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TO THE CHAIRMAN AND MEMBERS OF THE OVERVIEW AND SCRUTINY COMMITTEE

You are hereby summoned to attend a meeting of the Overview and Scrutiny Committee to be held on Monday, 12 September 2022 at 7.00 pm in the Council Chamber, Civic Offices, Gloucester Square, Woking, Surrey GU21 6YL.

The agenda for the meeting is set out below.

JULIE FISHER
Chief Executive

NOTE: Filming Council Meetings

Please note the meeting will be filmed and will be broadcast live and subsequently as an archive on the Council's website (www.woking.gov.uk). The images and sound recording will also be used for training purposes within the Council. Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed.

AGENDA

PART I - PRESS AND PUBLIC PRESENT

1 Apologies for Absence

To receive any apologies for absence.

2 Minutes (Pages 5 - 12)

To approve the minutes of the meeting of the Committee held on 11 July 2022 as published.

3 Matters Arising from the Previous Minutes (Pages 13 - 18)

To review any outstanding items from the previous minutes.

4 Urgent Business

To consider any business that the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.

5 Declarations of Interest

To receive declarations of disclosable pecuniary and other interests from Members in respect of any item to be considered at the meeting.

Matters for Scrutiny

- 6 Guide to Scrutiny of Risk and Commercialisation OSC22-039 (Pages 19 - 60)

The guide to scrutiny of risk and commercialisation, published by the Centre for Governance and Scrutiny, will be received by the committee

Reporting Person – Kevin Foster

- 7 Freedom Leisure Performance Review OSC22-040 (Pages 61 - 68)

For the Committee to receive the latest review of Freedom Leisure

Reporting Person – Steve May

- 8 Survey of Leisure Facility Users OSC22-041 (Pages 69 - 88)

For the Committee to receive the survey results from the Leisure Services Manager

Reporting Person – Steve May

- 9 Performance and Financial Monitoring Review OSC22-042 (Pages 89 - 98)

For the Committee to receive an update on the review of performance and financial monitoring.

Reporting Person – Adam Walther/Pino Mastromarco

- 10 Review of the Constitution OSC22-044 (Pages 99 - 104)

For the Committee to receive a planned timetable for the Review.

Reporting Person – Joanne McIntosh

Matters for Determination

- 11 Work Programme OSC22-038 (Pages 105 - 120)

Reporting person – Councillor Ayesha Azad

Performance Management

- 12 Performance and Financial Monitoring Information

To consider the current publication of the Performance & Financial Monitoring Information.

Reporting person – Councillor Ayesha Azad

Task Group Updates

- 13 Economic Development Task Group Update OSC22-045 (Pages 121 - 122)

To receive an update from the Economic Development Task Group following its meeting on 25th July 2022.

Reporting person – Councillor Gary Elson

- 14 HIF Task Group Update OSC22-046 (Pages 123 - 124)

To receive an update from the HIF Task Group following its meetings on 23rd June 2022 and 25th July 2022.

Reporting person – Councillor Colin Kemp

- 15 Housing Task Group Update OSC22-047 - to follow

To receive an update from the Housing Task Group following its meeting on 26th July 2022.

Reporting person – Councillor Tahir Aziz

AGENDA ENDS

Date Published – 02 September 2022

For further information regarding this agenda and arrangements for the meeting, please contact Toby Nash, Scrutiny & Democratic Services Officer, Ext 3056, Email toby.nash@woking.gov.uk



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Agenda Item 2

Overview and Scrutiny Committee 11 July 2022

MINUTES
OF A MEETING OF THE
OVERVIEW AND SCRUTINY COMMITTEE

held on 11 July 2022

Present:

Cllr A Azad (Chairman)
Cllr J R Sanderson (Vice-Chair)

Cllr H Akberali	Cllr C S Kemp
Cllr A Caulfield	Cllr A Kirby
Cllr K M Davis	Cllr J P Morley
Cllr P J T Graves	Cllr M I Raja

Also Present: Councillor W P Forster.

1. APOLOGIES FOR ABSENCE.

No apologies for absence were received.

2. MINUTES.

RESOLVED

That the minutes of the meeting of the Committee held on 6 June 2022 be approved and signed as a true and correct record.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES.

The Chairman introduced the report on matters raised at previous meetings of the Committee, drawing the Committee's attention to actions undertaken subsequently.

RESOLVED

That the report be noted.

4. URGENT BUSINESS.

There was no urgent business to discuss.

5. DECLARATIONS OF INTEREST.

In accordance with the Members' Code of Conduct, Councillor A Azad declared a disclosable personal interest (non-pecuniary) in minute Item 7 – Company Governance

concerning the companies of which she is a Council-appointed director. The interest was such that speaking and voting were permissible.

In accordance with the Members' Code of Conduct, Councillor K Davis declared a disclosable personal interest (non-pecuniary) in minute Item 7 – Company Governance concerning the companies of which he is a Council-appointed director. The interest was such that speaking and voting were permissible.

In accordance with the Members' Code of Conduct, Councillor C Kemp declared a disclosable personal interest (non-pecuniary) in minute Item 7 – Company Governance concerning the companies of which he is a Council-appointed director. The interest was such that speaking and voting were permissible.

In accordance with the Members' Code of Conduct, Councillor W Forster declared a disclosable personal interest (non-pecuniary) in minute Item 6 – Scrutiny Topic Proposal – Arrangements for Grants as he held the role of President of Woking Mind in an honorary capacity. The interest was such that speaking and voting were permissible.

In accordance with the Officer Employment Procedure Rules, the Director of Legal and Democratic Services, Joanne McIntosh, declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which she is a Council-appointed director. The interests are such that Mrs McIntosh may advise the Executive on those items.

In accordance with the Officer Employment Procedure Rules, the Strategic Director - Place, Giorgio Framalicco, declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The interests are such that Mr Framalicco may advise the Executive on those items.

In accordance with the Officer Employment Procedure Rules, the Strategic Director - Communities, Louise Strongitharm, declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which she is a Council-appointed director. The interests are such that Mrs Strongitharm may advise the Executive on those items.

7. SCRUTINY TOPIC PROPOSAL - ARRANGEMENTS FOR GRANTS - COUNCILLOR DAVIS OSC22-035.

The Chairman advised that this item would be brought forward as Rebecca Bowden and Peter Cluff from the Community Foundation for Surrey had been invited to attend, welcoming them to the meeting. The item had been included on the agenda following a request by Councillor Davis to consider the proposals for Community Grants following the recent meeting of the Executive on 16 June and prior to a decision being taken by Council on 21 July.

Louise Strongitharm, Director of Housing, provided a presentation to the Committee which highlighted the reasons for adopting a new approach; the proposal for the current Community Grants funds to be replaced by Service Level Agreements with selected groups; the Woking Community Fund; and Endowment Fund Match Funding, the latter two operated by the Community Foundation for Surrey.

Community groups could apply to the Woking Community Fund throughout the year and, following consideration by quarterly meetings of a Panel, would invoice the Council when grants were awarded. The Endowment Fund would include match funding of 50% from the Council to new donations from the private sector to incentivise growth and sustainability. The Portfolio Holder and Lead Officer would sit and vote on the Panel, with the criteria

based on Council strategic priorities, and it would be chaired by an independent person recruited by the Foundation. An Annual Report would be submitted from the Foundation to the Council on the benefits of community grants and wider community support.

Rebecca Bowden introduced the work of the Community Foundation of Surrey, stating that the organisation matched donors with those that were applying for funding and that 89 funds were operated in the County alongside national programmes. Last year, a total of just under £3m was awarded in grant funding, with an average grant of £7,000. Peter Cluff added that as a Trustee of the Foundation and Chair of Guildford Philanthropy, he had overseen the increase in funding available over the past few years from £150,000 to £550,000 by involving the local population and businesses.

Councillor Davis stated that he had no issues with the Community Foundation for Surrey as a respected organisation operating within the County; however he raised concerns regarding the ability of Councillors to be involved in the process and democratic transparency, noting that the proposal was for the Portfolio Holder to be the only Member appointed to the Panel. Councillor Davis added that the Panel meetings would not be held publicly and asked whether there would be a ceiling for Council match funding. An error in the report was highlighted as charitable funding from businesses could be used to offset their corporation tax, instead of being applicable for Gift Aid which applied to donations from individuals.

Councillor Forster, Portfolio Holder for the Voluntary Sector, stated that the proposals would be driven around the outcomes with the Council having full control of the budget and criteria, which would be centred around the priorities within the Corporate Strategy. Other local authorities in Surrey with similar arrangements were Guildford, Reigate and Spelthorne. Rebecca Bowden added that the Council could increase the number of Members or Officers appointed to the Panel and that the Foundation welcomed assistance from Panel members throughout the year.

Councillor Kemp advised that he would be supportive of the setting up of Service Level Agreements (SLAs) for selected groups and expressed concern over the involvement of Councillors in determining the applications. It was suggested that further charitable organisations operating within the Borough – MASCOT, the Lighthouse, the Maybury Centre and Shopmobility – be considered for possible SLAs.

Councillor Sanderson asked for some further detail to be considered, for example whether the Council match funding was capped and the overall budget to be set for the Woking Community Fund.

Members noted the sad news that Woking Mind would be closing shortly and the excellent work the Charity had undertaken in the Borough.

The Chairman stated that further consideration should be given to increasing the number of Members on the Panel to improve the democratic transparency, adding that it could be made proportional across the political groups. The annual report provided could also be received by the Overview and Scrutiny Committee. It was agreed that the debate would continue when the item was considered at the next meeting of Council.

The Chairman thanked Rebecca Bowden and Peter Cluff for attending the meeting.

6. COMPANY GOVERNANCE OSC22-031

Joanne McIntosh, Director of Democratic and Legal Services, introduced the report on Company Governance which was to be received by the Executive at its meeting on 14 July 2022 and was being considered by the Committee as pre-decision scrutiny. It was highlighted that officers had been undertaking a review of the governance of its subsidiary companies as part of the medium term financial resilience assessment produced by the professional services firm EY. The report before the Committee outlined the proposals to modernise the governance arrangements with respect to its oversight of the wholly or part owned companies.

Members noted that the proposals included the creation of a Shareholder Advisory Group (SAG) which the Leader of the Council would be appointed to, for which the draft Terms of Reference were included in the report, alongside the establishment of the Shareholder Liaison Service and recruitment to two new posts: Head of Shareholder Liaison Service and Project Officer.

Following questions by Members, it was noted that Members would no longer be appointed to the Boards of subsidiary companies; Members would be able to attend meetings as Observers and be able to access the agenda papers; the objectives of the Group companies were aligned with Council priorities; and greater emphasis should be placed on promoting the excellent outcomes which the companies had generated in the Borough.

The Committee was advised that the SAG would consider Thameswey, Victoria Place and other company matters in three separate meetings, each taking place once a quarter. If in time the number of subsidiary companies reduced, the number of meetings could be amended correspondingly.

Members expressed concern over the proposal to appoint just the Leader of the Council to the SAG, with the Chairman of the Overview and Scrutiny Committee attending as an Observer, and it was requested that further consideration be given to the involvement of Members in the process during the forthcoming meeting of the Executive.

RESOLVED

That the report be received.

8. WORK PROGRAMME OSC22-036.

The Chairman introduced the report on the updated Work Programme, drawing the Committee's attention to the key changes since the document had last been received.

In addition, two Scrutiny Topic Proposals were received: Review of the Constitution from Councillor Caulfield and Insulation and Energy Efficiency from Councillor Davis. Joanne McIntosh stated that work was taking place on the Constitution topic proposal and liaison would also be required with the Standards and Audit Committee, and any amendments would need to be agreed by Council. It was agreed to amend the Work Programme by adding Review of the Constitution to the meeting of the Committee on 12 September, which would set out a timetable, set out who would be involved and seek the Committee's initial thoughts.

It was further agreed to amend the Work Programme by adding Insulation and Energy Efficiency to the meeting on 21 November, as proposed in the scrutiny request form.

RESOLVED

That the Work Programme be noted and amended as set out above.

9. INTERIM PERFORMANCE AND FINANCIAL MONITORING REVIEW OSC22-032.

Adam Walther, Head of Transformation and Digital, introduced the interim update on the Performance and Financial Monitoring Review (Green Book). The Committee was advised that work had been underway to map performance management across the County and internal engagement had begun with Councillors and Officers to gather ideas as to how performance and financial management can be enhanced.

Members noted the time taken to produce each version of the Green Book and views were expressed as to whether a quarterly version would be a sufficient frequency. It was added that a final report had been included in the Work Programme for the meeting on 12 September.

RESOLVED

That the report be noted.

10. QUARTERLY NOISE COMPLAINTS UPDATE OSC22-033.

Giorgio Framalicco introduced the Quarterly Noise Complaints Update which had been received by the Committee since approval of a Notice of Motion to adopt changes to reporting regarding construction noise complaints and applications for Prior Consent Notices. It was confirmed that Ward Councillors were being consulted on applications for Prior Consent Notices for noisy works outside of the permitted hours.

Members welcomed the report and agreed with the officer recommendation that the report be submitted every six months going forward and as an alternative considered as part of the wider Performance and Financial Monitoring Review. The Work Programme would be amended accordingly.

RESOLVED That

- (i) the report be received; and
- (ii) the information presented in this report be considered as part of the wider Performance and Financial Monitoring Review and until agreed otherwise be submitted every six months rather than quarterly.

11. REPORT FROM THE HOUSING INFRASTRUCTURE FUND HOUSING OUTPUTS TASK GROUP OSC22-034.

Councillor Kirby introduced the interim report from the Housing and Infrastructure Fund HIF Housing Outputs Task Group, which had been set up following the Council's agreement in 2020 to secure a £95m grant for the delivery of a replacement to Victoria Arch. The agreement would facilitate addition pedestrian and, cycle and road capacity, along with the requirement for further housing development in the Town Centre with 4,555 homes across 13 sites, of which 1,251 had been identified in the Site Allocations Development Plan Document.

The report set out information on the additional housing outputs required by the HIF; the risks to successful delivery of HIF Housing Outputs; the potential risks of non-delivery; and the mitigation of the risks to date.

The Committee was advised that three risks in particular had been highlighted: the sites proposed to deliver the housing outputs were above that set out in the Local Plan; uncertainty created by the agreement to consult on the number of homes as part of the Town Centre Masterplan; and the potential for changed housing requirements since the agreement had been formalised.

Included in the report were six outputs which had been approved by the Task Group for recommendation to the Committee:

- To note the work to date of the Task Group including the detailed and informed observations to date;
- The Housing Task Group recognise the gap between the housing level proposed in the local plan and that set out by the HIF project and support the delivery of the town centre masterplan and its adoption as supplementary planning guidance in order to influence and support high quality sustainable development;
- To endorse the Executive's position to undertake a full detailed consultation and engagement process on the town centre masterplan including the potential scale of housing development proposed;
- To note the current mitigation in place and to recommend to the HIF Task Group that measures be continued.
- The Task Group may wish to further consider affordable housing outputs of the HIF project or ask the Housing Task Group to consider what actions could be taken to secure the maximum level of affordable housing from the new development taking place given the overall need for significant new affordable homes.
- That the Task Group could be reinstated later in the year, if needed, or the HIF Task Group be asked to review the site specific information coming forward as part of the masterplan proposals and expand on specific site-by-site assessment of HIF housing outputs ahead of a potential renegotiation of the contract with Homes England.

The Committee welcomed the report and thanked Councillor Kirby, Members of the Task Group and Giorgio Framalicco for its preparation.

RESOLVED

That the six interim outputs as set out above be approved.

12. OVERVIEW AND SCRUTINY TRAINING.

The Chairman noted that training on the roles and responsibilities of the Overview and Scrutiny Committee would be taking place on 20 July 2022 with South East Employers. Whilst the training was aimed at Members of the Committee, an invitation had been circulated to all Councillors.

13. PERFORMANCE AND FINANCIAL MONITORING INFORMATION.

RESOLVED

That the Performance and Financial Monitoring Information (March 2022) be noted.

14. FINANCE TASK GROUP UPDATE.

The Committee received the update report of the Finance Task Group from Councillor Sanderson, noting that the items discussed at the last meeting had included the Medium Term Financial Strategy, Treasury Management Annual Report, Victoria Square; Commercial Rents and the progress of the External Audit for the 2019/20 Accounts.

The meeting commenced at 7.00 pm
and ended at 9.10 pm

Chairman: _____

Date: _____

Agenda Item 3

OVERVIEW AND SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

MATTERS ARISING FROM THE PREVIOUS MINUTES

Executive Summary

This report provides an update on matters arising from the previous meetings of the Overview and Scrutiny Committee. The details summarise the progress made on achieving the desired outcomes from decisions taken by the Committee and requests from individual Elected Members. Once an action has been closed and the outcome reported to the Committee it will be removed from future reports.

Actions arising from the Committee are managed through the Council's Action Management system which was developed to capture and monitor the actions arising from (i) meetings of the Council and (ii) Internal Audit Reviews.

This is the a regular report that is brought the Committee and covers the actions identified at the previous meetings. The next version of this report, listing any actions previously identified together with the progress achieved shall be brought to the next meeting of the Overview and Scrutiny Committee on 17 October 2022.

Recommendations

The Committee is requested to:

RESOLVE That the report be noted.

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

Background Papers: None.

Reporting Person: Councillor Ayesha Azad
cllrayesha.azad@woking.gov.uk

Portfolio Holder: Councillor Ann-Marie Barker
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Shadow Portfolio Holder: Councillor Ayesha Azad
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Date Published: 02 September 2022

Update on Actions Arising from the Overview and Scrutiny Committee

11 July 2022

3.0		Matters Arising from the Previous Minutes
3.1	Action	It was proposed that, as the responsibilities of NVH were taken in-house, the monitoring of complaints should continue be undertaken in a comparable approach. Furthermore, it was suggested that the Committee should at a future stage review the overall scrutiny of complaints to rationalise the reporting.
	Progress	Members will note that, later on the agenda, there is a proposal to explore the possibility of including the reporting of complaints in the review of the Performance and Financial Monitoring Information.
	Responsible Person	Adam Walther
	Status	Ongoing

Page 14

6.0		Company Governance
6.1	Action	Members requested consideration be given to their involvement in future Company Governance at the Executive Meeting held on 14 July 2022
	Progress	The matter was raised at Executive which passed recommendation onto Council.
	Responsible Person	Julie Fisher
	Status	Closed

	7.0	Arrangements for Grants
7.1	Action	Consideration be given to the new arrangement for Grants post Council meeting/receive the annual report/review Members on the grant panel/cap on matching funding by the Council & set an overall budget
	Progress	The matter was fully debated at Council and issues raised by Members and the Portfolio Holder responded.
	Responsible Person	Will Forster
	Status	Closed

	8.0	Work Programme
8.1	Action	That the Work Programme be amended to include a proposal for a review of the Constitution.
	Progress	An agenda item follows covering the topic
	Responsible Person	Joanne McIntosh
	Status	Closed
8.2	Action	That the Work Programme be amended to include a report on Insulation and Energy Efficiency.
	Progress	The Work Programme has been amended
	Responsible Person	Frank Jeffrey
	Status	Closed

	9.0	Performance and Financial Monitoring Information
9.1	Action	The Members were advised that a report reviewing the Performance & Financial Monitoring Information would be brought to the next meeting of the Committee.
	Progress	A review is included later on the agenda.
	Responsible Person	Adam Walther
	Status	Closed
9.2	Action	It was agreed that that the latest performance and financial monitoring information would be considered at the next meeting.
	Progress	The latest performance and financial monitoring information is included later on the agenda.
	Responsible Person	Adam Walther
	Status	Open

Page 16

	10.0	Quarterly Noise Complaints Update
10.1	Action	That the Work Programme be amended to reflect that the report will be provided on a 6-monthly basis.
	Progress	The Work Programme has been amended
	Responsible Person	Toby Nash
	Status	Closed

Matters Arising from the Previous Minutes

12.0		Overview and Scrutiny Training
12.1	Action	Training was to be provided to Members of the Committee on 20 July 2022 pm on the subject of Overview & Scrutiny.
	Progress	Training was provided to Members by South East Employers
	Responsible Person	Frank Jeffrey
	Status	Closed

Agenda Item 6

OVERVIEW & SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

RISK AND COMMERCIALISATION – A GUIDE FOR LOCAL SCRUTINY COUNCILLORS

Executive Summary

At its meeting on 13 September 2021, the Committee was presented with a report which reviewed the facilities available to undertake scrutiny in light of the statutory guidance issued by the Ministry of Housing, Communities and Local Government (the MHCLG). This report looks at the guidance drawn up by the Association for Public Service Excellence (APSE) and the Centre for Governance and Scrutiny (CfGS) on the scrutiny of risk and commercialisation, noting the Council's significant investment in the economy of the Borough of Woking. Consideration of the guidance was one of the recommendations of the Committee.

