

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY &  
CUSTOMER SERVICE - 19 NOVEMBER 2018

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

**Present**

|                                       |                       |
|---------------------------------------|-----------------------|
| Cllr David Beaman (Chairman)          | Cllr Nicholas Holder  |
| Cllr Stephen Mulliner (Vice Chairman) | Cllr Nabeel Nasir     |
| Cllr Brian Adams                      | Cllr David Round      |
| Cllr Mike Band                        | Cllr Richard Seaborne |

**Apologies**

Cllr Bob Upton

35. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 10 September 2018 were confirmed as a correct record and signed.

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

Apologies for absence were received from Cllr Bob Upton.

37. DECLARATIONS OF INTERESTS (Agenda item 3.)

There were no declarations of interests in connection with items on the agenda.

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

There were no questions from members of the public.

39. QUESTIONS FROM MEMBERS (Agenda item 5.)

There were no questions from Members.

40. CUSTOMER SERVICES REVIEW (Agenda item 6.)

David Allum, Head of Customer and Corporate Services, provided the Committee with an update on the Customer Service review. He advised that progress on the project had been slower than envisaged but, with support from the new senior management team, it was now gathering momentum. A new project board had been established and had now met for the first time.

The Committee agreed that this was a very important piece of work and therefore felt that the supporting documentation should be clear. Members recalled the review that the Committee had undertaken into capital projects, and made some suggestions to tighten up the PID. It was felt that the costs section needed to be expanded on to set out whether a budget had already been approved, and what further funding would be sought going forward. It was also suggested that the project team structure be made clearer to show who was ultimately responsible for

the project, as well as whether any external consultancy would be used. Cllr Band added that it was important to understand what the project would deliver in terms of cost savings as this would provide context to any request for capital spend.

The Committee heard that the project comprised several separate work streams, and the first to get under way was the IT work stream. More detailed project documentation would be produced for each work stream, outlining the deliverables and cost savings. Members therefore requested to have sight of an overall document summarising the key aspects of these work streams.

The Committee endorsed the approach to the project subject to the comments above, and looked forward to receiving further details of the works streams in due course.

41. COMMUNITY INFRASTRUCTURE LEVY (CIL) GOVERNANCE ARRANGEMENTS AND ASSESSMENT CRITERIA (Agenda item 7.)

Graeme Clark, Strategic Director, presented the report to the Committee. He explained that the CIL charging regime would come into effect on 1 March 2019. While the money was not expected to come in right away, it was important to have the governance arrangements and allocation criteria agreed in advance. The Committee noted that CIL could potentially generate up to £94m towards infrastructure in the period up to 2032 and agreed that it was important to have a robust process and governance structure in place to manage this.

The Committee noted that the CIL Regulations did not require CIL money to be allocated to the specific area from where the charge arose. Members recalled that at the Committee's June meeting, where this matter had previously been considered, it had been felt that there should be at least some connection between area where development was taking place (causing CIL funding to arise) and where the money would be spent. The Committee recommended that the new CIL Advisory Board be asked to consider the pros and cons of this approach when drafting the allocation criteria.

Members also considered the proposed composition of the CIL Advisory Board, and suggested that this be geographically proportionate as far as possible, to ensure that both rural and urban areas were represented.

The Committee noted the ability of the Council to retain up to 5% of annual CIL receipts to be spent on administrative expenses and felt that it should be made clear that the Waverley would only spend what was needed in order to effectively and efficiently deliver CIL.

Members also heard that up to 25% of CIL receipts would be paid to Town and Parish Councils, and that these Councils would need to have their own governance arrangements in place. Cllr Adams highlighted that Waverley had an Infrastructure Delivery Plan in place as part of LPP1 and the Towns and Parishes with Neighbourhood would have also their own infrastructure priorities, so it would be useful to identify overlapping and complementing projects.

The Committee queried which bodies would be able to submit bids for Strategic CIL. Officers responded that this could be any infrastructure provider, including

SCC, health services, utility companies, and Town and Parish Councils. In relation to utility companies, it was clarified that they would still be required to meet their legal obligations, but could bid for CIL money in order to deliver non-essential 'enhancements'.

