

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: 20 October 2017

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

Cllr John Williamson (Chairman)	Cllr Nabeel Nasir
Cllr Mike Band (Vice Chairman)	Cllr Libby Piper
Cllr Nicholas Holder	Cllr Jeanette Stennett
Cllr Peter Martin	Cllr Stewart Stennett
Cllr Stephen Mulliner	

Substitutes

Cllr Liz Townsend	Cllr Jerry Hyman
Cllr Richard Seaborne	

Dear Councillor

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

DATE: MONDAY, 30 OCTOBER 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 - 12)

To confirm the Minutes of the Meeting held on 11 September 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. UNIVERSAL CREDIT UPDATE (Pages 13 - 18)

The purpose of this report is to inform members of the Universal Credit changes to the welfare benefit system.

Recommendation

It is recommended that the Overview and Scrutiny Committee ask officers to continue to monitor the roll out of Universal Credit across all services for adverse implication on residents of the borough and the Council's resources.

6. STRATEGIC REVIEW UPDATE (Pages 19 - 50)

This report provides an update on the Strategic Review, and gives members an opportunity to scrutinise the progress against the Action Plan.

Recommendation

It is recommended that the Value for Money and Customer Service Overview and Scrutiny Committee reviews the progress made to date against the Strategic Review Action Plan and makes any comments or recommendations to the Executive.

7. CUSTOMER SERVICES REVIEW (Pages 51 - 54)

To provide an update to the Overview and Scrutiny Committee on the progress of the Customer Services Review.

Recommendation

The Value for Money and Customer Service Overview and Scrutiny Committee is invited to comment on the proposals arising from the Customer Services Review.

8. BUDGET REVIEW (Pages 55 - 58)

The attached document provides the Value for Money and Customer Service Overview and Scrutiny Committee with an overview of the budget spend and income relating to the service areas that fall within Committee's remit.

Recommendation

It is recommended that the Committee considers the information provided and identifies any areas it would like to investigate in more detail.

9. BUDGET STRATEGY WORKING GROUP PROPOSAL (Pages 59 - 62)

This report proposes the establishment of a cross party Budget Strategy Working Group in order to drive forward the Medium Term Financial Plan (MTFP) action plan agreed in July and to drill down into areas identified for detailed examination to make recommendations directly to Executive on service and policy issues that will add more strategic value than focusing on ad hoc service budget scrutiny.

Recommendation

It is recommended that the Overview and Scrutiny Committee reviews the proposed approach and agrees the next steps it wishes to take.

10. COMMITTEE WORK PROGRAMME (Pages 63 - 80)

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 as Part C of the work programme.

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.

11. 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 - 11 SEPTEMBER 2017

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

Present

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 Richard Seaborne (Substitute)

Apologies

Cllr Jeanette Stennett and Cllr Stewart Stennett

Also Present

Councillor John Gray was present and spoke on Item 5, Creation of a Property Company – Detailed Matters, and Item 7, In-depth Review – Capital Expenditure

14. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 26 June 2017 were confirmed as a correct record subject to the amendment set out below.

The Committee requested that the final paragraph under minute item 9, Creation of a Property Company, be amended to change the words “have sight of” to “review checks and balances”.

15. APOLOGIES FOR ABSENCE AND SUBSTITUTES (Agenda item 2.)

Apologies for absence were received from Councillors Jeanette Stennett and Stewart Stennett. Cllr Richard Seaborne attended as a substitute.

16. DECLARATIONS OF INTERESTS (Agenda item 3.)

Cllr Mike Band declared a non-pecuniary interest in agenda item 5, Creation of a Property Company – Detailed Matters, as he was a member of the Investment Advisory Board.

17. QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4.)

None received.

18. CREATION OF A PROPERTY COMPANY - DETAILED MATTERS (Agenda item 5.)

David Allum, Head of Customer and Corporate Services, introduced the report setting out the detailed matters relating to the creation of a property company. He

invited comments from the Committee to help inform the company's governance arrangements.

The Committee thanked David Allum for the report, and welcomed the legal advice provided at (exempt) Annexe 1. However members felt that the report didn't include sufficient detail on the check and balances; the Chairman explained that there was a need to address the risks associated with this type of venture, and to thoroughly examine the mitigations that that would be put in place.

Cllr Gray was in attendance at the meeting and spoke on this item. He stated that governance and transparency were key, as ultimately the council would be responsible and councillors had a responsibility to their constituents. He felt that a decision-making diagram would be useful, setting out who had the remit to take which decisions. He also warned that the council needed to be careful with its choice of investment and not end up buying properties that other investors were offloading as the market changed; suggesting that the council narrow its remit to areas where it had more expertise and develop a unique selling point. He added that it would be good to have a clear business plan, including identified milestones, costings and assumptions.

Cllr Mulliner stated that there needed to be a clear explanation of how the governance would be split between the council and the company to ensure that all the advantages of both entities could be maximised. He felt that additional legal advice was required to ensure that there would be no issues in relation 'twin-hatted' officers or an implication of 'shadow directors'. Additionally, he stated that it was important that the company be supported by two non-executive directors who were property experts; this view was supported by other members of the Committee, who felt that such individuals would add real value to the organisation.

The Committee suggested that a spreadsheet be produced to model in detail the costs and anticipated net returns, taking into account aspects such as corporation tax and the fact that the costs of running the company would need to be spread across the return on all investments. It also needed to take into account the cost of repairs and voids. Members also felt that it would be useful to see a worked example using the investment criteria set out in Annexe 2 to the report.

Cllr Martin agreed in principle with the creation of the property company, and was confident that it would be set up correctly by the council's legal team however he agreed with other members that more information was needed. He noted that due the fact that investments may come along at varying intervals a business plan with specific milestones may not be required, as long as sound, detailed investment criteria were in place.

The Committee noted that there was reference to a 'balanced portfolio' and asked for clarification on what this meant in practice. Members differed on whether the company should limit its investments geographically, with some members suggesting keeping to areas where the council had local knowledge, rather than looking at investments nationally. Other members disagreed, stating that there was no need to limit investments geographically, as long as it was deemed to be a good purchase.

Cllr Seaborne stated that more information was required in relation to on-lending, and whether this would need to be done at a commercial rate.

Daniel Bainbridge, Borough Solicitor, thanked the Committee for its comments, which he said would be very useful in assisting the formulation of the detailed matters. He responded to certain points raised by members, explaining that the issue of 'twin-hatting' and membership of the board more generally was a matter for each individual council, and across Surrey this was being done differently by different councils. He added that it was for the council to identify its USP as an investor and set out what it wanted to get out of the endeavour.

The Committee concluded that there were benefits to borrowing low in order to generate an income for the council, but warned against relying on this to fund key service delivery as the value of assets could always fall. The Chairman therefore suggested that the Committee establish a working group to assist officers with assessing the risks so that members could be confident that appropriate checks and balances were in place and the council would not be exposed to any undue risks.

The Committee therefore resolved to appoint a working group comprising Cllrs Stephen Mulliner, Nicholas Holder and Mike Band to work with officers on the matters set out in the report and to assist in assessing risks. Cllr Gray, as Chairman of the Audit Committee, was also invited to attend the working group.

19. PERFORMANCE MANAGEMENT REPORT - QUARTER 1 2017/18 (APRIL - JUNE 2017) (Agenda item 6.)

Nora Copping, Policy and Performance Officer, presented an analysis of the Council's performance in the first quarter of 2017/18 in the areas of Finance, Strategic HR and Complaints. She explained that performance was generally good, with only one area significantly failing to meet target.

The report also presented three options for measuring a customer service baseline as requested at the last meeting. The first option that had been investigated was to use a survey already carried out by Surrey County Council, however officers concluded that that would result in too small a sample size. Secondly, officers looked into utilising the council's 'Your Waverley' magazine to conduct a survey; the estimated printing costs of this option were £2,000. The third option would be to use the council's Citizen's Panel; there was some data from a previous survey already available in relation customer satisfaction which could potentially be used, it was also noted that the Panel would be refreshed next year so may be more objective at that time. Officers added that a customer service review was currently under way at the council and that the outcomes and recommendations of this review would be published in due course. It was therefore suggested that the Committee wait until these outcomes were published before taking this further.

The Committee noted that target F3 [Percentage of invoices paid within 30 days or within supplier payment terms] had failed to meet target for the last five quarters and queried whether 99% was a productive target. Officers explained that generally the invoices that tended to miss the target were of low value and delays were caused when officers worked off-site and were unable to submit invoices for processing. In view of this the Committee felt that the target could be reviewed in the future.

Members expressed concern over the increase in complaints and noted that officers had partially attributed this to an increase in planning applications. However it was unclear as to whether this was a one-off occurrence or whether it indicated a longer term trend that needed to be addressed. The Committee asked that in future, more explanatory commentary be provided to give the Committee more detail about the reasons for the changes in performance, and if necessary suggest corrective action.

The Committee agreed with the proposal set out in the report that work on establishing a customer satisfaction baseline be postponed until the council's ongoing review of customer service had been completed.

20. IN-DEPTH REVIEW - CAPITAL EXPENDITURE (Agenda item 7.)

Cllr Mike Band introduced the proposed scope for the in-depth review into Capital Programme slippage, which had been identified as an area for further scrutiny at the last meeting. He explained that he had worked with the accountants to identify the figures set out at Annexe 2 to the scope, which showed that a significant amount of slippage occurred throughout the year.

Cllr Nasir agreed that this was a very worthwhile review topic, and stated that it needed to be investigated, otherwise the situation could potentially become worse. Cllr Martin agreed, stating that he would expect to see some slippage, but not the extent set out in the table at Annexe 2 to the report.

Damian Roberts, Strategic Director – Front Line Services, stated that there was a need to encourage officers to be more realistic up front about what could be achieved each year, and to not be afraid of drawing funds forward from future years if a project was progressing particularly well.

The Committee acknowledged that there may be genuine reasons why a project could not be delivered, but that in such cases, there should be a mechanism in place to bring forward alternative projects.

Cllr Mulliner noted that the one of the key aims of the review should be to identify why slippage occurs, and suggested that this be added to the bullet points under the heading 'rationale for the review'. Members also noted the distinction between capital expenditure and capital approvals, and asked officers to produce figures for these separately.

Peter Vickers, Head of Finance, explained that measures were being put in place to address some of the concerns raised by the Committee. A new 'Agresso' module was being implemented, and the capital budget process had been revised to show the overall approval, not just year on year expenditure. New processes had also been agreed with the accountants to facilitate bringing forward smaller projects. He added that all capital bids required a template to be completed which included details of how the procurement would be undertaken.

The Committee agreed that a task group would be able to look at previous examples where a capital project had slipped, identify what had gone wrong and assess whether the new arrangements would be sufficient to prevent similar occurrences in the future. It was suggested that as the Capital Programme referred

to both the General Fund and HRA, a member of the Housing Overview and Scrutiny Committee be invited to join the task group. The Committee also suggested that officers set out a target Executive date for reporting the outcomes of the review.

The Committee approved the review scoping document as set out in report and resolved to appoint a task group comprising Cllrs John Williamson, Mike Band and a representative from the Housing Overview and Scrutiny Committee to undertake the review.* Cllr Gray, as Chairman of the Audit Committee, was also invited to attend the working group.

**Following the meeting, it was confirmed that Cllr Richard Seaborne would join the task group as a representative of the Housing Overview and Scrutiny Committee.*

21. GENERAL FUND BUDGET 2017/18 OVERVIEW (Agenda item 8.)

The Committee received a report on the Medium Term Financial Plan which included a forecast General Fund budget shortfall of £2.8m over a three-year period. The Committee was invited to comment on how members could most effectively contribute to the budget setting process and propose any measures for cost reduction, efficiency or income generation that may assist with the forecast budget shortfall.

Cllr Band noted that the report highlighted the problems facing the council, but didn't necessarily point to the solution. He felt that in order to address the shortfall a radical re-think of how services were delivered was required. This also need to be in the context of a longer term financial strategy, not just over the next three years.

The Committee agreed that cost-cutting was not the most effective way of balancing the budget in the longer term. Members noted that the Executive was undertaking some work on the future direction of the Council, and what approach it would be taking to meet the challenges that lay ahead. Damian Roberts added that there was the potential to look at new income streams, as well as more partnership working and contracting.

Members noted that the Council provided discretionary services with the potential to generate significant income, such as leisure centres, Waverley Training Services and Careline, but noted that it was unclear whether all such services had overarching commercial policies or business plans. It therefore recommended that officers be asked to undertake business-planning for discretionary services in order to maximise income-generation opportunities.

Damian Roberts responded that certain council functions were becoming more commercially minded and there was more work that could be done in this area, additionally, the cross-cutting 'Foresight' project was seeking to identify efficiencies, such as freeing up office space to enable the council to generate an income through letting out space.

Cllr Mulliner stated that the council shouldn't use its reserves to make up the shortfall and stated that some difficult decisions would have to be made. Cllr Williamson added that there was no mention salary figures in the report. Cllr Holder suggested that Town Councils be encouraged to generate more income themselves in order to reduce their reliance on Waverley for funding.

Some members felt that a clearer strategy was needed from the Executive before the Committee could properly scrutinise, whereas other saw this as an opportunity pass ideas to the Executive, such as the commercial approach to services referred to above, as well as seeking to take part in the business rate pilot and continuing to lobby over the negative government grant.

22. COMMITTEE WORK PROGRAMME (Agenda item 9.)

The Committee noted its forthcoming work programme.

The meeting commenced at 7.00 pm and concluded at 9.01 pm

Chairman

WAVERLEY BOROUGH COUNCIL
O&S - CUSTOMER SERVICE AND VFM
30 OCTOBER 2017

Title:

UNIVERSAL CREDIT UPDATE

[Portfolio Holder: Cllr Ged Hall]

[Wards Affected: ALL]

Summary and purpose:

The purpose of this report is to inform members of the Universal Credit changes to the welfare benefit system

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

Delivery of Universal Credit supports all the Council's priorities.

Financial Implications:

Detailed within the report.

Legal Implications:

The Council has a legal obligation to comply with the statutory requirement of Universal Credit statute.

