

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY &  
CUSTOMER SERVICE - 26 MARCH 2018

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

**Present**

Cllr Mike Band (Vice Chairman)  
Cllr Brian Adams  
Cllr Nicholas Holder  
Cllr Peter Martin

Cllr Stephen Mulliner  
Cllr Nabeel Nasir  
Cllr David Round

Cllr Richard Seaborne (Substitute)

Cllr Jerry Hyman (Substitute)

**Apologies**

Cllr Libby Piper

**Also Present**

Councillor James Edwards and Councillor John Gray

50. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 22 January 2018 and the Special Meeting held on 19 February 2018 were confirmed as a correct record and signed.

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

Apologies for absence were received from Cllr Libby Piper and there was one vacancy on the Committee. Cllrs Richard Seaborne and Jerry Hyman attended as substitutes.

52. DECLARATIONS OF INTERESTS (Agenda item 3.)

Cllr Mike Band declared a non-pecuniary interest in Item 5, Property Investment Strategy, as he was a member of the Investment Advisory Board.

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

There were no questions from members of the public.

54. PROPERTY INVESTMENT STRATEGY (Agenda item 5.)

The Committee reviewed the Property Investment Strategy which had been refined by the Property Strategy Working Group through several very productive meetings. The Committee thanked the Working Group for its input on producing such a robust document that would give all members of the council confidence to progress with property investments.

Members agreed that the governance structure was very positive and felt that performance monitoring would be key going forward. It was also suggested that the

Strategy be kept under review as some minor changes may be required based on practical experience following implementation.

Cllr Adams noted that income from the New Homes Bonus would be allocated to property investment, and was concerned that this would restrict the usage of the money in the event that it be needed for something else. Officers clarified, however, that while the money would be put into the investment fund, this did not prevent it from being moved if required.

The Committee noted that there was some duplication in the text of the Strategy, and suggested that paragraph 9.5 be removed for clarity. Members also commented that the development of the Strategy had arisen following the initial consideration of setting up a property company, and suggested that this be included in the covering report.

Cllr Hyman highlighted that the proposed delegations to the Executive, to spend £30m over the next three years up to a maximum of £10m per property, would allow for two separate properties at the same location to be purchased for up to £20m. He felt that it was important that all members fully understood that this could be the case.

The Committee endorsed the proposed changes to the Investment Advisory Board membership, and was pleased to note that the IAB would be supported by external professional advisors where appropriate.

55. TREASURY MANAGEMENT FRAMEWORK 2018/19 (Agenda item 6.)

Peter Vickers, Head of Finance, presented the proposed Treasury Management Framework for 2018/19 to the Committee. He explained that there were no significant changes for 2018/19, however a separate Capital Strategy was now also required. This would be developed during 2018/19 following the approval of the Property Investment Strategy and the Treasury Strategy.

There were some minor changes to the Prudential Indicators for 2018/19 to 2020/21. Indicator 3 – Capital financing requirement, had been amended as the council could have increased borrowing going forward and so this had to be included in the indicator. Indicator 5 – Authorised limit for external debt, had also increased from the previous year. Finally, Indicator 10 – Upper limits on investments >364 days, had been increased to £20m. This reflected the fact that property investment could be financed in the short term using cash. Additionally, there were opportunities to put money with other Local Authorities which would secure a better rate of return.

The Committee was pleased to note that the Strategy was underpinned by additional guidance documents that set out the day-to-day processes and delegations for treasury management. Members queried whether these should be included in the Strategy, however officers responded that as these were operational documents, it would not be appropriate to include them in the Strategy.

Members noted that the Annual Treasury Management Investment Strategy set out that every investment would have a ratings check on the day of the investment and queried what the ongoing monitoring process was. Officers explained that they

monitored credit ratings and held regular internal meetings, with periodic reporting to the Executive. Members were pleased to hear this, and suggested that it be made more explicit in the document.

Cllr Seaborne also suggested that there needed to be document control on the annexes and Cllr Hyman had some further queries about the document that he agreed to follow up with Peter Vickers following the meeting.

56. REPORT OF THE CAPITAL EXPENDITURE PROCESS AND MANAGEMENT REVIEW GROUP (Agenda item 7.)

The Committee considered the final report of the Capital Expenditure Process and Management Review Group. Members thanked all officers involved, in particular Yasmine Makin, Scrutiny Support Officer, who had assisted the Working Group with their review. Cllr Band, Chairman of the Working Group, added that the co-operation and openness of officers involved had helped the Group to clearly identify the issues.

The report set out the findings of the review, along with several recommendations while also acknowledging that some improvements had already been made. Cllr Band added that it was not the intention of the review to prevent all slippage, but he was hopeful that the recommendations would help to address the scale of the issue.