The Guidance addresses the ways in which scrutiny can engage with issues arising from commercial activity. The report explores the current landscape around commercialisation and provides a toolkit and guide for councils to help build their own bespoke, locally-relevant governance and scrutiny systems for commercial activity.

The Guidance is attached at Appendix 1 for reference, to be used as a guide in future scrutiny reviews which deal with elements of commercial activities affecting the Borough. The Guidance, together with an extensive list of guidance on the many different areas scrutiny may consider, can be found through the website of the Centre for Governance and Scrutiny (www.cfgs.org.uk).

The Council has adopted an integrated service and financial planning approach through the Medium-Term Financial Strategy (MTFS) which incorporates its commercial, investment and financial resilience strategies. As part of the Overview and Scrutiny Committee's work programme in 2021/22, the Committee meeting on 24 January 2022 received a Comprehensive Statement report which represented a full, independent and comprehensive review of all the assets and liabilities of the Council and all companies of which it has an interest as a component part of the Medium-Term Financial Strategy and integrated service and financial planning.

The Overview and Scrutiny Committee provided the Executive with their observations from the review in order to inform the Council's strategic plans and Medium-Term Financial Strategy. The Comprehensive Statement and the Overview and Scrutiny Committees observations were reported within the **Medium Term Financial Strategy (MTFS), General Fund, Service Plans, Budgets and Prudential Indicators 2022-23 EXE22-001**  PDF 275 KB to the meeting of the Executive on 3 February 2022.

An update to the management actions that were agreed in response to the Comprehensive Statement are attached at Appendix 2 for reference and as an update on progress from the earlier scrutiny review of the Council's investment and commercial approach and strategies.

Recommendations

The Committee is requested to:

RESOLVE That

- (i) the guidance drawn up by the Association for Public Service Excellence (APSE) and the Centre for Governance and Scrutiny (CfGS) on the scrutiny of risk and commercialisation be noted;

Risk and Commercialisation – A Guide for Local Scrutiny Councillors

- (ii) the Council's integrated service and financial planning approach which has the Medium-Term Financial Strategy (MTFS) as its strategy for commercial, investment and financial resilience be noted;
- (iii) the Overview and Scrutiny Committees role in providing scrutiny on the Council's approach to risk and commercialisation through the MTFS and specifically the Comprehensive Statement be noted; and
- (iv) the update to the management actions that were agreed in response to the Comprehensive Statement as a report on progress from the earlier scrutiny review of the Council's investment and commercial approach and strategies be received and noted;

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

Background Papers: None.

Reporting Person: Kevin Foster, Strategic Director – Corporate Resources
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Contact Person: Kevin Foster, Strategic Director – Corporate Resources
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Portfolio Holder: Councillor Ann-Marie Barker
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Shadow Portfolio Holder: Councillor Ayesha Azad
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Date Published: 2 September 2022

Risk and Commercialisation – A Guide for Local Scrutiny Councillors

1.0 OVERVIEW

- 1.1 Woking Borough Council is an ambitious and forward-thinking Local Authority that has made significant investment into regeneration of the borough through residential, retail, office and leisure activity. In addition, the Council has invested to acquire commercial estate that brings significant income back to the council in order to enhance the services delivered to support the communities of Woking.
- 1.2 This level of ambition requires, and has taken, a bold 50-year vision and investment plan for the borough. The Council has committed, to this investment plan in areas where it can secure long-term improvements. The ambition recognises that it comes with a degree of risk and requires a high level of support in the short-term in order to build up sustainable operations that support the delivery of regeneration outcomes.
- 1.3 In support of the position the Council has taken, it has developed an integrated service and financial planning approach through the Medium-Term Financial Strategy (MTFS); the development of a Corporate Plan (and hierarchy of planning) and a Community Engagement programme that is targeting developing and maintaining effective connections between the Council and its communities.
- 1.4 The Medium-Term Financial Strategy (MTFS) incorporates its commercial, investment and financial resilience strategies. As part of the Overview and Scrutiny Committee's work programme in 2021/22, the Committee meeting on 24th January 2022 received a Comprehensive Statement report which represented a full, independent and comprehensive review of all the assets and liabilities of the Council and all companies of which it has an interest as a component part of the Medium-Term Financial Strategy and integrated service and financial planning.
- 1.5 The Comprehensive Statement provided an independent review and insight of the Council's:
 - Asset Position
 - Borrowing Position
 - Financial Interests
 - Contractual Obligations
- 1.6 The Comprehensive Statement and a Member Executive Summary can be accessed for reference through the following links:
 - Member Executive Summary [OSC22-006 Appendix 1 Woking Borough Council - Financial Review - Comprehensive Statement Member Bri.pdf](#)
 - Comprehensive Statement [Proposal of the Future 2.0 - Template 3](#)
- 1.7 The Overview and Scrutiny Committee provided the Executive with their observations from the review in order to inform the Council's strategic plans and Medium-Term Financial Strategy. The Comprehensive Statement and the Overview and Scrutiny Committee's observations were reported within the **Medium Term Financial Strategy (MTFS), General Fund, Service Plans, Budgets and Prudential Indicators 2022-23 EXE22-001**  PDF 275 KB to the 3rd February 2022 meeting of the Executive.

2.0 RISK AND COMMERCIALISATION SCRUTINY

- 2.1 Guidance has been drawn up by the Association for Public Service Excellence (APSE) and the Centre for Governance and Scrutiny (CfGS) on the scrutiny of risk and commercialisation, noting the relevance of this guidance in the context of the Council's significant investment in

Risk and Commercialisation – A Guide for Local Scrutiny Councillors

the economy of the Borough of Woking. Consideration of the guidance was one of the recommendations of the Committee.

- 2.2 The Guidance addresses the ways in which scrutiny can engage with issues arising from commercial activity. The guidance explores the current landscape around commercialisation and provides a toolkit and guide for councils to help build their own bespoke, locally relevant governance and scrutiny systems for commercial activity.
- 2.3 The Guidance is attached at Appendix 1 for reference, to be used as a guide in future scrutiny reviews which deal with elements of commercial activities affecting the Borough. The Guidance, together with an extensive list of guidance on the many different areas scrutiny may consider, can be found through the website of the Centre for Governance and Scrutiny (www.cfgs.org.uk).
- 2.4 The guidance concludes that scrutiny is best when it focuses on culture and the outcomes for local people. Scrutiny has to be underpinned by an understanding of the cultural transformation necessary in councils seeking to adopt more commercial approaches to their work. By developing a sensible approach to risk and ensuring Elected Members are engaged in the process of commercialisation, better outcomes will be assured for local residents.
- 2.5 The guide suggests that effective use of scrutiny provides five principal elements which support commercialisation activity:
 - Helping to drive forward cultural transformation (further work on the cultural dynamics of change);
 - Helping to make judgments about the rationale underpinning commercial activity;
 - A focus on risks;
 - Oversight of governance itself – executive side management systems and the relationships between partners; and
 - Oversight of performance monitoring (rather than performance monitoring itself, which will largely be managed by traditional means, and within contract).
- 2.6 An update to the management actions that were agreed in response to the Comprehensive Statement are attached at Appendix 2 for reference and as a report on progress from the earlier scrutiny review of the Council's investment and commercial approach and strategies.
- 2.7 The Woking for All Strategy and the Supplementary and amended priorities 2022 – 23 from the new administration outlines a more comprehensive range of priority commitments which includes actions related to issues of risk and commercialisation. A report on progress against the Woking for All priority actions is being reported to the 6th October 2022 meeting of the Executive.
- 2.8 Between the Woking for All Strategy, Medium Term Financial Strategy (MTFS) and management actions in response to the Comprehensive Statement the Council has encompassed a comprehensive response and set of actions that evidence progress and development to its approach to risk and commercialisation. For ease of reference a representation of this progress is highlighted below:
 - Review of project management and project reporting
 - Review corporate risk policy, strategy and risk appetite
 - Development of financial resilience framework

Risk and Commercialisation – A Guide for Local Scrutiny Councillors

- Establishment of a commercial officer post in the Place Directorate
- Draft Strategic Asset Management Plan by December 2022
- New arrangements for governance of companies and development of a Shareholder Advisory Service approved by Executive at its meeting in July 2022
- Victoria Square performance report to 6th October 2022 meeting of the Executive
- Review of Thameswey Business Plans to the November meeting of the Executive
- Development of a People Strategy planned for early 2023/24
- Establishment of a council-wide framework for the management of commercial activity and opportunities to follow the establishment of the shareholder advisory service

3.0 RECOMMENDATIONS

- 3.1 The guidance drawn up by the Association for Public Service Excellence (APSE) and the Centre for Governance and Scrutiny (CfGS) on the scrutiny of risk and commercialisation be noted.
- 3.2 The Council's integrated service and financial planning approach which has the Medium-Term Financial Strategy (MTFS) as its strategy for commercial, investment and financial resilience be noted.
- 3.3 The Overview and Scrutiny Committee's role in providing scrutiny on the Council's approach to risk and commercialisation through the MTFS and specifically the Comprehensive Statement be noted.
- 3.4 The update to the management actions that were agreed in response to the Comprehensive Statement as a report on progress from the earlier scrutiny review of the Council's investment and commercial approach and strategies be received and noted.

REPORT ENDS

Risk and commercialisation

A guide for local scrutiny councillors



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A guide for local scrutiny councillors

APSE (Association for Public Service Excellence) is a not-for-profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, housing and building maintenance.



The Centre for Public Scrutiny

The Centre for Public Scrutiny's (CfPS) purpose is to improve lives and places through effective governance and public scrutiny. As a national, independent charity with a long history of providing governance and scrutiny support to local government, alongside other public services and sectors CfPS exists to promote and support organisations to be more open to scrutiny and involve others in decision-making.

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Contents

Introduction	5
How we carried out this research	6
The current landscape	7
How can scrutiny engage productively?	23
Finding a way in for scrutiny	22
Three principles for effective scrutiny	23



Introduction

The financial crisis for local government continues to bite. The sector continues to speculate about the likely future of its funding, as the central grant is withdrawn and the detail of the localised business rate system intended to replace it remains unclear.

The crisis affects different councils, and areas, in very different ways. For top tier councils (counties and unitaries) pressures around social care and children's services dominate – "demand-led" services where cost control has historically proven difficult. For smaller districts, the challenge often lies in financial sustainability overall. The prevailing wisdom is that smaller councils will by definition find it more difficult to design and deliver services on their own with diminished funds.

As ever with these kinds of crises, many see opportunity – even where that opportunity might involve councils having to fundamentally change how they work. For a number of councils those different ways of working have coalesced around a word that has many different meanings: commercialisation.

Commercialisation – in the loosest sense – is about additional income generation activity. In reality the word means much more than just this, as this research will demonstrate. The problem is that in the sector, and amongst elected members, there is an imperfect understanding of what commercialisation actually is. While many agree that councils need to be more "entrepreneurial", it is easy to say the words but much more difficult to translate the language into action.

Councils can be pulled, and pushed, towards a more commercial approach. For some, it is about survival – seeing income-generation as a way to secure sustainable funding for the ongoing delivery of services. For others, it is more fundamental – an opportunity to reshape a council, its approach and its ways of working, towards a more commercial mindset overall. Both approaches have profound implications for member oversight, scrutiny and governance.

Council approaches to commercialisation will involve the deployment of internal resources in different ways – a different (and often more flexible) approach to the way that finances, assets and people are "used". The act of transformation – and the design of those activities – involves a commercial outlook.

"Commercialisation", as we conceive it, is not about setting up an arms length body or venture to "do the commercial stuff", with the rest of the council staying as it is. It involves a whole organisational shift, changes to the way that professionals and councillors think about their roles, and a more flexible approach to how entrepreneurial opportunities are taken account of. Of course, joint ventures and other similar structures can provide a mechanism for delivering those outcomes. But those structures are a means to an end, not the end in itself.

This publication aims to look at some of the more common approaches towards commercialisation and discuss ways in which scrutiny can engage with issues arising from those activities. It is based on desktop research and interviews with chief executives, leaders of council, scrutiny chairs and members of financial scrutiny committees, scrutiny officers, and officers from councils' commercial companies.

Some scrutiny practitioners are in two minds about the need to engage with scrutiny of issues relating to commercialisation. Some find it difficult to understand how scrutiny can add value, or even find the subject too internally-focused, not especially relevant to the lives of local people. This reflects a similar caution on scrutiny amongst those on the executive side. This paper aims to provide some practical ways for scrutiny to contribute in a way that makes a positive difference.

The approach that councils are taking towards commercialisation and entrepreneurship sets the context in which improvements in other services happen – they set the context in which councils deliver services along with their partners, too, and cannot be treated as separate and distinct. The shifts in mindset and culture that are involved lend themselves to oversight by politicians – indeed, the nature of these shifts requires such oversight. For example, some of the critical decisions that

councils will be making here will need to be informed by a mature approach towards risk – something which involves complex (and often subjective) judgments to be made which engage closely with the politics and perspective of decision-makers. These matters demand oversight, if only to draw in alternative perspectives that may add nuance to the way that major changes are planned.

This paper discusses the current landscape around commercialisation, names five key areas in which scrutiny can make a difference, offers seven scrutiny questions that can kickstart scrutiny activity in that area, and finishes with the three main principles of involving scrutiny.

How we carried out this research

This research is based on:

- Interviews with officers and councillors in councils which have put in place plans to operate more commercially and entrepreneurially;
- A review of publicly-available information about the work that scrutiny has done in those councils, and other authorities;
- A general review of the wider research literature around commercialisation, including that produced by sector bodies and think tanks, including APSE.

This report cites individual case studies of commercial activity – but with a caveat. We present a range of examples at the start of the paper, to provide context and to provoke thought about the sheer breadth and scope of commercial activity. We have, however, deliberately not got into in-depth thinking about these individual examples – and in particular, the governance solutions that have been put in place for those examples. This is because doing so would not be especially useful – all governance solutions are different, and highlighting some over others might encourage readers to take away the message that there are preferred structural “models” for governance of commercial activity – which is very much not the case.

This paper aims to provide a toolkit and guide to help you to build your own bespoke, locally-relevant governance and scrutiny systems for commercial activity. It reflects the importance of culture in this arena – and the need to think about the mindset, rationale and logic that underpins commercial activity. Because this must be different in every area, so must governance.

The current landscape

The word “commercialisation” means a very different thing now to what it might have meant fifteen or twenty years ago. Then, the focus of commercial activity was about charging for additional services – and selling services to neighbours. This kind of activity continues, but the new wave of commercial activity is about more than this – it is about changing the mindset and approach of councils, to adopt a more commercial and entrepreneurial mindset to how services are designed and delivered overall. Fundamentally, it is about integrating commercial activities, and a commercial mindset, into the core of how a council operates. It is not about spinning off commercial activities into an arms length body and keeping “core services” looking much the same as they have always done. This kind of integration means that commercial activity itself has to be carried out for a public policy purpose, not just to make money. Commercial activity should complement councils’ core purpose as democratic bodies designing and delivering critical services for local people.

The best opportunities then, for commercialisation to have a significant effect, and to deliver both social and financial returns, lie in a more strategic approach. Of course, there are councils who have focused on squeezing existing assets, and adopting a more business-minded approach to fees and charges – but these kinds of operational changes will deliver only marginal gains.

In an environment where council finances are subject to significant uncertainty, for many the main driver of commercial activity will be its potential to provide a reliable income stream, while also ensuring that a council is diversifying its income base overall. But there are other reasons. In particular, councils may think that a more entrepreneurial approach will allow them to make a step change in how they respond to and act on local people’s needs – on their own, and with a range of local and national partners – tying in to the need for an overall social purpose.

Understanding these drivers helps get the strategic view of all council activities and assists both in terms of planning and scrutinising the work.

This central point – deciding on the overall objectives of “commercialisation” for a given council – are critical to success¹. Objectives have to be subject to debate and consultation – as far as possible, key partners and the wider community need to understand what is happening and the impacts it will have on the way that they engage with the council.

Not only does this need to be decided at the outset, the issue needs to be returned to periodically as commercial arrangements mature. Context changes; the priorities of councils and their commercial partners can change, and diverge. A focus on income generation may make sense at the outset, but it can have unintended consequences – especially when commercial activity might have a negative impact on local business, although this should all be considered in any initial market analysis and any such risk minimised or considered appropriate, for example when a council is acting as a market disruptor for social purpose.

The kind of commercial and entrepreneurial activity that delivers transformative change for a council, in terms of making its services sustainable in the long term while not resulting in a diminution in the quality of those services for local people – must be accompanied by a shift in culture and mindset.

Who is doing what?

Before trying to define and classify the types of commercial and entrepreneurial activity in which councils are engaged, it is sensible to present some current examples – to give a sense of the breadth and scale of the changes that councils are making, and to provide some context for what follows. More details on many of these can be found in the body of research and guidance produced by APSE, its commercialisation

¹ “Enterprising councils: supporting councils’ income generation activities” (LGA, 2017): https://www.local.gov.uk/sites/default/files/documents/11%2054%20LGA_Enterprising_Councils_09_Web.pdf

networks, which are well attended by both elected members and officers and its web resources.

Some of these examples reflect a more traditional approach to making more commercial use of existing issues – some involve a more radical departure for councils, rethinking how they work. What they all have in common is that they involve councils both making themselves more financially sustainable, while thinking about how they can serve local people in a different way. All, too, have their own unique governance implications, and we will explore some of those implications in the last section of this paper.

In **Nottingham**², the council in 2015 established an energy supplier, Robin Hood Energy, as a rival to the traditional “big six” energy suppliers. The council funded the establishment of the company by way of a £20 million loan. Three years after being established, RHE reported its first trading surplus, of £200,000, and is now valued at £30 million, with more than 150,000 customers.

In **Harrow**, the council uses an in-house entity, Harrow Commercial Services, to offer a range of services to local people and businesses on a chargeable basis. This includes making the most of existing assets – such as using the council’s depot as a place to carry out MOTs – to charging for existing services such as bulky waste and pest control.

