

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:
Georgina Hall, Democratic Services Officer

Policy and Governance

E-mail: georgina.hall@waverley.gov.uk

Direct line: 01483 523224

Calls may be recorded for training or monitoring

Date: 6 November 2020

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

Cllr Peter Martin (Chairman)	Cllr Peter Marriott
Cllr Joan Heagin (Vice Chairman)	Cllr Stephen Mulliner
Cllr Roger Blishen	Cllr Peter Nicholson
Cllr Jerome Davidson	Cllr Julia Potts
Cllr Jerry Hyman	

Substitutes

Cllr Richard Cole	Cllr John Gray
Cllr Simon Dear	Cllr Kika Mirylees

Members who are unable to attend this meeting must submit apologies by the end of Monday, 9 November 2020 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, 16 NOVEMBER 2020

TIME: 7.00 PM

PLACE: ZOOM MEETING – VIRTUAL MEETING

The Agenda for the Meeting is set out below.

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

Agendas are available to download from Waverley's website (www.waverley.gov.uk/committees), where you can also subscribe to updates to receive information via email regarding arrangements for particular committee meetings.

Alternatively, agendas may be downloaded to a mobile device via the free Modern.Gov app, available for iPad, Android, Windows and Kindle Fire.

Most of our publications can be provided in alternative formats. For an audio version, large print, text only or a translated copy of this publication, please contact committees@waverley.gov.uk or call 01483 523351

This meeting will be webcast and can be viewed by visiting www.waverley.gov.uk

Waverley Corporate Plan 2016-2019

Priority 1: Customer Service

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

Priority 2: Community Wellbeing

We will support the wellbeing and vitality of our communities.

Priority 3: Environment

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

Priority 4: Value for Money

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

Good scrutiny:

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

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**

To confirm the Minutes of the Meetings held on 9th September and 21st September 2020, published on the Council's website.

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 9th November 2020 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 written questions is 5pm on Monday 9th November 2020.

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 written questions is 5pm on Monday 9th November 2020.

6. **MEDIUM TERM FINANCIAL PLAN UPDATE** (Pages 7 - 22)

To receive a report from the Head of Finance and Property on the revised Medium Term Financial Plan.

Following on from the Contingency Revised Budget agreed at Full Council in August, a commitment was made to undertake an update to the Medium Term Financial Plan (MTFP) including a review of the longer-term effect of the pandemic on the Council's future financial resilience, taking account of the wider economic conditions. It was agreed that this should be reported to

Council no later than its December meeting.

Recommendation

That the Value For Money Overview and Scrutiny Committee considers the updated Medium Term Financial Plan projections and makes comments and observations to the Executive ahead of consideration by Council in December

7. BUSINESS TRANSFORMATION PROJECT (Pages 23 - 28)

The Committee will receive a verbal update from the Head of Business Transformation regarding progress and savings realisation. This will include feedback about the new centralised Customer Services team.

8. RECOVERY, CHANGE AND TRANSFORMATION PROGRAMME

The committee will receive an update from the Head of Commercial Services on the progress of the RCT Project that falls under the remit of this Committee.

9. CORPORATE STRATEGY (Pages 29 - 40)

To receive and scrutinise the Corporate Strategy before it is proposed for agreement in December 2020.

Recommendation

It is recommended that the Overview & Scrutiny Committee considers the revised Corporate Strategy set out at Annexe 1 to this report and makes any recommendations to the Executive as appropriate.

10. COMMITTEE WORK PROGRAMME (Pages 41 - 46)

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

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.

11. PROPERTY INVESTMENT ADVISORY BOARD UPDATE (Pages 47 - 52)

To receive a report from the Head of Finance and Property updating the Committee on the progress and activity of the Property Investment Advisory Board which advises the Executive on property investment matters.

Recommendation

It is recommended that the Committee notes the property investment activity and makes any observations or recommendations to the Portfolio Holder and / or Executive as appropriate.

12. 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).

12.a PROPERTY INVESTMENT QUARTERLY REPORT (*Pages 53 - 54*)

To receive an item from the Head of Finance and Property detailing the performance of the property portfolio.

Officer contacts:
Georgina Hall, Democratic Services Officer
Tel. 01483 523224 or email: georgina.hall@waverley.gov.uk

This page is intentionally left blank

WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY O&S COMMITTEE - 16 NOVEMBER 2020

EXECUTIVE - 1 DECEMBER 2020

Title:

UPDATE TO GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2021/22 – 2024/25

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets & Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 Following on from the Contingency Revised Budget agreed at Full Council in August, a commitment was made to undertake an update to the Medium Term Financial Plan (MTFP) including a review of the longer-term effect of the pandemic on the Council's future financial resilience, taking account of the wider economic conditions. It was agreed that this should be reported to Council no later than its December meeting.
- 1.2 This report contains the outcome of that review which has resulted in an increase of £7.9million in the projected annual budget shortfall over the medium term which is now estimated to be £11.5million per annum or 60% of the current total net service cost by the end of 2024/25.
- 1.3 The principal aim of the revised MTFP is to protect core services so a one off repurpose of earmarked reserves in 2021/22 is likely to be necessary if government funding continues to fall short of meeting the full impact of COVID-19 on the Council's finances. Clearly drawing on reserves to fund ongoing costs is not a sustainable position given that Waverley has very limited General Fund reserves. The budget and MTFP projections are being prepared with a range of assumptions made in very uncertain economic conditions therefore the figures are volatile, particularly with regard to the timing and extent of recovery of income streams impacted by the pandemic.
- 1.4 The February 2020 MTFP already included some challenging targets supported by a range of strategies and it is crucial that these continue to be fully supported and remain the central focal point for addressing the budget shortfall.
- 1.5 This report contains the following Annexes:
- Annexe 1 – General Fund MTFP update at October 2020
Annexe 2 – Contingency budget ongoing impact schedule

2. Recommendation

That the Value For Money Overview and Scrutiny Committee considers the updated Medium Term Financial Plan projections and makes comments and observations to the Executive ahead of consideration by Council in December

Draft Recommendations from Executive to Council

2.1 It is recommended that the Executive, after considering comments from the Value for Money Overview & Scrutiny Committee, makes the following recommendations to Council, to:

1. Approve the updated forecast and assumptions in the latest Medium Term Financial Plan and request that a full review of the Plan is brought to Council in February 2021 alongside the draft 2021/21 Budget report; and
2. Agree that capital receipts are applied to fund business transformation and efficiency projects as allowed under the statutory provisions.

3. Reason for the recommendations from Executive to Council

3.1 The budget is a major decision for the Council and setting a balanced budget is a statutory requirement. As a result of the sudden and unexpected COVID-19 impact, the Council had to act quickly to take steps to address the significant projected net budget shortfall so that the Council can continue to function. A revised budget for 2020/21 was set in August and Council asked that the medium term financial projections are updated in December, ahead of the budget setting process in February 2021. The Medium Term Financial Plan projects future financial pressures and opportunities to enable the Council to take action to ensure sufficient funding is in place to deliver services.

4. Background

4.1 The 2020/21 budget and MTFP included a range of estimates based on assumptions which, at the time the budget was set, were deemed to be robust and deliverable overall. However, the sudden, unexpected and material adverse impact of the COVID-19 pandemic necessitated a thorough review of the Council's in-year budget which identified a projected budget deficit of £6.6million as shown in the summary below. The Contingency Revised Budget also highlighted the risk that the Council may not have yet identified all of the impacts and that the pandemic may not be controlled as currently envisaged, these have been addressed in the updated MTFP projections.

Contingency Revised Budget Summary 2020/21	£
Leisure facilities	£2.7m
Car park income	£2.0m
Property income	£0.7m
Planning and land charges income	£0.6m

Other costs and loss of income	£0.6m
Total estimated budget deficit	£6.6m
Agreed actions to address the deficit:	
Cost saving and efficiency measures	£2.3m
Government one-off grant	£1.5m
One-off draw on reserves	£2.8m
Total	£6.6m

The government has so far given the Council £1.527million of COVID-19 support grant towards its £6.6million 2020/21 projected budget deficit, and the Council estimates that it may be eligible to claim £2.3million from the government's compensation scheme for lost income from fees and charges. This year's claim is not certain yet and it is not clear yet if the government will continue the compensation scheme into next year.

Revised MTFP Summary.

