance indicators would be beneficial for driving efficiency, innovation and improvement, namely:
 - To understand the performance of the Council's leisure centres it is recommended that the Council establishes a performance sharing network with similar neighbouring authorities to share key delivery metrics to help drive financial and service improvement.
 - For the measurable targets to be set in accordance with an overall policy for leisure centres.
6. To ensure continuous assessment of value for money it is recommended that profit share should be set against costs incurred by the Council running the

contract, together with asset depreciation and life cycle costs in order for scrutiny committees to better assess whether the contract is value for money.

7. In efforts to provide further value for money, steps should be taken to ensure that opportunities are being investigated and taken to reduce the Council's internal operating costs for managing the leisure centres including further options for energy efficiencies.
8. For the Council to include risk thresholds in monthly accounts for the Borough's leisure centres and for these to be frequently reviewed.
9. With a view to improve customer experience it is recommended that the Council, in liaison with PfP explore innovative solutions to promote customer contacts online to reduce costs where appropriate.
10. To investigate and implement the use of Quest, or equivalent industry leading management tools, across third party contracts as this had proven a very successful tool for monitoring performance.
11. *The review recognises the importance of physical activity on mental health and wellbeing and this should be articulated clearly in any plan concerning sports and leisure.*
12. *For the Community Wellbeing Overview & Scrutiny committee to receive a report on investment options for Cranleigh Leisure Centre following the findings of the feasibility study carried out at the centre.*

Community Wellbeing

13. For the Community Wellbeing Overview & Scrutiny Committee to monitor the number of referrals by GP's to the leisure centre as part of the health and well-being offer; and to encourage feedback from customers that have been referred as part of the leisure centres' health and well-being offer;
14. For the Council and PfP to work together to market the leisure centres to attract the least physically active and students during term time by exploring a range of community based initiatives;
15. For there to be further work to encourage partnership working with the Clinical Commissioning Groups to explore opportunities to work alongside healthcare professionals to break down barriers to physical activity and tackle health inequalities; including investigating how occupational therapy could be introduced for the purpose of leisure rehabilitation;

16. *For the Council to play an active role in increasing the level to which the leisure centres are more 'dementia friendly' by exploring training needs for WBC and PfP staff and identifying associated risks.*
17. *For PfP's to investigate partnership opportunities with the Waverley apprenticeship scheme.*
18. *To Identify opportunities to increase participation by targeting and publicising activities and events at Leisure Centres more widely using the Council's publications and social media, in partnership with PfP's marketing programme.*

Environment

19. *To encourage PfP to investigate ways to conserve and make the leisure centres more energy efficient so ratings are in line with climate change targets.*

ANNEXE 1

Proposed Scrutiny Review: Leisure Centre Management Contract

1. REVIEW OUTLINE	
Subject of the review	The management of the Leisure Centre Contract and an exploration of what this has achieved
Approach/Methodology	<p>In-depth review by Community Overview and Scrutiny Sub Committee through a series of meetings</p> <p>To scrutinise the management of the Council's leisure contract covering the five leisure centres, by:</p> <ul style="list-style-type: none"> a) examining the management and monitoring processes that have been developed b) evaluating what has been achieved and lessons learnt c) identifying the extent to which strategic priorities such as Value for Money, Wellbeing and improving the Environment translate into action on the ground d) Exploring the contribution to other Council functions to the management of the Leisure Centre Contracts e) drawing out best practice lessons that may benefit the management of other service contracts in the Council. <p>Meeting the Waverley staff who are actively involved in the management of the contract, the Head of Service, Director, and representatives from Places for People (The Leisure Contractor) and relevant officers from other Council functions (eg Finance, Procurement, Estates, Wellbeing, Legal etc)</p> <p>Inform the approach taken to future in-depth reviews by the Overview and Community Committee.</p>
1.1 Reasons for the Review	
Reasons for conducting this review	This represents a longstanding contract for the Council and a service that has received significant capital investment in recent years but relatively low levels of formal scrutiny
Key question(s) the review aims	Is there an effective leadership, management

<p>to answer</p>	<p>process and associated contract monitoring in place to ensure the effective operation of the Council's Leisure Centres?</p> <p>Can a more commercial approach to the design and implementation of leisure centres lead to wider benefits?</p> <p>In managing the Leisure Centre Contract, which aspects should be managed tightly and where should greater freedom and flexibility to allowed?</p> <p>How has an ethos of trust and partnership working been developed and sustained between the Council and Places for People (the contractor)?</p> <p>How well are the Leisure Centres contributing to the Council's Corporate Priorities:</p> <ul style="list-style-type: none"> • Community Wellbeing? • Improving the Environment? • Value for Money? <p>How does the management of the contract contribute to ongoing innovation and improvement?</p> <p>What are the skills and competencies necessary to successfully manage large service contracts and what types of training would be most useful?</p> <p>What lessons does the management of the Leisure Centre Contracts have for other contracted-out services in the Council?</p>
<p>Objectives of the review/areas for investigation</p>	<p>To carry out an audit of the processes used to monitor the adherence of contract specification. Identify the added value beyond the core specification that has been achieved through an ethos of partnership working.</p>
<p>Outcomes expected from conducting review</p>	<p>To confirm that the service meets the needs of Waverley in delivering a contract with value for money</p> <p>Lessons that can help inform the procurement and on-going management of other contracts in the Council</p>

1.2 Sources of information	Corporate Plan Contract monitoring pack and performance metrics Leisure Centres Contract Specification Relevant Service Plan objectives Places for People Team	
2. PROJECT PLAN & RESOURCING		
2.1 Councillor involvement		
O&S councillor leading review	To be determined by the Community Overview and Scrutiny Committee	
Other O&S members involved	To be determined by the Community Overview and Scrutiny Committee	
Key Executive councillors	Executive Member	
Other Executive Portfolios covered	None	
2.2 Officer Support & External involvement		
Corporate Director	Damian Roberts, Director of Operations	
Lead Officer	Kelvin Mills, Head of Community Services and Special Projects	
Other Officers	Tamsin McLeod Sally Seymour Emma Das	
Expert witnesses, possible co-optees	Places for People Manager	
2.3 Other Council Services expected to contribute	Legal team Finance team Communities team	
2.4 External Organisations to be invited to contribute/submit evidence	Places for People Leisure	
2.5 Publicity and Awareness of the Review	None at this stage	
Publicity activities to be undertaken	To promote findings at the conclusion of the review	
2.6 Timetable of the review	Autumn 2016 and Spring 2017	
	Time required	Completion date
Meetings and evidence	6 weeks	

gathering		
Evaluation of evidence and draft recommendations	2 weeks	
Produce draft report	2 weeks	
Consultation on draft report	2 weeks	
Consideration of draft report by O&S Committee		14 March 2017
Report to relevant decision-makers		
Schedule monitoring of implementation of outcomes		
2.7 Specific Costs	e.g. site visits	
2.8 Equalities issues	Maximising the contribution of leisure centres to those in greatest need and maximising access to all parts of the community including those that would not traditionally go to a Leisure Centre.	
2.9 Constraints /Barriers/Risks	Tamsin McLeod, Leisure Services Manager, is responsible for the management of the contract will be on maternity leave from 21 st October for up to a year	
3. SIGNED APPROVAL		
Signed: (by Chairman on behalf of the Overview & Scrutiny Committee)		
Date Agreed: (by Overview & Scrutiny Committee)		

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11/07/2017

Title:

ROWLEDGE TENNIS CLUB - GRANT OF NEW LEASE

[Portfolio Holders: Cllrs Ged Hall, Tom Martin and Kevin Deanus]

[Wards Affected: Farnham Wrecclesham and Rowledge]

Note pursuant to Section 100B(5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

Authority is sought to grant a 40 year lease to Rowledge Tennis Club for the two courts and pavilion as shown outlined on the plan annexed.

How this report relates to the Council's Corporate Priorities:

Value for money: The proposal should bring financial savings to the Council whilst maintaining a high quality provision of sports facilities in the borough. It will also ensure our activities are customer focused whilst providing good value for money.

Leisure and Lives: Through improving opportunities for all to take part in sport and recreation, and protecting the status of recreation grounds for formal and informal recreation. The provision of high quality and well maintained sports and recreational areas will improve the quality of life for children, young people, adults and the more vulnerable in society.

Environment: The new lease will enable the tennis club to operate on a formal basis whilst protecting the recreation ground.

Financial Implications: This proposal is cost-neutral because the Council will save an estimated £600 as a result of the Club undertaking maintenance works under the terms of the new lease, with this amount being allocated to the Club in the form of rent-related grant to be deducted from the new rent.

This is advantageous to the Council because it will no longer need to manage the works directly and because an element of risk is transferred away from the Council.

Legal Implications:

Each party will be responsible for their own legal costs in the preparation of the lease document. Officer time will be involved in the drafting of the lease.

Introduction

1. Rowledge is a small tennis club with two courts and a small pavilion on the edge of Rowledge Recreation Ground. The area is shown outlined on the plan annexed. The recreation ground has been run for many years under the former Recreation Grounds Licence that was originally set up by Farnham UDC. Following the grant of leases to Rowledge Cricket Club and Bowling Club, it is necessary to have a lease for the Tennis Club as well. Authorisation is sought for the grant of a lease to Rowledge Tennis Club on modern terms and for a period of 40 years.
2. It is proposed that the new lease should be in the standard form for sports facilities leases by setting out those areas that the club should maintain throughout the term of the lease but also allowing for a Service Level Agreement that can be modified over the term to meet changing needs. These terms and conditions are set out in the (Exempt) Annexe.
3. The 40 year term proposed for the lease will be sufficient to allow the club to seek grant aid for improvements to the courts and pavilion, as and when required, during the next few years.

Recommendation

It is recommended that a new 40 year lease be granted to Rowledge Tennis Club on the terms and conditions set out in the (Exempt) Annexe, with other terms and conditions to be agreed by the Estates and Valuation Manager.

Background Papers

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

CONTACT OFFICER:

Name: Helen Bristow

Telephone: 01483 523172

E-mail: helen.bristow@waverley.gov.uk

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