In **Richmondshire**, the council have sought to change the traditional delivery model for housing (which revolves around a Housing Association purchasing s106 properties and then converting them into affordable housing). The council have now moved to a model where they purchase a number of s106 properties and then market them. In essence, the council takes up the role of a developer. Under this model the purchaser would see a 30% reduction in the market value, paying £112,000 for outright ownership and the council would generate a receipt of £39,000 per property once legal and marketing costs had been deducted.

In **Buckinghamshire**, the council is engaged in a 2 year £3.4 million project that has 11 partners across the public and private sector working on a solution to amalgamate transportation data into a platform that sits in the Cloud and can be accessible by companies who wish to use this data. The data can be accessed by the development community in a standardised format and a commercial model put in place so that local authorities involved can benefit financially. There are also many other non-cashable benefits such as, avoiding vendor lock-in, improved network, reduced congestion, better air quality, more attractive county for businesses and a greater understanding of public transportation services for local citizens.

In **Camden**, the council provides a Wi-Fi network in areas of high footfall where residents, businesses and visitors will be able to access the council’s online services. Each registered user will get 30 minutes of free internet access every day on each device they use on the network. This concessionary contract is designed to make better economic use of council owned assets and improve wireless network connectivity for the borough. Once users have taken advantage of the 30 minutes of free time, they will have the opportunity to purchase extra time from the provider of their choice. The contract the council holds with Arqiva provides substantial financial incentives for Camden; income generated (expected to be multiple millions of pounds) will be used to support digital innovation in local firms and tackle digital exclusion.

In **Orkney Islands** they have a well-established cruise liner terminal that is visited by over 140 ships per year earning the council well over £20m in turnover with a significant surplus contributing to the council’s budget. This also generates thousands of visitors who spend significant sums of money on local attractions. They have also invested significantly in renewable energy to become self-sustaining in energy terms with surplus generation sold to the grid.

In **Southampton** the council has an existing property portfolio of £100m which generates a 7% annual return which contributes to the council’s revenue budget. It recently approved an additional £65m borrowing for further investment to grow the councils’ returns from its property investments further.

² For other examples of municipal energy – framed in the context of councils’ “stewardship” responsibility – see “Municipal energy: ensuring that councils plan, manage and deliver on local energy” (APSE, 2015): <http://www.apse.org.uk/apse/assets/File/Municipal%20Energy%20Web%20version%20final.pdf>

Defining commercialisation – culture, risk and governance

- Councils are increasingly seeing themselves as holding “stewardship” of their area, as well as continuing to be directly responsible for the delivery of a wide range of services – a development of the “placemaking” philosophy of the 2000s;
- Councils are testing and putting into place a huge range of different commercial practices – ranging from squeezing existing assets more efficiently to a wholesale change in how councils consider their role and their relationships with citizens;
- These new practices must, if they are to be successful, sit in the context of a council that is changing its overall mindset and approach – setting up trading companies or other structures for commercial activity may form an element of commercialisation, but the cultural shift across the whole council is most important.
- Bringing about this change in culture is difficult – some councils have tried a “big bang” approach to change, others have tried to be more iterative. Both approaches have their pros and cons, but the role of non-executive councillors will be central whatever happens.

What is it? Commercialisation and the “ensuring council”

Below, we will talk about the cultural shifts involved for councils seeking to act in a more commercial and entrepreneurial way. Before doing so, it is worth thinking about the broader context in which commercialisation happens. It is not about carrying out some commercial activity on the sidelines and in other respects continuing with “business as usual”.

It sits as part of a wider agenda in local government – a shift in our conception of what local government is here to do. It reflects the change from council’s exclusively as “service providers” to a world where councils will be at the heart of a complex web of different individuals and organisations.

Some councils use the phrase and principles of “the ensuring council” to describe this emerging role, the typology (introduced by APSE research in 2013³) is a useful conceptual framework to use to understand what is going on. In short, an ensuring council is one that:

- Recognises the responsibility of local authorities to be active stewards of their communities (ie, ensuring that social, economic and environmental wellbeing of the local area);
- Foregrounds the democratic legitimacy of local authorities, placing politics and public value before reliance on competitive markets;
- Endorses collaboration with citizens and stakeholders rather than competition and contractual relation (which provides important context for the more mature forms of commercialisation and entrepreneurship we will talk about in this paper);
- Acknowledges the responsibilities of local government for advancing social justice through its strategic mobilisation of public employment and civic entrepreneurship.

Of all of these core functions, the “stewardship” role is perhaps most important – the council having broad, “macro” oversight over the whole area, within which a large number of actors operate. For councils, commercial activity, and a entrepreneurial ethos, needs to happen in service of this key role of stewardship. It is not just about financial sustainability for councils as institutions we are talking about here – it is the social sustainability of places themselves.

³ “The road to 2020: a manifesto for the ensuring council” (APSE, 2013): <http://www.apse.org.uk/apse/index.cfm/research/current-research-programme/the-road-to-2020-a-manifesto-for-the-ensuring-council/the-road-to-2020-a-manifesto-for-the-ensuring-council/>

What is it? The building blocks

Once culture and intent have been discussed and resolved, councils can turn their mind to the specific ways that those objectives can be made to happen.

There are a range of different types of commercial activity in which councils can engage – representing a spectrum both of opportunities, and of necessary shifts in mindset to realise the most financial benefit. These include some of the following.

Better use of fees and charges.

Charging more appropriately for services which might previously have been provided for free or where charges do not cover the real cost of provided service (usually refers to housing, cultural, planning and environmental services provided by the council). Virtually 100% of all councils have had to do some pricing analysis and make a decision about fees and charges in the last several years. A more realistic approach to the kinds of charges that the council already makes is likely to be a natural byproduct of a council's cultural shift to become more entrepreneurial. Importantly, "more commercial" does not, here, mean "increasing charges". It could be that the nature of charging is redesigned more fundamentally to reflect a different conception of the services regarded as "core" and those considered "value added".

Better use of investment.

Councils have long invested in traditional financial products as part of their treasury strategies, alongside property investments with some local councils traditionally being landlords of offices, shops and premises as well as housing. Changes in market conditions with low yields on traditional financial products, is now a key driver to many councils increasingly looking towards property investment as a potential solution to increase income from investments. There is detailed step by step guidance to property and investment strategies in APSE / CIPFA research 'Bricks, Mortar, Money'⁴. Councils can use investment in commercial property as a vehicle for urban regeneration – although this approach can be risky. Investing in property for purely commercial purposes can be legally complex as noted by House of Commons Library research on the subject – although the situation is currently uncertain, and councils need to take due cognisance of statutory guidance⁵. The matter has been further confused by, Government announcing that it supported an outright ban⁶ ⁷, but with more recent announcements by the Secretary of State (Brookenshire, December 2018) that they recognised the importance and value of local authority investments to local council budgets. There are a number of examples of councils which have made commercial property investments both inside and outside their areas, which include Spelthorne, Eastleigh and Bournemouth.

Investments can be done via usual treasury management processes, or by creating a trading company (which we cover in more depth below). CfPS has written on the governance of treasury management arrangements in guidance published in 2018⁸.

Saving money through internal council transformation.

While some councils decide to either cut some services or change fees, others opt for changing delivery mechanisms to ensure that the cost of delivery is aligned with the revenue from the service, bring a more commercially rigorous approach to the way that services are designed, and how local people engage with those services. To do that councils change IT or back office structures, or review functionality and responsibilities of certain departments (such as housing or planning ones)

⁴ "Bricks, money, mortar" (APSE / CIPFA, 2017)

⁵ "Statutory Guidance on Local Government Investments" (MHCLG, 2018, 3rd edn), paras 46 and 47

⁶ "Local government: commercial property investments" (House of Commons Library, 2018): researchbriefings.files.parliament.uk/documents/CBP-8142/CBP-8142.pdf

⁷ "Ban on local council investments in risky property portfolios" (The Times, 27th December 2017): <https://www.thetimes.co.uk/article/ban-on-local-council-investments-in-risky-property-portfolios-swsk2wcmw>

⁸ "Treasure your assets" (CfPS, 2018)

for instance). According to the data, 46% of councils used new entrepreneurial methods in waste management, 38% in IT, and 36% in housing⁹.

Sharing services.

Sharing some functions between different authorities to cut HR and related costs. The use of shared services is already well-developed; according to the LGA, over 98% of councils are sharing some services with a neighbouring authority, with total savings amounting to over £657m¹⁰. Most commonly councils share procurement and commissioning services (33% of all councils); property, facilities and utility services (20%); or have a shared management (9%). But how services are shared, and the rationale underpinning that sharing, may change as councils' entrepreneurial approach results in shifts in priorities. A few years ago, the primary rationale for sharing services was to save money¹¹ (with services themselves arguably continuing to be designed and delivered in the same way). Now, the challenge is more fundamental – shared services can be seen as a mechanism to deliver more fundamental transformation¹². Often, this is beginning to look more and more like the kind of "alternative delivery models" that we talk about below – long term partnerships, ventures and trading – and by a renewed focus on the needs and expectations of "customers", or citizens. .

"Alternative delivery models", including trading.

There are a huge range of vehicles and models that councils can use to trade, manage and deliver services. These structures are not an excuse for moving commercial activity "outside" the council's normal structures. There will often be a business reason for setting up different structures to support commercial activity, but much commercial activity does not, legally or financially, demand it. In the worst case, the presence of such bodies could make governance more complex, increase bureaucracy and hence make councils less responsive and entrepreneurial. Care, therefore, is needed in determining whether they are necessary and, once established, that they continually demonstrate their fitness for purpose.

There is no single dominant model, but the establishment of trading companies is something which has probably had the highest profile recently. This can include the establishment and operation of Teckal companies, entities wholly owned by a council which as a consequence are exempt from certain formal procurement requirements when delivering services for the authority in question. Over 65% of all councils now own a trading company – a huge increase in recent years. The powers for councils to trade can be found in ss95 and 96 of the Local Government Act 2003.

There are a variety of alternative delivery vehicles and models of which Teckals are just one. Some look and feel more "commercial" than others, although all require a shift in mindset in the council leading the process^{13 14}.

The best current examples relate to private sector partnerships and joint ventures – these can take a number of forms, which will go beyond traditional outsourcing arrangements. However, such arrangements can come with their own risks – political and organisational. For example, while councils can and do partner with private organisations on regeneration and redevelopment, the now-cancelled Haringey Development Vehicle (HDV), a 50:50 partnership between Haringey Council and the developer Lendlease is one example that might give councils cause to reconsider this kind of approach.

9 "Commercial councils" (Localis, 2016)

10 <https://www.local.gov.uk/our-support/efficiency-and-income-generation/shared-services>

11 "Shared services and management: a guide for councils" (LGA, 2011): <https://www.local.gov.uk/sites/default/files/documents/shared-services-and-manag-b7d.pdf>

12 "Local government: alternative models of service delivery" (House of Commons Library, 2016): file:///C:/Users/Ed%20Hammond/Downloads/SN05950.pdf

13 "Responding to the challenge: alternative delivery vehicles in local government" (Grant Thornton, 2014): <https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2014/alternative-delivery-models-lg.pdf>

14 "Guidance: library alternative delivery models" (DCMS, 2018): <https://www.gov.uk/government/publications/libraries-alternative-delivery-models-toolkit>

The establishment of trading companies is at the moment one of the more prominent alternative delivery methods for local councils, and the services they provide. This approach began with the creation of business units and Direct Service Organisations in the 1990s; the modern form of trading is however very different. "Strategic fit" is now seen as being of particular importance, and links closely to effective governance¹⁵. This means that the possible tensions between company growth and sustainability (rightly, the focus of the trading company itself), and the overall strategic aims of the authority, need to be recognised. It is not safe to make the assumption that this alignment will exist automatically, and this will present particular governance challenges where Cabinet members and senior officers sit on the Boards of trading companies.

This goes hand in hand with the need to develop, within the council and the LATC itself, a commercial mindset and a recognition of the cultural shifts that need to happen in order for a trading company to operate successfully¹⁶. It also highlights the governance challenges that occur when councils attempt to establish separate structures for transacting commercial activity, rather than seeking to instil a commercial mindset, attitude and approach across the way that the council operates as a whole organisation.

How do we manage the risks – and how do we change our culture?

An increasing number of councils are pursuing commercial opportunities more assertively – but recognising the associated risks in doing so. Where risk appetite is set by councillors, this means that a political commitment to commercialisation is necessary – which can be a challenge. Research carried out by Zurich Municipal highlights the tensions in play here:

In earlier reports CEOs talked about trying out commercial projects but now toe dipping is giving way to opportunity surfing. Commercial income generating projects are the new norm for local government, with some competing against one another to buy and build hotels, harbours, piers, cinemas, university campuses, and science and research parks. Commercialisation is not new for councils.[...] However some CEOs believe that councils should not stray into private sector disciplines to pursue commercial opportunities. "When determining an organisation's risk appetite for commercial activity all factors need to be considered and communities should be consulted in the process." Another view is that it cannot be commercialisation at any cost: "It is essential to invest in infrastructure to remain sustainable. But investment cannot be at the expense of other ethical and legal responsibilities"¹⁷.

Adopting a different attitude and approach to risk is all about culture change – a shifting of mindset and expectations. Some councils are often talked about as being "risk averse" entities; in truth, being risk averse entails a nuanced understanding of risk, and some councils lack this. A lack of understanding leads some authorities to think that the status quo is inherently less risky – while at the moment, a more assertive approach and attitude towards commercialisation may be less so. But beyond this overall choice, risk and culture are bound up in politics – the attitude and approach of the council's leadership and of senior officers.

Certainly, two major drivers for change are the continued uncertainty over local government finances and growth in social care demand. Councils wedded to traditional contracting – outsourcing

¹⁵ "Briefing: local authority trading companies" (LGiU, 2015): <https://www.lgiu.org.uk/briefing/local-authority-trading-companies-a-policy-in-practice-briefing/>

¹⁶ "Spreading their wings: building a successful local authority trading company" (Grant Thornton, 2015): <https://www.grantthornton.co.uk/insights/spreading-their-wings-building-a-successful-local-authority-trading-company/>

¹⁷ "Why and we here? The 2017 Senior Managers' Risk Report" (Zurich / SOLACE, 2017), p4: <https://newsandviews.zurich.co.uk/wp-content/uploads/2017/10/Zurich-Municipal-2017-CEO-report-Why-are-we-here.pdf>

arrangements which tie authorities into long term arrangements from which deviation is complex and expensive – will find that the need for flexibility in how services are designed and delivered make those services increasingly unfit for purpose, and with them their attitude to traditional outsourcing itself.

The situation on all of these points – and others – is fluid. Councils' approach to risk need to be flexible to accommodate.

Flexibility reflects the change we need to make to our culture. Culture change cannot easily happen overnight. A council's drivers will influence whether a "big bang" approach is necessary or whether a more iterative approach can happen. Certainly, efforts to put in place a profoundly different operating model quickly will be risky – as Northamptonshire council found to their cost, as radically different (and ambitious) approaches to service delivery unravelled as it was found that they were not financially sustainable. But equally, the iterative approach could be too slow, and marginal gains over many years may not work when there is a need for change now.

Research carried out by NLGN¹⁸ has used the typology of the "competing values framework" to unpick the challenge and opportunities presented by culture change. In this model, the values generally possessed in local government are those associated with hierarchy, stability and control – different to the values necessary in a complex and fast-moving environment where commercial activity is central.

In this context, a key element of culture change is its implications for workforce. Commercialisation will, in many places, involve a wholesale rethink and redesign of the council as a body – not only its internal structures but the way that individual members of staff work with each other, and with other partners¹⁹. Skills, development and wider workforce issues will need to be considered – with the associated implications for current, and future, leaders²⁰. Expectations of staff will also need to change – and councils can expect that their staff's expectations of the council as an employer will also change. What, for example, might happen to public service ethos, and conventional ideas of public sector ethics²¹, where staff transfer to a separate entity? Is such a transfer even necessary for us to deliver our objectives? There is an argument that, in fact, by creating and fostering a culture of municipal entrepreneurship that draws on local government traditions, the drivers and commercialisation and public service do not, in fact, need to come into conflict^{22 23}. It will be important to engage with trade unions from the outset to establish protocols around such change.

18 "Culture shock: creating a changemaking culture in local government" (NLGN, 2017): <http://www.nlgn.org.uk/public/wp-content/uploads/Culture-Shock.pdf>

19 "Outside the box: the council workforce of tomorrow" (NLGN, 2016): <http://www.nlgn.org.uk/public/2016/outside-the-box-the-council-workforce-of-tomorrow/>

20 "Walk tall: being a 21st century public servant" (SOLACE et al, 2016): http://www.solace.org.uk/knowledge/reports_guides/Walk%20Tall%20-%20final%20ebook%20for%20download%20080716.pdf

21 "Local public services senior managers: code of ethics" (SOLACE et al, 2015): http://www.solace.org.uk/knowledge/reports_guides/Solace%20Code%20of%20Ethics_Agreed%20at%20AGM%20in%20October%202015.pdf

22 "The new municipalism: taking back entrepreneurship" (APSE, 2018): <http://www.apse.org.uk/apse/index.cfm/research/current-research-programme/the-new-municipalism-taking-back-entrepreneurship/>

23 "Working at the frontline of austerity: the ensuring council and workforce planning" (APSE, 2015): [http://www.apse.org.uk/apse/assets/File/Workforce%20Planning%20\(web\).pdf](http://www.apse.org.uk/apse/assets/File/Workforce%20Planning%20(web).pdf)

How can scrutiny engage productively?

- Scrutiny is best when it does not focus on the structural elements of commercial activity (oversight of formal governance, for example) but instead focuses on culture and the outcomes for local people;
- There are five general areas which provide the best opportunity for scrutiny to exert influence – by looking at risk, oversight of governance, cultural transformation, monitoring performance and considering the rationale underpinning commercialisation itself.
- Scrutiny has to be underpinned by an understanding of the cultural transformation necessary in councils seeking to adopt more commercial approaches to their work.

Local people need assurance that decisions made on their behalf will be made in a way that is transparent, accountable, and that has a positive impact on their lives. For this reason, democratic scrutiny, aligned with CfPS's four principles of good scrutiny²⁴, is a vital part of commercial activity for councils.

Scrutinising "commercialisation" considering its complex landscape, is by no means easy. The governance issues present in a complex public service environment have been explored by many – notably CfPS in our research "Accountability Works!", but more recently by APSE. APSE's 2018 research "Bringing order to chaos: how does local government hold to account agencies delivering public services?" argues:

*"There is a complex interplay that occurs when local government is seeking to influence other significant players in the locality and to ensure that those players develop policies, make decisions and commit resources to projects the council wishes to see developed. Alternatively councils will be engaged in brokering agreements between numerous players to bring together their often disparate and separate interest into some cohesive whole for the benefit of the locality."*²⁵

These "other significant players" can be other public bodies – but increasingly they will be commercial entities – joint ventures, mutuals, or alternative delivery vehicles (including Teckals). A commercial model of operation means that it will be increasingly difficult to classify these partners as being "external" to the council – their work will be entwined in the council's core responsibilities. This presents a challenge to traditional models of governance, based as they are on clear hierarchies and "line of sight" accountability via senior officers to Cabinet members. The challenge here echoes the "competing values" cultural shift explored by NLGN that we explored in the last section.