- 4.2 The Council's MTFP has been updated to include the latest General Fund projections, including the reserves earmarked for specific purposes, that may have to be drawn upon to meet the budget shortfall. This report sets out the emerging pressures, risks and the projected budget shortfall over the next four years. The report also develops existing strategies for addressing the shortfall to protect vital services and put the council in a more sustainable financial position.
- 4.3 This report does not present a balanced position and highlights a significant unresolved funding shortfall over the medium term and, due to the current fluidity of the economic conditions within which the MTFP is framed, it will be necessary for a further review to be considered by the Council alongside the budget setting report for 2021/21.

The following table shows the total projected change since the MTFP was agreed in February.

	2021/2022	2022/2023	2023/2024	2024/2025	
	Change from 2020/2021 Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Total
	£'000	£'000	£'000	£'000	£'000
Projected Shortfall Feb 2020	1,270	1,280	980	0	3,530
Projected Shortfall Oct 2020	3,873	3,097	2,707	1,797	11,474
Total change per year	2,603	1,817	1,727	1,797	7,944

The cumulative projected shortfall over the MTFP period has increased by £7.9million to a total of £11.5million.

- 4.4 The updated MTFP projection is included in **Annexe 1** which details the revised

projections and assumptions for the four year period. The changes from the February position are based on a review of the ongoing impact of the items identified in the Contingency Revised Budget, new emerging issues and cost pressures.

Key Assumptions

- 4.5 The detail of the estimated ongoing impact of the pandemic is included on **Annexe 2** which builds on the contingency revised 2020/21 budget. The underlying assumption is that the income streams will fully recover within the time period of the MTFP.
- 4.6 Due to the significant financial pressures resulting from the pandemic, it will take a number of years for some income to recover to normal levels and therefore will require the identification of short or longer term measures to address this. Any change of use of earmarked reserves does not resolve the ongoing budget pressure and will require a resolution in the following year, this is represented by the line "Previous year net deficit" in the table above. Specific detail on the line items in the table is given in the following paragraphs.
- 4.7 Inflation - including pay and contractual increases assumes that inflation will not increase beyond 2% in line with the Bank of England's commitment. The inflation figure now includes all contractual increases resulting from non inflation related increases such as pay grade incremental progression and the refuse and recycling contractual increase resulting from growth in the property base. Inflationary increases on income streams such as fees and charges are included as part of the commercial strategy target.
- 4.8 Waverley currently retains £2million of the £38million business rates collected as its core funding for general fund services. The main element of this amount, approximately £1.8million, is derived from a Government formula which determines each Council's safety net position against its 'baseline need' for funding. The second element, approximately £0.2million, is related to the total Rateable Value (RV) of business premises in the borough which is affected by physical properties and the RV assessed by the Government's Valuation Office. This can also fluctuate according to appeals from rate payers. The Government is committed to reviewing business rate funding for local authorities and its 'relative needs' calculation. Waverley's MTFP forecasts significant reductions in Government funding over the next four years. This review has already been delayed for several years and it has announced recently that the review is delayed again. This delay has been reflected in the reprofiling of the Business Rate Retained Income reduction in the MTFP and relieves cost pressure in 2021/22. Officers have taken a cautious view of the impact of these reviews on Waverley's budget given previous past experience of redistribution formula. District and borough councils across southern England would tell a similar tale, and further lobbying is being undertaken with local Members of Parliament and the Local Government Association on this issue, as the Government prepares its 'Fair Funding Review' and its proposed new policies on devolution.
- 4.9 The government has indicated that the 2021/22 finance settlement will be a one year settlement, again. The assumptions such as the historical correction of the £0.8million negative grant, loss of Retained Business Rates and reduction in New

Homes Bonus in the February MTFP are still valid. These will be covered in the 2021/22 budget report in February 2021 when more detail is known from the Government.

- 4.10 Investment property contributed a £0.742million cost pressure to the Contingency Revised Budget before mitigation from the Investment Property Void provision. This pressure has been resolved by the expected resolution of the Wey Court East void, a number of lease regears within the current property portfolio and the anticipated completion of an investment property acquisition. The balance of the investment property £1.2million target over the MTFP period yet to be achieved is included in the ongoing funding identified below.
- 4.11 Treasury management interest has been achieving an average return of 1.1% prior to the pandemic, netting the General Fund £577,000 Since then the Bank of England reduced the base rate from 0.75% to 0.1% in March and due to the significant economic uncertainty the rates available on fixed term fixed rate money deposits has reduced to 0.2%. The immediate impact of the rate reduction is mitigated by the strategy in recent years to place cash deposits over longer terms where the rates were better. These will unwind over the next 18 months. The long term forecast does not indicate an increase in the base rate in the MTFP period.
- 4.12 In common with many other councils, it is proposed that under these challenging financial circumstances, Waverley should take advantage of the government's time limited Flexible Capital Receipts scheme to utilise capital receipts to fund business transformation projects that deliver efficiencies and savings. A schedule is being compiled of projects from the Corporate Projects list including the cost of the Business Transformation team. This will be submitted to government for approval. As this is a new policy approach, a specific recommendation has been included in this report.

Addressing the Budget Shortfall

- 4.13 The cumulative deficit to be resolved by the end of the MTFP period 2025 is £11.5million. In order to achieve a sustainable and balanced budget in the medium term, all projected shortfalls in funding must be resolved with an ongoing resolution. The table below shows a summary of the profiling of the budget deficit and an update to the measures identified in the February plan to address this. The table shows a significant unresolved balance still to identify in the coming weeks ahead of the formal budget setting process.

	2021/2022	2022/2023	2023/2024	2024/2025	
	Change from 2020/2021 Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Total
	£'000	£'000	£'000	£'000	£'000
Budget shortfall to be funded Oct 2020	3,873	3,097	2,707	1,797	11,474
Update on previously identified savings proposals	-912	-929	-1,053	-595	-3,491
Funding yet to be identified to be met from Government Funding, further	2,961	2,167	1,654	1,201	7,983

savings or one-off use of earmarked reserves					
--	--	--	--	--	--

The full detail is set out in **Annexe 1** and specific items discussed below.

Council tax

- 4.14 The table on **Annexe 1** shows three aspects to council tax income (1) an inflationary uplift at the maximum permissible under the governments referendum principles (2) a modest forecast of tax base growth that is eroded by any increase in the number of people claiming Council Tax Support and (3) a surplus or deficit on the planned collection rate each year.

The amount of council tax that will be paid to each of the precepting bodies, including Waverley, Surrey County Council and the parish and town councils, is fixed for the financial year. Any variation in actual compared to estimated forecasts used in calculating the council tax base and/or the estimated in-year collection rate will impact in the following and subsequent years. For example, if Council Tax Support caseload and value increase above the estimated amount, or if the collection rate was lower than the assumed amount, the collection fund will fall into deficit which will be apportioned in future years. In its recent announcement, the Government has confirmed that it will allow councils flexibility to spread this impact over more than one year but the details are not yet known. Government COVID-19 support to business in the form of reliefs and grants will be fully reimbursed and not impact on Waverley's finances. The forecast included in **Annexe 1** is based upon the council tax support caseload and the collection rate as at the end of September. It is too early to judge the likely total case load until January.

- 4.15 The detail, strategy and progress behind the Investment Property, Head of Service cost review, Business Transformation and Commercial Strategy are adequately reported and available through the Value for Money Scrutiny and Executive minutes. The commercial strategy highlights the need to review existing income sources to generate additional revenue including a review of possible increments to all fees and charges. This will be covered in more detail as part of budget setting and included in the February MTFP update.
- 4.16 Part of the package of measures within the Contingency Budget was a recruitment freeze to hold back on £0.6million of vacancies following on from the Management Board decision to suspend all non-critical recruitment, review all external staff costs and suspend non-urgent spending where possible. This is proving to be an effective interim measure to help reduce costs although it must be recognised that it does place pressure on services and staff and can affect performance. The ability to and impact of continuing with these staff budget controls beyond 2020/21 is being carefully considered.
- 4.17 The non urgent expenditure review included in the Contingency Budget achieved £0.436million of savings, this will be considered as part of the 2021/22 budget setting exercise with heads of service being asked to identify the extent to which these savings can be repeated without impacting on essential services.
- 4.18 The core funding for the General Fund Capital Programme is from Revenue Contributions from the revenue budget of £1.05million. This was reduced

following a corporate projects review under the Contingency Budget by £0.472million. Within the MTFP the revenue contribution may have to be scaled back again to balance the budget, acknowledging that this may reduce investment in existing and new facilities and assets. Clearly, there will be need to be a proper assessment of the impact of this reduction on health and safety and the potential deterioration of assets and this will be done as part of the budget review and updated in the February MTFP.