Cllr Seaborne highlighted that the report referred to the timely investment of CIL funds, and felt that some worthwhile projects may require CIL receipts to be retained for a longer period in order to accumulate the necessary funds.

Members also noted that CIL could not be used to resolve 'historical deficits' of infrastructure provision. There was some concern that with the budget pressures that were currently being experienced by Surrey County Council, infrastructure provision would be cut back, and it would then not be possible to use CIL funding to reinstate this, even if additional housing was delivered in the area.

The Committee carefully considered the proposed recommendations that the Executive would be recommending to Council. It was felt that while the CIL Advisory Board should draft the detailed criteria for the spending of Strategic CIL receipts, the final approval of the allocation criteria should come to Council. It was also suggested that there should be a financial threshold over which decisions to spend funds would need to be approved by Council (as was currently the case with the Property Investment Strategy).

The Committee therefore agreed to recommend the following amendments (in bold type) to recommendations 4 and 5:

It is recommended that the Council:

4. Delegate to the CIL Advisory Board the **drafting** of the detailed criteria for the spending of Strategic CIL receipts and any proposals for allocating proportions of the Strategic CIL Fund for specific purposes, **which will then be subject to Council approval following the usual scrutiny process.**
5. **Subject to an agreed threshold to be approved by Council**, delegate to the Executive the approval of Strategic CIL Fund spending after consideration of the recommendations from the CIL Advisory Board.

#### 42. CORPORATE PERFORMANCE REPORTS Q2 (Agenda item 8.)

Nora Copping, Policy and Performance Officer, thanked the Committee for its comments on the report template at the last meeting. She had taken these on board and updated the format to more clearly set out the trends and include a RAG rating. Members commented that the use of colours and charts was very helpful.

The Committee noted, particularly in relation to Customer and Corporate Services, that several of the service plan targets were marked as off track as they had missed their planned due dates. It was therefore requested that for the next meeting, a column be added showing revised due dates so that the Committee could better monitor progress going forward.

Members also highlighted that staff turnover at Waverley continued to be above the national average. There was some concern over the high level of turnover, particularly in areas such as planning and the Committee therefore requested that

officers conduct further analysis on this and bring a more detailed update to the next meeting.

There was some uncertainty around the presentation of the financial information. The Committee was surprised that the mid-year committed spend figure was very low in comparison with the forecast outturn. Peter Vickers, Head of Finance, explained that the committed spend data came directly from the accounting system and was not necessarily an accurate representation of spend to date as invoices didn't always correspond with the quarter ends. He emphasised that the forecast outturn and variance columns were the most important when reviewing financial performance. Members acknowledged that it was difficult to get the most up to date committed spend figures, but felt that in order to have confidence in the forecast outturn, the Committee needed to understand the situation at the end of each quarter. Graeme Clark agreed to meet with Cllrs Band and Mulliner following the meeting to go through the figures in more detail and review the format and presentation of this section.

43. COMPLAINTS HANDLING POLICY AND REVIEW OF COMPLAINTS RECEIVED BY WAVERLEY IN 2017/18 (Agenda item 9.)

Sue Petzold, Corporate Complaints Officer advised the Committee that the report related to the old three-stage process which had been replaced in April 2018 and future reports would reflect the new procedure.

The Committee heard that 64% of all complaints had been resolved at the Level 1 stage, and only 11% were escalated to Level 3. Additionally, 82% of all complaints had been dealt with within the target timescales, which was a slight decrease from 90% the previous year.

Cllr Beaman queried to what extent complainants were given the benefit of the doubt. Sue responded that generally complaints would only be upheld if it was found that the Council was at fault in some way.

Members noted that Housing Operations had received the highest number of complaints; however felt that this was understandable given that this was a large service area with a high level of interaction with customers.

The Committee agreed that it would be useful to understand how Waverley was performing in relation to other Councils and asked Sue to look into providing benchmarking data in future reports.

44. COMPLAINTS TO LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN AND HOUSING OMBUDSMAN ABOUT WAVERLEY'S SERVICES IN 2017/18 (Agenda item 10.)