In this context it may be best to think less about the structural challenges to governance – navigating the relationships between organisations – and more about the specific contribution that scrutiny, led by elected members, can make to the whole "system" of governance in a given locality.

This starts with the culture. We have talked about the need for a mindset shift within councils as they undertake to operate more entrepreneurially, and scrutiny has a critical role in understanding and supporting this shift. "Doing commercial" without engaging with this need for broader change, as we have discussed, will risk leading to only marginal gains. Scrutiny's work has, therefore, to begin by engaging in these core cultural issues – understanding the changes in prospect and how officers and members (and partners) will be brought along on the journey. Where there are gaps here, or where those objectives are poorly articulated, that is the first sign that more need to be done.

Once that first, central point has been reviewed and understood, scrutiny can dig in to some of the

²⁴ "Using evidence in scrutiny" (CfPS / SOLACE / Alliance for Useful Evidence, 2017): <https://www.cfps.org.uk/wp-content/uploads/CfPS-Using-Evidence-in-Scrutiny-WEB.pdf>

²⁵ "Bringing order to chaos" (APSE, 2018), p15: <http://www.apse.org.uk/apse/index.cfm/research/current-research-programme/bringing-order-to-chaos-how-does-local-government-hold-to-account-agencies-delivering-public-services/>

detail. We think that this contribution has five principal elements:

1. Helping to drive forward cultural transformation (further work on the cultural dynamics of change)
2. Helping to make judgments about the rationale underpinning commercial activity
3. A focus on risks
4. Oversight of governance itself – executive side management systems and the relationships between partners
5. Oversight of performance monitoring (rather than performance monitoring itself, which will largely be managed by traditional means, and within contract)

The overall focus for scrutiny, then, is on the “macro” aspects of governance and accountability – the health of the system, the rationale that underpins strategic action, culture and political leadership²⁶. A focus on such issues echoes our comments on the “ensuring council” at the start of the last section – anchoring scrutiny in the new role of councils as this agenda develops.

1. Cultural transformation

Commercialisation must involve cultural change – a shift in attitudes towards more innovation, more responsiveness to local people, and an attuned sense of how a more entrepreneurial council can continue to meet its residents’ needs. We commented on this at length in the section above – in particular, on the danger of the idea that commercialisation and commercial activity can be “parked” in another entity and leave the council otherwise unchanged. Councils may need to:

- Think about organisational development in its broadest sense – the values and attitudes which underpin what makes a good employee, how officers collaborate (and how they work with members) and the level of freedom to act and innovate that staff have, within legal frameworks
- Explore and agree in more detail how practices and approaches will need to change in order to support the council’s move to a more entrepreneurial approach – this may involve a more rigorous approach of prioritisation, a more permissive approach to innovation and experimentation, a shift in the way that the council’s officer corps thinks about individual and collective responsibility for decision-making, and so on
- Check whether scrutiny itself is tooled appropriately and whether scrutiny’s work is sufficiently planned, managed and prioritised to engage meaningfully with scrutinise commercial activities. This includes the need to have a proper understanding of members’ skills – and where gaps in skills might exist. Inevitably, this also demands a focus on resources, and whether scrutiny has the right resource, in the right place, to do what members and the council need it to do.
- Review employee skills and check whether the skills are fit for the new council purpose, and subsequently decide on new hires and/or restructuring (often as part of a wider organisational development strategy)
- Change corporate structures, where necessary. Structural change is something that should be countenanced once other changes have been considered in depth.

How councillors can address this

- identify and articulate the nature of the transformation in culture that needs to take place (ensuring that this transformation is well articulated, and consistent);

²⁶ Ibid, p28

- identify what the associated risks and costs are likely to be;
 - decide how the council can mitigate those risks and balance the costs;
 - ensure that the process of transformation is scrutinised and managed effectively²⁷.
-

2. The rationale underpinning commercialisation

One of the biggest roles that scrutiny can play in scrutinising plans for commercialisation is assisting with ensuring that there is a logic underpinning plans for commercialisation, and entrepreneurialism – that there is an outcome in mind and a clear and realistic sense of how to deliver that outcome. Early involvement of scrutiny in these major change plans mean that scrutiny can play a part in the assurance of those plans – helping the rest of the organisation to understand and implement them.

This is about more than just having “success criteria” – but such a sense of what success looks like will provide a critical framework for holding the council to account, and they ensure that new commercial entities are aware of their responsibilities as well. While there is no way of compiling a full list of potential factors (as they would largely depend on the type of commercial activity), the key issues scrutiny can look at in this regard are the following:

- Recommending financial criteria for new investments, namely, agreeing on the borrowing limits, yields, returns and other financial indicators that would ultimately guide commercialisation decision-making
- Looking at the governance structure of new commercial vehicles/activities and setting up clear responsibilities of councillors and officers with regards to those activities
- Deciding on the ethical component of commercialisation. Councillors may wish to grapple with the need for social responsibility in trading, and whether the council – and commercial entity – would be prepared to achieve a lower financial return alongside a higher social return – focusing on what is known as the “triple bottom line”, which does not focus exclusively on profit.

In addition to that, there are ethical considerations with regards to neighbouring councils as well. Questions include:

- is there a potential for a conflict of interest when investing in other geographical areas?
- can there be tensions among neighbouring councils over certain commercial decisions?
- If so, do benefits outweigh the conflict of interest/tension issues?
- how can these be issues mitigated?
- Deciding on key performance indicators, ensuring that the outcomes of commercialisation are well understood, overseeing and commenting on the preparation of equality impact assessments, and setting the framework for ongoing monitoring of commercial and entrepreneurial activities. We would not suggest a forensic focus on performance management; there is too much risk of duplication. However, general member oversight of the process of performance management – ensuring that systems for measuring and improving are effective – could be productive.

Doing the above requires Executive-side commitment. Without that, it will be difficult for scrutiny to get involved either when commercial plans are at an embryonic stage (when discussions over member governance will be most valuable). By extension, this means that member scrutiny risks being overlooked overall. The nature of the transformation, and the nature of commercial activity, means that it will arguably be difficult to retroactively design scrutiny into commercial activity once

²⁷ “The change game” (CfPS, 2015)

that activity is well underway. It is possible, but it will be more difficult, and scrutiny may find its role (and its potential positive impact) constrained.

3. Risks

Risk provides a good “way in” to any major council decision, combining as it does the opportunity to engage with culture and mindset (the council’s risk appetite) with a practical engagement in the mechanics of the issue, service or function under scrutiny. We noted the importance of risk issues, and risk appetite, in the section above.

With this opportunity comes a caveat. A fixation on risk could be seen as promoting a sense that scrutiny acts, or should act, as a brake on innovation; we do not suggest a pessimistic approach to scrutiny which accentuates only the negatives. Consideration of risk is valuable principally insofar as it helps to understand, tackle and mitigate those risks. It is about empowering the council, executive members and senior officers to properly tackle these issues – not about throwing up enough worry to persuade decision-makers that commercialisation is an unknown whose inherent risks are so significant that they should not be pursued.

The risks relating to the commercialisation process as whole include the following:

1. Risks of the status quo

For some councils – especially those with leaderships ideologically opposed to the idea of democratic, public institutions becoming “commercial” in their outlook and approach – other approaches may seem more attractive. Commercialisation is not the only game in town – there are other solutions to explore. Each alternative has its own risks.

2. Strategic risks

Any commercial activity – trading, establishing joint ventures, and so on - has its strategic risks. For instance, commercial activities done solely for the purposes of reducing budget deficit or generating extra income suffer from their narrow focus and low horizon planning, which in turn may lead to these activities being disjointed and costing the council more than envisioned while delivering only marginal benefits; it may also result in poor alignment between the role of any new trading entity and that of the council. Risks associated with “whole council” transformation, of which commercialisation may form a part, include:

- a. time,
- b. employee loss and/or retention issues associated with any ensuing restructures (and associated workforce issues, as discussed above),
- c. difficulty of formulating and agreeing on a new culture among the council’s leadership and members more generally (especially where clashes in expectation exist between adherents of governance systems based on more hierarchical approaches, and those keen to explore different ways of working),
- d. the high initial costs of such a decision where the financial benefits may arise later on (and, as witnessed by some of the poorest performing traditional outsourcing arrangements, those benefits may simply evaporate, never having existed in the first place),
- e. the necessity to plan over a long period of time where the council’s financial position may be uncertain (particularly in the light of uncertainty over business rates – although of course commercialisation is about bringing more certainty to council finances, and making local services more sustainable)

There are also strategic risks associated with the council “diverting resources” to

commercialisation at the expense of day-to-day service delivery and it is an important question of how to balance council existing duties with new activities. In reality, transformation – and changing culture – should be about recognising that councils' commercial activities operate in service and in alignment to its overall "stewardship" role, so a well-designed system should not divert resources away from what might be described as "core" (or worse, "legacy") activity.

3. Financial risks

Each kind of commercial activity has its own financial risks. Usually, these will be understood and acted on by officers, in consultation with Cabinet members, as per the prudential code requirements on risk detail and managed with the commercial entity itself; there will be no need for member-led scrutiny to focus on the detail of this. However, oversight of financial risk is an important element of the overall governance picture – particularly in terms of understanding and challenging the risk appetite that the council and its partners share on financial risk.

4. Political risks

- 5.** Commercialisation is a risky venture by definition and it requires strong leadership to reach success. Hence, political risks of failing or mismanaging have to be considered seriously; there are associated risks about the political direction of the authority. In addition to that, some commercialisation activities touch on rather complex issues relating to the intersection of politics and ethics – should the council invest only in commercial property or should it be advancing affordable housing (or both)? Should investments not cross the border of the council, or can they be done only based on merit, including international off-shores? Will new traded companies get into competition with services provided by neighbouring councils or interfere with an existing commercial market offer or where the market should fill the gap? Can that lead to political tensions? There is no blueprint or right or wrong answer for any of the questions, and each council should be aware of political risk associated with communities or neighbouring councils not being satisfied with some of the council choices. There is also a statutory requirement to undertake sensitivity analysis in Wales.

- 6.** The risk of the objectives of the commercial entity/entities beginning to diverge from the objectives of the council.

Councils may consider that they can carry out commercial activity which perfectly aligns with the wider objectives of the authority, and the needs of local people. This is not guaranteed. Commercial entities may begin to develop and pursue their own priorities; as they diverge the risks to the council potentially increase around both political accountability, and the commercial entity's continued delivery of services that meet the council and the community's needs. This is, for example, a challenge faced by many housing associations, moving into a position of operating more as conventional developers than social landlords. There is a particular, associated risk here relating to the position of council officers and elected members, who may sit on the boards of such commercial entities, and who may therefore find it difficult to maintain the "Chinese walls" between the two organisations as their priorities may continue to diverge. We will expand on this issue in the section below on "Governance"

7. Compound risk

Compound risk is a joint risk of all commercial activities together. Often enough, members and officers have an understanding of risks relating to a particular commercial activity and have a sense of what will happen if that activity fails. However, there is usually little discussion of consequences of numerous activities not going according to the plan either

financially, or strategically, or politically, or in any other way at the same time. Compound risks summarises all possible risks from all commercial activities undertaken by the council and checks whether that risk is still bearable by the authority.

8. Other council-specific risks

Each local authority would have circumstances that are unique and can be only known to the councillors of that area. Those circumstances would have associated risks with them, and those risks also need to be identified and considered.

This list is not exhaustive. Apart from the listed risks there are risks that would be related to each commercialisation type. For instance, trading services and opening a council-owned company risks may include risks of losing oversight, financial risks of failing, reputational risks to the council if the company does not deliver, governance issues depending on the governance model, and so on. Traded services, however, is an umbrella term for companies that can be opened for numerous purposes, and each one of the particular company would have its own market risks in addition to the ones mentioned before. Luckily, most of those risks should be fully analysed by the council prior to commencement of commercial activity, but it's important for scrutiny to be aware and keep track of them as well.

While it may be impossible to identify all potential small and big risks of commercialisation strategy or each type of commercial activity, based on our research having a broad understanding of main risks on top of agreeing on the council risk appetites has proven to be a useful activity.

How councillors can address this

- Have regular access to risk registers, and engage with the risk discussions which happen at Board level in any separate commercial entity;
- Be prepared to identify, monitor and oversee the biggest strategic risks – escalating them to committee or another public space for discussion only where scrutiny can add value;
- Build an understanding of commercial risk and reward into broader scrutiny work;
- Understand and act on the need to incorporate an understanding of risk into the way that scrutiny engages with and drives cultural change – by encouraging officers and Cabinet members to take risk seriously, and to talk frankly and candidly about it.

4. Governance

Oversight of commercial activities is an important task, and scrutiny will need to align its work to ensure that it does not duplicate what governance systems already exist. This introduces an issue to which we will return – the need for a flexible and responsive approach to governance.

There are as many different approaches to governance as there are commercial activities. Governance is complex – as we outlined above, one of the more significant tensions exist between the tendency to adopt traditional, hierarchical governance solutions, and the drive to be more flexible and dynamic. Councillors may be more comfortable with hierarchical systems which gives them “visibility” on commercial activity – but this may in itself make such activity more difficult to transact.

The potential pitfalls and opportunities of different governance approaches are only now coming to be explored – which is why scrutiny is in such a good position to be at the vanguard of oversight of how such systems work. Who makes strategy – who answers to whom for what – how are decisions made? In getting an understanding of these issues, members can help to tease out where gaps in governance might exist – and where scrutiny itself might fill those gaps.

This is about more than just looking at organograms and structure charts – it is about understanding the mindset of the key individuals with decision-making responsibility and challenging their

assumptions about how they expect themselves, and each other, to work together.

The biggest challenge usually emerges when a council is looking into setting up a new company. While the governance model of council being the sole or majority shareholder and several councillors and officers forming the board of directors is the most used one, this system very commonly backfires in cases of trouble. Through our research we found that councillors and officers who were members of the company's board often found themselves in a conflict of interest. On one hand they have responsibility to keep certain information within the council company due to confidentiality and other agreements. On the other, they have responsibility before taxpayers and the council itself. Often enough, actions stemming from these responsibilities are in conflict with each other. While some conflict of interest may always be there in such cases, scrutiny can assist with:

- Understanding the potential for the conflict of interest
- Mitigating the potential for the conflict of interest by devising special clauses in board of directors' contracts and agreements between newly established company and the council

Governance issues also relate to the monitoring of commercial activity overall by the Executive. In some areas, commercial activities are overseen by Full Council – reflecting a more cautious, traditional approach. In others, smaller groups are involved in making decisions – but this informality can lead to wooliness in who holds responsibility for what and at what time.

There is some debate about which option is the most suitable one, with some councillors claiming that the speed with which you operate on the market is different from the local authority decision-making timeframes, and hence, a smaller working group is necessary to make efficient and timely decisions. There is no right or wrong answer, as each approach to general oversight has its own risks and benefits. A general rule is that with a more fundamentally different approach to the culture of commercialisation the oversight of "commercialisation" itself will not be as obvious and apparent – it will be integrated into everything that the council does, and attempting to extract it will be both very difficult and undesirable. Scrutiny's approach will therefore need to be designed to accommodate this.

How councillors can address this

- Talk to officers, other councillors and commercial partners about how decisions are made;
- Understand, practically, how commercial activity is monitored and overseen – perhaps through the use of case studies or user journeys;
- Think about their own expectations of what level of oversight might be appropriate for different commercial activities – based on their own assessment of risk and risk appetite.

5. Monitoring performance of existing commercial activities

Finally, scrutiny can bring its expertise in monitoring existing commercial activities and holding all relevant parties to account – particularly where commercial activity has been "mainstreamed" into the way that the council delivers services day-to-day. In doing this scrutiny might make use of APSE's Performance Networks, which provide benchmarking data across the public sector. Benchmarking has to be carried out carefully – particularly given the importance of culture and attitude, which cannot easily be measured. But benchmarked data does provide a vital jumping-off point for further scrutiny.

Scrutiny can decide:

- Whether performance matches the original objectives in relation to outcomes and other key indicators.
- How have council services been affected by more commercial attitudes and approaches

and in what spaces have changes (positive and negative) been most keenly felt – by the council and by local people

- What the reporting requirements are for monitoring by the management systems of the commercial entity itself, and more generally by the council's Cabinet
- How scrutiny can use data and information produced by commercial entities (for their Boards, and other purposes) to keep a check on activity – with a view to intervening on a "by exception" basis if concerns about performance should arise
- What form such intervention should take, so as not to unreasonably restrict the commercial entity's freedom to act, but recognising the importance of democratic accountability.

Finding a way in for scrutiny

Many council Leaders and Chief Financial officers, and even directors of council-owned companies that we spoke to are keen supporters of scrutiny reviewing their work, provided there is an understanding of the terms of reference. In this regard, exploring the areas above can help build a common ground between scrutineers and those who are scrutinised. As ever, it must be clear how scrutiny will add value – a difficult task, where governance is complex and where oversight from councillors might be seen as working against the necessary flexibility and dynamism of commercial ventures.

In addition to that, below we offer seven scrutiny questions that may assist as scrutiny begins to scope out its involvement, and to examine and understand the role it can play. Scrutiny members will hopefully find that as they come to answer these questions, it will become easier to discuss and agree which of the approaches that we have set out above might be most appropriate to adopt:

- 1.** Does the council have a commercialisation strategy – a clear articulation of how and why it wishes to pursue commercial opportunities and become more entrepreneurial? Does the council understand the importance of culture to this change – and the need to think of this as a “whole council” endeavour? Does this strategy include all commercialisation activities that the council is undertaking or is planning to undertake? Does the council really understand what “commercialisation” means?
- 2.** Is council’s approach to commercialisation a piecemeal one (i.e. looking at squeezing existing assets or opportunism) or a more strategic one? There is nothing intrinsically wrong with a more opportunistic approach but it could make it difficult to “scale up” commercial plans, and it may make commercialisation more difficult to achieve if the necessary cultural issues have not been systematically addressed. However, many authorities will commence in one area of activity at the outset to test capability and build knowledge and skills in this area prior to going wholesale.
- 3.** What is the risk appetite in the council and has there been a fair assessment of risks of commercialisation activities and consideration of alternative options?
- 4.** Are proposed or existing commercial activities viable? Do they stem from council strengths – do they take account of and complement our broader social purpose? How has viability been assessed – how will it continue to be assessed? How will the viability or otherwise of the commercial activity impact on the council – positively or negatively?
- 5.** What is the governance structure of commercial activities – on a day to day basis and at a more strategic level? What are the risks associated with such a structure and how these risks can be mitigated?
- 6.** Is the rational and purpose of commercial activity mainstreamed within how the council works day to day – rather than commercial activity being treated as an adjunct to “core” activity?
- 7.** How has the council considered ethical issues that might arise from commercialisation? How has the role of local democracy, the needs of citizens and the duties of the council been built in to the way that commercial activity will be managed and overseen?