Earmarked and non-earmarked reserves and provisions.

- 4.19 A summary of the projected impact of the pandemic on the available reserves is included on **Annexe 3**. In line with the Contingency Budget agreed recommendation, the additional Sales, Fees and Charges compensation grant (£2.3million) claimed in 2020/21 will be used to replenish the reserves. It is not yet certain how much of the claim will be received.
- 4.20 The Property Investment Void provision is an important revenue mitigation supporting the Property Investment Strategy. Going forward this provision is intended to be maintained at a sufficient level to limit the impact in the event of rent loss due to a void period (such as Wey Court East). Until the property portfolio is fully established and self sustaining, it will require a contribution from the New Homes Bonus to replenish the provision.
- 4.21 The future financial resilience of the council is dependant upon the availability of reserves to manage financial shocks such as more lockdowns. Ideally, the use of reserves should be limited as far as possible to mitigating the temporary impact of the pandemic net of any government assistance. It is important to therefore ensure sustainable resolutions are found where ever possible and if necessary or appropriate temporary measures such as a vacancy freeze to limit the need to call upon reserves, which should always be a last resort.

Risk and Impact

- 4.22 There is a risk that, if not monitored adequately, the proposed MTFP prolonged vacancy freeze, reduced capital spend and pared back service costs could put pressure on services, particularly if the Council continues to experience further pressure as a result of local or national lockdowns and the predicted wider economic downturn.
- 4.23 The MTFP 2021/22 projected base has accounted for a £2.6million reduction in income prior to subsequent recovery, this compares to £3.3million impact from the first lockdown (excluding leisure start up costs), which would be a reasonable estimate for an equivalent lockdown period in 2020/21. The equivalent government compensation would be £2.35million resulting in a net deficit of £0.95million. There is no information about the government compensation scheme in respect of subsequent years and the estimated income loss is accounted for in the MTFP.
- 4.24 The biggest single budget impact of the first lockdown has been on leisure income and the MTFP assumes that there will be no income at all during 2021/22 and a steady recovery going forwards. The impact of subsequent lockdowns on the viability of the leisure contract will need to be closely monitored as this will be

a significant financial impact. Car parking income was the second biggest budget impact with an annual income of £5.2million equating to £0.1million per week. Post lockdown monitoring showed parking to be at 70% of pre COVID-19 capacity. Parking income will be zero for the duration of subsequent lockdowns, and the MTFP assumes the capacity usage will recover over the MTFP. Changes in Planning fee income are not considered to be directly related to lockdowns and more aligned to the macro economic climate. The remaining smaller income streams in total contributed an estimated £25,000 per week to the Contingency Budget deficit.

- 4.25 The MTFP projections include costs for additional capacity in Housing Benefit and Revenues team to cover the increased workload and also additional PPE expenditure. This insulates the cost base to a reasonable degree from further lockdowns and a worsening economic climate. It is envisaged that short term spikes in community pandemic response teams will be resourced internally resulting in services levels being temporarily reduced whilst staff are deployed.
- 4.26 The MTFP projections include a moderate recovery. Any delay or adverse change in the income projection profile will result in the need to draw down additional reserves to balance the budget.
- 4.27 The impact in future years of Waverley needing to unexpectedly draw down significant value of reserves is difficult to assess but, given the £5million budget shortfall already projected in the medium term, these risks will put serious pressure on the Council's financial resilience. In the light of the COVID-19 impact, the government need to urgently give clarity to councils on the continuation of the COVID-19 Sales, Fees and Charges compensation scheme, the business rate funding and address the growing risk of business rate appeals and declining rateable values to local council budgets.

Considerations for the 2021/22 and subsequent years budget setting

- 4.28 Options for members to consider as part of next and subsequent years budget settings in the light of the challenging position are:
- car park charges
 - other charges
 - importance of property income
 - further efficiency and business transformation, including collaboration opportunities with willing partners
 - council tax to be increased by the maximum level
 - funding for growth areas will be extremely challenging and require reprioritisation of funds and service reductions in non-critical areas

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 Having a robust, sustainable budget is essential to deliver all aspects of the Corporate Plan.

6. Implications of decision

- 6.1 **Resource (Finance, procurement, staffing, IT) - covered above**

6.2 Risk management – covered above

6.3 Legal

The Coronavirus Act came into force on 25 March 2020, and since that date the government has introduced a significant amount of secondary legislation (statutory instruments) that has required the Council to change the way in which its services are delivered; required partner organisations and contractors to change their operational pattern, or temporarily cease operations altogether; and placed additional temporary functions within the Council's statutory powers, including additional enforcement powers in relation to businesses and additional homelessness duties.

Throughout this period the Council's Legal Services team has supported the Council's COVID-19 response by providing advice in relation to any and all suspended, additional and revised discretionary and non-discretionary functions, to ensure the Council has continued to operate lawfully in accordance with both existing and COVID-19-related legislation.

Over the coming months as the impacts of the effect of COVID-19 continue to be evaluated, that advice will continue so as to enable the Council to function lawfully in circumstances where the financial resources available to its non-discretionary and discretionary services are under far greater pressure than anticipated when the 2020/21 budget was set. Any and all further legislative changes and statutory guidance will be assessed and the Council's service supported with advice targeted to those changes, including through the Recovery, Change and Transformation programme.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion 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.

6.5 Climate emergency declaration

There are no direct implications arising from this report but reference is made to the need for the main budget proposals to address the resource requirement for the emerging climate change action plan. The current proposals retain in full the budget allocated to support the delivery of the action plan.

7. Consultation and engagement

- 7.1 As with the contingency budget in July/August, the revised MTFP will be considered by the Value for Money Overview & Scrutiny Committee for discussion and scrutiny. There will also be an all-member briefing on the subject to enable councillors to receive a presentation on the main issues and ask questions ahead of the Council meeting in December. A separate briefing for O&S councillors was held in September specifically on reserves and provisions. Officers have been working with the Staff side/Union in the formation of the Recovery, Change and Transformation programme and this work will continue. In parallel to the council's scrutiny and

decision making process, officers will discuss the position and proposals with Grant Thornton, Waverley's external auditors.

8. Other options considered

- 8.1 The report is an update to previously agreed projections. A range of assumptions have been made in the financial projections and a number of options are set out in the report and annexe for consideration by the Council in the coming weeks ahead of the budget setting meeting in February 2021.

9. Governance journey

- 9.1 This report will be considered by the Executive following scrutiny by the VFM O&S Committee. Full Council will receive the Executive's recommendation at its meeting in December.

Background Papers

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

CONTACT OFFICER:

Name: Graeme Clark
Position: Strategic Director and Section 151 Officer
Telephone: 0148 3523099
Email: graeme.clark@waverley.gov.uk

Name: Peter Vickers
Position: Head of Finance and Property
Telephone: 01483 523539
Email: peter.vickers@waverley.gov.uk

Agreed and signed off by:
Legal Services: date
Head of Finance: date
Strategic Director: date
Portfolio Holder: date

	2020/21 revised	2021/2022	2022/2023	2023/2024	2024/2025	Total
	Contingency revised budget	Change from 2020/2021 Feb Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	
	£000	£000	£000	£000	£000	£000
Anticipated Budget Variations						
Previous year net deficit – recurrent funding to be identified		0	2,961	2,167	1,654	6,782
Contingency budget, on going impact	5,894	2,777	-1,226	-722	-840	-11
Inflation and contractual increases		478	524	569	616	2,187
Housing benefit admin grant		0	30	30	30	90
Business Rate Retained Income		0	700	700	400	1,800
Investment Properties	742	-460	-262	-100		-822
Treasury management interest		298	150			448
One off capital receipts funding for Business Transformation team		-220	220			0
Borough Elections Reserve 2020/21 deferred contribution				63	-63	0
Income volatility provision: 8 weeks income loss		1,000				1,000
Budget Shortfall	6,636	3,873	3,097	2,707	1,797	11,474