Members had some concerns that the level project management skills varied throughout the council. However it was also noted that the high workload on officers could manifest as poor project management when in reality they simply did not have enough time or resources to deliver the project. Members agreed that there needed to be more transparency around project management and the challenges that these projects faced, additionally officers should not be afraid to ask for help if resources are required.

Members felt that the recommendations in the report were very sensible, in particular the multi-year phasing for General Fund budgets going forward, and looked forward to these being put into practice. The Committee therefore endorsed the report and recommendations for submission to the Executive.

57. BUDGET STRATEGY WORKING GROUP (Agenda item 8.)

The Committee considered the scoping document for the Budget Strategy Working Group. Yasmine Makin informed the Committee that she had approached each of the other Overview and Scrutiny Committees to ask for nominations for membership and had received some expressions of interest.

There was also a requirement for the ongoing monitoring of efficiencies that would be delivered by Heads of Service throughout the year. Peter Vickers suggested that it was most appropriate for this to be presented to the main Value for Money and Customer Service O&S Committee on a quarterly basis.

The scoping document set out five proposed work streams for the Working Group, however the intention was to focus on work streams 1 and 2 first. These were looking at the split between statutory and discretionary services from an income generation perspective, and reviewing service demand by conducting a public consultation. Cllr Holder had some concerns about the second work stream, as he

felt that all customers would want all services to be perfect. Officers explained, however, that the purpose of this work would be to identify residents' priorities for services, and that exercises such as baseline budgeting could produce an interesting and informative picture.

Yasmine would be putting together a plan of work for the Group along with Gantt charts and notional dates for a series of meetings. Once the programme of work was set out, the membership of the Group would be confirmed with the Chairmen of other O&S Committees. Cllrs Stephen Mulliner and Nabeel Nasir agreed to participate from the Value for Money and Customer Service O&S Committee.

58. COMMUNITY INFRASTRUCTURE LEVY (CIL) - UPDATE PAPER (Agenda item 9.)

Peter Vickers introduced the update on the Community Infrastructure Levy. The intention was for the Value for Money O&S Committee to take the lead on scrutinising the governance arrangements in relation to CIL. Peter added that there would be the opportunity to learn from nearby Local Authorities who already had a CIL governance framework in place.

Cllr Martin commented that this would be a very interesting piece of work. He was surprised to note that some Parish Councils would be entitled to a 25% share of CIL money when he felt that there could be greater need in other areas.

Cllr Adams noted that CIL would run in parallel with the existing s106 process, and queried whether this would be covered by the same IT system. Officers agreed to clarify this after the meeting.

The Committee agreed to add CIL Governance Arrangements to its work programme with a view to receiving a report at its June meeting.

59. PERFORMANCE MANAGEMENT REPORT QUARTER 3, 2017/18 (OCTOBER - DECEMBER 2017) (Agenda item 10.)

Louise Norie, Corporate Policy Manager, presented the performance management report for Quarter 3 2017/18. The Committee noted that only two indicators were off target by more than 5%. One of these related to invoices paid to small businesses; however the Committee noted that due to the small sample size, any fluctuation in performance had a significant effect on the percentage. Performance in relation to complaints was also still below target; this was due to a small number of more complicated Level 3 complaints which had taken longer to resolve. Nevertheless, the Committee was pleased to note that overall performance on complaints had improved slightly since the last quarter.

The Committee was also pleased to note the excellent performance in the Benefits service following the 'systems thinking' review and looked forward to this being rolled out to other areas of the organisation.

Members expressed some concern over the levels of staff turnover, which was around 5% each quarter, and suggested that this be closely monitored. Louise responded that she attended a Surrey-wide performance monitoring meeting, and noted that this level of turnover was not abnormal across the county. The

Committee acknowledged that some level of turnover was understandable, however remained concerned about a loss of expertise within the organisation. It therefore requested that officers produce an analysis of staff turnover, to include a break down by levels of seniority.

Cllr Adams queried whether the figures included agency staff, however officers responded that these were not included in the data.

The Committee also noted that some areas of the organisation were currently undergoing restructures and suggested that once these had been completed, a benchmarking exercise be undertaken.

Members also asked that in future reports, officers be clear about the calculation used for percentage increases to ensure accuracy and consistency across the indicators.

60. COMMITTEE WORK PROGRAMME (Agenda item 11.)

Yasmine Makin informed the Committee that at the end of the Council year, she would be working with Alex Sargeson, Scrutiny Officer, to reflect on Committee work programming and whether any improvements could be made for the coming year.

Cllr Band commented that it was positive that the Committee could see streams of working drawing to an end and coming off the work programme. He felt that it was important not to be too prescriptive, and to maintain some flexibility in the work programme. Members felt that going forward, the Committee would be able to carry out two reviews, but felt that these should not be in the same service area so as not to put too much pressure on the Head of Service.

**The meeting commenced at 7.00 pm and concluded at 8.36 pm**

**Chairman**