Three principles for effective scrutiny

Scrutiny can bring a lot to the table when it comes to commercialisation. Our research does, however, suggest that councils have struggled to find a clear role for elected member oversight as councils become more entrepreneurial. To combat that and as a conclusion we would like to offer three key principles:

1. Early engagement

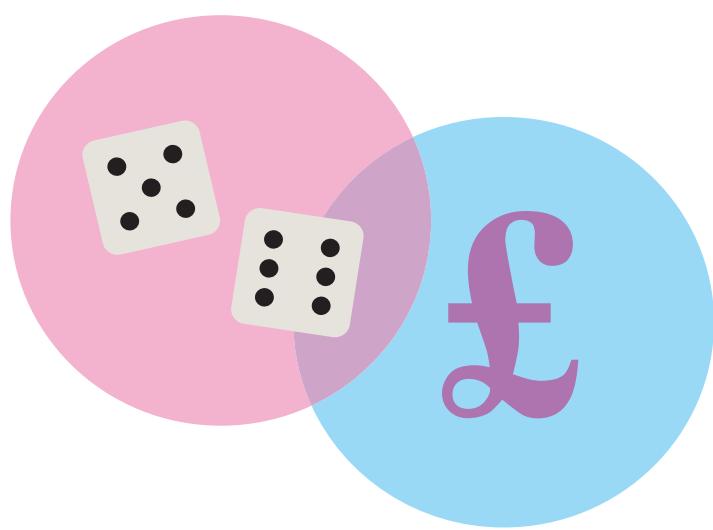
The earlier scrutiny is engaged the more effective it can be and the more time it has to analyse the situation, do benchmarking, consult the constituents and engage the public, and provide council with relevant recommendations. Also, having early engagement supports good relationships between scrutiny and Executive, and shows trust in scrutiny, which in turn is beneficial for the whole council. Another benefit of early engagement is in scrutiny councillors being fully aware of the commercialisation process at the start, and hence being able to offer its support and expertise at a much quicker rate without necessarily setting up task-and-finish groups.

2. Streamlining scrutiny

Too often scrutiny of commercialisation is thought of as an in-depth exercise, usually taking a form of task-and-finish group, that takes several months to be fulfilled. Considering the pressures of commercialisation, it is indeed difficult to set aside several months for such a process. However, streamlining scrutiny, i.e. including scrutiny into all major commercialisation discussions and negotiations, and referring some matters to scrutiny as soon as those arrive might be more beneficial for the council. In this way, scrutiny would have all the relevant knowledge to consider the final commercialisation decision made by the council, would have enough data to monitor performance, and would be involved in numerous steps of the commercialisation way without taking away time from decision-making. The ability and knowledge to scrutinise should also be shared more widely than just 'finance and resources' if their work remitted includes any aspect of commercial activity.

3. Having a strategic approach

Ideally, a council should have a strategic approach to commercialisation, i.e. it should be an activity that goes beyond piece-meal investments or service revisions. Similarly, scrutiny function should take a strategic approach to monitoring and scrutinising commercial activities. Due to the nature of scrutiny and commercialisation, it will never be possible to scrutinise every single aspect of commercialisation or each activity. Hence, it is important for scrutiny to know what its strategy is when it comes to commercialisation, what it should focus on, and what its priorities are.



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Comprehensive Statement – Management Response (Financial Review) – Update August 2022

Key Issue or Risk	Current Approach and Plans	Actions following the Statement
<p>There is a Risk that commercial properties continue to be devalued as a result of reductions in commercial rent income, this would dilute the councils balance sheet. Where this does occur, the council need to consider whether continued revaluations indicate a need to reassess asset use to meet regeneration objectives.</p>	<p>There is an asset management strategy that is in development and a review of the Property Services Operating Model underway.</p> <p>The Fit for the Future programme has identified a need to develop the commercial management capacity and capability in the Council and how we are organised.</p> <p>The Councils significant investment holding of retail and office estate does support its role in regeneration as it is able, through an asset management strategy, to strategically review how these assets contribute to the priorities of the borough.</p>	<p>Statement as at February 2022</p> <p>The delivery of the asset management strategy will be escalated as a key project, reporting to CLT as the Corporate Programme Board, alongside a quarterly report on the performance of retail and office assets.</p> <p>Given its significant asset holdings in the town centre, the asset management strategy will need to be guided by a clear vision and strategy for the town centre that is informed by up-to-date market insight and intelligence. This will enable the council to maximise the use of its assets to get a balance between financial return and place making outcomes.</p> <p>The Risk is accepted and will be considered through the Council's Risk Management Policy to determine risk treatment and further mitigations</p> <p>Update as at August 2022</p> <p>Asset Management:</p> <p>Strategic property advisors Carter Jonas have been commissioned to draft a strategic asset management plan. This will be in place by December 2022</p> <p>In advance of this plan, proposals are being developed for key strategic assets that can support the delivery of the Medium Term Financial Strategy (MTFS). Progress on these are being brought forward in the MTFS to be reported to the November 2022 meeting of the Executive</p> <p>Risk Management:</p> <p>A Strategic Risk Register and Risk Appetite framework has been developed as part of the Risk Management policy. An update on the Risk Management Policy was reported to the July 2022 meeting of</p>

		<p>the Executive.</p> <p>The Strategic Risk Register will be reported to Council as part of the Performance Management Green Book Review.</p> <p>The intention is to report the Strategic Risk Register periodically through the Standards and Audit Committee before the Executive. Risk Management Training for officers and Councillors is however being put in place in advance of this reporting.</p> <p>Commercial Management Capacity</p> <p>New arrangements for the governance of companies has been developed and was agreed by the Executive at its July 2022 meeting. A Shareholder Advisory Service forms part of these arrangements and recruitment to 2 new roles was approved and is now in the process of being recruited to.</p>
A sizeable investment asset portfolio that is highly exposed to conditions in the Retail and Office market	<p>The Medium-Term Financial Strategy recognises the dependency on income from the commercial estate and has a financial strategy to manage this over the next 4 years.</p> <p>The reserves strategy has been reviewed and is under continual review through the MTFS. The strategy is underpinning our response to managing the impact of the economy as well as responding to risks in delivering the Council's business and providing some capacity to invest in transformational change</p> <p>Management of the asset portfolio and the markets these operate in is part of the asset management strategy referred to above</p> <p>A review of the governance of Victoria Square is underway and will report, with recommendations, to the</p>	<p>Statement as at February 2022</p> <p>The Council will develop a vision and strategy for the Town Centre.</p> <p>Given its significant asset holdings in the town centre, the asset management strategy will need to be guided by a clear vision and strategy for the town centre that is informed by up-to-date market insight and intelligence. This will enable the council to maximise the use of its assets to get a balance between financial return and place making outcomes (repeated – see action above)</p> <p>Completion of the commissioned review on the governance of Victoria Square in order to identify the most effective approach to the management of the assets to secure the financial and place making interests of the Council.</p> <p>Following this governance review the council will adopt the required changes to develop its commercial and strategic finance capacity and expertise across its whole asset portfolio and investments in order to deliver on the required outcomes for the borough.</p> <p>Update as at August 2022</p> <p>Masterplan</p>

	<p>Executive.</p>	<p>A draft Town Centre Masterplan was presented to the July 2022 meeting of the Executive and is currently out for consultation.</p> <p>Victoria Place</p> <p>Financial modelling has been updated and a performance progress report is being developed for reporting to the October 2022 meeting of the Executive</p> <p>Thameswey Companies</p> <p>A review and update of company cash flow forecasts is underway and is being reported through both the MTFS and Thameswey Business Plans that will be presented to the November meeting of the Executive.</p> <p>Commercial Management Capacity</p> <p>New arrangements for the governance of companies has been developed and was agreed by the Executive at its July 2022 meeting.</p> <p>A Shareholder Advisory Service forms part of these arrangements and recruitment to 2 new roles was approved and is now in the process of being recruited to.</p>
	<p>There is a risk that the high proportionate level of debt payments the council incurs compared to Net Service Expenditure, will reduce the Council's financial resilience in the medium to long term. These commitments reduce budgetary flexibility in the event of volatility.</p>	<p>The Medium-Term Financial Strategy recognises the high level of fixed costs in the general fund that is required to services the costs of borrowing and has a reserves strategy that is informed by an assessment of service and financial risk.</p> <p>There is an asset management strategy that is in development which includes an asset disposal policy. In the short term there is no requirement to sell assets in order to reduce the costs of borrowing.</p> <p>Statement as at February 2022</p> <p>Continue to strengthen the Council's Medium and Long-Term Financial Strategy (MTFS)</p> <p>Be a strong voice in the public sector for the role of Local Government in delivering on regeneration ambitions and recognition of this role in making sources of funding available to Councils.</p> <p>The delivery of the asset management strategy will be escalated as a key project, reporting to CLT as the Corporate Programme Board, alongside a quarterly report on the performance of retail and office assets (Repeated – see action above)</p> <p>The Risk is accepted and will be considered through the Council's Risk Management Policy to determine risk treatment and further mitigations</p> <p>Update as at August 2022</p>

	<p>Medium Term Financial Strategy (MTFS)</p> <p>Further updates and developments to the MTFS were reported to the March and July 2022 meetings of the Executive</p> <p>A Financial Resilience Framework has been developed and adopted. This is included within the MTFS and reported as above.</p> <p>Risk Management</p> <p>A Strategic Risk Register and Risk Appetite framework has been developed as part of the Risk Management policy. An update on the Risk Management Policy was reported to the July 2022 meeting of the Executive.</p> <p>The Strategic Risk Register will be reported to Council as part of the Performance Management Green Book Review.</p> <p>The intention is to report the Strategic Risk Register periodically through the Standards and Audit Committee before the Executive. Risk Management Training for officers and Councillors is however being put in place in advance of this reporting.</p> <p>Levelling Up and Regeneration Bill</p> <p>Further to the Levelling Up White Paper, a Levelling up and Regeneration Bill was announced in the Queen's Speech in May 2022 and makes provision for the legislative changes required to deliver on some aspects of the levelling up programme set out in the White Paper.</p> <p>The Department for Levelling Up, Housing and Communities (DLUHC) have advised the Council that it is likely to be in scope of the Bill's powers due to its high level of debt.</p> <p>Officers from the Council and DLUHC are working collaboratively to assist the Department in understanding the Council's local borrowing and investment practices into regeneration of the Borough in advance of them establishing new measures that will support the implementation of the Bill.</p> <p>The Council's MTFS will be updated as DLUHC provide further details in response to the</p>
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		<p>information we have provided. At this stage it is anticipated that the focus of the analysis will be on:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The proportionality of the Council's debt. <input type="checkbox"/> The reliance the Council has on commercial income to pay the debt interest and fund services the Council delivers for the borough's communities. <input type="checkbox"/> The provisions the Council makes to account for and repay the debt.
There is a risk that the current level of WBC's existing borrowing will reduce appetite and capacity to borrow to fund infrastructure in the future	<p>The Council's strategy is for borrowing to support regeneration and has been targeted to the areas of greatest regeneration need which is housing and the town centre as the economic hub for the borough. This investment by its nature is future focussed and has accounted for the likely significant demand for Council intervention.</p> <p>The borrowing and investments made by the Council are intended to operate as a catalyst and lever for private sector investment into the borough which will further enhance the regeneration activity and outcomes.</p> <p>The Council takes a strong partnership role to lever benefits for Surrey and the Borough. We are working in partnership with the Surrey District and Boroughs and County Council to develop a Surrey 2050 Place Ambition.</p>	<p>Statement as at February 2022</p> <p>Continue to strengthen the Council's Medium and Long-Term Financial Strategy (Repeated – see action above)</p> <p>Be a strong voice in the public sector for the role of Local Government in delivering on regeneration ambitions and recognition of this role in making sources of funding available to Councils (Repeated – see action above)</p> <p>Given its significant asset holdings in the town centre, the asset management strategy will need to be guided by a clear vision and strategy for the town centre that is informed by up-to-date market insight and intelligence. This will enable the council to maximise the use of its assets to get a balance between financial return and place making outcomes (Repeated – see action above)</p> <p>Update as at August 2022</p> <p>See response above which also addresses this issue.</p>
There is a risk that the regulatory landscape or market conditions change.	The Council has a risk management policy that has been reviewed in 2021 as part of the Fit for the Future	<p>Statement as at February 2022</p> <p>The Risk is accepted and will be considered through the Council's Risk Management Policy to determine risk treatment and further</p>

	<p>This would provide an immediate risk to the Council, or impact WBC's ability to finance or refinance.</p>	<p>change programme. This policy is in place in order to actively assess and strategically manage risk.</p> <p>mitigations</p> <p>Update as at August 2022</p> <p>Risk Management</p> <p>A Strategic Risk Register and Risk Appetite framework has been developed as part of the Risk Management policy. An update on the Risk Management Policy was reported to the July 2022 meeting of the Executive.</p> <p>The Strategic Risk Register will be reported to Council as part of the Performance Management Green Book Review.</p> <p>The intention is to report the Strategic Risk Register periodically through the Standards and Audit Committee before the Executive. Risk Management Training for officers and Councillors is however being put in place in advance of this reporting.</p> <p>Thameswey Companies</p> <p>The Energy Market and Decarbonisation requirements were cited as a key area of risk when this issue was reported by the consultants EY.</p> <p>A review and update of Thameswey Business Plans is underway and will be presented to the November meeting of the Executive.</p>
	<p>There is a medium-long term risk that Thameswey Central Milton Keynes could become insolvent</p>	<p>The company analysis in the report uses the Cabinet Office playbook which is a framework for evaluating commercial operations framework. It is important to recognise that the Thameswey Group was established as a wholly owned subsidiary of the Council to fulfil the objectives of the Council addressing need which would not be met by the private sector.</p> <p>The report recognises that the Companies in which the Council have invested in have differing strategic purposes and are in different phases of maturity, meaning the relationship</p> <p>Statement as at February 2022</p> <p>The Council will undertake a review of the Strategic alignment between the Council and the Thameswey group</p> <p>A specific review of the Thameswey Central Milton Keynes (TCMK) and Thameswey Energy Limited Business Plans will be commissioned.</p> <p>Update as at August 2022</p> <p>The Energy Market and Decarbonisation requirements were cited as a key area of risk when this issue was reported by the consultants EY.</p> <p>A review and update of Thameswey Business Plans is underway and will be presented to the November meeting of the Executive.</p>

	<p>with the Council is not just a contractual one. It also notes that the companies are currently immature and are expected to make losses in the short-term, with the business plans being long-term in nature.</p>	
<p>It is recommended the Council shares the analysis with Companies and requests a management response.</p>		<p>Statement as at February 2022 Agree with the recommendation. This will be incorporated into the review of the strategic alignment between the Council and Thameswey group, highlighted above, as an early output Update as at August 2022 See comments above relating to companies which addresses this recommendation.</p>

Agenda Item 7

OVERVIEW AND SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

FREEDOM LEISURE PERFORMANCE REVIEW

Executive Summary

This report sets out the performance review of Freedom Leisure, including assessments on quality and performance management, KPIs and the priorities for year 2021/2022. Complaints, feedback and achievements are reviewed in the report as Freedom Leisure provide a wide range of services to the public.

Comparisons to previous year in many instances are difficult due to the periods of national lockdown.

This report will assist in identifying how Freedom Leisure is recovering from the period during which they had to close.

Recommendations

RESOLVE That the report be noted.

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

Background Papers: None

Reporting Person: Steve May, Leisure Services Manager
Email: steve.may@woking.gov.uk, Extn: 3302

Contact Person: Steve May, Leisure Services Manager
Email: steve.may@woking.gov.uk, Extn: 3302

Portfolio Holder: Councillor Ellen Nicholson
Email: CllrEllen.Nicholson@Woking.gov.uk

Shadow Portfolio Holder: Councillor Melanie Whitehand
Email: Cllrmelanie.whitehand@woking.gov.uk

Date Published: 2 September 2022

1.0 Introduction

- 1.1 The Leisure Partnership Agreement commenced on 1st December 2011. The Woking and Guildford partnerships were procured as part of a joint process that required a turnover threshold/scale of organisation that would have been challenging for Freedom Leisure to have met at the time on their own. Freedom Leisure therefore asked GLL to be the “principal” contractor, with Freedom Leisure delivering the contract, as a sub-contractor to them. The bid was written by Freedom Leisure who are fully responsible for its delivery. GLL receive an annual fee from Freedom Leisure for underwriting the original bid and holding the risk of Freedom Leisure failing to perform.
- 1.2 Since the original agreement the contract has had several major changes which include 3 new pavilions, the Sportsbox at Hoe Valley and Eastwood Leisure Centre.
- 1.3 The inclusion of Sportsbox also triggered the contract extension clause in the main contract which is for a further 4 years. Contract end is now 30th November 2025
- 1.4 Separate to the contract Freedom have also been successful in securing the contract to run the kiosk in Woking Park.
- 1.5 In September 2018, Woking Park Tennis Courts were removed from the Leisure Contract and returned to the management of Woking Borough Council.

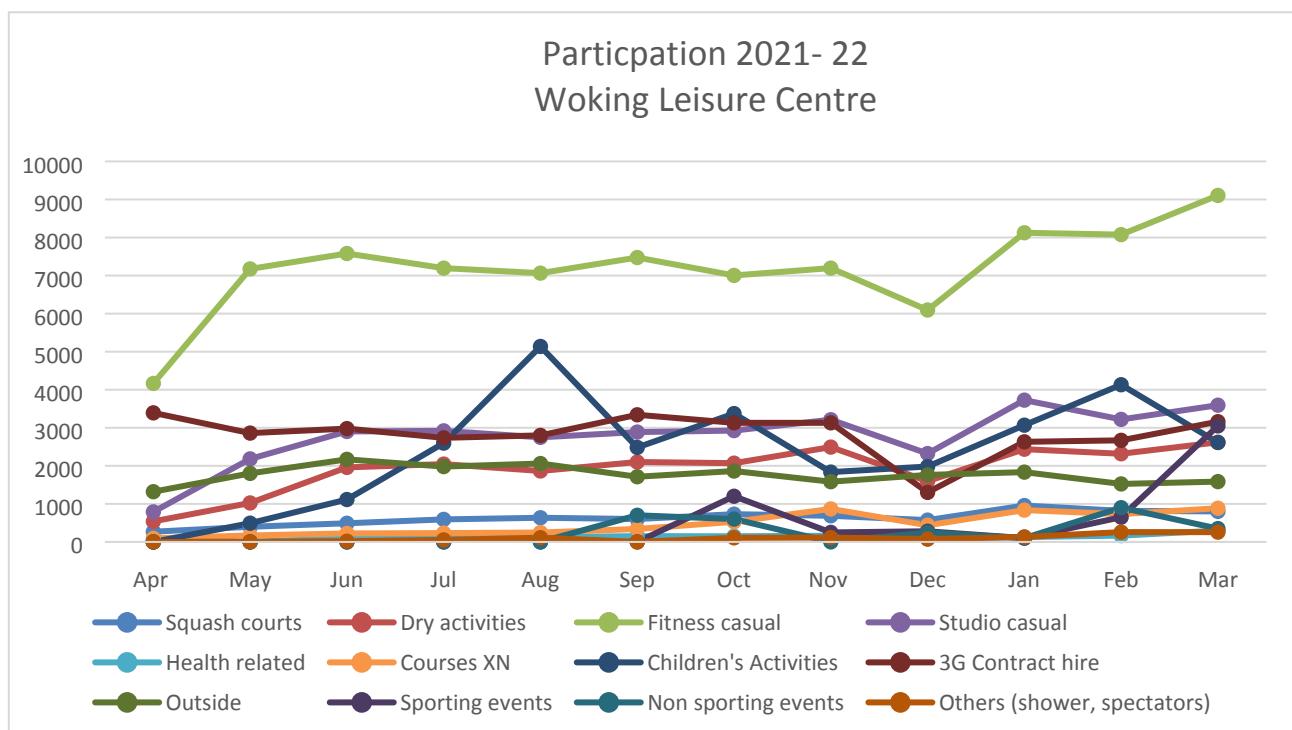
2.0 Priorities for 2021-2022

- 2.1 Freedom Leisure, in consultation with Officers and their customers, set a list of key priorities for 2021-2022. These were presented to the Leisure Partnership Board at the end of 2020 and agreed by this Board.