Addressing the Budget Shortfall						
Council tax increase - 1.9%/1.99%		-207	-240	-273	-307	-1,029
Council tax change in tax base		-28	-28	-28	-28	-112
Council tax collection fund surplus / deficit		120	-40	-40	-40	0
Investment Property income target - Balance of £1.2m		-340	-38	-200		-578
Head of Service Cost Review 2019/20 ongoing impact		-191	-63	-13		-267
Business Transformation		-121	-400	-379	-100	-1,000
Commercial Strategy		-145	-120	-120	-120	-505
Staff salaries: vacancy saving from a recruitment freeze	-600					0
Cancelled revenue contributions to reserves	-510					0
Reduction in revenue contribution to capital	-472					0
On going base budget reductions	-1,582	-912	-929	-1,053	-595	-3,491

Budget Shortfall: recurrent deficit	5,054	2,961	2,167	1,654	1,201	7,983
--	--------------	--------------	--------------	--------------	--------------	--------------

One off adjustments not affecting baseline						
Contingency Budget revenue and capital cost savings measures:						
COVID-19 Costs Government Grant	-1,507	0	0	0	0	0
Contingency budget savings	-673	0	0	0	0	0
Use of reserves	-2,874	0	0	0	0	0
Use of COVID-19 Sales, Fees and Charges claim		0	0	0	0	0
Business Rates Equalisation Reserve		0	0	0	0	0
One off none base line adjustments	-5,054	0	0	0	0	0

Annual Net Budget deficit/(-)surplus	0	2,961	2,167	1,654	1,201	7,983
---	----------	--------------	--------------	--------------	--------------	--------------

This page is intentionally left blank

Contingency budget, on going impact

Contingency budget, on going impact	Contingency revised budget						
	2020/21 revised	2021/2022	2022/2023	2023/2024	2024/2025	Total	
	in year change from 2020/2021 Base	Change from 2020/2021 Original Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base		
	£000	£000	£000	£000	£000	£000	
Planning Income Pressure	454	250	-250			0	Based upon performance against contingency budget, assumes will recover due to development pressure in Local Plan.
Leisure Centres	2,744	523	-177	-177	-169	0	Assumes recovery will graduate back up to 2024/25
Car Parks General	1,994	1,590	-590	-500	-500	0	Assumes 30% down pre COVID-19 on £5.2m budget, reflects monitoring at end of Sept
Land Charges	106	50	-50			0	Reflects monitoring end of Sept. Assume property sales will fully recover
Parks and Countryside	59	0				0	Will be contained within business as usual budgets
Borough Hall	56	25	-25			0	Nursery is back, larger events are challenging due to social distancing
Building Control	46	46	-46			0	Reflects contingency budget, this is panning out as estimated, assume will recover due to Approved Inspectors exiting the market
Memorial Hall	38	38	-38			0	Biggest income is weddings, will be restricted for a period of time
Careline	23	25	-25			0	Removal of supporting people funding and assumes service growth will be achieved
Council Tax and Business Rates debt summons charges	83	123	-25	-25	-65	8	Courts not functioning and COVID-19 impact on ability to enforce debt recovery due to hardship.
Financial Expenses	-40	0				0	COVID-19 impact on car parks closure reduced transaction cost, this will return to a normal level.
Green Waste Recycling	-19	-19				-19	Increase in take up on service
COVID-19 - PPE	9	20		-20		0	Will be required ongoing at £1,600 per month
COVID-19 - Additional Staffing Revenues and Housing	205	106			-106	0	COVID-19 impact on tax recovery capacity
COVID-19 - Admin Town and Parish contribution from grant	80					0	One off contribution
COVID-19 - Additional cleaning staff	40					0	Going forward will be contained within original budget
COVID-19 - Biffa bring site additional servicing	37					0	
Other small variances	-22					0	
Debt write off provisions						0	Assess this in December alongside Collection Fund estimates
Council Tax hardship relief						0	Rely upon the government funding before committing Waverley budget
Investment Properties	742						Contingency budget gross of void provision drawdown
Total: Contingency budget, on going impact	6,635	2,777	-1,226	-722	-840	-11	

This page is intentionally left blank

Annexe 4 – Update to projected reserves position

Update to projected reserves position	Annexe 3		
	2020/21	2020/21 revised	2021/2022
	Pre COVID-19 balance	Contingency revised budget	Projected opening reserves 2021/2022
	£`000	£`000	£`000
Earmarked reserves:			
Flexible Homelessness Support Grant	(974)	474	(500)
Commercial Property Void provision	(425)	425	0
Emergency Funding	(17)	17	(0)
Climate change	(300)	0	(300)
Brightwells reserve - licence from Dogflud	(311)	296	(16)
Local Plan reserve	(236)	0	(236)
Place shaping	(320)	188	(132)
Investment Advisory Board	(2,432)	418	(2,014)
Revenue Reserve Fund - Capital Programme funding	(197)	0	(197)
Insurance reserve - MMI run off	(188)	0	(188)
Insurance reserves	(566)	0	(566)
Borough Elections reserve	(63)	0	(63)
Business Rates Equalisation reserve	(3,850)	649	(3,201)
SANG site acquisition	(1,000)	200	(800)
Total Earmarked Reserves:	(10,880)	2,668	(8,212)
General Fund working balance: min balance £3.2m *	(3,406)	206	(3,200)
Total General Fund Useable Revenue Reserves	(14,286)	2,874	(11,412)

* 2020/21 Sales, Fees and charges compensation claimed of £2.3m, will be used to replenish reserve:

This page is intentionally left blank

**Business Transformation Programme
Project Update**

Projects Not Yet Started

Project Number	Project Name	Project Description	Project Focus	Dependencies	Next Steps	Status	Cost Reduction Forecast
6	Licensing Lead: tbc CPR19 - 5	Review of service function	To be determined	Customer Services Programme	1. Meet with HoS	Not yet started	£ 30,000
							£ 30,000

