

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:
Amy McNulty, Democratic Services Officer

Policy and Governance

E-mail: amy.mculty@waverley.gov.uk

Direct line: 01483 523492

Calls may be recorded for training or monitoring

Date: 8 February 2019

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

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

Substitutes

Cllr Liz Townsend	Cllr John Ward
Cllr Tony Gordon-Smith	

Members who are unable to attend this meeting must submit apologies by the end of Monday, 11 February 2019 to enable a substitute to be arranged.

Dear Councillor

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

DATE: MONDAY, 18 FEBRUARY 2019

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 Strategy 2018 - 2023

Priority Theme 1: People

Priority Theme 2: Place

Priority Theme 3: Prosperity

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 22 January 2019 (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.

Members who are unable to attend this meeting must submit apologies by the end of Monday 11 February 2019 to enable a substitute to be arranged, if applicable.

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.

The deadline for receipt of questions is 5pm on Monday 11 February 2019.

5. **QUESTIONS FROM MEMBERS**

The Chairman to respond to any questions received from Members in accordance with Procedure Rule 11.

The deadline for receipt of questions is 5pm on Monday 11 February 2019.

6. **SERVICE PLANS 2019 - 2022** (Pages 13 - 50)

This report presents the three-year Service Plans for April 2019 to March 2022 for the service areas under the remit of this Committee, which are:

- Customer and Corporate Services
- Economic Development
- Finance Services
- Policy and Governance

Recommendation

It is recommended that the Value for Money and Customer Service Overview & Scrutiny Committee considers the Service Plans for 2019-2022 as set out at Annexe 1 and makes any observations to the Management Team and any policy recommendations to the Executive.

7. CORPORATE PERFORMANCE REPORT Q3 2018/2019 (OCTOBER - DECEMBER 2018) (Pages 51 - 92)

The Corporate Performance Report provides an analysis of the Council's performance for the third quarter of 2018-19. The report, set out at Annexe 1, is being presented to each of the Overview and Scrutiny Committees for comment and any recommendations they may wish to make to the Executive.

Recommendation

It is recommended that the Overview & Scrutiny Committee considers the performance of the service areas under the remit of the committee as set out in Annexe 1 to this report and makes any recommendations to senior management or the Executive as appropriate.

8. PROGRESS AGAINST MEDIUM TERM FINANCIAL PLAN

To receive a verbal update on the progress made by Heads of Service against the targets set to meet the budget shortfall as set out in the Budget papers of the January 2018 Committee.

9. BUDGET STRATEGY WORKING GROUP UPDATE

To receive a verbal update on the work of the Budget Strategy Working Group.

10. CIL GOVERNANCE ARRANGEMENTS - CRITERIA AND FINANCIAL THRESHOLDS (Pages 93 - 102)

On 11 December 2018, Council approved outline governance arrangements for the allocation of Community Infrastructure Levy (CIL) receipts to enable the delivery of specific infrastructure projects that will support and mitigate impact of development in the Borough over the Local Plan period.

Recommendation

It is recommended that the Value for Money and Customer Service O&S Committee considers the content of the report and proposed recommendations from Executive to Council, and agrees any observations to be forwarded to the Executive.

11. CAPITAL STRATEGY (Pages 103 - 138)

To seek approval of the overarching Capital Strategy which brings together the Council's detailed policies, procedures and plans relating to cash investments and property assets. This report also seeks approval of the Treasury Management Framework for 2019/2020 which is an integral part of the Capital Strategy and a statutory requirement.

Recommendation

It is recommended that the Value for Money and Customer Service O&S

Committee considers the content of the report and agrees any comments to be forwarded to the Executive.

12. UPDATE REPORT ON PROGRESS OF CAPITAL EXPENDITURE PROCESS AND MANAGEMENT REVIEW RECOMMENDATIONS (Pages 139 - 158)

This report provides an update on the progress of the 19 recommendations made by the Value for Money and Customer Services O&S working group that reviewed Waverley Borough Council's (the Council's) Capital Expenditure Process and Management in February 2018.

Recommendation

It is recommended that the Committee scrutinise the progress of the recommendations made by the working group using the attached action plan and graphs of capital expenditure by year and service.

13. COMMITTEE WORK PROGRAMME (Pages 159 - 168)

The Value for Money and Customer Service Overview and Scrutiny Committee, is responsible for managing its work programme. The work programme includes items agreed at previous meetings.

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.

14. PROPERTY MATTER - SALE OF FREEHOLD (Pages 169 - 180)

The long leaseholders of a Council-owned property in Farnham have served a notice on the Council under the Leasehold Reform Act 1967 ("the 1967 Act") to purchase the freehold of the house and premises.

The purpose of this report is to seek Council approval to sell the freehold to the current leaseholders on the terms set out in the Exempt Annexe 1.

Recommendation

It is recommended that the Value for Money & Customer Service Overview & Scrutiny Committee notes the content of the report and the Exempt Annexes, and the options available to the Council, and agrees any comments to be passed to the Executive on the recommendation to follow Option 1 which is the sale of the freehold land on the terms set out in Exempt Annexe 1.

15. 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).

16. PROPERTY INVESTMENT STRATEGY QUARTERLY UPDATE (Pages 181 - 184)

To consider the (exempt) report, attached.

17. ANY OTHER ITEMS TO BE CONSIDERED IN EXEMPT SESSION

To consider any other matters relating to aspects of any reports on this agenda which it is felt need to be considered in Exempt session.

Officer contacts:
Yasmine Makin, Scrutiny Policy Officer
Tel. 01483 523078 or email: yasmine.makin@waverley.gov.uk
Amy McNulty, Democratic Services Officer
Tel. 01483 523492 or email: amy.mcnulty@waverley.gov.uk

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY & CUSTOMER SERVICE - 22 JANUARY 2019

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

Present

Cllr David Beaman (Chairman)
Cllr Mike Band
Cllr Nicholas Holder
Cllr Nabeel Nasir

Cllr David Round
Cllr Richard Seaborne
Cllr Bob Upton

Apologies

Cllr Stephen Mulliner and Cllr Brian Adams

Also Present

Councillor John Ward, Councillor Maurice Byham, Councillor James Edwards, Councillor Jenny Else, Councillor Paul Follows, Councillor Mary Foryszewski, Councillor Michael Goodridge MBE, Councillor John Gray, Councillor Ged Hall, Councillor Jerry Hyman, Councillor Carole King, Councillor Andy MacLeod and Councillor Liz Wheatley

51. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 19 November 2019 were confirmed as a correct record and signed.

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

Apologies for absence were received from Cllrs Stephen Mulliner and Brian Adams.

In the absence of Cllr Stephen Mulliner, the Committee resolved that Cllr Mike Band be appointed Vice Chairman of the Committee for this meeting.

53. DECLARATIONS OF INTERESTS (Agenda item 3.)

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

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

There were no questions from members of the public.

55. QUESTIONS FROM MEMBERS (Agenda item 5.)

There were no questions from Members.

56. MEDIUM TERM FINANCIAL PLAN 2019/20 - 2021/22 AND GENERAL FUND BUDGET 2019/20 (Agenda item 6.)

Graeme Clark, Strategic Director (s.151 Officer) introduced the report on the Medium Term Financial Plan (MTFP) 2019/20 – 2021/22 and General Fund Budget 2019/20. He explained that the MTFP set the context for next year's budget and beyond. The report highlighted a number of expected financial pressures, resulting

in a projected £3.8m shortfall over the next three years; these included inflation, reduction in waste funding from SCC and the forecast removal of business rates funding. The report also outlined several measures that would help to address this shortfall, including Council Tax increases, procurement savings, property investment income, and other service income/efficiency savings. Peter Vickers, Head of Finance, also highlighted the input of the Budget Strategy Working Group, which had worked alongside officers to go through the detail of the MTFP and look ahead to the changes that would be coming over the next few years.

Focussing on 2019/20, the Committee was pleased to hear that a balanced budget could be put forward with no proposed cuts to services or reductions in funding for community organisations. There would also be no car park charge increases in 2019/20. A Council Tax increase of 2.99% was proposed for 2019/20, but the Council Tax Support Scheme which provided discretionary support to households on low income would remain unchanged.

The Chairman, Cllr David Beaman, expressed his disappointment at the tapering out of business rates retention, highlighting that Waverley currently collected £37m of business rates and retained only £2m, and that this funding could be completely removed by 2023.

Some Members felt that allocating New Homes Bonus (NHB) income specifically to the Property Investment Fund was too narrow and suggested that other investment opportunities for this money could also be considered. Officers emphasised the importance of the Council's policy of not relying on NHB to balance the revenue budget as there was no certainty around this income stream; the Government could change the threshold or stop it completely at any point.

Cllr Andy MacLeod was in attendance at the meeting and asked for some further clarification about how the NHB figure was calculated. He noted that the income from NHB had decreased, while the number of houses being built had gone up. Officers responded that the declining figure was due to the Government changing the formula for calculating NHB, as well as the introduction of a 'growth threshold' below which NHB is not payable.

Cllr Paul Follows was in attendance at the meeting and spoke on this item. He was pleased that the funding for community grants had not been cut, but highlighted their increasing workload, particularly following the introduction of Universal Credit, and asked whether it would be possible to help them further. In relation to investments, he asked whether there were any other opportunities, aside from commercial property, that might carry less risk. Officers responded that in the past, this money had been spent on 'invest to save' projects such as recycling improvements, however the Council had now committed to its approved policy of using NHB to fund property investment.

There were some further queries in relation to borrowing for investment, however overall the Committee was satisfied that the Council had very clear investment criteria and generally took a cautious approach to property investment, turning down opportunities which were not appropriate.

The Committee heard that the majority of fees and charges would be increased by inflation. Members commented that without knowing the demand for each service, it was difficult to understand the relevant value for each item. The Committee

therefore agreed to suggest that a table showing the revenue from the individual fees and charges should be included with the Budget papers.

Additionally, Cllr Richard Seaborne commented that he felt that by repeatedly increasing fees by inflation rates, the Council was losing touch with the commercial context for its services. It was suggested that further work be done on benchmarking fees and charges with other Local Authorities as well as commercial providers to gain a better understanding of the market value for each service. The Committee proposed that scrutiny of the basis for individual fees and charges should be a work stream for the Value for Money and Customer Service O&S Committee in the next Council year.

Cllr Jerry Hyman was in attendance at the meeting and spoke on this item. In light of the £3.8m shortfall, he asked if the MTFP was realistic and whether more dramatic action needed to be taken sooner. The Committee, however, felt that a lot of work had been done throughout the year by both Members and officers in order to close a significant funding gap for 2019/20.

The Committee agreed, subject to the observations noted above, to endorse recommendations 1 – 2 and 4 – 5 as set out in the report. In relation to recommendation 3, the Committee suggested that this recommendation be expanded to include that a schedule be added to the fees and charges document in future, showing the volume of demand for each service, and that a comprehensive review of fees and charges be undertaken over the coming year to ensure that these appropriately reflected the market.

57. HOUSING REVENUE ACCOUNT BUSINESS PLAN, REVENUE BUDGET AND CAPITAL PROGRAMME 2019/20 (Agenda item 7.)

Graeme Clark, Strategic Director (s.151 Officer), introduced the report on the HRA Business Plan, Revenue Budget and Capital Programme 2019/20. He explained that the Government had implemented some significant changes, including a 1% rent reduction, however officers had worked very constructively with the Portfolio Holder to build these into the Business Plan. It was anticipated that rents could be increased from 2020/21, and this had been incorporated into the Business Plan to ensure a robust financial position going forward.

Cllr Carole King, Portfolio Holder for Housing, was in attendance at the meeting and spoke on this item. She commented that it was disappointing to have had to deal with the 1% rent reduction, but that the Council had done very well to maintain stability on the Business Plan. She added that there were no plans to increase garage rents, and highlighted the proposed investment to bring void garages back into use, therefore generating income.

The Committee noted that the predicted growth in the income figure was a result of a combination of rent increases and new properties being built. Members asked that these be split out to enable them to more easily see the benefits of investment in housing stock. Officers agreed that there was a lot of information behind these figures, and agreed to provide a more detailed break down, particularly as this would highlight not only growth from new properties being built, but also loss from Right to Buys.

Cllr Richard Seaborne noted that the principal repayment figure increased significantly in 2022/23 and queried why this was the case. Officers advised that the principal repayment was deliberately structured in this way so as to kick start the new build programme; there would be further step increases throughout the repayment period.

Hugh Wagstaff, Head of Housing Operations, also informed the Committee that extra resource had been put into managing the Business Plan and a new Housing Finance Manager had been appointed. He invited Members to let him know what additional financial information they would like to see in future so that this could be provided.

Cllr Paul Follows was in attendance at the meeting and spoke on this item. He queried whether the increase in housing maintenance was proportional to the property growth. Officers responded that the increase in maintenance was a combination of property growth and inflation. They offered to provide further details about how this was calculated.

Cllr Nicholas Holder raised a query in relation to the spending on kitchens and bathrooms. Officers clarified that routine investment in features such as kitchens, bathrooms and windows was built into the business model.

The Committee endorsed the recommendations as set out in the report subject to the request that a more detailed break down of dwelling income be provided.

58. COUNCIL TAX EMPTY HOMES DISCOUNT AND EMPTY HOMES PREMIUM
(Agenda item 8.)

Peter Vickers, Head of Finance, introduced the Council Tax Empty Homes Discount and Empty Homes Premium report to the Committee. He drew Members' attention to the benchmarking information set out in the report, highlighting that Waverley's current scheme was very generous, and was at direct cost to other Council Tax payers in the Borough. He added that property owners who were experiencing genuine hardship would still be able to apply for discretionary relief.

Cllr Carole King, Portfolio Holder for Housing, was in attendance at the meeting and spoke on this item. She highlighted that landlords had a legal requirement to carry out safety checks between tenants, thus causing a delay in re-letting properties. She suggested that the Committee consider recommending a 1 month discount rather than abolishing the discount altogether.

The Committee acknowledged that Waverley's scheme was currently much more generous than its neighbours and was supportive of the 1 month discount proposal which would bring the Council more in-line with other Surrey districts. Cllr Richard Seaborne also noted that the policy could be reviewed again the following year if necessary.

Members also welcomed the proposal to encourage owners of long term empty properties to bring these back into use by applying the maximum additional Council Tax premiums.

Having considered the proposed recommendations from Executive to Council, the Committee recommended the following amendment to recommendation 1.

1. The discretionary Council Tax discount for “empty and substantially unfurnished properties” **is reduced to 1 month** from 1 April 2019.

59. COMMITTEE WORK PROGRAMME (Agenda item 9.)

Yasmine Makin, Scrutiny Policy Officer, introduced the Committee’s work programme and invited Members to comment on the items scheduled for the next meeting in February.

Cllr David Beaman highlighted the issue of the relocation of the Farnham Post Office and suggested that this be added to the work programme for the Community Wellbeing O&S Committee.

The meeting commenced at 7.00 pm and concluded at 8.30 pm

Chairman

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WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY AND CUSTOMER SERVICE

OVERVIEW AND SCRUTINY COMMITTEE

18 FEBRUARY 2019

Title:

SERVICE PLANS 2019-2022

**[Portfolio Holder: Cllr Julia Potts, Cllr Ged Hall, Cllr Chris Storey, Cllr Jim Edwards]
[Wards Affected: All]**

Summary and purpose:

This report presents the three-year Service Plans for April 2019 to March 2022 for the service areas under the remit of this Committee, which are:

- Customer and Corporate Services
 - Economic Development
 - Finance Services
 - Policy and Governance
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How this report relates to the Council's Corporate Priorities:

Waverley's performance management framework helps ensure that Waverley delivers against all of its Corporate Priorities. Service Plans form an important part of this, setting out the business priorities for each service for the coming three years, and how they help to deliver the Council's priorities.

Financial Implications:

Draft Service Plans were prepared as part of the budget process and any financial implications are included in the draft budget.

Legal Implications:

There are no specific legal implications arising from this report.

Background

1. The Service Plans have been prepared by Heads of Services in cooperation with their teams and Portfolio Holders to set out the service objectives for the coming three years in line with the Corporate Strategy 2018-2023 and the Medium Term Financial Plan 2019-2022.
2. In the past, Service Plans have focused on the current financial year only. In order to more closely align them with the Council's Medium Term Financial Plan (MTFP), each Service Plan now covers the period up to 2022. As an important management tool they include business as usual outcomes and actions as well as service-wide projects and cross cutting projects. The Plans are 'living' documents and will be subject to

continuous improvement to reflect the needs of the organisation. Progress on Service Plans will be monitored on a quarterly basis through the Corporate Performance Report.

3. Set out at Annexe 1 are the Service Plans for Customer Services, Finance, Policy and Governance and the Economic Development Section from the Communities Plan.

Recommendation

It is recommended that the Value for Money and Customer Service Overview & Scrutiny Committee considers the Service Plans for 2019-2022 as set out at Annexe 1 and makes any observations to the Management Team and any policy 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.

CONTACT OFFICER:

Name: Louise Norie
Title: Corporate Policy Manager
Telephone: 01483 523464
E-mail: louise.norie@waverley.gov.uk

Name: Nora Copping
Title: Policy & Performance Officer
Telephone: 01483 523465
E-mail: nora.copping@waverley.gov.uk

Service Plan 2019-2022

Head of Service:	David Allum
Strategic Director:	Graeme Clark
Portfolio Holders:	Cllr Hall and Cllr Storey

Service: **Customer and Corporate Services**

Service Profile

The Customer and Corporate Services are made up of five services areas:

- **IT.** The IT team maintain our core systems and infrastructure as well as supporting service teams in business development and functional improvement projects.
- **Support Services** (Reception, Switchboard, Scanning, Post Room, Print Services, Locality Office). The Support Services Team provide front line customer services and a back office administration function.
- **Facilities Management** (Cleaning, Security, Staff Restaurant). The Facilities Team manage our central headquarters directly and support staff in satellite buildings also. They also provide an internal and external cleaning service to a number of clients and run the staff restaurant including the preparation and distribution of community meals.
- **Estates and Valuations Team.** The Team manage the commercial portfolio and seek to increase and enhance this by further acquisitions.
- **Property and Engineering** (Drainage, Street Furniture, Corporate Property, Asset Management). The Team maintain our corporate assets and provide technical expertise and project management across all council services.

Service Team: Customer Service

Team Leader: David Allum - Head of Customer and Corporate Services

Business As Usual

Outcome 1.	Improve customer satisfaction perceptions by encouraging and fostering a culture of positive customer services across Council Services					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS.1.1	Continue to work and engage with service area team leaders to enhance consistency and positive practice across the Council	Within existing budgets	01/04/19	31/03/22	Head of Customer and Corporate Services (DA)	Inconsistency and variable levels of service are more likely to be experienced by customers. The action will be required whilst the existing delivery model perpetuates.

CCS.1.2	Continue to run a programme of mystery shopping to enhance good practice and eradicate poor practice	Within existing budgets	01/04/19	31/03/22	Head of Customer and Corporate Services (DA)	Inconsistency and variable levels of service are more likely to be experienced by customers
CCS.1.3	Maintain dialogue with Foresight Group members and Team Leaders throughout the customer services review project implementation phase	Within existing budgets	01/04/19	31/03/22	Head of Customer and Corporate Services (DA)	Staff disengagement could act as a barrier to the development of this service area

Outcome 2.	Improve customer satisfaction by delivering an effective reception service at The Burys and Farnham Locality Office					
	Corporate Priority: People					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS2.1	Ensure the day-time and evening reception offer at The Burys is of high quality as evidenced by the annual satisfaction survey	Within existing budgets	01/04/19	31/03/22	Support Services Manager (HB)	Disappointing contact at the point of access can generate a negative reputation.
CCS2.2	Provide an effective service to the visitors to Farnham Locality Office	Within existing budgets	01/04/19	31/03/22	Support Services Manager (HB)	Disappointing contact at the point of access can generate a negative reputation.

Team Projects						
Outcome 3.	Deliver increased automated options for customers as part of the corporate customer services review outcomes					
	Corporate Priority: Prosperity					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS3.1	Lead the Channel Shift work-stream and in conjunction with other service areas (e.g. IT) develop options and solutions which can deliver on the business plan objectives	On overall capital bid has been submitted for the Customer Service work programme	01/04/19	31/03/21	Head of Customer and Corporate Services (DA)	Cashable savings are envisaged. If these are not realised it could impact on the overall budget position.

Service Team: Facilities **Team Leader: Steve Holt - Facilities Manager**

Business As Usual

Outcome 4. Provide an effective support infrastructure to Members and Staff						
Corporate Priority: <i>People</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS4.1	Ensure safety and security arrangements and systems are effective	Within existing budgets	01/04/19	31/03/22	Facilities Manager (SH)	There is an increased risk of user safety being compromised
CCS4.2	Ensure use of web-cast equipment and other Council Chamber and Member based facilities are maximised and effective	Within existing budgets	01/04/19	31/03/22	Facilities Manager (SH)	Reputational damage can be sustained if there are interruptions to the smooth running of the democratic process
CCS4.3	Ensure high standards for cleaning of the Burys as evidenced by the outcome of the internal survey	Within existing budgets	01/04/19	31/03/22	Facilities Manager (SH)	Reputational damage can be created by poor premises conditions

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Outcome 5. Continue to operate a profitable external cleaning service						
Corporate Priority: <i>Prosperity</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS5.1	Evaluate the first year's trading figures and develop an appropriate marketing strategy based on the outcome	Within existing budgets	01/04/19	01/06/19	Facilities Manager (SH) /Head of Customer and Corporate Services (DA)	If profitable services can be delivered this supports the Council's overall financial position
CCS5.2	Continue to provide cost effective cleaning services to the Housing Department which generate improved satisfaction ratings as compared to previous providers	Within existing budgets	01/04/19	31/03/22	Facilities Manager (SH)	The Housing Department will have low satisfaction levels and may have to procure a more expensive alternative

Team Projects

Outcome 6. Provide a profitable staff catering service

Corporate Priority: <i>Prosperity</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS6.1	Evaluate the trading figures and re-design a service offer to be as cost effective as possible.	Within existing budgets	01/04/19	01/06/19	Facilities Manager (SH) /Head of Customer and Corporate Services (DA)	The Restaurant will run at a loss and negatively impact on Council budgets
CCS6.2	Ensure staff satisfaction increases as evidenced by internal survey returns.	Within existing budgets	01/04/19	30/11/19	Facilities Manager (SH)	These metrics are an important aspect of the effectiveness of our service offer

Service Team: IT **Team Leader: Linda Frame - IT Manager**

Business As Usual

Outcome 7. Maintain and improve the IT infrastructure which supports the activity of the Council						
Corporate Priority: <i>Prosperity</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS7.1	Design and deliver a capital investment programme which will maintain and enhance the IT infrastructure and applications.	Capital bids of in excess of £100k have been made	01/04/19	31/03/22	IT Manager (LF)	The integrity of the IT systems may be compromised
CCS7.2	Recruit and retain the staff resource to provide service users with the advice and support they require to derive maximum benefit from IT infrastructure	Within existing budget	01/04/19	31/03/22	IT Manager (LF)	If adequate support is not in place this will lead to inefficient practice amongst service users
CCS7.3	Ensure support systems and back up arrangements are in place to minimise service disruption.	Within existing budget	01/04/19	31/03/22	IT Manager (LF)	Service failure can lead to significant disruption, dissatisfaction and cost

Outcome 8. Enable service areas to evolve and improve their service offer by facilitating business development.						
Corporate Priority: <i>People</i>						

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS8.1	Complete the implementation of a new core system for Building Control, Planning and potentially Land Charges and Environmental Health	Some additional capital investment may be needed in addition to that already secured	01/04/19	31/03/20	IT Manager (LF)	Service areas will not benefit from optimum system support
CCS8.2	Implement programme for incremental movement to externally based services beginning with Exchange and SharePoint	Within existing budgets	01/04/19	31/03/21	IT Manager (LF)	The Council's infrastructure will not be based on the optimum platform

Team Projects

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Outcome 9.	Support the Customer Service Project in developing the technological solutions to match review outcomes					
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Corporate Priority: Prosperity						
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS9.1	Provide and facilitate the solutions needed to maximise channel shift, automation and a corporate customer services team	Significant capital bids	01/04/19	30/03/20	IT Manager (LF)/Head of Customer and Corporate Services (DA)	This work is vital to the delivery of the customer service review objectives

Service Team: Support Services	Team Leader: Helen Bower - Support Services Manager
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Business As Usual

Outcome 10.	Provide an effective support service function to all Council departments and stakeholders					
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Corporate Priority: Prosperity						
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS10.1	Provide effective and efficient post, scanning and print services to all service areas. This will be tested via an annual internal survey	Within existing budgets	01/04/19	31/03/22	Support Services Manager (HB)	Delays in print and post services can contribute to lower user satisfaction with the service provided

CCS10.1	Continue to procure and contract manage mobile and landline services	Within existing budgets	01/04/19	31/03/22	Support Services Manager (HB)	By monitoring delivery and market movements we can reduce costs
CCS10.1	Re-structure staff resource to match reducing demand as technological solutions are applied	Within existing budget	01/04/19	31/03/22	Support Services Manager (HB)	It is important that workflow is mirrored by staff resource if we are going to be operating efficiently.

Outcome 11.	Maintain high satisfaction standards by providing a high quality community meals service					
	Corporate Priority: People					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS11.1	Ensure high quality meals continue to be delivered to our customer base in Godalming	Within existing budgets	01/04/19	31/03/22	Support Services Manager (HB)	Vulnerable members of the community will lose this valued service
CCS11.2	Effectively market the service to further increase take-up and enhance service viability	Within existing budgets	01/04/19	31/03/22	Support Services Manager (HB)	The service becomes unviable and has to cease.

Team Projects

Outcome 12.	Ensure the post and print delivery model is the most cost effective that can be achieved without compromising quality standards					
	Corporate Priority: Prosperity					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS12.1	Comprehensively review all existing external contracts regarding post and printing services and explore alternative delivery models		01/04/19	30/09/19	Support Services Manager (HB)	Services will be costing more than the market may be able to bear

Service Team: Estate and Valuation **Team Leader: Anne Cains - Estates and Valuation Manager**

Business As Usual

Outcome 13. Increase revenue from the commercial portfolio						
Corporate Priority: <i>Prosperity</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS13.1	Acquire new properties generating revenue to increase overall income in line with the Corporate Strategy. It is expected that at least one property will be acquired every year.	Significant additional resource will be needed from reserves or from borrowing	01/04/19	31/03/22	Estates and Valuation Manager (AC)	This will impact negatively of budget projections
CCS13.2	Effectively manage the commercial portfolio to ensure income levels match or exceed budget targets	Within existing budgets	01/04/19	31/03/22	Estates and Valuation Manager (AC)	This will impact negatively of budget projections
CCS13.3	Fully implement the Council's decision to set up a property company to increase income generation opportunities	The costs associated with this action are expected to be in the region of £50k	01/04/19	30/04/19	Estates and Valuation Manager (AC)	This will impact negatively of budget projections if not achieved
CCS13.4	Ensure skilled staff recruited and/or retained	Within existing budgets	01/04/19	31/03/22	Estates and Valuation Manager (AC)/Head of Customer and Corporate Services (DA)	Insufficient skilled resource will negatively impact on our ability to meet this objective

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Outcome 14. Ensure service areas are able to achieve their operational objectives by providing technical estates and valuations advice and support						
Corporate Priority: <i>Choose from Prosperity</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS14.1	Continue to provide a responsive service the effectiveness of which is tested annually via internal survey.	Within existing budgets	01/04/19	31/03/22	Estates and Valuation Manager (AC)	This will have a negative impact on the service teams effected if the service is slow or technically inadequate
CCS14.1	Ensure skilled staff recruited and/or retained.	Within existing budgets	01/04/19	31/03/22	Estates and Valuation Manager (AC)	Insufficient skilled resource will negatively impact on our ability to meet this objective

CCS14.1	Ensure an effective database and record-keeping system is in place as a basis for effective delivery	Some capital investment may be required. This should be within the range of £2-7k.	01/04/19	31/03/22	Estates and Valuation Manager (AC)	Effective record keeping provides a better platform for the Team in their advisory role.
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Team Projects

Outcome 15. Identify a viable option for the Council as regards office accommodation and the future of The Burys

Corporate Priority: Prosperity

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS15.1	Within the One Public Estate initiative work with our partner organisations to define realistic options for the re-development of this site which will deliver cashable savings	Additional resource will be required. A budget of £200k has been bid for in addition to further bids made to One Public Estate	01/04/19	30/06/19	Estates and Valuations Manager (AC)/Head of Customer and Corporate Services (DA)	If options are not identified we will have or find the resources to maintain the ever increasing costs associated with The Burys

Service Team: Property and Engineering **Team Leader: Nick Laker - Property and Engineering Manager**

Business As Usual

Outcome 16. Ensure corporate buildings are safe by effective management of assets

Corporate Priority: Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS16.1	Ensure the corporate asset database is up to date, accurate and meets all health and safety requirements.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	The potential of a serious health and safety breach and significant cost implications

CCS16.2	Ensure all fire risk assessments are carried out to all corporate buildings including pavilions.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	There will be an increased chance of a fire and a greater chance of casualties as a result of any fire, if appropriate measures and controls are not in place.
CCS16.3	Maintain an effective staff resource to provide a technical competent and responsive service.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	Any failure to effectively manage assets will increase the potential of health and safety breaches and/or reactive maintenance costs
CCS16.4	Provide detailed and accurate performance management data to evidence the effectiveness of the inspection regime.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	Corporate decision makers will not have the information they need to scrutinise the effectiveness of the function

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Outcome 17.	Minimise flood incidents by monitoring, maintaining and managing watercourses within the borough					
	Corporate Priority: <i>Choose from Place</i>					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS17.1	Continue to work effectively with our key partners (Surrey CC, Environmental Agency and Local Flood Groups) in providing a collaborative approach and solution to water management.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	Increased chances of flooding
CCS17.2	Ensure appropriate inspection and maintenance arrangements are in place to maximise flood prevention.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	Increased chances of flooding
CCS17.3	Continue to provide an out of hours flood response service.	Within existing budgets	01/04/19	31/03/22	Property and Engineering Manager (NL)	Reputational damage if residents are unable to access advice

Team Projects	
Outcome 18.	Review and determine the corporate strategy for the maintenance of Waverley owned bus shelters
	Corporate Priority: <i>Prosperity</i>

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS18.1	Assess the cost implications for effectively maintaining the 95 bus shelters for which we have responsibility and test the corporate appetite for the continued provision of this service	A comprehensive maintenance programme will require an investment of around £25k per annum for the next 3-5 years	01/04/19	30/06/19	Property and Engineering Manager (NL)	Increased chances of a health and safety incident due to maintenance failings

Service wide or cross cutting projects

Outcome 19. Implement the corporate customer services project ensuring the delivery of the key objectives including cashable savings and improved satisfaction with Council services						
Corporate Priority: Prosperity/People						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CCS19.1	Lead the Corporate Review and co-ordinate the work carried out by the individual work-streams.	Capital submission submitted for £150k for 2019/2020 and a further £100k in 2020/2021	Project commenced in September 2018	Project expected to complete by March 2021	Head of Customer and Corporate Services (DA)	Projected cashable savings will not be delivered thus impacting on budget planning
CCS19.2	Engage effectively with partner organisations to deliver cross boundary solutions where the business case can be proven	Potentially additional investment may be required	01/04/19	31/03/21	Head of Customer and Corporate Services (DA)	Any missed opportunity may result in unnecessary additional cost and poorer accessibility from the customer perspective

Service Plan 2019-2022

Head of Service:	Kelvin Mills
Strategic Director:	Annie Righton
Portfolio Holders:	Cllr Julia Potts, Cllr Jenny Else, Cllr Jim Edwards, Cllr Andrew Bolton, Cllr Carol King

Service:	Communities Service - Economic Development only
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Service Profile

The Communities Service is comprised of 5 teams which deliver specific functions:

- Leisure - The primary focus of the leisure team is the contract management of Places Leisure who operate our five leisure centres, ensuring a high quality of service and maximising usage. In addition the team focus on increasing physical activity and the health and wellbeing of the residents of Waverley.
- Parks and Countryside – The Parks team manage our grounds maintenance contractor who looks after the greenspaces throughout the Borough ensuring quality greenspace, sports pitches and play areas. The Ranger Team manage and maintain the countryside areas within Waverley ownership ensuring accessibility and biodiversity in line with national and local policy.
- Community Services – Work closely with our voluntary sector supporting their service delivery. Community Safety plays a pivotal role of maintaining a safe borough for our residents by working in partnership with all the statutory agencies in particular the police service. **Economic Development also sits within this service and is charged with delivering the recently adopted strategy making Waverley a business friendly borough.**
- Arts and Culture – supports the cultural services within the borough maximising funding for arts and culture. Oversees and manages community facilities and museums in our towns and villages
- Careline- offer a community alarm service to help people live longer and independently at home.
- Waverley Training Services – delivers apprenticeships and study programs for young people to help them into employment and further education.

