

OVERVIEW AND SCRUTINY COMMITTEE – 13 JULY 2020

LOCAL GOVERNMENT ASSOCIATION PEER CHALLENGE

Summary

This report provides the Overview and Scrutiny Committee with the opportunity for pre-decision scrutiny of the Local Government Association Peer Challenge report to the Executive Committee on 16 July (attached as Appendix 1).

Recommendations

The Committee is requested to:

RESOLVE That

The comments of the Members of the Overview and Scrutiny Committee be reported to the Executive.

The Committee has the authority to determine the recommendation set out above.

Background Papers: None

Reporting Person: Ray Morgan, Chief Executive Officer
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Date Published: 9 July 2020

REPORT ENDS

EXECUTIVE – 16 JULY 2020

LOCAL GOVERNMENT ASSOCIATION PEER CHALLENGE

Executive Summary

The Council invited the Local Government Association (LGA) to undertake a Corporate Peer Challenge in November 2019. This followed an earlier review in 2015. The report of the LGA is attached as an Appendix to this report.

Overall the report is positive about the Council, its ambition, its political leadership and its management capacity. The value of such reviews is that over time there are always things that can be improved. In that regard the LGA has made a series of recommendations which are set out and addressed in this report.

The Executive is requested to approve the proposed response set out in the recommendations of this report.

The Overview and Scrutiny Committee will consider this report as “pre-decision scrutiny” at its meeting on 13 July 2020 and its comments or proposals will be reported to the Executive.

Recommendations

The Executive is requested to:

RESOLVE That

- (i) Officers prepare a summary strategy document based on existing approved strategies and present it to Council for approval as part of the Business Plan process for 2021/22;
- (ii) following the approval by Council of the summary document of existing approved strategies, proposed at (i) above, to undertake a programme of communications with residents and stakeholders outlining the wider policy approach of the Council;
- (iii) Officers undertake a series of public engagement events to explain the framework for town centre development proposals;
- (iv) the Citizens Panel be re-established and a programme of issues upon which to consult it be established with an initial focus on the health and well-being in partnership with the Integrated Care Partnership;
- (v) a survey of Members be undertaken to establish what further information they would find helpful to include in the Green Book and what further awareness raising and/or training is required in respect of the Council’s financial arrangements;
- (vi) the proposal to Council in respect of a Standards Protocol to allow Members access to commercially sensitive information in respect of Thamesway Group companies, and any other Woking Borough Council subsidiaries, be supported;

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- (vii) the consideration by the Director of Finance of the appropriateness of borrowing periods be highlighted when the Council is requested to approve its annual budgets and its annual accounts;
- (viii) the Council's efficiency strategy be revitalised in two main parts, one to explore procurement savings and the other to explore operational efficiencies through automation and use of digital services;
- (ix) an Internal Audit Review be undertaken in respect of the Overview and Scrutiny function and the resources required to ensure its effectiveness;
- (x) Officers review the extent to which customer feedback opportunities and Local Government Association case studies could be used in the management of the Council's services with a view to improving outcomes and securing efficiency improvements linked to the efficiency strategy;
- (xi) the use of Zoom, Teams and Digital services will all be expanded and continued, post Coronavirus, and form part of the efficiency strategy, use of automation; and
- (xii) in the autumn the Council should consider its longer-term management arrangements as part of its 2021/22 business planning process.

Reasons for Decision

Reason: To determine the response to the LGA Peer Challenge.

The Executive has the authority to determine the recommendation(s) set out above.

Background Papers: None.

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Date Published 8 July 2020

1.0 Introduction

- 1.1 The Local Government Association offers its Members an opportunity to be reviewed by Peers through its Corporate Peer Challenge process. The Council requested its first Peer Challenge in 2015 and to build upon that experience requested another review in November 2019. This further review of its arrangements and proposals will enable the Council to satisfy itself that it has taken into account the issues it needs to in pursuing its wider objectives.

The Peer Team

- 1.2 Experienced Elected Member and Officer Peers deliver Peer Challenges.

Scope and focus

- 1.3 The Peer Team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas that the LGA believes are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
4. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

Scope

- 1.4 In addition to these questions, the scope the Council set of the Peer Challenge Team was:

"The Council has asked for a Peer Challenge to enable it to receive an independent review of its arrangements and proposals so that it can be satisfied that it has taken into account the issues it needs to address in pursuing its wider objectives."