The Committee considered the report which provided an overview of complaints received by the Local Government and Social Care Ombudsman about Waverley's services. The report also included comparative data for the previous three years. Only two complaints made to the Ombudsman had been upheld and one of these had already been remedied by Waverley prior to the Ombudsman's involvement.

Sue Petzold also advised that the Ombudsman had tightened up its criteria for what it would accept as a complaint; there now needed to be an element of 'injustice' identified to enable them to investigate.

The report also included details of investigations by the Housing Ombudsman. Of the four complaints made to the Housing Ombudsman in 2017/18, only one had been upheld; two were not upheld as it concluded that Waverley had handled complaint satisfactorily; and one outcome was still outstanding.

45. BUDGET SHORTFALL COMMITMENTS - PROGRESS (Agenda item 11.)

Peter Vickers provided the Committee with a brief update on the budget setting process and the Medium Term Financial Plan. A draft 'business as usual' budget had been prepared, however there were still some uncertainties, particularly in relation to the financial settlement.

Peter summarised some of the developments since the Committee had last received an update. These included the procurement of the new waste contract, which achieved notable savings, and better than anticipated interest on treasury management activity. Additionally, the negative Government grant would not be introduced this year.

The Committee heard that it was not yet known whether the business rates retention scheme would continue next year. Cllr Holder queried how the announced reduction on business rates for small businesses would affect the Council, however officers clarified that this was a government-funded initiative so would not significantly affect Waverley.

46. BUDGET STRATEGY WORKING GROUP UPDATE (Agenda item 12.)

Cllr Mulliner provided the Committee with a brief update on the progress made by the Budget Strategy Working Group. He explained that work stream 2 had been delayed and would now take place in May/June 2019; this work would inform the budget for 2020/21 and beyond. In the meantime, work was progressing with work stream 3 and a very useful meeting had been held with the Parks and Countryside team. The Group was eagerly anticipating the Government settlement in December, and another meeting would be held once the details of this were known.

47. REVIEW OF PROPERTY INVESTMENT STRATEGY (Agenda item 13.)

Anne Cains, Estates and Valuation Manager, presented the report to the Committee. She advised that the investment criteria currently set out in the Strategy had provided a clear steer for officers and enabled unsuitable investment opportunities to be quickly discarded. While no acquisitions had been made in the last six months, officers attributed this to lack of availability of suitable properties, rather than the criteria in the Strategy being too stringent. The Committee was pleased to hear that the provisions within the Strategy prevented the Council from purchasing unsuitable properties.

Members queried whether the Council would still achieve its budget target for property income given that there had been no recent property purchases. Officers responded that the budget target would be met with the income from properties purchased earlier in the year. However, going forward, the Council would be looking

to make more purchases and would be progressing with setting up a property company in order to facilitate this.

The Committee endorsed the proposal that the Property Investment Strategy remain as it stands, and is reviewed again in six months' time.

48. COMMITTEE WORK PROGRAMME (Agenda item 14.)

Yasmine Makin, Scrutiny Officer, invited the Committee to review its work programme, and highlighted the items that were due to be considered at the next meeting. She advised that an additional meeting would be held on 22 January to consider the budget. This would be a meeting of the Value for Money and Customer Service O&S Committee, but all Members would be able to attend and contribute.

49. EXCLUSION OF PRESS AND PUBLIC (Agenda item 15.)

At 8.54pm, it was:

RESOLVED that pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in paragraph 3 of the revised Part 1 of Schedule 12A to the Act, namely:

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

50. PROPERTY INVESTMENT STRATEGY QUARTERLY PROPERTY ACQUISITION REPORT (Agenda item 16.)

The Committee received an update on the performance of properties within the Council's investment portfolio. Members thanked officers for their work in pulling together the information and asked that some further details regarding rents be provided in future reports.

It was also requested that a brief narrative explanation be included in the report, which would bring key highlights to the Committee's attention without the need to review all the figures in detail.

**The meeting commenced at 7.00 pm and concluded at 9.03 pm**

**Chairman**