Inflight Projects

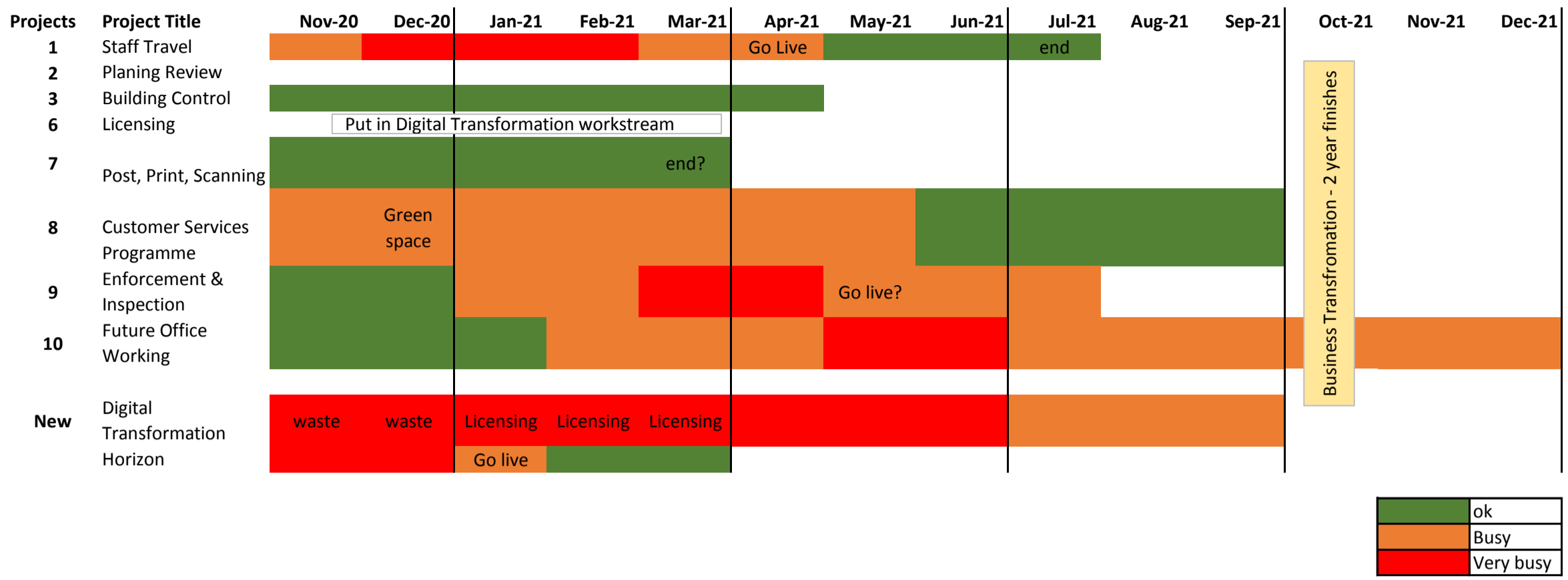
Project Number	Project Name	Project Description	Project Objectives	Project Outcomes (in addition to cost reductions)	Next Steps	Status	Cost Reduction Forecast
1	Staff Travel Lead: Henry Ascoli CPR19-1	Reduction in staff travel costs as a result of: - reduced mileage rates - reduced business mileage in own vehicle - review of staff car parking arrangements / cost - income generation - increase fleet size	Understand council staff business travel Reduction in staff travel costs as a result of: 1. reduced mileage rates 2. reduced business mileage in own vehicle 3. Review role requirements for business travel 4. review of staff car parking arrangements	1. Reduced staff travel costs 2. Changes in working arrangements and behaviours in support of climate emergency	1. Communication with all staff to begin informal feedback stage - inc. email from CX, leaflet and online survey 2. Continue engagement with UNISON through Staff Travel Project discussion group 3. Prepare for all staff consultation (to launch in November)	Define	£ 150,000
2	Planning Review Lead: Richard Moss CPR19-2	Review of the Planning function and priorities	Review of operating model, processes and structures focusing on Development Management Team	Customer Services Programme Horizon IT project Planning income shortfall 2019-20 Planning Committee review	1. Define delivery model 2. £205k Vacancies excluding seconded and Planning Information officer roles. 3. Develop team structure (checking JD's of techs for discrepancies and Principle Officers for line management responsibility) 4. High level project plan 5. Continue with Horizon Project (testing continuing with Planning officers, forward programme agreed with Team leaders)	Discovery	£ 150,000
3	Building Control Lead: Richard Moss CPR19-3	Review of Building Control function	Review of operating model, processes and structures within the Team, being mindful of income streams	Horizon IT project Customer Services Programme	1. Identify project group (RM, KM, JC) 2. Options for mobile working equipment trial ongoing 3. Horizon moved to Cloud server. 4. Mobile app development complete, testing ongoing. 5. High level project plan 6. Understand service costs 7. Horizon Gazetteer Management System installed, user set up and UAT ongoing. 8. BC records available via WBC website for Public Search Agents (some development requests outstanding)	Discovery	£ 50,000
7	Post, Printing and Scanning PM: Henry Ascoli CPR19-6	Review of post, printing and scanning with a view to reduce expenditure and increasing efficiencies to achieve a saving	1. New print contract 2. Hybrid mail contract 3. Other opportunities	1. New print contract 2. Hybrid mail contract	1. Continue implementation of hybrid mail trial 2. Analyse feedback from staff on hybrid mail usage and address any common issues 3. Analyse print and hybrid mail data to continue quantifying savings for BT dashboard.	Delivery	£ 75,000
8	Customer Services Programme PM: Wendy Cooper CPR18-22	Review of customer services with a view to establishing a customer service centre, making customer journeys more efficient and channel shifting customer to cheaper channels (ie self service). Creation of a customer "golden record" enabling greater insight.	1. Increase use by customer of lower costed customer channels 2. Digital first approach adopted, but support for those excluded 3. Transactional website 4. Produce economies of scale by collating customer roles into one hub 5. Review customer strategies and performance standards 6. Streamlined customer focused processes 7. Review IT need to support new world 8. Gain greater knowledge and insight to our customers	1. Unified customer record and customer relationship management IT system 2. "cleaned" customer records across 6 key databases 3. Customer Service Centre 4. Customer journeys mapped and aligned to updated process 5. Update customer services strategy 6. Customer performance standards 7. Customer self service for transactional services	1. CSC consultation - ends 19/8/20 2. Selection process for CSC Mgr. and TL 2 & 7/9/20 3. Plan for CSC go live 2/10/20 with Converse (phone) and training key priorities 4. Confirm CSC location and any building changes required 5. Progression with CJs, now virtual and using MIRO for processing 6. Progress with Low Code build 7. DPIA for CRM ongoing (and for each build) 8. Commence 2nd and 3rd phases review of additional service lines	Delivery	£ 300,000
9	Enforcement & Inspection Lead: Wendy Cooper CPR19-7	Review of functions to assess benefit of bring together common activities into one role, reducing mileage etc.	To be determined through discovery	Customer Services Programme Future Office Working Staff Travel	1. Agree scope, objectives, deliverables and potential timescales 2. Commence data discovery to inform BC and PID / Talk to SMT re service implications 3. Identify project group 4. High level project plan 5. PID to come to November BTB	Discovery	£ 80,000
10	Future Office Requirements Project PM: Wendy Cooper CPR19-8		Identify office requirements in terms of work-spaces and other facilities to be part of the new development (or moved off-site) Identify/acquire/develop local remote sites in conjunction with the Inspection//Enforcement Business Transformation work-stream Identify the IT and Facilities infrastructure to support the new model	The Burys Development Project	1. to be replaced by the Future Office Working project (£0 savings) PID to come to November BTB		
							£ 805,000

Completed Projects

Project Number	Project Name	Project Description	Project Focus	Project Deliverables	Status	Cost Reduction Delivered
4	Revenues	Systems thinking review of Revenues activities to prioritise resources to customer calls at first contact			Complete	£ 52,000
5	Housing Options PM: David Allum CPR19-4	Review of service function	1. Review of service function	1. Service to implement agreed changes to structure and post funding 2. Cost reductions to be confirmed by accountants	Complete	£ 75,000
						£ 127,000

This page is intentionally left blank

WORKLEVELS FOR BT PROJECTS



This page is intentionally left blank

This page is intentionally left blank

WAVERLEY BOROUGH COUNCIL

ENVIRONMENT O&S – 11 NOVEMBER 2020

VALUE FOR MONEY AND CUSTOMER SERVICE O&S – 16 NOVEMBER 2020

COMMUNITY WELLBEING OVERVIEW & SCRUTINY 17 NOVEMBER 2020

HOUSING O&S – 23 NOVEMBER 2020

Title:

Revised Waverley Corporate Strategy 2020-2025

Portfolio Holders: Cllr John Ward, Cllr Paul Follows

Head of Service: Robin Taylor, Head of Policy & Governance

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 This report is being presented to each of the Overview and Scrutiny Committees and its purpose is to seek the views of the Committee on the revised Corporate Strategy and to forward any comments and recommendations the Committee may wish to make to the Executive.

2. Recommendation

It is recommended that the Overview & Scrutiny Committee considers the revised Corporate Strategy set out at Annexe 1 to this report and makes any recommendations to the Executive as appropriate.

3. Reason for the recommendation

To ensure the views of the Committee are received and considered by the Executive in finalising the Corporate Strategy.

4. Background

- 4.1 The Council's Corporate Strategy is an important document for setting out the direction of the Council for the next five years. It sits above all other strategies and policies and informs the service delivery and business programme for the service areas. The delivery mechanism for the Strategy is an action plan which in turn is reflected in the Service Plans for each service area. These Plans are also an essential part of the performance management framework. Each member of staff will have annual targets in order to ensure the effective delivery of the Council's strategic objectives.

- 4.2 The current Corporate Strategy was first published in 2019 and since then the

Council has faced the significant impact of the coronavirus pandemic, the recession, continuing uncertainties over Brexit, possible Government devolution proposals and the overall financial implications of all of these. The Executive decided to review the Corporate Strategy in order to be ready to respond to these uncertainties.

- 4.3 Following comments made on the draft Strategy at the last cycle of the O&S Committees and the Councillor Workshops, the text has been amended to incorporate feedback and the structure changed to reflect the six proposed priorities for the Council.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 This is set out in paragraph 4.1 above.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT) TBC

6.2 Risk management

The scrutiny process gives an opportunity to examine the potential risks arising from the corporate objectives. The Corporate Performance Report allows for an ongoing assessment of any risks as a result of underperformance and the monitoring of improvement or mitigation actions put in place to address potential issues.

6.3 Legal

There are no legal implications arising directly from this report.

6.4 Equality, diversity and inclusion

The equality impact assessment undertaken on the original Corporate Strategy will be reviewed and any implications brought to the attention of the Executive.

6.5 Climate emergency declaration

The Corporate Strategy sets out the Council's environmental and sustainability objectives and how these will be delivered through the Action Plan.

