

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY &
CUSTOMER SERVICE - 18 FEBRUARY 2019

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

Present

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

Cllr Tony Gordon-Smith (Substitute)

Apologies

Cllr Richard Seaborne

Also Present

Councillor James Edwards, Councillor Jerry Hyman and Councillor Nick Williams

60. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 22 January 2019 were confirmed as a correct record and signed.

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

Apologies for absence were received from Cllr Richard Seaborne. Cllr Tony Gordon-Smith attended as a substitute.

62. DECLARATIONS OF INTERESTS (Agenda item 3.)

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

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

There were no questions from members of the public.

64. QUESTIONS FROM MEMBERS (Agenda item 5.)

There were no questions from Members.

65. SERVICE PLANS 2019 - 2022 (Agenda item 6.)

Louise Norie, Corporate Policy Manager presented the Service Plans falling within the remit of the Value for Money and Customer Service O&S Committee. She explained that the Service Plans now covered three years, bringing them in line with the Medium Term Financial Plan.

The Committee noted that a lot of the Service Plan targets were underpinned by more detailed project plans. It recommended that references to these documents,

where applicable, be included in the Service Plans. This would both help Members to gain an understanding of the milestones for each action and also assist Heads of Service when using the document as a management tool within their own Service Areas.

A suggestion was also made that where a Project Initiation Document identified a specific savings target for a project then this should translate into an action within the relevant section of the Service Plan.

The Committee then invited each Head of Service to outline the key headlines of their Service Plans.

David Allum, Head of Customer and Corporate Services, drew the Committee's attention to the contribution his Service Area would be making towards the Council financial savings goal. These included the customer service review which was well under way, a review of the Council's current office accommodation, a new IT system for Building Control and Planning, as well as the continuing management of the Council's commercial property portfolio.

Louise Norie presented the Economic Development Service Plan on behalf of the Head of Communities. She explained that the Service Plan focused on the actions arising out of the recently adopted Economic Development Strategy. This included building and improving relationships with key partners to help boost Waverley's business economy.

Cllr Band highlighted that there was very little reference to the rural economy, which was something that had also been raised during the development of the Economic Development Strategy itself. Cllr Edwards, Portfolio Holder for Economic and Community Development, was in attendance at the meeting and agreed that this could be brought out more in the Service Plan.

Peter Vickers, Head of Finance, advised the Committee that having undergone a systems thinking review, the Housing Benefits Service was now very high performing. The Revenues Service was now going through a similar review, the outcomes of which would be embedded over the coming year. Additionally, the Finance Service had recently implemented new parts of the Agresso IT system, and over the coming year would be further developing new systems and technologies in order to deliver efficiencies.

A query was raised in relation to progress with the roll out of Universal Credit. Peter explained that the Council had gone live in October for all new claimants. There was no set target for moving across all existing claimants and this was still subject to national debate. Any significant change in a claimant's circumstances would trigger the change to Universal Credit, but it was a gradual process.

The Committee was pleased to see the inclusion of a target to exceed 99% for local taxation which would help to ensure that the Council continued to be high performing in this area.

Robin Taylor, Head of Policy and Governance, highlighted that a new Communications Strategy was currently being developed, which would focus on improving Waverley's digital offer, but also ensure that contact was maintained with

those residents who chose not to go digital. The Democratic Services team would continue to support good governance, with a particular focus on developing an effective induction process for new Councillors following the May elections. Additionally, the Service Plan targets relating to the HR team would focus on delivering the actions set out in the new HR Strategy, including improvements to processes and recruitment as well as reviewing the Council's pay and reward and learning and development offer. The Committee welcomed the action to understand and respond to the Council's gender pay gap.

Subject to the comments above, the Committee endorsed the Service Plans to the Executive.

66. CORPORATE PERFORMANCE REPORT Q3 2018/2019 (OCTOBER - DECEMBER 2018) (Agenda item 7.)

Louise Norie, Corporate Policy Manager, introduced the report to the Committee. She advised Members that Quarter 3 had seen good performance overall, with notable improvements on the payment of invoices. Unfortunately performance in regard to complaints responses had again fallen short of the challenging 95% target.