Service Team: Economic Development

Team Leader: Katie Webb - Community Service Manager

Business As Usual

Outcome 12.	Sustainable business and employment growth is encouraged in our urban and rural areas.					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action

CS12.1	Support Waverley's businesses through council procurement processes to create opportunities to bid for council contracts.	None	01/04/19	31/03/19	Economic Development Project Officer (GD)	Reduces opportunities for Waverley business to bid for contracts
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Outcome 13.	Existing and new businesses in Waverley are supported					
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	Corporate Priority: Prosperity					
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
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CS13.1	Ensure the key account management system supporting local companies is up to date.	Officer time	01/04/19	31/03/20	Community Services Support Officer (CA)	Risk of not delivering the actions and outcomes of the new ED Strategy
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CS13.2	Support and promote rural businesses working closely with key partners such as the National Trust, Surrey Hills ANOB.	Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)	Risk of not delivering the actions and outcomes of the new ED Strategy
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CS13.3	Respond and support local businesses to changes in national and local priorities such as Brexit.	Officer time	01/04/19	31/03/20	Economic Development Project Officer (GD)/ Economic Development Partnerships Officer (CK)	Risk of businesses feeling isolated and unsupported
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Outcome 14.	Suitable communication channels to reach businesses, investors and homeworkers are developed					
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	Corporate Priority: Prosperity					
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
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CS14.1	Development of external website hub and regular e-newsletter to increase awareness of Council's support of business	Budget £10k / Communications / external provider	01/04/19	31/07/19	Community Service Manager (KW) /Economic Development Partnerships Officer (CK)	Risk of not delivering the actions and outcomes of the new Economic Development Strategy
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Outcome 15.	High quality business and employment support is provided with key partners (EM3, Growth Hub and Business South)					
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	Corporate Priority: <i>Prosperity</i>					
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
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CS15.1	Maximise the value of support to new and existing businesses through management of our Enterprise 1st and Business South contracts	ED Budget	01/04/19	31/03/20	Economic Development Project Officer (GD) /Economic Development Partnerships Officer (CK)	Risk of organisations not delivering the outcomes of their SLA's
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CS15.2	Work with the Surrey Futures working group to create a "Place ambition for Surrey"	Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)	Potential gap in partnership working if not involved
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Outcome 16.	Support healthy town centres by working closely with the local chambers and town clerks					
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	Corporate Priority: <i>Choose from Prosperity, People, Place</i>					
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
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CS16.1	Fund a Business Improvement (BID) feasibility study for the four town centres	£15k for consultancy	Started	01/07/19	Economic Development Partnerships Officer (CK) /Community Service Manager (KW)	Risk of not delivering the actions and outcomes of the new ED Strategy
CS16.2	Sponsor and support the cross Waverley chambers event in 2019	£10k officer time	01/04/19	31/03/20	Community Service Manager (KW)/Economic Development Partnerships Officer (CK)	Risk of not delivering the actions and outcomes of the new ED Strategy
CS16.3	Support mystery shopper events across the Borough	ED Budget / officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK) /Economic Development Project Officer (GD)	Potential poor shopper experiences, shoppers go elsewhere

Outcome 17.	The actions of the Economic Development Strategy Action Plan (2018 - 2020) are delivered and monitored					
	Corporate Priority: Choose from Prosperity, People, Place					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CS17.1	Number of Actions completed	£28k budget required to deliver action plan targets	01/04/19	31/03/20	Community Service Manager (KW) /Economic Development Partnerships Officer (CK)	Risk of not delivering the actions and outcomes of the new ED Strategy

CS17.2	Present performance indicators of action plan to Overview and Scrutiny annually.	Democratic Services	01/10/19	30/11/19	Community Service Manager (KW) /Economic Development Partnerships Officer (CK)	Failure to update councillors on progress
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Outcome 18. Business skills and employment opportunities are created across the borough

Corporate Priority: Choose from Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CS18.1	Create business skills and employment opportunities with Waverley Training Services	Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)/ Centre Manager WTS (AOS)	Risk of not delivering the actions and outcomes of the new ED Strategy
CS18.2	Work with the local job and opportunities clubs to help address unemployment in deprived wards	ED Budget	01/04/19	31/03/20	Economic Development Project Officer (GD)	Job clubs closing / no specialised service in these communities
CS18.3	Support UCA graduates staying and working in the borough	Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)	
CS18.4	Support education establishments to maximise opportunities to work with local communities	Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)	

Outcome 19. Visitor economy initiatives are supported

Corporate Priority: Choose from Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
CS19.1	Gathering up to statistics on the value of the local visitor economy	£1.5k	started	31/03/20	CK/Community Service Manager (KW)	Not understanding or increasing local visitor economy for local businesses
CS19.2	Work with Surrey County Council and Visit Surrey to find a long term solution for supporting the tourism sector	Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)	reduction in visitors negative impact on local businesses
CS19.3	Produce marketing materials to promote tourism in the borough	ED Budget	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)/Community Development Officer - Arts (CH)	Tourism opportunities not promoted
CS19.4	Hold quarterly tourism events	ED Budget / Officer time	01/04/19	31/03/20	Economic Development Partnerships Officer (CK)	No network opportunities

Service Plan 2019-2022

Head of Service:	Peter Vickers
Strategic Director:	Graeme Clark
Portfolio Holders:	Cllr Ged Hall

Service:	Finance
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Service Profile 2019-2022

The Revenues and Benefits Service is responsible for the collection of council tax and business rates, the payment of housing benefit and council tax support. The key objectives for the service are:

- to provide a cost-effective revenue service that achieves the maximum collection rate possible for the Council Tax and Business Rates due from residents and businesses in the Borough
- to ensure our customers receive their entitlement to benefit to help them meet their housing costs and to make payments quickly and accurately.

The Finance Service provides a wide range of accountancy and exchequer services to internal and external customers. The key objectives for the service are:

- to ensure robust and effective management of Waverley's financial resources with clear and transparent reporting of the Council's accounts and transactions
- to give clear advice to Members, staff and other organisations to support sound decision making and prudent financial management
- to manage all of the Council's incoming and outgoing financial transactions in accordance with good practice and Waverley's policy and control framework

Service Team: Housing Benefit Service

Team Leader: Nicky Harvey - Benefits Manager

Business As Usual

Outcome 1. Waverley residents receive an efficient and accessible Housing Benefit Service.

Corporate Priority: <i>Prosperity and People</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F1.1	All new housing benefit claims are responded to and provisionally assessed on the day of receipt.	none	in place	on going	Benefits Manager (NH)	Delay in entitlement assessment will negatively impact on claimants housing security
F1.2	Service performance standards (new claims and changes in circumstances processing) are within target turnaround days.	none	in place	on going	Benefits Manager (NH)	Delay in entitlement assessment will negatively impact on claimants housing security
F1.3	Weekly review of service performance data with the Housing Benefits team and Head of Finance to inform service delivery planning.	none	in place	on going	Benefits Manager (NH)	Service performance is not understood, corrective action cannot be taken.

F1.4	Maintain dialogue with Department for Work and Pensions (DWP) to comply with their requirements for the implementation of Full Universal Credit (UC) (for all new working age claimants) from October 2018.	none	in place	on going	Benefits Manager (NH)	Gap in service resulting in a detrimental impact on claimants moving over the Universal Credit
F1.5	Housing benefit subsidy financial performance will be reviewed monthly to maintain benefit calculation accuracy rate within the DWP Local Authority 100% subsidy threshold.	none	in place	on going	Benefits Manager (NH)	Financial impact on the council.

Team Projects

Outcome 2. Support the Corporate Channel Shift project objectives.						
Corporate Priority: <i>Prosperity and Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F2.1	Collaborate with the Channel Shift initiative to develop customer self service functionality.	none	on going	on going	Benefits Manager (NH)	Failure to deliver the full outcomes and objectives of channel shift.

Service Team: Revenues Service **Team Leader: Nicky Harvey - Benefits Manager**

Business As Usual

Outcome 3. Exceed 99% collection for local taxation.						
Corporate Priority: <i>Prosperity, People and Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F3.1	Weekly review of service performance data with the service manager and Head of Finance to inform service delivery planning.	none	on going	on going	Benefits Manager (NH)	Poor customer service, negative impact on tax base and collection rates
F3.2	Redesign processes within the Revenue service to ensure all incoming correspondence is cleared in one working day from receipt.	none	01/04/19	on going	Benefits Manager (NH)	Poor customer service, negative impact on tax base and collection rates
F3.3	Ensure effective risk based processes are in place to maximise the tax base.	none	01/04/19	on going	Benefits Manager (NH)	Tax base will be eroded

F3.4	Develop a centralised systems and processes controls team to ensure an accurate tax base administration, government returns, financial controls and maintain Civica system integrity.	none	01/04/19	on going	Benefits Manager (NH)	Tax base will be eroded, inaccurate data, Civica system not compliant.
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Team Projects

Outcome 4. Service is redesigned and integrated with the Benefit Service

Corporate Priority: Choose from Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F4.1	Complete the Revenues Service redesign, cutting out inefficiency and refocus the service on the customer.	none, funded from DCLG service improvement grant.	01/02/18	30/06/19	Head of Finance (PV)	Revenues service will not have any capacity for improvement, resulting in inadequate customer service.
F4.2	Implement and establish the redesigned service processes.	none, will be contained within existing revenue budget	01/04/19	ongoing	Benefits Manager (NH)	Team will not benefit from the efficiencies identified in the review.
F4.3	Integrate the Revenues Service and Benefits service into a single service.	none, will be contained within the revenue budget.	01/04/19	ongoing	Benefits Manager (NH)	Economies of scale and improved efficiencies will not be realised.

Service Team: Finance (Accountancy & Exchequer) Team Leader: Walter Stockdale - Financial Services Manager

Business As Usual

Outcome 5. Robust budget monitoring arrangements are in place that is commensurate with the size, risk, complexity and volatility associated with particular revenue budgets and capital schemes.

Corporate Priority: Prosperity, People and Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F5.1	Develop a monthly management reporting format, tailored to specific audiences.	none	on going	on going	Accountant Manager (RP)	Inappropriate management information will impact decision making and governance.
F5.2	Develop the online budget monitoring process to incorporate forecast updates actioned by service managers.	none	on going	on going	Accountant Manager (RP)	Process will be cumbersome and inaccurate, wasting significant time.
F5.3	Ensure all services are supported with proactive financial management and support.	none	on going	on going	Accountant Manager (RP)	Services carrying higher financial risk will not be adequately managed leading to potential financial loss.

Outcome 6.	An effective process is in place to ensure the Council has a balanced General Fund annual budget and robust Medium Term Financial Plan.					
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	Corporate Priority: Prosperity, People and Place					
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F6.1	Ensure management are engaged in effective service planning and review processes.	none	on going	on going	Head of Finance (PV)	Lack of understanding and buy-in to the current and future financial situation.
F6.2	Review previous year annual outturn against current year performance and future budget requirements with Heads of Service.	none	01/06/19	31/07/19	Head of Finance (PV)	Mis-aligned and uninformed management decisions.
F6.3	Ensure the Value for Money Scrutiny committee and Executive are briefed on the all decisions that impact on the Medium Term Financial Plan.	none	on going	on going	Head of Finance (PV)	Decisions are taken out of line with the Medium Term Financial Plan.
F6.4	Lead on developing and implementing actions plans to ensure a balanced annual budget and Medium Term Financial Plan.	none	on going	on going	Head of Finance (PV)	Unsound financial situation

Team Projects

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Outcome 7.	The Agresso financial IT system and supporting financial administrative processes provide an efficient and cost effective solution to front line service administration to facilitate a reduction in administration capacity and transaction costs.					
	Corporate Priority: <i>Prosperity, People and Place</i>					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F7.1	Develop a work programme of service reviews(interventions) to identify the required Agresso configuration, including cost benefit analysis for each intervention.	To be identified within the programme on an invest to save basis.	01/11/18	31/03/19	Financial Services Manager (WS)	Services use inadequate IT solutions for managing large volume client bases, in bespoke and ad hoc systems.

Service wide or cross cutting projects

Outcome 8.						
	Corporate Priority: <i>Choose from Prosperity, People, Place</i>					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
F8.1	Participatory Budget Group ? To be confirmed					

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Service Plan 2019-2022

Head of Service:	Robin Taylor
Strategic Director:	Tom Horwood
Portfolio Holders:	Cllr Julia Potts, Cllr Ged Hall

Service: **Policy and Governance**

Service Profile 2019-22

Policy and Governance is comprised of 6 teams: Democratic Services; Legal Services; Human Resources; Corporate Policy; Communications and Engagement; and Elections. The Head of Policy and Governance is also the Council's Monitoring Officer.

The Service exists to:

1. Support democratic, transparent, informed and high quality decision-making by Waverley's Elected Councillors (Democratic Services);
2. Provide high quality advice to ensure the Council acts lawfully and transparently and search and provide vital information to house and property buyers in Waverley (Legal Services and Land Charges);
3. Promote a positive and committed staff culture, develop and retain talented staff and ensure Waverley is able to compete effectively in the employment market and be seen as an attractive employer in the local community (Human Resources);
4. Ensure Waverley has a clear vision, robust plans and policies and an effective performance management culture (Corporate Policy);
5. Ensure that information about Waverley's services reaches the right people at the right time in the most accurate, efficient and cost-effective way (Communications and Engagement);
6. Prepare for, organise and conduct all types of elections, polls and referendums held in the Waverley Borough (Elections); and
7. Maintain high standards of governance and ethical conduct (Monitoring Officer Function).

Service Team: Corporate Policy

Team Leader: Louise Norie - Corporate Policy Manager

Business As Usual

Outcome 1. The Council has a Corporate Strategy in place, underpinned by an effective performance management framework and culture						
Corporate Priority: <i>Prosperity, People, Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action

PG 1.1	<i>Support effective performance management</i> Ensure that the Council's Performance Management Framework delivers accurate and timely information to decision-makers and key stakeholders	Within existing budgets	01/04/19	31/03/22	Policy and Performance Officer (NC)	Performance doesn't improve
PG 1.2	<i>Support effective policy development</i> Ensure that the Council takes a robust and consistent approach to policy development, including clear and documented review and version control processes for strategies, policies and procedures.	Within existing budgets	01/04/19	31/03/22	Policy and Performance Officer (NC)	Poor or inconsistent policy-making
PG 1.3	<i>Support effective project management</i> Ensure that the Council has, and consistently uses, an up to date Project Management Framework, including common protocols and templates, which drives the delivery of all projects to the required standard of quality, cost and time.	Within existing budgets	01/04/19	31/03/22	Policy and Performance Officer (NC)	Scope creep, non delivery, lack of focus.

Outcome 2. Scrutiny at Waverley is done really well, adding value and improving policy development and decision-making						
Corporate Priority: <i>Prosperity, People, Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 2.1	<i>Provide policy support to O&S Committees</i> Provide excellent scrutiny policy support to all four O&S committees to deliver an ambitious, valuable and responsive scrutiny programme that supports organisational policy development and good decision making.	Establishment budget is for 1 full time Scrutiny Policy officer. The current second scrutiny policy officer is not part of the establishment and relies on one-off financial contribution from the Finance team.	01/04/19	31/03/22	Policy Officer (Scrutiny)	Scrutiny through committees is ineffectual.
PG 2.2	<i>Provide policy support on O&S projects and working groups</i> Drive O&S task and finish groups by drafting scopes, coordinating officer input, and researching and producing relevant supporting documents.		01/04/19	31/03/22	Policy Officer (Scrutiny)	Task and finish groups would achieve low quality outcomes.
PG 2.3	<i>Develop a positive scrutiny culture</i> Foster positive relationships with Scrutiny Chairs, Vice Chairs, Portfolio Holders and service managers to ensure Scrutiny functions well and supports the Council in making good decisions.		01/04/19	31/03/22	Policy Officer (Scrutiny)	Scrutiny objectives would not be achieved satisfactorily.

Outcome 3. Customer complaints are dealt with effectively and that the council learns from them.						
Corporate Priority: Choose from Prosperity, People, Place						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 3.1	<i>Support colleagues in responding to customer complaints</i> Work with colleagues to ensure all complaints are handled in accordance with Council's corporate complaints policy in a timely and sensitive manner.	Within existing budgets	01/04/19	31/03/20	Corporate Complaints Officer	Waverley's reputation is damaged.
PG 3.2	<i>Learn from customer complaints</i> Quarterly monitoring of complaints and lessons learnt is carried out with the help of Complaints Administrators and reported to Management Board and Councillors.	Within existing budgets	01/04/19	31/03/20	Corporate Complaints Officer	Lessons are not learnt and services don't improve.
Outcome 4. The principles of equality and diversity are embedded into the Council's policy development and decision-making processes						
Corporate Priority: Choose from Prosperity, People, Place						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 4.1	<i>Take a corporate lead on equality and diversity</i> Coordinate the Corporate Equality Group which provides the necessary challenge over equality issues and ensures that the Council is aware of the need to have 'due regard' to the provisions of the Equality Act 2010 in their decision making.	Within existing budgets	01/04/19	31/03/20	Corporate Policy Manager	Non compliance and not benefitting from diversity
PG 4.1	<i>Assess the equality impact of new policies and initiatives</i> Champion the need for Equality Impact Assessments to be undertaken when policies are being developed and provide effective corporate policy support on them	Within existing budgets	01/04/19	31/03/20	Corporate Policy Manager	EQIAs not routinely or properly done

Service Team: Communications and Engagement **Team Leader: Harri Robinson - Communications and Engagement**

Business As Usual

Outcome 5. The Council achieves the vision and objectives set out within its new public communications and engagement strategy 2018-2023						
Corporate Priority: <i>Choose from Prosperity, People, Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 5.1	<i>Keep residents informed and promote civic pride in Waverley</i> Ensure that information about Waverley's services reaches the right people at the right time in the most accurate, efficient and cost-effective way, using a variety of channels: (1) Traditional media; (2) Social Media; (3) TV and radio; and (4) direct communications with stakeholders including Town and Parish Councils.	Within existing budgets.	01/04/19	31/03/20	Communications and Engagement Manager (HR)	Residents not kept informed
PG 5.2	Take a planned, targeted and evidence-based approach to communications. Work within an agreed annual forward plan focused on priority corporate objectives, signed off by senior management and Portfolio Holders.	Within existing budgets.	01/04/19	31/03/20	Communications and Engagement Manager (HR)	communications activity is reactive and haphazard
PG 5.3	<i>Do more digital but not exclusively digital</i> Utilise new digital technology, including social media channels and the Council's website, to connect effectively with Waverley's residents whilst continuing to ensure we provide high quality face-to-face and other traditional channels of communication for those who don't want to connect with us online.	Within existing budgets.	01/04/19	31/03/20	Communications and Engagement Manager (HR)	We don't meet customer needs or offer the channels they want to use
PG 5.4	<i>Engage with Waverley's residents and customers</i> Listen, meet, survey, consult and engage with Waverley's communities - using the information provided to inform, shape and improve the Council's services.	Within existing budgets.	01/04/19	31/03/20	Communications and Engagement Manager (HR)	Residents' perspectives do not influence decision-making
PG 5.5	<i>Be more commercial</i> Market and promote our paid-for and statutory services and sell advertising space in the Your Waverley magazine to create income.	Within existing budgets.	01/04/19	31/03/20	Communications and Engagement Manager (HR)	Larger budget gap

Service Team: Democratic Services / Monitoring Officer function

Team Leader: Robin Taylor / Fiona Cameron - Democratic Services Manager

Business As Usual

Outcome 6. The Council's decision-making is democratic, transparent, and informed and councillors are supported to function effectively						
Corporate Priority: <i>Prosperity, People, Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 6.1	Support committee meetings Provide effective democratic support to all Council committees and key internal committees.	Within existing budgets.	01/04/19	31/03/20	Democratic Services Manager (FC)	Non compliance
PG 6.2	Facilitate good scrutiny Work with Policy colleagues to deliver a Scrutiny programme that Councillors are fully engaged with.	Within existing budgets.	01/04/19	31/03/20	Democratic Services Manager (FC)	Scrutiny doesn't add value
PG 6.3	Use IT to save money and be more efficient Continue to develop functionality of Modern.Gov to increase efficiencies in working practices.	Within existing budgets.	01/04/19	31/03/20	Democratic Services Manager (FC)	Increased costs
PG 6.4	Encourage use of Mod.Gov amongst staff and councillors Continue to promote and support use of iPads by staff and Councillors to reduce printing costs and increase the efficiency of democratic support processes.	Within existing budgets.	01/04/19	31/03/20	Democratic Services Manager (FC)	Increased costs
PG 6.5	Provide effective support to the Mayor Support the Mayor and Deputy Mayor in their civic and ceremonial roles by providing effective secretarial support and coordinating a range of visits, events and activities.	Within existing budgets.	01/04/19	31/03/20	Democratic Services Manager (FC)	Mayor not supported / impact on community events etc.

Outcome 7. The Council functions properly, with high standards of governance and ethical conduct						
Corporate Priority: <i>Prosperity, People, Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 7.1	Provide advice and guidance Support councillors and officers to identify and deal appropriately with any potential conflicts of interests to ensure democratic and transparent decision-making.	Within existing budgets.	01/04/19	31/03/22	Head of Policy and Governance (Monitoring Officer) (RT)	
PG 7.2	Resolve any complaints and questions about council procedure and conduct Respond to complaints made to the Monitoring Officer or questions that arise with respect to Councillors' Codes of Conduct, aiming to resolve matters and ensure any lessons are learnt.	Within existing budgets.	01/04/19	31/03/22	Head of Policy and Governance (Monitoring Officer) (RT)	

PG 7.3	Ensure our governance protocols remain fit for purpose and efficient Work with the Standards Committee to continue to monitor the effectiveness of the Council's Constitution and Scheme of Delegation to ensure they enable quick, transparent democratic processes.	Within existing budgets.	01/04/19	31/03/22	Head of Policy and Governance (Monitoring Officer) (RT)	Non compliance / lack of confidence in the Council's approach
PG 7.4	Support councillors through training on ethics and standards Provide training on Councillor standards to the new Waverley Council and to Towns and Parish Councils.	Within existing budgets.	08/05/19	30/06/19	Head of Policy and Governance (Monitoring Officer) (RT)	
PG 7.5	Appoint and consult as appropriate Independent Persons to the Council Manage appointment of Independent Persons as part of Surrey Authorities Independent Persons consortium.	Within existing budgets.	01/04/19	31/07/19	Democratic Services Manager (FC)	
PG 7.6	Keep all registers of interest up to date Ensure Waverley and Town and Parish Councils' Councillors' interests are properly recorded following the May 2019 elections.	Within existing budgets.	08/05/19	30/06/19	Democratic Services Manager (FC)	

Team Projects

Outcome 8. Deliver an excellent programme of Councillor Learning and Development

Corporate Priority: Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 8.1	Achieve Charter Mark Status in Elected Member Development Develop and deliver a new programme of Councillor Learning and Development, as part of progress towards achieving the South East Employers Charter for Elected Member Development	Within existing budgets.	01/04/19	31/03/20	Democratic Services Manager (FC)	Elected Members not fully supported
PG 8.2	Induct, inform and support new and returning members Deliver an Induction Programme for Councillors following elections in May 2019.	Within existing budgets.	08/05/19	31/12/19	Democratic Services Manager (FC)	

Service Team: Elections **Team Leader: Tracey Stanbridge - Senior Manager - Elections and Corporate Projects**

Business As Usual

Outcome 9.	The Council prepares for, organises and conducts all types of elections, polls and referendums held in the Waverley borough.
	Corporate Priority: Choose from Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 9.1	Conduct fair and transparent elections Complete preparations for and conduct of combined Borough and Town/Parish elections.	Within existing budgets with specific elections expenses recharged as appropriate.	01/04/19	31/05/19	Senior Manager - Elections and Corporate Projects (TS)	Non compliance
PG 9.2	Prepare for and deliver Police & Crime Commissioner elections, Surrey County Council elections and UK Parliamentary General Election.		01/04/19	31/03/22	Senior Manager - Elections and Corporate Projects (TS)	
PG 9.3	Canvass Prepare for and conduct annual voter registration canvass process.		01/04/19	13/12/19	Senior Manager - Elections and Corporate Projects (TS)	
PG 9.4	Conduct fair and transparent referendums, polls and ballots Prepare for and conduct all neighbourhood planning referendums, By-Elections and 'Business Improvement District' ballots as required.		01/04/19	31/03/22	Senior Manager - Elections and Corporate Projects (TS)	

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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
Outcome 10.	The Electoral Register is maintained					
Corporate Priority: Choose from Prosperity, People, Place						
PG 10.1	Maintain the electoral register Deliver the electoral registration service for the Borough	Within existing budgets.	01/04/19	31/03/22	Senior Manager - Elections and Corporate Projects (TS)	Non compliance

Team Projects						
Outcome 11.	Undertake electoral / community governance reviews					
Corporate Priority: Choose from Prosperity, People, Place						

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 11.1	Review polling places in the Borough Prepare for and conduct Borough wide polling places review including consultation process and assessment of any alternative polling places identified.	Within existing budgets.	01/04/19	31/01/20	Senior Manager - Elections and Corporate Projects (TS)	Non-compliance with legislation

Service Team: Human Resources **Team Leader: Katy Meakin - HR Manager**

Business As Usual

Outcome 12. Waverley's HR function is built on solid foundations (Priority 1 of the Council's new HR Strategy 2018-2023)

Corporate Priority: Choose from Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 12.1	Monitor and analyse HR data Develop an evidence based approach to HR by formulating monthly, quarterly and annual employment reports which share key workforce data and analyses trends in order to address current and future challenges for our services.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	HR strategic direction is undermined by unwieldy, unclear or inefficient processes
PG 12.2	Improve the efficiency of our payroll function Utilising our HR and payroll system iTrent to improve the input and analysis of data in order to provide a cohesive automated service.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	
PG 12.3	Empower managers to manage effectively using self-service tools Develop a self service approach to HR by training the HR team and managers to use our HR and Payroll systems to input, update and manage data about their teams.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	
PG 12.4	Manage documents and data digitally Install an automated HR document management system which allows all employee files to become paperless and integrates with our payroll system.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	
PG 12.5	Review and improve team processes Collate data for HR, payroll, recruitment, L&D, and employee relations. Based on the statistical analysis, measure the performance of the HR team and make adjustments to working policy, process and practice.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	

PG 12.6	<i>Develop the HR team to ensure they reach their full professional potential</i> Team to be fully trained and competent in the correct skills and expertise to provide timely and accurate advice at all times.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	Recruitment and retention issues / negative impact on customer service and support
PG 12.7	<i>Build strong professional HR relationships and networks</i> Network with the Local Government Association, Surrey HR Partnership and South East Employers by advising on employment related projects and benchmarking surveys to ensure we are at the forefront of best practice and working collaboratively with our communities.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	Not benefitting from others' knowledge and best practice

Outcome 17.	We attract, recruit and nurture staff talent (Priority 2 of the Council's new HR Strategy 2018-2023)					
Corporate Priority: Choose from Prosperity, People, Place						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 17.1	<i>Streamline and improve our recruitment processes</i> Review recruitment procedures and systems internally and externally to create a lean pro-active service which reduces re-advertising, vacancy rates and time to recruit.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	Recruitment retention processes are inefficient
PG 17.2	<i>Identify skills gaps and grow internal talent to plug these</i> Identify how to manage skills gap trends and growing our own talent within the business to ensure we have transferrable skills and career opportunities.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	We over rely on external talent / lack of resilience
PG 17.3	<i>Plan and deliver apprenticeship and graduate programmes</i> Support a wider group of development opportunities for apprentices, graduates, work experience and internships which in turn aims to improve our recruitment and retention.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	Lack of longer term succession planning / benefitting from fresh perspectives
PG 17.4	<i>Respond to the HR implications of Brexit</i> Review and react to the wider political, economic and social issues including the elections and Brexit.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	non compliance / opportunity costs

Outcome 18.	We retain, recognise and reward staff effectively and appropriately (Priority 3 of the Council's new HR Strategy 2018-2023)					
Corporate Priority: Choose from Prosperity, People, Place						

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 18.1	<i>Understand and respond to our gender pay gap</i> Analyse and address where appropriate our Gender Pay Gap differences on an annual basis in preparation for the statutory duty to report our statistics at the end of the financial year.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge
PG 18.2	<i>Make sure our pay structure is fit for purpose and appropriate</i> Review how our pay structure can be adapted and funded within the Medium Term Financial Plan and alongside the annual Joint Negotiating Committee in conjunction with the end of the financial year.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	
PG 18.3	<i>Provide competitive staff benefits</i> Review and develop the existing benefits scheme to ensure it is clear, flexible and competitive.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	
PG 18.4	<i>Support and promote positive mental health and well-being</i> Develop our Time to Change pledge and Wellbeing Charter at each committee meeting to reflect the trends and challenges in our workforce, locally and nationally.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	
PG 18.5	<i>Reward results, not presentism</i> Promote a remote working performance based culture in line with current technology and flexible working practices.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	

Outcome 19.	Staff and elected members learn and develop the skills, knowledge and experience they need to achieve their full potential (Priority 4 of the Council's new HR Strategy 2018-2023)					
Corporate Priority: <i>Choose from Prosperity, People, Place</i>						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 19.1	<i>Provide an effective corporate framework for managing staff performance</i> Review of our annual Performance Agreement and 1:1 meeting framework, setting and achievement of SMART objectives to ensure its usage is relevant for each forthcoming financial year starting in April.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	Staff do not develop and learn, impacting on recruitment and retention and also the ability of the
PG 19.2	<i>Ensure staff identify and access the development opportunities they need</i> By the end of 2019 develop and online on-boarding process for staff within their first year of employment to improve training and understanding of development opportunities available.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	

PG 19.3	<i>Consult all staff on their views</i> Undertake a Staff Survey in June 2019 and ensure the Council responds to all actions arising from the Investors In People inspection.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	organisation to deliver against its objectives
PG 19.4	<i>Create career pathways and develop leadership capacity</i> Creation of clear capabilities, career pathways and leadership skills for managers and those developing their roles in the business.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM)	

Service Team: Legal Services **Team Leader: Daniel Bainbridge - Borough Solicitor**

Business As Usual

Outcome 20.	High quality and timely dedicated legal advice supports the council's delivery of services and strategic projects and ensures the Council acts lawfully, transparently and ethically					
	Corporate Priority: Choose from Prosperity, People, Place					
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 20.1	<i>Provide high quality and timely legal advice</i> Work with officer and Members to identify, plan and budget for legal support in order to support key corporate priorities and ensure the Council acts lawfully, transparently and ethnically.	Instructions met by existing budgets through re-charges or costed as part of larger project budgets as required	01/04/19	31/03/22	Borough Solicitor (DB)	Non compliance / reputational damage / costs / strategic risk
PG 20.2	<i>Identify the need for and commission external legal advice and support as required.</i> Work in partnership with other Surrey authorities to replace existing Surrey Framework with a series of new framework agreements.		01/04/19	31/03/22	Borough Solicitor (DB)	
PG 20.3	<i>Support the delivery of vital local infrastructure through planning agreements</i> Work closely with colleagues in planning to coordinate Community Infrastructure Levy (CIL) and Section 106 agreements to ensure local development is supported with appropriate infrastructure.		01/04/19	31/03/22	Borough Solicitor (DB)	

Outcome 21.	Maintain high performance in turning around land charges search requests					
	Corporate Priority: Choose from Prosperity, People, Place					

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 21.1	<i>Deliver a high quality land charges service to customers</i> Process customer requests, ensuring all searches are properly conducted in line with legislative and other requirements.	Within existing budgets.	01/04/19	31/03/22	Legal Business Manager (LA)	Non compliance / reputational damage / costs / strategic risk
PG 21.2	<i>Deliver a timely land charges service</i> Over a 12-month period, the average turnaround time for full searches is 7 working days and does not at any point exceed 10 working days.	Within existing budgets.	01/04/19	31/03/22	Legal Business Manager (LA)	Non compliance / reputational damage / costs / strategic risk

Outcome 22.	Lead and manage the Council's approach to Information Governance, ensuring it is fully compliant					
Corporate Priority: Choose from Prosperity, People, Place						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 22.1	<i>Comply with the 2018 Data Protection Act</i> Ensure the Council effectively and efficiently manages and governs data in line with the new Act.	Within existing budgets.	01/04/19	31/03/22	Borough Solicitor (DB) / Data Protection Officer (AF)	Non compliance / reputational damage / costs / strategic risk
PG 22.2	<i>Respond to Freedom of Information Requests</i> Ensure FOI requests are properly processed within the statutory deadlines set	Within existing budgets.	01/04/19	31/03/22	Deputy Borough Solicitor (DB) / Information Rights Coordinator (NP)	Non compliance / reputational damage / costs / strategic risk

Team Projects						
Outcome 23.	Deliver IT improvements to support efficient working practices and excellent customer service in Legal Services and Land Charges					
Corporate Priority: Choose from Prosperity, People, Place						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 23.1	<i>Freedom of Information system</i> Research, benchmark and implement the prospect of a new IT system for processing Freedom of Information Environmental Information and Data Protection requests [TBC]	To be researched	TBC	TBC	Borough Solicitor (DB)	

PG 23.2	<i>IKEN Case Management System</i> Utilise the functionality of our IKEN legal service case management system to provide consistent communication with internal customers and to meet agreed targets for acting on instructions and providing legal advice.	Within existing budgets.	01/04/19	31/03/20	Legal Business Manager (LA)	Systems not optimal
PG 23.3	<i>Land Charges system</i> Implementation of new Land Charges IT system	Within existing budgets.	01/04/19	31/03/20	Borough Solicitor (DB)	

Service wide or cross cutting projects

Outcome 24. An Employee Engagement Strategy is in place

Corporate Priority: *Choose from Prosperity, People, Place*

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 24.1	<i>Develop and implement an Employee Engagement Strategy</i> HR and Communications to jointly develop and implement a strategy for internal staff communications and engagement.	Within existing budgets.	01/04/19	31/03/22	HR Manager (KM) / Communications and Engagement Manager (HR)	Staff not fully engaged which impacts on recruitment and retention and delivery / performance

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Outcome 25. Support the delivery of the Waverley Customer Services Review project

Corporate Priority: *Choose from Prosperity, People, Place*

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 25.1	<i>Support the delivery of the Waverley customer services review project.</i> Corporate Policy Manager (Louise Norie) to project manage the customer services review project. Communications and Engagement Manager to lead on all Comms, web and social media aspects of the change programme.	TBC	TBC	TBC	Corporate Policy Manager (LN)/ Communications and Engagement Manager (HR)	Review not delivered / customer service approach not improved

Outcome 26. Service business continuity

Corporate Priority: Choose from Prosperity, People, Place

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action
PG 26.1	Business continuity Planning Ensure the service Business Continuity Plan is up to date and kept under regular revision and that all teams have tested BC arrangements in the event of an incident.	Within existing budgets.	01/04/19	31/03/22	Head of Policy and Governance (RT)	Lack of preparedness / impact on customer service

WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY AND CUSTOMER SERVICE O&S – 18 FEBRUARY 2019

COMMUNITY WELLBEING O&S – 19 FEBRUARY 2019

ENVIRONMENT O&S – 25 FEBRUARY 2019

HOUSING O&S – 26 FEBRUARY 2019

Title:

**CORPORATE PERFORMANCE REPORT
Q3 2018/2019
(OCTOBER – DECEMBER 2018)**

**[Portfolio Holder: All]
[Wards Affected: All]**

Summary and purpose:

The Corporate Performance Report provides an analysis of the Council's performance for the third quarter of 2018-19. The report, set out at Annexe 1, is being presented to each of the Overview and Scrutiny Committees for comment and any recommendations they may wish to make to the Executive. At the request of the Chairman and Vice-chairman of the Housing O&S Committee this item will be presented to the Housing O&S Committee for information only.

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

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

Equality and Diversity Implications:

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

Financial implications:

There are no resource implications in this report. Active review of Waverley's performance information, including financial data, is an integral part of the corporate performance management process, enabling the council to maintain value for money across its services.

Legal Implications:

Some indicators are based on statutory returns, which the council must make to the Government.

Background

The Council monitors its performance through a broad range of measures such as:

- Key performance indicators
- Progress of service plan actions
- Progress of Internal Audit recommendations
- Complaints
- Workforce data

- Finance
- Housing Delivery

A comprehensive report is collated at the end of each quarter and includes a corporate overview section with the Chief Executive's comments, followed by service specific sections with Heads of Service feedback on the performance in their area.

The report is used as a performance management tool by senior management and it is presented to the Overview and Scrutiny Committees to scrutinise the progress against the Council's goals and objectives.

Although the report contains information about all services, each of the Overview & Scrutiny Committees is only required to consider those sections of the report specific to its service area remit.

The Overview and Scrutiny Committees remits are listed below:

Value for Money and Customer Service O&S Committee:

- Customer and Corporate Services
- Finance
- Policy and Governance

Community Wellbeing O&S Committee:

- Communities Services
- Environmental Services – Licencing only

Environment O&S Committee:

- Environmental Services
- Planning

Housing O&S Committee (information only):

- Housing Operations
- Housing Strategy and Delivery

Recommendation

It is recommended that the Overview & Scrutiny Committee considers the performance of the service areas under their remit as set out in Annexe 1 to this report and makes any recommendations to senior management or the Executive as appropriate.

Background Papers

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

CONTACT OFFICER:

Name: Nora Copping
Title: Policy & Performance Officer
Telephone: 01483 523465
E-mail: nora.copping@waverley.gov.uk

Corporate
Performance Report
Q3 2018/19
(October – December 2018)

Final version



Report Publication Date: 8 February 2019

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RAG Rating Legend

Performance Indicators RAG Legend

Data only	Data only KPI, no target
Green	On target
Amber	Up to 5% off target
Red	More than 5% off target

Service Plans, Internal Audit, Project Management RAG

Completed
On track
Off track - action taken / in hand
Off track - requires escalation
Cancelled

1. Corporate Dashboard – All Services

Quarter 3 2018-19 - Performance Summary from the Management Board on Key Successes, Lessons Learnt, Areas of Concern

Chief Executive's quarterly report:

Performance in Quarter 3 was very good overall, with most performance indicators and service actions on track. The Service chapters provide commentary and detail, focusing on those areas of the Council's business that require intervention to bring them back on track.