7. Consultation and engagement

- 7.1 Two Corporate Strategy Councillor workshops were held on 7th and 9th September and the draft Strategy was presented to the September cycle of O&S meetings. Feedback from these meetings and the workshops has been included in the Strategy set out at Annexe 1.

8. Other options considered

- 8.1 None.

9. Governance journey

- 9.1 The Overview and Scrutiny Committees will pass on their comments and

recommendations to the Executive who will consider any final changes before the Strategy is considered for approval by Council in December.

Annexes:

Annexe 1 – Revised Corporate Strategy 2020-2025

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Louise Norie
Position: Corporate Policy Manager
Telephone: 0148 3523464
Email: louise.norie@waverley.gov.uk

Agreed and signed off by:

Legal Services: N/A

Head of Finance:

Strategic Director:

Portfolio Holder: 27 October 2020

This page is intentionally left blank

Corporate Strategy 2020-25

Introduction by Leader and Deputy Leader

Since our Corporate Strategy was first published in 2019 we have all experienced unprecedented change and challenge. In particular, as well as maintaining our critical services, Waverley Borough Council has done an amazing job in responding to the coronavirus pandemic, supporting the vulnerable in our community and helping local businesses, alongside the health and emergency services and other councils.

Despite facing further uncertainty, we felt that now is a good time to review our objectives as a council and to reflect on the work and measures we have put in place to ensure the continued delivery of our services. Some of these measures have created new opportunities to work in different and more agile ways.

We are facing huge uncertainties and our revised Strategy needs to consider how this Council will respond to these uncertainties in order to protect service delivery and the interests of our residents.

Financial Management

Before coronavirus, we were facing a large financial challenge due to cuts in government funding. Through careful financial management we put measures in place through our Medium Term Financial Plan to secure continued service delivery and to respond to the emergency of climate change. However, as a result of the pandemic we are now facing further financial challenges and the likelihood that the local economy and employment will be impacted by recession. We have maintained ambitious objectives in our revised strategy; however, we recognise that these will need to be affordable so our plans will be costed carefully to secure our desired outcomes. We will maximise the use of our assets and work imaginatively to source income, including grants and other funding, whilst protecting those on low incomes.

Devolution

At the time of reviewing our strategy the Government's proposals on devolution were unknown. However, should proposals be forthcoming we would want a solution that is in the best interests of Waverley's residents as we value the importance of delivering services locally and on a scale where knowledge of community matters. We do not consider one single authority covering the whole of Surrey's 1.2 million inhabitants, such as the scheme suggested by Surrey County Council, is the best option for residents. Waverley Borough Council passed a resolution in favour of a more localist approach and against such a large unitary authority and we will therefore be working collaboratively with other Surrey councils to secure the best outcome for our residents both financially and in terms of locally focused services.

Health and Wellbeing

This strategy recognises that the impact of the pandemic may well last for some time and will continue to have an effect on the health and wellbeing of our residents, many of whom are elderly. Through the work we have done on understanding health

inequalities we know we can make a positive impact on the wider determinants of health such as housing, employment and lifestyle choices. Health outcomes vary widely throughout the borough and it is ever more important that we continue to work closely with our partners in the health and social care services, neighbouring councils, emergency services, cultural and leisure providers and the voluntary and faith sectors to protect and support our residents to live long and healthy lives.

Climate Emergency

In September 2019 the Council declared a climate emergency with an aim to becoming a carbon-neutral council by 2030, within the financial and other constraints laid upon us. Our determination to take urgent action to reduce carbon emissions and conserve biodiversity is embedded in our Corporate Strategy and continues to be an overarching aim. The climate impact of some of our decisions in the coming months and years may not be evident immediately but we are confident that our Climate Emergency Action Plan will ultimately produce beneficial results for our communities. This is not something we can do alone and we will be working with the local community, parish and town councils and all other relevant agencies to support making the entire area carbon-neutral by 2030 – as well as encouraging residents to do their bit to help create a greener, more sustainable and environmentally-friendly borough.

Achieving the target will require additional powers, funding and other resources from central government, so the council will be seeking opportunities to make the case for these to local MPs, Ministers and government agencies.

Our Commitment

Despite the uncertainties facing us in the coming years we will work hard to support our communities to withstand the economic and social pressures facing us by delivering services which are more resilient, accessible and ultimately stronger as a result of our experiences in the last year. In order to realise our vision and objectives a Corporate Strategy Action Plan will demonstrate the progress made and the outcomes achieved.

Signed

Leader

Deputy Leader

Vision

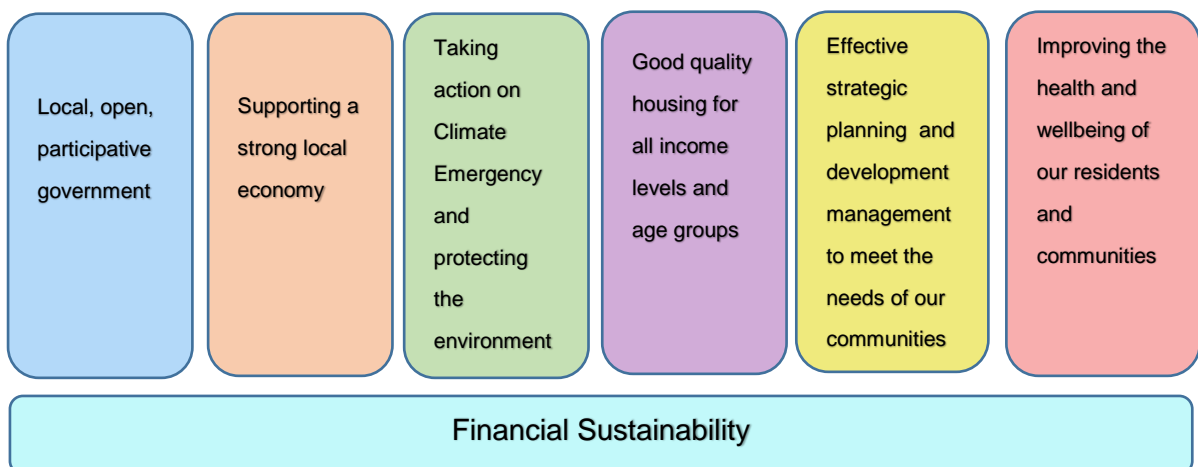
Waverley Borough Council is an authority which promotes and sustains:

- open, democratic and participative governance
- the value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth
- high quality public services accessible for all
- a financially sound Waverley, with infrastructure and resilient services fit for the future
- a strong, resilient local economy, supporting local businesses and employment
- housing to buy and to rent, for those at all income levels
- effective strategic planning and development management which supports the planning and infrastructure needs of local communities
- a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet
- the health and wellbeing of our communities.

Our priorities:

- ✓ Local, open, participative government
- ✓ Supporting a strong, resilient local economy
- ✓ Taking action on Climate Emergency and protecting the environment
- ✓ Good quality housing for all income levels and age groups
- ✓ Effective strategic planning and development management to meet the needs of our communities
- ✓ Improving the health and wellbeing of our residents and communities

(for illustrative purposes only)



We cannot achieve our priorities without a sound financial future achieved by careful budgeting and a robust Medium Term Financial Plan. This will depend on making significant savings in expenditure in the next few years as well as securing new income, funding and grant opportunities.

We will deliver savings through a major change programme in the next three years as well as implementing robust Commercial and Investment Strategies. However, central government has a vital role to play in providing financial certainty for local government and we will be lobbying them to secure a fair and future proofed financial settlement.

Local, open, participative government

We are committed to an open, inclusive approach to communications and decision-making.

We will achieve this by:

- ✓ continuing to ensure easy access to council meetings either on-line or in person with opportunities for public speaking;
- ✓ encouraging participation in local democracy by everyone in the community including local forums to consider current issues.

A strong, resilient local economy

We will support new and existing businesses and seek to attract new enterprises and employment opportunities focusing on economic, social and environmental outcomes.

We will achieve this by:

- ✓ implementing Waverley's Economic Development Strategy 2018-32 and the Economic Development COVID-19 Action Plan 2020/21
- ✓ actively engaging and supporting local businesses, both large and small to understand business needs
- ✓ working with partners such as the Enterprise M3 Local Economic Partnership to promote the borough to new businesses and to identify sources of funding and support.

Climate Emergency and the environment

Our aim is to become a net zero-carbon council by 2030, encouraging carbon reduction and the promotion of biodiversity and sustainable homes, businesses and transport across the borough.