Outcome of the Peer Challenge

- 1.5 This report provides Officer Proposals in light of the Corporate Peer Challenge report set out at Appendix 1. Each Peer recommendation is commented upon in the following sections of this report.

2.0 Peer Challenge Key recommendations

- 2.1 The recommendations are set out at section 2 of the report attached at Appendix 1. Each recommendation is repeated below together with Officer comments and proposals on taking forward the recommendations.

Prepare an overarching organisational strategy so others can understand and own what you are trying to achieve now and in the future.

- 2.2 Historically the Council has had a variety of strategies that are well aligned with key strategies such as the Local Development Framework, Woking 2050, Housing and Economic Development being key components that are then reflected in the annual service plans, budgets and investments programmes and have been aligned under “People, Place and Us”. It is clear from the Peer Challenge that stakeholders would welcome a summary level strategy which provides a high level “overarching” strategy to enable people to understand the activities of the Council in the wider context.
- 2.3 It is proposed that Officers prepare a summary strategy document based on existing approved strategies and present it to Council for approval as part of the Business Plan process for 2021/22.

Communicate the rationale for the Council's vision and priorities to all stakeholders

- 2.4 It is recognised that some stakeholders and the wider population have not received an explanation of the rationale underpinning the Council's policies and strategies. Whilst the policies of the Council have been formulated over a number of years through wide public engagement the fact that in many cases this was several years before people saw the impact of those decisions and for some they were not here when the policy directions were formulated..
- 2.5 Following the approval by Council of the summary document of existing approved strategies, para.2.3 above refers; it is proposed to undertake a programme of communications with residents and stakeholders outlining the wider policy approach of the Council.
- 2.6 On the specific issue of the development of the Town Centre and its surrounding area it is acknowledged that more could be done to explain the rationale behind the developments in the town centre. It is therefore proposed to undertake a series of public engagement events to explain the framework for town centre development proposals.

Refresh your approach to citizen engagement to move away from perceptions such as “Here it is, we’re going to do it”, and “We get pretty pictures and it’s a done deal”

- 2.7 The Council successfully operated a Citizens Panel and a series of Focus Groups that contributed to the establishment of a number of its key current policies. However it is acknowledged that this general approach to citizen engagement has lapsed as the focus moved to implementation of those policies. This was exacerbated during the period of austerity where increasingly activities that did not directly contribute to meeting the immediate needs of residents were deferred or cancelled so as to avoid reductions in service provision.

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- 2.8 It is proposed to re-establish the Citizens Panel and establish a programme of issues upon which to consult it with an initial focus on health and well-being in partnership with the Integrated Care Partnership.

Make it easier for elected members and officers to be aware of and understand the Council's overall financial position

- 2.9 This is a major challenge given the complexity of Local Government Finance and the extent of the arm's length company structures. The Director of Finance provides regular briefings to Members and provides more detailed information and discussion at the Finance Task Group. More widely the Green Book, summarising the Council's position is published monthly with the exception of the COVID emergency.
- 2.10 It is proposed that a survey of Members be undertaken to establish what further information they would find helpful to include in the Green Book and what further awareness raising and/or training is required in respect of the Council's financial arrangements.
- 2.11 The issue of openness and transparency of the activities of the arm's length companies has been progressed. Members have historically been able to receive commercially sensitive material from the companies if they signed a Non-Disclosure Agreement (NDA). To simplify this process and to enable all Members to receive the Monthly information produced by Thamesway a report was presented to the Standards and Audit Committee on 5 March 2020, with proposals to simplify the procedures by which Members could receive Board papers and attend Board meetings. There were two possibilities:-
- The Council could adopt a "Standards Protocol". This would require Members to respect the confidentiality of confidential information relating to Council-owned companies. A breach of the Protocol would constitute a breach of the Members' Code of Conduct.
 - The Declaration of Acceptance of Office form, signed by Members when they are elected, could be expanded to cover confidential information of Council-owned companies.
- 2.12 The Standards and Audit Committee preferred the option of a "Standards Protocol". This would allow Members more time to understand the form than would be available at the election count. The Monitoring Officer has consulted all Members on the proposal, and will present a report to Council on 30 July 2020.
- 2.13 It is proposed that the proposal to Council in respect of a Standards Protocol to allow Members access to commercially sensitive information in respect of Thamesway Group companies, and any other Woking Borough Council subsidiaries, be noted.

Enhance the role and profile of political leadership in the Council and in the community

- 2.14 From an Officer view point the Leadership from the Leader of the Council and his Executive is effective and it is difficult to see how it could be improved. The Leader of the Council also encourages a proactive approach by Portfolio Holders.
- 2.15 Accordingly, there is no Officer proposal in respect of this recommendation.

Consider structuring future borrowing to align to the life of assets across the Council's portfolio could be considered

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- 2.16 The Director of Finance regularly reviews, as part of the Council's Medium Term Financial Strategy, the Investment Programme and the Treasury Management Strategy the appropriate borrowing strategy. The major investments by the Council are in land and property, which is why the majority of borrowing has been for 50 years on an annuity basis. It is considered that this works well for the Council.
- 2.17 It is acknowledged that there are some shorter life assets where the writing down of those assets is over a shorter term reflective of the life of that asset. This is reflected in the overall treasury management activity rather than by aligning specific loans to specific assets.
- 2.18 It is recognised that this detailed consideration by the Director of Finance could be highlighted when the Council approves its annual budgets and when it approves its accounts.

Consider renewing your efficiency strategy in order to bridge the gap in your MTFS without relying solely on investment returns

- 2.19 It is acknowledged that the programme of efficiency savings needs revitalisation.
- 2.20 It is proposed to progress this in two main parts, one to explore procurement savings and the other to explore operational efficiencies through automation and use of digital services.

More clearly articulate how decisions are aligned to the Council's priorities, in order to address perceptions such as "The new buildings are just for outsiders"

- 2.21 This recommendation reflects the issues commented upon in paragraphs 2.4 to 2.6 and Recommendation (iii) to "undertake a series of public engagement events to explain the framework for town centre development proposals".

Review the effectiveness and resourcing of Overview and Scrutiny

- 2.22 Officers consider that resources have been made available to fully support the Overview and Scrutiny function but clearly, some Members do not.
- 2.23 It is proposed to undertake an Internal Audit Review of the Overview and Scrutiny function and the resources required to ensure its effectiveness.

Address concerns and mistrust about a perceived lack of transparency and oversight of trading companies

- 2.24 The concerns expressed to the Peer Challenge about Overview and Scrutiny also related to transparency and oversight of the "arm's length" companies and the extent to which the Council considers matters in Part 2 (Private) and the high volume of material supporting such report.
- 2.25 On the issue of transparency of "arm's length" companies for Members of the Council, paragraphs 2.11 to 2.13 and Recommendation (vi) "that the proposal to Council in respect of a Standards Protocol to allow Members access to commercially sensitive information in respect of Thamesway Group companies, and any other Woking Borough Council subsidiaries, be noted", seeks to address those concerns.
- 2.26 On the issue of Part 2 (Private) reports Officers seek to keep those to a minimum and wherever possible put information in the Part 1 (Public) part of meetings with the confidential information only in the private part. Wherever possible Officers seek to arrange Member

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Briefing sessions on complex matters well before the meeting at which decisions are sought. On acquisitions, the reports are concise and provide all the key information needed for a decision, the volume of material relates to the supporting reports on valuation and due diligence to complete the evidential trail. No changes are proposed to these arrangements.

Expand the use of customer feedback and benchmarking to inform your performance management

- 2.27 During the Peer Challenge there was, understandably, much focus on the major regeneration activity undertaken by the Council. Less was said about day to day service delivery and management. The scale of those operations and the impact they have on the community is extensive and relate to the majority of the time of Officers and Leading Members in managing the extensive portfolios of activity.
- 2.28 The Peer Challenge has raised the issue of the use of customer feedback and benchmarking in managing service activity. Customer Feedback does feature in a number of service areas and some are reported in the Green Book; consideration will be given to what further customer feedback might help in measuring performance or improving services. Benchmarking is however more challenging as finding suitable comparators has historically proven difficult because organisations do things differently. It is perhaps the differences which will give the Council opportunities for the future and as part of our future business planning process we will consider, over time, case studies produced by the Local Government association (available via its web site) to help inform service improvement.
- 2.29 It is therefore proposed to review the extent to which customer feedback opportunities and the Local Government Association case studies could be used in the management of the Council's services with a view to improving outcomes and securing efficiency improvements linked to the efficiency strategy.

Explore further opportunities to modernise interaction with residents and businesses, e.g. video updates, tenant's digital services

- 2.30 The proposal by the Peer Challenge was most timely given the current experience of the Council due to Coronavirus. The Council is already engaging with its residents and businesses through Zoom, Teams and increasing the use of other digital service.
- 2.31 It is proposed that these will all be expanded and continued post Coronavirus as part of the efficiency strategy, alongside the use of automation.

Bring to a conclusion your succession plans for the CMG and the Communities function

- 2.32 The management development work undertaken through the Korn Ferry programme has strengthened the management of the Council and supported longer-term business continuity. Members were notified on 28 April 2020 of the changes to organisational arrangements and the appointment of key personnel, which has secured senior management capacity for the Council.
- 2.33 In the autumn the Council will need to consider its longer term management arrangements as part of its 2021/22 business planning process.

3.0 Implications

Financial

- 3.1 The majority of the recommendations do not give rise to additional costs. Work to implement the efficiency savings will incur costs but on a net basis will produce savings. It is considered, subject to reviewing the outcome of Coronavirus on the Council's resources, that these recommendations can be implemented within existing resources.

Human Resource/Training and Development

- 3.2 As with financial implications the majority of the recommendations do not give rise to a need for additional staff or training programmes. Work to implement the efficiency savings will place an increased demand on staff time which may cause some delays elsewhere in Council activity. It is considered that these recommendations can be implemented within existing human resources.

Community Safety

- 3.3 There are no community safety issues raised by this report.

Risk Management

- 3.4 There are no new risk management issues raised by this report. When implementing efficiency savings as assessments will be undertaken as a normal part of business management.

Sustainability

- 3.5 There are no new sustainability issues raised by this report.

Equalities

- 3.6 There are no new equality issues raised by this report.

Safeguarding

- 3.7 There are no new safeguarding issues raised by this report.

4.0 Consultations

- 4.1 The LGA Peer Challenge Report is a product of extensive engagement with Members and Stakeholders. This report seeks to implement the recommendation.
- 4.2 The Overview and Scrutiny Committee will receive this report for pre-decision scrutiny and its observations will be reported to the Executive.

REPORT ENDS

Corporate Peer Challenge **Woking Borough Council**

12th – 14th November 2019

Feedback Report Final

1. Executive Summary

Woking Borough Council (WBC) has been leading the clear sighted, ambitious and successful regeneration of the town centre and has bold plans for further developments. This is funded through an approach with significant long term borrowing to deliver regeneration and to generate income at a scale which is atypical amongst district councils. This entrepreneurial model has been achieved through a strong and collaborative relationship between members and officers over a number of years. The staff of Woking Borough Council operate in a can do culture that finds solutions to the challenges they encounter to deliver success for themselves, the Council and the people of Woking. Officers are not bound tightly by organisational boundaries and they proactively engage in work not traditionally within the remit of a Borough council.

Partners of all types speak highly of the Council's staff that they work with and their obvious dedication and hard work and it is a testament to the Council that the staff profile is stable even with the opportunities nearby London affords. The Council's vision and strategies and the outcomes it then delivers are focused on benefiting the people of Woking, particularly the more vulnerable members of society.

The broad political consensus on the ambitions has enabled the high profile and charismatic Chief Executive to provide the vision, direction and solutions necessary to achieve success. He has an impressive track record over a number of years. The challenge for the Council is to secure the legacy of this leadership through ensuring that the strategic vision is adopted by all stakeholders with a good understanding of the delivery plan to secure the immediate and long term future of the organisation and the borough.

Whilst there are many obvious successes for the Borough the Council may wish to consider preparing a strategy that outlines and explains the Council's vision and priorities and communicate it to all stakeholders so others can fully appreciate and own what the Council is trying to achieve now and in the future and that the decisions taken to achieve these are clearly aligned to the Council's priorities.

There is an opportunity to make it easier for elected members and officers to be aware of and understand the Council's overall financial position. There is also an opportunity to enhance the role and profile of political leadership in the Council and in the community. The peer team recommends that you consider how to refresh the approach to citizen engagement and expand the use of customer feedback and benchmarking to inform your performance management.

To support greater transparency the peer team recommend that the Council review the effectiveness and resourcing of Overview and Scrutiny and address concerns about a perceived lack of transparency and oversight of the trading companies and bring to a conclusion your succession plans for the Corporate Management Group and the Communities function.

With reference to the Council's financial position, it may wish to consider structuring the future borrowing to align to the life of assets across the Council's portfolio. This could be considered along with renewing the efficiency strategy in order to bridge the gap in the Medium Term Financial Strategy without relying solely on investment returns.

2. Key recommendations

- Prepare an overarching organisational strategy so others can understand and own what you are trying to achieve now and in the future
- Communicate the rationale for the Council's vision and priorities to all stakeholders
- Refresh your approach to citizen engagement to move away from perceptions such as "Here it is, we're going to do it", and "We get pretty pictures and it's a done deal"
- Make it easier for elected members and officers to be aware of and understand the Council's overall financial position
- Enhance the role and profile of political leadership in the Council and in the community
- Consider structuring future borrowing to align to the life of assets across the Council's portfolio could be considered
- Consider renewing your efficiency strategy in order to bridge the gap in your MTFS without relying solely on investment returns
- More clearly articulate how decisions are aligned to the Council's priorities, in order to address perceptions such as "The new buildings are just for outsiders"
- Review the effectiveness and resourcing of Overview and Scrutiny
- Address concerns and mistrust about a perceived lack of transparency and oversight of trading companies
- Expand the use of customer feedback and benchmarking to inform your performance management
- Explore further opportunities to modernise interaction with residents and businesses, e.g. video updates, tenants digital services
- Bring to a conclusion your succession plans for the CMG and the Communities function

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered this Corporate Peer Challenge at Woking Borough Council were:

- **Cllr Paul James**, Leader, Gloucester City Council
- **Cllr Tim Bick**, Leader of the Liberal Democrat Group, Cambridge City Council
- **John Robinson**, Chief Executive, Newark & Sherwood District Council
- **Sarah King**, Corporate Director, Support Services and S151 Officer, Eastleigh Borough Council

- **Craig Taylor**, Communities Manager, Rushcliffe Borough Council
- **Marcus Coulson**, Challenge Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
4. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

Scope

In addition to these questions, the scope the Council set of the Peer Challenge Team was:

The Council has asked for a Peer Challenge to enable it to receive an independent review of its arrangements and proposals so that it can be satisfied that it has taken into account the issues it needs to address in pursuing its wider objectives.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent three days onsite at Woking Borough Council, during which the team:

- Spoke to more than 97 people including a range of Council staff together with councillors and external stakeholders
- Gathered information and views from more than 35 meetings, visits to key sites and additional research and reading
- Collectively spent more than 120 hours to determine our findings – the equivalent of one person spending 3½ weeks in Woking

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (Tuesday 12th – Thursday 14th November 2019). In presenting feedback to you, they have done so as fellow local government members and officers, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

The peer challenge team met a group of highly motivated elected members and officers at Woking Borough Council who are committed to Woking and the benefits they can provide for the people of the borough. They have an outward focused, place-making perspective with a clear and strong focus on the regeneration of the town centre that has been ongoing for a number of years. The town centre has changed considerably in the past few years with investment in the retail and office sectors. There is also the ongoing construction of housing targeted at specific groups in the borough, notably 16-30-year olds who are underrepresented. The aim is to attract them so they stay in the borough and make the overall population a more diverse and cohesive one. Without this approach local house prices in both the owner-occupied and rented sector would make developing mixed communities much more difficult. This approach demonstrates how the Council takes responsibility to develop the borough for the benefit of all. The peer team found a generally positive perception about the Council's understanding and promotion of inclusion and diversity, although there is an opportunity to make this approach clearer for others.

The peer team saw evidence that the senior decision-makers demonstrate a forward thinking, proactive approach to financial challenges that is more enterprising and bolder than many District Councils.

An area of improvement the peer team recommend is for the Council to prepare an overarching strategy so others can understand and own what the Council is trying to achieve now and in the future. Whilst the peer team accept this is not an approach the Chief Executive has felt necessary to adopt in the past it would enable others who see the changes taking place in the town centre and surrounding area and put them into context. Coupled with clearer communication of the rationale for the Council's vision and priorities, this would enable all stakeholders to understand that at the heart of this, at times, quite dramatic change, is a very value driven approach focused on benefits for as many of the people in the Borough as possible, which is commendable.

The Council should also consider refreshing its approach to citizen engagement to move away from a style summed up by one stakeholder as "Here it is, we're going to do it", and another as "We get pretty pictures and it's a done deal" to one of genuine early engagement where the decision has not already been taken and all options and choices are possible. In this way a greater variety of stakeholders would feel closely involved in the development of Council strategy and policy and be invested in it.

4.2 Leadership of Place

Woking Borough Council is an ambitious, innovative and creative Council that has a strong track record of success. The Council has a forward thinking and energetic leadership where there is "No such thing as standing still" and this is mostly reflective of the Chief Executive Ray Morgan. The whole group of elected members and officers are

passionate and proud of their place and they have a strong reputation amongst partners who appreciate their proactive approach which is focused on outcomes and driven through effective relationships that are seen by these partners as supportive and collegiate.

The Council cultivates relationships with partners that are purposeful and Woking focused. There are two aspects to this which are blended together, firstly a focus on commercial development, summed up by a partner who said, "The Council totally gets business", and secondly a focus on being compassionate, summed up by another partner commenting that "Woking stands up for the disadvantaged". This strongly values driven approach results in tangible, visible and positive evidence of leadership that creates physical development of the local environment, the creation of key partnership networks and a very positive reputation.

There is a high profile regeneration scheme in Sheerwater led by the Council. The scheme is an ambitious one, including plans for considerable investment in housing, roads, parks, shops and community facilities, making the area a desirable and attractive place to live. There is a close linkage with this scheme and the Hoe Valley School where the athletics track is located.

The creation of the ThamesWey Group of companies in 1999 has been an innovative and creative model to deliver housing for the betterment of local people. Although originally conceived as a way of implementing the Council's green and energy efficiency objectives, the group is now playing a vital role in the delivery of affordable housing and its potential to grow further has been realised since the previous peer challenge in 2015. As a result, ThamesWey are often asked to do things that are difficult and beyond the reach of other areas of the Council and they do so proudly and with success.

Whilst the Chief Executive is able to create and deliver innovation across the borough through different partners there is an opportunity to adjust the focus to ensure that others feel fully involved in the decision-making from the very beginning. The peer team recommend that the Council reflect on the approach to building consensus. Furthermore, and directly linked to the previous point the Council should consider how to more clearly articulate how decisions are aligned to the Council's priorities. One example the peer team heard was that, "The new buildings are just for outsiders", which refers to the new tower blocks going up as part of the Victoria Square development in the middle of Woking. These high rise blocks offer significant housing provision aimed at retaining the 16-30 age group that leave Woking and cannot return due to high house prices. The aim is for the apartments to be let at market value accompanied by the Council's "Earn Your Deposit Scheme" which enables the tenant to accumulate a deposit towards the purchase of a home. It is this type of reasoning that stakeholders could hear about to fully appreciate the Council's plans so they feel part of the future of the town and are able to influence and own the vision.

The 2015 Corporate Peer Challenge commented positively on the relationship between Woking Borough Council and Surrey County Council. This was based on good relationships and some innovative joint working to address local need. This is still evident and a new opportunity has arisen as the County Council is planning to move to a new headquarters in Woking, something the Borough Council has been very much

encouraging. This can lead to further improved relationships and further integration of services.

Whilst onsite a question arose of the Council's relationship with some of its immediate neighbours. The peer team understands why the Council's primary focus is on Woking itself but believes it should assure itself that it is maximising the opportunities to work with partners beyond Woking for the benefit of the borough and wider area, particularly where significant employers are located on the edge of the borough and have an impact beyond its boundaries.

4.3 Financial planning and viability

The Council is actively managing the financial risk associated with significant levels of borrowing of £1.3bn and rising, and has approval to borrow up to £2.3 billion. This level of borrowing is atypical amongst district councils. Woking is an outlier compared to all other district councils as its debt servicing is two and half times net revenue budget and commercial income funds the equivalent of 75% of the budget. Members and officers, by and large, felt comfortable with this level of indebtedness given the value of the assets held and being generated within the portfolio. However some concern was reported to exist by some Members and within the community at the risks of, for example, the economy entering into a recession. Careful asset management will be vital to protect against such eventualities.

The Council's investment strategy is designed to deliver social return within the borough through the creation of economic vitality and sustainability and it has been successful in this endeavour for some years. The Chief Finance Officer has an innovative approach to financial management and demonstrates a good understanding of risk, this is consistent with the Council's 'can do' attitude. The financial strategy allows the Council to maintain services and expand provision in areas not traditionally the responsibility of a borough council and external advice is taken to provide financial expertise on large projects as appropriate, so it would appear that risk is being managed effectively.

The areas the Council may wish to consider developing would be to make it easier for elected members and officers to be aware of, and understand, the Council's overall financial position. The peer team heard that outside of the Chief Executive and his immediate team it is not always clear what investments have been made, how the trading companies' structure works, and how the financial risks are structured. Increased transparency would allow greater discussion and even scrutiny of the financial aspect of Council business that would be shared by elected members and others.

The Council may wish to consider structuring future borrowing so that it aligns with the life of assets across the Council's portfolio. This would incur less cost over time. Furthermore, the peer team suggest that Woking consider renewing the efficiency strategy in order to bridge the gap in the Medium Term Financial Strategy without relying solely on investment returns. Higher Public Works Loan Board rates may make it more difficult to acquire properties with sufficient yield to deliver the returns the Council is seeking and the scale of the Council's ownership makes identifying

opportunities within the Borough more difficult. A more diverse approach to filling the budget gap will reduce pressure on the Council to make more and more acquisitions.

4.4 Organisational leadership and governance

The Executive Members at Woking Borough Council are fully engaged in the business of the day and are taking active ownership for their portfolios. From the evidence that the peer team saw and heard there appear to be good relationships between members and officers which were characterised as generally healthy and respectful. This a positive position to be in to develop a coherent response to future challenges the organisation may face.

The Chief Executive and his Corporate Management Group (CMG) have a complementary mix of skills that allows them to create new ideas, maintain the progress of current projects as well as engage in internal challenge to consider and manage risk.

The Council has made an effective investment in member training and development that was based on a recommendation in the previous LGA Corporate Peer Challenge from 2015. The democratic services and human resources functions are well led and there is a full suite of officer development opportunities for staff. Officers at all levels spoke highly of the training and development opportunities available to them and they felt valued.

There is a proactive, open engagement with internal audit within CMG welcoming recommendations and suggesting areas to be reviewed as appropriate. Furthermore, there is a good relationship with the Trade Union which is both respectful and fruitful. The contract management function with outsourced services is improving with a move towards a more partnership based approach in most cases rather than managing by the letter of the contract. This improves relationships and goodwill with these outsourcing partners.

The Council may wish to consider reviewing the effectiveness and resourcing of Overview and Scrutiny so that elected members can further develop their ability to hold the executive to account. One potential outcome of the above would be to address some of the concerns and mistrust about a perceived lack of transparency and oversight of the trading companies. Whilst there may be occasions when confidentiality is necessary, the structure of the trading companies does not need to be so opaque, especially when one considers that at some point in the future a new leader and officer cadre will need to understand how these are set up and run.

Linked to the above point is the peer team's recommendation that wherever possible the Council should take decisions in the public domain and give members ample opportunity to consider what an appropriate level of information prior to meetings is. While the peer team did not examine in detail the reports presented to Members on property acquisitions, we heard that a number of them were expected to digest huge volumes of information in a relatively short space of time. The Council may wish to reflect on the appropriate level of information provided and the process of member briefing prior to formal decisions being made.

As a whole there is a culture at the Council of strong officer leadership, which has delivered profound and positive change for the borough and its residents. As the organisation moves forward there is an opportunity to enhance the role and profile of political leadership in the Council and in the community to rebalance the Member/Officer relationship. Part of that rebalancing will be for the political leadership to develop and articulate their vision for the Council and Borough beyond the next election.

There would be greater resilience in the decision making on major projects if a more collegiate style was adopted. There are a range of major projects in the pipeline as well as the need to manage the day to delivery of services and ensure the organisation is fit for purpose for the future. The peer team felt that the current officer leadership style needs to be broadened out into a more inclusive model. It was felt by some Councillors that, on occasions, local Ward Members were brought into the discussion mid-way through project development. Early engagement could help limit the risk of project stall or failure. This is partly related to the visibility and succession planning points made earlier. The peer team believe this is central to making the most of the organisational capacity to address the next round of challenges.

As part of a revised style and culture in the Council it is well worth considering how to expand the use of customer feedback and benchmarking to inform Council performance management. The peer team heard a great deal about the major developments ongoing in Woking whilst onsite. What we didn't hear so much about was the day-to-day activity of the Council and particularly how it is driven by the measures of performance and how this may be linked to a cycle of improvement.

4.5 Capacity to deliver

There is a 'can do' culture throughout the organisation and clear examples were given by staff and partners throughout our time onsite. This finding replicates the LGA Corporate Peer Challenge from 2015 suggesting that the culture is firmly embedded in the Council and understood by those with whom they work. It was clear to the peer team that staff feel empowered to take decisions and are encouraged to be innovative, this was illustrated by the comment that "People are released to be creative", that we heard more than once.

The staff leading Democratic and Legal Services and Human Resources displayed a genuine commitment to staff training and development, backed by investment. The Council has participated in the LGA Graduate Programme for the past four years and the graduates are felt to have made a valuable contribution to the outcomes of the Council with clear benefits for the graduates and the organisation. The Council continues to utilise the apprenticeship levy funds by promoting internal work-based training opportunities and employing apprentices in areas such as legal, sports development and revenues.

In 2018 the Council began a major management development programme in partnership with Korn Ferry. This work targets senior and middle managers with the main objective being to increase the confidence, capability and resilience of all

management levels to enable them to meet future challenges and is linked back to the Council's Behaviour and Skills Framework. This seeks to ensure that development supports sustainable capabilities of staff for the future.

The Council provides an extensive programme of training and briefings for elected members, seeking to ensure that they have all the knowledge and skills necessary for their role as Councillors. The Council has successfully met the standards set by South East Employers' Charter for Member Learning and Development for the last ten years, adopting new ways of delivering training and introducing a behaviours and skills framework. The Korn Ferry programme has been extended to elected members with the objective being to achieve a greater level of strategic thinking and cohesion across the members of the Executive, enabling them to think about and plan for future challenges, including succession planning.

Whilst staff reported being stretched in their roles they did not feel over stretched and there was evidence to demonstrate that additional capacity is allocated at the point of inception of priority projects to ensure they can be delivered. There was also evidence that staff concerns were being acted upon, for example where the peer team heard about an incidence of bullying and harassment, it was also outlined how this was appropriately and effectively addressed.

The peer team heard about creative additions to the resourcing of the organisation for the benefit of the community such as the Transport Engineer post and the work with Family Support. These are both examples of where the Council provides services beyond its statutory duty.

The Council may wish to explore further opportunities to modernise interaction with residents and businesses. Such examples might be through the use of video updates and greater use of digital services for housing tenants. The LGA will be in touch to signpost the Council to others who do this well.

The peer team wish to suggest that the Council be cautious of the risk of project overload as there were many different activities explained and discussed whilst the team were onsite. Whilst this represents a vibrant and outcome focused organisation it did also feel like there were many projects going on at the same time. If staff feel stretched with their overall capacity they are likely to continue with these projects due to the significant reservoir of goodwill built up over the years. However this positive culture and working environment is not endless.

To an outsider the trading company arrangements appear opaque and require some considerable focus in order to understand how they all work. This is understood by the senior management team but this is less understood by others, including staff and stakeholders. The future senior managers have a huge agenda to fulfil and they will need both drive and public recognition. Therefore the Council may wish to bring to a conclusion the succession plans for CMG to establish clarity and also recruit into a lead officer role covering the Communities function which was an acknowledged gap in the senior management structure.

The Council is due to face something of a challenge in the coming years with the likely retirement of Ray Morgan the Chief Executive, Douglas Spinks, Deputy Chief Executive and Peter Bryant, Head of Democratic & Legal Services. There is also the widely understood retirement of Leader, Councillor David Bittleston, at the next elections in May 2020 that will create a new Conservative Group Leader and an unknown outcome from that election for the Council. This represents over 100 years of knowledge and experience successfully steering this organisation into its present healthy position. As with all other areas of its business this issue has been recognised and plans put in place. The recent appointment of Louise Strongitharm as Director of Housing addresses a known lack of senior capacity in this area which complements the established leadership demonstrated by Leigh Clarke as the Director of Finance. However with the leadership of Chief Executive, Ray Morgan the advantage has been his inspirational drive for the Council in all areas, and is seen as central to it by all partners. The downside of this approach is that the same partners expressed some concern of what happens when Ray departs, encapsulated by one health partner who commented, "Ray is so instrumental, what happens when he is not around?" As has been mentioned previously part of the inevitable rebalancing that will occur at this time will be for the political leadership to develop and articulate their vision for the Council and the Borough.

5 Next steps

You will undoubtedly wish to reflect on these findings and suggestions with your senior managerial and political leadership before determining how the Council wishes to take things forward.

As part of the peer challenge process, there is an offer of continued support which you can access through the **LGA Principal Adviser for the Region, Mona Sehgal** who is the main contact between your authority and the LGA. Mona can be contacted via email at mona.sehgal@local.gov.uk or by Telephone: 07795 291006 and can provide access to further support. We are also offering you a follow up visit in one year's time to consider progress on the recommendations of this report.

All connected with the peer challenge would like to wish you every success going forward. Many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation. In particular, please pass on our thanks to Frank Jeffery, Democratic and Legal Services and his team for their excellent support in organising the challenge and in particular Natalie Khan, Democratic Services Officer who managed an excellent job both before and during the onsite work. It was much appreciated.

On behalf of the peer challenge team. November 2019

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