Introduction

What is Universal Credit?

Universal Credit (UC) represents the biggest change to the welfare system undertaken since its inception and is the responsibility of the Department for Works and Pensions (DWP). UC applies to all people of a working age, pensioners are excluded. It brings together six different benefits into a single monthly payment to help claimants with their living costs.

The government's objective for UC is to make work pay. The reform is to help people move into and progress in work, whilst protecting the most vulnerable. UC is designed to replicate a monthly wage, replacing numerous individual benefit payments received at different times.

UC replaces the following legacy benefits:

- Income Based Job Seekers Allowance
- Income Support, Child Tax Credits
- Working Tax Credits
- Housing Benefit
- Income based Employment and Support Allowance

To encourage work, the qualifying income threshold for UC is less stringent than other benefits such as Housing Benefit. It provides seamless support for claimants who will not have to sign off one benefit and claim another when they are in and out of work. Under UC claimants retain their entire UC award up to a certain earnings point, and then there is a taper on UC of 63p for every £1 earned. This prevents the cliff edge experienced of dropping out of benefit under legacy benefit rules such as a maximum 16 working hours for housing benefit.

UC is based on a standard allowance to which the following elements can be added for households which meet the criteria:

- Limited capability for work
- Child element
- Disabled child addition
- Childcare costs
- Housing costs
- Carer costs

Previously three agencies were responsible for administering these benefits, HMRC, DWP and local authorities, under UC the claims are dealt with by the Job Centre, a single less confusing system for claimants.

It takes 5 to 6 weeks for a new claim to be assessed and the first payment to arrive. This time consists of 7 day sign on waiting period, one month assessment period and up to 7 days for the payment to transfer. The 7 day applies mostly to people coming out of work onto UC, not people transferring from a legacy benefit. The government has indicated that it will scrap the 7 day waiting period.

Claimants that might experience hardship can ask for an advance payment at the initial interview or calling the helpline at any time. Current claimants can also ask for an advance payment if they got a sanction. The maximum advance payment is 50% of the estimated monthly UC, repayable within 6 months by deduction from UC.

Rent arrears maximum recovery has been increased from 5% to 20% of monthly award to help clear arrears more quickly. This is significantly higher than under the legacy benefit system.

If a claimant is having financial difficulties or getting into rent arrears, they can ask for the landlord to be paid directly, the landlord can also make this request.

The DWP have developed a "Trusted Partner" portal for landlords, which will allow social landlords direct access into the UC service for sharing information and arranging managed (or direct) payments to landlords where claimants fail to pay their rent.

The government's intention is to encourage greater digital inclusion, financial inclusion and personal responsibility. Once someone has transferred to UC they will be required to:

- claim online (set up a UC account) – there is a helpline
- make an agreement called a “Claimant Commitment” with a work coach
- Pay their own rent
- Report any changes in their circumstances

DWP provides some support with digital skills and budgeting through Jobcentres and local authorities, via what is set to be the Universal Support initiative. This involves DWP providing funding to local authorities, who are then responsible for delivering support with budgeting and digital skills to UC claimants.

Universal Credit Roll Out

Roll out of UC has been done in stages:

The live service: available to all new eligible claimants in every Jobcentre in England and Wales. It is generally limited to ‘simpler’ claims: single adults, without a health condition or disability, who are not in work.

The full service: available to all new UC claimant's eligible for one of the legacy benefits in a limited number of local authorities. This service goes live at Waverley in July 2018.

At present roll out plans for UC are only for new claims, there are no plans to migrate over the existing case load of claimants in receipt of Housing Benefit and no plans at all to include pensioners in UC. It currently only applies to working age claimants.

Guildford Job Centre, which covers Waverley residents registering for UC, has been live with taking new claims for UC for single people from April 2016 and in Waverley we currently have 20 people claiming UC.

Even when Guildford Job Centre goes live in July 2018 with UC for all new claims the number of claims is likely to build slowly. An existing HB claimant will stay on HB unless there is a break in their claim and not until then will they need to claim UC.

Waverley currently has 2,933 working age claimants in receipt of Housing Benefit and this has remained constant in the last few years. People are coming off and onto benefit at roughly the same rate so the overall figure stays constant.

As a guide to the impact of UC, in 2016/17 there were around 500 new claims, so this gives an indication of the number of claimants who would migrate to UC in a year. There is no rollout date as yet for Waverley's current benefit claimants. These are expected to be transferred in the next few years.

Of the 2,933 working age claimants, 1,377 are council tenants. Currently the council tenant's rent is paid directly from the benefit service to their rent accounts. This will change under UC and they will be paying their own rent.

The 1,556 claimants who are not council tenants should not experience any difference transferring to UC, they will be pass ported across to UC without a waiting period, unless they have a break in their claim.

Waverley housing benefit performance for processing new claim target is 20 days. Whilst this is below the national average, performance equates to the new claim performance on UC of 5 to 6 weeks. This period has been cited in the press as a cause for concern; however, UC does have a facility to pay an advance to mitigate.

Waverley has an agreement with DWP to provide support, which is provided through the Housing Support team and the Benefit service. Internet access and support is provided along with home visits.

Potential impact of UC on Waverley

The issues listed below are a worst case scenario. UC has a lot of mitigations to provide support in the transition. The DWP are working with landlords to minimise the impact of UC.

- Potential rent arrears for Waverley tenants who will receive the rent element of UC paid to them rather than direct to Waverley, as it is under the HB scheme.
- Rent arrears for all tenants due to delays in paying UC and paying direct to claimants could increase the number of families presenting as homeless.
- Private landlords may refuse to let properties to families in receipt of UC.

UC has received significant adverse media attention since its inception, including delays in roll out. The DWP defend these delays, explaining that this is the biggest change ever in welfare reform, it is complex and it takes time to get it right. It is not possible to launch such a scheme with all the issues identified and resolved prior to launch. The DWP are using a “test and learn” approach where feedback informs the ongoing development.

The key areas of concern identified in the media that could indicate an underlying structural risk for a small element of claimants are:

- The delay of 5-6 weeks from making a claim causes claimants hardship and rent arrears;
- UC is now expected to be less generous overall than existing “legacy” benefits and tax credits;
- some, particularly vulnerable claimants, struggling to adapt to single, monthly payments in arrears

These concerns are to be looked at in context of the mitigations already in place covered by this report. It is true that there will be an element of claimants that will struggle to adapt to UC. This needs to be contrasted against the overall number of claimants in receipt of UC and those who are not represented in the samples taken by voluntary support groups within the media coverage. These issues must also be looked at in context of their existence within the current legacy benefit system. What has fundamentally changed for this group of claimants between UC and legacy benefits and is there a longer term adaptation challenge?

The media cite problems for claimants in Full Service areas, including:

- homeless claimants unable to get help with the full costs of emergency temporary accommodation.
- issues with registering and processing claims – e.g. online claims being ejected or “disappearing”, awards not including the housing element due to problems verifying rent payments;
- a lack of support from jobcentres for claimants without ready access to a computer or with limited digital skills/capabilities;
- lengthy, repeated and expensive calls to the UC helpline to resolve problems;
- increasing demands on support and advice services from local authorities, housing associations and charities as a result of having to assist UC claimants;
- insufficient funding from the DWP for local authorities and partner organisations providing “Universal Support”, such as budgeting advice;
- third parties facing difficulties resolving claimants’ problems due to the DWP’s insistence that the claimant must give explicit consent for an adviser to act on their behalf.

At present there is not sufficient reliable evidence available from the experience of full roll out of UC to draw firm conclusions on the full long term impact of UC on the residents of the borough and the Council’s resources.

There is evidence that the DWP are using a “test and learn” approach where feedback informs the ongoing development, it is in the DWP long term interests as well as the Council’s that UC is a success. Common to all major change programmes, there is always an adjustment period for people and systems and importantly, learning points.

What Next?

- In order to prepare for the go live of UC for all new claims in July 2018, Waverley officers have attended seminars and gathered useful learning; one of the seminars attended was delivered by Oldham, who was one of the initial pilots for UC.
- The Benefit Manager is meeting with the DWP on 31 October to discuss the go live of UC for all **new** claims in July 2018.
- The Council receives guidance and case studies from the DWP and CAB which is used to inform the support required for residents.
- There are training courses available for UC that will be offered to all staff that it relates to.

Conclusion

There is much adverse media publicity regarding the roll out of Universal Credit. The UC legislation needs close scrutiny to understand the true scale and likelihood of impact on residents and Council resources and identify early those who may be vulnerable and in need of assistance. Currently, the Council has put in place

adequate resources to assist those residents claiming UC and is actively risk assessing the role out of UC implications.

Recommendation

It is recommended that the Overview and Scrutiny Committee ask officers to continue to monitor the roll out of Universal Credit across all services for adverse implication on residents of the borough and the Council's resources.

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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WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY AND CUSTOMER SERVICE OVERVIEW & SCRUTINY COMMITTEE - 30 OCTOBER 2017

Title:

**STRATEGIC REVIEW OF WAVERLEY BOROUGH COUNCIL – UPDATE
REPORT**

Portfolio Holder: Cllr Julia Potts

Wards Affected: all

1. Background

1.1 A strategic review of the Council was undertaken in November 2016. The consultants were asked specifically to:

- Identify and articulate the strategic opportunities, which the Council may wish to pursue.
- Analyse the challenges and issues for Waverley Borough Council in achieving these opportunities including organisational, partnership, resources, skills and culture.
- Produce a statement setting out the Council's strategic ambition and key priorities for discussion by the Executive and Directors.

1.2 The review involved meetings with the Leader and Executive, Leader of the Opposition, backbench Members including those involved with Scrutiny, the Executive Director, Directors, Heads of Service and a group of staff randomly selected but covering a range of services and grade. Key council documents and performance information were also reviewed including an expert opinion and analysis of the Council's financial position. A telephone conversation was also held with the Chief Executive of Surrey County Council to obtain a partner perspective.

1.3 The Strategic Review was aimed at being a "catalyst for the council to develop a more ambitious agenda for its place and to explore the role of the council in keeping Waverley successful and prosperous."

2. Summary of Consultant's Findings

2.1 The consultant's report is set out at **Annexe 1** but a summary of their findings are set out below.

2.2 The consultants' findings were divided into two main areas; Strategic Vision and How the Council Works. Each section of their findings was followed by a number of recommendations entitled 'Way Forward'.

Strategic Vision

Findings

- i. There are insufficient linkages between the Corporate Plan, Economic Strategy and Medium Term Financial Strategy.
- ii. The existing Corporate Plan is too narrowly defined and lacks specific targets and actions. There is a need to set out the Council's ambitions in terms of its place shaping role.
- iii. The Economic Strategy is non-specific and sets no framework for how the Council will support existing businesses, promote future economic activity or support the viability of its town centres and high streets. The Council has pursued various projects which have not necessarily been set within any strategic context.
- iv. The Council has good financial standing and has been prudently managed. However the 'expert analysis' of the medium Term Financial Strategy also highlighted the need for a more expansive efficiency programme focusing on generating income and making provision for investment including the scope and role for borrowing.
- v. Many Members and staff acknowledged the need for a more strategic vision and high expectations that the new Council leadership will set a new and ambitious agenda.

Way Forward

- i. The Executive needs to articulate a strategic vision and priorities for the Council which, whilst including the existing priorities of customer service, community wellbeing, environment and value for money, also incorporates the development of the Council's place-shaping role. The Council needs to balance its duty to provide good stewardship and to value and secure its natural assets with the need to promote the economy, recognising that there may be opposition to its proposals from the public.
- ii. Develop a new Economic Development Plan and master plans for some or all of Waverley's town centres. Such a Plan could set out how best to ensure the vibrancy of town centres, the role they may play in the visitor economy and how best to support small businesses and traders.
- iii. The new Medium Term Financial Strategy needs to move away from an annualised budget process, needs to incorporate a crosscutting efficiency programme and modernisation of council business processes and needs a focus on growing the income base.
- iv. Waverley needs to broaden its approach to partnership working and establish a wide range of alliances.
- v. Consider its future viability as an organisation and consider how to partner with others so that it takes control of its own destiny as far as it can.

How the Council Works

Findings

- i. Members and officers share a pride in and loyalty towards Waverley and a determination to provide good services to residents.
- ii. There is both talent and capability amongst Members, senior managers and within the wider workforce.
- iii. Attitudes and working relationships between members and officers are not always as they should be.
- iv. Managerial Leadership is not sufficiently visible to the workforce.
- v. Services tend to work in their individual silos and the Council does not have a strong corporate ethos.
- vi. Recruitment is located in finance, Strategic HR reports to the Executive Director and staff development sits with the Head of Policy and Governance. As a consequence no one takes ownership of the need for an alternative approach to recruitment and retention.
- vii. Formal decision-making processes to Member level bodies seem to be slow, cumbersome and require an unnecessary number of reports for further decisions on minor matters of implementation.
- viii. Decision-making within the officer structure is protracted and it appears that levels of delegation are not sufficient.
- ix. Insufficient delegation and a focus on operational matters prevents Corporate Management Team from having capacity for strategic matters and the pace of change and scope for innovation are stifled.
- x. The Council's working environment seems old fashioned and not all of the Council's business processes are modernised
- xi. Several Members cited Planning Services and HR as the services they were most concerned about.
- xii. There is a lack of appropriate support for Members to undertake their role including the absence of any dedicated administrative support and a lack of separate and private meeting spaces for the majority group and opposition group.

Way Forward

- i. Improve working relationships and attitudes between Members and officers and establish clarity on the political direction the Council wishes to set. For example through:
 - Executive and Directors working together to articulate the new strategic vision and priorities using away days, workshops etc
 - Ongoing use of Executive Briefing as a forum to co-develop policy, monitor progress and ease the path of decision-making reports.
 - Visible leadership of the Leader and Executive Director to the workforce and other stakeholders
 - Improved support to Overview and Scrutiny (implementing the proposals already agreed);
 - Improved arrangements for responses to ward members' casework including administrative support to progress and chase

- Critical Incident Reporting Protocol put in place to ensure all staff are aware of issues which require the Leader or Portfolio Holder to be notified to support a 'no surprises' ethos
 - Identifying the need for mentoring or coaching for officers and members
- ii. Scheme of delegation to be reviewed to improve speed of decision-making, particularly on implementation matters where the substantive matter has already been approved and has the necessary budget provision.
 - iii. Review the delegation arrangements to senior managers to free up time for strategic matters and speed up the pace of operational decisions by placing them at the right level.
 - iv. All external partnership forums should be identified and appropriate attendance agreed.
 - v. Greater explicit use of cross cutting themes and working, building on what is already in place via the Foresight Groups.
 - vi. Approaches to customer care and service should be reviewed to improve attitudes towards residents, responsiveness to complaints, access arrangements by phone and in person and use of the web-site for service delivery.
 - vii. Identify and establish a robust efficiency savings programme to support the new Medium Term Financial Strategy and to streamline business systems and ways of working. The scope to work in partnership with other neighbouring councils or provide a modern working environment should be explored. This may be particularly applicable for services which are under pressure, where the Council finds difficulty in recruiting and retaining staff or where others are known to provide best practice services.
 - viii. Improve facilities and support for elected members.
 - ix. Pursue all opportunities to learn best practice and service developments from others.
 - x. Ensure the Council is fit for purpose in terms of structure, change management, project management, negotiation and partnership skills.
 - xi. Give consideration to bringing the different aspects of the HR Service together and putting in place an improvement plan.
 - xii. Give consideration to drawing up an improvement plan for Planning so that the need for support to the service and explicit attention to the key concerns can be progressed.

3 Four key priorities for improvement

3.1 The Leader and Executive Director identified four main areas as being of the highest priority for change and improvement. These related to:

- **Strategic focus from Directors;**
- **The Council's Strategic ambitions;**
- **Supporting and improving the Council's Planning Service; and**
- **Supporting and improving the Council's HR functions.**

4 Action Plan

- 4.1 Following the consultant's report an action plan was put together to address the findings. The current version of the plan is set out at Annexe 2.
- 4.2 A three phase approach was adopted. Some actions were put in place with immediate effect (such as the change of name from Corporate Management Team to Management Board and changing agendas to focus on strategic items). Actions requiring more time were scheduled for the end of April 2017 and other actions requiring a more fundamental review of structures and budgets were to commence in May. In addition it was proposed that early attention be given to the proposed budget for 2018/19. The timescales applied to the Plan were extremely ambitious and have not all been met.

5 Progress to date

- 5.1 Members will see that a number of the actions have been completed and these actions are highlighted in pale green on the attached Action Plan.
- 5.2 Some of the biggest advances have been made in the area of decision making with measures to speed up processes. A new scheme of delegation was agreed in April involving new financial thresholds and changes made to the Constitution mean that staffing decisions within budget are now delegated to Heads of Service/Directors. The new Scrutiny process is also now in place as is a new system of tracking Member queries to ensure timely responses are given.
- 5.3 Two areas highlighted by the consultants relate to the service areas of Planning and Strategic HR. A consultant was engaged to work with the Planning service and a Development Control Performance and Improvement Plan is due shortly. An HR Improvement Plan is still under consideration.
- 5.4 Since the review, more opportunities have been explored to work collaboratively with other authorities and learn from best practice. The Housing Benefits Team are working with Rushmoor Council to improve performance using a Systems Thinking approach to service delivery. Rushmoor have the best performance in this service area in the country. In addition meetings with other stakeholder groups such as the Chambers of Commerce have been more constructive.
- 5.5 Work on a revised Economic Development Strategy initially moved quickly but has since been slightly delayed by progress on the Local Plan and the need for synergy between the two documents.
- 5.6 Some of the actions relating to the strategic direction of the Council have taken longer than originally forecast due to changes in senior roles and this has had a knock-on effect on other actions. Two successful workshops have taken place in August and September, facilitated by the LGA, with the Executive and Strategic Directors and the outcomes will be shared at further workshops with Overview & Scrutiny in the coming weeks.

6 Conclusion

Considerable progress has been made in a number of areas recommended by the outcome of the Strategic Review but a number of actions remain outstanding. This inevitably has a knock-on effect on other areas of the Strategic Review Action Plan. However, with the appointment of an interim Managing Director the management team are working closely with the Executive to establish a vision and strategic direction for the Council.

Recommendation

It is recommended that the Value for Money and Customer Service Overview and Scrutiny Committee reviews the progress made to date against the Strategic Review Action Plan and makes any comments or recommendations 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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December 2016

Strategic Review of Waverley Borough Council

Prepared by Cratus Communications

Contents

The Review Methodology	2
Waverley	3
Strategic Vision	4
Findings	4
Way Forward	5
How the Council Works	6
Findings	6
Way Forward	8
Summary	9
Appendix A - Confidential Review: Financial Position & Strategy	10
Methodology	10
Overall Observation	10
Specific Lines of Enquiry to Pursue	11
Closing Comments	13
Headline Financial Indicators	13
Appendix B - List of key documents from Phase 1 fieldwork received and reviewed	15

The Review Methodology

1. Cratus Communications was appointed by Waverley Borough Council to undertake a strategic review of the Council, its effectiveness and culture, to act as a catalyst for improving the Council's strategic vision and functioning. The Council specifically asked the review to:
 - Identify and articulate the strategic opportunities, which the Council may wish to pursue.
 - Analyse the challenges and issues for Waverley Borough Council in achieving these opportunities including organisational, partnership, resources, skills and culture.
 - Produce a statement setting out the Council's strategic ambition and key priorities for discussion by the Executive and Directors.
2. The Council wished the work to be concluded and reported back to them by mid December 2016, consequently a programme was determined which worked to this deadline and comprised the following activity:
 - Review of key council documents and performance information
 - Meetings with the Leader and all members of the Executive
 - Meeting with the Leader of the Opposition
 - Meeting with a group of backbenchers including those involved in Scrutiny
 - Meeting with the Executive Director, Directors and all Heads of Service
 - Meeting with a group of staff including a staff-side representative
 - Tour of the Borough
 - Evidence received from 8 councillors who submitted email comments
 - Telephone conversation with the Chief Executive of Surrey County Council to obtain an external partner perspective.

In addition, expert opinion and analysis of the Council's financial position was undertaken and is reported back at Appendix A to this report.

3. It is important to note that this was not an inspection nor a peer review, nor a review in the context of a council in difficulties. This was rather a strategic review to act as a catalyst for the council to develop a more ambitious agenda for its place and to explore the role of the council in keeping Waverley successful and prosperous. The methodology therefore drew on the experience and expertise of the Cratus team to provide insight and stimulus for the dialogue the Council wishes to initiate.
4. Initial verbal feedback was given individually to both the Leader and Executive Director at the end of Phase 1: Fieldwork. A workshop will be held for the Executive and Directors at which our findings will be presented and we will begin a dialogue whereby the Council Leadership can start to determine the actions it wishes to pursue. This report sets out in greater detail the findings of the review and a menu of actions and opportunities for Waverley Borough Council to consider.
5. During Phase 1 various detailed and specific issues were raised with the Cratus team. In the time available it was not possible to undertake deep dive analysis and respond fully to these specifics, but the wider lessons have been taken into account.

6. This review was an intensive piece of work undertaken to a tight schedule and the Cratus team are very grateful for the assistance provided by all elected members and Council staff. The team was impressed by the willingness of participants to contribute to the review and by the frank and thoughtful nature of their comments. Special thanks to Dee Garnett who coped admirably with the not inconsiderable diary and logistical requirements and to Louise Norie for the extensive sourcing of key documentation for the review.
7. The Cratus team comprised the following roles and individuals:

Team on site:

Mary Ney

Project Lead. Commissioner Rotherham MBC and former Chief Executive of the Royal Borough of Greenwich

Katharine Marriott

Executive Director Strategic, Cratus

Off-site support:

Lauren Bennie

Director, Cratus

Chris Perry

Financial expert, former Section 151 officer with 33 years' experience

Cratus' unique capability is to offer experience from local government politicians as part of their approach, this was provided by Sir Merrick Cockell and Chris Roberts, Chairman and Deputy Chairman of Cratus and both long serving Council Leaders. In addition to their advice to the project team, Sir Merrick Cockell participated in a telephone discussion with the Leader.

Waverley

8. Waverley is situated in south west Surrey and is predominantly rural with much land designated as green belt or as areas of outstanding natural beauty and with four distinct town centres in Godalming, Farnham, Haslemere and Cranleigh. The borough population is around 121,000 and is overall relatively affluent with low levels of deprivation and unemployment. The Council provides the usual range of services at district level including management of housing stock of some 4580 units as well as some services for vulnerable people. The Council employs around 450 staff and has a gross revenue budget spend of £14.3 million. Council tax has been frozen for 9 years.

The political composition of the Council is:



There is one vacancy at present. The Council operates a leader and executive style of governance. A new Council Leader was appointed in May 2016 together with an executive of 9 members with a mix of experienced and new members. All out elections will next be held in the Borough in May 2019.

Strategic Vision

Findings

9. The Council has a Corporate Plan 2016-2019, an Economic Strategy 2015-2020 and a Medium Term Financial Strategy (MTFS) 2016/17 – 2019/20 and is progressing the approval of its Local Plan. There are service plans and other strategy and policy statements for various areas of activity, however those are the three key documents in setting the strategic vision for the Council. There is insufficient linkage between these strategies and a widely held view amongst members and officers that they require revision. The changing funding climate for local councils makes it imperative that the MTFS has regard for the impact on business rate income arising from the economic prospects of the borough; the impact on council tax collection and new homes bonus from new housing and the ability of the Council to intervene to achieve increased income streams, as well as direct sources of commercial income to support its revenue spending on services.
10. The Corporate Plan sets out the Council's values and priorities but is too narrowly defined and lacks specific targets and actions. It reflects the historical focus of the Council on good delivery of basic, statutory services. Vital though this is, there is an equally important need to set out the Council's ambitions in terms of its place-shaping role. Overall, this failure to do so leads to an organisation with low ambition, a lack of targets, unclear priorities and a lack of organisational pace and stretch.
11. Similarly, the Economic Strategy is non-specific and sets no framework for how the Council will support existing businesses, promote future economic activity or support the viability of its town centres and high streets. Whilst the Council has pursued various projects these tend to be parochial and not purposefully set within any strategic context. An example of this is the capital project to provide improved facilities at Frensham Ponds. This is narrowly viewed as an important project but not seen as part of any visitor economy strategy with the wider purpose of increasing benefits for the local economy and traders.
12. The Council has good financial standing and has been prudently managed. A full report on the Council's financial position and strategy is attached at Appendix A. This analysis identifies the strengths of the MTFS but also sets out the need to improve on the current strategy, linking it to the corporate plan and the wider strategic ambitions for the borough; including a more expansive efficiency programme; focusing on generating income and making provision for investment including the scope and role for borrowing.
13. This review did find that many members and staff acknowledged the need for a more strategic vision and high expectations that the new Council leadership will set a new and ambitious agenda. We found there is both talent and capability amongst members and officers to deliver on this. In addition to its sound financial standing, the Council can show a track record in taking forward projects which required particular learning and skills, such as investment in leisure and community facilities as well as house building, and which all demonstrate certain skills and achievements in project management; the mixed use development in Farnham which shows the Council's 'pulling power' in terms of inward investment and the Troubled Families Project which provides an example of partnership working. This will be crucial in the future direction of the Council and its ability to achieve more ambitious goals.

Strategic Vision

Way Forward

14. The Executive needs to articulate a strategic vision and priorities for the Council which, whilst including the existing priorities of customer service, community wellbeing, environment and value for money, also incorporates the development of the Council's place-shaping role. Waverley is blessed with outstanding natural assets and affluence valued by all. The new strategy needs to have as its cornerstone the Council's commitment to its duty to provide good stewardship of Waverley, to value and secure those assets and to balance that with the need to promote the economy. No doubt the Council may encounter some opposition to its proposals. To prevent this being overwhelming it will be important to explain to residents the link between economic growth and the sustainability of the Council's finances and basic service delivery, as well as the viability of the Council as a democratic entity. Residents express great allegiance to the four individual towns which make up Waverley and the Council could articulate its vision based on its priorities for each town centre - to ensure they maintain vibrancy and viability for retail traders at a time when high street businesses generally are experiencing decline, which Waverley will not be immune from.
15. Having progressed the Local Plan, the Council might wish to consider the need to develop in tandem a new Economic Development Plan and master plans for some or all of its town centres. The master planning process will ensure there is wide engagement with and consultation of all stakeholders about the future of their towns and an opportunity for this dialogue to take place without the pressure of specific planning applications. It should also assist developers in understanding local aspirations for the area and the need to bring forward proposals which are sympathetic to those concerns. More broadly it will allow purposeful and more creative dialogue with residents, parishes and town councils across the borough.
16. Such a process could also help to inform the new Economic Development Plan, particularly regarding how best to ensure the vibrancy of town centres, the role they may play in the visitor economy and how best to support small businesses and traders. The Plan will need to discuss the potential for business and jobs growth, identify target business sectors, skills required, the demand for commercial space and what impact there may be on housing need.
17. An ambitious vision needs to be underpinned by a sound MTFS so that the Council has the ability to intervene and invest alongside provision of good basic services. The issues needing to be addressed in developing the new MTFS are set out in greater detail in the analysis at Appendix A and so are not repeated here. In summary though the new MTFS needs to move away from an annualised budget process, needs to incorporate a cross-cutting efficiency programme and modernisation of council business processes and needs a focus on growing the income base, including income generation and targeted investment proposals which are in synergy with the new Economic Development Plan.
18. In developing these plans and building its ambitions the Council needs to broaden its approach to partnership working and establish a wide range of alliances with the chambers of commerce, local businesses and traders, the University of the Creative Arts, potential investors, RSLs as well as other districts and the County Council. Such collaboration will not only assist the Council in developing ideas and opportunities but will expand the community of interest, understanding and support of the Council's approach. For instance, the University will be producing graduates in various aspects of the creative arts who will be looking to develop start-ups, small businesses and pop-ups. Such activity can contribute to jobs growth, vitality and diversity of the local cultural offer making a dynamic contribution which the Council may be able to capture for the advantage of Waverley. Similarly, engagement with other parts of the public sector will ensure the Council is better understood and will mean opportunities for joint working, shared budgets and services can be more easily pursued.
19. Finally, in developing its strategic direction the Council does need to discuss its approach to the future viability of the Council and whether and how to partner with others so that it takes control of its own destiny as far as it can.

How the Council Works

Findings

20. The review found both members and officers shared a pride in and loyalty towards Waverley and a determination to provide good services to residents. There is both talent and capability amongst both members and senior officers as well as within the wider workforce. There is a general recognition of the wish of the Executive to set an ambitious vision and that the changes needing to be implemented so as to deliver a more ambitious vision will be challenging and will require adjustments to the way the Council works and to the skills and capabilities it needs to deploy.
21. Whilst the Council does have the capacity to deliver on ambitious goals, the review found a number of aspects in the way the Council works which would need to change if the Council is to have the cultural ethos, visible leadership and pace of decision-making needed.
22. The review found that attitudes and working relationships between members and officers was not always as it should be. Executive members and Heads of Service work together well on their individual portfolios, but there is insufficient dialogue and joint development of policy between the member and officer leadership teams. Some officer attitudes to members showed insufficient empathy for their role as democratically elected representatives. This results in feelings of mistrust on both side, some confrontational experiences and a feeling that officers are inappropriately blocking implementation of member decisions. Examples the review heard include the way in which ward casework is progressed, this is sometimes protracted and members are not always up-to-date on progress. The failure as yet to appoint to the new scrutiny support post, which was agreed by the Executive in July 2016 and with no interim solution in place, is perceived, rightly or wrongly, as officers blocking member decisions.
23. Managerial Leadership is not sufficiently visible to the workforce and there are few opportunities for member leadership to directly address managers and employees to explain their priorities and thinking.
24. Although there are a number of council-wide officer groupings and forums, in the main, services tend to work in their individual silos and the Council does not have a strong corporate ethos. This can lead to a lack of ownership of issues. For instance, the review heard a number of examples of difficulties in recruitment with posts being advertised 3, 4 or even 5 times without success. The Council is slow to recognise the need to pause and look for alternative solutions. Recruitment is located in finance, strategic HR reports to the Executive Director and staff development sit with the Head of Policy. As a consequence no one takes ownership of the need for an alternative approach to recruitment and retention.
25. Formal decision-making processes to member level bodies seem to be slow, cumbersome and require an unnecessary number of reports for further decisions on minor matters of implementation. For example, the report of the review into scrutiny which was finalised earlier in 2016, was reported to the Executive Board in June 2016, a further report back was required from officers to consider the requirement for a dedicated officer to support scrutiny. This was reported back and agreed in July 2016 and the process to prepare a job description, grade the post and move to recruitment then commenced. At the time of the review no appointment had been made and no interim arrangements were in place. It should have been possible for officers to write a covering report to the Executive for the June 2016 meeting and have the work required to establish the post in hand thus saving the need for further reports. An interim option should have been found so that the outcome of the review could be progressed. The length of the process resulted in members' proposals being delayed leading to a feeling amongst members that officers are deliberately thwarting executive decisions.

26. Decision-making within the officer structure is also protracted and it appears that levels of delegation are not sufficient. The review was told that permission to recruit to a vacant post needed to be agreed by the Corporate Management Team (CMT) and needed the submission of a report two weeks before the meeting. In addition, all reports which are to be submitted to the Executive are considered first by the CMT after going through both Legal and HR. If the CMT has issues to raise and defers the report it seems that on occasion no explanation is given to the relevant Executive Member which leads to suspicion of the motives of CMT and a questioning of their role.
27. As a consequence of these requirements and insufficient delegation to managers, CMT does not have capacity for strategic matters and the pace of change and scope for innovation are stifled. The unusual phrase 'keeping Waverley safe' was often used but it should be possible to provide good standards of governance on decisions at member and officer level without such excessive controls.
28. The Council's working environment seems old fashioned and not all of the Council's business processes are modernised. For example, a review of the customer services arrangements commenced a year ago as a cross cutting project involving staff from across the Council. The initial scoping of suggestions was supported by the Executive member but senior managers had concerns about the proposals for a contact centre. Although the matter had since been considered by the Executive Briefing and Scrutiny, there seemed some confusion over whether the Council was taking the review of its customer services forward.
29. Several members cited Planning Services and HR as the services they were most concerned about. Whilst members acknowledged that Planning Services staff were working hard there were concerns about workload pressures, recent losses of experienced staff, the quality and accuracy of reports, the quality of pre-planning advice, the need to ensure applicants understand the Council's design standards, keeping members briefed on ward matters, the need to consider external expert advice, including legal advice. The concerns for the functioning of HR matters have been referred to above.
30. Although not raised by members, the review identified a lack of appropriate support for members to undertake their role including the absence of any dedicated administrative support and a lack of separate and private meeting spaces for the majority group and opposition group. It was felt that the absence of support to members to pursue case work, including no target times for reply and the need for members to chase up replies themselves, could be a contributory factor in some of the tensions between members and officers.

How the Council Works

Way Forward

31. It is important to address the cultural issues to improve working relationships and attitudes between members and officers and to establish clarity on the political direction the Council wishes to set. It is suggested that this could be tackled in a number of ways, such as:
- The Executive and CMT working together to articulate the new strategic vision and priorities, using away days, workshops and external facilitation
 - Ongoing use of the Executive Briefing as a forum for co-development of policy, monitoring of progress and unblocking of barriers upstream of decision making reports
 - Visible leadership of the Leader and Executive Director to the workforce and other stakeholders e.g. through occasional joint attendance at manager forums, undertaking staff roadshows, celebrating success and staff induction sessions
 - Improved support to Overview and Scrutiny implementing the proposals already agreed and by ensuring senior officer attendance, as required, at scrutiny meetings
 - Improved arrangements for responses to ward members' casework including administrative support to progress, chase, set target response times and sample monitoring quality of responses
 - Critical Incident Reporting Protocol put in place to ensure all staff are aware of issues which require the Leader or Cabinet Member to be notified to support a 'no surprises' ethos
 - Identifying the need for mentoring or coaching for officers and members
32. The Leader's Scheme of Delegation should be reviewed to improve speed of decision-making particularly on implementation matters where the substantive matter has already been approved and has the necessary budget provision. Delegation could be to officers in consultation with their Executive Member or directly to Executive Members. If the Council decides to pursue the latter it will be necessary to set up normal good governance arrangements for dealing with such matters including notice of decisions, officer reports, making of representations and call-in.
33. CMT should review the delegation arrangements to senior managers to free up time for strategic matters and speed up the pace of operational decisions by placing them at the right level. This needs to include budget holding responsibility, staff establishment management and recruitment decisions.
34. All external partnership forums should be identified and appropriate attendance agreed. Arrangements for accountability should be put in place to ensure transparency and clarity of political leadership and direction, and the opportunities to be pursued.
35. Greater explicit use of cross cutting themes and working building on what is already in place via the Foresight Groups. This will assist in breaking down silos and encourage the promotion of a corporate ethos. Employing regular staff communications from the Executive Director will ensure widespread understanding of the new strategic vision and its implementation.
36. Approaches to customer care and service should be reviewed to improve attitudes towards residents, responsiveness to complaints, access arrangements by phone and in person and use of the web-site for service delivery. It is expected that the outcome could result in improved service and produce efficiency savings.

37. The CMT should identify and establish a robust efficiency savings programme to support the new MTFs and to streamline business systems and ways of working. The scope to work in partnership with other neighbouring councils or provide a modern working environment should be explored. This may be particularly applicable for services which are under pressure, where the Council finds difficulty in recruiting and retaining staff or where others are known to provide best practice services.
38. The facilities to support members require some improvement. For instance, the Leader should have an office which provides some confidentiality and a dedicated PA who could possibly also support executive members. The Opposition Group should have a separate members room from the Conservative Group room.
39. The Council, officers and members should ensure that all opportunities are pursued to learn about best practice and service developments from others, for instance via the Local Government Association's programme for members and seminars, as well as directly from other councils and networks.
40. If Waverley Borough Council decides to embark on a new strategic vision and the modernisation of its service delivery, it must ensure that the Council is fit for purpose in terms of structure, change management, project management, negotiation and partnership skills. The CMT should ensure that skills and capacity gaps are identified so that agreed change can progress at pace. Services which appear to be struggling most i.e. Planning and staff recruitment and retention, will need particular attention to identify the best way to support improvement. This may need to include consideration of some structural amendments e.g.
- Bringing the deferent aspects of the HR Service together and putting in place an improvement plan
 - Drawing up an improvement plan for Planning so that the need for support to the service and explicit attention to the key concerns can be progressed.
41. The need to build capacity, skills and focus effort may warrant a collective realignment of those key services to delivering the new agenda e.g. Planning, Economic Development, Major Projects and Strategic Housing.

Summary

42. This review has identified the scope for Waverley Borough Council to develop its strategic vision to expand the Council's role as place-maker. A range of political choices could be made which could be carried forward via a new Corporate Plan, Economic Development Plan and Medium Term Financial Strategy. The Council has stewardship of some outstanding natural assets and it can build into its strategies the security, protection and promotion of those assets. It has a sound financial base on which to build and talent and enthusiasm amongst both officers and members. The extent to which the Council, both officers and members, will need to change its culture and working arrangements should not be underestimated. However, it is achievable with appropriate support, learning and sharing with others, including other councils with a similar experience and agenda. This report serves to provide a beneficial insight and stimulus and can act as a catalyst to assist Waverley Borough Council on this journey.

Appendix A - Confidential Review: Financial Position & Strategy

Methodology

1. Desktop review of key documents
2. Feedback from observations and evidence gathered by Cratus Project Team
3. Review based on 3-pronged focus- quantitative, management, strategic.

The comments below are for use by the Project Team, to be incorporated or further tested and explored as appropriate. They are based upon the evidence available and have been framed on the basis that these are lines of enquiry.

Overall Observation

Waverley can take some comfort in that, although it faces financial challenges, those it faces are similar to many other Local Authorities, particularly District Councils. Nothing emerges from the Financial Accounts, nor from the Budget Strategy and Council Tax setting reports that indicate the Council is in a fundamentally risky financial position compared to other Local Authorities. The Balance Sheet is sound, and the revenue performance against budget, and issues such as pensions liabilities, levels of cash, and debt levels to assets all indicate that generally it is prudently managed. Notwithstanding this it is clear however that the on-going financial strategy requires more specific measures to address the withdrawal of grant, and the need to reach a broadly self-sustaining position by 2020. Although recognised, these measures are not explicitly addressed beyond broad intentions. This is understandable given the uncertain financial prospects, however there is a need for a more developed set of targeted, strategically led, accountable proposals for the MTFS.

The setting of 2016/17 Council Tax with the first increase in 10 years (1.95%) indicates there is a recognition of the need to re-position the previous strategy to achieve financial sustainability. The future projections of budget gap should specifically include assumed future Council Tax projections to demonstrate this. The strategy now needs to be developed into a concerted growth-oriented approach, fully exploring the impact of potential re-generation and commercially informed proposals. These must sit alongside the usual financial "good house-keeping" but this should not diminish capacity for growth.

The capital financing position is prudent, but a further exploration of options is required, particularly in regards to funding non-HRA investments. It would appear that borrowing for General Fund initiatives is not currently used as a financing option (it is believed the Treasury Management Strategy has a £5m borrowing limit for General Fund). Borrowing should not be seen as an initial limiting factor. Projects should be developed, and then subsequent financing options, including borrowing, could be explored and structured.

The balance and incidence of expenditure and income is not significantly skewed compared to expectations and broad comparators. "Best in Class" bench-marking is unlikely to unlock sufficient efficiencies to justify the organisational effort involved. However some assurance is needed that service expenditure levels are led by strategic imperatives rather than operational inertia. Therefore some challenge and healthy tension should be practiced, and it is expected that this approach is already embedded within the established Star Chamber process, or if not it needs to be introduced.

Although universal “dumb targets” should be avoided, some degree of quantifiable driver should be considered, linking priorities to resource shifts. The objective being a strategy-led budget and MTFs linking to a more focused Corporate Plan. Creating “headroom” in the current financial climate is very difficult, but not impossible given that the budget will need to be balanced in the longer term in any case; therefore consideration should be given to timing the phasing of efficiencies, and reflect this in the MTFs together with a longer term financial prospects element, which will provide a longer term more strategic backdrop for the Corporate Plan (and the Local Plan), and will also serve to show the impact of growth and development initiatives in supporting future sustainability.

Specific Lines of Enquiry to Pursue

- The overall budget shortfall, although substantial is not insurmountable through a combination of strong budgetary discipline, and a focused approach on sustainable growth.
- It is noted that the Local Plan is currently under consultation. The financial strategy should be flexed to demonstrate the relative effect of growth proposals and projections on both business rates and tax-base. The balance between a shrinking base budget and the need for local self-sustainability needs to be presented. This is necessarily complex, growth invariably brings demand as well as additional revenue. In addition there is the uncertainty of government funding intentions into the medium term. This is recognised to some extent in the adjustment for growth in the tax-base, however a more explicit presentation of this effect can help understanding of the positive effect of growth. The necessary stimuli the Council can apply need to be considered. Without this there is a danger of a shrinkage to a core set of sustainable services, significantly reducing the Council’s capacity to serve as a place shaper and community leader.
- The level of balances appear healthy, providing some options. The General Fund balances, together with the Revenue Reserve Fund provide assurance together with some flexibility to address unplanned budget stress. In addition the new Asset Development Reserve is an immediately recognisable source of funding (£2m), overseen by the Investment Advisory Board. It is anticipated that this will increase through New Homes Bonus.
- Setting up an Investment Fund is a very positive step, however setting up a fund does not necessarily trigger its use. Therefore from both a management and strategic perspective, stimulating the demand and ideas for the fund will be critical. The governance around the fund appears robust, however for it to succeed investment ideas will need to be identified, and driven through proactive management, particularly in regards to income generation and stimulating economic growth. Investment ideas will need to be based upon strong business cases, and this is well understood by the Council. However the financing options for each case will also need to be considered, not necessarily just a call on the Asset Development Reserve, but using other options such as borrowing (such as MRP reflecting an investment class of asset rather than an operational one).
- It is clear that the Council is prudently managed. This is reflected in the approach to prudential borrowing, and the prioritisation of the use of cash reserves and balances to support investment. The documents reviewed recognise that prudential borrowing is an option, the position on this will need to be dynamically re-visited, particularly if proposals materialise which exceed current cash based affordability, but would prove viable in the longer term. This is recognised in the documents reviewed, however the underlying approach and appetite for borrowing to support investment needs to be fully tested and discussed to establish a strategic preference.
- The use of a Star Chamber process is recognised, and this is generally good practice. However, as an observation, it appears that its net effect upon the budget gap was minimal. Largely this appears to be due to be growth pressures (Planning). It is understandable that reviews have effectively funded growth pressures from efficiencies. However it is considered that a more challenging stance should be adopted, with a higher level of net efficiencies being generated through this process.

- A key action identified in the MTFS is to maximise investing to save opportunities and make savings. This needs to be developed more, into a specific delivery programme with sufficient detail to drive proactive delivery and accountability. Joining the dots from this overall aim into specific management activity would help develop organisational focus and expectations. It is fruitless to pursue a detailed MTFS beyond a medium term horizon. However the Financial Strategy should signal “Financial Prospects”. It is fully understood that the future is extremely uncertain. However there will be a range of projects, initiatives and other activities where there will be a longer term view or ambitions. For example capital projects, assets, and assumptions about service continuity and demographics, will have validity beyond a 4 year horizon. Therefore, these assumptions should be played in and potentially reflected into the Corporate Plan and Local Plan, helping to inform and develop longer term growth and investment decisions.
- The balance between General Fund and HRA activity is not unexpected, however the Council needs to ensure that it recognises a substantial element of its service & finances relates to Housing. Although there are obvious issues around ring-fencing and the requirement for financial separation, it is clear that the HRA has a significant impact on the Council’s balance sheet, in regards to both its asset holding and its debt. Not unexpectedly it is not possible to specifically comment on how creatively HRA/GF synergy has been explored, as the financial documents reviewed understandably comply with regulation. However it may be worth self-challenge to see if more options can be identified. This can be cross-referenced to the action in the MTFS to undertake a fundamental review of HRA budgets and asset strategies.
- The MTFS incorporates a procurement review. A danger is that the identification of “contracted” goods and services leads to a view that there is a smaller controllable base budget, with corresponding pressure on in-house costs rather than those of contractors. Also, a focus on minor spend items is likely to yield limited efficiencies. Therefore a robust stance on negotiations against existing contracts is advocated. It is understood that these may be currently committed, however this can sometimes help stimulate re-negotiation. In particular the use of apprenticeships, mutual training, secondments and joint initiatives are increasingly emerging as negotiated “added-value” from procurement exercises.
- In addition, a Procurement Review should be considered as part of a strong commercial stance to be adopted by the Council. Smart buying is a key aspect of commercial activity. However so too is smart selling, therefore a procurement review should not be done in isolation of a review of what services are/could be sold. The budget papers refer to a review of fees and charges, and these are constrained in some cases by law (it is noted the Council has responded to consultation by seeking more charging freedoms). The Council therefore recognises that income streams such as car-parking already form a key element in the budget; a continued pro-active and commercial approach to income generation needs to be supported, possibly with stimulating targets considered where appropriate.
- The version of the MTFS projections reviewed only included a “?” for pay increases. Given the uncertainty it is understood why, but this could substantially understate the gap, and Members & Officers may need to recognise the overall pressure on the bottom line, particularly from a key element of expenditure.
- Although not explicitly within the documentation reviewed, the role and relationship with County, together with other public sector services, is a factor. Many activities will inevitably have cross-organisational boundary implications. Therefore planning for the potential effect of proposals (particularly County and NHS) is critical. The MTFS does not explicitly explore these aspects, and generally there seems to be an expectation that demand and resources are likely to create problems of shunting across public sector bodies, however this need not necessarily be the case. A range of opportunities and examples are in place across several Local Authorities for collaboration. Shared services, shared accommodation, shared management teams and procurement are examples. It is fully understood that these are well developed ideas, and likely to already be in place, however a review of the overall “collaborative” stance may be useful. Other initiatives such as joint developments, public health initiatives, skills and inward investment are areas to explore with public sector partners, and could well be supported through the property investment strategy.

- In discussions in regards to partnerships, including with other Local Authorities, the Council needs to be mindful that its balance sheet, and its balances, will be a key factor. In short, those balances need to either be secured/ applied under local control, and not lost into other organisational bodies.
- In regards to public sector positioning, the Council should express the view that it is a significant generator of public sector resources, particularly with a projected negative RSG position and rate tariffs. Although not a unique position, it may be worth emphasising that point during lobbying and consultation exercises.

Closing Comments

Waverley Borough Council has firm financial standing, and the Council clearly understands the withdrawal of grant will substantially undermine this position. The way in which it is addressed needs to balance economy with investment. Therefore a fundamental message of change around the Council's finances is required. This message need to be managed, and presented as a response based upon strengths, and not a trigger for a headlong dash into reductions. The basic messages around growth and commercial thinking are evidenced in the documents, but they need to be raised in regards to prominence, worked through into detail and targets.

The next steps should be to push for some specific initiatives, not necessarily finance-led but definitely finance supported. These initiatives will need to demonstrate strategic as well as financial sense, and align with the Corporate Plan. There is sufficient background financial strength and stability to support initiatives, and although these may be on a longer timescale than short-term budgetary responses, the financial capacity exists to manage the short-term, whilst seeking medium term growth.

Headline Financial Indicators

Tax and Grants

Council Tax base		54187
Current Band D Council Tax	Borough Element	£166.91
	Preceptors -	
	County	£1268.28
	Police	£220.19
	Parishes – wide variations	Vary ranging £4 - £86
	Treat with caution – broad average due to Parishes.	Average Band D c£1700 pa
Council Tax in Base 2016/17	Total Revenue CT	£9124k
	Rates	£2001
	New Homes Bonus	£2230k
	RSG (incl Transitional Grant) Last year was £1574k	£917k

Budget

Service expenditure		£11292k
Other Revenue Items	Inflation & revenue projects	£658k
Transfers to Reserves	Support to capital & building reserves	£2322k
Total Budget Spend		£14272k
Financed by:		
Council Tax		£9124k
Rates		£2001k
Grants		£3147k
		£14272k

Balance Sheet

Assets	Property Plant & Machinery (incls HRA)	£470m
HRA stock	4580 dwellings	£377m
Cash		£12.8m
Investments		£35.6m
Reserves	GF Working Reserve	£3.2m
	Revenue Reserve	£1.5m
	Earmarked Reserves – includes Insurance Fund £741k, Asset Development £2000k, “SANG” -Suitable Alternative Natural Greenspace £1000k	£9.3m
	HRA working Balance	£2.6m
	HRA Affordable Housing Reserve	£7.4m
Borrowing	No borrowing in 2015/16 Borrowing is HRA. No GF debt	£187m
	External GF Debt Limit (currently no borrowing)	£5m
Other Assets	750+ garages, 28 car parks, Museum, Art Gallery, 21 recreation Areas etc.	

Appendix B - List of key documents from Phase 1 fieldwork received and reviewed

1. Medium Term Financial Strategy 2016/17-2019/20– Update February 2016
2. Annual Budget 2016-17
3. Annual Financial Report 2015-16
4. Audit Committee Paper – Statement of Accounts 2015-16
5. Annual Financial Report 2015-16 Paper – Annex 2
6. Grant Thornton Financial Statement Letter 13.09.16
7. Grant Thornton Audit Findings Paper for year end 31 March 2016 - September 2016
8. Grant Thornton Annual Audit Letter for year end 31 March 2016
9. Waverley Economic Strategy 2015-20
10. Joint Overview & Scrutiny Committee Paper – Local Plan Part 1
11. Corporate Overview & Scrutiny Committee Paper – Budget Management Mid-Year Budget Review
12. Corporate Overview & Scrutiny Committee Paper – General Fund Property Investment Strategy
13. Corporate Overview & Scrutiny Committee Paper – Housing Revenue Account (HRA) Business Plan Review
14. Corporate Overview & Scrutiny Committee Paper – Treasury Management Activity 2016/17
15. Community Overview & Scrutiny Committee Paper – Performance Management Report Q2 2016/17
16. Community Overview & Scrutiny Committee Paper – Performance Management Infographics
17. Corporate Overview & Scrutiny Committee Paper – Performance Management Report Q2 2016/17
18. Corporate Overview & Scrutiny Committee Paper – Performance Management Infographics 2015
19. Regional benchmarking indicators for Q1 and Q2
20. Annual Governance Statement 2015/16
21. Corporate Plan 2016-19
22. Service Plans 2016-17 Master, V.2
23. Strategic HR Service Plan for 2015-16
24. Policy & Governance Service Plan 2016-17
25. Executive Paper – Senior Management Restructure – December 2013
26. 2016 Waverley Staff Survey – October 2016
27. Investors in People 2014 Assessment Report, V.5



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STRATEGIC REVIEW –ACTION PLAN as at 12 October 2017

Strategic Vision and Priorities	Aim 1	An ambitious strategic agenda for Waverley							
		<ul style="list-style-type: none"> An ambitious, strategic and outwardly focused agenda for Waverley Stewardship of natural assets Clear and specific targets Pace and stretch in delivering our objectives Recognition of and respect for the unique character of each of the main towns and villages. 							
	Ref	Action	Deadline	Lead Member	Lead Officer	Responsible Officer(s)	Comments	Outcome	RAG
	1.1	Hold place-shaping member/officer workshops to develop Waverley's approach to place-shaping and to develop priorities and detailed outcomes for next 4 years.	March 2017	Cllr Potts	Tom Horwood	Robin Taylor/ Louise Norie	LGA 'Top Team Development Programme' commenced 1 August with the Executive and a second workshop was held in September for Executive and Directors. This second workshop focused on the Council's vision and strategic direction. Draft proposals to come back to Executive in October and then to be discussed at two workshops with Overview & Scrutiny members.	Strategic Priorities clarified and Corporate Plan refreshed.	
	1.2	Directors and Executive Members to explore future strategic issues and opportunities for the Council.	March 2017	Cllr Potts	Tom Horwood		As above.	Council has strong strategic focus and makes best use of opportunities presented at both local and national level.	
	Aim 2	Shaping the future of Waverley as a great place to live and work							
		<ul style="list-style-type: none"> A proactive and co-ordinated approach to shaping Waverley for those who live, work and visit here A clear sense of direction in terms of economic development, planning, community wellbeing and local identity Maximising the wider benefits and infrastructure opportunities of major developments in the borough. 							
	2.1	Create a new Place Shaping Board to bring an integrated approach to the Council's priorities and key documents, including: the Corporate Plan; Local Plan; Housing and the Environment; major projects; Economic Development; and planning.	March 2017	All Executive Members	Tom Horwood	Damian Roberts/Elizabeth Sims/Robin Taylor/Louise Norie	There is synergy with Neighbourhood Plan and Local Plan Part 2 work, which is well advanced. To avoid overlap, the processes need to be aligned. Initial 'Place Shaping' discussions have taken place at Executive Briefing and with Heads of Service team. Other options to explore 'place shaping' are being investigated.		
	2.2	Deliver the planned Joint Enforcement initiative for Waverley to ensure our residents benefit from coordinated enforcement activities and a more joined up and a visible approach within the community.	April 2017	Cllr Deanus	Damian Roberts	Richard Homewood	Staff and external consultation has taken place and training complete.	Quicker resolution of enforcement issues.	
	2.3	Commission a series of master plans in collaboration with relevant Town and Parish Councils, Local Chambers of Commerce, and in consultation with other local stakeholders, following the completion of each Neighbourhood Plan.	From 2017/18	Cllr Adams	Damian Roberts	Elizabeth Sims	This work will largely fall out of Neighbourhood Plans and/or Local Plan Part 2. These Plans will identify sites, including Town Centre Sites, where regeneration and/or comprehensive redevelopment is		

Strategic Vision and Priorities							appropriate in collaboration with the local communities and Town and Parish Councils. To be commenced after Neighbourhood Plan completion. Discussions have taken place on Place Shaping ideas with relevant PFHs and a presentation of these ideas to Executive Briefing. Cllr Chris Storey has joined the Executive with responsibility for Place Shaping.			
	Aim 3	A comprehensive Corporate Plan with a specific action plan for delivery								
		<ul style="list-style-type: none"> • A corporate plan that reflects the strategic ambitions of the organisation • An action plan for delivering corporate objectives that is specific, measurable, achievable, realistic and timely ('SMART') 								
	3.1	At Member/officer workshops (cf 1.1) agree the appropriate focus on: <ul style="list-style-type: none"> • place-shaping • economic development and devise a SMART action plan for delivering corporate plan objectives.	Draft – March 2017	Cllr Potts	Tom Horwood	Robin Taylor/Louise Norie	Following a second workshop focused on corporate vision and strategic priorities held in September involving the Executive and Directors, a draft document is being prepared for the Executive in October.			
Strategic Vision and Priorities	Aim 4	A new 4 year Medium Term Financial Strategy								
		<ul style="list-style-type: none"> • A financial strategy that is less focused on the annual process and reflects a changed funding context including business rates and new homes bonus, and Council Tax income from a growing base • Utilisation of current and new income streams such as fees and charges and property investments. • Provision of funds available to invest alongside delivery of core services. 								
	4.1	Prepare a new 4 year Medium Term Financial Strategy (MTFS) to reflect the new priorities and actions in the Corporate Plan.	April 2017 onwards with Spring Budget Review feeding into July 2017 Council.	Cllr Hall	Graeme Clark	Graeme Clark	Reviewed other local authorities' MTFS who are considered to be leading exponents in this field and considered Cratus' comments on Waverley's MTFS – incorporating improvements in document. Budget review report and update on MTFS went to June meeting of VFM and Customer Service O&S, Executive on 11 July and Council.			
	4.2	Develop a new programme of cross-cutting efficiency proposals for Waverley	April 2017 onwards	Cllr Hall	Graeme Clark	Graeme Clark	Build on efficiency plan approved by Members in 2016 to support the 4-year grant lock-in, add: <ul style="list-style-type: none"> • detailed projects and proposals • quantify cost savings targets • develop a longer term approach Executive on 11 July agreed to set up a cross-cutting efficiency group to develop a programme of efficiency reviews. (Foresight)			
Strategic Vision	4.3	Prepare a spring budget review to fundamentally review the Council's budget for 2018/19 and beyond.	May/June 2017	Cllr Hall	Graeme Clark	Peter Vickers	Work with Heads of Service in April/May to: <ul style="list-style-type: none"> • Re-examine budgets in the light of revised corporate plan • Review income budgets in light of 16/17 actuals • Review basis of central support costs, including to HRA • Consider 16/17 outturn on revenue 			

and Priorities							and capital to see if 17/18 budget needs adjusting Budget review report went to 11 July Executive with a number of recommendations on Capital Scheme process, Investment Fund, HRA capital projects and budget awareness sessions for Councillors.		
	Aim 5	A new Economic Development Strategy that promotes Waverley's future economic prosperity							
		<ul style="list-style-type: none"> • A strategy for promoting and shaping economic development that works for Waverley • A framework for supporting existing businesses, promoting future economic growth, developing an appropriate visitor economy and developing Waverley as an economically prosperous place • Focusing on town and village centres and the right mix of retail and other businesses. • Identification of skills needed in the local workforce. • Identification of impact on housing need in the borough. 							
	5.1	Develop an updated analysis of key economic drivers and re-cast the strategy to be more ambitious and growth orientated. <ul style="list-style-type: none"> • Prepare brief and appoint consultants 	May 2017	Cllr Bolton	Damian Roberts		Core data sets updated by Atkins. Stakeholder discussions have taken place including meeting with Chambers of Commerce. Meetings held with Leader and Portfolio Holder to identify strategic themes. Work on draft version of Economic Strategy is pending revision of Corporate Strategy.		
	Aim 6	Strengthening and growing the Council's partnerships with others for the benefit of Waverley's residents							
		<ul style="list-style-type: none"> • A fresh approach to partnership working – more productive, more proactive, more positive • A Partnership Engagement Plan that sets out the Council's ambitions for partnership working and how this will be achieved. 							
	6.1	Map our current partnership arrangements	April 2017	All Executive Members	All Directors		Initial mapping completed.		
	6.2	Develop a partnership engagement plan to structure and plan our joint working relationships with: <ul style="list-style-type: none"> • Other Councils • Business community • Schools and Universities • Police • Housing providers • Health and Social Care organisations • Job Centre Plus/DWP • voluntary organisations • Local Enterprise Partnerships 	April 2017	All Executive Members	All Directors		Engagement plan will follow and build on the initial mapping exercise. Duty to Cooperate in Planning Service area already working well. Dedicated SCC partnership resource has been halved and focus is now solely on Local Committee.		
	Aim 7	Consider, define and articulate Waverley's strategic position as a place and as a local public service provider							
	Identify, where Waverley sees its future and what unique contribution it has to make in the context of structural and functional changes across local government.								
7.1	Leader and Executive members to ensure Waverley and the interests of our residents are represented in all relevant partnerships.	Ongoing	All Executive Members	All Directors		Heads of Service to discuss and receive feedback from Portfolio Holders on opportunities for representation at relevant partnerships. Successful Joint Leaders Board meeting for Enterprise M3 LEP – 16 councils met at Farnham Castle – with focus on Waverley as an attractive place for business.			

More effective Member/ Officer working	Aim 8	Dedicated support for member case work						
		<ul style="list-style-type: none"> Dedicated officer support on member casework A single point of contact for all Members to receive a timely response to case work enquiries. Appropriate and consistently applied officer response times to Members. 						
	8.1	Provide a single point of contact for all member enquiries <ul style="list-style-type: none"> Establish a working protocol for the management of all member enquiries with agreed response times. Use new Complaints and Enquiries system to log all Member enquiries via the system administrators Sue Petzold to ensure awareness by all managers HOS to cascade to teams 	April 2017 February 2017	Cllr Potts and Cllr Martin	Paul Wenham		Agreed to use of Complaint, Enquiries and Compliments System to be used for logging and monitoring Member enquiries. Response time for Members will be 5 working days. System in place and performance measured from 1 April. COMPLETE	All Member enquiries responded to within agreed timescales and system monitored.
	Aim 9	A positive and effective working relationship between members and officers.						
		<ul style="list-style-type: none"> Executive Members and Directors / Heads of Service develop a culture of joint leadership. Developing a greater understanding between officers and members for their respective roles and responsibilities. 						
	9.1	Arrange joint officer / member workshops to identify what works well, what can be improved and sharing of values and expectations.	May 2017	Group Leaders	Paul Wenham/ Robin Taylor		Workshop on 16 May was attended by members of the Executive, Chairs and Vice Chairs of Planning Committees and Local Plan SIG Members and senior planning officers. COMPLETE	
	9.2	Mentoring or coaching for members and officers. <ul style="list-style-type: none"> Undertake facilitated sessions with Planning Officers and Members 	February/ March 2017	Cllr Adams	Elizabeth Sims		Ransford Stewart engaged and facilitation workshops have taken place. COMPLETE	
	9.3	Organise away days for senior managers and Executive Members to facilitate effective joint leadership and relationship building.	June / October 2017	All Executive members	All Directors	Robin Taylor	The LGA facilitated Top Team Development workshops included a successful joint session with the Executive and Management Board. Options for further events to be explored.	
	9.4	Identify, agree and implement a Member/ Officer training programme.	March onwards	Cllr Potts	Tom Horwood	Emma McQuillan	Currently progressing a training needs analysis which will inform the future training programme. Scrutiny and affordable housing training has taken place.	
	Aim 10	Improved accommodation and facilities for elected members						
	<ul style="list-style-type: none"> Appropriate Leader and Members' accommodation and facilities including separate room for Opposition Members. Improved IT support and facilities, including within the members' room. 							
10.1	Establish informal officer / member working group to review member accommodation, facilities and IT support and make proposals for change.	February 2017	Members to be nominated.	Officers to be nominated.	David Allum	Meeting with Deputy Leader identified IT requirements. Printing issues investigated and no further problems have been identified. Member accommodation arrangements agreed with Leader. COMPLETE		

	Aim 11	Deliver the scrutiny change programme						
		<ul style="list-style-type: none"> Dedicated officer support New constitutional arrangements Scrutiny training programme A positive and proactive approach to scrutiny 						
	11.1	Appoint Scrutiny Policy Officer	February 2017, subject to usual pre-employment checks.	Executive Members, O&S Chairs	Paul Wenham	Robin Taylor	Scrutiny Officer started 6 March 2017. COMPLETE	Support for all O&S Committees including formulating forward programme and undertaking reviews.
	11.2	Implement new Constitutional Arrangements as recommended by the Executive at the January meeting.	From April 2017, subject to Council approval.	Executive Members, O&S Chairs	All Directors	Robin Taylor/Emma McQuillan	New Constitution and Scheme of Delegation agreed by Full Council. COMPLETE	
	11.3	Implement scrutiny training programme	February and March 2017 (booked)	All Members	Paul Wenham	Robin Taylor/Emma McQuillan	Training undertaken by SE Employers in February and March. COMPLETE	All Members fully conversant with new scrutiny arrangements.
	Aim 12	Raise the profile of organisational leadership with staff						
		<ul style="list-style-type: none"> Share the findings of the Strategic Review with staff at all levels (complete) Better understanding by staff at all levels of the role of members and their priorities 						
	12.1	Schedule a series of meetings for staff and managers to meet with the Leader and Executive Director to discuss the findings of the Strategic Review.	February	Cllr Potts	Paul Wenham		8 x 1 hour staff sessions and 1 x 2 hour management briefing. COMPLETE	
	12.2	Develop an ongoing programme of internal opportunities for the Leader and Executive Director to jointly deliver messages and engage with staff, including: <ul style="list-style-type: none"> Induction Staff conferences Staff briefings Staff awards 	Induction sessions – 7 March, 13 June, 19 September, 5 December. Other dates TBC	Cllr Potts	Tom Horwood		Induction sessions booked and in diaries. First induction took place on 7 March. Staff Conference (4 September) and Awards event (9 November) being organised by new STAR Team.	Clear understanding of role of political leadership.
	Aim 13	Improving communications with Members in respect of projects, issues and incidents						
		<ul style="list-style-type: none"> Ensuring a 'no surprises' approach Ensuring portfolio holders and local ward members are kept updated on key issues affecting their portfolio/ward 						
	13.1	Meetings and 1-1s with portfolio holders to encourage proactive communication on key issues.	From February 2017.	Cllr Martin	All Directors	Heads of Service	1-1s are taking place.	PFHs are fully aware of and are up-to-date with current issues.
	More efficient day to day working practices	Aim 14	Review and update the Council's Constitution and Scheme of Delegation to speed up decision making.					
		Scheme of delegation and constitution <ul style="list-style-type: none"> Are shorter, simpler, easier to understand Facilitate quicker decision-making More easily accommodate future national legislative and local policy changes without always necessitating the addition of further specific points At least increase and do not at all decrease the quality, integrity, accountability and transparency of the council's democratic processes. Are endorsed by both officers and members. 						
	14.1	Streamline decision-making in the immediate term by increasing financial thresholds for decision-making and enabling day-to-day staffing establishment changes without Council approval.	April 2017	Cllr Potts	Tom Horwood		February 2017 Council agreed new financial thresholds and process for staffing establishment changes within budget. Council agreed amendments to constitution for Planning Enforcement on April 25.	Decisions are made in a timely manner.

							COMPLETE		
14.2	Review Waverley's constitution and scheme of delegation against best practice examples and make recommendations for simplification and improvement.	April 2017	Cllr Potts	Paul Wenham	Robin Taylor/ Emma McQuillan/ Dan Bainbridge		New scheme of delegation agreed by Council on 25 April and changes to the constitution regarding Overview and Scrutiny. COMPLETE		
14.3	Analyse options for individual Executive Member delegations	April 2017	Cllr Potts	Paul Wenham	Robin Taylor/ Emma McQuillan/ Dan Bainbridge		The Constitution SIG discussed the possibility of this, however, agreed not to take forward proposals at this point. COMPLETE		
Aim 15	Strategic focus from Directors.								
	<ul style="list-style-type: none"> • Quicker decision making, particularly in respect of recruitment. • Leadership of a programme of cultural change and improvement • Provide Heads of Service and senior managers with greater management autonomy. 								
15.1	Senior Management Team to lead a programme of cultural change and improvement within the organisation, to refocus their own efforts primarily on strategic rather than operational matters and to delegate more to facilitate this new approach.	February 2017.	Cllr Potts	All Directors			Management Board agendas now have strategic focus. Managers Group meetings being used for cultural change and improvement activities. Management Board reviewing and preparing new strategies in the areas of Economic Development, Place Making and Investment.		
15.2	Greater degree of professional networking and external focus by Directors.		Cllr Potts	All Directors			Directors and Leader have met with Chichester, East Hants, Havant and partner organisations. Executive Director attending LEP meetings.		
15.3	Corporate Management Team to be renamed and relaunched as Management Board.	February 2017	Cllr Potts	All Directors			COMPLETE		
Aim 16	Undertake a fundamental and comprehensive review of Waverley's Planning Service, to ensure it is fit for the future and responsive to changing strategic challenges and increasing customer needs and expectations.								
	<p>A planning service that</p> <ul style="list-style-type: none"> • Shapes Waverley as a place • Is customer-focused • Has the capacity to deal with major site applications • Is resilient and able to cope with unprecedented levels of demand • Is able to progress the Local Plan and Neighbourhood Plans. • Balances housing need and economic development priorities with concerns about quality of life, the environment and respect for the unique character of a local area • Delivers measurable results for the borough. 								
16.1	<p>Arrange facilitated discussions to explore key pressures and issues facing the planning service.</p> <p>Undertake a fundamental and comprehensive review the Planning Service and develop proposals for change.</p> <p>Develop and embed a support and improvement plan for the Planning Service.</p>	Review to commence in February 2017.	Cllr Potts Cllr Adams	Graeme Clark	Elizabeth Sims		Ransford Stewart engaged. Key focus has been on customer satisfaction and working with key stakeholders. Customer survey has been completed and workshops held with staff on 12 April. Member/Officer workshop took place on 18 May. Action plan has been produced identifying areas for improvement.		
Aim 17	Undertake a fundamental and comprehensive review of Waverley's HR functions to ensure there is clear ownership and accountability for HR matters and that measurable results are delivered.								
	<ul style="list-style-type: none"> • HR structures and processes that are proportionate, rational and ready to meet the organisation's present and future needs strategic and operational needs. • An improvement plan to meet challenges, bridge service gaps and tackle areas of inconsistency and underperformance. 								

17.1	Undertake a fundamental and comprehensive review of the Council's HR functions (currently split between three separate services).	Review to commence in February 2017 with the aim of implementing an agreed solution by May 2017	Cllr Potts	Tom Horwood	Peter Vickers	Initial briefing to Portfolio Holder 7/3/2017. Report to Heads of Service identifying the streamlining of business functions. Report on HR Improvement Plan considered at Executive Briefing on 11 April. Portfolio Holder to agree date for consideration of latest draft.		
17.2	Develop proposals for staffing structures and processes that meet the Council's present and future strategic and operational needs.		Cllr Potts	Tom Horwood	Wendy Gane	See above		
17.3	Develop an improvement plan to take the Council's HR functions forward positively and effectively.		Cllr Potts	Tom Horwood		See above		
Aim 18	Provide excellent customer service							
	<ul style="list-style-type: none"> Head of Customer and Corporate Services and the officer Foresight Group to continue the review and evaluate/progress the change options as agreed by the Executive on 10 January. 							
18.1	<ul style="list-style-type: none"> Revise the performance management system to ensure decision makers have a holistic, evidenced diagnosis of how a service is performing. Channel shift to encourage customers to make contact in alternative ways Assess options re customer point of contact Assess options re dedicated customer services staff Assess options re the Council's local presence in the community Assess options re customer contact management systems Review strategies, policies and service standards Identify and review operational processes which will drive service improvement Assess options to facilitate a drive of cultural change (including a commensurate training programme) Design a communication plan to support, facilitate and launch the approach to Customer Services 	May 2017	Cllr Martin	Graeme Clark	David Allum	2 workshops held with Heads of Service in June and results reported to Management Board on 19 July. Customer Service Foresight Group have investigated and analysed current arrangements and these have been reported to Management Board on 5 September. Proposals will be considered by Overview & Scrutiny and the Executive in the autumn.		
Aim 19	Streamline business systems							
	<ul style="list-style-type: none"> Develop a methodology for transforming business systems to achieve greater efficiency, reduce waste, achieve greater empowerment of staff and improve outcomes for customers. 							
19.1	Undertake joint work with leading councils in the field of business process redesign to apply a thorough systems thinking approach in Waverley.	Review outcomes of pilot project in April 2017 Prepare proposals for wider rollout across other key Council activities by June 2017.	Cllr Martin	Graeme Clark		Good progress with pilot project on Benefits, working with specialist team from Rushmoor Council. Environmental Services have undertaken a business improvement project for garden waste. Lessons learnt will be communicated to all staff and inform new cross cutting efficiency group.		

Being ambitious for Waverley	Aim 20	Promote learning and best practice and sharing opportunities.						
		Make current and developing practice in this area more transparent.						
	20.1	Waverley attendance at events and workshops which support the council's ambitions and priorities by providing opportunities to hear about and share best practice.	Ongoing.	Cllr Potts	All Directors		In progress. Attendance to be recorded and best practice shared.	
	Aim 21	Developing senior staff knowledge and skills to meet new challenges and expectations						
		<ul style="list-style-type: none"> • Project Management • Change Management • Negotiation and Partnership skills • Commissioning (procurement & contract management) • Ownership and accountability of service delivery, budgets, recruitment and retention • Enterprise and commercial acumen 						
	21.1	A learning and development programme in place for senior staff spanning the year ahead.	From February 2017	Cllr Potts	All Directors		Training carried out on Project Management, Change Management and Commercial Acumen. Staff also involved in District Councils Network Staff Development Programme	
	Aim 22	Raising our game and focusing on Waverley's achievements						
		<ul style="list-style-type: none"> • Engaging with other local government and public sector organisations and being proud of what we do. • Recognising the learning opportunities that partnership engagement offers and embracing these. • Being ready to share what Waverley does well with others. • Taking all opportunities to stretch ourselves as an organisation and explore new innovative ways of working. • Celebrate Waverley's successes, internally and externally. 						
	22.1	Identify and apply for regional and national awards	From April 2017	All Executive Members	All Directors		Winners of MJ Award for Transformational Workforce and two South East Local Authority Building Control awards. Winners of 6 Green Flag Awards.	
	22.2	Identify the most appropriate communication channel to promote Waverley's key successes to all Members.	From April 2017	All Executive Members	All Directors		Executive Director monthly email identifies successes and HoS update PFHs.	
22.3	Officers regularly contribute case studies, presentations etc to regional and national events.	From April 2017	All Executive Members	All Directors				
22.4	Officers regularly work in collaboration with national organisations to shape policy and practice.	From April 2017	All Executive Members	All Directors				
22.5	Adopt a consistent approach to celebrating success internally.	From April 2017	All Executive Members	All Directors				

WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY AND CUSTOMER SERVICE OVERVIEW & SCRUTINY COMMITTEE

30 OCTOBER 2017

Title:

CUSTOMER SERVICES REVIEW

Portfolio Holder: Cllr Tom Martin

Wards Affected: All

Summary and purpose:

To provide an update to the Overview and Scrutiny Committee on the progress of the Customer Services Review.

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

Customer Services is a Corporate Priority.

Financial Implications:

There are no specific financial implications to report at this time. Ultimately the recommendations made are expected to deliver cashable savings once fully implemented.

Legal Implications:

No immediate legal implications

Progress Update

A previous presentation was made to the Corporate Overview & Scrutiny Committee on 22 November, 2016. Members were supportive of the overall direction of travel and of the themes being explored.

Shortly afterwards a series of interim recommendations were put before Executive at their meeting of 10 January, 2017 including;

- Revise the performance management system to ensure decision makers have a holistic, evidenced diagnosis of how a service is performing
- Channel shift
- Assess options re customer point of contact
- Assess options re dedicated customer services staff
- Assess options re the Council's local presence in the community
- Assess options re customer contact management systems
- Review strategies, policies and service standards
- Identify and review operational processes which will drive service improvement
- Assess options to facilitate a drive of cultural change (including a commensurate training programme)
- Design a communication plan to support, facilitate and launch the approach to Customer Services

At this meeting Executive agreed to request the Head of Customer and Corporate Services and the officer Foresight Group to continue the review of customer services.

Since that time the Foresight Group have developed their recommendations which were put before Management Board/HoST in early summer. The recommendations generated a series of internal debates culminating in a further report to Management Board in August.

Management Board made a series of recommendations which is due to be put to the Executive in November once Overview & Scrutiny have had chance to comment.

In summary these are:

Channel Shift

A business case has been submitted and agreed in respect of the Channel Shift sub-project and implementation is underway.

The purpose of the Channel Shift project is to automate transactions as far as is possible so those residents who wish to access services and conduct business via a web portal are able to do so. The project will roll out gradually across the organisation as each department will be different in terms of the services that will benefit from this approach. We will also be looking to replace the 130 plus generic e-mail addresses with web forms.

The business case is predicated on reduced telephone and personal contact from those customers who have chosen to interact on-line. This will translate to a reduced staff complement required to deal with such enquiries.

Channel Shift will begin to be rolled out in the Housing Department and the project is currently being scoped out in that area. We have also begun the process of appointing a contractor to deliver the software to facilitate our requirement.

We are anticipating a capital requirement of between £40-50k (for which we have in year budget), ongoing revenue costs of £15-20k and a minimum project duration of 18 months.

Customer Services System Technology

Whilst in time we expect the numbers of calls made to the Council to diminish (as has been the trend for some time with the increasing use of e-mail), at the present time 50% of all customer contact is made by 'phone and so traffic is still significant.

We are seeking to procure appropriate software and technology to enable our customer call groups to be more effectively managed. This includes the display of real time data in terms of caller numbers, waiting times etc as well as offering the ability for supervisory staff to connect to live calls.

We are exploring the market options and once we have identified a potential solution we will produce the commensurate business case.

Customer Service Pilot Exercise

The Foresight Customer Service Groups made a number of recommendations about customer access arrangements and customer service structures that generated high levels of debate and interest in the officer community. To test out the hypotheses put forward it has been agreed to run a pilot exercise, again in the Housing area. We are expecting this

to be underway within the next month or so once the objectives have been agreed and scoped.

Corporate Infrastructure

The Foresight Group also put forward a series of recommendations about reviewing/refreshing the performance management framework, our customer services strategy, policy/procedures, service standards and operational processes. We are proposing to carry out this work concurrently with the activities described above.

We have also made arrangements for the Team Leaders of the individual Customer Care Call Groups to meet regularly to discuss and agree collective approaches to areas such as training. This Group will need to account for the local projects in services such as Housing and Revenues/Benefits which are generating changes specific to those areas but which might have impact and learning elsewhere in the Council.

Recommendation

The Value for Money and Customer Service Overview and Scrutiny Committee is invited to comment on the proposals arising from the Customer Services Review.

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 and Customer Service O&S Committee - Service areas and associated costs

The following services are covered by this committee

- Customer and Corporate Services
- Policy and Governance (except Licensing)
- Elections
- Corporate Finance
- Revenues and Benefits
- Economic Development
- Business Liaison
- Property
- IT
- Procurement and Commissioning
- HR and Recruitment

The costs of these areas are set out below.

Customer Services & IT	Direct Expenditure	Income	Depreciation	Staff & support charges	Charges to services	Total
Central Office Accommodation	686,150	(257,370)	126,750	475,980	(1,461,340)	(429,830)
Flood Risk Management	30,660	0	15,810	2,960		49,430
Information Technology	1,443,230	0	156,780	151,220	(1,751,230)	0
Industrial Sites	22,980	(580,670)				(557,690)
Miscellaneous Properties	52,180	(351,420)	69,560			(229,680)
Youth Centres	250	(3,200)				(2,950)
Property Administration	41,400	(62,250)		331,990		311,140
Office Expenses	1,245,340	(1,800)	9,650	345,840	(1,292,390)	306,640
Printing	126,350	(2,890)		0	0	123,460
Locality Offices	16,770	(17,470)	430	0	0	(270)
Street Furniture	29,690	0	6,970	3,300		39,960
Customer Services & IT Total	3,695,000	(1,277,070)	385,950	1,311,290	(4,504,960)	(389,790)

Finance	Direct Expenditure	Income	Depreciation	Staff & support charges	Charges to services	Total
Compensatory Grants	57,990					57,990
Cost of Collection - Business Rates (NNDR)	7,850	(192,430)		166,560		(18,020)
Cost of Collection - Council Tax	46,850	(150,500)	330	453,030		349,710
Council Tax Support	55,440	(61,120)		167,860		162,180
Financial Expenses	73,210	(10,000)		0	(63,210)	0
Housing Act Advances - Fixed Interest	0	(1,900)				(1,900)
Interest and Finance Expenses	14,000	(455,300)	174,800			(266,500)
Non-Distributed Costs	1,643,500		0	70	(611,220)	1,032,350
Rent Allowances	14,263,560	(14,577,220)		383,660		70,000
Rent Rebates	13,808,370	(14,041,970)		212,960		(20,640)
Support to Community Organisations	4,300	0		2,960		7,260
Treasury Management and Bank Charges	35,330			48,860	(83,690)	500
Finance Total	30,010,400	(29,490,440)	175,130	1,435,960	(758,120)	1,372,930

Policy & Governance	Direct Expenditure	Income	Depreciation	Staff & support charges	Charges to services	Total
Civic & Monitoring	13,480	0				13,480
Corporate Communications and Public Relations	268,540	(4,000)		73,900	(338,450)	(10)
Corporate Management	164,130	0		1,471,790	(360,020)	1,275,900
Democratic Representation	444,400	(250)		922,580	(204,180)	1,162,550
Land Charges	114,340	(406,150)		178,550		(113,260)
Legal Expenses	501,180	(63,000)		117,530	(555,710)	0
Policy & Governance Total	1,506,070	(473,400)	0	2,764,350	(1,458,360)	2,338,660

Elections	Direct Expenditure	Income	Depreciation	Staff & support charges	Charges to services	Total
Register of Elections	59,340	(31,860)		117,110		144,590
Elections	17,100	0		95,700		112,800
Elections Total	76,440	(31,860)	0	212,810	0	257,390

Staffing	Service Area	FTE	Staff Costs Inc on-costs
Customer & Corporate Services	Estates & Valuation	3.3	139,953
	Facilities	4.0	133,327
	Information Technology	17.2	746,444
	Locality Offices	0.9	30,369
	Office Cleaning	4.3	75,584
	Post & Scanning	9.5	252,399
	Printing	1.6	48,835
	Reception & Switchboard	4.2	116,866
	Restaurant	3.4	78,363
	Surveyors	3.5	149,477
Finance	Accountancy	12.2	600,688
	Benefits	13.4	460,436
	Employee & Business Services	3.5	111,241
	Exchequer Services	3.4	115,308
	Revenues	11.1	373,768
Policy & Governance	Apprentices	6.6	75,390
	Communications	5.6	222,712
	Democratic Services	4.5	245,379
	Legal Services incl Land Charges	11.2	460,148
	Policy – policy, performance, complaints, L&D, scrutiny	6.4	262,077
Electoral Services	Electoral Services	3.6	144,584
Strategic HR	Strategic HR	3.0	143,642

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WAVERLEY BOROUGH COUNCIL
O&S - CUSTOMER SERVICE AND VFM
30/10/2017

Title:

BUDGET STRATEGY WORKING GROUP PROPOSAL

[Portfolio Holder: Cllr Ged Hall]
[Wards Affected: ALL]

Summary and purpose:

This report proposes the establishment of a cross party Budget Strategy Working Group in order to drive forward the Medium Term Financial Plan (MTFP) action plan agreed in July and to drill down into areas identified for detailed examination to make recommendations directly to Executive on service and policy issues that will add more strategic value than focusing on ad hoc service budget scrutiny.

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

This report supports all the Council's priorities.

Financial Implications:

Detailed within the report.

Legal Implications:

The Council has a legal obligation to set a balanced budget.

Introduction

This proposal aims to support the Council in improving services whilst achieving significant cashable savings.

The Council already uses a range of methods to improve services and resolve budget deficits, predominantly team based, such as the 'Budget Challenge' (Star Chamber process) and the Foresight programme of projects.

These methods have been effective and successful in achieving savings, income, efficiencies and service changes year on year. However, as the impact of central government funding cuts continue to deepen, we need to consider a longer term more strategic approach to continue delivering corporate objectives and services with reduced funding.

Members and officers need to work more closely under a dedicated working group to pick up the MTFP action list, identify, evaluate and prioritise corporate initiatives to ensure synergies are harvested and projects developed to probe deeper to find wider solutions to the challenges we face.

Waverley will not close its funding gap by relying solely on existing methods and approaches to avoid cuts to frontline services – the risk of failure is too high. This remit must be widened to explore what else is possible. These possibilities are identified in the MTFP action list.

Change takes time, effort and investment. The Council needs capacity, time, commitment, focus and leadership to deliver change. The timescales are short, and there is pressure to bank money due to the expected significant reduction in government funding as shown in the Finance seminar. The challenge for the Council in avoiding cuts to priority services is to ensure it has done everything possible to be more efficient, maximise the use of its resources and exploit every opportunity. To deliver this agenda we need as a priority to build our capacity for change. A Value for Money and Customer Service O&S Budget Strategy Working Group will provide valuable strategic oversight capacity.

The Terms of Reference

The suggested terms of reference are:

- Examine and provide input into the development of the projects to deliver the MTFP action list
- Help develop a budget strategy which shifts the emphasis away from a pure ‘financial savings targets’ towards the wider ‘business change’ agenda.
- Ensure that future reviews and decisions are taken within the widest context of the Councils vision, corporate objectives and MTFP
- To review the process for implementation in the budget
- To monitor the delivery of the action list against objectives relating to income, savings and efficiencies

Proposed Key Themes of the Budget Strategy Working Group

Customer Interface

This element will cover all aspects of customer focus including access to services, consultation and engagement, identification of changing demographics, needs and expectations. Corporate service standards will be further developed and additional opportunities of merging teams and or shared/joint working with partners explored to deliver services to our customers and to drive efficiencies in operations.

Leaner Systems and Processes

This encompasses business process re-engineering in the wider sense i.e. IT and non IT related systems and processes, financial regulations and procurement – helping to further improve service delivery and overall efficiency. The systems thinking project underway in the Benefits service provides a model of what can be achieved.

Service Review Programme

A structured programme of service reviews that takes into account customer needs and aspirations, a challenge of service levels, legislation changes and interpretation,

costs and processes, the consideration of alternative service delivery options and the identification of opportunities for efficiencies or further investment.

Corporate Resource A more systematic approach will be applied to developing the organisational culture of the Council. In doing so, we will be able to more easily identify how we need to continuously change within the organisation to ensure that we are 'fit for purpose' and able to deliver the stated vision and objectives of the Council. This element includes developing a workforce which has the right mix of leadership, attitude, capacity and skills to help drive the Council forward. Aspects such as pay equalisation and benchmarking, learning and development, corporate policy and procedure and consistency in performance management can be challenged.

Key Financial Plan Actions to address budget shortfall

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

- Achieve social inclusion and providing accessible, affordable services for the Borough's most vulnerable residents.
- Support Service Managers to manage finances effectively.

Conclusion

The proposal provides a valuable opportunity for the Value for Money and Customer Service O&S committee to maximise its strategic impact on the delivery of the Key Financial Plan Actions to address budget shortfall.

Recommendation

It is recommended that the Overview and Scrutiny Committee reviews the proposed approach and agrees the next steps it wishes to take.

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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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 – Lists items for Overview and Scrutiny consideration. It is not expected that the committee cover all items listed on the work programme and some items will be carried over into the following municipal year. In-depth scrutiny review topics for consideration by the respective Committee will also be listed in this section.
- Section B – Lists live in-depth scrutiny task and finish groups, including objectives, key issues and progress.
- Section C – Lists the Scrutiny tracker of recommendations for the municipal year.

Section A

Work programme 2017-18

Subject	Purpose for Scrutiny	Executive member lead and Head of Service	Date for O&S consideration	Date for Executive decision (if applicable)	Priority
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.		January 2018	February 2018	High
Asset Management Strategy	To consider the strategy and make observations and recommendations to the Executive.		January 2018	February 2018	
Benefit service business improvement project	To consider the outcome of the 'systems thinking' review carried out in the benefits area and implications for potential cost savings and customer service for other areas of the council.		January 2018		
Capital Expenditure Process &	Update: to identify and review the reasons for the extent of slippage		January 2018		

Value for Money and Customer Service Overview and Scrutiny Committee

Management scrutiny review	in the capital programme and where applicable to identify and recommend replacement capital expenditure items to give better value for money and customer service.				
Performance reports	Consider the revised performance management report and revised performance figures for Q2 and make any observations or recommendations as appropriate.		January 2018		High
Service plans	Service plans mid year progress report (November 2017) – circulated to members offline New Service plans for 2018-19 (January 2018) Annual outturn report (June 2018)		January 2018		
Changes to services provided by Surrey County Council	Implications for future service delivery		TBC		
Local authority trading company	Checks and balances to cover details of delegations to the Investment Advisory Board such as company structure and governance arrangements. Went to O&S in June 2017 and September 2017. Taken offline in the form of a informal working group.		TBC		High
Business rates Retention	Proposed pilot by Surrey Council.		TBC		High

Value for Money and Customer Service Overview and Scrutiny Committee

<p>Changes to housing benefit</p>	<p>Situation report to be issued to members for review when available.</p> <p>Consider the impact of changes to housing benefit entitlement introduced in April 2017 on tenants with two or more children.</p>		<p>TBC</p>		
<p>Communication channels</p>	<p>To explore developing a proactive communications channel to inform 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</p>		<p>ASAP</p>		<p>High</p>
<p>Commercial review</p>	<p>In the context of the strategic review to consider a commercial review as part of a continued proactive and commercial approach to income generation; and within this consider which services which could be sold.</p>		<p>TBC</p>		<p>High</p>
<p>Welfare reform</p>	<p>Examine the implications of Welfare reform on the Council's finances.</p>		<p>TBC</p>		<p>High</p>
<p>Medium Term Financial Strategy</p>	<p>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>TBC</p>		<p>High</p>

Value for Money and Customer Service Overview and Scrutiny Committee

	<p>The implications of business rate retention on the economic prospects for the borough.</p> <p>Last went to O&S on 26th June 2017 (draft strategy)</p>				
Budget Delivery	<p>To receive a report highlighting high spend areas within the remit of the committee and to arrange a budgeting workshop with I.T as a possible area for further investigation.</p> <p>Taken to scrutiny in October 2017.</p>		TBC		High
Customer Services review	<p>Update on Customer Services review including the channel shift work stream.</p> <p>I.T procurement review / channel shift link.</p> <p>Taken to scrutiny in October 2017.</p>		TBC	November 2017	High
Strategic review	<p>To review the observations made by Cratus in the Strategic review report and to identify areas for an in-depth review (Autumn 2017)</p> <p>(New strategic vision and modernisation of service delivery)</p> <ul style="list-style-type: none"> - New Corporate strategy – link to wider strategic ambitions for 		TBC		High

Value for Money and Customer Service Overview and Scrutiny Committee

	<p>the Borough</p> <ul style="list-style-type: none"> - Visitor economy strategy - Local self sustainability - Expansive efficiency programme - Income generation – commercialisation - Inward investment strategy - Modernisation Council business processes: customer service, I.T (channel shift) - Commercial review <p>Taken to scrutiny in October 2017</p>				
<p>Universal Credit</p>	<p>To receive information on Universal Credit and to learn about the lessons learnt and issues with the benefit system since its roll-out in other parts of the Country. E.g.</p> <ul style="list-style-type: none"> DWP – claimant link: removing local authorities Rent arrears The initial 6 week wait for first payment Budgeting support Advance payments UC causing or exacerbating debt problems Debt advice Impact on use of advice services for budgetary help (CAB)? <p>Taken to scrutiny in October 2017</p>		<p>TBC</p>		

Section B

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 drafted and approved by committee (11 th Sept 2017).
2. Strategic review action plan?				

Section C

Scrutiny tracker 2017-18

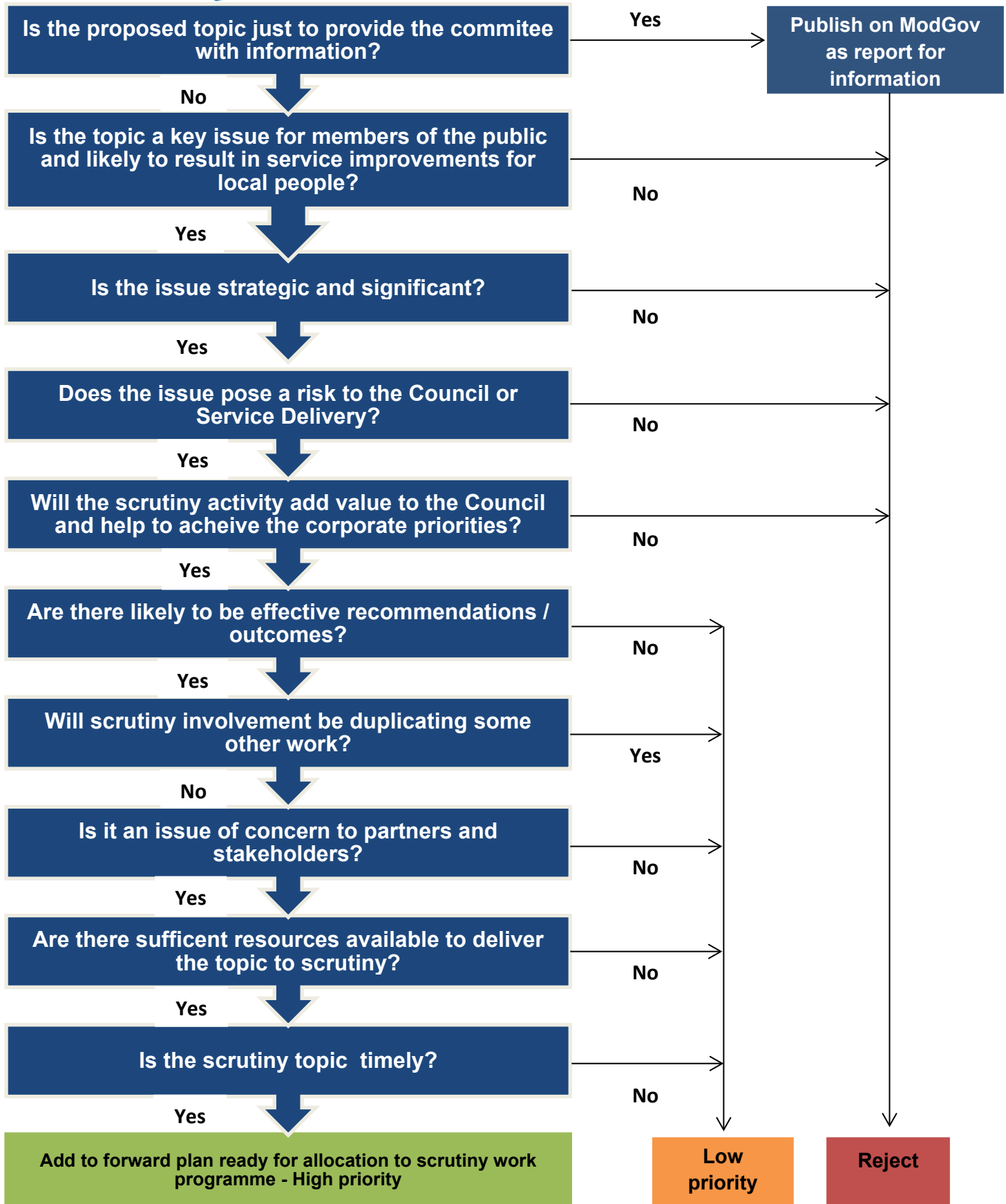
Value for Money and Customer Service Scrutiny recommendations tracker				
Meeting date	Agenda item	Recommendations	Officer / Executive response	Timescale
26th June 2017	1. Medium Term Financial Plan	That a further investigation is carried out to identify the root causes for slippages within the capital 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 Sargeson, Scrutiny Policy Officer.	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 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	Members will receive an update on the research by the Performance Policy Officer on	//

Value for Money and Customer Service Overview and Scrutiny Committee

		officers for establishing customer satisfaction baseline data.	establishing a baseline figure for customer satisfaction data.	
	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?)		
Meeting date	Agenda item	Recommendations	Officer / Executive response	Timescale
11th September 2017	1. Creation of a Property Company	To appoint a working group to work with officers to assess the risks and to ensure checks and balances are in place.	Members and Officers met in September 2017.	September 2017 - ?
	2. Performance Management Report Q1 2017/18	For more explanatory commentary to be provided to give the Committee more detail about the reasons for the changes in		

Value for Money and Customer Service Overview and Scrutiny Committee

		<p>performance, and if necessary suggest corrective action.</p> <p>Work on establishing a customer satisfaction baseline be postponed until the council's ongoing review of customer service had been completed.</p>		
	3. In-depth Review – Capital Expenditure	Review scope agreed and the committee appointed a task group to facilitate the review.	Scrutiny Policy Officer will support this review.	September 2017 - ? 2 task group meetings are required to support this work.
	4. General Fund Budget 2017/18 Overview	For officers to undertake business-planning for discretionary services in order to maximise income – generation opportunities.	In the October meeting members will receive an item on Budget Delivery highlighting high spend areas within the remit of the Committee with the intention of using this as a pre-cursor for a budget setting workshop with members.	



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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 1 October 2017 onwards

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O & 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	VFM and CS/Environ
Performance Management	Quarterly combined performance report	Executive	No	February 2018	Louise Norie, Corporate Policy Manager	All
Independent Remuneration Panel - Members' Allowances	To receive the report and recommendations of the Panel	Executive, Council	No	November 2017	Emma McQuillan	VFM and CS
CUSTOMER AND CORPORATE SERVICES - CLLR TOM MARTIN (DEPUTY LEADER)						
Property Acquisitions	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

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Customer Services Review	To review and agree the way forward for Customer Services	Executive, Council	Yes	November 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	November 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	February 2018	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	January 2018	Katie Webb, Community Services Manager	Community Wellbeing

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Joint Enforcement Team (JET) Initiative	To agree next steps	Executive	No	November 2017	Richard Homewood, Head of Environmental Services	Environment
ENVIRONMENT - CLLR JIM EDWARDS						
HEALTH, WELLBEING AND CULTURE - CLLR JENNY ELSE						
Leisure Feasibility Study	For approval	Executive	No	November 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
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

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Implementing requirements of the Housing and Planning Act 2016	Decisions to implement changes resulting from the Act	Executive	Yes	November 2017	Andrew Smith, Head of Strategic Housing Delivery	Housing
Homelessness Reduction Bill	To agree a response and budget/grant allocations	Executive	No	November 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, Hugh Wagstaff, Head of Housing Operations	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

PLANNING II - CLLR CHRIS STOREY

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

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

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

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

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

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