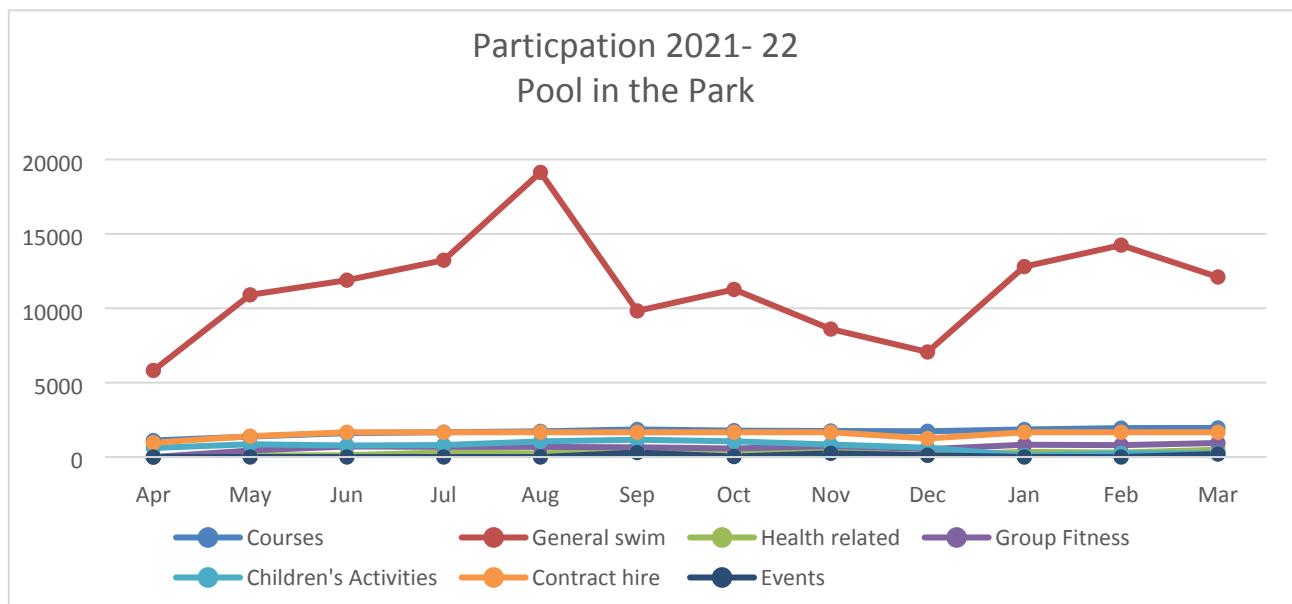
3.0 Performance during the 2021-2022

- 3.1 Following the periods of closures and restrictions enforced by the pandemic it was a period of rebuilding the customer base and customer confidence that leisure centres were safe places to return too. Full unrestricted opening started on April 12th 2021 and gradually customers returned.
- 3.2 Some areas of business recovered far more quickly than others with Swimming lessons leading the way and returning to 94% of pre-pandemic levels. Memberships, unfortunately, have been slower to recover and got back to 70% of pre-pandemic levels.
- 3.3 It is believed that swimming has returned so strongly due to the national campaigns through schools on how important learning to swim is
- 3.4 Woking return to normal vs the national averages given by Sport England has been far stronger than most areas of the country but the figures are very skewed by the opening of Eastwood Leisure Centre in October 2021 which started very strongly.
- 3.5 Overall the Leisure Contract has had some very good attendance considering the above:

Freedom Leisure Performance Review

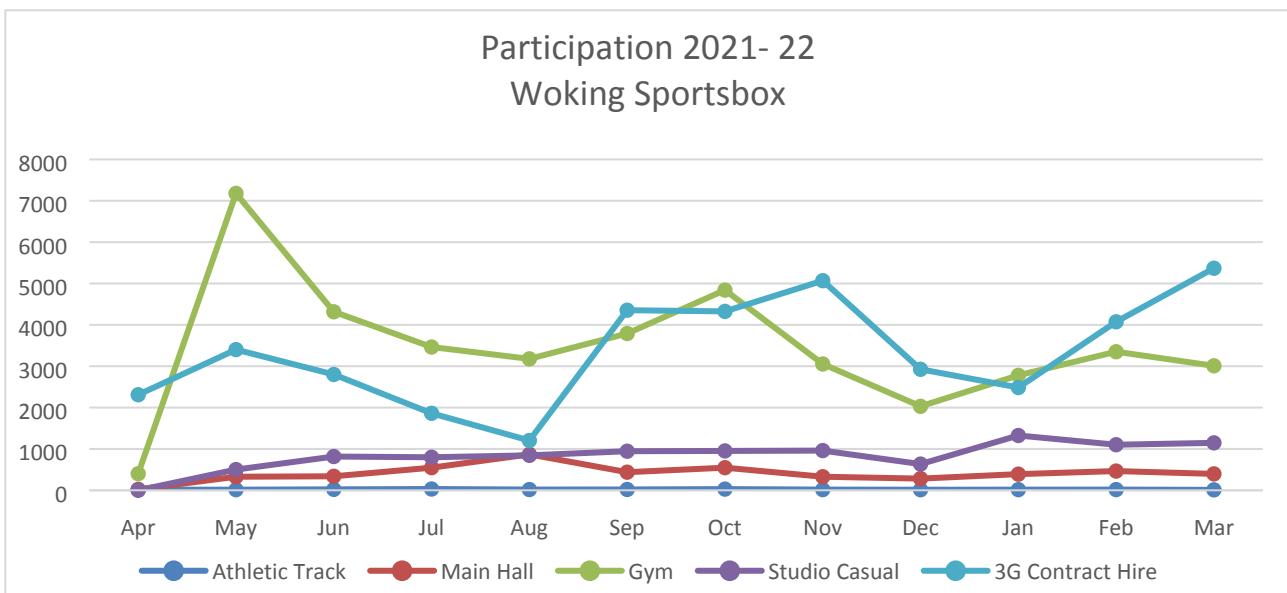


In total Woking Leisure Centre had 248,226 visitors

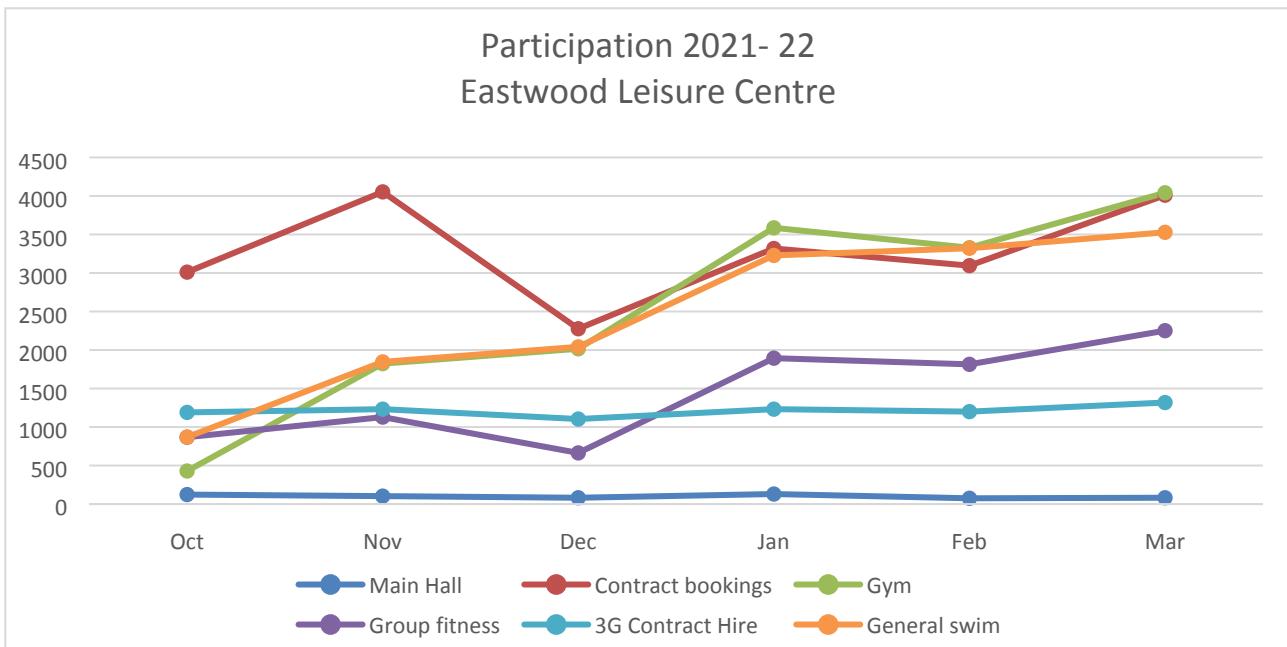


In Total Pool in the Park had 195,856 visitors

Freedom Leisure Performance Review



In Total Woking Sports Box had 96,783 visitors



In Total Eastwood Leisure centre in just 5 months had 66,310 visitors

- 3.6 The estimated usage on the sports pitches managed by Freedom Leisure is 32,000 based on number of pitches booked with an average of 20 users per booking allowing for a mixture of junior and senior football and training sessions.
- 3.7 Therefore, total usage was 639,172.
- 3.8 Freedom Leisure are also tasked with outreach into the local community through the Active Communities Team. Following national lockdown this was more important than ever before. The Active Communities team re-introduced a large range of courses to those most in need very quickly following the April opening, these included: Women's Football, Swim Fit and Swim Buddies, Walking Basketball, Netball and Football, Football for the home educators, Friday Night Project and Sheerwater Youth Project and many more.

3.9 Freedom and WBC also led the way on the Holiday Activity and Food Club. This was a national scheme following the calls from Marcus Rashford to feed the children most in need during the school holidays. Freedom was utilised as a case study for the whole of Surrey based on the delivery of the scheme to over 768 young people.

4.0 Improvements and significant changes to the service provision

4.1 A great deal of refurbishment work was completed during the lockdown period, so the jobs done this year were less significant with the focus being mainly on recovering the business. However, the following a list with short description of the works completed:

- Woking Leisure Centre Spa Pool Retiled
- Woking Leisure Centre - Ceiling tile replacement in Heatwaves
- Woking Leisure Centre - Several areas of minor redecoration
- All Sites - Gym equipment upholstery repairs.
- Pool in the Park – Refurbishment of meeting room and reception seating areas.
- Pool in the Park – Lift overhaul
- Sportsbox – Major Outdoor Works completed, relining of athletics track and drainage works.
- Eastwood – Tennis Court Refurbishment to allow community use of the school tennis courts improving the facilities for both the local community and the school.

4.2 The work to develop the links with the NHS continued. The physio service from St Peters is now established and further discussions are being undertaken to work collaboratively to enhance patient recovery. Alongside this other wellbeing projects with the NHS are being explored such as a development of the GP referral scheme and cardiac rehab programmes further expanded.

5.0 Financial position

5.1 What normal looked like prior to the pandemic:

For context the Leisure Partnership Agreement is normally a payment from Freedom Leisure to Woking Borough Council. This payment has changed throughout the term of the contract linked to additions to the contract. The payment expected for this financial year was £689,809

- 5.2 There is an allowance in the contract for major events that may affect the financial position of the contract. An open book process as suggested in Sport England guidance was adopted.
- 5.3 In the financial year 2021-2022 Freedom made a management fee payment of £246,827 plus VAT. This was an improvement of £1.65M on the previous year where the council funded the Leisure Management Agreement but also utilised its staff for Covid support.

6.0 Key Performance Indictors

6.1 Freedom Leisure reports a range of Key Performance Indictors (KPIs) to the Leisure Partnership Board twice a year.

Customer Satisfaction:

6.2 The Annual Feedback Summary is attached elsewhere on this agenda.

Audits:

6.3 Freedom undergoes a range of audits each year. These include pool safety, health and safety and quality assessments:

6.4 Health and Safety Audits were conducted at all sites all achieving a good standard with a particular focus on opening in a COVID safe way.

6.5 Accident statistics are monitored monthly as follows:

Woking Leisure Centre: 188 accidents (0.07%)

Pool in the Park: 81 accidents (0.04%)

Sportsbox: 25 (0.02%)

Eastwood Leisure Centre: 20 (0.02%)

6.6 The percentage relates to against users and anything over 0.10% would require further investigation. It is worth noting that Woking Leisure Centres is slightly higher than the other sites due to the nature of its activities. Having a very well subscribed set of youth activities does lead by the nature of the activity to more "low" level accidents.

6.7 Environmental Health Audits (Conducted by the Borough) on food safety. All Sites achieve the highest 5-star rating. And Costa also won audits with all sites passing with above average scores.

6.8 Finally, Freedom has its own internal auditing process named "Area Manager Audits" which is a rigorous process of checking all its own internal Quality Manager Processes and Statutory compliance. This is an unannounced spot check that takes up-to a day to complete and the results were as follows:

Woking LC: 88.25%

Pool: 88.56%

Sportsbox: 82.46%

Eastwood: 91.87%

7.0 Moving forward

7.1 Freedom have presented a business plan to Leisure Partnership Board for 2022-2023. LPB requested some amendments that will be discussed at the next Board meeting but fundamentally were happy with the progress. Much more focus is being moved towards health and wellbeing rather than activity and fitness. Whilst a minor change it encompasses the really positive links that have been made with health professionals at St Peters, and the GP practices. This starts to differentiate the leisure offering in Borough owned facilities to the private facilities and breaks down perceived barriers to access with issue specific treatment taking place in the facilities leading to health membership.

7.2 The focus on commerciality remains. Bringing the contract back to the management fee position is the number one priority and generating more surplus to assist in the ever-rising utility bills and staffing costs.

7.3 Eastwood will be a year old in October and a celebratory party will be planned with the new users of this facility. The year has been fabulous seeing so many people new to fitness and

Freedom Leisure Performance Review

those coming back after a year away throughout the pandemic. Continuing to grow the user base and develop a long term community in this centre is part of the plan ahead.

REPORT ENDS

Agenda Item 8

OVERVIEW & SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

SURVEY OF LEISURE FACILITY USERS

Executive Summary

Throughout the year Freedom collect feedback and actively survey its users to understand what can be improved in future years.

The attached document is the end of year survey for 2021-2022. This summary in particular highlights how well received the COVID measures implement upon re-opening where received and how much the customers enjoyed and needed there leisure services back following the periods of lockdown.

Freedom, Council Officers and the Leisure Partnership Board use this data to make programming adjustments and decide on what the priorities are the for the following year.

Recommendations

The Committee is requested to:

RESOLVE That the report be noted.

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

Background Papers: None.

Reporting Person: Steve May, Leisure Services Manager
Email: Steve.May@woking.gov.uk, Extn: 3302

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Portfolio Holder: Councillor Ann-Marie Barker
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Shadow Portfolio Holder: Councillor Ayesha Azad
Email: CllrAyesha.Azad@woking.gov.uk

Date Published: 02 September 2022

Woking Borough Council

Annual feedback summary

2021- 2022

Page 71



“ improving lives
through leisure ”

www.freedom-leisure.co.uk



freedomleisure
where you matter



people

Passionate, bespoke and local



process

Operational excellence / environmentally responsible



customer

Professional trusted partner



product

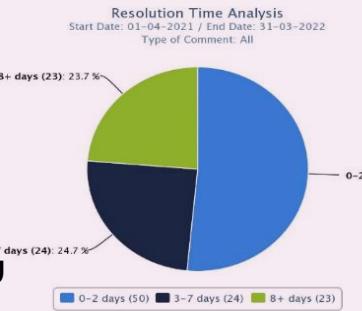
Innovation & creativity



customer

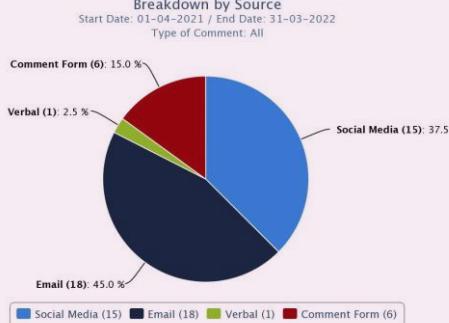
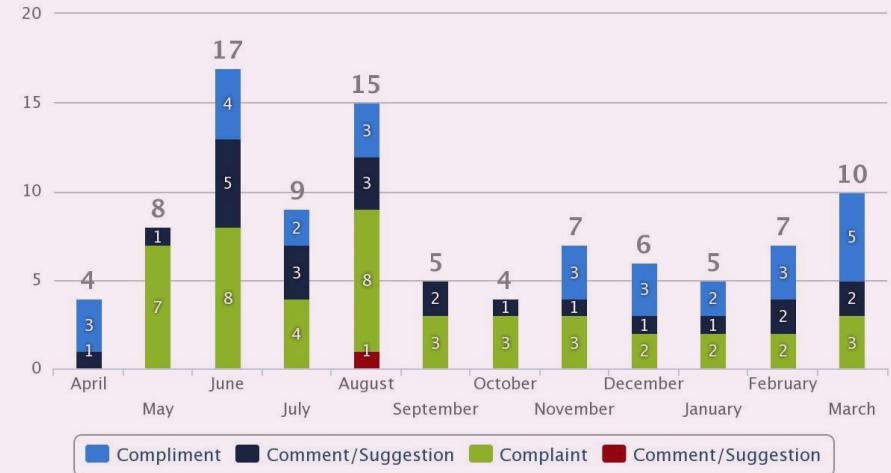
Professional trusted partner

Page 73



Woking Leisure Centre annual summary

Total Comment Cards
Start Date: 01-04-2021 / End Date: 31-03-2022
Type of Comment: All



Free text survey feedback & areas for improvement

“Great outdoor class this morning with a social distancing measures in place, very well organised and sun was shining so good to be back, thank you (outside bodypump)”

“I have just joined and thought the classes outside were brilliant, and be good to keep them outside if weather permits for the summer.”

“I write to complain regarding the air conditioning in studio 1 and 2. The air conditioning has been showing an error code for at least a month. How long before something is done about this?”

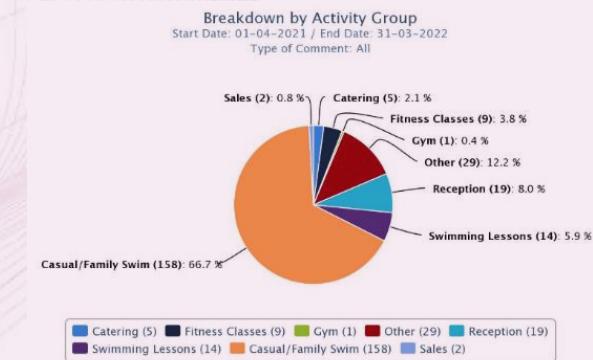
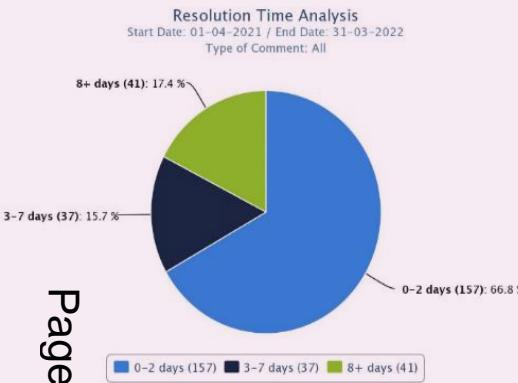
“Please upgrade to make all bookings online, to ensure fair access and avoid wasting so much time on the phone.”

customer

Professional trusted partner



Page 74

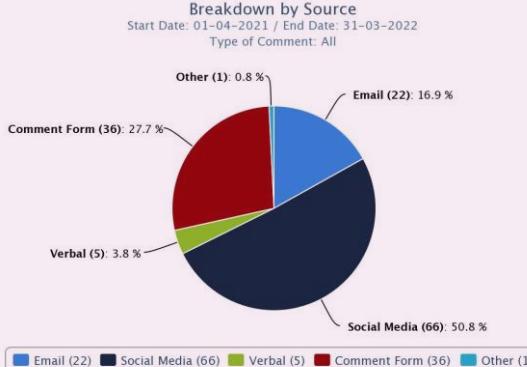


Pool annual summary

Total Comment Cards
Start Date: 01-04-2021 / End Date: 31-03-2022
Type of Comment: All



Free text survey feedback & areas for improvement



Just wanted to say a big thank you for the re-opening of Pool in the Park. I've been every day since the re-opening and have loved each swim. The staff have all been very welcoming and efficient. I have really missed being able to swim so am overjoyed you've re-opened."

"I almost had the lagoon to myself! good to be back swimming The changing rooms are excellent... we'll needed and good revamp!"

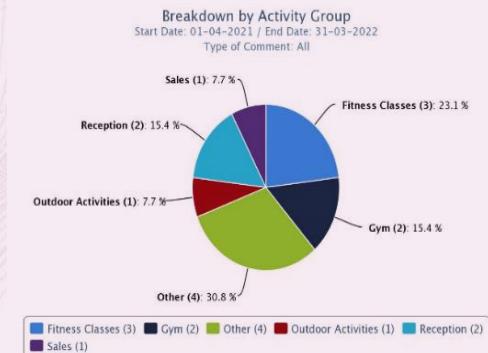
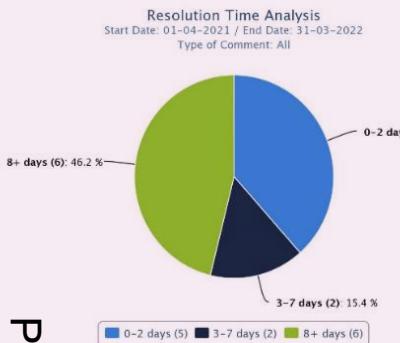
"The pool was far too hot for our training session."

"The pool is extremely hot. It's unbearable to train in. PLEASE - Bring the temp down!!"

"Where has the link to online booking gone? It has disappeared from the pool activity prices & online booking screen. The facility to book is still in the system but it's hard to find these days. I know that online booking is no longer mandatory but I find it convenient."

customer

Professional trusted partner



Woking Sportsbox annual summary

Total Comment Cards

Start Date: 01-04-2021 / End Date: 31-03-2022
Type of Comment: All



Free text survey feedback & areas for improvement

"I would like to compliment on the body and ab blast. Class was perfect set very well thought very well!"

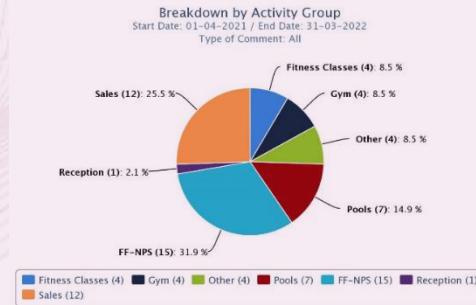
"I am really disappointed that the Rebounding classes held on a Friday evening will no longer taking place. As a member I feel that this is a fantastic fitness class which should be taken on and promoted by the leisure centre. This would be a great addition to the classes being offered at the Sportsbox, particularly given the current low number of classes being run. As rebounding is not often available as a class this would be an asset to the Sportsbox and I feel that uptake would be far greater once it was more widely promoted online and at all sites."



customer

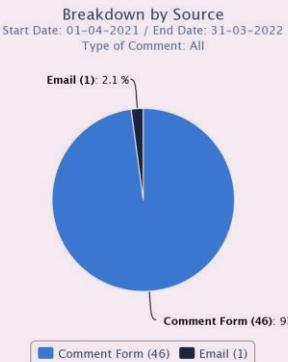
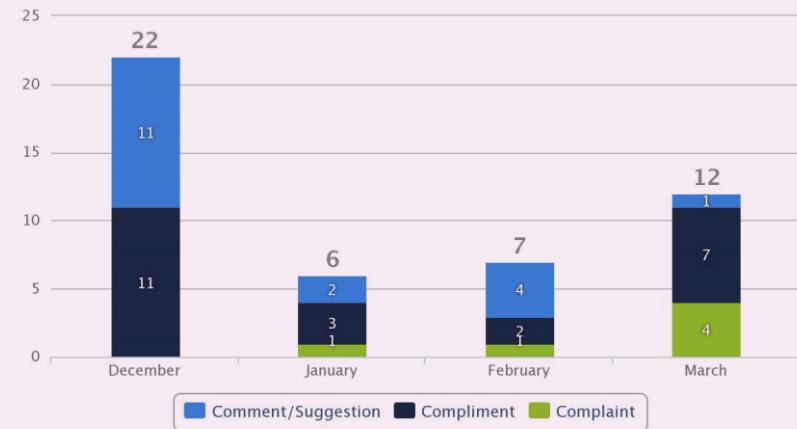
Professional trusted partner

Page 76



Eastwood Leisure Centre annual summary

Total Comment Cards
Start Date: 01-04-2021 / End Date: 31-03-2022
Type of Comment: All



Free text survey feedback & areas for improvement

“Clean changing rooms and toilets and shower areas. The pool is quieter and very well set up, steps, lift etc.”

“What a wonderful facility! Pleasant, welcoming staff. Clean changing rooms. Such an asset to the local community. Always takes the time to chat to my son, makes him feel really comfortable, and welcome.”

“Fab class , fun and high energy.”

“Only thing that would assist would be to have a swimsuit spinner to dry out costumer in pool changing area.”

“The microphone and music in studio 2 has been an issue at every class I've attended. Especially in clubbercise it cuts out when the instructor jumps and move. Love the classes and gym overall.”

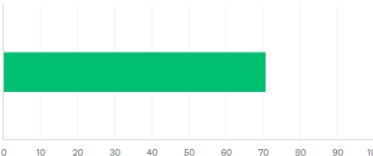


customer

Professional trusted partner

Cleanliness & maintenance

Answered: 111 Skipped: 3



Paged 77

Free text survey feedback & areas for improvement

"Usually clean but can be dirty at busy times,"

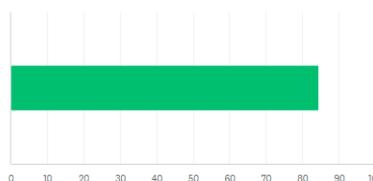
"Since the refurbishment, the facilities at the pool have improved significantly."

"Those I've given zero to is because I don't use them. Weekends are when the cleanliness seems to reduce."

"Hairdryers are often out of action."

Accessibility

Answered: 100 Skipped: 14



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Responses	84	8,434	100

General Swim survey

Please rate your overall satisfaction with Pool in the Park

Answered: 108 Skipped: 6

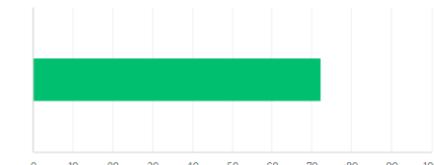
3.8★
average rating



	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
Responses	2	10	21	48	27	108	3.81

Changing rooms

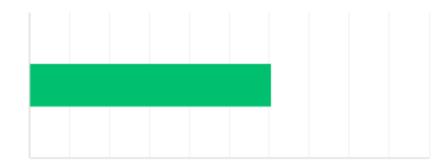
Answered: 110 Skipped: 4



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Responses	72	7,947	110

Changing places room & toilet

Answered: 87 Skipped: 27



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Responses	60	5,261	87

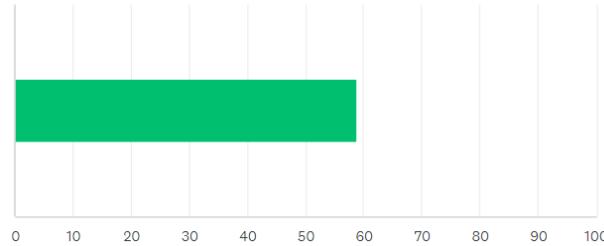


customer

Professional trusted partner

Please indicate your satisfaction with the Leisure Lagoon

Answered: 87 Skipped: 27



Page 78

Free text survey feedback & areas for improvement- Leisure Lagoon

"It is clean and the kids love it, but it can get very crowded and the slides are not always open when we come To the leisure lagoon."

" It is usually quiet when I go to parent & toddler group so a joy to use."

" The new slides are better!"

"Pool is very good when all systems are functioning"

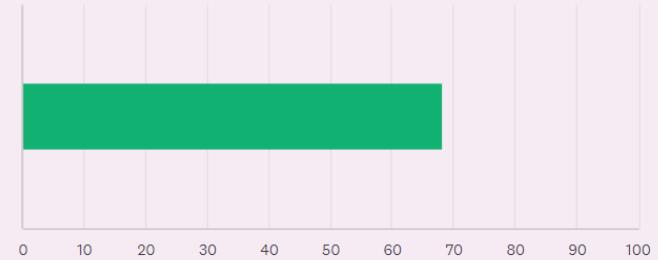
" We really enjoyed when everything is working in the lagoon; however and more often than not, many of the futures are closed and it is quite disappointing."

"The Queuing system for entry isn't helpful. You can often turn up at the pool with your children and find there's no space. It would be much better if you could book for different time slots maybe no more than 24 hours in advance."

General Swim survey

Please indicate your satisfaction with the Main pool

Answered: 110 Skipped: 4



Free text survey feedback & areas for improvement- Main pool

"Great facilities, especially since the renovation."

"Everything is well maintained the staff are very polite and approachable,"

"The staff are very pleasant and helpful"

"Generally great. Sometimes swimmers are in the wrong lane and this is not patrolled so there can be hold ups when one wants to swim fast."

"Sometimes it is too warm!"

"The main pool water should be constantly warmer and there should be hairdryers provided that are not always out of order."

" The water is too warm for a Competition pool. The maximum temperature for a competition pool is 28C according to Swim England or 29C for a leisure pool, but it has been more than this for several months now. This is not good for energy usage or swimming long distances"



customer

Professional trusted partner

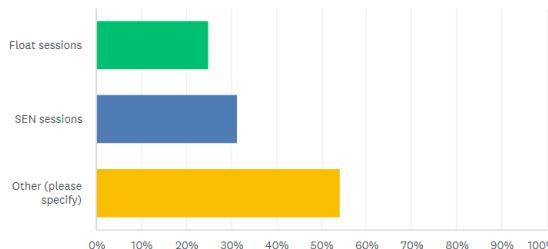
Free text survey feedback- Future consideration (below)

- Floating Yoga
- Diving
- Snorkelling
- More toys & floats during toddler sessions
- Cycling in water
- Ladies only lane swimming
- Evening fitness training

Page
21

Please indicate any activities that you would like to see introduced at Pool in the Park

Answered: 48 Skipped: 66



ANSWER CHOICES	RESPONSES
Float sessions	25.00%
SEN sessions	31.25%
Other (please specify)	54.17%

General Swim survey

Free text survey feedback & areas for improvement

"This is an essential facility for maintaining ones health and well-being. The repercussions of not having such a facility don't bare thinking about re the detrimental effect upon ones quality of life."

""Pool in the Park is a great facility for Woking. The cleaning staff do an excellent job of maintaining high levels of cleanliness. The sauna next to the competition pool is a good recent addition,"

"Only one criticism- the temperature in the main pool is too warm for doing any long distance swimming. Gets very warm very quickly when swimming for longer than 15 mins."

" Introduce a booking system please to stop there being so many disappointed children,"

"The sauna is a very welcome addition to the pool"



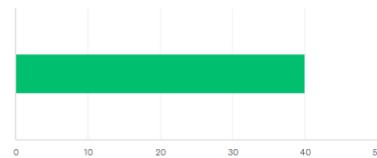


customer

Professional trusted partner

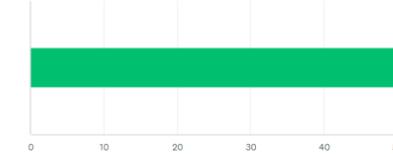
How satisfied are you with the pitch?Please consider health & safety, markings, grass cutting and maintenance

Answered: 3 Skipped: 0



How satisfied are you with the parking at or near the pitch?

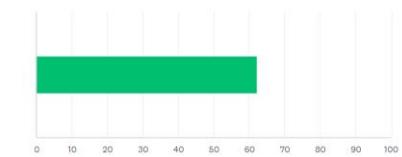
Answered: 3 Skipped: 0



Cricket survey borough

How satisfied are you with the administration & customer service received when booking?Please consider ease of contact, communication, booking forms, information & conditions of hire

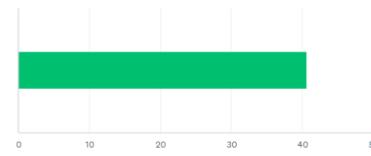
Answered: 3 Skipped: 0



Page 8

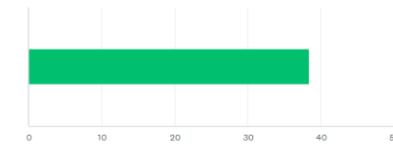
How satisfied are you with the pavilion/ changing area?Please consider health & safety, cleanliness, quality, maintenance of showers & toilets

Answered: 3 Skipped: 0



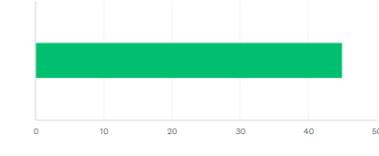
How satisfied are you with the price of the pavilion/ changing area.Does the hire offer value for money?

Answered: 3 Skipped: 0



How satisfied are you with the price of the pitch.Does the hire offer value for money?

Answered: 3 Skipped: 0



Free text survey feedback & areas for improvement- Cricket

"Brookwood recreation ground. A continued lack of investment is generally resulting in the decay of both the facilities and suitability to host safe sport."

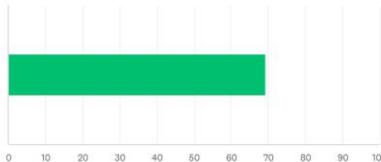
customer

Professional trusted partner



How satisfied are you with the pitch?Please consider health & safety, markings, grass cutting and maintenance of nets & posts

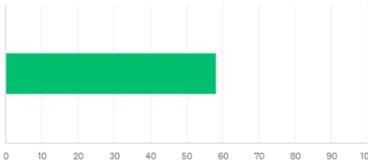
Answered: 5 Skipped: 0



Page
18

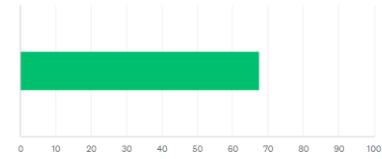
How satisfied are you with the pavilion/ changing area?Please consider health & safety, cleanliness, quality, maintenance of showers & toilets

Answered: 5 Skipped: 0



How satisfied are you with the price of the pavilion/ changing area.Does the hire offer value for money?

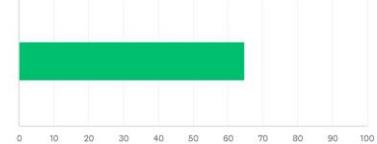
Answered: 5 Skipped: 0



ANSWER CHOICES AVERAGE NUMBER TOTAL NUMBER RESPONSES
Responses 69 346 5
Total Respondents: 5

How satisfied are you with the price of the pitch. Does the hire offer value for money?

Answered: 5 Skipped: 0

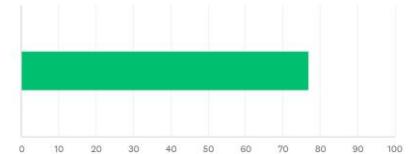


ANSWER CHOICES AVERAGE NUMBER TOTAL NUMBER RESPONSES
Responses 58 291 5
Total Respondents: 5

Football survey borough

How satisfied are you with the administration & customer service received when booking?Please consider ease of contact, communication, booking forms, information & conditions of hire

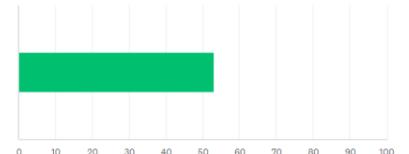
Answered: 5 Skipped: 0



ANSWER CHOICES AVERAGE NUMBER TOTAL NUMBER RESPONSES
Responses 77 385 5
Total Respondents: 5

How satisfied are you with the car parking at or near the pitch?

Answered: 5 Skipped: 0



ANSWER CHOICES AVERAGE NUMBER TOTAL NUMBER RESPONSES
Responses 53 265 5
Total Respondents: 5

Free text survey feedback & areas for improvement- Football

“ Byfleet Recreation Ground Pavilion could with a refurbishment.”

“Sheets Heath requires improvement”

“Despite numerous requests, over a number of years work that will prolong the life of the Pavilion never seems to get done.”



customer

Professional trusted partner

Please rate the following Booking procedure at reception

Answered: 6 Skipped: 0

4.8★

average rating



Daycamp staff
Answered: 6 Skipped: 0

4.7★

average rating



The staff meeting your child's needs

Answered: 6 Skipped: 0

4.8★

average rating



Variety of activities provided

Answered: 6 Skipped: 0

4.8★

average rating



Price of holiday camps

Answered: 6 Skipped: 0

4.8★

average rating



Cleanliness of the venue

Answered: 6 Skipped: 0

4.8★

average rating



Children's Activities

Free text survey feedback & areas for improvement- Children's Activities

"Great club it's such a relief to find somewhere both children enjoy we are booked in for half term."

" My daughter has had an amazing time and we'll definitely be back!"

"Excellent value for money, adding up the individual cost of the activities provided in one day would potentially exceed the camp fee! Camp fees are cheaper than all other camps in the area, but superior activities and childcare. The cost of taking my child anywhere exceeds the camp costs here, and he loves it at Leisure Centre holiday camp, its win win for all of us! Great start and finish time, with a 3.30pm finish there is still time in the day to do an activity with my child."

"Can you add some sports activities."

The uptake on completed surveys was low for Children's Activities in 2021- 22, the schedule, method and marketing has been reviewed with the aim to capture more data for the coming year.

