

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE- 7 FEBRUARY 2017**

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**Title:**

**STRATEGIC REVIEW OF WAVERLEY BOROUGH COUNCIL**

**[Portfolio Holder: Cllr Julia Potts]**

**[Wards Affected: All]**

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**Summary and purpose:**

This report summarises the findings of the Strategic Review of Waverley Borough Council that was completed in December 2016 and the Council's proposed action plan in response to it. The consultants' report and the Council's proposed action plan are provided in full as Annexes 1 and 2 to the report.

It is recommended that Members note and consider the findings and recommendations within the report provided by Cratus and, subject to any changes they wish to make, recommend the proposed action plan to the Council for approval.

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

The December 2016 Strategic Review considered the Council's existing strategic vision as well as its ways of working and in this respect the findings of the Strategic Review have a bearing on all of the Council's existing Corporate Priorities and will shape and influence the Council's Corporate Priorities (and underpin plans for delivering these) going forward.

**Financial Implications:**

A number of the proposed actions have potential financial implications. Any additional expenditure required to implement the proposals would be subject to the normal approval process.

**Legal Implications:**

There is scope for the Council to review and update both its Constitution and the Scheme of Delegation in order to support a number of the proposed actions within the Action Plan set out at Annexe 2. In doing so the Council must ensure that its democratic processes remain robust, transparent and ensures probity of governance at all times. The Council's Legal Services team has already advised Officers and Members that the Scheme of Delegation can be modernised in order to make it more flexible, and that advice remains the same in the light of the subsequent recommendations within the Strategic Review.

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## **1. Introduction**

- 1.1 The way that local government is funded is changing and the Council recognises that it cannot continue to operate in the same way if services are to be protected.
- 1.2 The implications of reduced funding, coupled with the need to deliver high quality services, require the Council to think differently about how service delivery is sustained and supported so that it meets the needs of our communities. It is also essential that the Council continues to remain positive and ambitious so it is able to plan for the future.
- 1.3 The Executive therefore agreed in November 2016 to fund a Strategic Review of Waverley Borough Council and, following a procurement exercise, Cratus Communications were appointed to undertake the review. The review commenced on 21 November 2016 and concluded on 15 December 2016. The work was neither an inspection nor a peer review of a council in difficulties but was rather a strategic review intended to be a catalyst for Waverley to develop a more ambitious strategic vision and improved ways of working. These two areas of focus – ‘strategic vision’ and ‘how the council works’ – underpinned the structure and methodology of the consultants’ review, its findings and its recommendations for a way forward.

## **2. Background**

### Current Strategic Vision

- 2.1 Waverley Borough Council’s current vision statement was agreed by Full Council when the new Corporate Plan 2016-2019 was agreed in February 2016. It is to ‘make Waverley a better place to live and Work’. The plan agreed at that time included four corporate priorities: ‘Customer service’; ‘Community wellbeing’; ‘Environment’ and ‘Value for money’. There was no formally agreed vision statement in the Council’s previous corporate plan.

### How the Council currently works

- 2.2 There are numerous factors that have shaped and defined how Waverley currently works as an organisation. However, in respect of the structure, culture and arrangements relating to the Council’s senior management team, the principal driver is the outcome of the 2013 senior management review.
- 2.3 In December 2013, Full Council agreed, in order to reduce its support costs, to make a number of changes to the staffing structures in respect of the Council’s senior management team. The post of Chief Executive was deleted and the post of Deputy Chief Executive was redesignated as Executive Director (who would also fulfil the statutory function of Head of Paid Service). It was agreed that the civic duties previously undertaken by the Chief Executive would be undertaken by the Mayor, other Council members and other officers as appropriate.

- 2.4 The 2013 review aimed to respond to the need to make budget savings but also to respond to the wish articulated by elected members at that time to refocus management responsibility to a greater degree on operational service delivery, performance and customer service and to a lesser degree on strategy, partnership working and non-statutory activity. A number of other changes were agreed in line with this, including the redesignation of the 'Strategic Director' as the 'Director of Operations' and the removal of two heads of service (with their functions being absorbed by the remaining structure).

#### Reshaping strategy and operations to respond to changing member expectations

- 2.5 In terms of both strategic vision and how the council works, senior officers have a responsibility to provide their professional advice to members but also to respond to the steer provided by Waverley's councillors as the elected representatives of Waverley's communities and in particular the Leader and Executive. The Executive Director has, accordingly, shaped and managed the Council's existing strategic vision and organisational arrangements in line with the steer previously provided by members.
- 2.6 However, the findings and recommendations within the Strategic Review coupled with clear requests by the Council Leader and Executive for a change of approach, both strategically and operationally, mark a clear change in member expectations and political leadership. That change must be matched by an equally clear change in how the Council is led and managed by its senior management team. The aim of this report is to welcome that imperative and set out the Executive Director's plans for responding to it.