In relation to complaints, the Chairman, Cllr Beaman, asked whether any benchmarking information was available as it would be useful to know whether Waverley's target was particularly high in relation to other Councils. Louise agreed to investigate this so that further context could be provided in future reports.

The Committee was very pleased to see the inclusion of a new appendix which provided a more detailed budget analysis. Cllr Mulliner suggested that this could be further improved by the separation of the General Fund and HRA figures. Additionally, Cllr Band requested that an further column be added to show the actual spend at the end of the quarter; this would enable Member to better understand any variance.

67. PROGRESS AGAINST MEDIUM TERM FINANCIAL PLAN (Agenda item 8.)

Peter Vickers, Head of Finance, informed the Committee that while the Service Plans were being formulated, more detailed work was going on in the background to deliver efficiencies. A Heads of Service restructure would come into effect on 1 March, along with specific savings targets for each Service Area to deliver.

Members noted that the Heads of Service restructure would see Building Control move under the Head of Commercial Services rather than the Head of Planning where the team currently sat. Cllr Adams highlighted that the work of Building Control was very closely connected with that of Planning, and queried what effect the change would have. Officers responded that the close link with Planning would remain, but the new leadership would help Building Control to realise its income generation targets.

68. BUDGET STRATEGY WORKING GROUP UPDATE (Agenda item 9.)

Cllr Mulliner updated the Committee on the work of the Budget Strategy Working Group. The Group would soon be meeting with the Chief Executive and Strategic Directors before moving onto work stream 3.

While it was noted that the Council had faced budget challenges in the past and had always managed to close the gap, this was becoming increasingly difficult as all the easy savings had already been made. Additionally, the impact of the Fair Funding Review and withdrawal of business rates retention meant that the situation going forward was particularly challenging.

Cllr Holder noted that many local authorities were becoming involved in commercial property investment, and was concerned that Councils may be fighting one another for properties and therefore driving up the prices. Officers assured the Committee that the Council had a robust Property Investment Strategy in place and all potential investments were assessed in accordance with the constraints set out in the Strategy.

69. CIL GOVERNANCE ARRANGEMENTS - CRITERIA AND FINANCIAL THRESHOLDS (Agenda item 10.)

Graeme Clark, Strategic Director, presented the report to the Committee. He reminded Members that they had made comments on the CIL governance arrangements at their meeting in November, and that the Executive had taken these on board. The CIL Advisory Board had now been established and had met for the first time to consider the assessment criteria and financial thresholds which were now presented to the Committee.

The Committee agreed that it was important to have robust governance arrangements in place ready for when CIL money started to be received following 1 March 2019.

A query was raised in relation to the neighbourhood CIL, as Members noted that there appeared to be greater flexibility in the way that this could be spent when compared with strategic CIL. Graeme agreed to circulate details of different requirements for strategic and neighbourhood CIL after the meeting.

The Committee felt that the scoring matrix was a good starting point, and acknowledged that the ultimate test would be putting it into practice. A suggestion was made that the 'deliverability' section should come first in the matrix as any project would inevitably depend on this.

Members acknowledged that some flexibility was necessary, as it was likely that some tweaks would be needed during the first year. However, the Committee noted that the report proposed that delegated authority be given to the CIL Advisory Board to make revisions to the governance arrangements, and was concerned that this would give the Board too much freedom to alter the financial thresholds.

Cllr Nick Williams was in attendance at the meeting and spoke on this item. He provided a summary of the work of the Environment O&S Infrastructure Task and Finish Group. He explained that the Group had identified a need for all tiers of local government to work together on infrastructure delivery. The Infrastructure Delivery Plan should be a living document and would need to be reviewed regularly; he therefore suggested that the CIL Advisory Board may benefit from ongoing support from O&S.

The Committee then considered the proposed recommendations from Executive and Council. It endorsed recommendations 1 – 4 as set out in the report and recommended the following amendment to recommendation 5.

5. Delegated authority is given to the CIL Advisory Board to propose revisions to the governance arrangements that would be subject to the usual scrutiny process and an annual report to the Executive and Council.