We will achieve this by:

- ✓ implementing Waverley's Climate Emergency Action Plan
- ✓ promoting reduction and re-use as well as recycling so as to achieve our targets on household waste and recycling

- ✓ promoting a pedestrian-friendly and cycle-friendly transport network
- ✓ taking action on air quality issues, especially those caused by vehicle emissions, and encouraging zero-carbon buses and taxis
- ✓ working with partners to ensure the environmental stewardship of our open spaces are of the highest quality including the promotion of biodiversity, rewilding and the phasing out of pesticide use other than in exceptional and defined circumstances
- ✓ making Waverley Borough Council a zero carbon organisation, including the offices and other assets, by working with staff and partners to implement carbon reduction schemes and other projects.

Good quality housing for all income levels and age groups

We will optimise the availability of housing that meets the needs of local people at all income levels and which is sustainable and energy efficient.

We will achieve this by:

- ✓ delivering Waverley's new Housing Strategy to ensure homes are the right homes in the right places and that they are truly affordable for those who need them
- ✓ preventing homelessness and meeting housing needs, including needs for supported accommodation and housing for older people
- ✓ working in partnership with social housing providers to deliver good quality homes, building and managing communities which are sustainable in the long term
- ✓ continuing to secure affordable housing on new developments in line with planning policy and ensuring developers meet their planning obligations.

We aim to be the best council landlord in the South East and to be acknowledged so by our tenants.

We will achieve this by:

- ✓ ensuring all our tenants have a safe, warm, high quality, energy efficient and affordable home
- ✓ providing services and support that our tenants need
- ✓ ensuring all new homes on council land achieve energy efficiency level A
- ✓ ensuring the service is financially robust to support improvements to our homes and the building of new homes

Effective strategic planning and Development Management to meet the needs of our communities

Our aim is to ensure that our Local Plan and neighbourhood plans are consistent with meeting local needs and protecting the natural environment.

We will achieve this by:

- ✓ delivering Local Plan Part 2 by December 2021

- ✓ supporting the production of Neighbourhood Plans which are consistent with local needs
- ✓ engaging with central government to influence the outcome of the 'Planning for the Future' proposals to safeguard good development in the borough
- ✓ spending the Community Infrastructure Levy fairly and transparently to deliver the strategic and local community infrastructure necessary to support growth

Major Projects

We will continue to work with Crest Nicholson and Surrey County Council to achieve the best possible outcomes for residents from the Brightwells regeneration scheme and we will support Dunsfold Aerodrome Ltd to deliver Dunsfold Park Garden Village.

Health and wellbeing of our residents

We will use our power and resources to protect the health and wellbeing of all our residents, especially our vulnerable residents, during the coronavirus pandemic and afterwards, to support the capacity of our health services and to mitigate the negative effects of the recession.

We will achieve this by:

- ✓ having robust business continuity plans in place to meet future emergencies and challenges to our ability to deliver services
- ✓ working closely with the Local Resilience Forum

Through the wide variety of services we provide we will seek to reduce health inequalities and support our communities by

- ✓ supporting affordable access to cultural, sports and leisure facilities, open spaces and recreational areas
- ✓ delivering improvements to services across the borough, focusing on health inequalities and where need is greatest
- ✓ continuing to support and work in partnership with our community stakeholders, voluntary and faith organisations to provide vital services to our most vulnerable residents
- ✓ working closely with Health, hospitals and general practitioners, social care and neighbouring councils through the partnerships already in existence to achieve a more joined up approach for the whole borough to improve the health and wellbeing of all our residents
- ✓ using our strategic housing and landlord role to provide healthy homes and to support and guide social housing providers in improving resident wellbeing
- ✓ supporting the most vulnerable in our communities, particularly those experiencing social isolation, loneliness and poor mental health
- ✓ paying benefits quickly and efficiently, in accordance with targets, to support those on low incomes
- ✓ supporting an increasing number of young people into employment through Waverley Training Services and apprenticeships

- ✓ improving and developing engagement through the Safer Waverley Partnership with all stakeholders to better control crime and anti-social behaviour

New Ways of Working

As a result of the coronavirus pandemic, we have had to adopt new agile ways of working which has brought a number of benefits.

We have been able to conduct our council meetings on-line whilst continuing to web cast them and we have enabled all our staff to work effectively from home. We will continue to embrace new technology to increase working efficiency through the delivery of our ICT Strategy. As part of this strategy we have formed a new centralised customer service team which will improve our capacity to respond to customers quickly and efficiently. Through our enhanced use of technology we can also reduce our reliance on paper by largely phasing out printed agendas and reports by December 2022, continuing and enhancing suitable arrangements where appropriate. This will support our cost reduction and climate and sustainability strategy but will be dependant on the control of the Covid virus and resumption of "live" meetings.

We will also continue to explore shared opportunities with other local authorities to work at scale where there are benefits to be achieved for our residents.

In order to meet changing circumstances we will embrace new ways of working whilst maintaining standards, improving public participation and caring for our staff.

This page is intentionally left blank

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 the Scrutiny tracker of recommendations for the municipal year.
- Section B – 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 C – Lists live in-depth scrutiny task and finish groups, including objectives, key issues and progress.

Section A

Scrutiny Tracker 2020/21

Value for Money and Customer Service O&S Scrutiny Tracker				
Meeting date	Agenda item	Outcomes / Recommendations	Officer / Executive response	Timescale
21 September 2020	Corporate Strategy	The Committee considered the draft Strategy and made the following suggestions; point 23 needs to be more flexible as it is unlikely to be possible to have paperless agendas due to certain health and accessibility issues; the points should be grouped into portfolios; the objectives need to be 'smart' and point 11 needs targets.	The comments made will be considered for the final version of the Strategy which will come back to the Committee in November.	November 2020
13 July 2020	Contingency Revised Budget 2020/21	The Committee considered the proposed contingency budget produced in response to the immediate financial impacts of covid and made the following suggestions regarding the MTFP: wider use of the Better Care fund; an increase in the green waste subscription fee, and cutting grass verges to the standard allowed with funding from SCC. The Committee also suggested reconsideration of the SANG reserve to contribute to the short-term shortfall.	The contingency budget 2020/21 was passed at Council 11 August 2020. The suggestions for the MTFP were noted and the Committee will have a chance to consider these in more depth when it considers the revised MTFP November 2020.	August 2020
20 January 2020	Medium Term Financial Plan 2020/21 – 2023/24 and General Fund Budget 2020/21	The Committee generally supported the five recommendations from Executive to Council.	The recommendations were agreed at full Council 18 February 2020.	February 2020

Value for Money and Customer Service Overview and Scrutiny Committee

18 November 2019	Budget Strategy Working Group Interim Report	The Committee recommended that transformation costs should be carefully estimated with regard to both quantum and timing and included in the MTFP model.	The transformation costs will be included in the revised MTFP which is being worked on and will be reported in November 2020.	November 2020
	Review of Complaints Closed in 2018/19	Given the higher number of complaints for Housing Operations compared to other services, the Committee requested officers undertake some research into the number of complaints of other local authorities with a similar level of housing stock.	Initial research has been carried out but it has been very difficult to find published data from similar organisations. The Housing O&S Committee are continuing to monitor the level of complaints.	June 2020
24 June 2019	Work programming	The Committee agreed to invite the Portfolio Holder to address the Committee regarding finalisation of Community Infrastructure Levy governance arrangements and any anticipated change of policy direction.	The Committee did have this item on the work programme for June 2020 but the disruption caused by covid means it remains on the work programme to be considered at a later date.	2021
26 June 2017	Performance Management Report	The Committee requested suggestions from officers for establishing customer satisfaction baseline data.	Key performance indicators and management information should be in place by the end of this financial year.	March 2021