### **3. Summary of consultants' findings**

- 3.1 The consultants' findings are set out in full in their report (annexe 1) at paragraphs 9 to 13 (strategic vision) and at paragraphs 20 to 30 (how the council works). In summary, they found that:

#### 3.2 Strategic Vision

- i. There are insufficient linkages between the Corporate Plan, Economic Strategy and Medium Term Financial Strategy.
- ii. The existing Corporate Plan is too narrowly defined and lacks specific targets and actions.
- iii. The Economic Strategy is non-specific and sets no framework for how the Council will support existing businesses, promote future economic activity or support the viability of its town centres and high streets.
- iv. The Council has good financial standing and has been prudently managed.
- v. Many members and staff acknowledged the need for a more strategic vision and high expectations that the new Council leadership will set a new and ambitious agenda.

### 3.3 How the Council Works

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

## 4. **Summary of consultants' suggested way forward**

4.1 The consultants' recommendations in terms of the way forward are set out in full in their report (Annexe 1) at paragraphs 14 to 19 (strategic vision) and at paragraphs 31 to 41 (how the council works). In summary, they suggested that:

### 4.2 Strategic Vision

- i. The Executive needs to articulate a strategic vision and priorities for the Council which, whilst including the existing priorities of customer service, community wellbeing, environment and value for money, also incorporates the development of the Council's place-shaping role.
- ii. Develop a new Economic Development Plan and master plans for some or all of Waverley's town centres.
- iii. The new Medium Term Financial Strategy needs to move away from an annualised budget process, needs to incorporate a crosscutting efficiency programme and modernisation of council business processes and needs a focus on growing the income base.

- iv. Waverley needs to broaden its approach to partnership working and establish a wide range of alliances.
- v. Consider its future viability as an organisation and consider, in the context of national and regional moves towards devolution, whether and how to partner with others so that it takes control of its own destiny as far as it can.

#### 4.3 How the Council works

- i. Improve working relationships and attitudes between Members and officers and establish clarity on the political direction the Council wishes to set. For example through: Portfolio Holder / Director workshops; visible leadership of the Leader and Executive Director; improved support to Overview and Scrutiny (implementing the proposals already agreed); and improved arrangements for responses to ward members' casework.
- ii. Ongoing use of existing Portfolio Holder / Director briefing meetings to co-develop policy, monitor progress and ease the path of decision-making reports.
- iii. Scheme of delegation to be reviewed to improve speed of decision-making, particularly on implementation matters where the substantive matter has already been approved and has the necessary budget provision.
- iv. Review the delegation arrangements to senior managers to free up time for strategic matters and speed up the pace of operational decisions by placing them at the right level.
- v. All external partnership forums should be identified and appropriate attendance agreed.
- vi. Greater explicit use of cross cutting themes and working building on what is already in place via the Foresight Groups.
- vii. Approaches to customer care and service should be reviewed to improve attitudes towards residents, responsiveness to complaints, access arrangements by phone and in person and use of the web-site for service delivery.
- viii. Identify and establish a robust efficiency savings programme to support the new Medium Term Financial Strategy and to streamline business systems and ways of working.
- ix. Improve facilities and support for elected members.
- x. Access national support networks (for example the LGA) to ensure the Council's approach is informed by best practice.
- xi. Ensure the Council is fit for purpose in terms of structure, change management, project management, negotiation and partnership skills.
- xii. Give consideration to bringing the different aspects of the HR Service together and putting in place an improvement plan.
- xiii. Give consideration to drawing up an improvement plan for Planning so that the need for support to the service and explicit attention to the key concerns can be progressed.

## 5. **Conclusion and proposed action plan**

- 5.1 The Executive Director and the senior management welcome the catalyst and mandate this review provides to look afresh at the strategic direction and

modus operandi of Waverley Borough Council and to drive forward change and improvement in respect of both.

- 5.2 Each of the findings and recommendations within the consultants' report has been carefully examined and consideration has been given to what action Waverley Borough Council should take as a result. Whilst there is no requirement to take on board every finding put forward or to undertake every action recommended by the consultants, having voluntarily commissioned the Strategic Review to identify opportunities and to be a catalyst for change and improvement, the Executive Director's starting point has been to do exactly that.
- 5.3 Accordingly, Annexe 2 sets out, in detail, Waverley's proposed action plan in response to the Strategic Review report. A three phase approach is recommended. Where it is possible for changes to be made in the very short term / with immediate effect, this will be done straight away. Actions requiring more time will be completed by the end of April. Actions requiring a more fundamental review of structures and budgets will commence in May when early attention will be given to the proposed budget for 2018/19.
- 5.4 Four key priorities for improvement

The table below provides an Executive summary of the proposed action plan. Actions 1, 2, 6 and 7, highlighted in bold below, have been identified by the Leader and Executive Director as being of the highest priority for change and improvement. These relate to:

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

### **Summary of Waverley's proposed action plan**

#### **Strategic Vision**

- 1) Directors to lead a programme of cultural change and improvement within the organisation, to refocus their own efforts primarily on strategic rather than operational matters and to delegate more to facilitate this new approach.**
- 2) Refresh the Council's Strategic ambitions and its Corporate Plan, focusing to a greater degree on place-shaping; economic development and income generation.**
- 3) Develop a new Medium Term Financial Strategy, Economic Strategy, and series of Town Centre Master Plans.
- 4) Strengthening and growing the council's partnerships with others for the benefit of Waverley's residents.

- 5) Consider, define and articulate Waverley's strategic position and intent in respect of any future local government reorganisations.

#### **How the Council Works**

- 6) **Undertake a fundamental and comprehensive review of Waverley's HR functions to ensure there is clear ownership and accountability for HR matters and that measurable results are delivered. Review and reshape the council's HR staffing structures and processes to ensure they are proportionate, rational and ready to meet the organisation's present and future needs strategic and operational needs.**
- 7) **Undertake a fundamental and comprehensive review of Waverley's Planning Service to ensure it is fit for the future and responsive to changing strategic challenges and increasing customer needs and expectations. Develop a support and improvement plan to ensure the service takes a holistic approach, actively shapes Waverley as a place, is resilient and able to cope with unprecedented levels of demand, is able to deal with major site allocations and delivers measurable results for the borough.**
- 8) Provide more support for member casework and better accommodation and facilities for both majority and opposition members.
- 9) Provide robust support for overview and scrutiny by seeing through all of the recommendations from the scrutiny review.
- 10) Update formal delegation arrangements by reviewing and streamlining the Council's constitution and scheme of delegation.
- 11) Update informal delegation arrangements by increasing the strategic capacity of Directors and ensuring they delegate more to Heads of Service and others.
- 12) Take forward plans for improving customer service.
- 13) Ensure both Members and Officers tap into national and local professional networks and learning and development opportunities to keep their knowledge, networks, skills and experience up to date.
- 14) Do more to celebrate successes at Waverley.

5.4 The proposed action plan clearly goes to the heart of the Council's strategy and operations and will shape its budget and policy framework. For this reason, it is proposed that it be considered and adopted by Full Council. If the

Executive agree recommendation 2 below, the plan will be considered at the February Council meeting.

### **Recommendation**

It is recommended that the Executive:

1. note and consider the findings and recommended way forward within the Strategic Review report, attached as Annexe 1; and
2. subject to any changes or amendments made by the Executive, recommend the proposed action plan attached as Annexe 2 to the Council for approval.

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### **Background Papers**

- Agenda papers relating to the 2013 Senior Management Restructure (see Full Council agenda, 10 December 2013  
<https://modgov.waverley.gov.uk/CeListDocuments.aspx?Committeeld=130&MeetingId=1311&DF=10%2f12%2f2013&Ver=2>)
- Report to the 1 November 2016 Executive – ‘Strategic Review 2016/17’  
<https://modgov.waverley.gov.uk/ieListDocuments.aspx?CId=132&MIId=1834&Ver=4>
- Waverley Corporate Plan 2016-19  
[http://www.waverley.gov.uk/info/200009/performance/524/waverleys\\_corporate\\_plan\\_2012\\_to\\_2015](http://www.waverley.gov.uk/info/200009/performance/524/waverleys_corporate_plan_2012_to_2015)
- Waverley Medium term Financial Strategy 2016  
[http://www.waverley.gov.uk/downloads/file/5036/medium\\_term\\_financial\\_strategy\\_february\\_2016](http://www.waverley.gov.uk/downloads/file/5036/medium_term_financial_strategy_february_2016)
- Waverley Economic Strategy 2015-2020  
[http://www.waverley.gov.uk/downloads/file/2240/economic\\_development\\_strategy\\_2007-2012](http://www.waverley.gov.uk/downloads/file/2240/economic_development_strategy_2007-2012)

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