70. CAPITAL STRATEGY (Agenda item 11.)

The Committee considered the Capital Strategy which brought together the Council's detailed policies, procedures and plans relating to cash investments and property assets. This also included the Treasury Management Framework for 2019/2020 which was a statutory requirement.

The Committee thanked officers for their hard work in producing the Capital Strategy and Treasury Management documentation and welcomed the inclusion of an 'infographic' outlining how the processes and documentation underpinning the Strategy fitted together. A suggestion was made to review some of the terminology to make it even more accessible and ensure that it fully aligned with the wording of the strategy.

In relation to the Treasury Management documentation, the Committee suggested adding further narrative and clarification to the sections on HRA borrowing, TMP 4, and Prudential Indicators 2, 4 and 10.

Cllr Hyman was in attendance at the meeting and spoke on this item. He highlighted that the Prudential Code requires local authorities to self-regulate the affordability, prudence and sustainability of capital expenditure and borrowing. He therefore emphasised the importance of having robust and transparent processes in place and made several suggestions for tightening up the wording of certain sections.

71. UPDATE REPORT ON PROGRESS OF CAPITAL EXPENDITURE PROCESS AND MANAGEMENT REVIEW RECOMMENDATIONS (Agenda item 12.)

Yasmine Makin, Scrutiny Officer, reminded the Committee of the work carried out as part of the Capital Expenditure Process and Management Review. The Working Group had agreed 19 recommendations and an action plan had been developed to monitor the implementation of these. She explained that as the recommendations had been agreed after the 2017/18 budget setting, the full impact of the changes would not be known until the end of the current financial year. Yasmine added that in parallel with this review, officers had also been working on a new project management toolkit which would help officers when applying for new capital funding.

Cllr Band, who had chaired the Working Group, thanked Yasmine for the update, particularly the inclusion of the graphs comparing last year's capital spend with the previous year. He added that it would be useful to separate out reschedules as well as spend and savings.

Members were surprised to see the considerable changes between the opening budget and approved budget, which was illustrative of significant budget change requests during the year.

Cllr Hyman was in attendance at the meeting and spoke on this item. He suggested that it would be useful to be able to relate the information in the graphs to a project that the Committee was aware of, for example, the Memorial Hall. Yasmine explained, however, that the graphs had been produced to enable the Working Group to look at slippage overall, rather than individual projects. Additionally, Members noted that with the new project toolkit in place, it would be easier to monitor the progress of projects going forward.

The Committee felt that it would be useful to look at some of the new capital projects that had been agreed following this review, and evaluate to what extent they had followed the recommendations. It was suggested that a Working Group could be established to look into this, and the Committee agreed to add this to its work programme for consideration by the Committee in the new Council year.

72. COMMITTEE WORK PROGRAMME (Agenda item 13.)

Yasmine Makin invited the Committee to comment on its future work programme.

She informed Members that it would be necessary to hold a Special meeting of the Committee on 11 March to consider the Property Investment Company. Additionally, she advised that she was working with the Democratic Services Manager to put together an induction programme for new O&S members following the election.

Cllr Holder suggested that as a future topic, it might be helpful for the Committee to scrutinise the HRA procurement process for spending on kitchens and bathrooms. As this could be a crossover between the VfM and Housing O&S Committees, Yasmine agreed to take this to the next O&S Co-ordinating Board for discussion.

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

At 9.08pm, it was

RESOLVED that, pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in paragraphs 1, 3 and 5 of the revised Part 1 of Schedule 12A to the Act, namely:

1. Information relation to an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings

Any members of press and public were asked to leave the room and the webcast was turned off.

74. PROPERTY MATTER - SALE OF FREEHOLD (Agenda item 14.)

The Committee considered the proposed recommendation and endorsed Option 1 subject to the comments as set out in the Exempt Annexe to these minutes.

75. PROPERTY INVESTMENT STRATEGY QUARTERLY UPDATE (Agenda item 16.)

The Committee considered the report, and thanked officers for the inclusion of additional information that had been requested at the last meeting.

A request was made for some further details to be added, showing the overall yield for each property, taking into account ongoing costs e.g. business rates.

The meeting commenced at 7.00 pm and concluded at 9.31 pm

Chairman