Section B

Work programme 2020/21

Subject	Purpose for Scrutiny	Lead Member / Officer	Date for O&S consideration	Date for Executive decision (if applicable)
Corporate Performance Report	To scrutinise the performance of the areas within the Committee's remit.	Heads of Service / Louise Norie	Quarterly – next report January 2021	N/A
Property Investment quarterly report (exempt)	To receive an item detailing the performance of property portfolio.	Peter Vickers	November 2020	N/A
Property Investment Advisory Board Activity update report	To receive a report updating the Committee on the progress and activity of the Property Investment Advisory Board.	Peter Vickers	November 2020	N/A
Medium Term Financial Plan update	To receive a revised MTFP.	Peter Vickers	November 2020	N/A
Corporate Strategy	To receive and scrutinise the Corporate Strategy before it is proposed for agreement in December 2020.	Louise Norie	November 2020	December 2020
Business Transformation Project	To receive an update on progress and savings realisation.	David Allum	November 2020	N/A
Recovery, Change and Transformation Programme update	To update the Committee on the progress of the RCT Projects that fall under the remit of this Committee.	Kelvin Mills	tbc	As and when within the projects
<i>Commercial Strategy – income generation projects</i>	<i>To scrutinise the progress of specified income generation work-streams with the Commercial Strategy against the targets within the Medium Term Financial Plan.</i>	<i>Kelvin Mills</i>	<i>TBC</i>	<i>N/A</i>
<i>Brightwells Yard</i>	<i>To monitor the income generation element of the Brightwells Yard development.</i>	<i>Kelvin Mills</i>	<i>TBC</i>	<i>N/A</i>
<i>Economic Development Strategy (EDS) action plan*</i>	<i>To scrutinise performance against the EDS action plan.</i>	<i>Zac Ellwood / Catherine Knight</i>	<i>TBC</i>	<i>N/A</i>
<i>Community Infrastructure Levy (CIL)</i>	<i>To receive and scrutinise the annual review of CIL governance arrangements after the first bidding round.</i>	<i>Graeme Clark</i>	<i>TBC</i>	<i>N/A</i>
<i>Car Parking Review Report (in relation to the</i>	<i>To scrutinise the income element of car parking, with particular focus on its relevance to meeting the</i>	<i>Peter Vickers / Richard</i>	<i>Spring 2021</i>	<i>TBC</i>

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)
<i>remit of the Committee)</i>	<i>Medium Term Financial Plan.</i>	<i>Homewood</i>		
<i>Economic Development Strategy (EDS) review*</i>	<i>To review and scrutinise the refreshed Economic Development Strategy.</i>	<i>Zac Ellwood / Catherine Knight</i>	<i>TBC</i>	<i>TBC</i>
<i>Workforce profile report</i>	<i>To understand the latest figures concerning the workforce (including focus on sickness and turnover).</i>	<i>Sally Kipping / Robin Taylor</i>	<i>March 2020 January 2021</i>	<i>N/A</i>

*the Economic Development team has created and is implementing an 18month recovery action plan as a result of the pandemic. An update on the Economic Recovery RCT Project went to the Community Wellbeing O&S Committee September 2020. A review of the Strategy is no longer scheduled at the moment.

Section C

Scrutiny Reviews 2020/21

Subject	Objective	Key issues	Lead officer	Progress
Budget Strategy Working Group	To strategically support the MTFP initiatives by implementing a support strategy that investigates the reduction of costs through efficiency measures and divesting services alongside a transformation programme.	<ul style="list-style-type: none"> • Medium term financial plan • Budget gap • Revenue support grant • Income generation • Participatory budgeting • Service delivery • Asset utilisation 	Peter Vickers	A written report was presented to the Committee at the January 2020 meeting.

This page is intentionally left blank

WAVERLEY BOROUGH COUNCIL

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

16 NOVEMBER 2020

Title:

Property Investment Advisory Board update

Portfolio Holder: Cllr M Merryweather, Portfolio Holder for Finance, Assets and Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: No

Access: Public

1. Purpose

- 1.1 The purpose of this report is to update the Value for Money and Customer Service O&S Committee (the Committee) on the progress and work of the Property Investment Advisory Board (PIAB), which advises the Executive on property investment matters. The update is detailed in Annexe 1.

2. Recommendation

It is recommended that the Committee notes the property investment activity and makes any observations or recommendations to the Portfolio Holder and/or Executive as appropriate.

3. Reason for the recommendation

The PIAB works on behalf of, and advises, the Executive regarding property investment matters and decisions. This report provides an overview of the work of the PIAB to the O&S Committee whose role it is to scrutinise the decisions of the Executive.

4. Relationship to the Corporate Strategy and Service Plan

- 4.1 The Corporate Strategy and Service Plans are currently under review given the impact of COVID19. The current Service Plan (2020-23) for Finance and Property aims to increase revenue from the Council's commercial portfolio (Outcome 7).

5. Implications of decision and consultation and engagement

- 5.1 There are no legal implications arising directly from this report.

5.2 This is an update report on the progress of the PIAB and no decision is being made at O&S. All implications of Executive decisions (resource; risk; legal; equality, diversity and inclusion, and climate) should be fully considered before decisions are made, in addition to any appropriate consultation and engagement.

6. Governance journey

6.1 The PIAB reports to the Executive with its advice regarding property investment. This report was produced for the O&S Committee to note the PIAB's recent activity.

Annexes:

Annexe 1 – Property Investment - update

Background Papers

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

CONTACT OFFICER:

Name: Peter Vickers

Position: Head of Finance

Telephone: 0148 3523539

Email: peter.vickers@waverley.gov.uk

Agreed and signed off by:

Legal Services:

Strategic Director:

Portfolio Holder:

Property Investment – Update

Annexe 1

Proposals considered by Property Investment Advisory Board (PIAB)	Executive/Property Investment Advisory Board (PIAB) date	Status
Wey Hill, Haslemere	08/07/2020 – agreed commissioning of a detailed development for the site	Montagu Evans instructed to carry out 2 nd stage feasibility – work started
Broadwater Park	08/07/2020 – agreed commissioning of a further detailed options appraisal	Inception meeting held with Montagu Evans 28/09/20 for options appraisal.
Red Cross building, Godalming purchase*	08/07/2020 – purchase of freehold building with tenant	Purchase completed
Wey Court East	08/07/2020 and 01/07/20 – considering a range of uses including: <ul style="list-style-type: none"> • Residential conversion • Co working space • Disposal 	Interest from a range of potential occupants being explored
Nuffield Lease Regear*	28/07/20 – lease regear in exchange for capital sum agreed	Being progressed
The Burys Development	28/07/20 – PID approved	Further options appraisal to be commissioned – long term project
Out of Borough acquisition of retail food store	PIAB 13/10/2020 – agreed to progress proposal and make recommendation to Executive	Report to Executive November 2020
<p>*In total, and additional £240k pa income secured from £2.5m capital outlay</p> <p>In addition to the above specific cases, the PIAB has reviewed the Property Investment Strategy approved by Council in February 2020, in the light of Covid impact and current market conditions. This work will be progressed through the appropriate governance route in the coming months.</p>		
Other potential		Status

opportunities being explored		
Supermarket site – in Borough	PIAB agreement to assess further	Off market opportunity- figures being worked up with external consultants
Retail Park in borough	PIAB aware of opportunity	Industrial Potential / Regeneration potential – being investigated currently
New retail development – out of borough	To be reported to PIAB when more details available	Awaiting further information.
Enterprise Centre – out of borough but in area of economic influence	PIAB discussion ongoing.	Complex acquisition as not built yet, awaiting further details from advisors. Currently PIAB have dismissed due to risk profile but may be reviewed if position changes significantly.
Other supermarket interest in borough	PIAB aware of opportunity	Being explored with officers
Two trade counter units – out of borough but in area of economic influence	Identified by Montagu Evans as coming to market	Being explored with officers

Nine further acquisition opportunities are being explored. Not yet at the stage of being able to report with high degree of certainty about outcomes in terms of volume, values or timing.

Seven opportunities have been explored and either rejected as not in line with Council's strategy or they were withdrawn from the market

Other Non-PIAB investment/regeneration property schemes

<p>Brightwells Yard</p>	<p>Approval to proceed in 2016. SCC will own and operate the commercial lettings.</p> <p>Not currently being considered by PIAB</p>	<p>Overview The Brightwells scheme continues to progress since starting back on site in July 2020 after a three month shut down period.</p> <p>Work on site Work is progressing well with both residential and commercial units taking shape. The car park is at its highest level with only the roof to go on, and the structure of M&S is nearly complete. Legal agreements are progressing for next steps to complete highways works off site.</p> <p>Timeline Since starting back on site, Crest have re-programmed the work to ensure that key areas stay as close as possible to original timelines for opening. Centre Opening is now programmed for July 2021 (previously March), with the Cinema opening in August 2021.</p> <p>Some units of housing will be delivered next year with the first block delivered to Metropolitan Thames Valley Housing Association in June 2021. Ongoing risks to this programme should there be further restrictions imposed re Covid and bad winter weather.</p>
-------------------------	---	--

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank