

To: All Members and Substitute Members of
the Overview & Scrutiny Committee -
Value for Money & Customer Service
(Other Members for Information)

When calling please ask for:
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Calls may be recorded for training or monitoring

Date: 1 September 2017

Membership of the Overview & Scrutiny Committee - Value for Money & Customer Service

Cllr John Williamson (Chairman)
Cllr Mike Band (Vice Chairman)
Cllr Nicholas Holder
Cllr Peter Martin
Cllr Stephen Mulliner

Cllr Nabeel Nasir
Cllr Libby Piper
Cllr Jeanette Stennett
Cllr Stewart Stennett

Substitutes

Cllr Liz Townsend
Cllr Richard Seaborne

Cllr Jerry Hyman

Dear Councillor

A meeting of the OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY & CUSTOMER SERVICE will be held as follows:

DATE: MONDAY, 11 SEPTEMBER 2017

TIME: 7.00 PM

PLACE: COMMITTEE ROOM 1, 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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Waverley Corporate Plan 2016-2019

Priority 1: Customer Service

We will strive to deliver excellent, accessible services which meet the needs of our residents.

Priority 2: Community Wellbeing

We will support the wellbeing and vitality of our communities.

Priority 3: Environment

We will strive to protect and enhance the environment of Waverley.

Priority 4: Value for Money

We will continue to provide excellent value for money that reflects the needs of our residents.

Good scrutiny:

- is an independent, Member-led function working towards the delivery of the Council's priorities and plays an integral part in shaping and improving the delivery of services in the Borough;
 - provides a critical friend challenge to the Executive to help support, prompt reflection and influence how public services are delivered;
 - is led by 'independent minded governors' who take ownership of the scrutiny process; and
 - amplifies the voices and concerns of the public and acts as a key mechanism connecting the public to the democratic process.
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NOTES FOR MEMBERS

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

AGENDA

1. MINUTES (Pages 7 - 16)

To confirm the Minutes of the Meeting held on 26 June 2017 (to be laid on the table 30 minutes before the meeting).

2. APOLOGIES FOR ABSENCE AND SUBSTITUTES

To receive apologies for absence and note any substitutions.

3. DECLARATIONS OF INTERESTS

To receive Members' declarations of interests in relation to any items included on the agenda for this meeting, in accordance with Waverley's Code of Local Government Conduct.

4. QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chairman to respond to any written questions received from members of the public in accordance with Procedure Rule 10.

5. CREATION OF A PROPERTY COMPANY - DETAILED MATTERS (Pages 17 - 34)

In July 2017 the Council agreed to create a property company to support its financial and property strategies in the medium/long term, after seeking specialist advice. Before advice is sought, Waverley needs to agree the purpose and objectives of the company and how it will operate and the report to Council included a number of detailed matters that were delegated to the Investment Advisory Board to finalise, after consideration by the VFM O&S Committee.

The relevant matters that need to be agreed prior to appointing external specialist external advisors are set out in the report and the Overview and Scrutiny Committee is asked to consider each one and agree on proposals to recommend to the Investment Advisory Board.

Recommendation

The Committee is asked to consider and comment on the matters set out in the report and to submit any observations and comments to the Investment Advisory Board.

6. PERFORMANCE MANAGEMENT REPORT - QUARTER 1 2017/18 (APRIL - JUNE 2017) (Pages 35 - 44)

This report provides an analysis of the Council's performance in the first quarter of 2017/18 in the service areas of Finance, Strategic HR and Complaints. Annexe 1 to the report details performance against key indicators.

Recommendation

It is recommended that the Customer Service & Value for Money Overview & Scrutiny Committee considers the performance figures for Quarter 1 and agrees any observations or recommendations about performance and progress towards targets it wishes to make to the Executive.

7. IN-DEPTH REVIEW - CAPITAL EXPENDITURE (Pages 45 - 58)

The Value for Money and Customer Service Overview and Scrutiny Committee has identified a potential in-depth review of the Capital Expenditure Process and Management, the draft scoping document is attached.

Recommendation

It is recommended that the Value for Money and Customer Service Overview and Scrutiny Committee approves the scoping document for the proposed review and agrees to establish a Task Group to undertake the review.

8. GENERAL FUND BUDGET 2017/18 OVERVIEW (Pages 59 - 66)

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 were approved by Council in July after consideration by the Value for Money O&S Committee. The revised Financial Plan approved in July forecast a General Fund budget shortfall of £2.8m over the 3 – year period 18/19 to 20/21.

Recommendation

The Value for Money and Customer Service Overview and Scrutiny Committee is asked to:

- 1. Consider how Members can most effectively engage in the budget setting process and contribute to addressing the budget shortfall, particularly through the O&S Committees;**
- 2. Consider and prioritise the proposals identified in this report to address the budget shortfall;**
- 3. Identify any specific cost reduction, efficiency or income earning opportunity that should be developed; and**

4. Review and comment on the draft budget setting timetable for the next 18 months as set out in Annexe 2.

9. COMMITTEE WORK PROGRAMME (Pages 67 - 84)

The Value for Money and Customer Service Overview and Scrutiny Committee, is responsible for managing its work programme.

The work programme (attached) includes items discussed at the O&S Co-ordinating Board and takes account of items identified on the latest Executive Forward Programme (Annexe 2) as due to come forward for decision.

A Scrutiny Tracker has been produced to assist the Committee in monitoring the recommendations that have been agreed at its meetings. The Tracker details the latest position on the implementation of these recommendations and is attached at Annexe 3.

Recommendation

Members are invited to consider their work programme and make any comments and/or amendments they consider necessary, including suggestions for any additional topics that the Committee may wish to add to its work programme.

10. 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 items 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 the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in the appropriate paragraph(s) of the revised Part 1 of Schedule 12A to the Act (to be specified at the meeting).

Officer contacts:

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WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY &
CUSTOMER SERVICE - 26 JUNE 2017

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Mike Band
Cllr Nicholas Holder
Cllr Peter Martin
Cllr Stephen Mulliner

Cllr Nabeel Nasir
Cllr Jeanette Stennett
Cllr Stewart Stennett
Cllr John Williamson

Cllr Liz Townsend (Substitute)

Apologies

Cllr Libby Piper

Also Present

Councillor Richard Seaborne was in attendance and spoke on Item 11 – Workforce Profile Update.

1. APPOINTMENT OF CHAIRMAN (Agenda item 1.)

RESOLVED that Cllr John Williamson be appointed as Chairman of the Value for Money and Customer Service Overview and Scrutiny Committee for the Council year 2017/18.

2. APPOINTMENT OF VICE CHAIRMAN (Agenda item 2.)

RESOLVED that Cllr Mike Band be appointed as Vice Chairman of the Value for Money and Customer Service Overview and Scrutiny Committee for the Council year 2017/18.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTES (Agenda item 3.)

Apologies for absence were received from Cllr Libby Piper. Cllr Liz Townsend attended as a substitute.

4. DECLARATIONS OF INTERESTS (Agenda item 4.)

Cllr Mike Band declared a non-pecuniary interest in agenda item 9, Creation of a Property Company, as he was a member of the Investment Advisory Board.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 5.)

There were none.

6. COMMITTEE AREAS OF RESPONSIBILITIES AND SERVICE CONTEXT (Agenda item 6.)

The Chairman opened the meeting by inviting each member of the Committee to share their relevant background and interests in the areas of value for money and customer service. Graeme Clark, Strategic Director – Finance and Resources, and Robin Taylor, Head of Policy and Governance, then delivered a presentation on the Service Areas falling within the remit of this Overview and Scrutiny Committee.

Graeme Clark informed the Committee that the Accountancy and Exchequers team comprised 15 members of staff and managed an annual spend of £70m across the General Fund and HRA. The Employee Services team carried out the Council's HR function and managed a £14m salary budget. The Revenues and Benefits team comprised 24 members of staff and collected council tax and business rates from properties within Waverley. Approximately 5,000 households in Waverley (10% of total) were in receipt of some type of benefit support. The Estates and Valuations team was responsible for managing the Council's General Fund property portfolio which included Waverley's Leisure Centres. The IT team comprised 12 members of staff who support the 78 different software packages used throughout the organisation; there was a £700k budget for IT maintenance and support contracts. Finally, the Facilities team managed the Burys offices, as well as the post and printing services within the Council.

There was a corporate drive to improve customer service within the organisation and this involved staff from across various service areas. The Executive had recently given approval for a number of improvements to customer service at Waverley and these were currently being implemented.

Key priorities within the area of Finance and Resources were utilising the Investment Advisory Board to help to address the Council's financial pressures, reviewing the Council's office accommodation, and seeking to make efficiencies through a process of business improvement.

Robin Taylor informed the Committee that the Policy and Governance Service Area comprised Democratic Services, who ensured a transparent decision-making process; Legal Services, including Land Charges and Freedom of Information; the Corporate Policy team, who shape Waverley's vision, plans and policies; and the Communications team, who ensured that the right information reached the right people at the right time.

Key priorities for the Policy and Governance Service Area included delivering a refreshed Corporate Plan, a revised scheme of delegation, a scrutiny change programme, a channel shift programme, and paperless savings.

The Committee thanked officers for their informative presentation and requested that the slides be circulated for information.

7. COMMITTEE WORK PROGRAMME (Agenda item 7.)

The Committee reviewed its proposed work programme and the Chairman added that at this early stage it was very much open to Member input.

The Committee discussed the area of communication with residents, particularly the need to provide prompt reassurance to tenants in light of the recent incident at Grenfell Tower in London. Whilst officers explained that information would be

provided in the forthcoming issue of Waverley Homes and People reassuring tenants that a similar incident would be highly unlikely to occur in Waverley, the Committee felt that the Council needed to be more proactive in providing positive news stories. The Committee therefore suggested adding an item to its work programme to review communication methods, looking to identify ways in which to be more proactive.

The Committee also suggested that in the lead up to the budget setting process, it would be important to review whether the recommendations from the strategic review relating to Waverley's Financial Strategy (as set out at Annexe 2 to the Medium Term Financial Plan report) had been achieved. There was also a suggestion that the way in which services are delivered be reviewed, with the aim of identifying where different ways of working could be utilised and efficiencies could be made.

8. MEDIUM TERM FINANCIAL PLAN (Agenda item 8.)

Graeme Clark, Strategic Director – Finance and Resources, introduced the report on the Medium Term Financial Plan; he explained that a budget shortfall of £2.1m was currently forecast for the period 2018/19 – 2020/21 and the revised Financial Plan identified actions to address this shortfall in the Medium Term. The report set out an updated list of emerging budget pressures in the medium-term as well as opportunities for generating income and delivering savings. There were also proposals to implement a new, more rigorous bidding and monitoring process for General Fund capital schemes.

The 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 as several other local authorities were also going down this route which could affect the market. It was queried as to whether the IAB would utilise external consultants and Graeme Clark explained that while there was no retained advice, external advice would be sought on a case by case basis. Cllr Mulliner emphasised the importance of using in-house expertise and Graeme added that a new Estates Manager had just been recruited; she had a commercial background and brought with her good contacts and experience.

Members expressed concern over the budget shortfall set out at Annexe 3. Cllr Martin asked whether the figures took into account recent property investments and Graeme Clark explained that this took into account the Enterprise Centre but not other investment. The Committee was particularly concerned 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.

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.

9. CREATION OF A PROPERTY COMPANY (Agenda item 9.)

Graeme Clark, Strategic Director – Finance and Resources, introduced the report on the Creation of a Property Company. He explained that the purpose of creating the company was to enable the Council to operate across a greater range of property transactions; for example, a company would be required in order to borrow money for a profit even if there was not a demonstrable community benefit. He added that the company would only be used as a last resort if the investment criteria had been met, but the acquisition could not be done as a Council. This arrangement would also provide greater flexibility to work with neighbouring local authorities to potentially assist them with property purchases in their areas. The funding of the company would still be done via the Council, and therefore would remain subject to member approval.

Cllr Holder asked whether the company would still be subject to corporation tax. Officers responded that it would be, which was why it would only be used as a last resort. It would also enable the Council to develop property for market sale or rent if it wished to.

Overall, the Committee was supportive of the proposal as it would provide more flexibility for the Council and would also provide a faster speed of operation. Cllr Martin queried how often the company would produce reports as it was important to know whether any acquisitions were meeting expectations. The Committee added that a clear system of monitoring and reporting needed to be put in place so that Members could be updated on progress with property acquisitions.

Cllr Mulliner asked whether the process of seeking Council approval for funds would delay the process. Graeme Clark explained that the Council would be able to lend an amount of money to the company ready for non-specific acquisitions so there should be no delay in this respect.

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 as well as periodic monitoring reports.

10. PERFORMANCE MANAGEMENT REPORT (Agenda item 10.)

Nora Copping, Policy and Performance Officer, introduced the Performance Management Report to the Committee. In regard to time taken to process Housing Benefit support new claims, it was noted that the processing time had increased slightly due to increased end of year workload, however this was still within target. The percentage of Council Tax collected also showed very good performance, particularly in relation to other Surrey districts. The performance in relation to percentage of invoices paid with 30 days had dropped slightly however it was noted that the criteria for this indicator would change in 2017/18 to pay invoices in accordance with supplier terms.

The average number of working days lost due to sickness absence per employee had improved but was still outside the target of 1.38 days. The number of complaints had increased from Quarter 3 which had been exceptionally low, however it was noted that the number of complaints received annually was 10% lower than other South East Councils.

The Service Plan Annual Outturn Report 2016/17 showed that 63 out of 68 actions had been achieved, with the remaining 5 to be carried forward to 2017/18.

Louise Norie, Corporate Policy Manager, also invited the Committee to consider how the reporting of performance indicators could be improved going forward. She stated that the Committee currently received a good number of indicators, but that the majority of these related to 'value for money' rather than 'customer service'. She suggested that it might be useful to have a baseline of customer satisfaction against which to measure customer service.

The Committee felt that it only needed to receive indicators on an exception basis, and there were differing views as to whether the trend analysis should be presented quarterly or annually; overall more members expressed a preference to retain the quarterly trend analysis. 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. Cllr Nasir also suggested that the other indicators (non-exception) could be circulated to Members for information outside of the committee environment.

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. Cllr Martin suggested utilising a survey already conducted by Surrey County Council however Cllr Townsend was concerned that this method might dilute the Waverley 'brand'. Another suggestion was to include a customer satisfaction survey in the 'Your Waverley' magazine combined with an online version on the survey. While there was some concern that surveys didn't always provide representative feedback, the Committee agreed that it was most important to collect customer feedback. Robin Taylor informed the Committee that work had been undertaken to make the Citizens' Panel surveys more representative. Officers agreed to investigate the various options further and would bring back suggestions for establishing a customer satisfaction baseline.

Members also felt that there should be a clear link between performance indicators and service plan and corporate plan objectives.

11. WORKFORCE PROFILE UPDATE (Agenda item 11.)

Wendy Gane, Strategic HR Manager, presented the report on Waverley's workforce profile which set out the staffing resilience in each service area. She explained that the purpose of the report was to address the perceptions that there were recruitment problems at the Council which impacted on staff morale. The data set out in the report showed that members of staff were generally happy and that services were coping with the current level of turnover.

Cllr Seaborne had registered to speak on this item as he had been a member of the Corporate O&S Committee that had requested this information. He thanked Wendy

Gane for the report, which translated the data received in previous performance reports into an understanding of the staffing resilience within the Council. He suggested that a report with this level of detail should be reviewed by the Committee on an annual basis.

The Committee found the report very useful, and felt that it demonstrated the importance of having all the necessary data in order to reach an informed view.

Members noted that Waverley's total number of working days lost through sickness equated to approximately 1.2% of the total number of working days available. This was significantly less than the 2.9% working days lost (as published by the Office for National Statistics) recorded across the public sector last year, and lower than the 1.7% recorded in the private sector. In light of this, Wendy Gane suggested that the target for the average number of days lost due to sickness absence be amended to 6.5 days from 5.5 days.

Cllr Martin acknowledged the positive position of the Council in relation to the public sector as a whole, however noted that he would expect this to some degree as the wider public sector included social care where employees were unable to work if they were unwell.

Wendy Gane added that the Council struggled to compete with the private sector in terms of salaries, particularly in areas such as planning and estates, but that Waverley had been working hard on its offer to staff, including the level of support and training opportunities available. Additionally, some of the reported turnover was actually due to internal promotions which officers viewed as a success.

Having reviewed data contained within the report, the Committee agreed to recommend to the Executive 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.

12. EXCLUSION OF PRESS AND PUBLIC (Agenda item 12.)

At 9.06pm it was RESOLVED 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 items 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 the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in paragraph 3 of the revised Part 1 of Schedule 12A to the Act, namely:

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

13. BUILDING CONTROL - BUSINESS PLAN (Agenda item 13.)

Jane Clement, Building Control Business Manager, introduced the report to the Committee. She explained that following the recommendations from the Corporate O&S meeting in January, officers had brought in consultants to formulate a

business plan. She outlined the statutory requirement for the building control service and stated that while Waverley had a good market share, there was scope to increase this. Details of the proposals are set out in the (exempt) annexe to these minutes.

The Committee acknowledged the challenges facing the Building Control Service however some Members felt that the consultants' brief had been too narrow, and hadn't sufficiently investigated other options for the delivery of the service.

While the Committee felt that the Business Plan needed more work, it acknowledged that the recruitment of Surveyors was necessary in order to stabilise the service. Further options for the delivery of the service could then be explored further, and Members requested that a review of the Business Plan be brought back to the Committee in the future, with Cllr Martin suggesting a review in 6 months' time.

The meeting commenced at 7.00 pm and concluded at 9.32 pm

Chairman

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WAVERLEY BOROUGH COUNCIL

OVERVIEW AND SCRUTINY (CUSTOMER SERVICE AND VFM)

11 SEPTEMBER 2017

Title:

CREATION OF A PROPERTY COMPANY – DETAILED MATTERS

[Portfolio Holder: Cllr Tom Martin]

[Wards Affected: All]

Summary and purpose:

In July 2017 the Council agreed to create a property company to support its financial and property strategies in the medium/long term, after seeking specialist advice. Before advice is sought, Waverley needs to agree the purpose and objectives of the company and how it will operate and the report to Council included a number of detailed matters that were delegated to the Investment Advisory Board to finalise, after consideration by the VFM O&S Committee.

The relevant matters that need to be agreed prior to appointing external specialist external advisors are set out below and the Overview and Scrutiny Committee is asked to consider each one and agree on proposals to recommend to the Investment Advisory Board.

Background

1. The primary objective of the Council's Investment Strategy 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. In July the Council agreed 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).

Legal Implications

3. The detailed legal implications were set out in the report to this Committee, the Executive and Council in July 2017. At the request of the VFM Overview and Scrutiny Committee at its meeting in June, officers sought legal advice on various specific aspects of the operation of a Waverley property company. This advice is included at Exempt Annexe 1.

Financial Implications

4. 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.

Detailed Matters agreed by Council to delegate to the IAB after VFM O&S

a. Governance arrangements

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.

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.

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. Details of the sub-committee were included within the report to the June meeting of this Committee.

WBC will be the sole company shareholder and the Shareholder would, 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.

b. Authorisation

Every property option will 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. Authorisation would be required from the Board. Any lending from the Council to the Company would be subject to the normal decision making process through the Executive and Council if necessary, depending on the financial amount.

c. Scope of activity and types of investments

It is proposed that the company, as a property vehicle, will target a specified minimum return with funding either from loans from the Council or commercial sources. The agreed aim is 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.

It is proposed that, initially, the focus of the company will be to concentrate on property investment and development work both inside the Borough and also nationally, 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.

The type of investments will not be restricted by sector or location within the UK but the IAB (or company) will be seeking the best opportunities, with strong covenants (Good tenants) on suitable lease terms, whilst seeking to achieve a balanced portfolio mix. As

such as the opportunities arise each will be considered on its merits, filtering potential investments and seeking external advice.

d. HRA interface (in particular the use of revenue from disposals to the company for affordable housing)

Subject to legal advice and a sound business case for the HRA and the Company it is proposed that the Company should be permitted to undertake transactions that involve Housing assets.

e. On-lending (i.e. any restrictions around the Council's ability to loan money to the company).

This would be permitted and the details are included in the legal advice at annexe 1.

f. Tax.

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

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.

g. Raising finance, including borrowing from the Council.

Borrowing from the Council will be the primary source of capital funding and working capital. External funding would be considered as an alternative for any large scale spending decisions if favourable conditions can be secured.

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.

h. Support costs and other overheads.

These would be agreed in advance between the company and the council and SLA's would be put in place to agree the basic level of service required and the cost of additional services needed. Recharges will be on a cost recovery basis including appropriate oncosts.

i. Investment criteria.

It is proposed to align the Company's investment criteria with Waverley's Investment Advisory Board approved criteria – annexe 2.

j. Further scope for the company's activities in future.

- Joint ventures

- Operating existing Council assets
- Development management agreements
- Housing schemes for rent or development and sell

Recommendation

The Committee is asked to consider and comment on these matters and to submit any observations and comments to the Investment Advisory Board.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Investment Advisory Board Evaluation Criteria

The acquisition or investment must be within the powers of the Council and must be undertaken with appropriate regard to tests of reasonableness, fiduciary duty, value for money and the Council's corporate priorities. The Investment Advisory Board will apply the following criteria in evaluating proposed investments.

Draft Investment Criteria to be applied to all investment proposals – individual criteria where applicable.

1. Investment Type	<ul style="list-style-type: none"> • Good quality investment property in traditional sectors (retail, office and industrial) • Low management costs – which may include long leases, secure tenants, FRI leases, or a combination of these factors, or by managing through agents
2. Location	<ul style="list-style-type: none"> • Strong investment locations – now or with future prospects
3. Financial benefits and considerations	<ul style="list-style-type: none"> • Secure medium to long-term income;
4. Price and Return	<ul style="list-style-type: none"> • Good rental or capital growth prospects • A return over the first 5 years of ownership at least 2% greater than long-term cash returns over the previous 12 months
5. Security	<ul style="list-style-type: none"> • Pre-let to tenants of good covenant on FRI terms • Normally, at least 5 years unexpired • Quality and location (easily relettable or with redevelopment potential or capital growth prospects)
6. Period	<ul style="list-style-type: none"> • The period over which a return will be made, ensuring that this is achieving a balance between the short, medium and longer term.
7. Balanced Portfolio	<ul style="list-style-type: none"> • Whether the investment aids the achievement of a balanced portfolio in the longer term.

These are key headline criteria but each scheme will be subject to an appraisal of risk, legal matters and overall assessment of financial position.

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WAVERLEY BOROUGH COUNCIL

CUSTOMER SERVICE & VALUE FOR MONEY OVERVIEW & SCRUTINY COMMITTEE

11 SEPTEMBER 2017

Title:

**PERFORMANCE MANAGEMENT REPORT
QUARTER 1, 2017/18
(APRIL – JUNE 2017)**

**[Portfolio Holder: Cllr Tom Martin, Cllr Jed Hall, Cllr Andrew Bolton]
[Wards Affected: All]**

Summary and purpose:

The report provides an analysis of the Council's performance in the first quarter of 2017/18 in the service areas of Finance, Strategic HR and Complaints. Annexe 1 to the report details performance against key indicators.

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.

Background

1. At the previous meeting of this Committee on the 26 June 2017 it was agreed that, going forward, performance indicators would be reported on an exception basis only. Therefore this report will only present those PIs where performance is above or below target by more than 5% or where those PIs without a target are notable. The graphic trend analysis report is set out at Annexe 1. Out of the 8 performance indicators with associated targets, 6 are within target, 1 is outside by up to 5% and only 1 is off target by more than 5%.

Performance in Quarter 1

Resources

2. It was agreed that from the first quarter of 2017-18 the target for 'average working days lost due to sickness per employee' [HR2] would increase from 1.38 to 1.63 days per employee per quarter (6.5 days per annum). The first quarter shows a great improvement of 21.16% over the preceding quarter and exceeds the new target by 8.59%. This is the best performance in over a year.

Complaints

3. The number of *Level 3 (Executive Director) and Ombudsman complaints* [M1] has increased from the last quarter from 15 to 22 (15 being an average in the past 5 years). 13 of the complaints concerned Planning and this can be linked to the overall increase numbers of householder applications.
4. There was also an increase in the *total number of complaints received* [M2] from 140 in Q4 to 165 in Q1. The service area with the largest number of complaints was Environmental Services with 45 out of the total of 69 complaints relating to disabled bay car parking charges.
5. Although the quantity of complaints dealt with in the target timescale has dropped from 94% in Q4 to 87%, all 143 level 1 and level 2 complaints out of the total 165 complaints were responded to in time. A few particularly complex level 3 cases took over 21 days to resolve and have impacted the overall figure, giving an average closure time for this type of complaint as 19 days in Q1, falling 4 days behind the target of 15 days.

Future Performance Management Reporting

6. In discussing possible performance indicators at the last meeting, the committee was interested in finding out about potential methods for establishing a baseline figure for customer satisfaction. Officers were asked to investigate if it were possible to use, for example, the Surrey County Council Residents' Survey, 'Your Waverley' magazine or the Citizens' Panel. The results of their investigations are as follows:
 - The Surrey County Council Residents' Survey is conducted over the phone by an external company 'Swift Research'. 1,650 residents across Surrey are interviewed each quarter (approximately 150 per district / borough). For the purposes of measuring customer satisfaction with Waverley Borough Council this sample is considered too low. It may also be confusing to ask questions about both the County and the Borough Council in one survey without lengthy explanations about the services each council provides.
 - The council's 'Your Waverley' magazine is issued twice a year and could include a pull out survey or direct people to an on-line version. The printing costs of this option are around £2,000.
 - The current Citizens' Panel has been in existence for three years and has taken part in several surveys. As such, the Panel may be considered to be less objective in a customer satisfaction survey given the amount of contact they have had with the Council than a randomly selected group of residents.

The Council have been conducting a major review of Customer Service over the last year and their recommendations are due to come to this committee. Their conclusions are likely to include proposals for measuring customer satisfaction. For this reason it is recommended that the committee wait for their report before taking this matter further.

Recommendation

It is recommended that the Customer Service & Value for Money Overview & Scrutiny Committee considers the performance figures for Quarter 1 and agrees any observations or recommendations about performance and progress towards targets it wishes to make to the Executive.

Background Papers

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


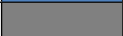

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Value for Money & Customer Service
O&S Committee
Performance Management Report
Quarter 1, 2017/18
(April – June 2017)

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		

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Final Report date: 22 August 2017

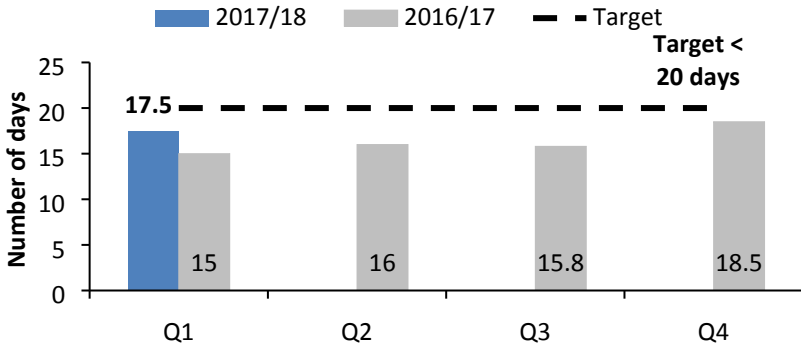
FINANCE

FINANCE

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

GREEN

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



Quarter	2017/18	2016/17	Target
Q1	17.5	15	20
Q2		16	20
Q3		15.8	20
Q4		18.5	20

Comments

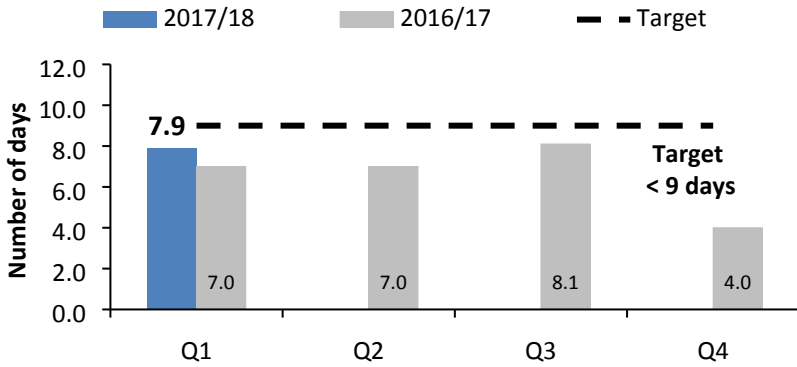
'Change processing time' has decreased by 1 day, showing a 5.4% improvement in the first quarter of this year and remains well within the target.

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	2017/18	2016/17	Target
Q1	7.9	7.0	9
Q2		7.0	9
Q3		8.1	9
Q4		4.0	9

Comments

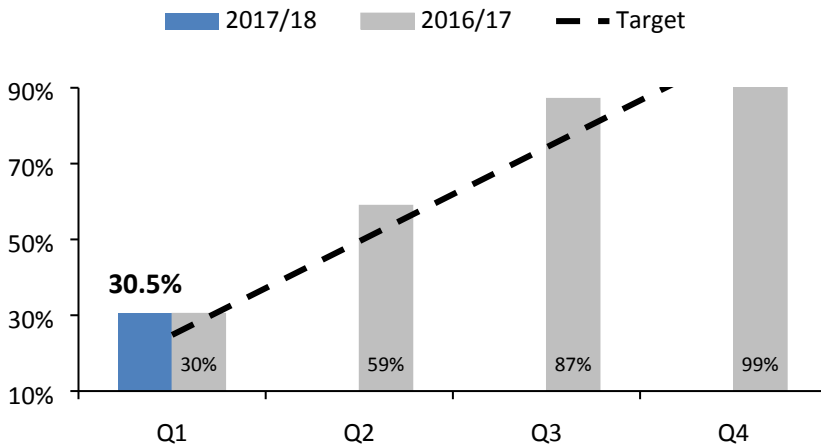
After the seasonal improvement in Q4 performance due to the annual pension statement update in February, the first quarter performance returned to an average trend, but is still within the target by 12.22%.

FINANCE

F1: Percentage of Council Tax collected

GREEN

% of Council Tax collected (higher outturn is better)



Quarter	2017/18	2016/17	Target
Q1	30.5%	30.5%	24.8%
Q2		59.0%	49.5%
Q3		87.2%	74.3%
Q4		99.0%	99.0%

Comments

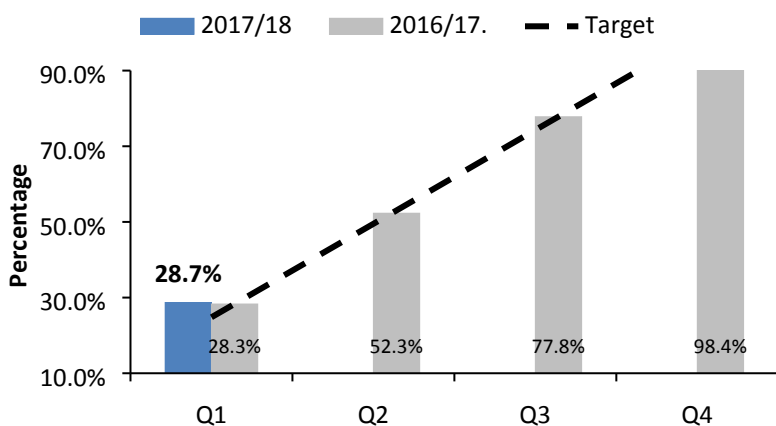
Council Tax collection for the first quarter is within the target by 22.98% and is the same as the corresponding quarter last year.

FINANCE

F2: Percentage of non-domestic rates collected

GREEN

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



Quarter	2017/18	2016/17	Target
Q1	28.7%	28.3%	24.8%
Q2		52.3%	49.5%
Q3		77.8%	74.3%
Q4		98.4%	99.0%

Comments

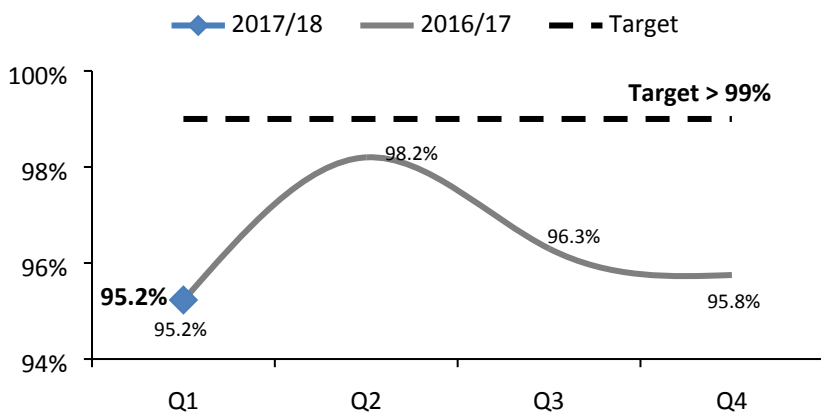
The first quarter collection rates are better than the target by 15.73% and are better than the corresponding quarter last year.

FINANCE

F3: Percentage of invoices paid within 30 days or within supplier payment terms

AMBER

% of invoices paid within 30 days or within supplier payment terms (higher outturn is better)



Quarter	2017/18	2016/17	Target
Q1	95.2%	95.2%	99%
Q2		98.2%	99%
Q3		96.3%	99%
Q4		95.8%	99%

Comments

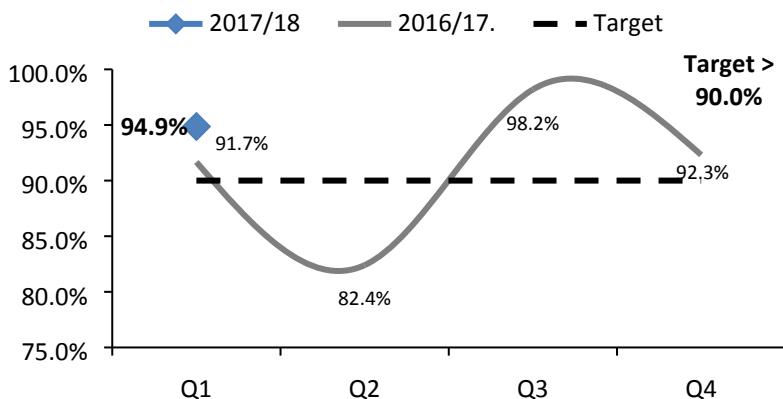
The overall performance in Q1 continues a downward trend and is off target by 3.8%. Out of 2914 total invoices, 2775 were paid on time.

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	2017/18	2016/17	Target
Q1	94.9%	91.7%	90.0%
Q2		82.4%	90.0%
Q3		98.2%	90.0%
Q4		92.3%	90.0%

Comments

Of the 28 invoices in this category only 2 missed the target. The overall performance was an improvement on the previous quarter and exceeded the target by 5.45%. As a comparison in Q4 3 out of 39 invoices missed their target.

STRATEGIC HR

RESOURCES

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

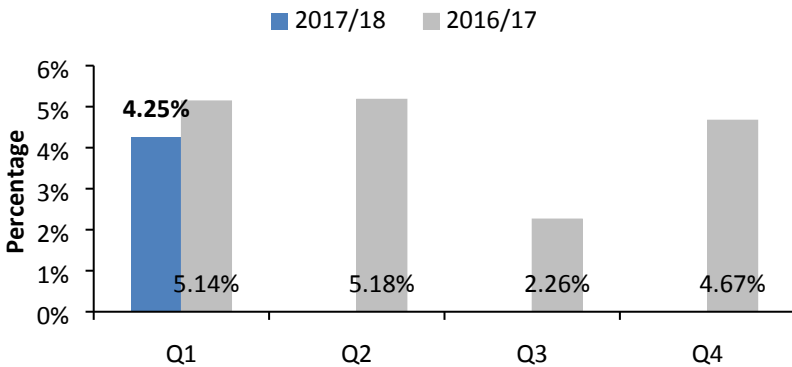
No target

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

Quarter	2017/18	2016/17
Q1	4.25%	5.14%
Q2		5.18%
Q3		2.26%
Q4		4.67%

Comments

Staff turnover has decreased by nearly 9% since last quarter representing 19 members of staff leaving in the quarter and 24 new starters joining in the same period.



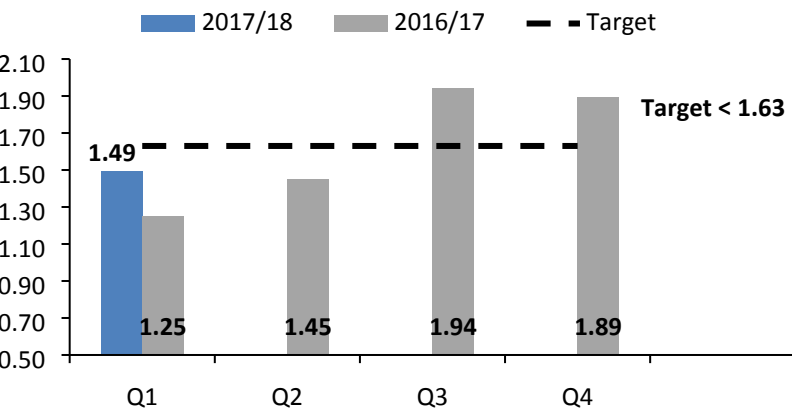
RESOURCES

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

GREEN

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

Quarter	2017/18	2016/17	Target
Q1	1.49	1.25	1.63
Q2		1.45	1.63
Q3		1.94	1.63
Q4		1.89	1.63



Comments

The target for this indicator has changed starting from Q1 2017-18 from 1.38 to 1.63 lost working days per employee. The first quarter shows a great improvement of 21.16% over the preceding quarter, exceeding the target by 8.59%.

COMPLAINTS

COMPLAINTS

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

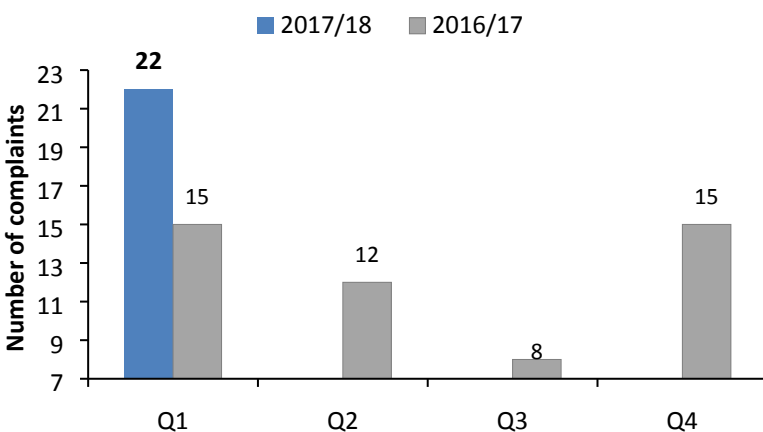
No target

Number of Level 3 (CEX) and Ombudsman complaints received

Quarter	2017/18	2016/17
Q1	22	15
Q2		12
Q3		8
Q4		15

Comments

The number of level 3 complaints has increased from the preceding quarter. The biggest rise was in the Planning service area with an increase from 6 in Q4 to 13 in Q1. The increase in complaints is linked to the overall increase in the number of householder planning applications received.

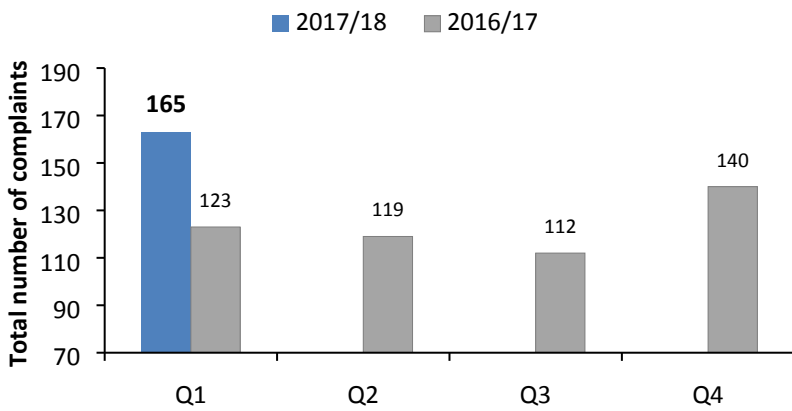


COMPLAINTS

M2: Total number of complaints received

No target

Total number of complaints received



Quarter	2017/18	2016/17
Q1	165	123
Q2		119
Q3		112
Q4		140

Comments

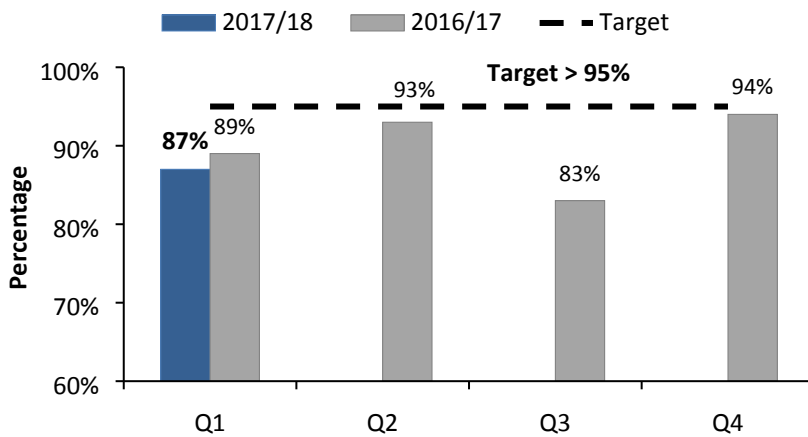
The number of complaints has increased in the first quarter mainly due to an increase in Environmental Services complaints due to the introduction of disabled parking bay charges.

COMPLAINTS

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

RED

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



Quarter	2017/18	2016/17	Target
Q1	87%	89%	95%
Q2		93%	95%
Q3		83%	95%
Q4		94%	95%

Comments

The performance has dropped by 7.44% from the previous quarter and is now over 5% below the target. This is due to a small number of complex level 3 cases which impacted the overall performance.

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Waverley Borough Council Scrutiny Review

**“Capital Expenditure Process and
Management Review”**

September 2017

SCOPING A SCRUTINY REVIEW

Background

Overview and Scrutiny by definition of the Local Government Act 2000 has the power to investigate and review an issue or concern by conducting an in-depth scrutiny review. Choosing the right topic for an in-depth scrutiny review is the first step in guaranteeing that the work of scrutiny adds value to the corporate priorities and benefits the Borough's residents. The Overview and Scrutiny Committee may wish to appoint a Members task and finish group to undertake a majority of the research and to evaluate the evidence.

What makes an effective scrutiny review?

An effective scrutiny review must be properly project managed. The review must clearly state the aims and objectives, rationale and how the review will contribute to policy development / improve service delivery. To ensure the review goes well it is vital that the scope is robust and thorough and is treated as a project plan. The review should be SMART (Specific, Measurable, Achievable, Realistic & Time-bound) in its scope in order to have the most impact. The scoping template is designed to ensure that the review from the outset is focused exactly on what the Members hope to achieve.

The scoping document should be treated as the primary source of information that helps others understand what the review inquiry is about, who is involved and how it will be undertaken. Once the scoping document is complete it should be circulated to relevant officers and key members of the Executive for comment before being agreed by the relevant Overview & Scrutiny Committee. The scrutiny review will be supported by the Scrutiny Policy Officer.

What happens after the review is complete?

It is important that the relevant Overview & Scrutiny committee considers whether an on-going monitoring role is appropriate in relation to the review topic and how frequent progress is reported back to the Overview & Scrutiny committee after completion. Overview & Scrutiny should be monitoring the progress and reviewing the changes that have been made as a result of a scrutiny review to ensure the work undertaken has been effective in achieving its objectives.

FOR COMPLETION BY MEMBERS PROPOSING THE REVIEW

Topic		
1.	Title of proposed review:	Capital Expenditure Process & Management Review
2.	Proposed by:	Cllr Mike Band

Who is involved?		
3.	Chair of the task and finish group:	
4.	Members on the task group:	
5.	Scrutiny Policy Officer:	Alex Sargeson

Research programme	
6.	<p>Rationale / background to the review: Why do you want to undertake this review? What has prompted the review? E.g. legislation, public interest, local issue, performance information etc.</p> <p>The committee has observed significant slippage in the capital programmes of both the General Fund and the Housing Revenue Account (HRA) and as a result the committee is concerned that this may be leading to both poor value for money and also possible poor customer service. Whilst there can be reasonable grounds for some slippage, the extent of the slippage in relation to the total programme and the lateness in identifying it appears to be inhibiting the introduction of replacement capital project expenditure (CAPEX) items and making full use of the resources already approved by the Council.</p> <p>In particular, the committee want to undertake the review to:</p> <ul style="list-style-type: none"> • Minimise project slippage. • Minimise delays in delivering projects. • Maximise the use of Council funding. • Reduce the reputational risk of occurring and re-occurring slippage.

	<p>This in-depth scrutiny review runs parallel with the proposals in the Medium Term Financial Strategy to implement a new, more rigorous bidding and monitoring process for General Fund capital schemes, including rigorously testing all capital proposals for relevance, timeliness and deliverability (MTFS June '17). Moreover the Financial Strategy 2017/18 – 2019/20 General Fund Budget 2017/18 states that the capital programme has been scaled back due to revenue budget pressure and the loss of the New Homes Bonus. Therefore there is every need to ensure the capital programme reflects a more rigorous bidding process which also reflects the Council's corporate priorities to ensure greater value for money and customer service.</p>
7.	<p>Terms of reference: What are your desired outcomes? What are the objectives for this review? (Linked to the research questions but are used to describe the general aims and outcomes of the review). Which research questions do you want to answer? (Questions upon which the review will be focused and for which timely and informed answers can be developed in accordance to the evidence collected)</p> <p style="text-align: center;"><u>Terms of reference</u></p> <p><u>Desired outcomes</u></p> <ul style="list-style-type: none"> • To either give assurance that the current capital programme processes and procedure do give value for money. <p style="padding-left: 40px;">Or, make recommendations to the Executive, for;</p> <ul style="list-style-type: none"> • Improvements to the CAPEX processes and procedures in both the identification and management of project slippages. • A protocol and method for introducing replacement CAPEX items following early identification of slippage and; • All proposed capital projects are timely, deliverable and give better value for money and customer service. <p><u>Objectives for the review</u></p> <p>The committee would like to scrutinise in-depth the following process and procedures used in both the General Fund and HRA:</p> <ul style="list-style-type: none"> • Identifying and reporting on capital project slippages. • Identifying and approving substitute capital items where significant slippages have taken place • Identifying and selecting capital expenditure items to be included in the capital programme; including the bidding process and justification forms. • Managing and monitoring the capital items. <p><u>Research questions</u></p> <ul style="list-style-type: none"> • What are the root causes of capital slippage in both the General Fund and the HRA? • What is the current process for monitoring CAPEX items in the capital programme?

	<p>And what is the current protocol for CAPEX items that have a significant amount of slippage?</p> <ul style="list-style-type: none"> • Why do services not report slippages sooner? • Does the current CAPEX bidding process lend itself to producing capital slippages? And if so, why? • How imbedded are project plans in the bidding process? • How does the current bidding process measure relevance, timeliness and deliverability of proposed CAPEX items? • Does the current justification process explicitly describe the resources needed to deliver the project?
8.	<p>Policy Development and Service Improvement How will this review add value to policy development and/or service improvement?</p> <p>Policy Development:</p> <p>This review has policy development implications for ensuring processes and procedures do give value for money by:¹</p> <ul style="list-style-type: none"> • Delivering projects in a timely fashion. • Allowing for more effective treasury management. • Reviewing the bidding process for CAPEX items to find out whether this inherently promotes unwanted slippage. • Setting out a clear procedure / protocol for submitting a capital proposal. • Introducing project planning in the bidding process to ensure better management of projects to avoid significant slippage in the future.
9.	<p>Corporate priorities: How does the review link with the corporate priorities? http://www.waverley.gov.uk/info/200009/council_performance/524/waverley_corporate_plan_2016_-_2019#</p> <p>There is scope for this review to potentially impact on all corporate priorities depending on the projects, but particularly value for money. The careful use and planning of budgets allows for better financial management and treasury management to maximise interest income.</p>
10.	<p>Scope: What is and what isn't included in the scope? E.g. which services does the scope cover?</p> <p>This scope includes:</p> <p>Capital expenditure projects for:</p> <ul style="list-style-type: none"> • The General Fund Account (GF)

¹ NB: these are initial suggestions which may or may not inform the recommendations from this scrutiny review.

	<ul style="list-style-type: none"> • The Housing Revenue Account (HRA). <p>This scope does not include:</p> <ul style="list-style-type: none"> • All other finance accounts (e.g. the revenue budget) and monies from Central Government Grants, Council tax, business rate retention income and the Revenue Support Grant. • Section 106 funded projects. • The exchequer service. <p>NB: This scrutiny task and finish group will not encroach on work of the audit committee.</p>
11.	<p>Methodology and methods: Your methodology underpins how you will undertake the review. For example what evidence will need to be gathered in-house and from external stakeholders / partners? Your research methods are the techniques used to gather knowledge and information. These include but are not limited to desk based research, interviews, site visits, engagement exercises, surveys, focus groups etc. How do these methods help you to answer your research questions in section 7?</p> <p>Methodology:</p> <ul style="list-style-type: none"> • Review past capital slippages and the reasons why projects couldn't be delivered. <p>Preliminary / core documentation that will need to be collected to inform this review is as follows:</p> <ol style="list-style-type: none"> a. Council Budget b. The Capital Programme (General Fund & HRA) c. CAPEX justification forms <p>Methods:</p> <p>A series of Members task group meetings will be held to hear evidence from officers. Members will hear information and statements from witnesses and then ask questions to probe additional information to answer the key research questions set out in this scope.</p>

Council services expected to contribute	
Council Service	Reason / Intention for evidence
12.	Finance: Accountancy
13.	

14.		
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External Witnesses to be invited / submit evidence		
	Organisation	Reason / Intention for evidence
15.		
16.		
17.		
19.		

20.	Project plan:	
	What is the proposed start and finish date?	
	How many task and finish group meetings are there likely to be?	
	Are the task and finish group meetings going to be thematic in approach? If so, what themes / policy issues will the task group consider in each respective task and finish group?	
	Timescale	
	Proposed start date:	September 2017
	Proposed finish date:	January 2018
	Task and finish group plan	
	How many task and finish group meetings are anticipated to support this review? Fill in and strike through as appropriate.	
	Task group theme (1):	
Aim:		
Witnesses:		
Task group theme (2):		
Aim:		
Witnesses:		
Task group theme (3):		
Aim:		

	Witnesses:
21.	<p>Scrutiny resources: In-depth scrutiny reviews are facilitated and supported by the Scrutiny Policy Officer.</p> <p>Alex Sargeson, Scrutiny Policy Officer (research and policy support to task group with the responsibility to compile information and write the final report).</p> <p>Yasmine Makin, Graduate Management Trainee (research and policy support to the task group).</p> <p>Amy McNulty, Democratic Services Officer (organisation of task group meetings and recording key points and actions in task groups)</p>

For completion by Corporate Policy Manager

22.	<p>Corporate Policy Manager comments: Will the proposed scrutiny timescale impact negatively on the scrutiny policy officer's time? Or conflict with other work commitments I am confident that the timescale and scope for this review will be manageable within the context of the overall Overview and Scrutiny programme.</p>	
	Name:	Louise Norie
	Date:	25 August 2017

For completion by Lead Director

23.	<p>Lead Director comments: Scrutiny's role is to influence others to take action and it is important for the task and finish group to seek and understand the views of the Lead Director.</p> <p>Are there any potential risks involved that may limit or cause barriers that scrutiny needs to be made aware of?</p> <p>None.</p>	
	<p>Are you able to assist with the proposed review? If not please explain why? (Are you or Senior Officers able to provide supporting documentation to this task group via the coordination of the Scrutiny Policy Officer?)</p> <p>Yes - I feel that the O&S involvement in this important area is welcome and will add constructive challenge to the process.</p>	
	Name and position:	Graeme Clark, Strategic Director – Finance and Resources

	Date:	31/8/17
For completion by Executive Portfolio Holder		
24.	<p>Executive Portfolio Holder comments As the executive lead for this portfolio area it is important for the task group to seek and understand your views so that recommendations can be taken on board where appropriate.</p> <p>Verbal agreement of scope – comments to follow.</p>	
	Name and position:	Cllr Ged Hall, Portfolio holder for Finance
	Date:	31/8/17

DRAFT

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CUSTOMER SERVICE & VFM O&S COMMITTEE**CAPITAL EXPENDITURE PROCESS & MANAGEMENT REVIEW****1. Introduction**

The Committee has observed the significant slippage in the Capital Expenditure (CAPEX) programmes of both the General Fund & the HRA (See table 1 – for 2016/17) and is concerned that this maybe leading to both poor value for money & also possible poor customer service.

The Committee accepts that there can be reasonable grounds for some slippage but the extent of slippage in relation to the total programme and the lateness in identifying it, appears to be inhibiting the introduction of replacement items and making full use of the resources already approved by Council.

2. Proposal

The Committee wishes to scrutinise in depth the following process & procedures, used in both the General Fund & HRA, for;

- Identifying & selecting CAPEX items included in budget.
- Committing expenditure on CAPEX items.
- Managing CAPEX items.
- Identifying & reporting slippage
- Identifying & approving substitute CAPEX items.

3. Outcomes

The Committee would like to work with both officers & members to see whether it would possible to either;

- Give assurance that current CAPEX processes & procedures, do give Value for Money.

Or, make recommendations to the Executive for;

- Improvements to CAPEX processes & procedures which should lead to improvement in both the identification & management of project slippages.
- Introduction of replacement CAPEX items following early identification of slippage.
- Giving better Value for Money & Customer Service.

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Table 1. CAPITAL EXPENDITURE _ PROGRAMME SLIPPAGE

£K	Gen Fund	HRA
Final Budget	9200	18300
Slippage Outcome (July17)	4788	9097
Mar-17	2050	5341
Feb-17	1940	3956
Jan-17	1940	1595
Nov-16	1850	1230
Sep-16	92	670

MHWB0617

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WAVERLEY BOROUGH COUNCIL
O&S - CUSTOMER SERVICE AND VFM
11/09/2017

Title:

GENERAL FUND BUDGET 2017/18 OVERVIEW

[Portfolio Holder: Cllr Ged Hall]

[Wards Affected: ALL]

Summary and purpose:

1. 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 were approved by Council in July after consideration by the Value for Money O&S Committee. The revised Financial Plan approved in July forecast a General Fund budget shortfall of £2.8m over the 3 – year period 18/19 to 20/21.
2. The VFM Overview and Scrutiny Committee has corporate oversight of Waverley’s Financial Plan and budget process and, at this stage, the Committee is asked to:
 - Consider how Members can most effectively engage in the budget setting process and contribute to addressing the budget shortfall, particularly through the O&S Committees
 - Consider and prioritise the proposals identified in this report to address the budget shortfall
 - Identify any specific cost reduction, efficiency or income earning opportunity that should be developed
 - Review and comment on the draft budget setting timetable for the next 18 months as set out in Annexe 2

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.

Financial 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:

The Council has a legal obligation to set a balanced budget for the following year and ensure that it has adequate reserves to cover variations in budgeted income and spending in line with the adopted key policies within the Financial Plan. There are no direct legal implications as a result of the recommendations of this report.

Introduction

1. The revised Financial Plan sets out the latest projection for the General Fund revenue budget and reserves, see Annexe 1, and it identifies the actions proposed to address the budget shortfall in the Medium Term which are shown below. These are being developed into a delivery plan by officers and Members.

Key Financial Plan Actions to address budget shortfall

- Continue the budget challenge process to ensure budgets deliver good value for money and are aligned to Corporate Plan priorities.
 - Cross cutting Foresight efficiency programme to identify future schemes including system thinking projects to improve customer service and reduce the cost base.
 - 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 maximising Waverley's business rate income.
 - Maximise invest to save opportunities to generate income, improve processes and/or make savings.
 - 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.
 - Support Service Managers to manage finances effectively.
 - Do not progress capital schemes that are not high priority or make an ongoing return.
2. The budget timetable showing the key milestones and actions over the next 18 months is set out at Annexe 2. Members are asked to consider the process and pass any comments or concerns to officers.

Conclusion

3. The estimated General Fund revenue budget shortfall to be addressed over the next three years is as follows:

2018/19	£990,000
2019/20	£1,450,000
2020/21	£580,000

4. The 2018/19 budget setting will begin with Member briefing sessions in September. A full review of the robustness of the 2017/18 budget will be completed in the autumn.

Recommendation

The Value for Money and Customer Service Overview and Scrutiny Committee is asked to:

1. Consider how Members can most effectively engage in the budget setting process and contribute to addressing the budget shortfall, particularly through the O&S Committees;
2. Consider and prioritise the proposals identified in this report to address the budget shortfall;
3. Identify any specific cost reduction, efficiency or income earning opportunity that should be developed; and
4. Review and comment on the draft budget setting timetable for the next 18 months as set out in Annexe 2.

Background Papers

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

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BUDGET REVIEW - JULY 2017

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 £'000	In £'000	Out £'000	Balance £'000	In £'000	Out £'000	Balance £'000	In £'000	Out £'000	Balance £'000	In £'000	Out £'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	900	(900)
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	1,000	?
Earmarked Reserves	3,586	3,545	(5,331)	1,800	2,400	(900)	3,300	1,900	(900)	4,300	1,900	(900)
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	(1,000)	64	0	0
General Fund Total	9,577	3,545	(7,058)	6,064	2,400	(1,900)	6,564	1,900	(900)	7,564	1,900	(900)

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.

Draft high level budget setting timetable

This is an outline of the key milestones to develop the Councils General Fund and Capital budgets.

The Housing 30 year Business plan has a separate review process.

	Budget action	Time scale
1.	VfM O+S budget briefing	11 th September
2.	All member finance briefing seminar	Late September
3.	Business as usual detailed budget review for period 2018/19, 2019/20 and 2020/21	September - October
4.	Budget challenge	November
5.	Update MTFP with latest information	December
6.	Extrapolate business as usual budget high level expenditure and income items from 2021/22 seven years to produce a ten year high level horizon	December
6.	Executive budget update and consultation	December
7.	Finalise 2018/19 budget	Early January 2018
8.	Executive and Budget setting Council	February 2018
9.	Develop financial detail on service initiatives for incorporation into budget	January 2018 – December 2018
10.	2017/18 outturn review against three year budget assumptions	May 2018
11.	Executive high level review progress against budget development initiatives	September 2018
11.	Update ten year high level budget horizon	November 2018
12.	Final update of three year detailed budget 2019/20 2020/21 and 2021/22	December 2018
13.	Executive budget update and consultation	December 2018
14.	Finalise 2019/20 budget	Early January 2019

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INTRODUCTION TO WAVERLEY BOROUGH COUNCIL

OVERVIEW AND SCRUTINY WORK PROGRAMME

The programme is designed to assist the Council in achieving its corporate priorities by ensuring topics add value to the Council's objectives, are strategic in outlook, are timed to optimise scrutiny input and reflect the concerns of Waverley residents and council members. The programme is indicative and is open to being amended with the agreement of the Chair with whom the item is concerned. The work programme consists of three sections:-

- Section A – Items tabled for the forthcoming relevant Overview and Scrutiny Committee.
- Section B – Items for consideration at future meetings of the relevant Overview and Scrutiny committee. In-depth scrutiny review topics for consideration by the respective Committee will also be listed in this section. It is expected some items will be carried over to the following municipal year.
- Section C – Lists live in-depth scrutiny task and finish groups, including objectives, key issues and progress.

Section A

Forthcoming agenda items

11th September 2017

Agenda item	Objectives for Scrutiny	Link to Corporate Plan	Executive Member lead	Director lead
1. Property Company	Checks and balances to cover details of delegations to the Investment Advisory Board such as company structure and governance arrangements	Customer Service and Value for Money	Cllr Ged Hall	Graeme Clark
2. Performance Management Q1	To receive the revised performance management report and proposals for outcome indicators.	Customer Service and Value for Money	Cllr Julia Potts	Tom Horwood, Interim Managing Director
3. In-depth review discussion: Capital monitoring	Capital Monitoring: To identify and review the reasons for the extent of capital slippage in the capital programme and identify replacement capital expenditure items to give better value for money.	Customer Service and Value for Money	Cllr Ged Hall / Cllr Julia Potts	Graeme Clark / Tom Horwood, Interim Managing Director
4. Budget Delivery	To consider how to involve members in the budget preparation and process.	Value for Money	Cllr Ged Hall	Graeme Clark

Customer Service & Value for Money Overview and Scrutiny Committee

Section B

Forward Programme 2017-18

Subject (alphabetical order)	Purpose for Scrutiny	Date for O&S consideration	Date of Executive decision (if applicable)	Priority (high / low)
Building control	To consider and scrutinise the improved building control business plan and options including the financial robustness of the service and identify options for sustainable service delivery. First draft came to scrutiny on 26 th June 2017.		June 2017	High
Budget Delivery	To consider how to involve members in the budget preparation and process.	September 2017		High
Capital Expenditure Process & Management Review	<i>Subject of proposed in-depth review:</i> To identify and review the reasons for the extent of capital slippage in the capital programme and identify replacement capital expenditure items to	September 2017		

Customer Service & Value for Money Overview and Scrutiny Committee

	<p>give better value for money and customer service.</p> <p>Scope to follow to the September meeting.</p>			
Changes to housing benefit	<p>Situation report to be issued to members for review when available.</p> <p>a) To understand the changes to welfare reform in the context of Waverley; particularly the reduction in the benefit income cap threshold on Waverley's caseload and the provision and advice available.</p> <p>b) Consider the impact of changes to housing benefit entitlement introduced in April 2017 on tenants with two or more children.</p>			
Changes to services provided by Surrey County Council	<p>To assess the likely impact of the reduction in funding for services delivered on behalf of Waverley Borough Council by the County.</p>	ASAP		High
Communication channels	<p>To explore developing a proactive communications channel to inform</p>	ASAP		High

Customer Service & Value for Money Overview and Scrutiny Committee

	residents of news from the Council that relates or may effect their welfare and wellbeing, e.g. key events such as the fire safety of buildings in light of the Grenfell fire disaster			
Customer services review	Update on Customer Services review including the channel shift work stream. I.T procurement review / channel shift link.			High
Economic development strategy	Consider the revision of the economic strategy in terms of how the Council will support existing businesses and future economic activity in the Borough; and To consider future investment proposals and the specific plans for each of the main settlements in the Borough.			High
Local authority trading company	Checks and balances to cover details of delegations to the Investment Advisory Board such as company structure and governance arrangements.	September 2017		High

Customer Service & Value for Money Overview and Scrutiny Committee

<p>Medium Term Financial Strategy</p>	<p>To consider the principles of the June budget / new MTFS and scrutinise and develop plans for income regeneration and targeted investment proposals; and</p> <p>To take into consideration the reduction in new homes bonus on the general fund; and</p> <p>The implications of business rate retention on the economic prospects for the borough.</p> <p>Possible in-depth review on the management and monitoring of capital projects.</p>	<p>26th June 2017</p>	<p>July 2017</p>	<p>High</p>
<p>Overpayment of housing benefit</p>	<p>Understand the cause of overpayment and consider the methods of repayment</p>			<p>Low</p>
<p>Performance reports</p>	<p>Consider the revised performance management report and revised performance figures for Q1 and make any observations or recommendations as appropriate.</p>	<p>September 2017</p>		<p>High</p>
<p>Procurement review</p>	<p>In the context of the strategic review to consider</p>			

Customer Service & Value for Money Overview and Scrutiny Committee

	a procurement review as part of a continued proactive and commercial approach to income generation; and within this consider which services which could be sold.			High
Staffing resilience	In the context of the strategic review to scrutinise reasons for recruitment difficulties and the implications and impact this has on sustainable service delivery. Possible in-depth review.			High
Strategic review	To review the observations made by Cratus in the Strategic review report and to identify areas for an in-depth review (Autumn 2017).	Autumn 2017		High
Welfare reform	Examine the implications of Universal Credit on the Council's finances (HRA) and on tenants; how and when to collect rent and the level of support some tenants will need to make the transition to a single, direct monthly payment. Link to Systems thinking project (resource	Early 2018		Low

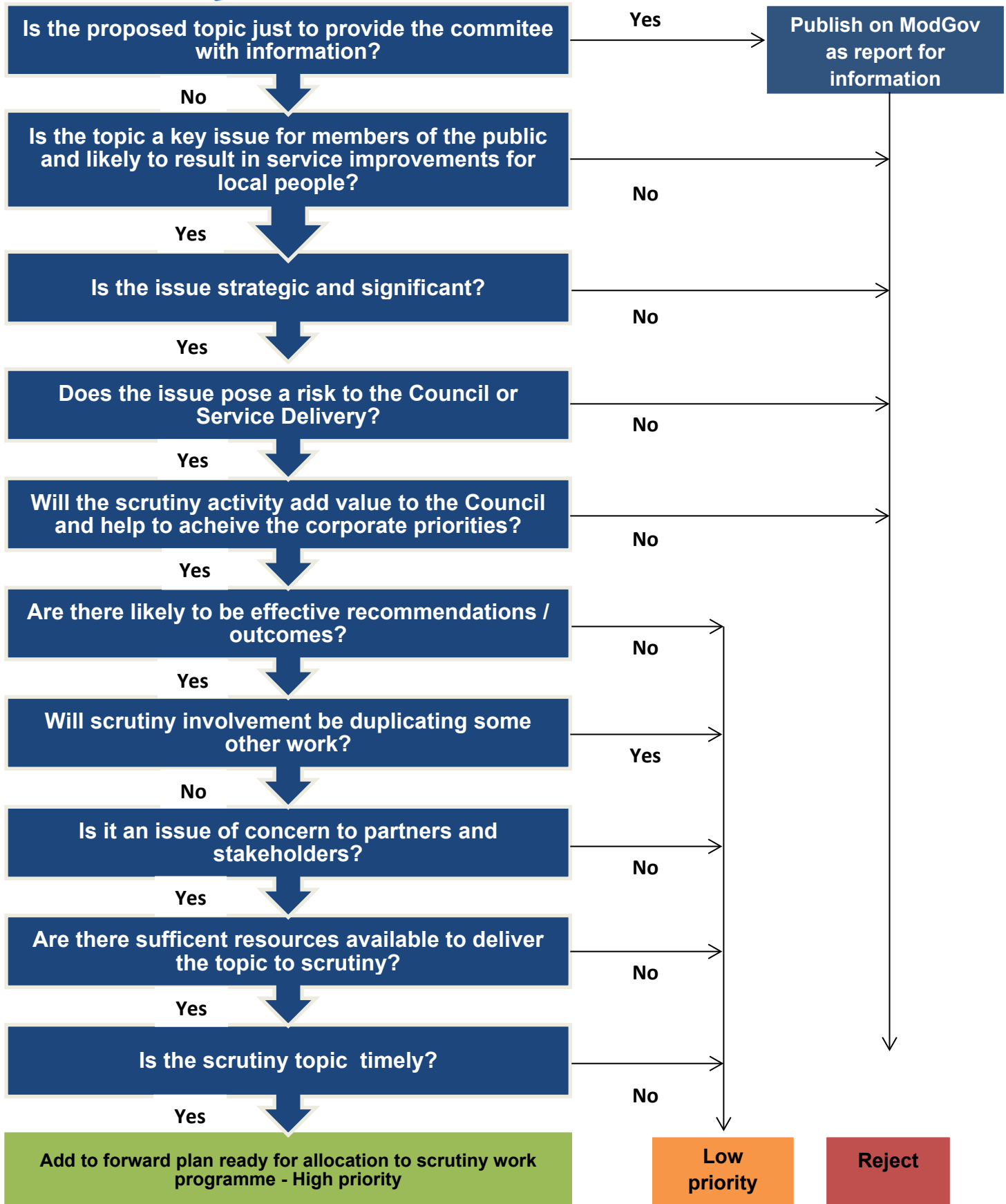
Customer Service & Value for Money Overview and Scrutiny Committee

	implications and as a possible model to role out to other services).		
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Section C

Proposed in-depth scrutiny reviews 2017-18

Subject	Objective	Key issues	Lead officer	Progress
1. Capital Expenditure Process & Management review	To identify and review the reasons for the extent of slippage in the capital programme and where applicable to identify and recommend replacement capital expenditure items to give better value for money and customer service.	<ul style="list-style-type: none"> • Slippage of items in the capital programme (General Fund & HRA). • Does the current capital expenditure programme give value for money? • Budget delivery and project management. • Bidding process and justification 	Graeme Clark and Peter Vickers.	Scope : TG1: TG2: TG3:
2. Strategic review action plan scrutiny				



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**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 5 September 2017 onwards

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	0 & S
POLICY AND GOVERNANCE, HUMAN RESOURCES, BRIGHTWELLS AND LEP - CLLR JULIA POTTS (LEADER)						
Brightwells [E3]	To bring forward matters when necessary	Executive	No	Potentially every Executive meeting	Kelvin Mills, Head of Communities and Major Projects	Environment
Performance Management	Quarterly combined performance report	Executive	No	October 2017	Louise Norie, Corporate Policy Manager	All
Independent Remuneration Panel - Members' Allowances	To receive the report and recommendations of the Panel	Executive, Council	No	October 2017	Emma McQuillan	VFM and CS
CUSTOMER AND CORPORATE SERVICES - CLLR TOM MARTIN (DEPUTY LEADER)						
Property Aquisitions	To bring forward opportunities for approval as they arise	Executive	No	Potentially every Executive meeting	David Allum, Head of Customer and Corporate Services	VFM and CS

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O & S
Customer Services Review	To review and agree the way forward for Customer Services	Executive, Council	Yes	October 2017	David Allum, Head of Customer and Corporate Services	VFM and CS
PLANNING I - CLLR BRIAN ADAMS						
CIL Draft Charging Schedule	To agree the next stage	Executive	Yes	October 2017	Graham Parrott, Planning Policy Manager	Environment
Local Plan Part I	For adoption	Executive, Council	Yes	December 2017	Graham Parrott, Planning Policy Manager	Environment
Brownfield Register	To agree the register and process for future updates to list	Executive, Council	No	December 2017	Graham Parrott, Planning Policy Manager	Environment
Local Plan Part II - Preferred options Consultation	For approval	Executive, Council	Yes	February 2018	Graham Parrott, Planning Policy Manager	Environment
ECONOMIC DEVELOPMENT - CLLR ANDREW BOLTON						
Economic Development Strategy	For approval	Executive, Council	No	October 2017	Damian Roberts, Director of Operations	VFM and CS
COMMUNITY SERVICES AND COMMUNITY SAFETY - CLLR KEVIN DEANUS						
'Prevent' Counter-Terrorism Strategy	To agree a Strategy and Action Plan	Executive	No	October 2017	Katie Webb, Community Services Manager	Community Wellbeing

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O & S
Safeguarding Policy	To review and adopt the policy	Executive	No	October 2017	Kelvin Mills, Head of Communities and Major Projects	Community Wellbeing
Joint Enforcement Team (JET) Initiative	To agree next steps	Executive	No	October 2017	Richard Homewood, Head of Environmental Services	Environment
ENVIRONMENT - CLLR JIM EDWARDS						
HEALTH, WELLBEING AND CULTURE - CLLR JENNY ELSE						
Leisure Centre Facilities Review	For approval	Executive	No	October 2017	Fotini Vickers	Community Wellbeing
Leisure Centre Management - O&S Review	To receive a progress update after 6 months	Executive	No	February 2018	Kelvin Mills, Head of Communities and Major Projects	Community Wellbeing
FINANCE - CLLR GED HALL						
Budget Management [E3]	Potential for seeking approval for budget variations	Executive	Yes	Potentially every Executive meeting	Peter Vickers, Head of Finance	VFM and CS
HOUSING - CLLR CAROLE KING						
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	Yes	Potentially every Executive meeting	Andrew Smith, Head of Strategic Housing Delivery	Housing

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O & S
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	No	Potentially every Executive meeting	Andrew Smith, Head of Strategic Housing Delivery	Housing
Implementing requirements of the Housing and Planning Act 2016	Decisions to implement changes resulting from the Act	Executive	Yes	October 2017	Andrew Smith, Head of Strategic Housing Delivery	Housing
Homelessness Reduction Bill	To agree a response and budget/grant allocations	Executive	No	October 2017	Andrew Smith, Head of Strategic Housing Delivery	Housing
HRA Business Plan Review	To review the business plan as part of the budget process	Executive	No	November 2017	Andrew Smith, Head of Strategic Housing Delivery	Housing
Housing Maintenance Contract Procurement [E3]	To report back on the progress of the project	Executive	No	January 2018	Hugh Wagstaff, Head of Housing Operations	Housing
Review Tenancy Agreements	To receive an update report	Executive	No	February 2018	Hugh Wagstaff, Head of Housing Operations	Housing
Housing Strategy	To adopt the strategy	Executive, Council	No	February 2018	Hugh Wagstaff, Head of Housing Operations	Housing
Asset Management Strategy [E3]	To adopt the strategy	Council, Executive	No	February 2018	Hugh Wagstaff, Head of Housing Operations	Housing

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O & S
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].

Value for Money and Customer Service Scrutiny recommendations tracker

Meeting date	Agenda item	Recommendations	Officer / Executive response	Timescale
26th June 2017	1. Medium Term Financial Plan	That a further investigation is carried out to identify the root causes for slippages within the capital programme; and for Cllrs to contact local MP's to lobby the shortfall of £800k.	The terms of reference / scope for the scrutiny review 'Capital expenditure process and management' is currently being prepared by the Scrutiny Policy Officer and will go to the CS & VFM committee in due course for endorsement - Alex	Scope due to come to the September 2017 O&S
	2. Creation of a Property Company	The committee requested to have sight of the precise details of the delegation regarding company structure and governance as well as periodic monitoring reports	Item regarding company structure and governance is scheduled to to the CS & VfM committee in September.	Item to go back to the committee in September 2017
	3. Performance Management Report	To receive indicators on an exception basis and to receive suggestions from officers for establishing customer satisfaction baseline data.	Members will receive an update on the research by the Performance Policy Officer on establishing a baseline figure for customer	//
	4. Workforce Profile Update	None bar to receive the Workforce Profile report on an annual basis	N/A	
	5. Building Control Business Plan	For further options for delivery of the service be explored and for a review of the Business Plan to be brought back to the committee in the future (6 months?)		

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