Particular headlines from Quarter 3 are:

- The Council's financial position continues to be positive, with a favourable variance to the budget currently being forecast.
- Opening 24 new council-owned homes in Farncombe.
- Full Council adoption of the Economic Development and HR Strategies and the Community Infrastructure Levy schedule, which will drive progress and improvement in those areas in support of the Corporate Strategy.
- Agreeing the new waste and recycling contractor, Biffa.
- The opening of the refurbished Memorial Hall in Farnham.
- The successful defence of the Council's Local Plan in the High Court, and revising the timeline for the Local Plan Part 2.
- Planning approval for a new visitors' centre at Frensham Great Pond and Common.
- Unsuccessfully defending our planning refusal for the application at Folly Hill and lobbying the Government on its implications.
- Approving a Public Space Protection Order to combat dog fouling.
- Responding to Surrey County Council's consultation on service changes.

In the coming months, we are focusing on:

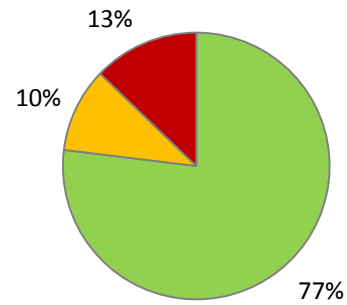
- The May 2019 borough, parish and town elections and other polling contingencies.
- Finalising the Council's Budget and Medium Term Financial Plan, in the context of an exceptionally challenging financial position and the implications of any decisions on services by Surrey County Council.
- Implementing the Community Infrastructure Levy.
- Preparing for the new waste contract to go live in November and procuring a ground maintenance contractor.
- Tackling the incidence of non-pneumophila legionella in one of our properties.
- Continuing to support the Police investigation into air quality data.
- Brexit-related contingency planning.

Tom Horwood, Chief Executive

Performance Indicators Status

Q3 All Corporate KPIs

Total	100%	39
Green	77%	30
Amber - less than 5% off target	10%	4
Red - over 5% off target	13%	5
Data only	N/A	12

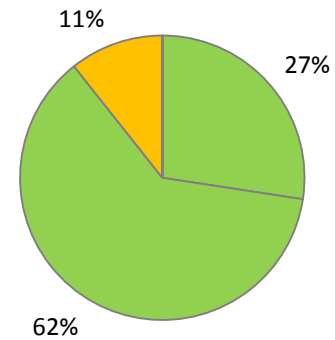


Comment: The services performed well in the third quarter with 77% of indicators performing on target, remaining at the same level as the preceding quarter. The service specific dashboards contain further details on underperforming indicators and what actions are being taken.

Service Plans - Actions Status

Q3 Corporate Service Plans

Total	100%	197
Completed	27%	54
On track	62%	122
Off track - action taken / in hand	11%	21
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment: The majority of service plan actions are on target. The details of service specific performance can be found under individual dashboards.

Internal Audit – Overdue Actions Status

Note: The Internal Audit section is included for information only, as the scrutiny function of this service area falls under the remit of Audit Committee, which monitors the Internal Audit recommendations at their quarterly meetings. For further details, please refer to the most recent progress report from the Committee meeting on the 24 July.

Comment: At the end of the third quarter there was 1 outstanding Internal Audit action. Further details can be found under service specific dashboards.

Complaints

Q3 2018-19 (1 October 2018 - 31 December 2018)

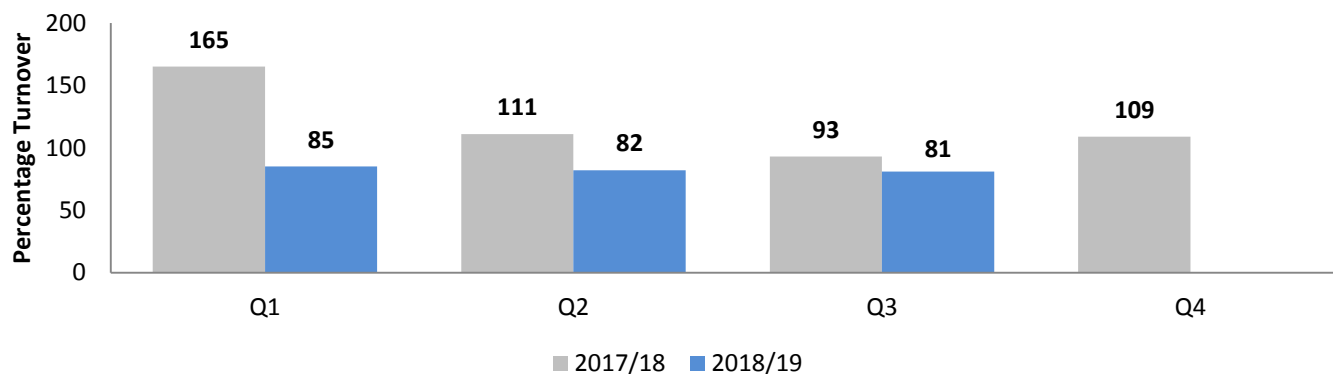
Service Area	Level 1 (10 working days)			Level 2 (15 working days)			Ombudsman	
	Total Number of Complaints	Dealt with on time	Response Rate	Total Number of Complaints	Dealt with on time	Response Rate	Number of Complaints Concluded in the quarter	Status
Communities	1	1	100%	0	0	n/a		
Customer & Corporate	1	0	50%	1	1	100%		
Environment	10	10	100%	3	2	67%		
Finance	5	5	100%	0	0	n/a		
Housing Operations	33	28	85%	8	8	100%	1	Not Upheld by Ombudsman
Housing Strategy & Development	2	2	100%	0	0	n/a		
Planning	11	4	36%	6	5	84%		
Policy & Governance	0	0	n/a	0	0	n/a		
Total	63	51	81%	18	16	89%		

Total Complaints	81
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	Response Rate	Target	Status
Level 1	81.0%	95%	over 5% off target
Level 2	88.9%	95%	over 5% off target
Total	82.7%	95%	over 5% off target

Total Number of Complaints

1 April 2017 - 31 December 2018

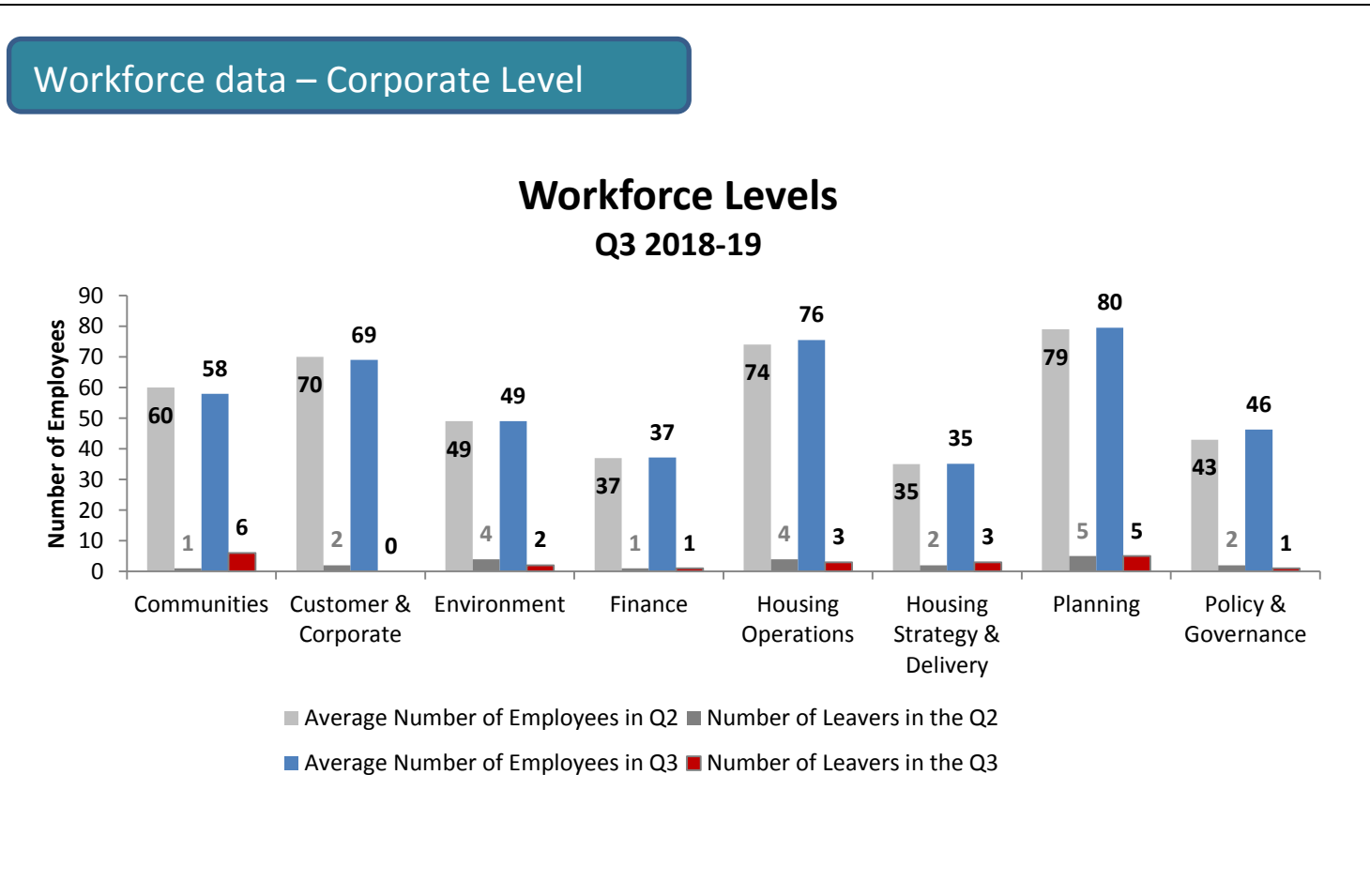


Comment: The overall number of complaints has fallen from the previous quarter and is favourable compared to Q3 last year. The overall response rate was impacted by a longer time taken in resolving Level 1 complaints in Planning and the situation is being closely monitored by the Planning Development Manager and the Head of Planning to ensure that Q4 performance comes back on track. A complaint escalated to the Housing Ombudsman in Q2 was resolved in Q3. The Ombudsman agreed with the Council's remedy in offering the tenant compensation for property damage which occurred during a repair.

The Corporate Complaints Officer advised that as a result of complaints received in Q3 following corrective actions were taken:

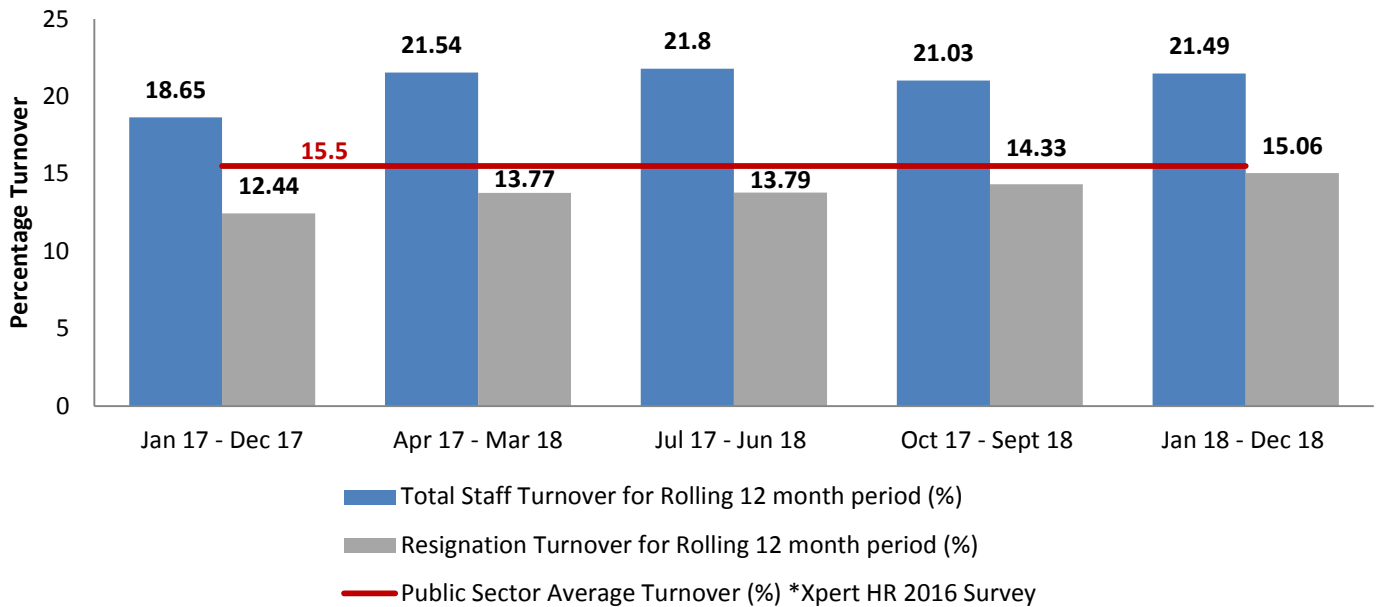
- a review of the Council's procedures for dealing with abandoned vehicles and
- a review of the procedures to be followed by officers when giving advice about entitlement to Universal Credit.

The Senior Management Team has reviewed complaints performance and is reassured that the organisation will be tackling the timeliness shortfall and is learning from issues raised by complainant.



Staff Turnover %

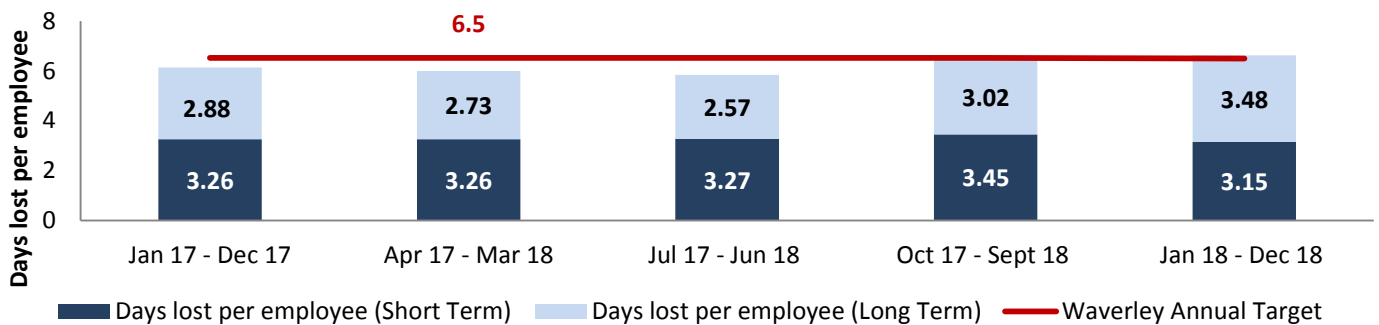
Rolling 12 months - Q3 2017/18 - Q3 2018/19



Comment: The corporate average of employees in the third quarter was 458 people in total, with 21 leavers in that period. HR Team has revised the exit interviews process to allow collection of more meaningful data. The team is also currently conducting more in depth analysis and the findings will be presented to the Overview and Scrutiny Committee at the June 2019 meeting in the Annual Workforce Profile report. Waverley benchmarks its turnover against the Public Sector Average.

Absence Data

Rolling 12 months - Q3 2017-18 to Q3 2018-19



Comment: There are no areas of particular concern regarding staff sickness levels, which over the year are on track and under public sector averages. In the third quarter the short term sickness level has slightly increased, which isn't unusual for this time of the year with seasonal colds and flu over the autumn / winter period.

Section 151 Officer quarterly feedback:

I have reviewed the position against budget at the end of quarter three, with particular focus on staff costs and high value income areas. Currently staff costs are within budget and the vacancy target should be slightly exceeded and most income areas are holding up, with the exception of planning and building control which are explained later in the report. The other material areas of cost including contract spend are currently forecast to be on budget. The table below is a summary of more detailed line-by-line monitoring work done during the quarter by spending officers supported by the finance team. Where material variances are forecast, the comments of the Heads of Service are shown in the tables later in the performance report.

To improve transparency of the figures and assist councillors to understand the monitoring position, an alternative presentation of the spend and budget is given in appendix A. This shows the costs and income items by type rather than summarised by service.

Graeme Clark, Strategic Director (and Section 151 Officer)

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Community				
Expenditure	11,043	11,020	-23	Favourable
Income	-8,871	-8,877	-6	Favourable
Community Total	2,172	2,143	-29	Favourable
Customer & Corporate				
Expenditure	5,940	5,843	-97	Favourable
Income	-6,586	-6,517	69	Adverse
Customer & Corporate Total	-646	-674	-28	Favourable
Environment				
Expenditure	10,738	10,712	-26	Favourable
Income	-9,327	-9,327	0	N/A
Environment Total	1,411	1,385	-26	Favourable
Finance				
Expenditure	5,761	5,955	194	Adverse
Income	-4,392	-4,763	-371	Favourable
Finance Total	1,369	1,192	-177	Favourable
Planning				
Expenditure	8,777	8,739	-38	Favourable
Income	-6,536	-6,391	145	Adverse
Planning Total	2,241	2,348	107	Adverse
Policy & Governance				
Expenditure	6,782	6,770	-12	Favourable
Income	-3,864	-3,856	8	Adverse
Policy & Governance Total	2,918	2,914	-4	Favourable
Housing Operations				
Expenditure	32,201	32,200	-1	Favourable
Income	-33,025	-32,998	27	Adverse
Housing Operations Total	-824	-798	26	Adverse
Housing Strategy				
Expenditure	3,442	3,676	234	Adverse
Income	0	-167	-167	Favourable
Housing Strategy Total	3,442	3,509	67	Adverse
Grand Total	12,083	12,019	-64	Favourable

2. Service Dashboard – Customer & Corporate Services

This service area covers teams of Facilities, IT, Office Support, Estates, Property & Engineering.

Key Successes & Lessons Learnt, Areas of Concern – Q3

Head of Service quarterly feedback:

This quarter significant issues to note are:

Customer Services - The Project is now well underway with the Programme Board having met twice. Staff briefings are programmed for January/February.

IT - The replacement core Building Control/Planning system is due to go live in February for Building Control, this is clearly a significant milestone and we will be monitoring the implementation closely.

Facilities - As we enter Q4 there are very few members of staff on leave at this time of year which is putting significant pressure on our power parameters, IT systems and parking capacity. We have carried out an initial viability study on our overall office accommodation needs and will be considering our options in Q4.

Property - We are progressing the Council decision to set up a Property Company. The report detailing this will be coming to the Investment Advisory Board and Overview & Scrutiny Committee in due course. We have looked in detail at a retail investment opportunity in Farnham and decided not to proceed and we will now be bringing forward another opportunity in Godalming for consideration.

Areas of Concern:

- Management of the customer services project is very time intensive, but within existing capacity and prioritisation
- Marketing one of our commercial properties which currently has a vacancy
- Recruitment of a replacement Engineer as this is an area where it has proved difficult to recruit to in the past.

David Allum, Head of Customer and Corporate Services

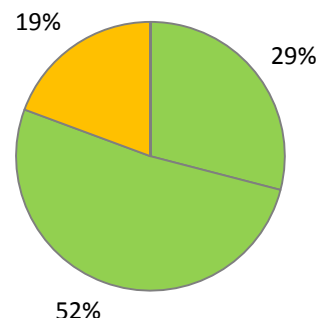
Performance Indicators Status Q3

Comment: This service area does not have any established KPIs. The current customer service review will be exploring what measures could be used for performance monitoring in the future. This service consists of following teams: Facilities, IT, Office Support, Estates, Property & Engineering.

Service Plans - Actions Status Q3

Q3 Cust & Corporate Service Plans

Total	100%	31
Completed	29%	9
On track	52%	16
Off track - action taken / in hand	19%	6
Off track - requires escalation	0%	0
Cancelled	0%	0



Code	Title	Original Due Date	Revised Due date	Status	Q3 Actions taken
SP18/19CC1.5	Review and propose revised arrangements for service delivery from locality offices.	31/10/18	Integrated into Customer Service project.	Off track - action taken	The Customer Services Review Delivery work-stream is considering this issue. Proposals are expected by Q3 2019/2020
SP18/19CC2.4	If required, establish, advise and service the Council's Property Company to enable the acquisition of at least one property every two years.	31/12/18	31/03/19	Off track - action taken	It is expected that proposals will be put before Overview & Scrutiny in Q4 2018/2019 and to Investment Board shortly thereafter.
SP18/19CC2.5	Agree a future option for the replacement of The Burys	31/12/18	31/03/19	Off track - action taken	The initial feasibility has been carried out. Next step is to commission consultants to carry out a more detailed analysis. This work should be complete by Q4 2019/2020.
SP18/19CC3.5	Increase Member and Staff user satisfaction levels from the current ratings of 8.1 (Staff - Service Desk), 8.3 (Staff - services other than Service Desk) and 9 (Members)	31/10/18	31/03/19	Off track - action taken	Whilst the survey has been carried out staff satisfaction ratings were slightly down from 8.1 to 7.6 and from 8.3 to 8.2 respectively. The Member Survey is still underway.
SP18/19CC6.1	Increase Member and Staff satisfaction levels with the services provided from the performance recorded in 2017. Average rating from Members was 86% and from Staff 85%.	30/11/18	31/03/19	Off track - action taken	Staff satisfaction reduced to 82%. The councillor survey is still underway.
SP18/19CC6.4	Acquire new pool cars to facilitate and improve on existing usage numbers, thereby increasing savings to the Council.	30/11/18	31/03/2019	Off track - action taken	The funding for the pool cars is dependent on expenditure on essential and casual mileage rates falling. So far that has not happened.

Internal Audit - Actions Status at Q3

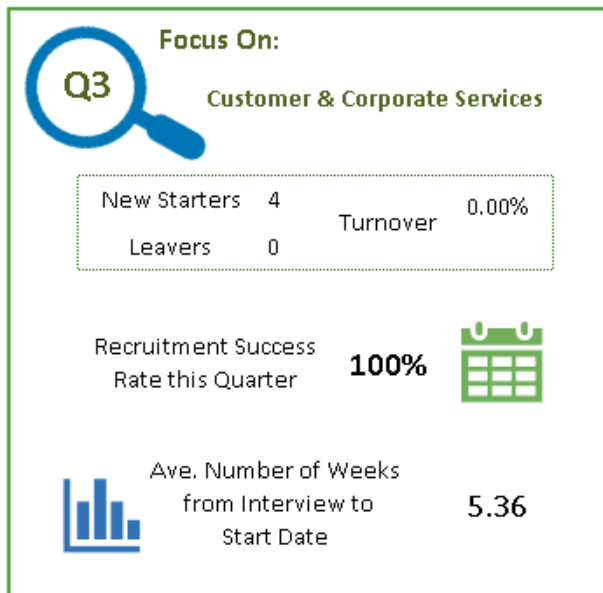
Comment: There were no overdue Internal Audit actions for this service area.

Complaints – Q3 update

Level	Level 1	Level 2	Ombudsman
Quarterly Number	1	1	N/A
Dealt with on time	0	1	N/A
Response Time	10 days	15 days	
Response Rate	50%	100%	N/A

Comment: We had one complaint this year from the neighbour of a person who had applied for an easement. There were no procedural or performance learning arising from the complaint.

Workforce – Q3 update



Comment: Q3 was very positive with a number of vacancies filled.

Finance Update – Q3 update

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/Favourable
Customer & Corporate				
Expenditure	5,940	5,843	-97	Favourable
Income	-6,586	-6,517	69	Adverse
Customer & Corporate Total	-646	-674	-28	Favourable

Head of Service Comment: The adverse income figure is due to two properties being void and one other which is no longer in our ownership. We have appointed another agent for one and are refurbishing and marketing the second.

3. Service Dashboard – Finance

This service includes the following teams: Accountancy, Benefits, Exchequer Services, Insurance, Procurement, Revenues.

Key Successes & Lessons Learnt, Areas of Concern - Q3

Head of Service quarterly feedback:

Exchequer team: Work on the finance ledger systems has been completed and a significant improvement has been achieved in the payment of invoices as can be seen in the performance indicators below.

Budget setting work has been completed with a balanced draft budget for 2019/20 and clarity on the scale of the financial challenge over the Medium Term Finance Plan. The finance team will work with the Value for Money and Customer Services scrutiny budget Working Group in the coming months to help support the development of plans to resolve this challenge.

Peter Vickers, Head of Finance

Performance Indicators Status

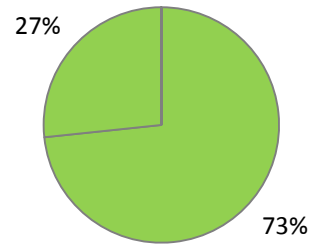
Comment: A significant improvement was planned in the F3 and F4 indicators and this has been delivered through improvements to the Agresso finance system.

KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18-19	Q3 Target
F NI181a	Time taken to process Housing Benefit/Council Tax Benefit new claims (lower outturn is better)	Days	12	13	13	13	13	20
F NI181b	Time taken to process Housing Benefit/Council Tax Support change events (lower outturn is better)	Days	6	4	7	7	7	9
F1	Percentage of Council Tax collected (cumulative target Q1-Q4, 24.8%,49.5%, 74.3%, 99.0%) (higher outturn is better)	%	87.3	99.3	30.2	58.1	86.2	74.3
F2	Percentage of Non-domestic Rates Collected (cumulative target Q1-Q4, 24.8%,49.5%, 74.3%, 99.0%) (higher outturn is better)	%	75.7	99.3	29.4	51.0	74.7	74.3
F3	Percentage of invoices paid within 30 days or within supplier payment terms (higher outturn is better)	%	96.8	95.0	84.6	90.0	95.5	99.0
F4	Percentage of invoices from small/ local businesses paid within 10 days (higher outturn is better)	%	82.1	56.4	67.7	50.0	97.0	90.0

Service Plans - Actions Status Q3

Q3 Finance Service Plan Actions

Total	100%	15
Completed	73%	11
On track	27%	4
Off track - action taken / in hand	0%	0
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment: The completion of the service plans progresses well, with all objectives on track for completion.

Internal Audit - Actions Status Q3

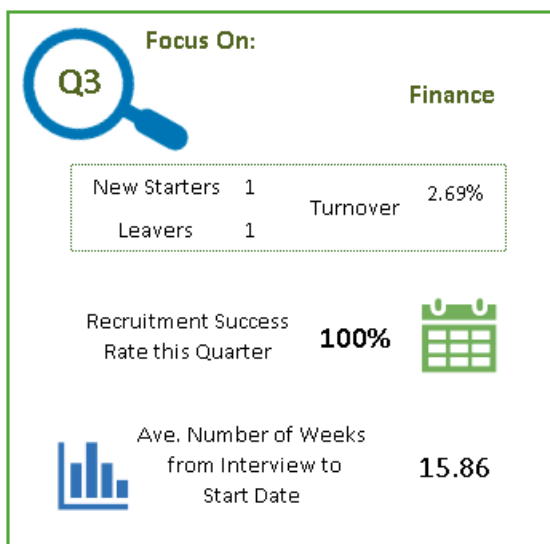
Comment: There are no outstanding actions for this service area at the end of Q3 2018-19.

Complaints Q3

Level	Level 1	Level 2	Ombudsman
Quarterly Number	5	0	0
Dealt with on time	5	0	0
Response Time	10 days	15 days	
Response Rate	100%	100%	N/A

Comment: All complaints received in Q3 were successfully resolved at level 1 within the target timescale of 10 working days.

Workforce – Q3 update



Comment: No concerns in this area

Finance Update Q3

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Finance				
Expenditure	5,761	5,955	194	Adverse
Income	-4,392	-4,763	-371	Favourable
Finance Total	1,369	1,192	-177	Favourable

Head of Service Comment: Budget is under control and services are on track to deliver within budget. Additional income has been generated from extending money market investments away from 0-3 months to longer than one year where higher returns are being generated, an increase in local authority lending at higher rates and the bank rate increased by 25 basis points during the year.

4. Service Dashboard – Policy & Governance

This service includes the following teams: Legal Services; Democratic Services; Elections; Corporate Policy (including customer complaints); Communications and Engagement; and Human Resources.

Key Successes & Lessons Learnt, Areas of Concern

Head of Service quarterly feedback:

The Policy and Governance team achieved a number of key milestones and successful outcomes during quarter 3, including:

- The successful defence, in October, of two linked High Court challenges against the Council's Local Plan and a further challenge against the Secretary of State's decision to grant planning permission for an 1,800 home settlement at Dunsfold Aerodrome. Deputy High Court Judge, Ms Nathalie Lieven QC dismissed all claims.
- Successful completion of the Annual Canvass, leading to publication of the revised Electoral Register on 1 December. Household Enquiry Forms were issued to 53,000 residences. The extension of the mobile canvassing pilot was very successful. 17 of the 25 canvassers equipped with a tablet. Using the tablet allowed residents to quickly, easily and securely complete their registration online. By the end of the canvass, 97.2% of the households issued with a Household Enquiry form had responded.
- Successful completion of the Haslemere Town Council By-Election in October.
- Following a period of research, development, consultation and scrutiny, the adoption in December of a new Human Resources Strategy for the Council. The strategy sets out a vision for positive and committed staff culture, developing and retaining talented staff and ensuring that Waverley is able to compete effectively in the employment market and be seen as an attractive employer in the local community. Work streams within the strategy are now being progressed.
- The provision of dedicated project management support from the council's Corporate Policy team to the Council's Customer Services Improvement Programme to kick start progress on the next phase of this important area of work.
- Work by the Council's Democratic Services team to develop a comprehensive and effective induction programme for the new intake of Councillors in May 2019.
- The appointment of a new Communications and Engagement Manager who progressed a number of key work streams including the development of a revised Communications and Engagement Strategy and revised work programme for the Council.

Robin Taylor, Head of Policy & Governance

Performance Indicators Status

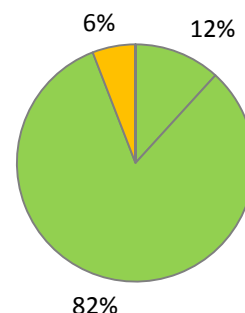
KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18-19	Q3 Target	
HR1a	Total Staff Turnover for Rolling 12 month period (%) (data only)	%	18.7	21.5	21.8	21.0	21.5	Data only	
HR2	Short & Long term Sickness Absence - Working Days Lost per Employee - Rolling 12 months (lower outturn is better)	Days	6.1	6.0	5.8	6.5	6.6	6.52	
PG1a	The number of complaints received - Level 1 (data only)	No.	Collection started from Q1 2018-19			63	57	63	Data only
PG1b	The number of complaints received - Level 2 (data only)	No.	Collection started from Q1 2018-19			18	24	18	Data only
PG2a	The % of complaints responded to on time - Level 1 (higher outturn is better)	%	Collection started from Q1 2018-19			85.0%	87.7%	79.4%	95.0%
PG2b	The % of complaints responded to on time - Level 2 (higher outturn is better)	%	Collection started from Q1 2018-19			100.0%	100.0%	88.9%	95.0%

Comment: The levels of sickness have risen slightly in Q3 which is quite typical for the autumn/winter period. The drop in performance of corporate indicator PG2a (% of level 1 complaints responded to on time) relates to a number of planning complaints and the situation is being closely monitored by the Planning Development Manager and Head of Planning. The response rate at level 2 (PG2b) was impacted by two complex cases which took longer to resolve. Although the complaint response rate indicators performed below the target in Q3 the Complaints Officer has confirmed there are no specific areas of concern at the moment. The Senior Management Team has reviewed this data and will be focused on improving response rates in Q4.

Service Plans - Actions Status Q3

Q3 P&Gov Service Plans

Total	100%	17
Completed	12%	2
On track	82%	14
Off track - action taken / in hand	6%	1
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment: All Service Plan actions are progressing well on target for completion apart from one, further details can be found below.

Code	Title	Original Due Date	Revised Due Date	Status	Actions taken to rectify
SP18/19PG2.1	Increase levels of community engagement, including participatory budgeting:	31/12/18	30/09/19	Off track - action taken	The timetable for this piece of work was revised to inform the Medium Term Financial Plan. The work is now scheduled to begin in early June and complete in September.

Internal Audit - Actions Status Q3

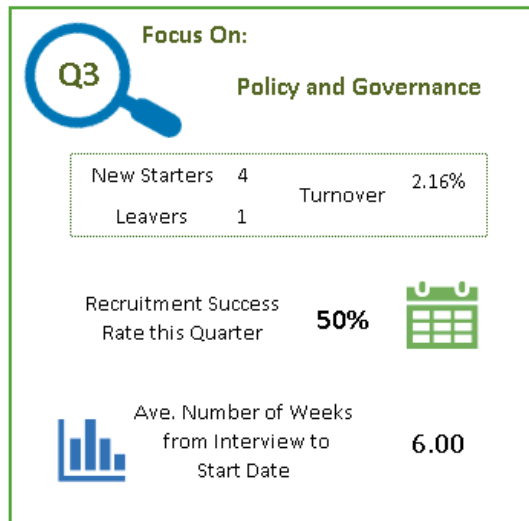
Comment: There were no outstanding Internal Audit actions for this service area at the end of Q3.

Complaints Q3

Level	Level 1	Level 2	Ombudsman
Quarterly Number	0	0	0
Dealt with on time	0	0	0
Response Time	10 days	15 days	
Response Rate	N/A	N/A	N/A

Comment: There were no complaints raised against this service area in the third quarter of 2018/19.

Workforce – Q3 update



Comment: A number of staff vacancies were successfully filled during the quarter within the Legal, Corporate Policy and Communications and Engagement teams. Recruitment was also undertaken in respect of two vacancies that arose in the Elections team with new staff due to commence employment in Q4.

Finance Update Q3

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Policy & Governance				
Expenditure	6,782	6,770	-12	Favourable
Income	-3,864	-3,856	8	Adverse
Policy & Governance Total	2,918	2,914	-4	Favourable

Head of Service Comment: Spending within the service is projected to remain within budgets, with a small favourable variance projected.

5. Service Dashboard – Communities

This service area includes the teams of Arts, Community Services, Careline, Leisure, Parks & Countryside and Waverley Training Services

Key Successes & Lessons Learnt, Areas of Concern

Q3 Head of Service quarterly feedback summary:

The Memorial Hall welcomed back its old hirers this quarter creating a vibrant busy Centre throughout the day. We were especially pleased to open our doors on Christmas day for around eighty residents of Farnham who would have been spending their Christmas alone.

The Borough Hall launched its Live Screening offer of the Royal Ballet to a packed house in early December.

The Leisure and Grounds maintenance contracts continue to perform well with complaints remaining low. Work continues on the leisure investment projects for Godalming and Farnham with a project team assembled to take the schemes forward. The Frensham Heathland Hub achieved planning approval and commons consent has now been applied for taking this project to the next stage, we look forward to hearing feedback in the next quarter.

The Communities Team have worked hard supporting our voluntary partners; celebrating the achievement of the Community Meals Service with all the providers as the second year anniversary was reached and all centres feeding back positively; delivering fantastic cultural opportunities for Borough residents with our partnership with The Maltings and Cranleigh Arts Centre to name but two and finally working to support the CAB and HOPPA to deliver their much needed services.

The Economic Development Team are supporting the four Chambers of Commerce to carry out a feasibility study on the introduction of a Business Improvement District (BID). Our team are meeting a host of businesses throughout Waverley gaining valuable feedback. The feasibility study will be completed next quarter.

Kelvin Mills, Head of Communities and Special Projects

Performance Indicators Status Q3

Comment: All areas are performing well with overall success rates at Waverley Training Services and Careline critical fault monitoring demonstrating great success.

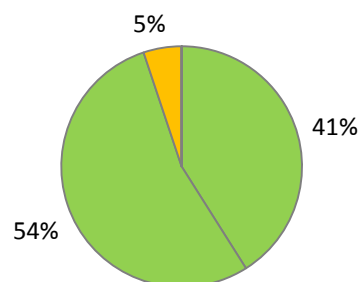
Leisure centre usage has remained high which is pleasing considering the particular challenges being faced in Farnham, around car parking, our largest leisure centre. The Leisure Team in partnership with Places Leisure continue to push our health and wellbeing activities with record participation numbers this quarter, particularly in 60+ sessions and Cranleigh's Friday night youth project, this will continue to be a priority.

KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18-19	Q3 Target	
C1	Total number of visits to Waverley leisure centres (higher outturn is better)	Visits	469,669	536,377	501,438	462,103	473,507	448,000	
C2	Total number of attendees of the health and wellbeing activities throughout the borough in a quarter (higher outturn is better)	Visits	Collection started from Q1 2018-19			1,374	4,007	6,112	Data only
CS9	Total number of Careline clients (data only, no target set - higher outturn is better)	Clients	1,878	1,841	1,826	1,835	1,863	Data only	
CS10	Total number of Careline calls per quarter (data only, no target set)	Calls	6,775	5,966	3,549	6,216	5,444	Data only	
CS11	Critical faults dealt with within 48 hours per quarter (higher outturn is better)	Faults %	Collection started from Q1 2018-19			91.1%	100.0%	100.0%	90.0
CS12	Apprentice overall success rate per quarter (higher outturn is better)	%	81.0%	77.2%	78.3%	81.0%	82.1%	75.0%	
CS13	Apprentice timely success rate in gaining qualification in the time expected (higher outturn is better)	%	74.0%	72.0%	77.1%	78.0%	70.0%	70.0%	
CS14	Number of apprentices on study programmes (cumulative year to date with the annual target of 30) (higher outturn is better)	No.	25	24	29	22	19	Data only	

Service Plans - Actions Status Q3

Q3 Communities Service Plans

Total	100%	39
Completed	41%	16
On track	54%	21
Off track - action taken / in hand	5%	2
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment: The update on the off track actions is listed below.

Code	Title	Original Due Date	Revised Due date	Status	Actions taken
SP18/19CS1.2	Renegotiate new leisure management contract thresholds to increase guaranteed return.	31/08/18	30/03/19	Off track - action taken	Negotiations had stalled the issue was escalated and a meeting between the contractor and Strategic Director took place in January. Progress is expected to be made in the next quarter.
SP18/19CS4.3	Investigate potential new services that could benefit our client base and increase usage (Careline)	31/12/18	30/03/19	Off track - action taken	New backroom processes have been explored to improve customer service this will be implemented over the coming weeks. Once in place further 'offerings' can be explored.

Internal Audit - Actions Status Q3

Comment: At the end Q3 there are no outstanding actions for this service area.

Complaints Q3

Level	Level 1	Level 2	Ombudsman
Quarterly Number	1	0	0
Dealt with on time	1	0	0
Response Time			
Response Rate	100%	N/A	N/A

Comment: All received complaints were resolved at Level 1 within the target time.

Workforce – Q3 update



Comment: The number of leavers in the quarter was negatively impacted by Waverley Training Services team's higher turnover rate as a result new joiners not completing their probation.

Finance Update

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Community				
Expenditure	11,043	11,020	-23	Favourable
Income	-8,871	-8,877	-6	Favourable
Community Total	2,172	2,143	-29	Favourable

Comment: All on target

6. Service Dashboard – Environment

This service area includes the following teams: Car Parks, Environmental Health, Environmental Services, Emergency Planning, Finance, Licensing, Sustainability

Key Successes & Lessons Learnt, Areas of Concern

The new Refuse, Recycling and Street Cleaning contract was awarded to BIFFA after an extensive procurement and evaluation process and will ensure we are able to deliver high quality services to the residents into the future. The current contractor Veolia continues to provide a good service in the interim.

The review of air quality monitoring sites has been implemented and a new contract has been awarded for the management of our air quality analysers to provide enhanced and up to date information on air quality to residents.

The decision of the Planning Inspector is awaited on the application for the de-registration of Weyhill Fairground car park as common land following the site visit. Work continues on exploring options for the improving South Street car park in Farnham.

Work is progressing on plans to install electric vehicle charging points in four of our main car parks (two charging points in a carpark in each of our main centres of population).

Richard Homewood, Head of Environmental Services

Performance Indicators Status

Comment: Our recycling rejection rate at the Materials Recovery Facility remains a concern and work is ongoing with residents to try to ensure they understand what can and can't be recycled. Contamination at our bring sites continues to be a major cause of rejection along with stricter rules on what the MRF can accept driven by international processors stricter specifications. Nationally and internationally the future of recycling is a real concern.

The recycling percentage rate has however continued to improve and residual waste per household has reduced significantly. This may be in part due to the promotion of our food waste service and distribution of several thousand more food caddies to residents.

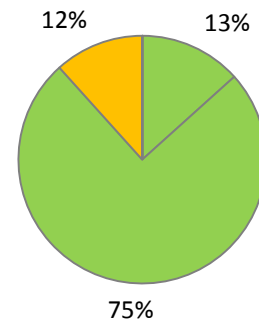
KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18-19	Q3 Target
E1	Materials recovery facilities (MRF) Reject Rate (lower outturn is better)	%	5.3%	7.1%	11.6%	10.5%	10.0%	5.0%
E2	Average number of days to remove fly-tips (lower outturn is better)	Days	1.3	2.0	2.5	2.0	2.0	2.0

E3	(NI 195) Improved street and environmental cleanliness - levels of litter, detritus, graffiti and fly posting (higher outturn is better)	%	73.0%	90.2%	94.0%	84.0%	90.0%	90.0%
E4	Number of missed bin collections per 104,000 collections per week (lower outturn is better)	No.	26	20	34	35	22	40
E5	Percentage of higher risk food premises inspections (category A&B) carried out within 28 days of being due (higher outturn is better)	%	94.0%	95.0%	94.0%	100.0%	100.0%	100.0%
E NI182	Satisfaction of business with local authority regulation services (higher outturn is better)	%	93.0%	90.0%	84.0%	85.0%	100.0%	85.0%
E NI191	Residual household waste per household (lower outturn is better)	kg	91.6	91.8	95.5	88.3	70.0	90.00
E NI192	Percentage of household waste sent for reuse, recycling and composting (higher outturn is better)	%	55.9%	57.3%	58.6%	57.1%	59.0%	54.0%

Service Plans - Actions Status

Q3 Environment Service Plan Actions

Total	100%	60
Completed	13%	8
On track	75%	45
Off track - action taken / in hand	12%	7
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment: The Public Space Protection Order in respect of Dog Fouling was made with effect from 1 January. Consultation feedback on PSPOs in relation to dogs on leads and numbers of dogs is still being reviewed and further proposals on these controls will be brought forward in June. We will continue to liaise with Surrey Police through the Safer Waverley Partnership on the need for PSPOs in relation to anti-social behaviour. Training for dealing with unauthorised encampments is planned for the new year. Food and Health and Safety Service Plans are in draft and in progress. We are currently recruiting a new Emergency Planning and Resilience Officer and once in post reviews of the response arrangements, health and safety and business continuity will progress.

Code	Title	Original Due Date	Revised Due date	Status	Actions taken
SP18/19ES3.3	Introduction of Public Space Protection Orders for dog issues and anti-social behaviour in partnership with Surrey Police.	31/12/18	31/08/19	Off track - action taken	81% Completed - Dog Fouling PSPO made with effect from 1 Jan 2019. Further consultation on Dogs on leads etc. in summer 2019
SP18/19ES3.10	Implement a procedure training programme for front line field officers for unauthorised encampments	31/12/18	31/03/19	Off track - action taken	70% completed - Training planned for first quarter of 2019.

Code	Title	Original Due Date	Revised Due date	Status	Actions taken
SP18/19ES6.1	Food Service Plan developed and implemented in accordance with the Food Safety Agency's (FSA) Framework Agreement for Local Authorities	30/06/18	31/03/19	Off track - action taken	75% completed - Work in progress delayed by other priorities
SP18/19ES6.2	Health & Safety Service Plan developed and implemented in accordance with the Health and Safety Executive (HSE) Section 18 mandatory guidance for Local Authorities.	30/06/18	31/03/19	Off track - action taken	75% completed - Work in progress delayed by other priorities
SP18/19ES8.1	Review arrangements for supporting the Council's response to civil emergencies	30/11/18	30/06/19	Off track - action taken	80% completed - Emergency Contacts directories and severe weather plan reviewed. Other plans to be reviewed when new EPRO in place
SP18/19ES9.1	Review arrangements for ensuring Business Continuity arrangements are in place and are fit for purpose	30/11/18	30/06/19	Off track - action taken	90% completed - Business Continuity Group meeting regularly and Service BCPs under review.
SP18/19ES10.1	Review arrangements for implementing and monitoring the council's Health and Safety Policies	30/11/18	30/06/19	Off track - action taken	90% completed - Health and Safety Policy, Lone Working Policy, Driving at Work policy and Aggression at Work policies reviewed. Other policy reviews underway

Internal Audit - Actions Status Q3

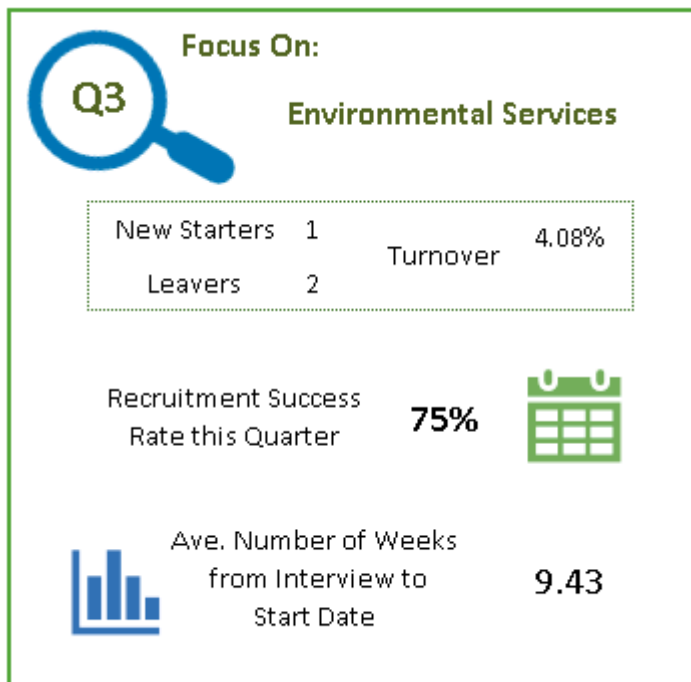
Comment: At the end Q3 there are no outstanding actions for this service area.

Complaints – Q3 update

Level	Level 1	Level 2	Ombudsman
Quarterly Number	10	3	0
Dealt with on time	10	2	0
Response Time	10 days	15 days	
Response Rate	100%	67%	N/A

Comment: A complaint regarding the disposal of an abandoned vehicle involved a more detailed investigation which subsequently highlighted a need for a review of procedures. Abandoned vehicle procedures have been revised as a result.

Workforce – Q3 update



Comment: The Service has enjoyed a stable workforce over the last quarter. We are currently recruiting a new Emergency Planning and Resilience Officer following the resignation of the post holder as a result of promotion within another public authority.

Finance Update – Q3 update

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Environment				
Expenditure	10,738	10,712	-26	Favourable
Income	-9,327	-9,327	0	N/A
Environment Total	1,411	1,385	-26	Favourable

Comment: There has been additional expenditure on garden waste services in quarter 3. Work is underway with the contractor to review this expenditure. The trial car washing franchise in Central Car Park, Farnham has been terminated so anticipated income will not be achieved. Car park income is being closely monitored and it is expected to offset this loss of other income in the next quarter. In spite of some setbacks a favourable variance is expected at the end of the financial year.

7. Service Dashboard – Planning

This Service includes the following Sections: Building Control, Development Management and Planning Policy

Key Successes & Lessons Learnt, Areas of Concern

Q3 Head of Service quarterly feedback:

This has been another quarter characterised by high workloads but of notable success. A number of key actions from the Development Management Improvement Plan were successfully progressed including the new IT development for Building Control and Development Management; increased use of Planning Performance Agreements to support the cost and project management of major developments; the rolling out of electronic consultations to stakeholders and most Parish and Town Councils; progress made on Section 106 Review Project by way of inputting of historic Legal Agreement information into new software database to enable enhanced accessibility to records; continued extension of engagement with stakeholders, Parish and Town Councils via workshops, forums and roadshows.

Management training for middle managers was also completed.

In October, the Council successfully defended all High Court Challenges to the Local Plan Part 1 and to the Dunsfold New Settlement's planning permission. The claimants, CPRE/POW have lodged a challenge on two grounds to the Court of Appeal. The Draft Local Plan Part 2 was not considered by the Council in October but has been deferred until Summer 2019 to allow further discussion on some aspects with the local community. The Council adopted the CIL Charging Schedule on 31 October with a target implementation date of 1 March 2019. Governance arrangements for CIL were approved by the Executive in December 2018.

Project Planning in partnership with Dunsfold Airport Limited has continued, during Q3 in anticipation of implementation of the permission early in 2019.

The Business Plan for Building Control: income position has dipped in Q3 but is still under close scrutiny.

The Review of Street Naming and Numbering processes has been completed and is now fully operational. Income continues to significantly exceed budget expectations.

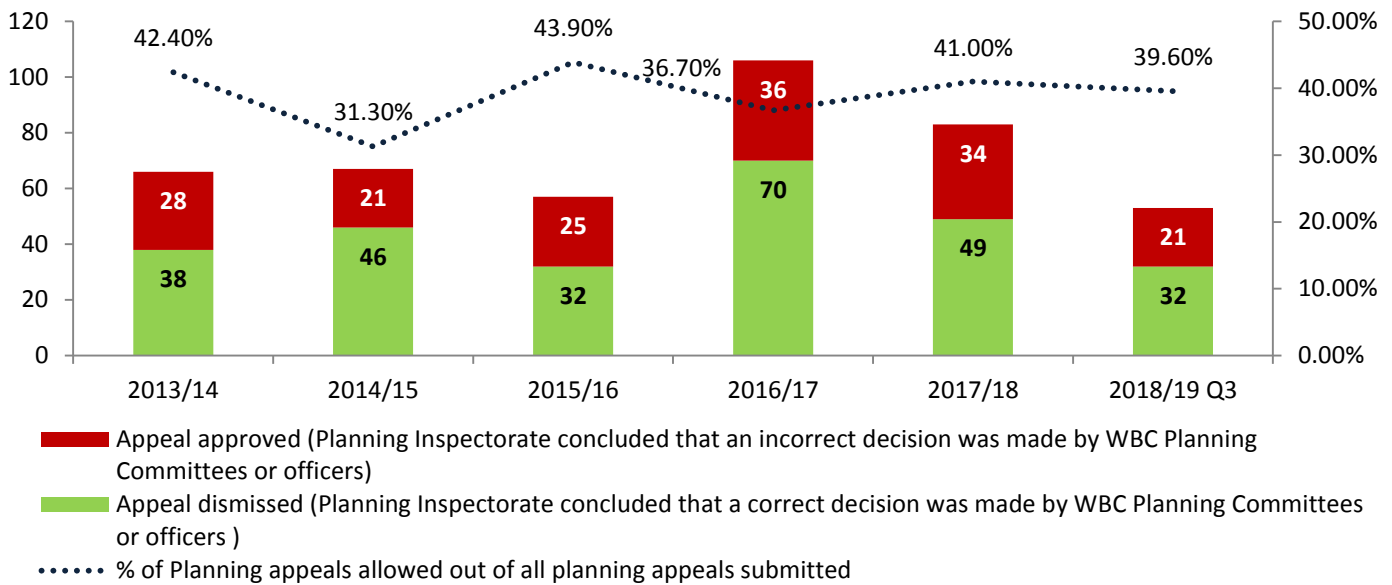
Elizabeth Sims, Head of Planning

Performance Indicators Status

KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18-19	Q3 Target
P1	Percentage of all planning applications determined within 26 weeks (higher outturn is better)	%	100.0%	99.6%	99.1%	98.7%	99.3%	100.0%
P151	Processing of planning applications: Major applications - % determined within 13 weeks (NI157a) (higher outturn is better)	%	100.0%	93.8%	87.5%	85.7%	100.0%	80.0%
P153	Processing of planning applications: Non-major applications - % determined within 8 weeks (higher outturn is better)	%	98.3%	97.3%	96.2%	95.8%	93.4%	80.0%
P123	Processing of planning applications: Other applications (higher outturn is better)	%	100.0%	95.0%	100.0%	93.3%	90.3%	90.0%
LP9	Processing of all other residual applications - % determined within its target (Internal) (higher outturn is better)	%	97.0%	89.6%	93.6%	86.2%	93.1%	80.0%
P2	All planning appeals allowed (Internal KPI) (cumulative year to date) (lower outturn is better)	%	40.7%	41.0%	26.9%	30.8%	39.6%	30.0%
P152	Major planning appeals allowed as a % of Major Application decisions made (cumulative) (P3) (lower outturn is better)	%	5.8%	9.0%	11.8%	9.7%	7.4%	10.0%
P154	Non-Major planning appeals allowed as a % of Non-Major Application decisions made (cumulative) (lower outturn is better)	%	1.7%	1.6%	1.3%	1.2%	1.5%	10.0%
P4	Percentage of enforcement cases actioned within 12 weeks of receipt (higher outturn is better)	%	93.7%	94.9%	94.1%	90.9%	81.3%	75.0%
P5	Percentage of tree applications determined within 8 weeks (higher outturn is better)	%	96.1%	97.9%	90.5%	100.0%	100.0%	95.0%
P8	Percentage of complete building control applications checked within 10 days (higher outturn is better)	%	86.0%	95.0%	91.5%	93.5%	98.7%	80.0%

Comment: The performance on planning appeals (P2) has significantly worsened in the last quarter. This has largely reflected a disagreement between the Council and Planning Inspectors on matters of planning judgement. A comparison (below) with previous quarters shows that this level of performance reflects previous levels going back to 2017. This indicator is, however, a local one and not as critical as the nationally monitored indicators which inform the designation (Special Measures) regime. These are all on track for this quarter but will need monitoring carefully in Q4.

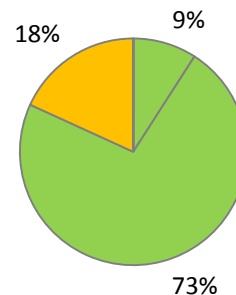
**Planning Inspectorate conclusions
on Waverley planning appeals
(January 2013 and December 2018)
(ref. P2 Local indicator)**



Service Plans - Actions Status

Q3 Planning Service Plans

Total	100%	22
Completed	9%	2
On track	73%	16
Off track - action taken / in hand	18%	4
Off track - requires escalation	0%	0
Cancelled	0%	0



Progress on Service Plan actions continues as planned with the majority of objectives expected to be completed on target. There are four actions which are currently off track, but the corrective steps are being taken as detailed below.

Code	Title	Original Due Date	Revised Due Date	Status	Actions taken
SP18/19P1.1	Develop new IT system for Development Management and Building Control (complete back scanning for Service)	31/08/18	Agreed at Q2 - 31/03/19	Off track - action taken	Familiarisation of system exercise commencing on 21/1/19. Further necessary modification of system identified through this will be prioritised as appropriate. Go Live date for Building Control is 4th February. Development Management module operates on same software platform and will follow with estimated Go Live date of April 2019.

Code	Title	Original Due Date	Revised Due Date	Status	Actions taken
SP18/19P1.5	Review decision making structures/numbers of Planning Committees/meetings	31/08/18	31/03/19	Off track - action taken	Report to Environment O and S deferred to allow opportunity for an All Member Workshop to inform report recommendations and Action Plan. Report now scheduled for Environment O and S Committee on 25th February 2019.
SP18/19P2.2	Section 106 – negotiation, collection and spending mechanisms reviewed and dedicated officer appointed	31/07/18	31/03/19	Off track - action taken	Additional temporary staff appointed to support the data inputting workload. Data inputting completed. Subject to user testing, public facing module launch intended for February 2019. Town and Parish Councils updated on project progress.
SP18/19P3.1	Design Awards (ref. Local Plan Part 2)	31/10/18	14/03/2019	Off track - action taken	Awards Ceremony deferred to Q4 given other key Service priorities, e.g., Local Plan Part 2 and S 106 Monitoring. Ceremony date set for 14 th March 2019 at the Memorial Hall, Farnham. Judges' tour completed week commencing 14 th January.

Internal Audit - Actions Status Q3

Comment: There were no outstanding Internal Audit actions for Planning at the end of Q3.

Complaints Q3 update

Level	Level 1	Level 2	Ombudsman
Quarterly Number	11	6	0
Dealt with on time	4	5	0
Response Time	10 days	15 days	
Response Rate	36%	84%	N/A

Comment: The response rate on Level 1 and Level 2 complaints has been affected by loss of key personnel in Development Management and high workloads in the quarter. The situation is being closely monitored by the new Development Manager who has developed a more hands-on approach to monitoring of these key targets and an improvement is expected for Q4. The latest data collected at the end of January indicates that the new arrangements are working, as all four level 1 complaints received in that month, were responded to within the 10 working day target.

Workforce – Q3 update



Comment: Turnover remains high. Workloads, committee attendance and extra hours incurred, plus external career advancement, are likely to have contributed to this high level. The Service is continuing to face severe difficulties recruiting to senior professional roles across Planning. Package enhancements are being used e.g., market supplements, to compete with rival authorities for a limited pool of suitable applicants, not necessarily successfully. Vacant posts are being covered by temporary and agency staff but within existing budget. Planning Performance Agreements are being used to secure funds from developers to deliver strategic level development by funding additional temporary staff.

Finance Update Q3

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Planning				
Expenditure	8,777	8,739	-38	Favourable
Income	-6,536	-6,391	145	Adverse
Planning Total	2,241	2,348	107	Adverse

Comment: Development Management income and Building Control income continue to be lower than expected. This is partially offset by S106 monitoring income and staff vacancy savings. Increased income from Street Naming and Numbering is contributing to overall budget gap. The Senior Management Team has reviewed the financial position and the expectation that all will not be balanced within this service this year, while noting that the Council's overall forecast is essentially on track. Further discussions on the commercialisation and income possibilities of services will be taking place in Q4.

8. Service Dashboard – Housing Operations

Key Successes & Lessons Learnt, Areas of Concern Q3

Head of Service quarterly feedback:

The main focus in the last quarter has been preparing for the demobilisation of current and mobilisation of the new repairs and maintenance contracts including the responsive repairs and voids, kitchen and bathroom and the framework contracts. Project groups and plans for key work streams have been developed and are progressing.

The team have worked with colleagues in Legal and Finance following the announcement in late November of the change in parent company of the new responsive repairs and voids contractor. Completing due diligence before making a decision regarding the assignment of the contract.

Following the emergence of legionella in the water systems at one of our senior living schemes in Q2 (reported in previous quarters), the Property Services and Senior Living teams continue to monitor the situation and are managing the risk effectively. Recent results have indicated continuing progress in reducing the levels of bacteria. Our contractor has confirmed it is not possible to set a timetable to eradicate legionella and that current progress is as expected. We continue to monitor the situation closely and adapt our response. We are providing updates to the portfolio holder and the management board, tenants and the ward councillors.

The Tenancy and Estates team's work was recognised in November at the Surrey Police ASB Awards. A Tenancy and Estates officer received a nomination for the "Tackling ASB award" following successful joint working with the police to gain repossession of a home in Bramley. The ongoing anti social behaviour case was successfully resolved with a closure order and a possession order. The tenant had allowed his home to be used for drug dealing leading to a significant impact on the neighbours and community.

The Rent Accounts team met the rent collection target this quarter and continue to work with all tenants to promote rent payments and reduce the risk of and level of arrears. Officers are working intensively with the 96 tenants in receipt of Universal Credit often before they have their job coach appointment

In preparation for the winter weather and Christmas closure, the website Out of Hours information was reviewed and updated to provide clear information for emergencies over the winter period.

Only 24 emergency repair calls were received over the Christmas period. The majority were completed with only two requiring follow up work in January.

The Senior Living residents arrange a number of seasonal events and no call outs requests were received by the on call officers during the Christmas closure period.

Hugh Wagstaff, Head of Housing Operations

Performance Indicators Status

KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18-19	Q3 Target
H2	Average number of working days taken to re-let 'normal void' property (lower outturn is better)	Days	18	19	15	16	21	20
H5	Percentage of estimated annual rent debit collected (cumulative target Q1-Q4, 24.65%,49.30%, 73.95%, 98.65%) (higher outturn is better)	%	73.0%	97.3%	24.9%	49.2%	76.0	74.0%
H6	Percentage of annual boiler services and gas safety checks undertaken on time (higher outturn is better)	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
H7	Responsive Repairs: How would you rate the overall service you have received? (Tenants' view of the service) (higher outturn is better)	%	91.0%	91.0%	92.0%	93.0%	89.0%	93.0%
H8	Responsive Repairs: Was repair completed right first time? (Tenants' view of the service) (higher outturn is better)	%	79.0%	74.0%	76.0%	76.0%	78.0	78.0%
H9	Responsive Repairs: Did the tradesperson arrive within the appointment slot? (Tenants' view of the service) (higher outturn is better)	%	98.0%	97.0%	97.0%	98.0%	97.0%	97.0%

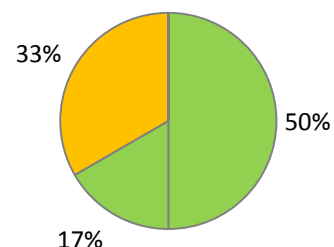
Comment:

The relet performance (H2) was only one day over target due to a number of homes in exceptionally poor condition and Mears' sub contractors performance. The fall in overall satisfaction with the repairs service (H7) is being closely monitored with the introduction of new initiatives to capture and respond early to any dissatisfaction.

Service Plans - Actions Status Q3

Q3 Housing Operations Service Plans

Total	100%	6
Completed	50%	3
On track	17%	1
Off track - action taken / in hand	33%	2
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment: Progress according to timelines with five completed actions.

Delay with Family Support Team review and transformation strategy due to external influences and change in team resources and capacity.

Code	Title	Due Date	Revised Due date	Status	Actions taken to rectify
SP18/19H1.1	Create digital business evolution model	31/10/18	31/03/2019	Off track - action taken	Not met target date due to Social Housing Green Paper consultation and change in team resources. To be complete end March 2019.
SP18/19H2.4	Review future of Family Support Team	30/11/18	31/03/2019	Off track - action taken	A new due date of 31 March 2019 has been requested in order to clarify future with SCC and Waverley budget setting.

Internal Audit - Actions Status Q3

Comment: There were no outstanding Internal Audit actions for this service at the end of Q3 2018-19.

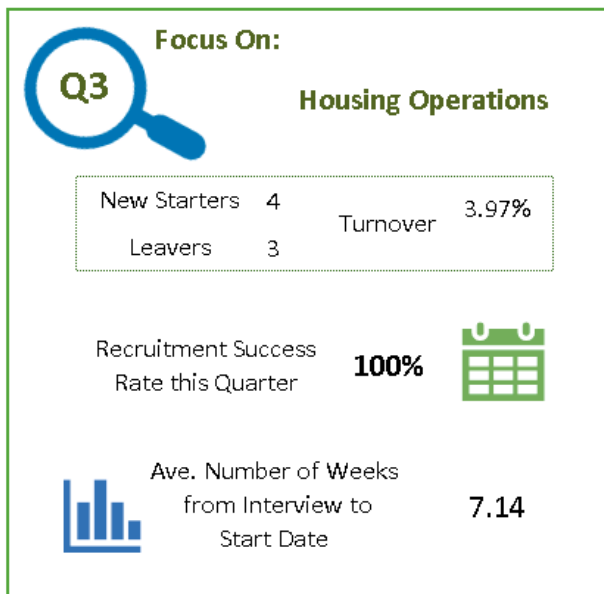
Complaints

Level	Level 1	Level 2	Ombudsman
Quarterly Number	33	8	1 upheld
Dealt with on time	28	8	
Response Time	10 days	15 days	
Response Rate	85%	100%	N/A

Comment: In the third quarter of 2018/19, 28 out of 33 level one complaints were dealt with on time and all eight complaints escalated to level two were responded to within the target. There were no complaints escalated to the Housing Ombudsman in the quarter, however a Q2 complaint has been resolved in that period as upheld.

The response rate at level one was affected by a handful of complex cases, which took longer to resolve. The lessons learnt are incorporated into the service improvement plan and communicated to managers for action.

Workforce – Q3 update



Comment: No issues to highlight. Turnover of staff as expected and all vacancies are being covered (within budget) while recruitment is being undertaken.

Finance Update

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Housing Operations				
Expenditure	32,201	32,200	-1	Favourable
Income	-33,025	-32,998	27	Adverse
Housing Operations Total	-824	-798	26	Adverse

Head of Service Comment: Variations for noting - Income £118k under achieved in rents. Interest income £36k over achieved driven by higher base rate. £64K over achieved for lease hold management income due to late billing from prior years. The new Housing Finance Manager reviewing monthly rents reconciliation and leaseholder invoicing processes.

9. Service Dashboard – Housing Strategy & Delivery

Key Successes & Lessons Learnt, Areas of Concern

Head of Service quarterly feedback:

Homelessness prevention: The team keep numbers of households in temporary accommodation very low and at the time of preparing the report, we are accommodating one household. We continue to manage all the implications of the Homelessness Reduction Act, which involves using a complex IT and reporting system required by central government. A report on the first six months since the Act was introduced was presented to the Housing Overview and Scrutiny Committee on 27 November.

Emergency accommodation was arranged for anyone presenting as homeless over the Christmas period but was not needed. The annual Rough Sleeper Count took place on 14 November, with two rough sleepers being identified in Waverley. Both were known to the Housing Options Team.

Housing Development: Work on Site A at Ockford Ridge (37 new homes) will begin in the Spring, with pre-construction work underway from end of January. Preliminary work is underway on the next two phases of refurbishment, as well as two new potential sites for redevelopment on the Ridge. A committee date is awaited for the determination of the application for Site C.

Planning applications have been submitted for sites at Aarons Hill, Godalming (four homes). The scheme at Ryle Road, Farnham (two homes) was recommended for approval but refused by the planning committee. We are now considering what to do next.

A number of other schemes are coming forward and are at various stages of pre application and site assembly. We are also bringing forward our first scheme of five homes in partnership with a private developer under a Section 106 Agreement.

Private Sector Housing Team/Better Care Fund: The team has received over 40 new applications for licenses for Houses in Multiple Occupation and all inspections will be completed by the end of January. The new Home Improvement Policy adopted by Council has resulted in an increase in requests for aids and adaptations. The Council works in partnership with Guildford Borough Council to maintain the Home Improvement Agency and the Handyperson service. It is envisaged that Better Care Funding will continue after March 2020.

Housing Strategy and Enabling: Monitoring and delivering the first year's objectives of the Housing Strategy 2018-2023 continues and an Annual Progress Review of the Strategy will be prepared and presented to the Housing Overview & Scrutiny Committee, Executive and Council after March 2019; the delivery forecast for 2018/19 is 102 new affordable homes.

The Team are working closely with colleagues in the Planning Service to develop a Supplementary Planning Document on affordable housing which will give internal teams, developers and housing associations clear guidance on the delivery of affordable homes through the planning process. A representative from the team has visited parish and town councils to set out the aims of the Housing Strategy and raise awareness of housing need in the Borough. More visits are in the pipeline.

Service Improvement Team: Early stage consultation on Housing Service Plan 2019/2020 has begun.

A home exchange event was held in November with 36 attendees. This was positively received by tenants who fed back that the event was helpful and informative.

The Waverley Homes and People newsletter was issued with annual report data, service advice and

three articles written by tenants.

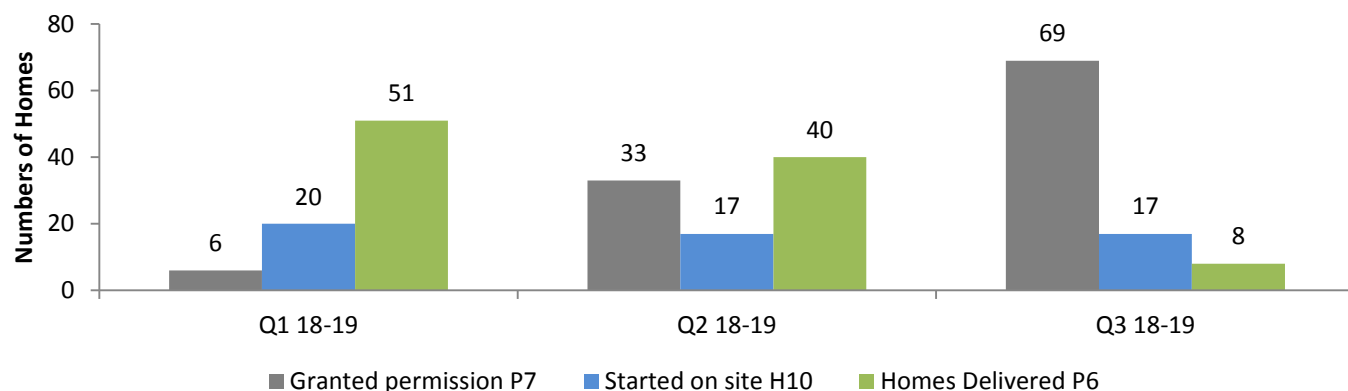
The Service Improvement Manager has supported a Housing Overview and Scrutiny task and finish group on attitudes to Council Housing: 'Pride or Prejudice?' Four tenant drop-in events have been held and surveys have been carried out – the final report will be presented to the full Housing Overview and Scrutiny Committee in February.

Andrew Smith, Head of Strategic Housing & Delivery

Performance Indicators Status

KPI	Description		Q3 17-18	Q4 17-18	Q1 18-19	Q2 18-19	Q3 18- 19	Q3 Target
H3	Housing advice service: Homelessness cases prevented (data only)	No.	78	70	36	Discontinued / replaced by H4a,H4b,H4c		Data only
H4a	Number of homeless households in temporary accommodation at the end of the quarter (lower outturn is better)	No.	0	0	1	0	1	8.0
H4b	Number of approaches to the housing options team for housing options/homelessness advice in the quarter (data only)	No.	Data collection started in Q2 2018-19			155	150	Data only
H4c	Number of cases where a prevention of homelessness duty was accepted in each quarter (data only)	No.	Data collection started in Q2 2018-19			41	28	Data only
P7	Number of Affordable homes - Granted planning permission (Data only - higher outturn is better)	No.	64	558	6	33	69	Data only
H10	Number of Affordable homes - Started on site within a quarter (Data only - higher outturn is better)	No.	Data collection started in Q1 2018-19		20	17	17	Data only
P6 (H1)	Number of affordable homes delivered (gross) (Data only - higher outturn is better)	No.	12	52	51	40	8	Data only

Affordable housing delivery January - December 2018

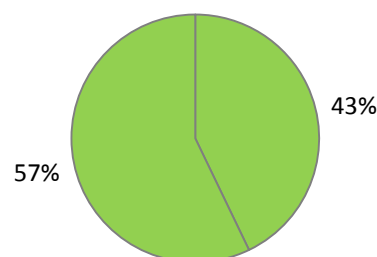


Comment: The teams continue to work well in preventing homelessness and delivering new affordable homes.

Service Plans - Actions Status

Q3 Housing Strategy & Delivery Service Plans

	100%	7
Total		
Completed	43%	3
On track	57%	4
Off track - action taken / in hand	0%	0
Off track - requires escalation	0%	0
Cancelled	0%	0



Comment:

All service plan actions are progressing on target for completion. At the end of Q3 3 out of 7 actions have already been completed.

Internal Audit - Actions Status Q3

The Internal Audit section was included for information only, as the scrutiny function of this service area falls under the remit of Audit Committee, which monitors the Internal Audit recommendations at their quarterly meetings. For further details, please refer to the most recent ["Progress on the Implementation of Internal Audit Recommendations"](#) report from the [Audit Committee meeting 5 November 2018](#).

Code & Title	Start Date	Due Date	Head of Service
IA19/05 Safeguarding	01 Nov 2018	31 Dec 2018	Smith, Andrew +

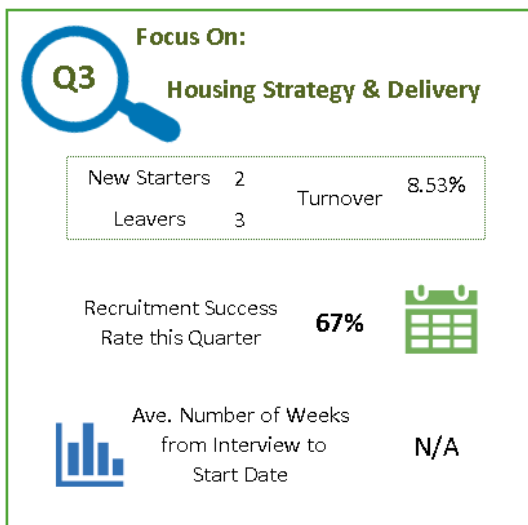
Comment: All recommendations in the Audit report are being progressed satisfactorily and will be uploaded to Pentana (performance management application) by 20 February, in advance of next Audit Committee. It needs to be recognised that the Council's Safeguarding reporting mechanisms and pathways will be determined by new referral procedures to be introduced by Surrey County Council in due course.

Complaints - Q3 update

Level	Level 1	Level 2	Ombudsman
Quarterly Number	2	0	0
Dealt with on time	2	0	0
Response Time	10 days	15 days	
Response Rate	100%	N/A	N/A

In the third quarter only two complaints were received which were successfully dealt at level one within the 10 working days timescale.

Workforce – Q3 update



Comment:

Housing Options officer post suspended following retirement – to be kept under review.

Finance Update Q3

Row Labels	Approved Budget '000	Forecast Outturn '000	Forecast Variance '000	Adverse/ Favourable
Housing Strategy				
Expenditure	3,442	3,676	234	Adverse
Income	0	-167	-167	Favourable
Housing Strategy Total	3,442	3,509	67	Adverse

Head of Service Comment: Homelessness rent received in advance is high due to landlords requiring larger deposits before households are placed in private rented accommodation. However, there is a lag behind payments made to landlords. Additional 12K income received through HMO licensing receipts. Offset with expenditure 68K deficit

10. Appendix A. Detailed Budget Analysis – Q3 update

	2017/18	2018/19			Adverse/ Favourable Outcome
	Outturn £'000	Approved Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	
Expenditure					
Building Running Costs	1,653	2,099	1,981	-118	Favourable
Compensatory grants	58	49	52	4	Adverse
Contracted Services	7,075	6,771	6,770	0	N/A
Contributions to/from Reserves	4,018	6,810	6,821	11	Adverse
Depreciation	1,000	1,143	1,143	0	N/A
Election Fees	137				N/A
Equipment Costs	905	1,000	991	-9	Favourable
Staff Pay	18,170	19,401	19,368	-34	Favourable
Non Pay Staff Costs	1,023	944	944	0	N/A
Financial Fees	337	331	363	32	Adverse
Grants	920	813	819	5	Adverse
Grounds Maintenance	1,705	1,678	1,639	-39	Favourable
Housing Repairs	3,861	5,232	5,232	0	N/A
Interest Costs	5,795	5,917	5,971	54	Adverse
Legal fees	430	358	355	-3	Favourable
Mayoralty expenses	11	22	22	-1	Favourable
Members allowances	374	398	398	0	N/A
Members Travel	14	18	18	0	N/A
Net Benefit Cost	-623	-587	-478	109	Adverse
Net recharges	22,850	22,222	22,222	0	N/A
Other expenditure	983	6,000	5,985	-15	Favourable
Other travel	15	20	20	0	N/A
Pension Backfunding Costs	153	162	158	-4	Favourable
Professional Fees	269	337	338	1	Adverse
Rent Costs	687	428	662	234	Adverse
Utilities	597	558	563	4	Adverse
Vehicle Costs	32	33	33	0	N/A
Waverley Training Services Sub Contractors	2,733	2,526	2,526	0	N/A
Expenditure Total	75,185	84,684	84,915	230	Adverse
Income					
Building Control Income	-453	-645	-509	136	Adverse
Car Park income	-5,054	-5,036	-5,036	0	N/A
Careline Income	-450	-447	-447	0	N/A
Contributions (e.g. Tenants)	-42	-10	-10	0	N/A
Fees and charges	-868	-1,013	-1,027	-14	Favourable
Grant Income	-1,472	-543	-539	3	Adverse
Green Waste Income	-691	-831	-831	0	N/A
Housing Dwelling Rents	-28,579	-28,397	-28,279	118	Adverse
Interest Income	-838	-640	-1,048	-407	Favourable
Land Charges Income	-438	-405	-405	0	N/A
Leisure Centre Profit Share	-466	-491	-491	0	N/A
Licensing Income	-277	-272	-272	0	N/A
Net recharges	-24,292	-24,093	-24,095	-2	Favourable
Planning Income	-1,503	-1,767	-1,744	23	Adverse
Property Income	-2,878	-2,838	-2,956	-118	Favourable
Reimbursements	-4,406	-3,977	-3,948	29	Adverse
Recycling Credit	-1,020	-884	-884	0	N/A
Service Charges	-299	-313	-377	-64	Favourable
Water Rates Collection	-18				N/A
Income Total	-74,045	-72,601	-72,896	-294	Favourable
Grand Total	1,141	12,083	12,019	-64	Favourable

WAVERLEY BOROUGH COUNCIL

**VALUE FOR MONEY AND CUSTOMER SERVICE OVERVIEW & SCRUTINY
COMMITTEE – 18 FEBRUARY 2019**

EXECUTIVE – 12 MARCH 2019

COUNCIL – 19 MARCH 2019

Title:

CIL GOVERNANCE ARRANGEMENTS – CRITERIA AND FINANCIAL THRESHOLDS

**[Portfolio Holder: Cllr Kevin Deanus]
[Wards Affected: All]**

Summary and purpose:

On 11 December 2018, Council approved outline governance arrangements for the allocation of Community Infrastructure Levy (CIL) receipts to enable the delivery of specific infrastructure projects that will support and mitigate impact of development in the Borough over the Local Plan period.

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

The adoption of robust CIL Governance Arrangements will contribute to the Council's Strategic priorities of Place and Prosperity, through the allocation of funding to enable provision of infrastructure that supports communities and economic growth in the Borough.

Equality and Diversity Implications:

There are no direct Equality and Diversity implications arising from the CIL Governance Arrangements. There are no specific equality groups that will be directly affected by the proposed arrangements. It is expected that all residents/businesses will benefit from improvements to infrastructure in their local area and the Borough as a whole.

Financial Implications:

During the CIL Examination, it was estimated by Waverley's consultant that the CIL could potentially raise up to £94m towards infrastructure development in Waverley in the remainder of the Plan period up to 2032, assuming that the entire housing target is delivered during this time. The CIL Regulations 2010 (as amended) ("the Regulations") allow up to 5% of CIL receipts to be used for the administration costs of operating CIL.

Legal Implications:

The governance arrangements will be implemented in accordance with the CIL Regulations 2010 (as amended) ("the Regulations") and will also take account of Planning Practice Guidance.

Background

1. The Community Infrastructure Levy (CIL) is a charge that local authorities can impose on new development to raise funds to deliver infrastructure that is required to support the development and growth of their area.
2. Following independent examination, the Waverley Borough Council CIL Charging Schedule ('the CIL Charging Schedule') was adopted by Full Council on 31 October 2018 and will be effective from 1 March 2019.
3. Waverley's Regulation 123 List sets out the types of infrastructure that the Council may fund through CIL and those that will continue to be funded through Section 106 agreements. The Regulation 123 List, Instalment Policy, and Phasing and CIL-in-kind Policies were also adopted by Council on 31 October 2018.
4. CIL contributions are intended to fill infrastructure funding gaps and are not expected to provide the full costs associated with delivering and maintaining infrastructure. The Council must use the CIL funds for "the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area". The CIL cannot be used to resolve "historical deficits" of infrastructure provision.

Governance Arrangements for CIL at Waverley

5. On 11 December 2018, Council approved outline governance arrangements for the allocation of Community Infrastructure Levy (CIL) receipts to enable the delivery of specific infrastructure projects that will mitigate the impacts of new development and support economic growth. The council agreed the establishment of a CIL Advisory Board that will consider bids for CIL in the future, but initially it was charged with developing the detailed governance arrangements, specifically:
 - drafting the detailed criteria for the spending of Strategic CIL receipts and any proposals for allocating proportions of the Strategic CIL Fund for specific purposes; and;
 - identifying a threshold for the delegation to the Executive of the approval of Strategic CIL Fund spending after consideration of the recommendations of the CIL Advisory Board.
6. Since Council, the CIL Advisory Board has been convened, with membership comprising:

Portfolio Holder for Planning (Operations)	Cllr Kevin Deanus
Portfolio Holder for Economic Development	Cllr Jim Edwards
Portfolio Holder for Finance	Cllr Ged Hall
Non-Executive Members x 4:	Cllr Brian Adams
	Cllr David Beaman
	Cllr Mary Forszewski
	Cllr Peter Martin
7. The Board has reviewed and agreed in principle draft Terms of Reference and these are attached at Annexe 1 to be endorsed by Council.
8. The Regulations state that the CIL is to be allocated as follows:

- Administrative CIL: 5% of CIL receipts to be retained by Waverley Borough Council.
- Neighbourhood CIL: 15%-25% of CIL receipts to be paid to Town and Parish Councils. In line with the Regulations, 15% of CIL receipts (capped at £100 per Council tax dwelling per annum in the parish area) will be transferred to Town and Parish Councils twice a year, where development has occurred in their area. This rises to 25% of CIL receipts (without any cap) for Town and Parish Councils that have made Neighbourhood Plans. The Neighbourhood CIL may be spent by Town or Parish Councils on a range of infrastructure projects, as long as it meets the requirement to support:
 - the development of the area by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - anything else that is concerned with addressing the demands that development places on the area.
- Strategic CIL: the remaining 70-80% of CIL – the Strategic CIL Fund - is to be allocated to infrastructure projects by Waverley Borough Council. In allocating CIL funds to projects it will be important to maintain the strong link with the infrastructure categories set out on the Regulation 123 List, and projects identified in the Infrastructure Delivery Plan (IDP). The Regulations require that CIL funding must be for the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. CIL is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.

Criteria for spending of Strategic CIL Fund receipts

9. The CIL Advisory Board reviewed draft criteria and a scoring framework for evaluating bids for infrastructure from the Strategic CIL Fund. The broad criteria headings proposed are:
- i. Delivering growth (up to 45 points/120)
 - ii. Community support (up to 25 points/120)
 - iii. Project cost (up to 25 points/120)
 - iv. Deliverability (up to 25 points/120)

The draft project evaluation template is attached at Annexe 2 and is recommended for approval by Council.

10. Whilst the Board felt that a points-based evaluation framework was as helpful evaluation tool, they were reluctant to recommend a points threshold that projects would have to reach before being considered for funding, without the experience of seeing the outcomes of the process during the first year of operation.

Allocating proportions of the Strategic CIL Fund for specific purposes

11. The Board recognises the frustration that many councillors feel in relation to the significant level of development that has already been permitted prior to the implementation of CIL. The fact that this development has been concentrated in certain parishes, has exacerbated feelings of 'missing out' on funds that could have

made a real contribution to infrastructure locally that would mitigate some of the impacts of contentious development.

12. The Board also recognised that it is likely that projects scoring highest for allocation of funds will be those from the County Council, for highways and education. There is a risk that the majority of CIL funds will be allocated to major, high value, projects and lower value – but still desirable – projects will not be funded.
13. In order to provide the opportunity for Town and Parish Councils to bid for lower value, locally desirable projects, the CIL Advisory Board recommends that the Strategic CIL Fund is 'bottom-sliced' to create a 'Communities CIL Fund' amounting to 10% of the Strategic CIL Fund. This will have a separate application process to the main Strategic CIL Fund, and as part of the assessment of bids consideration will be given to the amount of Neighbourhood CIL Funds the parish council has received over the past 2 years.
14. Whilst the projects to which the Communities CIL Fund may be allocated are more restricted than for the Neighbourhood Funds held by Town and Parish Councils, it will provide an opportunity for local communities to access funds for local infrastructure projects that can be completed quickly and deliver direct benefits to local residents.

Threshold on the delegation to the Executive

15. The CIL Advisory Board considered what would be an appropriate upper limit on the delegation to the Executive to approve individual allocations of CIL, and agreed to recommend a threshold of £2.5m. Any individual project with a total cost in excess of £2.5m will need to be referred from Executive to Council for approval.

Conclusions

16. In making its recommendations on the Terms of Reference of the CIL Advisory Board, the detailed evaluation criteria for assessing bids for funding, the creation of a Communities Fund within the Strategic CIL Fund, and setting a threshold of £2.5m for Executive approval of individual allocations, the Board recognised that there would need to be an annual review of the arrangements and the ability to revise them in the light of experience. The Terms of Reference therefore include responsibility for reviewing the CIL governance arrangements on an annual basis, and delegated authority is sought from Council for the CIL Advisory Board to make changes to the arrangements.

Recommendation from Executive to Council

Subject to the consideration and comments of Value for Money & Customer Service Overview & Scrutiny Committee, that the Executive recommends to Council:

1. The CIL Advisory Board Terms of Reference as set out at Annexe 1 are endorsed.
2. The draft evaluation and scoring framework for assessment of bids for funding from the Strategic CIL Fund as set out at Annexe 2, are agreed.
3. The Strategic CIL Fund is 'bottom-sliced' to create a Community CIL Fund of 10% of the Strategic CIL Fund receipts, for funding low-value but desirable community

infrastructure projects on application from parish councils, with priority being given to bids from parish councils with relatively low Neighbourhood CIL Fund receipts.

4. The delegation to the Executive to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board is subject to an upper limit of £2.5m, above which approval reverts to Council.
5. Delegated authority is given to the CIL Advisory Board to make revisions to the governance arrangements, subject to an annual report to the Executive and Council.

Recommendation

It is recommended that the Value for Money and Customer Service O&S Committee considers the content of the report and proposed recommendations from Executive to Council, and agrees any observations to be forwarded 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.

CONTACT OFFICER:

Name: Graeme Clark

Telephone: 01483 523099

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

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CIL ADVISORY BOARD
DRAFT TERMS OF REFERENCE (v1)

1. Purpose

- 1.1 The CIL Advisory Board has been established by Council [11 December 2018] to develop the detailed arrangements for the allocation, spending and reporting of CIL receipts, and oversee the arrangements thereafter; and, to make recommendations to the Executive on spending of CIL Strategic Fund receipts, after consideration of spending applications against agreed criteria.

2. Functions

- 2.1 The CIL Advisory Board will:

- i. Develop detailed arrangements for the allocation, spending and reporting of CIL receipts, subject to the agreement of Council.
- ii. Make recommendations to the Executive on the allocation of CIL receipts.
- iii. Make an annual report to the Executive on CIL receipts and spending (in accordance with Regulation ... of the CIL Regulations).
- iv. The CIL Advisory Board will review the arrangements for allocating CIL receipts annually, and report to the Executive and make recommendations to the Executive on any changes to the arrangements.
- v. The CIL Advisory Board will review its terms of reference annually and make recommendations to the Executive, as it deems appropriate.

3. Membership

- 3.1 The CIL Advisory Board will be appointed by the Leader of the Council on an annual basis, the Membership to be agreed by Council at the annual meeting of Council.

- 3.2 The CIL Advisory Board membership does not fall within the scope of the political proportionality requirements of the LG&HA1989, but will recognise as far as possible:

- a) the political make-up of the Council
- b) the geographical interests of the Council

- 3.3 The Membership will comprise:

- Portfolio Holder for Finance
- Portfolio Holder for Planning (Operations)
- Portfolio Holder for Economic Development
- Non-Executive Councillor x 4

- 3.4 There will be no substitutions in the event of members being unable to attend a meeting.
- 3.5 CIL spending is an Executive function, and the Chairman of the CIL Advisory Board will be the Portfolio Holder for Planning Operations (or whichever Executive portfolio includes responsibility for CIL).

4. Quorum

- 4.1 A meeting of the CIL Advisory Board may proceed provided there are at least *[two]* Executive Portfolio Holders and *[three]* Non-Executive Councillors present.

5. Meetings

- 5.1 The CIL Advisory Board will have scheduled meetings on a quarterly basis, with additional meetings called as required.
- 5.2 Meetings of the CIL Advisory Board are not held in public, and will not be webcast.
- 5.2 The agenda and papers for a meeting must be circulated at least three clear working days prior to the meeting. After each meeting the Chairman will agree the notes and any action points.

6. Reporting

- 6.1 The CIL Advisory Board will report to the Executive annually with recommendations on the allocation of CIL receipts to support infrastructure projects within the Borough.
- 6.2 The CIL Advisory Board will report to the Executive annually on the amount of CIL received and allocated/spent, in accordance with CIL Regulations (....).

Strategic Community Infrastructure Levy (CIL) Project Scoring

Applicant	
Project location	
Project description	
Amount of CIL funding requested	
Total cost of the project	

Mandatory Requirements (to be completed by the CIL Officer)

For a project to be assessed against the scoring criteria all of the mandatory requirements must be satisfied:

- The application form is completed satisfactorily.
- The organisation must be capable of carrying out the proposed project.
- The project must meet the terms of the CIL Regulations, as amended:
 - The project must be clearly defined as 'infrastructure'.
 - The CIL Regulations require that CIL funding must be for the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.
 - The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.
- The project is listed as a CIL infrastructure type or project in the Council's Regulation 123 List

Scoring Criteria

If a project fulfils the mandatory requirements it will be assessed against the following scoring criteria by Officers.

Delivering Growth (45)

Will the project contribute towards the delivery of the adopted/emerging Local Plan?

Strong link to the delivery of the Local Plan (15)	Some link to the delivery of the Local Plan (10)	Very little direct delivery of the Local Plan (5)	No contribution to delivery of the Local Plan (0)
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What is the status of the project in the Infrastructure Delivery Plan (IDP)?

Critical (20)	Essential (15)	Desirable (10)	Other (5)	Not in the IDP (0)
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Does the project fit with the vision and mission of the Waverley Borough Council Corporate Strategy?

Strong link to Council priorities (10)	Some link to Council priorities (5)	No link to Council priorities (0)
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Community Support (25)

Is there a public benefit of the project?

Evidence of local and wider public benefit (10)	Evidence of local public benefit (5)	No evidence of public benefit (0)
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Is there evidence that the local community support the project?

Significant evidence of community support (5)	Some evidence of community support (3)	No evidence of community support (0)		
Is there evidence of support for the project from other stakeholder or organisations? (all that apply)				
County Council support (2)	District Council support (2)	Parish Council support (2)	Service provider support (2)	Other stakeholder support (2)
Project Cost (25)				
Is the project value for money (VfM)? (considering: project costs compared to benchmark costs, potential benefits and outcomes for the Borough, alternative funding sources available and the need for CIL, the added value which CIL could bring to the scheme)				
Excellent evidence that all aspects of the project are VfM (10)	Good evidence that most aspects of the project are VfM (7)	Some evidence that aspects of the project are VfM (5)	Limited evidence that the project is VfM (3)	Evidence does not demonstrate project is VfM (0)
Has the project received any previous CIL funding?				
No previous CIL funding sought or received (5)	Some CIL funding sought or received (3)		CIL funds previously sought or received; or unknown (0)	
Does the project have or unlock additional funding from other sources (e.g. grants or match-funding)?				
Over 75% funding from other sources (10)	50-74% funding from other sources (7)	25-49% funding from other sources (5)	Up to 25% funding from other sources (3)	No funding from other sources (0)
Deliverability (25)				
What evidence is there to suggest the project is deliverable? (considering: feasibility; if planning permission would be requirement; what type of bid is the project, e.g. feasibility, preliminary works or project ; is there a project plan which includes timetable and resources; what measures have been explored to minimise the risk of the project not being delivered)				
Strong evidence supporting deliverability of the project (15)	Good evidence supporting deliverability of the project (10)	Some evidence supporting deliverability of the project (5)	No/limited evidence supporting deliverability of the project (0)	
What is the delivery timescale for the project?				
Immediate (5)	Up to 5 years (4)	5-10 years (3)	10-15 years (2)	More than 15 years (1)
Have details been given as to how on-going maintenance will be provided for and the identification of the responsible party for the maintenance?				
Evidence of provider and cost for maintenance (5)	Evidence of provide but no cost for maintenance; or no evidence of provide but cost for maintenance (3)		No evidence of provider or cost for maintenance (0)	

Project Score	/120
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WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY AND CUSTOMER SERVICE O&S COMMITTEE
18 FEBRUARY 2019

EXECUTIVE
12 MARCH 2019

Title:

CAPITAL STRATEGY

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

Summary and purpose:

To seek approval of the overarching Capital Strategy which brings together the Council's detailed policies, procedures and plans relating to cash investments and property assets. This report also seeks approval of the Treasury Management Framework for 2019/2020 which is an integral part of the Capital Strategy and a statutory requirement.

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

This report relates to the Council's People, Place and Prosperity priorities as it provides a governance framework around capital investment to ensure resources are in the right place to deliver the key priority themes set out in the Corporate Strategy.

Equality and Diversity Implications:

The Capital Strategy governs the provision of capital funding when required to support all services including those which promote equality and diversity.

Financial Implications:

The Capital Strategy describes how the Council determines its priorities for capital investment and decides how much it can afford to borrow. The Treasury Management Policy, which requires the achievement of an appropriate balance between risk and return, plays a key role in the generation of investment income required to support service provision.

Legal Implications:

The Prudential Code (the Code) for Capital Finance in Local Authorities and the Code of Practice on Treasury Management, both produced by CIPFA, supports the provisions of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 and support strategic planning for capital investment at a local level. Compliance with both codes is a statutory requirement for local authorities.

Background

1. The Code for Capital Finance in Local Authorities issued by CIPFA requires local authorities to determine capital expenditure and investment decisions that are affordable, prudent and sustainable, and to set limits on the amount they can afford

to borrow in the context of capital planning. This requires effective strategic planning and a decision making framework.

2. The Prudential Code establishes a framework that should support:

- (a) local strategic planning;
- (b) local asset management planning; and
- (c) proper option appraisal;

and assist local authorities to ensure that:

- (d) capital expenditure and investment plans are affordable;
- (e) all external borrowing and other long term liabilities are within prudent and sustainable levels; and
- (f) treasury management and other investment decisions are taken in accordance with professional good practice.

and that in taking decisions in relation to (d), (e) and (f) above the local authority can be held accountable by providing a clear and transparent framework.

3. The latest version of the Prudential Code introduced the requirement for local authorities to approve a Capital Strategy from 2018 to provide the framework described above and to ensure good governance. The Council approved an interim Capital Strategy in October 2018 after consideration by the Value for Money Overview and Scrutiny Committee.

4. The purpose of the Capital Strategy is to:

- (a) place decisions about borrowing in the context of the overall longer term financial position of the local authority.
- (b) provide improved links between revenue and capital budgets.
- (c) give a clear and concise view of how the local authority determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite.
- (d) give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

5. The Capital Strategy sits above the more detailed policies, procedures and plans, such as asset management plans and the Treasury Management Strategy, and gives reference to these for those seeking more detailed information. The diagram at [Annexe 1](#) shows how all the Council's detailed documents fit into the Capital Strategy.

6. This report contains the following Annexes:

- Annexe 1 – Capital Strategy infographic
- Annexe 2 – Capital Strategy
- Annexe 3 – Treasury Management Policy
- Annexe 4 – Treasury Management Strategy
- Annexe 5 – Treasury Management Investment Strategy
- Annexe 6 – Prudential Indicators

7. The Capital Strategy is individual to each authority and it details how stewardship, value for money, prudence, sustainability and affordability will be secured for Waverley. Affordability covers all the years in which the capital investment will have a financial impact on the Council. It also ensures the Council meets legislative requirements on reporting.
8. It is a living document that will evolve over time to respond to changing circumstances at the Council. It will be subject to annual review.
9. The updated Capital Strategy is included at Annexe 2.

Treasury Management Framework 2019/2020

10. One of the key documents that underpins the Capital Strategy is the Treasury Management Framework which relates to the management of the Council's monetary investments and cash flows, its banking, money market transactions and borrowing. The effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks is also covered. The framework covers all of the Council's treasury activity and does not distinguish between the General Fund and the Housing Revenue Account funds. The Treasury Management Framework for 2019/20 contains some proposed changes to the existing framework which are highlighted later in this report.
11. This report sets out the proposed Treasury Management Framework for 2019/20, comprising:
 - revised Treasury Management Policy;
 - 2019/20 Treasury Management Strategy; and
 - 2019/20 Treasury Management Investment Strategy.
12. The Council collects around £160 million of income per annum and has, on average, £70m each day invested in money markets. With the introduction of HRA Self-financing in 2012/13 the Treasury Framework also includes borrowing (originally of £192m) and in future this could also include borrowing to support commercial investment.
13. The Treasury Code requires local authorities to maintain their Treasury Management Policy and Strategy in accordance with the Code, and any of its revisions, and with legislation. During 2017 CIPFA revised the Code through a series of consultations. In March 2018 the Government also published a revised Prudential Framework for Capital Finance, which includes the Local Authorities Investment Code and Minimum Revenue Provision (MRP) Guidance. These revisions take effect from April 2019 and are incorporated in the Treasury Management Strategy.
14. CIPFA has produced the Treasury Code and the accompanying guidance notes to help satisfy nine main purposes:
 - (a) To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, and thereby to add to their credibility in the public eye.

- (b) To emphasise the over-riding importance of effective risk management, as the foundation for treasury management in all public service organisation.
- (c) To provide transparency for treasury management decisions including the choice of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
- (d) To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
- (e) To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, "to maintain and develop the professional competence of both themselves and those they supervise".
- (f) To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
- (g) To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
- (h) To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
- (i) To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

Treasury Management Statements

15. The key documents which are produced in accordance with the requirements of the Code and require annual approval by the Council are as follows:

- Treasury Management Policy

This is included at Annexe 3 and sets out the headline objectives of the Treasury Management function.

- Treasury Management Strategy 2019/20

This is included at Annexe 4 and sets out the way in which the Council's policy objectives for Treasury Management will be achieved and the high level approach to borrowing and treasury investment. As required by the Code, the Strategy includes a statement of Waverley's Treasury Management Practices (TMPs) which set out specific areas of note and how they will be dealt with.

- Treasury Management Investment Strategy 2019/20

This is included at Annexe 5 and sets out how Waverley's treasury investments will be managed, in accordance with the Treasury Management Strategy, and how this will help achieve Waverley's policy objectives.

Borrowing

16. With the approval of the Property Development Strategy, overseen by the Investment Advisory Board, and the Government's significant reduction in Waverley's New Homes Bonus funding, it is likely that the Council will need to borrow in future years to acquire and/or develop commercial property assets in order to generate revenue for the General Fund budget and to support the local economy.
17. In order to respond quickly to opportunities that arise and ensure flexibility in making capital financing arrangements, the decision to borrow to finance capital expenditure has been delegated to the Executive by the Council, subject to the limits within the Treasury Management Framework and provided that the annual revenue cost of the borrowing is within the Executive's authorised spending limit for each transaction.

Prudential Indicators to 2021/22

18. The Prudential Code requires local authorities to self-regulate the affordability, prudence and sustainability of capital expenditure and borrowing plans, by setting estimates and limits, and by publishing actuals, for a range of prudential indicators.
 - affordability - a local authority must consider the affordability of its capital investment during all the years in which it will have a financial impact on the authority.
 - Prudence - a local authority must be cautious and ensure that its capital investment decisions can deliver the authority's asset management and Corporate Strategy and link capital investment to service priorities.
 - Sustainability - capital investment must consider the cost of maintaining existing assets.
19. The Prudential Code imposes on local authorities clear governance procedures for setting and revising prudential indicators to deliver accountability in taking capital financing, borrowing and treasury management decisions.
20. The Prudential Code and the Treasury Code contain indicators which are designed to support and record local decision making in a manner that is publicly accountable. Each Local Authority must adopt a set of indicators which reflects its individual circumstances.
21. The Council's indicators are contained at annexe 6.

Conclusion

22. All of the Council's Strategies, Policies, Procedures and Plans need to work together to ensure good governance and financial resilience for the Council. The Capital Strategy demonstrates how they fit together to ensure this will be achieved.

Recommendation from Executive to Council

The Executive recommends to the Council that the proposed:

- 1) Capital Strategy for 2019/20 be approved;
- 2) Prudential Indicators be approved; and
- 3) Treasury Management Framework for 2019/20 be approved.

Recommendation

It is recommended that the Value for Money and Customer Service O&S Committee considers the content of the report and agrees any comments to be forwarded to the Executive.

Background Papers

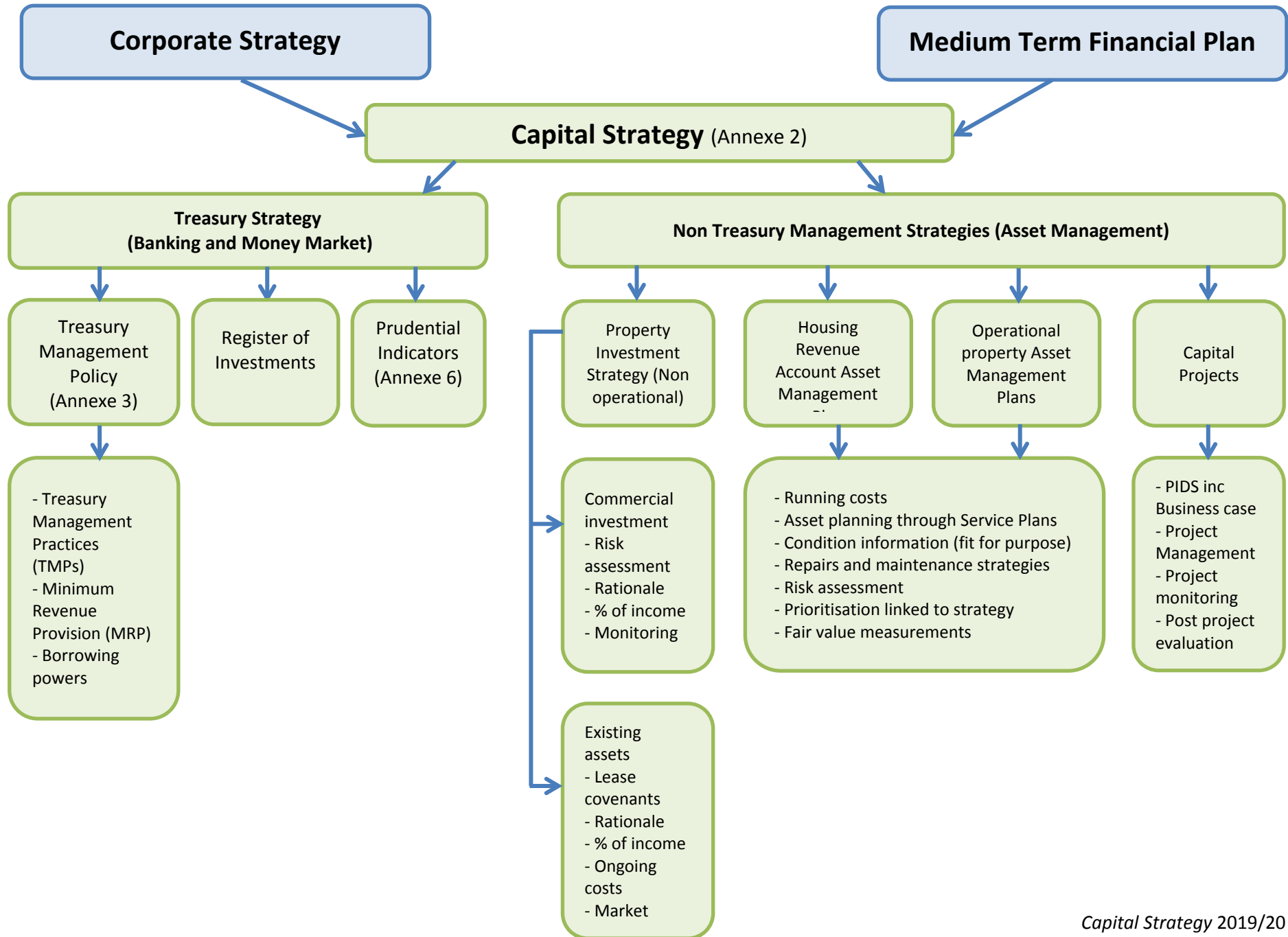
There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICER:

Name: Vicki Basley

Telephone: 01483 523250

E-mail: victoria.basley@waverley.gov.uk



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Waverley Borough Council

Capital Strategy

Version 2.0

Prepared by: Vicki Basley
1/15/2019

1. Introduction

1.1 Description

The Capital Strategy (the Strategy) brings together Waverley Borough Council's (Waverley's) detailed policies, procedures and plans relating to cash investments and property assets.

This three-year Strategy sets out how Waverley will manage the investment of its capital resources and the financing of capital expenditure in order to contribute towards the achievement of its key objectives and priorities.

The Strategy includes the appraisal process for determining capital investment decisions and the process for analysing funding requirements.

The Strategy also provides a framework by which capital expenditure decisions are made as required by the Prudential Code for Capital Finance in Local Authorities to provide good governance.

2. Structure of the Capital Strategy

The Capital Strategy sets out Waverley's processes for the various stages and aspects of considering and carrying out capital projects.

- Scope (section 2.1)
- Project initiation (section 2.2)
- Prioritisation of capital projects (section 2.3)
- Monitoring and evaluating projects (section 2.4)
- Revenue implications (section 2.5)
- Framework for the management and monitoring of the capital programme (section 2.6)

1.2 Objectives

The objectives of the Strategy are to:

- prioritise and deploy capital resources in advancement of the Corporate Objectives
- support service plans
- invest in assets that reflect the corporate priorities
- manage Waverley's investments, property and other assets effectively and efficiently

- Funding of capital projects (section 2.7)
- Asset Management (section 2.8)
- Affordable housing (section 2.9)
- Asset reviews (section 2.10)

2.1 Scope

The Strategy covers all capital investment and capital expenditure decisions undertaken by Waverley as an individual local authority and also those entered into by Waverley under group or partnership arrangements.

2.2 Project Initiation

Capital projects will be subject to a robust justification process which brings together a clear business case with sufficiently detailed costings to ensure that the rationale for the decision can be easily understood.

Proposals must be subject to independent oversight and review in terms of validation arrangements, estimated figures and project milestones.

Business cases must be prepared in accordance with Waverley's Project Management toolkit.

The business case must state where responsibility for project delivery lies and which officers are responsible for each task in the project.

For larger projects where feasibility is less certain, viability assessments will be required before bids are made for capital funding. This includes undertaking all preparatory work to fully understand the requirements of a project before capital funding is sought.

An assessment of officer resource requirements and availability must be included in proposals to ensure that both delivery of projects and day-to-day work is covered. That assessment must include a time based resource plan to highlight significant pressure on resources.

A formal process for supervision and review of the capital project at regular and defined intervals must be annexed to the business case to ensure that the project

will be subject to thorough oversight for its duration.

2.3 Deciding on the prioritisation of capital projects

Proposed capital projects will be assessed in relation to alternative potential projects and on impact to financial resilience against the following criteria:

- Strategic fit – corporate objectives that are being met by the expenditure
- Identified need – why the project is required eg vital repairs to or major non-revenue maintenance of existing assets
- Achievability – this may include alternatives to direct expenditure by Waverley such as partnerships with others, rent or buy options and other alternative delivery vehicles
- Affordability and resource use – to ensure that total capital investment and expenditure remains within relevant limits if the project is approved
- Practicality and deliverability
- Revenue generation to be achieved from the proposed capital investment
- Non-monetary impacts such as future economic growth, social well-being or environmental benefit

2.4 Monitoring and evaluating projects

In assessing potential capital projects Waverley will have regard to:

- Governance arrangements
- How each scheme will be reviewed
- The formal approval process

2.4.1 Governance process for approval and monitoring of capital expenditure

For all capital investment the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of risk being considered in accordance with Waverley's Risk Appetite Statement.

Due diligence process and procedures will include:

- Scrutiny of the capital programme by the Value for Money and Customer Service Overview & Scrutiny Committee
- Identification of the risk to both the capital investment and the anticipated revenue generation
- Understanding the potential impact on the financial sustainability of Waverley if the risks are realised
- Identifying assets being held for security against any potential debt or charges on assets
- Seeking independent and expert advice where necessary

The Strategic Director (Section 151 Officer) is responsible for ensuring that Members are adequately informed and understand the risks of capital investment decisions.

2.4.2 How each scheme will be reviewed

The business case put forward for a capital project will be reviewed to ensure it takes account of stewardship, value for money, prudence, sustainability and affordability.

Investment decisions will consider risk and reward and all the criteria set out in section 2.3.

The phasing of projects over more than one financial year will be assessed to ensure timetabling of plans and budgeting is realistic and funding is available over the life of the project.

Contingency budgets will be considered as part of the review process to increase transparency of budgeting and to avoid over-budgeting of funds.

2.4.3 The formal approval process

The Capital Programme will be put to Council for formal approval together with funding requirements and, if successful, will form Waverley's capital programme which is the plan of capital investment for future years.

This ensures Waverley's overall capital strategy, governance procedures and risk appetite are fully understood by all members.

2.5 Revenue Implications

The revenue implications of capital investment must always be considered in prioritising projects and making investment decisions. Revenue implications include increases and decreases in both income and costs.

Items with negative revenue implications include:

- cost of borrowing (including Minimum Revenue Provision)
- loss of investment income if reserves or useable capital receipts are used
- running costs associated with an acquired asset such as:
 - salaries of employees or management fees or other outsourcing costs
 - heat and light etc
 - administrative support costs
 - future maintenance

Items with positive revenue implications include:

- additional income
- any positive impact of investment and economic growth on Waverley's council tax base and business rates income
- direct revenue savings
- savings from efficiencies

2.6 Framework for the management and monitoring of the Capital Programme

A Project Manager will be assigned to each project to oversee planning, delivery, management, skills assessment and governance of capital projects.

Project management must be used on every project irrespective of funding source.

There is a standard approach to project management that is used across Waverley. It consists of a standardised set of project documentation which allows a thorough and transparent overview of projects and the assessment of project progress against initial plans and milestones. These documents include risk registers and project baselines.

The finance system is used as a tool for budget management and is accessed by both finance staff and project managers to give up to date information on project spend.

Close monitoring and reporting of slippage is undertaken to give more timely reporting which then allows for greater flexibility with capital spend allowing opportunities for alternative projects to be introduced.

Full requirements in regard to management of financial information can be found in Waverley's Financial Regulations.

2.7 Funding of capital projects

2.7.1 Funding

Proposals for capital projects shall identify the capital funding requirements for the timescale of the project.

Capital funding must be appropriate for the project. Possible sources are:

- Reserves
- Capital receipts – from the sale of assets or finance lease receipts
- Government grants – such as disabled facilities grant funding
- Third party grants and contributions
- Community infrastructure Levy
- Revenue contributions
- Other developer contributions
- National Lottery
- Heritage Lottery Fund
- Matched funding
- External (prudential) borrowing

Any restrictions on borrowing or funding of ongoing capital finance eg HRA requirements must be assessed.

If grant funding is being sought, the project appraisal process must include bidding timeframes and the likely success of being awarded a grant.

2.7.2 Flexible use of capital receipts until 2021/22

Local authorities are permitted to use capital receipts to fund projects which are forecast to generate ongoing savings.

If Waverley plans to use this funding option for one or more capital projects a document must be prepared listing the projects, the expected savings or service transformation outcome for each project, and the impact on Waverley's prudential indicators.

2.7.3 Borrowing

Waverley's approach to borrowing is set out in the Treasury Management Framework.

Waverley may consider internal or external borrowing.

The following issues will be considered prior to undertaking any external borrowing:

- Affordability
- Maturity profile of existing debt
- Interest rate and refinancing risk
- Borrowing source

Minimum revenue provision (MRP) – local authorities are required to set aside a 'prudent' amount of their revenues each year as a provision for the repayment of debt'. Prudent provision should ensure that debt is repaid over a period that is reasonably similar to the period over which the capital expenditure is expected to provide benefit.

2.8 Asset Management

Waverley's arrangements for the corporate review of existing assets are contained in the Property Investment Strategy and the Housing Revenue Account Asset Management Strategy. These provide frameworks for the operational work of asset management and the aims and objectives and the current property portfolio and the plan of asset management including acquisitions, maintenance requirements and planned disposals.

The land and building assets are contained in the Property Terrier. These assets, together with Waverley's other assets, are held in the Asset Register which is maintained and updated on a regular basis.

2.8.1 Commercial Investment

These are investments made outside the normal treasury management activity and are taken with the aim of making a financial surplus for Waverley.

The detail is contained in the Property Investment strategy which documents the Waverley's requirements for:

- Ensuring effective due diligence
- Risk appetite
- Proportionality in respect of overall resources.
- Independent and expert advice and scrutiny arrangements
- management

The Executive has authority to bid, negotiate and complete on property acquisitions and investments with a total individual cost of up to £10million, within a total aggregate sum of £30million over

the period 2018/2019 to 2020/2021, subject to the decision fully satisfying all the criteria and process requirements set out in the Property Investment Strategy.

Performance is monitored by the Value for Money Overview and Scrutiny Committee.

2.9 Affordable Housing

Waverley recognises the demand for affordable housing.

In addressing this need it will consider a range of options:

- Private developments
- Build new homes from within the Housing Revenue Account within the limitations of the self-financing reforms.
- Seek alternative approaches for financing and supporting house building such as establishing council-owned housing companies and developing new relationships with delivery partners such as housing associations and private developers.
- The acquisition and appropriation of land and the transfer of assets from the HRA to the General Fund.

2.10 Asset reviews

As part of service planning asset reviews will be undertaken to consider the use of existing property and whether it can be better used in achieving the strategic objectives. The use of assets needs to be considered as customers' needs and expectations change.

Examples include:

- Consideration of sales of assets not being used to deliver

operational services or those not delivering best value, eg ransom strips

- A lease on a Waverley owned property may be up for renewal which could create opportunities for change
- The local plan could redesignate a particular area which would allow for the potential redevelopment of Waverley owned land or property.

3. Other Considerations

All capital schemes must comply with Waverley's policies and legislation such as the Financial Regulations and Contract Procurement Rules.

Reference should also be made to other strategies and plans, namely:

- Corporate Strategy 2018-2023
- Property Investment Strategy March 2018
- Treasury Management Framework for 2019-20
- Housing Revenue Account Asset Management Strategy 2015-20
- Financial Regulations 2018-19
- Contract Procurement Rules 2018-19
- Tax Strategy 2018-19
- Risk Appetite Statement (Executive 5 February 2019)
- Medium Term Financial Plan 2019-23

Glossary

CIPFA – Chartered Institute of Public Finance and Accountancy

HRA – Housing Revenue Account

MRP - Minimum Revenue Provision

Property Terrier – information system for property assets

Treasury Management Policy

Waverley adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), which identifies three key principles which organisations should apply:

- 1) formal and comprehensive strategies, objectives, policies, practices and reporting arrangements for the effective management and control of treasury management activities should be in place.
- 2) effective management and control of risk are the prime objectives of Treasury Management and are the responsibility of the Council. Waverley's Treasury Management Framework must make clear its appetite for risk, the use of which financial instruments are allowed for the prudent management of those risks and that priority be given first to security, then to liquidity and last to yield.
- 3) treasury management policies and practices should reflect that the pursuit of value for money is, nevertheless, important and performance measures are important and valid tools to be used in support of this.

Accordingly, Waverley will create and maintain, as the cornerstones for effective Treasury Management:

- A Treasury Management Policy stating the policies, objectives and approach to risk management of its treasury management activities.
- A Treasury Management Strategy Statement on at least an annual basis, including approved treasury management practices (TMPs), setting out the manner in which Waverley will seek to achieve its policy objectives and prescribing how it will manage and control those activities.

The content of the policy, statement and TMPs will follow the recommendations contained in the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

The Council will receive reports on its treasury management policy and practices and the Executive will receive reports on treasury activities and performance, including, as a minimum, the annual framework in advance of the year.

The Council delegates responsibility for the regular monitoring of its Treasury Management Policy and practices to the Executive, and for the execution and administration of day-to-day treasury management decisions to the Strategic Director (Section 151 Officer) who will act in accordance with Waverley's Policy, Statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates the Value for Money Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management framework.

Overall policy:

Waverley defines its Treasury Management Policy objectives as:

The effective management of Waverley's banking and money market investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks in order to ensure that financial resources are available at the right time to deliver Waverley's service priorities.

Risk:

Waverley regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

Value for money:

Waverley acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives and is therefore committed to the principles of achieving value for money in treasury management and to employing suitable performance monitoring arrangements within the context of effective risk management.

Borrowing:

Waverley's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should ensure Waverley is transparent and has flexibility and control over its debt.

Investment:

Waverley's primary objective in relation to its cash investments remains the security of capital. The liquidity or accessibility of Waverley's treasury investments followed by the yield earned on investments remain important but are secondary considerations.

Treasury Management Strategy Statement 2019/20
(incorporating Treasury Management Practice statements)

Overall policy:

The major objective of managing daily cash balances to meet cash flow commitments remains the priority.

Investments:

Waverley's policy is to give security of treasury investment a higher priority than rate of return/yield. Waverley's strategy and day-to-day practice, therefore, continue to be refined, within the boundaries set out in the Treasury Investment Strategy (Annexe 6), in response to market conditions.

Risk:

Waverley acknowledges that no treasury management activity is without risk. The major area of risk is identified as investment risk. Investment risk will be mitigated in a number of ways as set out in accordance with the specified Treasury Management Practices and Annual Treasury Investment Strategy. The cornerstones of current treasury investment strategy are:

- to lend only to those institutions which fit Waverley's policy in terms of financial standing, credit ratings etc;
- generally to restrict lending to terms of one year or less or to cover precept dates or known expenditure commitments, except where the Strategic Director (S151 Officer) or Head of Finance agree to an investment within Waverley's criteria over a longer period if interest rates are favourable;
- to identify financial limits for each counterparty institution depending on the quality of its financial ratings;
- to make all money market investments in GBP sterling thus avoiding exchange rate risk;
- that Waverley's general preference is for fixed rate investments for budgetary certainty and the avoidance of yield risk and
- to consider other forms of investment that are not part of treasury management activity, such as property acquisitions, on a case by case basis subject to a comprehensive business case being presented to Members including analysis of risk and viability. This is set out in a separate Property Investment Strategy.

Waverley will also use available market intelligence as appropriate to aid investment and borrowing decision making.

Value for money:

Waverley is committed to the pursuit of value for money in its Treasury Management function and to use performance methodology in support of that aim. This will be achieved through the formal reporting process set out in the Treasury Management Practices as well as the use of comparative performance indicators (including Prudential Indicators) for its investment returns and costs.

Borrowing:

The HRA self-financing implementation required the HRA to pay the Government £189m in March 2012. Waverley borrowed £184m in March 2012 for this purpose with £5m being met by an internal loan. Waverley adopted a flexible approach to this borrowing in consultation with treasury management advisers.

The following issues will be considered prior to undertaking any external borrowing:

- Affordability
- Maturity profile of existing debt
- Interest rate and refinancing risk
- Borrowing source

It may be advantageous in future, as the HRA Business Plan is developed, to reschedule some of the HRA debt. Waverley's debt portfolio can, potentially, be restructured in order to achieve a reduction in risk, savings in interest costs and/or to meet changing cash demands. The rationale for undertaking any future HRA debt rescheduling would be one or more of the following:

- Changing the maturity profile of the debt portfolio
- Interest rate savings and premiums
- Rebalancing the interest rate structure of the debt portfolio

With the creation of the Investment Advisory Board and the Government's significant reduction in Waverley's New Homes Bonus funding, it is likely that Waverley will need to borrow in 2019/20 and subsequent years to develop and/or acquire property assets in order to develop the local economy and generate revenue for the General Fund budget.

In addition, temporary borrowing for the purposes of financing day-to-day expenditure commitments is allowed for short periods if economic on the day.

Overall, borrowing will be managed within the Authorised Limit for External Debt (See Prudential Indicator 8).

Minimum Revenue Provision (MRP) Policy Statement

One of the underpinning principles of the Local Authority financial system is that all capital expenditure has to be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue income. MRP is a statutory mechanism for allocating funds out of revenue income to repay debt (from borrowing or credit arrangements) for capital spend that is unfinanced.

The scheme of MRP requires Local Authorities to set aside some of their revenues as provision for debt each year of an amount considered to be 'prudent' having regard to the recommendations in the Ministry of Housing and Local Government (MHCLG) guidance. Prudent provision should ensure there is a balance between matching MRP to a period over which the capital expenditure provides benefits.

In advance of each financial year a Local Authority should prepare a statement of its policy on making MRP in respect of that year and submit it to Council for approval.

Waverley's MRP

- Will not be nil or a negative charge except where the Capital Financing Requirement (CFR) is nil or goes into the negative or to offset a previous overpayment of MRP.
- Where the CFR is nil or negative on the last day of the financial year, indicating the provision of debt is equal to or greater than the debt incurred, no MRP will be made in the following financial year.
- The implications of MRP will be assessed at the point of making a decision to incur capital expenditure.
- Waverley will reassess the MRP charge each year.

Options for Prudent Provision of MRP

The methods available to calculate a prudent provision are:

1. Make a provision over the estimated life of the asset for which the borrowing is undertaken, either:
 - Equal instalment method – equal annual amounts over the estimated life of the asset.
 - Annuity method – link MRP to the flow of benefits from an asset where the benefits are expected to increase in later years.

or

2. Match MRP to the depreciation charges that will be generated by the assets that have been acquired
 - MRP continues until the provision made is equal to the original amount of the debt and may then cease.
 - On disposal of the asset the charge will continue but capital receipts or other funding sources can be applied at any time to repay all or part of the outstanding debt.
 - If only part of the expenditure on the asset is financed by debt, the depreciation provision is proportionately reduced.

The MHCLG guidance allows for limited flexibility in the calculation of MRP. However, if Waverley departs significantly from the guidance, or if it is a large, complex, novel scheme, legal and external audit will be consulted with the proposed approach as appropriate.

Commencement of MRP

- MRP will commence in the financial year following the one in which the unfinanced capital expenditure is incurred. In the case of a new asset MRP would begin in the financial year following the one in which the asset becomes operational.
- MRP will not be provided for Assets under Construction. MRP on debt will commence, proportionally, as each stage of the project transfers to Assets in Use.

Estimated Useful life of assets for calculating MRP

The useful life will not normally exceed a maximum of 50 years. Waverley may only exceed this maximum in two scenarios:

- Where Waverley has an opinion from an appropriately qualified professional advisor that the asset will deliver service functionality for more than 50 years. The life suggested by the professional advisor may then be used.
- For a lease, where the length of the lease exceeds 50 years, the length of the lease may be used.

Asset class	Estimated useful life
Investment Properties	50 years
Land and Heritage assets	50 years
Buildings	40 years (unless valuer indicates otherwise)
Vehicles and Equipment	7-15 years
IT Equipment	3-10 years
Car Parks	25 years

Leases

For finance leases, or where a right-of-use asset is on the balance sheet, the MRP requirement is met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.

Housing Assets

The duty to make MRP does not extend to cover borrowing or credit arrangements used to finance capital expenditure of the Housing Revenue Account.

Treasury Management Practices (TMPs)

TMP1 Risk Management

General Statement

The Strategic Director, (Section 151 Officer) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and report as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements*. In respect of each of the following risks, detailed arrangements, which seek to ensure compliance with these objectives, are set out in 'Additional Information' schedules.

Credit and Counterparty Risk Management

The key risk in Waverley's treasury management activities is the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 *Approved instruments methods and techniques*.

Liquidity Risk Management

Waverley will ensure it has adequate cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

Waverley will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current approved capital programme or to finance future debt maturities.

Interest Rate Risk Management

Waverley will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements, as revised, in accordance with TMP6 *Reporting requirements and management information arrangements*. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications considered by the Executive as appropriate.

Exchange Rate Risk Management

Waverley's current approved policy allows cash investments solely in GBP sterling because other currency deals expose Waverley to an additional level of risk. Accordingly, Waverley does not have an exchange rate risk management strategy at this time. Should market conditions change such that foreign currency deals become appropriate, this Treasury Management Practice will be developed to cover this and approval for such a policy change will be sought from Council.

Inflation Risk Management

Waverley will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

Refinancing Risk Management

Waverley will ensure that its borrowing is structured and documented, and the maturity profile of the debt is managed with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to Waverley as can reasonably be achieved in the light of market conditions prevailing at the time.

Legal and Regulatory Risk Management

Waverley will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its TMP1[1] *credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with Waverley, particularly with regard to duty of care and fees charged.

Waverley recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on Waverley.

Fraud, Error and Corruption, and Contingency Management

Waverley will ensure that it has identified the circumstances, which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Market Risk Management

Waverley will ensure that its stated treasury management policies and objectives do not expose Waverley to the risk of adverse market fluctuations in the value of the principal cash sums it invests and will accordingly protect itself from the effects of such fluctuations.

TMP2 Performance Measurement

Waverley is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of Waverley's stated business or service objectives. The performance of the treasury management function is included in the budget monitoring process, and periodic reports to the Executive and Corporate O&S Committee.

TMP3 Decision-making and Analysis

Waverley will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4 Approved Instruments, Methods and Techniques

Waverley will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Strategy and Annual Investment Strategy, and within the limits and parameters defined in TMP1 *Risk management*.

Should Waverley decide in future to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury management strategy. The organisation will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

TMP5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

Waverley considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decision and the audit and review of the treasury management function.

If Waverley has to depart from these principles, the Strategic Director (S151 Officer) will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements* and the implications properly considered and evaluated.

The Strategic Director (S151 Officer) will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements

for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out.

TMP6 Reporting Requirements and Management Information Arrangements

Waverley will ensure that regular reports are prepared and considered on:

- the implementation of its treasury management policies
- the effects of decisions taken and transactions executed in pursuit of those policies
- the implications of changes, particularly budgetary, resulting from regulatory economic, market or other factors affecting its treasury management activities
- the performance of the treasury management function.

The Executive will receive:

- An annual report on the strategy to be pursued in the coming year;
- Monitoring reports during the year on treasury management activities and risks as appropriate;
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

The Value for Money Overview and Scrutiny Committee will have responsibility for the scrutiny of treasury management policies and practices and will receive the annual strategy documents for comment and periodic performance reports.

TMP7 Budgeting, Accounting and Audit Arrangements

The Strategic Director (S151 Officer) will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement* and TMP6 *Approved instruments, methods and techniques*. The Strategic Director (S151 Officer) will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

Waverley will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of Waverley will be under the control of the Strategic Director (S151 Officer) and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Strategic Director (S151 Officer) will

ensure that these are adequate for the purposes of monitoring compliance with TMP1[1] liquidity risk management.

TMP9 Money Laundering

Waverley is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, Waverley will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made have been agreed by the Audit Committee.

TMP10 Training and Qualifications

CIPFA's Code of Practice requires the *responsible officer* (for Waverley that is the Strategic Director (S151 Officer)) to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Waverley recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Strategic Director (S151 Officer) will recommend and implement the necessary arrangements.

The Strategic Director (S151 Officer) will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 Use of External Service Providers

Waverley recognises that responsibility for treasury management decisions remains with Waverley at all times. Waverley recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons, which have been submitted to a full evaluation of the costs and benefits. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Strategic Director (S151 Officer).

TMP12 Corporate Governance

Waverley is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

Waverley has adopted and has implemented the key principles of the Code. This action, together with the other arrangements detailed in this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Strategic Director (S151 Officer) will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Treasury Management Investment Strategy 2019/20

The Treasury Investment Strategy is required under the Treasury Management code of Practice and Statutory Investment Guidance issued by the Ministry of Housing, Communities and Local Government. Waverley's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments and the yields earned on investments are important but secondary considerations.

The 2019/20 Strategy is framed against the backdrop of current market conditions. Despite a generally depressed market since 2008, current market conditions are much more stable. Recently the Bank of England released the results of its 2018 UK bank stress tests. All banks passed... "the UK banking system is resilient to deep simultaneous recessions in the UK and global economies...". Other factors are the recent interest rate increases and the increased activity in Local Government peer-to-peer transactions which afford even more security in the market. On a local level, the Strategy also recognises the significant levels of cash accumulated by Waverley, mainly due to the accumulated HRA funds which will be spent on delivering the HRA capital programmes.

The statutory guidance requires Waverley to determine a number of limits and guidelines for its investment activity including 'specified' and 'non-specified' investments. Specified investments are those held in sterling with a maturity of no more than a year and must be with the UK Government, UK local authorities or "high" credit rated institutions. Non-specified investments are any investments that do not meet the above criteria. Given the market conditions described above an increase in the limit of 'non-specified investments' from £10million to £15million is proposed below. Officers would expect that the majority of non specified investments would be with other Local Authorities for added security. Non specified investments will remain non specified only by virtue of being for one year or more.

To meet the requirements of the Regulations it is proposed that the following policy and limits apply to all of Waverley's investment activity in 2019/20:

- Cash investments only (subject to the exception of CCLA (Churches, Charities and Local Authorities) investments) with UK Local Authorities and the UK Government and institutions assessed as having a 'high credit quality'.
- 'High credit quality' means having AAA rating for sterling money market funds or a minimum rating of A- for any banks and building societies, and being considered to have high credit credentials after taking account of the factors listed below.
- Waverley will not make any non-specified cash investments, other than when the investment is non-specified by virtue of it being for a period of more than one year, subject to it being an approved counterparty and an assessment of risk. Generally, longer-term investments over 1 year will be with other Local Authorities in order to reduce counterparty risk.
- £10million is the maximum investment in any single specified organisation at any one time.
- £20m is the total investment with any group - £10m the maximum with any single member of that group.

- Up to date information gathered by officers, together with specialist advice if appropriate, will be used to ensure compliance with the strategy.
- The maximum total investment at any one time that can prudently be committed for more than one year is £20 million.
- If cashflow certainty can be demonstrated over a longer term, Waverley will consider investing in property provided that a business case is presented to Members including a risk and viability assessment.
- The Strategic Director (S151 Officer) can seek the approval of Council to change the above limits during the year if necessary, provided that it is in the best interests of Waverley to do so.

Every investment will have a ratings check on the day of the investment and a list of potential counterparties will be prepared and approved by the S151 Officer before 1st April each year and updated throughout the year. In relation to the Annual Treasury Management Investment Strategy, investments have ongoing ratings checks, beyond just the day of investment, and ratings are continually monitored internally and changes reported to the Executive.

In practice, day-to-day controls are actually tighter, but still within the bounds of the approved policy, in order to create as much security as possible for Waverley's investment portfolio. These measures include:

- The major objective of managing daily cash balances to meet cash flow commitments remains the priority although it is recognised that, to some extent, some stability has been evident so longer term investment decisions are now possible subject to consideration of capital spending plans.
- In addition to the thresholds above, the maximum amount invested in any single specified organisation will generally be restricted to no more than 20% of the overall total external investments at that time.
- Investments are also monitored on a sector basis and judgments made as to the appropriate level within each sector taking into account appropriate treasury management information.
- General Market information is also used to enable some targeting of investment partners and the objective views of the credit agencies still have a value and are monitored more regularly.
- Close monitoring of credit ratings at the point of transaction including consideration of the 'future outlook' assessment.
- Increased frequency of updating the list of preferred organisations for investment with reduced working maximum limits for lower rated counterparties.

A major problem in the recent environment has been finding a sufficient number of investment counterparties providing acceptable levels of counterparty risk. In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty within the limits set out in this Strategy will be set to ensure prudent diversification is achieved. Introductions to new counterparties (within the allowed criteria) will be sought where appropriate.

In order to continually review Waverley's counterparty list and to make a judgement about whether a counterparty has a 'high credit quality', officers will gather and consider information such as:

- Credit rating 'future outlook' assessments
- Published credit ratings for financial institutions
- Economic fundamentals (for example Net Debt as a percentage of GDP)

Banking – Waverley banks with HSBC. At the current time, HSBC meets the minimum credit criteria of 'A' long term. Waverley continues to monitor the credit rating of HSBC and would report to Members if any major concerns emerged. If the credit rating falls below the Authority's minimum criteria HSBC would have to be used in the short term for business continuity and liquidity requirements.

However, in practice, it would be impossible to restrict Waverley's own bank, HSBC, to the same £limits as other investment counterparties because there are many instances when cash in excess of £10m is moving through Waverley's HSBC bank accounts. Given also that it is likely that there will often be occasions when Waverley has more cash than the total of its approved counterparty limits, it is therefore necessary to specifically exclude HSBC's banking activities from the £10m limit. It should be noted that existing HSBC bank accounts are all instant access.

Prudential Indicators

The Capital Strategy provides a framework by which capital expenditure decisions are made as required by the Prudential Code for Capital Finance in Local Authorities. The Prudential Indicators support the Capital Strategy by providing numerical information to support decision making on borrowing, affordability, prudence and sustainability.

The Prudential Indicators are designed to support and record local decision making and are not designed to be comparative performance indicators with other councils. They can be reviewed at any time by the S151 Officer, subject to Council approval. The S151 Officer must monitor performance against each indicator during the year.

The Code is not prescriptive on the indicators, as they are to support local decision making, but must cover four areas:

- prudential indicators for capital expenditure
- prudential indicators for affordability
- prudential indicators for external debt
- prudential indicators for treasury management.

Indicator 1 - Estimate of total capital expenditure to be incurred

The estimates of capital expenditure Waverley plans to incur during the forthcoming financial years are:

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund	10,995	2,032	3,360	2,550	1,950
Housing Revenue Account	11,566	7,782	21,532	18,024	17,135
Total	22,561	9,814	24,892	20,574	19,085

Indicator 2 - Financing Costs

Financing costs are made up of interest paid, interest and investment income and amounts required for the statutory provision of debt (including repayments of principal, interest and minimum revenue provision).

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund	-449	-430	-471	-471	-471
Housing Revenue Account	9,064	9,279	9,864	9,740	10,368

Indicator 3 - Net Revenue Stream

The net revenue stream is the amount to be met from Government grants and local taxpayers or, in the case of the HRA, the net amount to be met from rent income. Financing costs are the net of any interest on borrowing, interest earned on investments and any amounts made as revenue provision to repay debt.

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund - Taxation and non specific grant income	13,264	13,529	13,211	12,711	13,020
Housing Revenue Account – Rent income	29,931	29,401	30,247	30,546	31,582

Indicator 4 - Financing Costs to Net Revenue Stream

	2017-18 Actual	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
General Fund	-3.4%	-3.2%	-3.6%	-3.7%	-3.6%
Housing Revenue Account	30.3%	31.6%	32.0%	31.9%	32.8%

Indicator 5 - Capital Financing Requirement (CFR)

The CFR is the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for capital purposes. The borrowing may not necessarily take place externally if the Council judges it prudent to make use of cash that it has invested to adopt an efficient and effective treasury management strategy. This is known as 'internal borrowing'.

The Housing Revenue Account self-financing debt is deemed to be capital expenditure under the regulations and forms part of the calculation of the CFR.

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund	5,000	4,900	4,800	4,700	4,600
Housing Revenue Account	188,709	188,479	184,256	179,953	174,969
Total	193,709	193,379	189,056	184,653	179,569

Indicator 6 - Gross debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, external debt should not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Gross debt	176	171	166
Capital Financing Requirement (Indicator 5)	189	185	180

Treasury Indicators

Indicator 7 - External Debt

The prudential indicator for the authorised level of external debt is the focus of corporate decision making and managerial control as it is the immediate means by which Waverley complies with the legislative requirement to keep under review the amount it can afford to borrow.

The actual external debt is taken from Waverley's Balance Sheet.

Actual External Debt as at 31/03/2018	£m
Borrowing	184.0
Other Long-term Liabilities	0.0
Total	184.0

Indicator 8 - Authorised limit for external debt

The Authorised Limit sets the maximum level of external borrowing, excluding investments, for Waverley and represents a limit beyond which Waverley cannot borrow until the indicator is reviewed or amended. It establishes the upper boundary of borrowing based on a realistic assessment of the risks and reflects a level of borrowing which, while not desirable, could be affordable but may not be sustainable.

It must also encompass borrowing for temporary purposes. While cash flows are currently managed using the investment portfolio it is possible that short-term borrowing may be necessary but is not currently expected.

This Prudential Indicator separately identifies borrowing from other long term liabilities.

In approving this limit, the Council is approving the limit as required under section 3(1) of the Local Government Act 2003.

	2017/18 Actual £m	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
General Fund	5	50	50	50	50
Housing Revenue Account	188	188	188	188	188
Total	193	238	238	238	238

Indicator 9 - Operational Boundary

This indicator is a means by which Waverley manages its external debt to ensure it remains within the self-imposed authorised limit. It is the focus of day-to-day treasury management activity.

It is lower than the authorised limit in order to allow for cash flow variations that may lead to the occasional breach of the operational boundary. A breach is highly unlikely but any breach would then alert the Council to the imminent breach of the authorised limit and corrective action can then be taken.

The operational boundary distinguishes between borrowing and other long-term liabilities.

	2017-18 Actual £m	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
General Fund	5	40	40	40	40
Housing Revenue Account	188	188	188	188	188
Total	193	228	228	228	228

Indicator 10 - Maturity Structure of Borrowing

The following table shows the amount of borrowing that is maturing in each period expressed as a percentage of total borrowing from 2019-20.

	Upper Limit	Lower Limit
0 to 5 years	20%	20%
5 to 10 years	32%	32%
Over 10 years	48%	48%

Indicator 11 - Total principal sums invested for periods longer than a year

Were Waverley to invest, or plan to invest, for periods longer than a year, it has set the following limits for each forward financial year for the maturing of such investments. This allows Waverley to contain its exposure to the possibility of loss that might arise as a result of having to borrow short term at higher interest rates or see early repayment or redemption of principal sums invested.

This indicator also demonstrates that Waverley is not borrowing more money than it needs, or in advance of need, purely to profit through investment from the extra borrowing.

	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
The upper limit of principal sums invested for periods of more than 365 days	20	20	20	20

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WAVERLEY BOROUGH COUNCIL

**VALUE FOR MONEY AND CUSTOMER SERVICE
OVERVIEW AND SCRUTINY COMMITTEE**

18 FEBRUARY 2019

Title:

**UPDATE REPORT ON PROGRESS OF CAPITAL EXPENDITURE PROCESS AND
MANAGEMENT REVIEW RECOMMENDATIONS**

[Portfolio Holder: Cllr Ged Hall]

[Wards Affected: All]

Summary and purpose:

This report provides an update on the progress of the 19 recommendations made by the Value for Money and Customer Services O&S working group that reviewed Waverley Borough Council's (the Council's) Capital Expenditure Process and Management in February 2018.

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

Effective management of the capital budget contributes to the Council's prosperity priority.

Equality and Diversity Implications:

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

Financial Implications:

Total Capital Budget including carry forwards for 2018/19 totals £23m. Improving the management of capital budgets and ensuring delivery in intended timescales would help ensure value for money through minimising inflationary cost pressures and provide services to Waverley's residents sooner. Identifying savings earlier would allow for reallocation of capital funds where possible to enable additional projects to happen or allow investment to improve interest income for the Council.

Legal Implications:

There are no direct legal implications associated with this report.

1. Background

A working group of the Value for Money and Customer Service (VFM CS) Overview and Scrutiny (O&S) Committee was set up in September 2017 to carry out an in-depth review of the capital expenditure process.

The final report of the working group was endorsed by the VFM CS OS Committee in March 2018 and the recommendations contained within it were agreed by the Executive at its April 2018 meeting. The 2017/18 budget had been approved before the final report was

published and so it is important to bear in mind that the real effects of the changes made as a result won't be fully realised until the 2019/20 budget year.

The table attached sets out the recommendations made in the report and translates these into actions, the progress of which is contained within the table.

The graphs that the working group used in its review have been recreated for the 2017/18 year. The 2016/17 graphs have been included for comparison.

The term 'opening budget' refers to the budget approved as at Executive and Council in February, and 'approved budget' is the opening budget plus any rescheduling and approvals in year.

In parallel with the review, Waverley was also reviewing its project management process through a corporate Foresight Group, resulting in renewed project documentation. The action plan makes reference to this project management documentation and highlights potential improvements/developments, the progress against which is contained within the table. Annexe 1 contains the business case justification form referenced throughout the action plan.

Recommendation

It is recommended that the Committee scrutinise the progress of the recommendations made by the working group using the attached action plan and graphs of capital expenditure by year and service.

Background Papers

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

CONTACT OFFICER:

Name: Yasmine Makin
Policy Officer - Scrutiny

Telephone: 01483 523078
E-mail: yasmine.makin@waverley.gov.uk

Peter Vickers
Head of Finance

Telephone: 01483 523539
E-mail: peter.vickers@waverley.gov.uk

Rosie Plaistowe-Melham
Accountant Manager

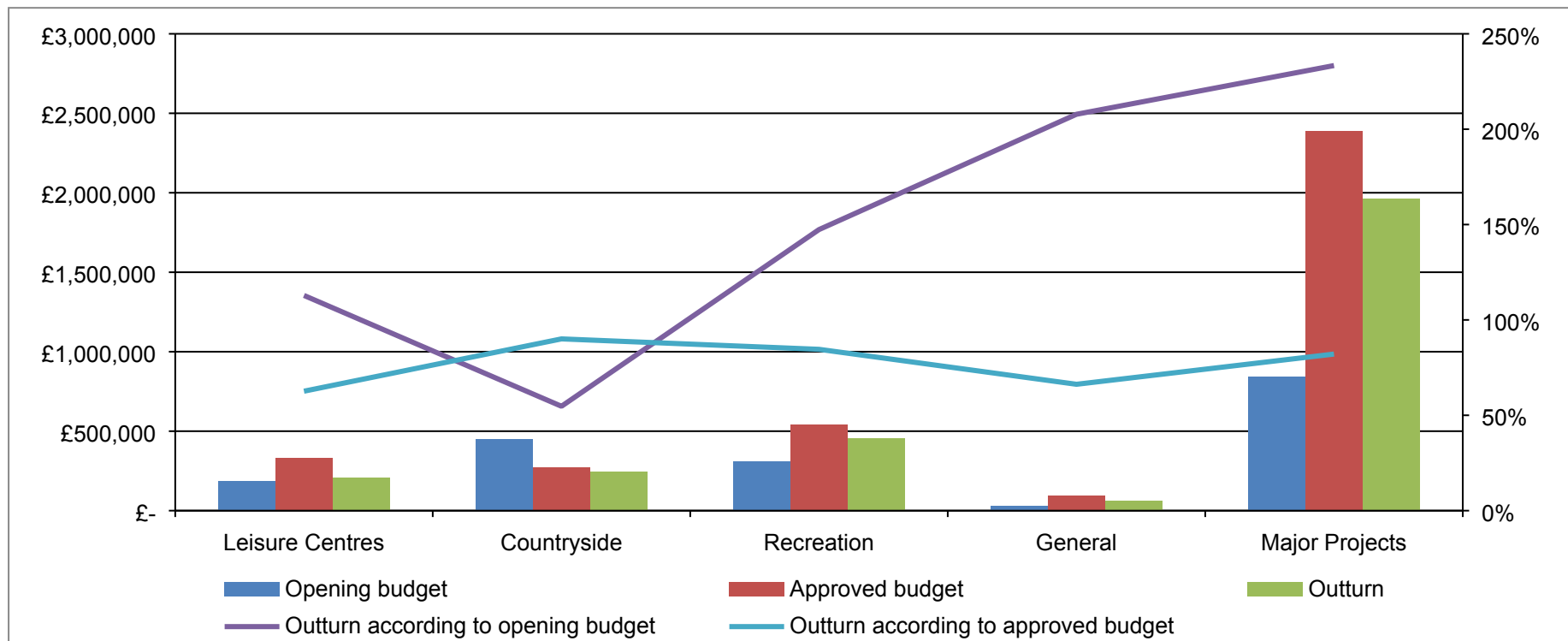
Telephone: 01483 523255
E-mail: rosie.plaistowe@waverley.gov.uk

	Recommendation	Action	Owner	Timescale	Progress
1	A greater level of independent oversight and review of projects in terms of validation arrangements, estimated figures and project milestones is introduced. A formal process on a rolling basis for supervision and review of projects would ensure they are subject to thorough oversight, possibly by Management Board.	Management Board to approve the justification form/business case of appropriate projects.	Project managers and Management Board	Ongoing	All justification forms/business cases for capital expenditure bids will go through Management Board (MB) as a matter of course. The Accountant Manager presented all General Fund 2019/20 bids to MB on 5 October and the bids considered priority are included in the proposed capital programme.
		The new quarterly performance report to be used as a tool to monitor appropriate corporate projects.	Policy and Performance Officer and Management Board	Quarterly	Corporate Performance reports will include a section on corporate projects once format is agreed by MB.
2	It is recommended that a mechanism to reduce the heavy reliance on HoS to ensure projects are brought in on budget and that resources are sufficient is considered and introduced.	Finance to produce reports on spend, as and when necessary, to support Heads of Service with the required control of spend.	Finance – Budget Monitors	January 2018	Heads of Service can now access live reports on spend whenever required. Monthly meetings with Heads of Service and budget managers will ensure effective communication regarding control of spend.
		Review the PID templates to ensure that resource implications are explicitly identified.	Corporate Policy Manager	November 2018	Resources are now more explicitly identified in the PID and priorities are given i.e. cost, time and quality.
3	The ownership of projects concerning property needs to be clearly defined to ensure clear lines of responsibility.	PIDs relating to property assets should clearly identify service area ownership.	Head of Customer and Corporate Service	November 2018 onwards	The PID contains sections on project governance and project reporting, which should be used to distinguish ownership and responsibilities.
4	Cross-service projects need robust project management arrangements to avoid fragmentation of ownership which can impact negatively on project delivery.	Governance arrangements included in PIDs of all cross service projects should clearly identify the lead project roles and responsibilities to avoid any confusion.	Project managers	November 2018	The Corporate Projects report will include the name of the Project Lead and the PID will specify governance arrangements.
5	Ownership of projects which are facilitated by supporting services , such as IT, should sit within the initiating department.	Service areas to take ownership of projects involving significant contributions from support services, such as IT, where the beneficiary is the service and its customers.	Project managers	For the 2019/20 budget cycle	The capital bids of 2019/20 were submitted in September 2018 and project managers were required to nominate a project lead from the initiating service.
6	A need is identified for a robust justification process , bringing together a clear business case with sufficient detailed costings to ensure transparent decisions are made.	The business case and justification form to be combined in order for Management Board to have full oversight of the costings and justification and to avoid duplication.	Accountant Manager / Corporate Policy Manager	November 2018	The project justification form and business case form have been combined to form one document (business case justification form) , as part of the toolkit for project managers launched in December 2018, with a clear business case and projected costings. All capital expenditure bids will then go through MB for robust justification.
7	Where feasibility is less certain viability assessments and robust business cases need to be prepared before bids are made for funds for larger projects. A fund for feasibility studies was suggested. This would include undertaking all preparatory work to fully understand the requirements of a project before budget is sought.	A corporate fund for feasibility assessments is established for larger projects.	Finance	For the 2019/20 budget cycle	Robust business cases are covered in recommendation 1 and 6. Due to the difficult financial situation a feasibility fund has not been assigned priority. There is a development consultancy budget for property investment projects. Amendments to the financial regulations have made it easier for MB to mobilise funds as required.
8	Officer resource needs to be properly measured and factored when agreeing projects to ensure both delivery on projects and day-to-day work is covered. A time based resource plan including milestones would enable easier identification of a potential strain on resources.	Estimated resource requirements be included in the business case justification form and be included in the time based resource plan for major projects showing monthly predicted spend (from recommendation 6).	Finance	For the 2019/20 budget cycle	The business case justification form now requires the names of staff and teams resourcing the project. This information will be shared with the Procurement Officer and legal team.
		Project plans within the PIDs should clearly identify which resources/members of staff will be working on the project and when.	Project managers	November 2018	The project plan is included as part of the PID and project managers are asked to identify resources for successful completion.
9	A mechanism for flagging significant pressure on resources needs to be included in a time based resource plan. This could also be addressed through modification of the new budget-setting forms to include estimated resource requirements.	The estimated resource requirements by month within the business case justification form will be a time based resource plan (recommendation 6 and 8). Significant pressure on resources should be flagged within this business case justification form.	Project managers	November 2018	The business case justification form contains a section for estimating resource requirements by month. Quarterly monitoring of corporate projects is now taking place by MB, which will identify any resource shortfalls. MB suggested the PID include reference to back-filling requirements for officers' time spent on projects.

	Recommendation	Action	Owner	Timescale	Progress
10	Budgets for projects need to allow for phasing over more than one financial year. In the past few years budgets have focused on one year only, which has resulted in ambitious timetabling due, in part, to uncertainty of funding being available in future years.	Ensure the business case justification form indicates a best estimate of profile spend over the life of the project.	Finance and project managers	November 2018	The business case justification form includes profiled projected spending, by month in the first year and quarterly for second/third/fourth and fifth year.
11	Contingency budgets need to be explicitly or separately secured to increase transparency of budgeting.	The business case justification form should require project managers to be explicit about the amount of contingency included in their budget bid.	Finance	For the 2019/20 budget cycle	The business case justification form contains a section for contingency budgets to be identified. None were agreed for 2019/20.
12	As part of the robust monitoring process of projects, contingency budgets should be subject to review as the project progresses.	Contingency budgets to be closely monitored by the appropriate project board.	Project managers and Finance	For the 2019/20 budget monitoring cycle	No contingency budgets were identified. MB suggested the level of contingency should reflect risk appetite, which should be set out at the initiation stage.
13	Consideration of a corporate contingency budget should be made in order to avoid over-budgeting of funds.	Management Board to consider a corporate contingency budget which would discourage project managers from including individual contingency budgets, the entirety of which might not be used.	Management Board	For the 2019/20 budget cycle	This was considered by MB but not agreed (see progress of number 11).
14	A standard approach to project management should be developed and implemented across the Council. The standardisation of project documentation would result in more thorough overview of projects and make the assessment of project progress against initial plans and milestones easier. These documents would include risk registers and project baselines. The new approach should allow for flexibility to reflect a project's scale of spend and risk.	Following the renewal of the Council's project documentation by the Foresight Group, a template for business cases should be developed (combining the traditional justification form, as highlighted in recommendation 6).	Corporate Policy Manager / Accountant Manager	November 2018	The project management toolkit was launched in December 2018 including the business case justification form. Intranet/'Backstage' contains a page with project management guidance and documents which are available to all staff. The project management tools will be added to a Managers Group agenda.
15	The accounting system should be utilised as a tool for budget management as opposed to merely reporting budget activity. This would result in financial information being in a form useful to both the accountancy team and project managers.	More sophisticated and useful reports to be made available to project managers to allow them to see spend to date and enable more control over budget management.	Finance and project managers	January 2018	These reports are now accessible to Finance and project managers, allowing them to see spend to date and commitments.
16	Close monitoring of the timeliness of slippage reporting should be exercised in coordination with the implementation of the new project justification forms. Timelier reporting would allow greater flexibility in the capital programme with opportunities for alternative projects to be introduced.	Finance to present monthly reports to Management Board detailing slippage and savings. MB to be informed of alternative uses for funds from a list of up to date alternative projects. HoST to be made aware of potential funds being available as a result of slippage for additional in year bids.	Finance and Management Board	September 2018	Finance presents a monthly report detailing savings and slippage to MB. Alternative projects have been identified and several have been brought forward.
17	After one year of the review's initiation, graphs equivalent to those in appendix 3 of the final report should be produced in order to monitor progress of the improvements made to the capital expenditure programme.	Policy Officer for Scrutiny to produce these graphs, with the support of Finance, which can then be attached to the update report going to the Value for Money and Customer Service Overview and Scrutiny Committee.	Policy Officer for Scrutiny / Finance	February 2019	These graphs will be attached to the report updating the Committee of the progress of the recommendations.
18	The new process of phasing budgets across several years should be presented in budget papers for both the general fund and the HRA.	No action needed as already happening.	Finance	2019/20 budget papers	General Fund and HRA new build and stock remodelling have been presented in this way for 2019/20. HRA core has not been presented this way as a full review of asset requirements is being undertaken.
19	A clear link between budgets and service plans should be drawn in papers presented to members.	The service plan template to include an opportunity for HoS to reference the relevant lines in the budget book.	Corporate Policy Manager/ Heads of Service	February 2019	Capital projects will have reference numbers referenced in the relevant parts of the service plans.

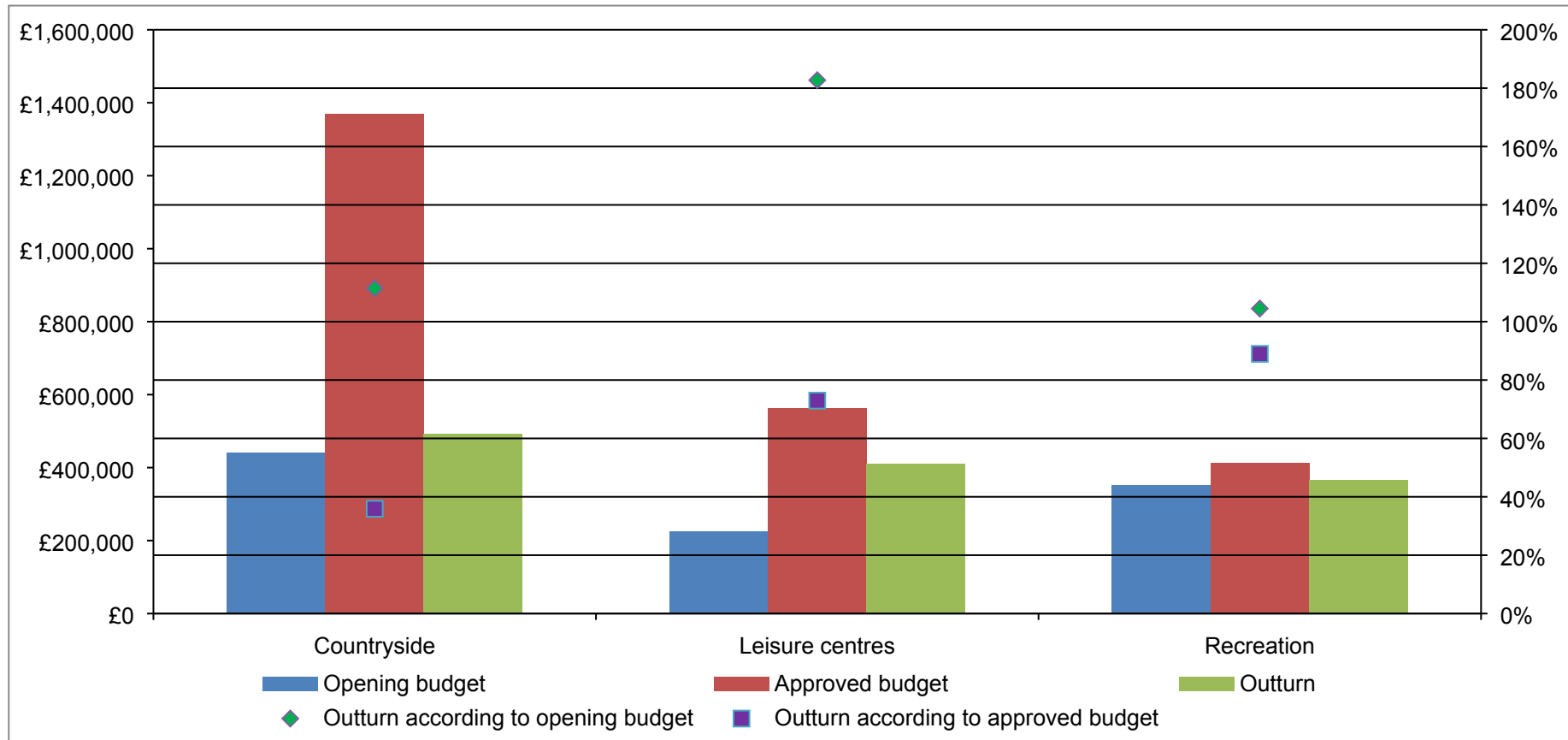
Communities Service Capital Expenditure 2016/17

	Opening budget	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
Leisure Centres	£185,000	£333,295	£208,741	113%	63%
Countryside	£ 451,200	£274,208	£ 246,927	55%	90%
Recreation	£309,550	£539,298	£ 456,154	147%	85%
General	£30,000	£94,101	£ 62,346	208%	66%
Major Projects	£840,000	£2,387,703	£1,960,238	233%	82%



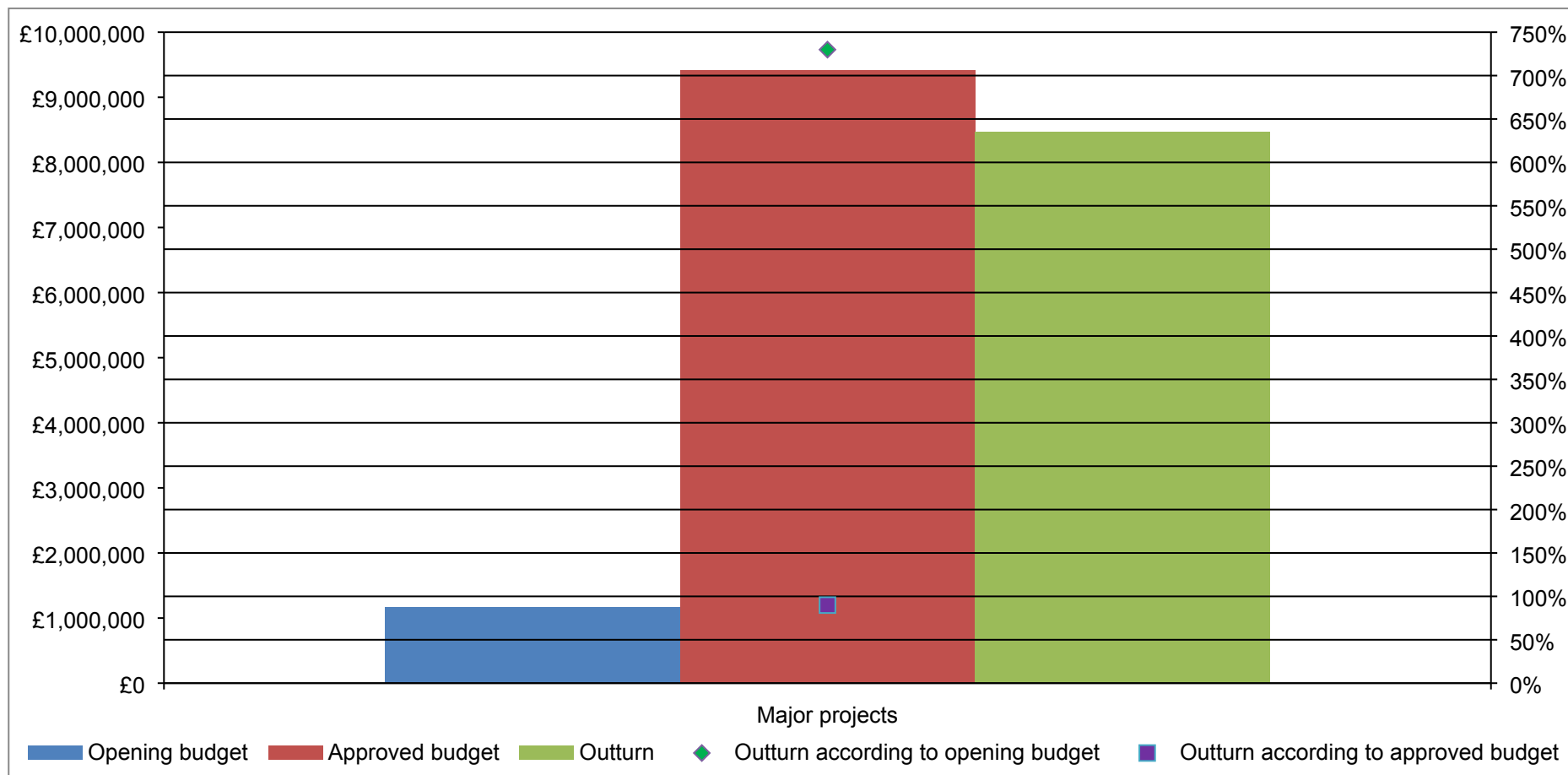
Communities Service Capital Expenditure 2017/18

	Opening budget	Rescheduled from previous year	Approvals in year	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
Countryside	£441,333	£914,448	£14,215	£1,369,996	£491,689	111%	36%
Leisure centres	£225,000	£316,221	£22,360	£563,581	£411,152	183%	73%
Recreation	£350,499	£0	£61,160	£411,660	£366,240	104%	89%



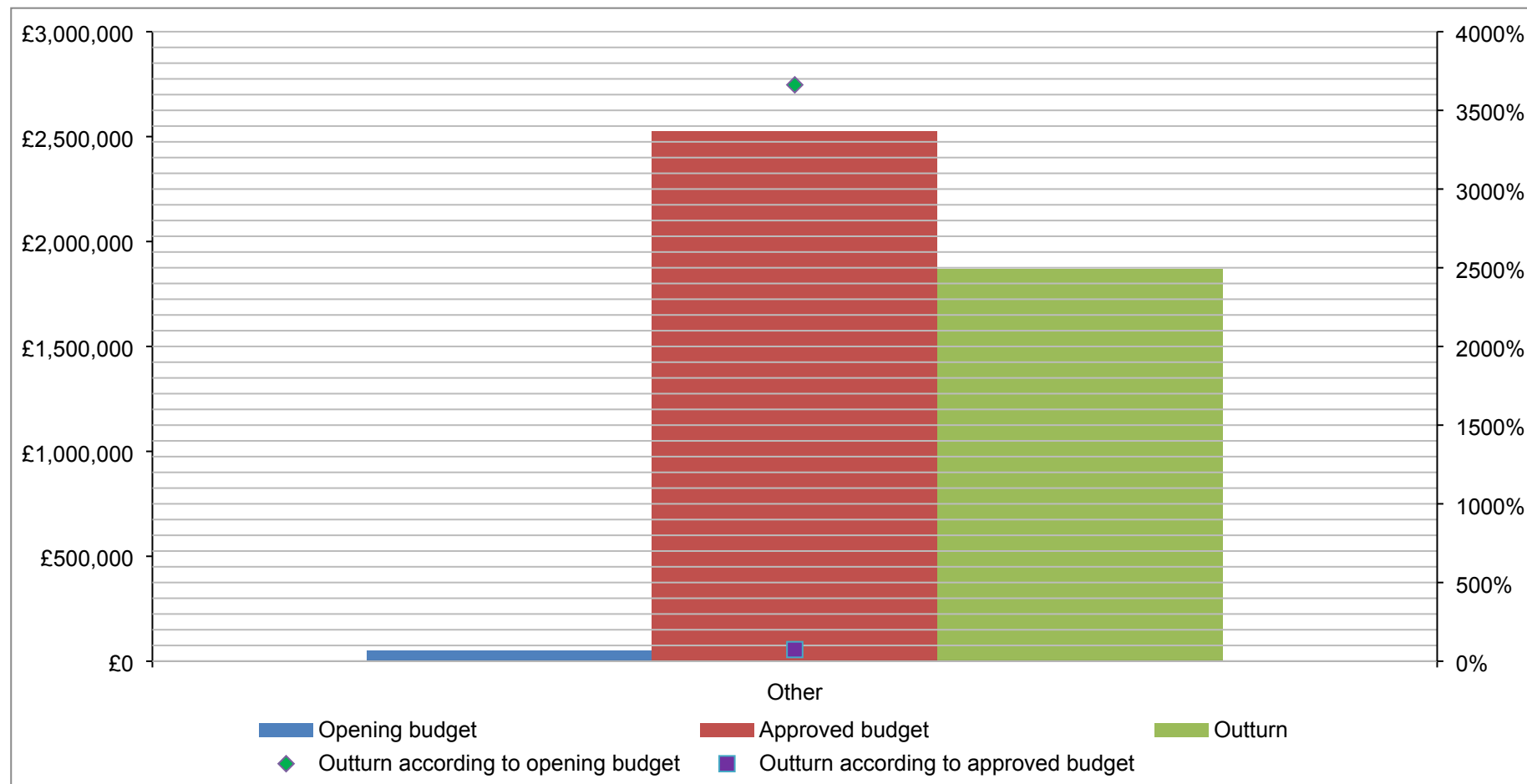
Communities Service Capital Expenditure 2017/18

	Opening budget	Rescheduled from previous year	Approvals in year	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
Major projects	£1,160,000	£6,198	£82,48,419	£9,414,617	£8,466,866	730%	90%



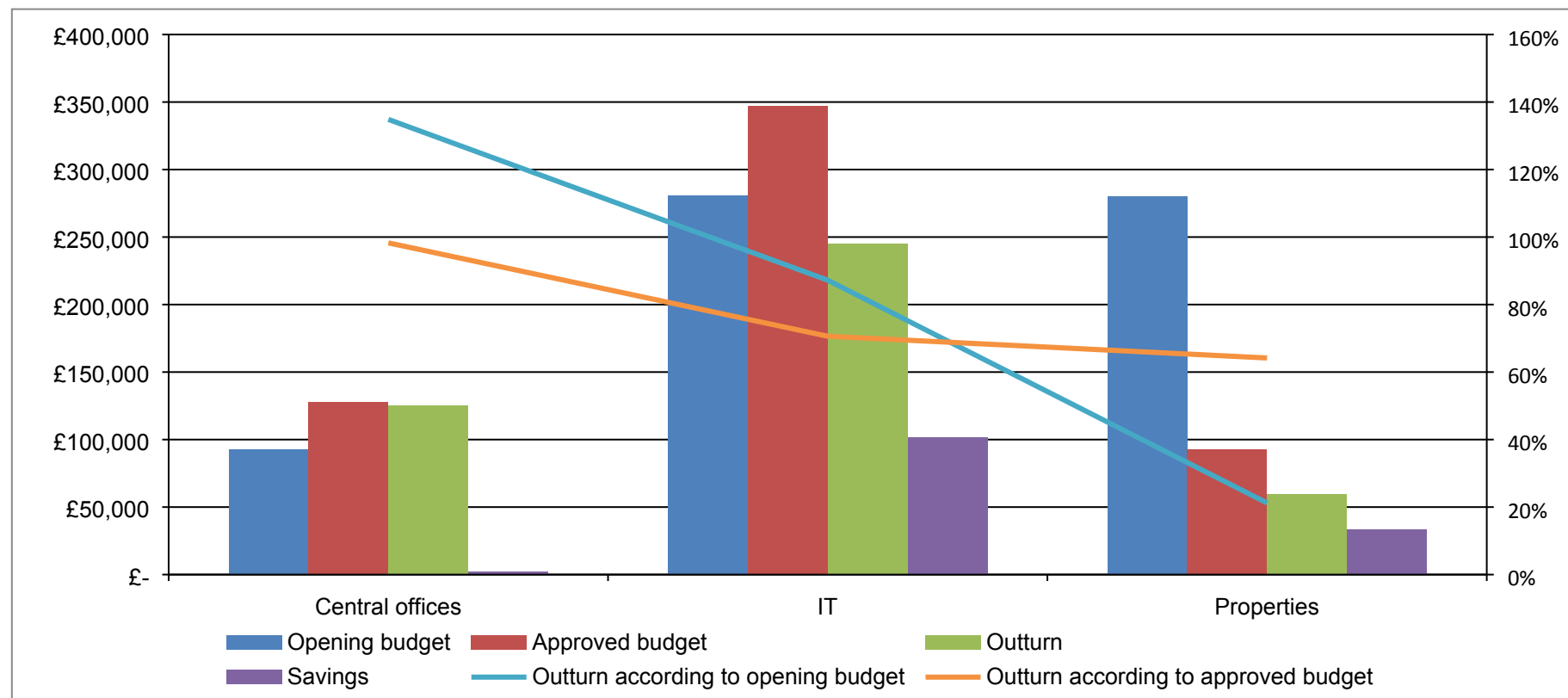
Communities Service Capital Expenditure 2017/18

	Opening budget	Rescheduled from previous year	Approvals in year	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
Other	£51,000	£2,311,896	£161,604	£2,524,500	£1,867,697	3662%	74%



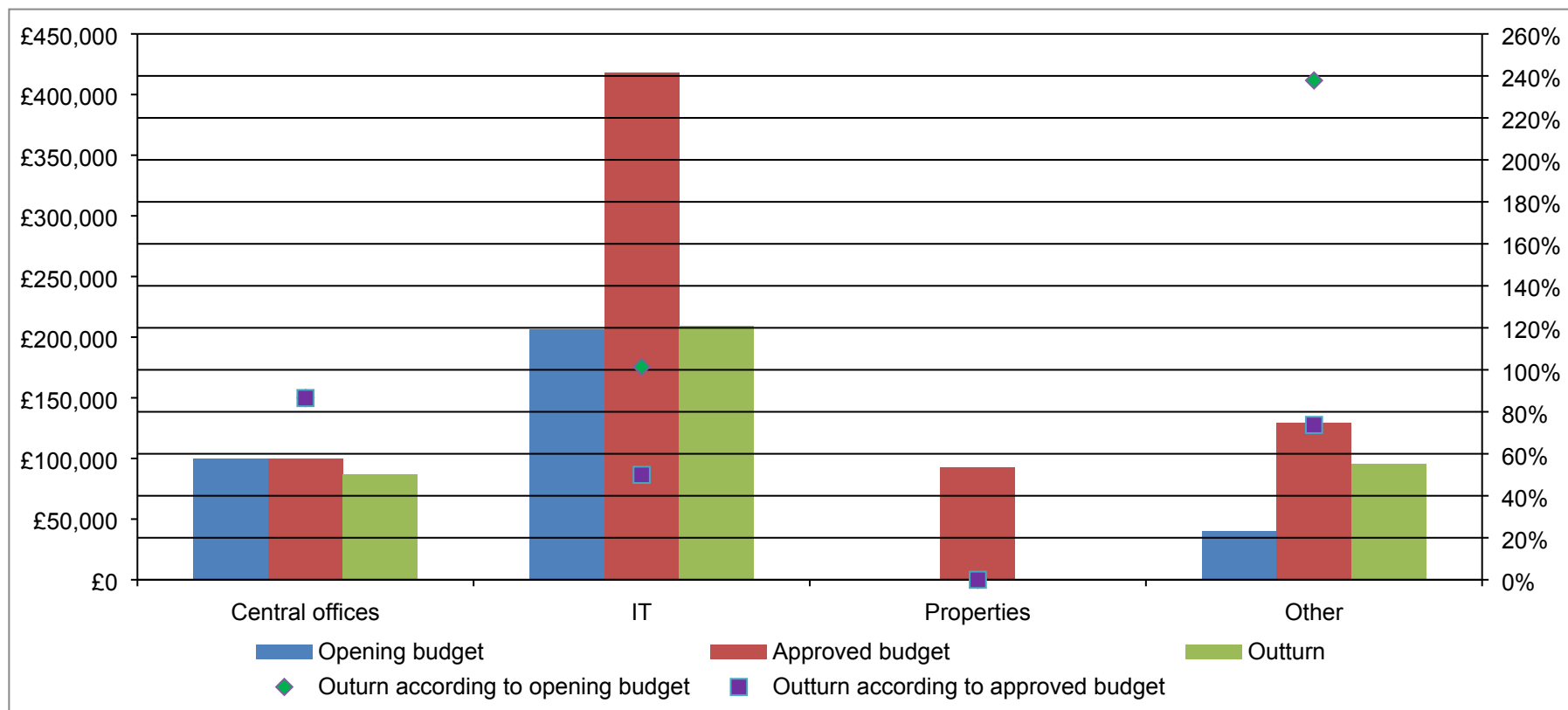
Customer and Corporate Services Capital Expenditure 2016-17

	Opening budget	Approved budget	Outturn	Savings	Outturn as % of opening budget	Outturn as % of approved budget
Central offices	£93,000	£127,616	£125,417	£ 2,199	135%	98%
IT	£281,000	£347,085	£245,090	£101,995	87%	71%
Properties	£280,000	£92,575	£ 59,409	£ 33,166	21%	64%



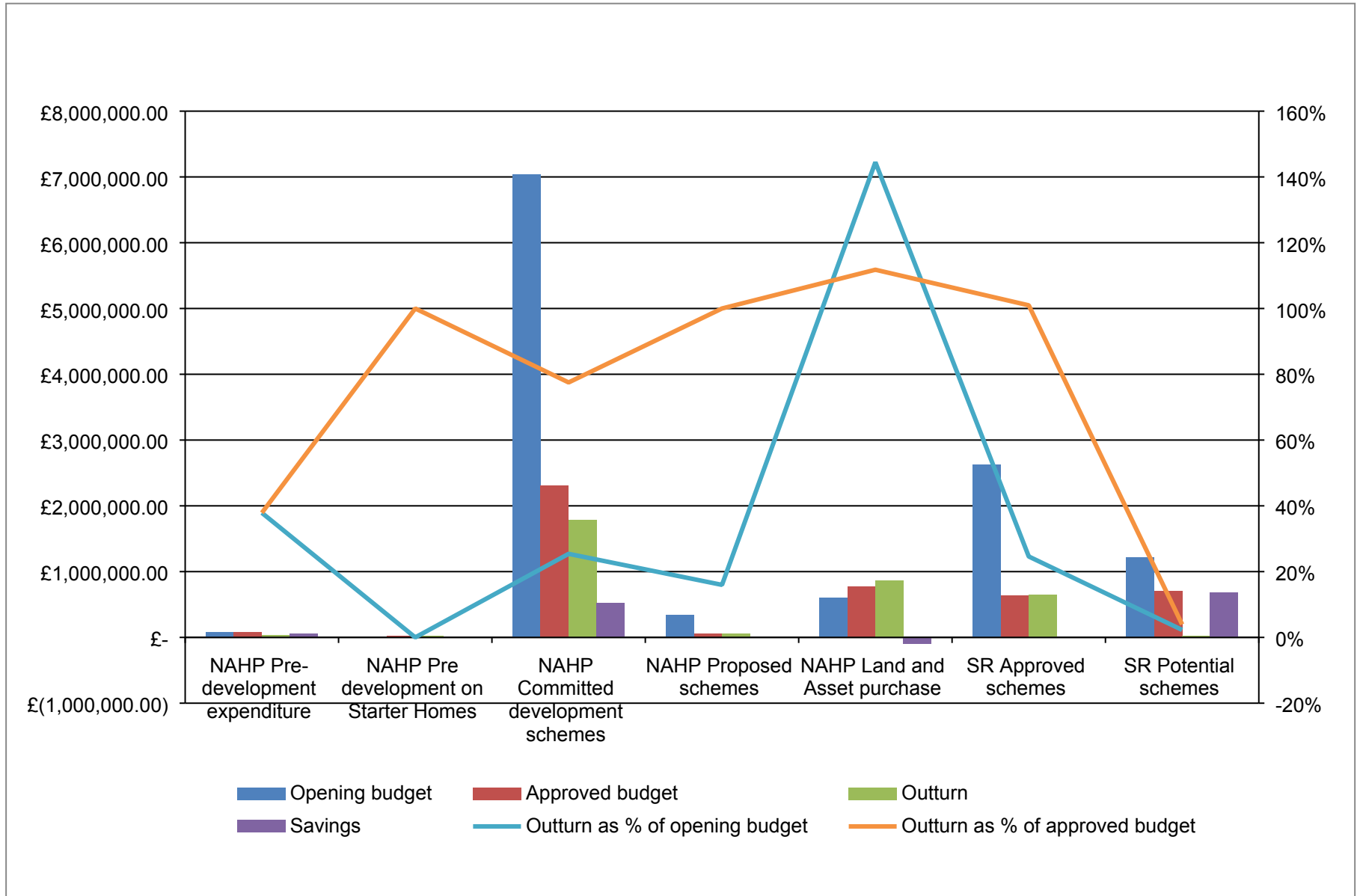
Customer and Corporate Services Capital Expenditure 2017/18

	Opening budget	Rescheduled from previous years	Approvals in year	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
Central offices	£100,000	£0	£0	£100,000	£86,544	87%	87%
IT	£206,000	£ 169,818	£42,290	£418,107	£208,940	101%	50%
Properties	£0	£992,480	£-900,000	£92,480	£0	-	0%
Other	£40,000	£89,000	£0	£129,000	£95,130	238%	74%



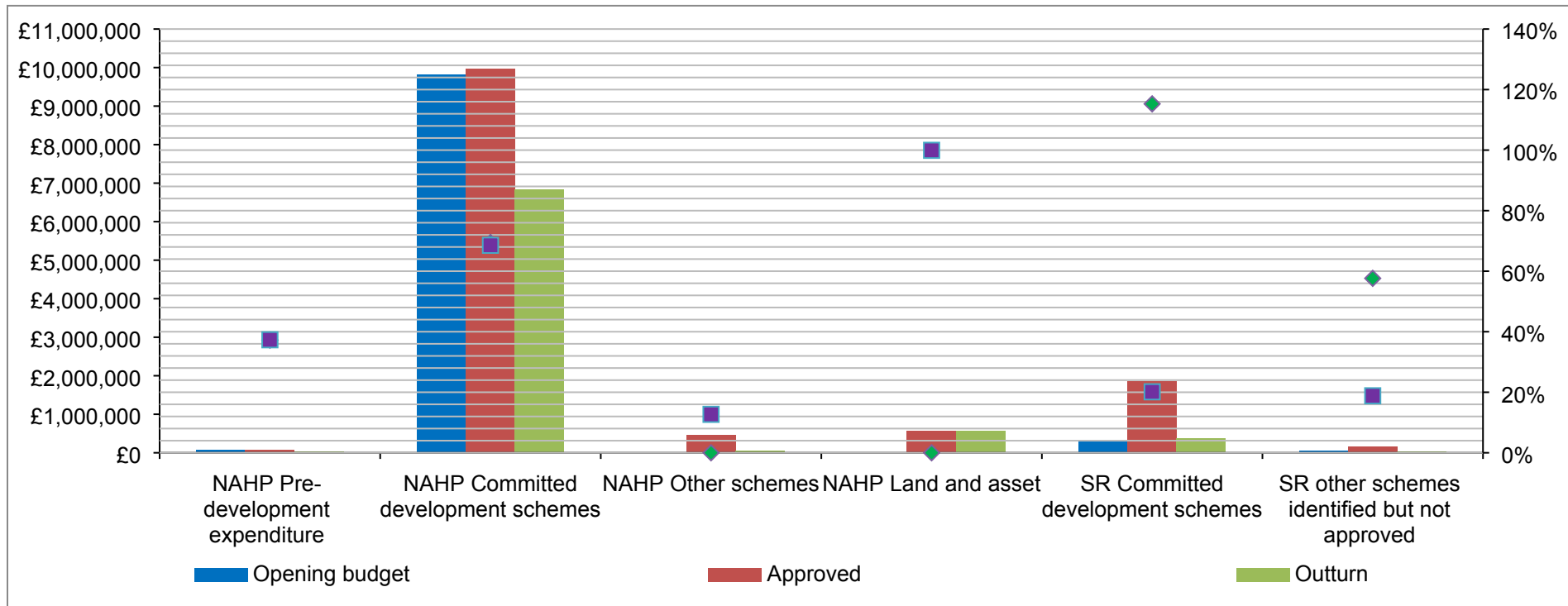
Housing Development Board Capital Expenditure 2016/17

	Opening budget	Approved budget	Outturn	Savings	Outturn as % of opening budget	Outturn as % of approved budget
NAHP Pre-development expenditure	£83,500.00	£83,500.00	£31,625.00	£51,875.00	37.87%	37.87%
NAHP Pre development on Starter Homes		£20,570.00	£20,570.00			100.00%
NAHP Committed development schemes	£7,041,830.00	£2,307,797.00	£1,788,924.00	£518,873.00	25.40%	77.52%
NAHP Proposed schemes	£345,000.00	£55,098.00	£55,098.00		15.97%	100.00%
NAHP Land and Asset purchase	£600,000.00	£775,440.00	£866,818.00	-£91,378.00	144.47%	111.78%
SR committed development schemes	£2,626,000.00	£639,840.00	£646,008.00	-£6,168.00	24.60%	100.96%
SR Potential schemes	£1,220,500.00	£705,846.00	£27,780.00	£678,066.00	2.28%	3.94%



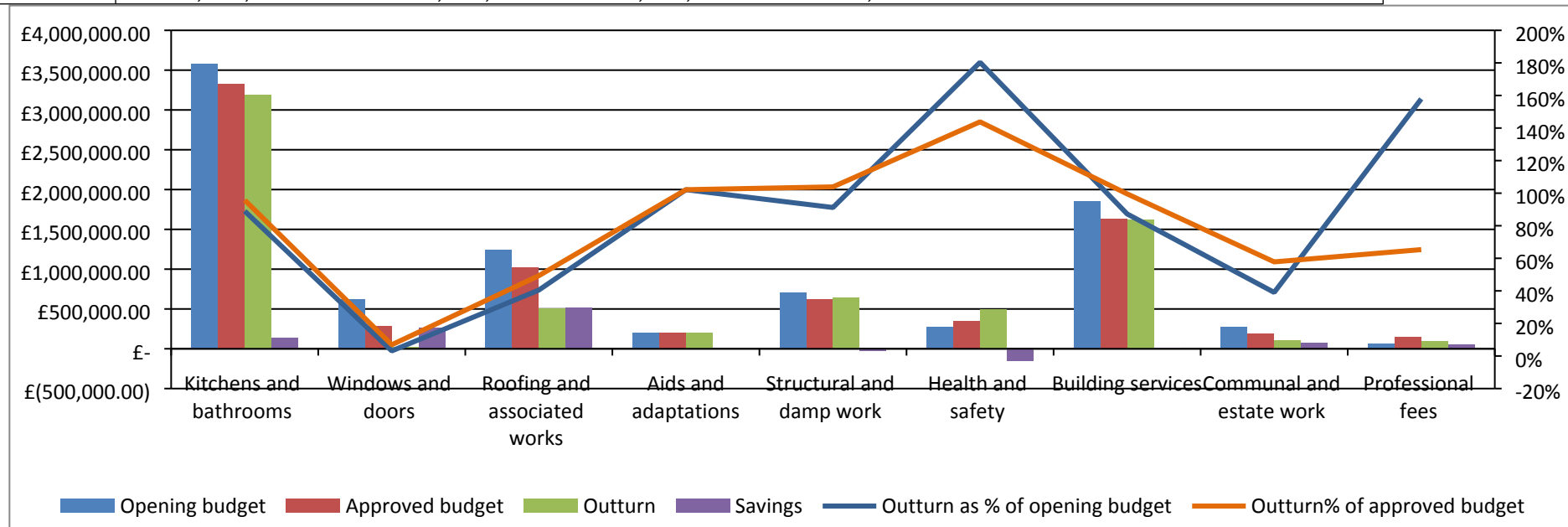
Housing Development Board Capital Expenditure 2017/18

	Opening budget	Rescheduled from previous year	Approvals within year	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
NAHP Pre-development expenditure	£83,500	£0	-£225	£83,275	£31,088	37%	37%
NAHP Committed development schemes	£9,828,700	£5,523,064	-£5,387,530	£9,964,234	£6,831,169	70%	69%
NAHP Other schemes	£0	£501,867	-£50,000	£451,867	£57,391	-	13%
NAHP Land and asset	£0	£406,500	£154,094	£560,594	£560,236	-	100%
SR Committed development schemes	£324,000	£2,483,087	-£952,569	£1,854,518	£373,509	115%	20%
SR other schemes identified but not approved	£50,000	£663,034	-£560,000	£153,034	£28,816	58%	19%



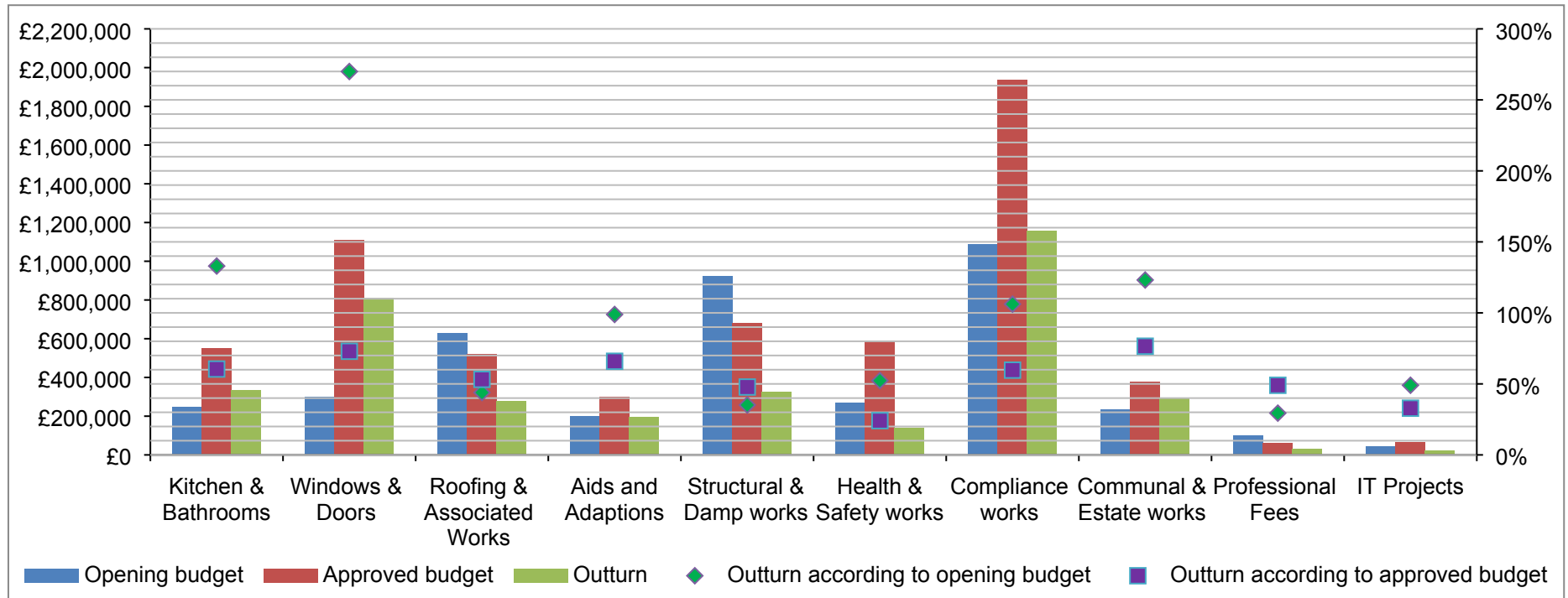
HRA Core Capital Expenditure 2016/17

	Opening budget	Approved budget	Outturn	Savings	Outturn as % of opening budget	Outturn% of approved budget
Kitchens and bathrooms	£3,579,850.00	£3,326,850.00	£3,185,409.00	£141,441.00	89%	96%
Windows and doors	£622,000.00	£282,000.00	£19,458.00	£262,542.00	3%	7%
Roofing and associated works	£1,247,000.00	£1,023,800.00	£504,908.00	£518,972.00	40%	49%
Aids and adaptations	£200,000.00	£200,000.00	£204,268.00	£-4,268.00	102%	102%
Structural and damp work	£ 705,000.00	£619,000.00	£642,943.00	£-23,943.00	91%	104%
Health and safety	£275,500.00	£345,500.00	£496,845.00	£-151,345.00	180%	144%
Building services	£1,855,960.00	£1,626,544.00	£1,619,567.00	£ 6,977.00	87%	100%
Communal and estate work	£274,000.00	£185,100.00	£107,000.00	£78,100.00	39%	58%
Professional fees	£ 60,000.00	£145,000.00	£94,747.00	£50,257.00	158%	65%
Total	£8,819,310.00	£7,753,794.00	£6,875,145.00	£878,733.00	78%	89%



HRA Core Capital Expenditure 2017/18

	Opening budget	Rescheduled in year	Approvals in year	Approved budget	Outturn	Outturn according to opening budget	Outturn according to approved budget
Kitchen & Bathrooms	£250,000	£0	£300,000	£550,000	£332,480	133%	60%
Windows & Doors	£300,000	£540,000	£270,000	£1,110,000	£809,917	270%	73%
Roofing & Associated Works	£630,000	£150,000	£260,000	£520,000	£276,538	44%	53%
Aids and Adaptions	£200,000	£0	£100,000	£300,000	£197,792	99%	66%
Structural & Damp works	£925,000	£35,000	£280,000	£680,000	£324,982	35%	48%
Health & Safety works	£270,000	£230,000	£86,000	£586,000	£141,234	52%	24%
Compliance works	£1,090,000	£935,000	£86,000	£1,939,000	£1,157,279	106%	60%
Communal & Estate works	£235,000	£130,000	£13,130	£378,130	£289,418	123%	77%
Professional Fees	£100,000	£20,000	£60,000	£60,000	£29,403	29%	49%
IT Projects	£45,000	£22,091	£0	£67,091	£22,066	49%	33%



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Project Business Case Justification Form

Template last updated: 23/11/2018, Owner: Corporate Policy



The Project Business Case needs to be approved by management before the initiation of any potential project and it is a pre-requisite to a PID

SECTION A - PROJECT DETAILS

Project Title			
Service			
Project manager			
Project sponsor			
Start Date			
Expected Completion Date			
Expected Project Total (auto populated)	0	Cost centre (if known)	
Project Type / Reporting (auto populated)	Other Projects	Overall Project Score	0

Project Outline Please provide an overview of the project/business case	
Project Justification Please provide the objectives and include an analysis of the benefits and disbenefits.	
How will the project meet corporate objectives and your service plan? Reference to agreed service plan and/or corporate objectives	

Time, Cost, Quality Please detail which criteria is most critical and why?	Priority	C/Q/T	Why?
	1		
	2		
	3		

SECTION B - FUNDING & RESOURCES

Please remove unneeded year sections as appropriate

	Year 1											
Timeline:	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Please outline stages month by month (include items such as - feasibility, consultation, post project communication, procurement*, legal, planning application, surveys, construction, works, approvals, etc.)												
<i>* please note that procurement process can take up to 12 months - contact Procurement Officer to discuss</i>												
Officer/Team involved: (e.g. person, legal, procurement, IT, etc.)												

Estimated Spend by Type of Spend	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Land/Building purchase												
Construction costs												
Contracted Services												
Consultancy												
Planning Fees												
Legal Fees												
Equipment												
Contingency												
Retention												
Additional Staffing												
Other (please specify):												
Total	0	0	0	0	0	0	0	0	0	0	0	0
Annual Total											Year 1 Total	0

	Year 2											
Timeline:	Q1			Q2			Q3			Q4		
Please outline stages month by month (include items such as - feasibility, consultation, post project communication, procurement*, legal, planning application, surveys, construction, works, approvals, etc.)												
<i>* please note that procurement process can take up to 12 months - contact Procurement Officer to discuss</i>												
Officer/Team involved: (e.g. person, legal, procurement, IT, etc.)												

Estimated Spend by Type of Spend	Q1	Q2	Q3	Q4	
Land/Building purchase					
Construction costs					
Contracted Services					
Consultancy					
Planning Fees					
Legal Fees					
Equipment					
Contingency					
Retention					
Additional Staffing					
Other (please specify):					
Total	0	0	0	0	
Annual Total				Year 2 Total	0

	Year 3											
Timeline:	Q1			Q2			Q3			Q4		
Please outline stages month by month (include items such as - feasibility, consultation, post project communication, procurement*, legal, planning application, surveys, construction, works, approvals, etc.)												
<i>* please note that procurement process can take up to 12 months - contact Procurement Officer to discuss</i>												
Officer/Team involved: (e.g. person, legal, procurement, IT, etc.)												

Estimated Spend by Type of Spend	Q1	Q2	Q3	Q4	
Land/Building purchase					
Construction costs					
Contracted Services					
Consultancy					
Planning Fees					
Legal Fees					
Equipment					
Contingency					
Retention					
Additional Staffing					
Other (please specify):					
Total	0	0	0	0	
Annual Total				Year 3 Total	0

	Year 4											
Timeline:	Q1			Q2			Q3			Q4		
Please outline stages month by month (include items such as - feasibility, consultation, post project communication, procurement*, legal, planning application, surveys, construction, works, approvals, etc.)												
<i>* please note that procurement process can take up to 12 months - contact Procurement Officer to discuss</i>												
Officer/Team involved: (e.g. person, legal, procurement, IT, etc.)												

Estimated Spend by Type of Spend	Q1	Q2	Q3	Q4	
Land/Building purchase					
Construction costs					
Contracted Services					
Consultancy					
Planning Fees					
Legal Fees					
Equipment					
Contingency					
Retention					
Additional Staffing					
Other (please specify):					
Total	0	0	0	0	
Annual Total				Year 4 Total	0

	Year 5											
Timeline:	Q1			Q2			Q3			Q4		
Please outline stages month by month (include items such as - feasibility, consultation, post project communication, procurement*, legal, planning application, surveys, construction, works, approvals, etc.)												
<i>* please note that procurement process can take up to 12 months - contact Procurement Officer to discuss</i>												
Officer/Team involved: (e.g. person, legal, procurement, IT, etc.)												

Estimated Spend by Type of Spend	Q1	Q2	Q3	Q4
Land/Building purchase				
Construction costs				
Contracted Services				
Consultancy				
Planning Fees				
Legal Fees				
Equipment				
Contingency				
Retention				
Additional Staffing				
Other (please specify):				
Total	0	0	0	0
Annual Total				Year 5 Total 0

Expected Project Total	0
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What external funding is available?
e.g. S106, PIC, external grants, etc.

Will there be any ongoing costs or savings?
Consider the revenue impact long term. E.g. software license costs, increased income generated, staff time efficiencies

What are the VAT implications?
Please contact accountancy for support.

Procurement Process to be taken
Please also detail timing, lead in times etc.

Resources required
Please include what staffing resource you require, please name officers involved in the delivery of the project.
Have you agreed the involvement with the required officers and given notice of when they are required?

SECTION C - RISKS & OTHER ASSESSMENTS

Risks & Dependencies:
Include risks during life of the project, also if project does not happen

What is the environmental impact?

Has an Equality Impact Assessment been carried out?

Has a Data Protection Impact Assessment (DPIA) been carried out?

SECTION D - COMMUNICATION

How will the project be publicised and has the Communications team been consulted ?

SECTION E - REPORTING

Waverley Borough Council monitors all projects very closely. The reporting mechanism for your project will either be at the corporate level (Management Board), service level (HoS and Director) or may classify as "other projects" (which are monitored by your line manager and HoS). In order to determine the current level of monitoring please fill in the scoring table below. (Please be advised that the Management Board reserves the right to change the reporting structure of your project and for it to be added to the Corporate Project Register if deemed necessary).

Project Reporting 3 Tier Structure	Score Brackets	Progress Reported to / monitored by
Corporate Projects	6 points to 10 points	Reported to the Management Board and HoST through Corporate Project Register and to the Project Board where applicable
Service Level Projects	2 points to 5 points	Reported to a HoS and a Director through Serve Plan progress update and highlights reports
Other Projects	0 points to 1 point	Reported to a line manager and a HoS

Project Scoring Criteria

Timely	Score	Measure	Project Score
How important is it that this project is completed by a certain time?	2	Time Critical	
	1	Medium Priority	
	0	Low Priority	

Organisational Priority	Score	Measure	Project Score
What is the level of corporate priority for this project?	2	In the Corporate Strategy	
	1	In Service Plan or any other strategy or action plans	
	0	Not included in either of the above	

Public and Political interest	Score	Measure	Project Score
Is there high public or political interest?	2	High	
	1	Medium	
	0	Low	

Identified Risk Level of not delivering	Score	Measure	Project Score
What is the level of risk of <u>not delivering</u> this project?	2	High	
	1	Medium	
	0	Low	

Cost and Resources	Score	Measure	Project Score
Total of project (taken from Expected Project Total cell)	2	High - 100K or over	
	1	Medium - 25K to 99K	
	0	Low - 25K or less	

Overall Project Score	0
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Project Reporting Structure / Project Type	Other Projects
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SECTION F - APPROVAL

The Project Business Case Justification Form needs to be approved by management before the initiation of any project. The purpose of this section is to record the approval process, fill in the sections below.

Name of the officer presenting the case	
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Approval needed from	Line Manager and HoS
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Project Reporting Structure / Project Type	Other Projects
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Final Decision Outcome	
------------------------	--

Date	
------	--

Name of the Decision Maker	
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Comments if applicable	
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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 2018-19

Subject	Purpose for Scrutiny	Lead Member / officer	Date for O&S consideration	Date for Executive decision (if applicable)
Corporate Performance reports Q3	To consider the performance report and make any observations or recommendations as appropriate.	Nora Copping	Quarterly	N/A
Progress against medium term financial plan	For the Committee to learn about the progress made by Heads of Service against the medium term financial plan set out in the in Budget papers of the January 2019 Committee meeting.	Peter Vickers / Heads of Service	Quarterly	N/A
Budget Strategy Working Group update	To hear the latest progress made by the working group.	Cllr Mulliner / Peter Vickers	Standing item until review is complete	N/A
Property Investment Strategy quarterly property acquisition report (exempt)	To receive a quarterly report on properties acquired under the Property Investment Strategy.	David Allum	Quarterly	N/A
Treasury management documentation (capital strategy)	To consider and scrutinise the capital strategy as part of the treasury management documentation.	Graeme Clark / Peter Vickers	February 2019	March 2019
Property Matter	To consider the proposed approach regarding the property matter of The Ranger's House, set out in the report.	Graeme Clark	February 2019	March 2019
Progress of capital expenditure process and management review outcomes	To receive an update on the progress of the recommendations made in the report.	Peter Vickers	February 2019	N/A
Policy and Governance, Customer and Corporate Services and Finance Service Plans 2019/22	To scrutinise the 2019/22 service plans for Policy and Governance, Customer and Corporate Services and Finance.	Robin Taylor / David Allum / Peter Vickers	February 2019	March 2019

Value for Money and Customer Service Overview and Scrutiny Committee

Subject	Purpose for Scrutiny	Lead Member / officer	Date for O&S consideration	Date for Executive decision (if applicable)
Community Infrastructure Levy (CIL) Governance Arrangement - update	To scrutinise and comment on the CIL Advisory Board terms of reference, draft scoring framework, and the upper financial threshold.	Graeme Clark	February 2019	March 2019
Property Investment Company	To consider the proposals put forward by the Investment Advisory Board regarding the detailed structure and operation of the new property investment company which was approved by Council in July 2017, and to provide any comments to the next meeting of the Investment Advisory Board.	Graeme Clark / David Allum	As soon as external legal advice is obtained	N/A
Workforce Profile	For the Committee to receive the Workforce Profile, scrutinise any issues which arise with a specific focus on turnover and consider the progress and impact of the HR Strategy adopted in December 2018.	Katy Meakin	Annually (July 2019)	N/A
Customer Services Programme Progress	For the Committee to scrutinise the progress of the programme to date.	David Allum / Louise Norie	July 2019	N/A
Universal Credit	To continue to monitor the impact of Universal Credit and review mitigating actions the Council is taking.	Yasmine Makin / Wendy Cooper	TBC	N/A

Section B

Scrutiny reviews 2018-19

Subject	Objective	Key issues	Lead officer	Progress
<p>1. Capital Expenditure Process & Management review task and finish group</p>	<p>To identify and review the reasons for the extent of slippage in the capital programme and make recommendations to ensure the process provides value for money and excellent customer service.</p>	<ul style="list-style-type: none"> • Slippage of items in the capital programme (General Fund & HRA). • Value for money • Budget delivery and project management. • Bidding process and justification 	<p>Yasmine Makin</p>	<p>VFM CS OS Committee – March 2018 Executive – June 2018 An action plan will be produced and updates on progress of recommendations will be brought to this committee in February 2019.</p>
<p>2. Property Investment Strategy working group</p>	<p>To contribute to the formulation of a Property Investment Strategy.</p>	<ul style="list-style-type: none"> • In order to scrutinise the development of the property company, firstly contributing to the formulation of the strategy. 	<p>Graeme Clark</p>	<p>VFM CS OS Committee – March 2018; Council – April 2018 Updates on properties acquired under this strategy will be brought to this committee and a document reviewing the Strategy came to November 2018 meeting and is on the work programme for 2019.</p>
<p>3. Budget Strategy working group</p>	<p>Exercising joint working with fellow O&S Committees to consider income generation and savings possibilities, bearing in mind changes to new homes bonus and business rates retention.</p>	<ul style="list-style-type: none"> • Income generation and opportunities for savings. 	<p>Peter Vickers</p>	<p>The working group has completed workstream 1 and has commissioned a company to carry out the participatory budgeting survey of workstream 2, which has been postponed until May 2019.</p>

Section C

Scrutiny tracker 2018 - 19

Value for Money and Customer Service Scrutiny recommendations tracker				
Meeting date	Agenda item	Outcomes / Recommendations	Officer / Executive response	Timescale
26 June 2017	Performance Management Report	OUTCOME: To receive suggestions from officers for establishing customer satisfaction baseline data.	Update from September Committee: work on establishing a customer satisfaction baseline to be postponed until the Council's ongoing review of customer service has been completed.	An update of the customer service review came to this committee in November 2018.
19 November 2018	Customers Services Review	OUTCOME: For the Committee to receive an item containing a document with an overall summary of the key aspects of the individual workstreams.	The Customer Services Programme has been added to the work programme for July 2019.	July 2019
	Community Infrastructure Levy (CIL) Governance Arrangements and Assessment Criteria	OUTCOME: the Committee suggested that the new CIL Advisory Board be asked to consider the pros and cons of a connection between the area development is taking place and where the money is spent when drafting the allocation criteria.	Proposals for a 'Communities CIL fund' amounting to 10% of the Strategic CIL Fund are contained within the report brought to this committee in February 2019.	Executive 4 December 2018 Council 11 December 2018

Value for Money and Customer Service Overview and Scrutiny Committee

Value for Money and Customer Service Scrutiny recommendations tracker

Meeting date	Agenda item	Outcomes / Recommendations	Officer / Executive response	Timescale
		OUTCOME: that the composition of the CIL Advisory Board be as geographically proportionate as possible, to ensure both rural and urban areas are represented.	The CIL Advisory Board terms of reference brought to this committee in February 2019 state that 'the CIL Advisory Board membership does not fall within the scope of the political proportionality requirements of the LG&HA1989, but will recognise as far as possible: a) the political make-up of the Council b) the geographical interests of the Council'	
	Corporate Performance Report Q2	OUTCOME: the Committee requested to have the revised due dates for the projects that missed their planned completion dates.	These will be included in the next report.	February 2019
		OUTCOME: the Committee requested that officers undertake further analysis on turnover and a report on the findings comes to this Committee.	Turnover levels are part of a wider ongoing review of staffing issues being undertaken and the HR team will have more meaningful results at the end of Q1 2019.	September 2019
	Property Investment Strategy Quarterly Property Acquisition Report	OUTCOME: the Committee requested that more detail regarding rents be provided in future reports.	Officers will include this in future reports.	February 2019
		OUTCOME: the Committee requested that a brief narrative explanation be included in the report to bring the headlines to the Committee's attention.		

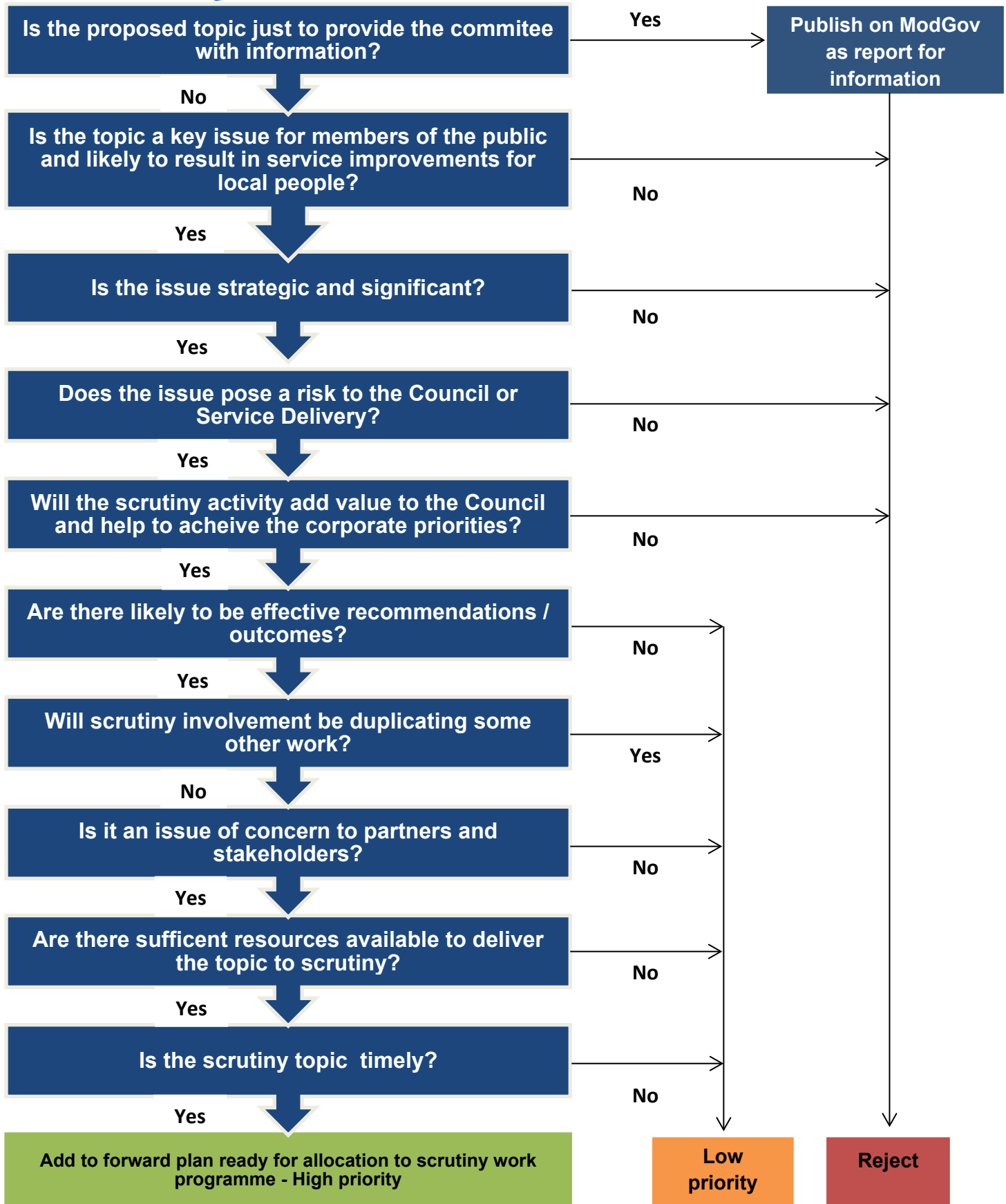
Value for Money and Customer Service Overview and Scrutiny Committee

Value for Money and Customer Service Scrutiny recommendations tracker

Meeting date	Agenda item	Outcomes / Recommendations	Officer / Executive response	Timescale
22 January 2018	Medium Term Financial Plan 2019/20 – 2021/22 and General Fund Budget 2019/20	RECOMMENDATION: the Committee recommended that a comprehensive review of fees and charges be undertaken over the coming year to ensure that these appropriately reflected the market.	To be included as a potential working group project.	2019/20
		RECOMMENDATION: the Committee endorsed the recommendation of the 2.99% increase in Waverley’s element of Council Tax for 2019/20.	These recommendations were approved at Executive and will be considered at Council 12 February 2019.	12 February 2019
		RECOMMENDATION: the Committee endorsed the recommendation to make no change to the Council’s existing Council Tax Support scheme.		
		RECOMMENDATION: the Committee endorsed the recommendation to approve the General Fund Budget for 2019/20.		
		RECOMMENDATION: the Committee endorsed the recommendation to approve the 2019/20 General Fund Capital Programme as shown at Annexe 6.		
RECOMMENDATION: the Committee recommended that a schedule be added to the fees and charges document showing the volume of demand for each service.	This information will be included in next year’s budget report.	January 2020		

Value for Money and Customer Service Overview and Scrutiny Committee

Value for Money and Customer Service Scrutiny recommendations tracker				
Meeting date	Agenda item	Outcomes / Recommendations	Officer / Executive response	Timescale
	Council Tax Empty Homes Discount and Empty Homes Premium	RECOMMENDATION: the Committee recommended the following amendment to recommendation 1: that the discretionary discount for 'empty and substantially unfurnished properties' is reduced to 1 month from 1 April 2019.	This recommendation was approved at Executive and will be considered at Council 12 February 2019.	12 February 2019



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WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY & CUSTOMER SERVICE OVERVIEW & SCRUTINY COMMITTEE

18 FEBRUARY 2019

EXECUTIVE - 12 MARCH 2019

Title:

PROPERTY MATTER – SALE OF FREEHOLD

**[Portfolio Holder: Ged Hall]
[Ward Affected: Farnham Castle]**

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

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

Paragraph 1 Information relating to an individual

Paragraph 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Paragraph 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Summary and purpose:

The long leaseholders of a Council-owned property in Farnham have served a notice on the Council under the Leasehold Reform Act 1967 (“the 1967 Act”) to purchase the freehold of the house and premises. Leaseholders have a legal right under the 1967 Act to buy the freehold of their house if they meet certain qualifying criteria. If the leaseholder qualifies under the 1967 Act and follows the correct procedure they can force the freehold owner to sell them the freehold.

The purpose of this report is to seek Council approval to sell the freehold to the current leaseholders on the terms set out in the Exempt Annexe 1.

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

This report relates to the Council’s Corporate Priorities of “People” and “Prosperity”. This is a statutory process that the Council (as freehold owner) must follow. An independent, specialist valuation was obtained to ensure the Council achieves best value in relation to the sale of freehold.

Financial Implications:

The proposed terms of the sale of the freehold are set out in Exempt Annexe 1.

An independent, specialist valuation has been obtained to ensure the Council achieves best value in relation to the sale of freehold.

If the proposed terms are not agreed, and in the unlikely event the leaseholders chose not to pursue the purchase using statutory powers during the course of the remaining term, the Council will be obliged to renew the lease at the end of the current lease, in 2192.

Legal Implications:

The leaseholder served a Notice on the Council under the Leasehold Reform Act 1967 (“the 1967 Act”) to purchase the freehold of the house and premises. Leaseholders have a legal right under the 1967 Act to buy the freehold of their house if they meet certain qualifying criteria. If the leaseholder qualifies under the 1967 Act and follows the correct procedure they can force the freehold owner to sell them the freehold.

This is a statutory process and the Council has no grounds on which to object if it wishes to avoid lengthy and expensive Court action. The process for determining the premium is set out in the legislation. Please see the body of report for further details (“Legal Position”).

Introduction

1. On 13 April 2018, the Council received a notice from the long leaseholders of a Council-owned property in Farnham (“the Property”) requesting to purchase the freehold of the property. Under the Leasehold Reform Act 1967, the Council has no grounds to object.
2. The terms agreed with the leaseholders for the freehold sale falls within officers’ delegated powers; however, due to the prominence of the site and its unusual lease history (set out in Exempt Annexe 1), the Head of Customer and Corporate services has referred the matter to the Executive to agree.
3. Under the 1967 Act, the landlord must serve a notice in reply to the original notice. The response notice was served on 4 July 2018 along with a “without prejudice” offer to sell the freehold land on the terms set out in Exempt Annexe 1.
4. A Plan of the Property is enclosed at Exempt Annexe 2. Under the terms of the lease The Council has responsibility to maintain the access road, as this is outside the demised area, this responsibility will remain with the Council.

Legal Position

5. Specialist legal advice was sought following receipt of the notice. As this is a specialist area of law, Bishop and Sewell LLP were instructed as they have a team dedicated to leaseholder enfranchisement.
6. As background, the 1967 Act enables tenants of houses held on long leases at “low rents” to acquire the freehold or an extended lease. The tenancy is treated at a “low rent” in accordance with section 4 of the 1967 Act because in the case of the Property, the annual rent payable under the tenancy is less than £250.00. The solicitors acting for the Council confirmed that the leaseholders meet the qualifying criteria under the 1967 Act to request a sale of the freehold.

7. Under The Leasehold Reform Act 1967, a tenant of a leasehold house is entitled to enfranchise (request the freehold sale) of the house and premises. "Premises" include any garage, outhouse, garden, yard and appurtenances which at the time of the notice are let to the tenant with the house. "Appurtenance" essentially means something ancillary to the Property and would include any right or restriction that runs with the Property.

Recommendation

That the Value for Money & Customer Service Overview & Scrutiny Committee notes the content of the report and the Exempt Annexes, and the options available to the Council, and agrees any comments to be passed to the Executive on the recommendation to follow Option 1 which is the sale of the freehold land on the terms set out in Exempt Annex 1.

Background Papers

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

CONTACT OFFICER:

Name: Caroline Wallis

Telephone: 01483 523314

E-mail: caroline.wallis@waverley.gov.uk

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