Page 82

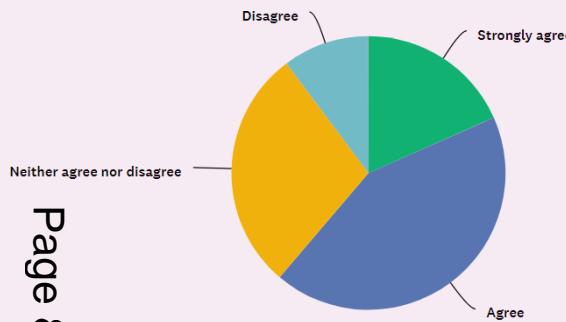
customer

Professional trusted partner



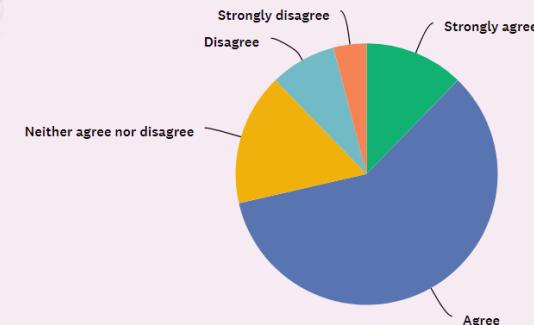
I feel part of the organisation

Answered: 49 Skipped: 0



My line manager understands what motivates me

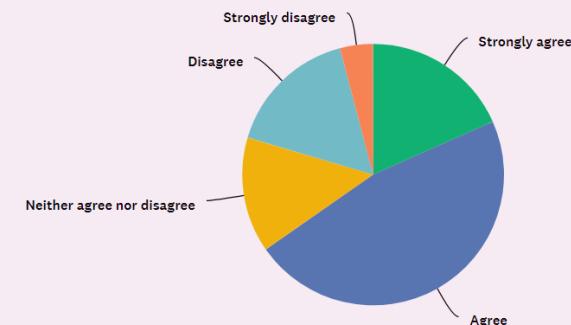
Answered: 49 Skipped: 0



Woking staff survey

I feel my skills are utilised

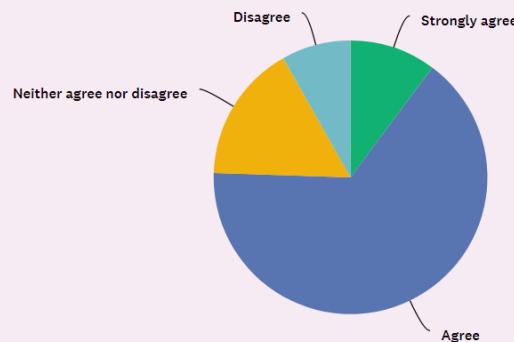
Answered: 49 Skipped: 0



Page 83

Communication between management and staff is good

Answered: 49 Skipped: 0



Free text survey feedback- What do you like best about the Woking centres?

“Working with a variety of people.”

“ Convenient. Like who I work with. Reduced membership cost”

“Great environment to work in.”

“Friendly working environment Post covid, looking forward to being fully up and running again, some great new recent additions to the staff team

“Team members and delivering a high level of customer service to our customer.”

“Team members and delivering a high level of customer service to our customer.”

customer

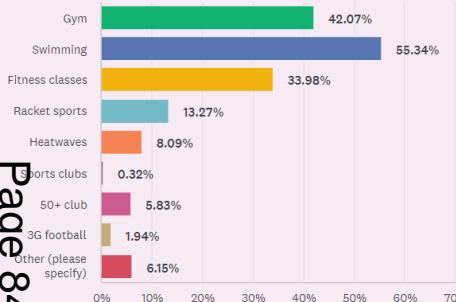
Professional trusted partner



Page 84

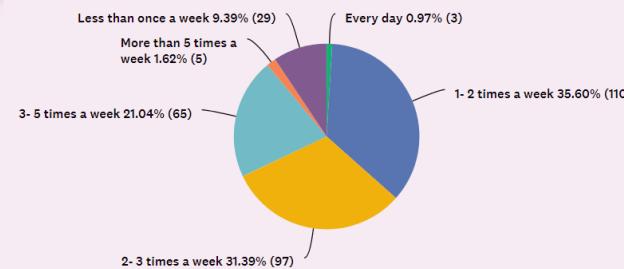
Which facilities do you use?

Answered: 309 Skipped: 0



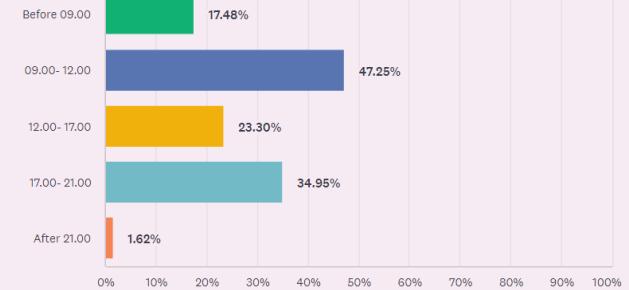
How often do you visit Woking Leisure Centre and Pool in the Park?

Answered: 309 Skipped: 0



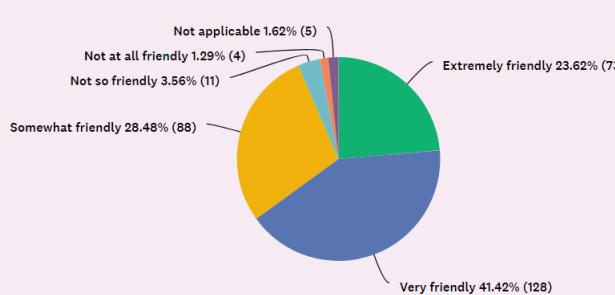
What time do you usually visit?

Answered: 309 Skipped: 0



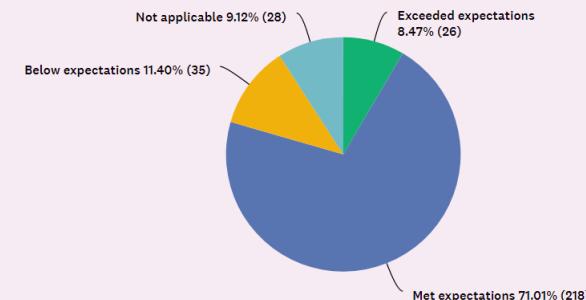
Staff and information: friendliness of staff

Answered: 309 Skipped: 0



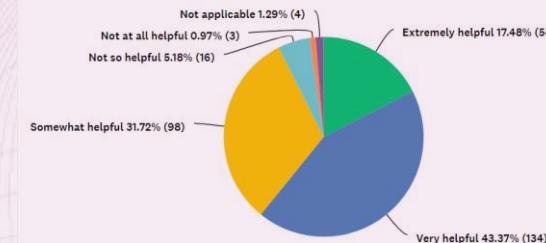
Staff and information: knowledge of staff

Answered: 307 Skipped: 2



Staff and information: helpfulness of staff

Answered: 309 Skipped: 0



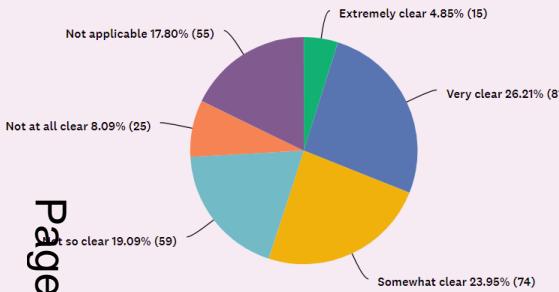
customer

Professional trusted partner



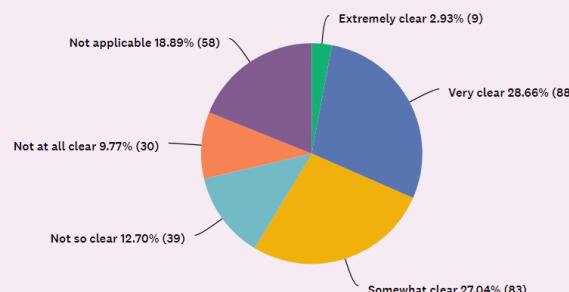
Staff and information: prices clearly displayed

Answered: 309 Skipped: 0



Marketing and booking: website

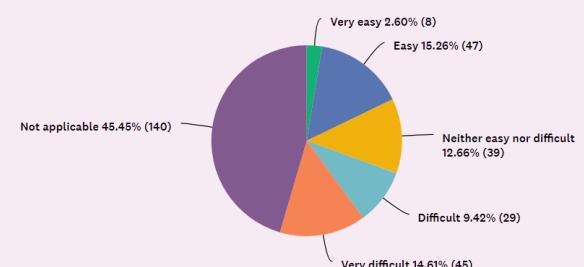
Answered: 307 Skipped: 2



General satisfaction survey

Marketing and booking: telephone bookings

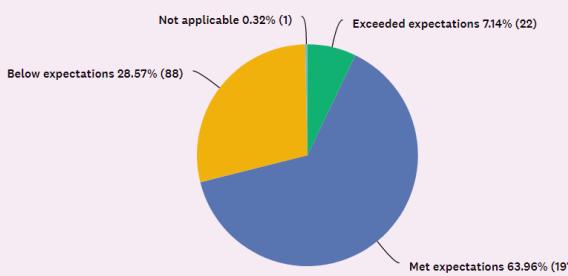
Answered: 308 Skipped: 1



Page 85

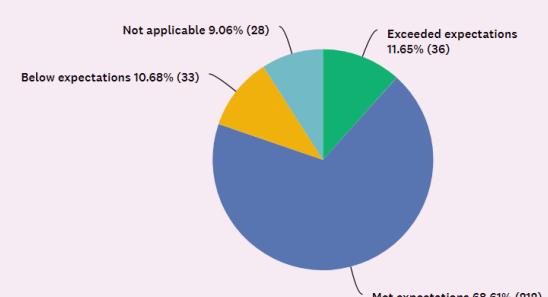
Facilities and activities: cleanliness of facilities

Answered: 308 Skipped: 1



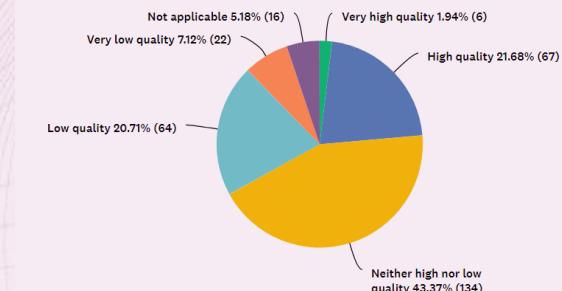
Facilities and activities: variety of activities

Answered: 309 Skipped: 0



Facilities and activities: maintenance

Answered: 309 Skipped: 0



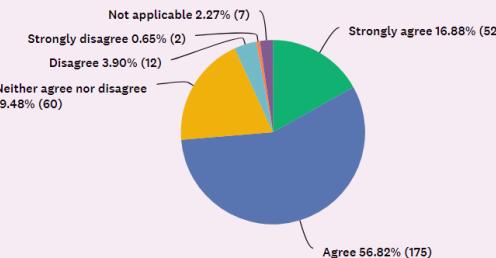
customer

Professional trusted partner



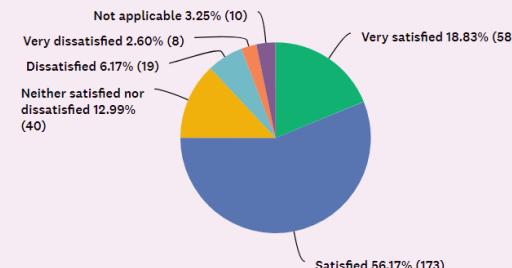
Facilities and activities: feeling of a safe environment

Answered: 308 Skipped: 1



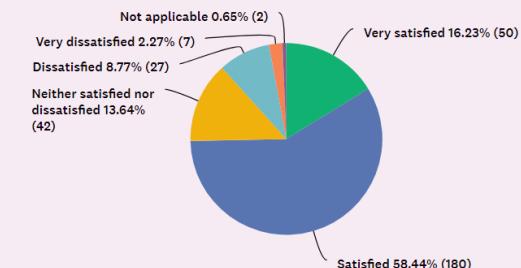
Facilities and activities: opening hours

Answered: 308 Skipped: 1



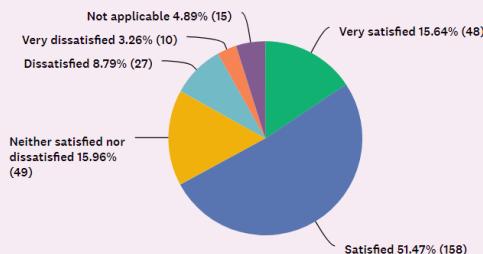
Value for money: enjoyment of the facility

Answered: 308 Skipped: 1



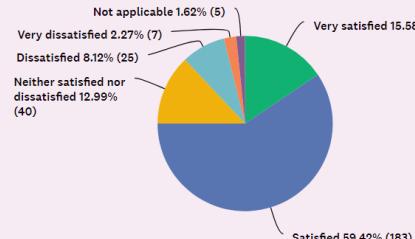
Value for money: membership options

Answered: 307 Skipped: 2



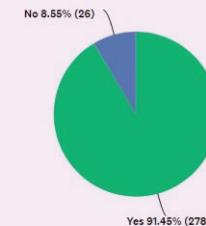
Overall: satisfaction with Woking Leisure Centre and Pool in the Park

Answered: 308 Skipped: 1



Overall: has Woking Leisure Centre and Pool in the Park improved your health and well being?

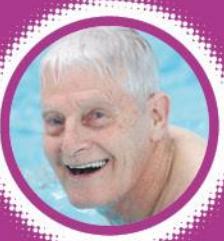
Answered: 304 Skipped: 5





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Agenda Item 9

OVERVIEW & SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

PERFORMANCE AND FINANCIAL MONITORING REVIEW

Executive Summary

An interim report went to the Overview & Scrutiny Committee on 11th July which set-out the initial highlights of the performance management review and outlined the next steps.

Since the meeting all Councillors have been invited to feed into the review, and work has been undertaken to draw all of the comments and suggestions into this report.

The proposed changes to the Green Book will not just be a revision of the current content, it is a step change in approach. Councillors have said how much they value the content but would like to see greater context and accessibility. The proposal is to align the current performance and financial monitoring (Green Book) data, with the Woking For All priorities, key project updates from the Corporate Programme Board, and key risks and budgets aligned around Directorates.

A total of 9 recommendations are being made for consideration. Some of these will already have been discussed, but agreement is now requested to enable a proposal to be prepared and submitted to the October Executive meeting.

If the recommendations are agreed at the October Executive, the review will move into Phase 2 which is based around implementation. This will be iterative, with a proposed update in January 2023 for comment and final revised version ready for the start of the 2023/24 financial year.

Recommendations

The Committee is requested to:

RECOMMEND TO THE EXECUTIVE That the recommendations contained in the report are agreed to enable the implementation phase to begin.

The item above will need to be dealt with by way of a recommendation to the Executive.

Background Papers: None.

Reporting Person: Adam Walther, Head of Transformation and Digital
Email: Adam.Walther@woking.gov.uk, Extn: 3335

Contact Person: Adam Walther, Head of Transformation and Digital
Email: Adam.Walther@woking.gov.uk, Extn: 3335

Portfolio Holder: Councillor Barker
Email: CllrAnn-Marie.Barker@woking.gov.uk

Shadow Portfolio Holder: Councillor Azad
Email: CllrAyesha.Azad@woking.gov.uk

Date Published: 02 September 2022

Performance and Financial Monitoring Review

1.0 Introduction

- 1.1 The purpose of this report is to provide an update on activity in relation to the performance and financial management review, and to seek agreement on the proposed revised structure and content of the Green Book replacement. This was initiated by the LGA Peer Review Action Plan (Gifty report) that was agreed February 2022 at Full Council.
- 1.2 Discussions will help to inform the report and recommendations that will be submitted to the Executive on 6th October 2022.
- 1.3 A key driver of the review is to ensure that the proposed approach continues to strengthen transparency around Council performance across all areas, and to establish clear lines of accountability in relation to the functions and services that are provided to residents.
- 1.4 The revised Green Book is not just a revision of the current content, it is a step change in approach to increase transparency and quality. Councillors have said how they much they value the content, but would like to see greater context and accessibility. The proposal is to align the current performance and financial monitoring (Green Book) data, with the Woking For All priorities, key project updates from the Corporate Programme Board, and key risks and budgets aligned around Directorates. Improved performance management narrative has also been requested. Directorates will be responsible for providing a short snapshot outlining how the Directorate is performing. This contributes to a 'snapshot on a page' for the Council as a whole, so residents can understand performance at a glance. The intention is to become more accessible and provide greater context to performance reporting.
- 1.5 This report outlines the proposed structure and content of the revised approach to performance management. Phase 2 will focus on updating the content into this agreed structure. This includes delivery against the Woking For All Strategy which will form a key component of the revised approach.
- 1.6 Following agreement at the October Executive the review will move into Phase 2 which is based around implementation. This will be iterative, with a proposed update in January 2023 for comment and final revised version ready for the start of the 2023/24 financial year.

2.0 Background

- 2.1 An interim report went to the Overview & Scrutiny Committee on 11th July 2022 which set-out the initial highlights of the performance management review and outlined the next steps.
- 2.2 Since the meeting all Councillors have been invited to feed into the review. In addition to feedback at the O&S meeting and 1:1s with the O&S Chair and Vice Chair, an additional response has been received in relation to the need to ensure that KPI charts/graphs are updated to be more engaging and user-friendly. Work has been undertaken to draw all of the comments and suggestions into this report.

3.0 Phase 2 Steps and Schedule

- 3.1 The next phase of this work is based around the implementation of the recommendations to be agreed by the Executive in October. It is anticipated that this process will be ready for the beginning of the next financial year. This will present the opportunity to have a clean break from the current Green Book and introduce a more holistic approach to performance management for the 2023/24 financial year.
- 3.2 To ensure that progress is made, it is proposed that a version 1 revised performance report is produced in January 2023 to reflect the October to December 2022 outturn. At this point the monitoring of the Woking For All Strategy will be well established. Feedback will be sought from stakeholders, changes will be made, and a version 2 will be produced for January to

Performance and Financial Monitoring Review

March 2023 outturn. This iterative process will ensure that the full process is ready for full go-live from April 2023. Please note that version 1 and 2 will be produced alongside the existing Green Book, not instead of. It will be available for members to comment on but not be published. Members will be able to request copies of the revised version ahead of public publication in 2023/24.

- 3.3 Based on the proposed schedule, the first report under the new structure will reflect Q1 2023/24, covering the period April to June 2023. Each quarterly report will be produced and be available in the month after the reporting period, i.e. Q1 will be published in July 2023.
- 3.4 As is the case now, a timetable will be produced at the beginning of each financial year to ensure all contributors (KPI leads, Finance, Thameswey etc.) are fully aware of the deadlines that they should be working to.

4.0 Recommendations

- 4.1 Following the review, a total of 9 recommendations are being made for consideration. Some of these points will already have been discussed, but agreement is now requested to enable a proposal to be prepared and submitted to the October Executive meeting. Recommendations are as follows:

1. Structuring by Directorate:

- 4.2 Performance Management should be structured around the Council's three Directorates; Communities, Corporate Resources, and Place. An introductory note at Chief Executive level will sit above the 3 Directorates and bring together cross-cutting themes, provide a narrative as to the direction of travel for the Council, report budget performance at corporate level, and highlight progress against the 5 Woking For All themes.
- 4.3 This approach will provide a clearer link to the Woking For All Strategy and will move towards a merging of KPI and financial information to provide a service-by-service narrative. This approach will also provide clearer accountability at Strategic Director Level. A diagram of how this will look is attached at Appendix 1.

2. Consolidate Corporate Reporting:

- 4.4 It is recommended that the new performance management regime facilitates the merging of a number of reports that exist already. This will prevent multiple reports being created for different meetings and help to consolidate all relevant information into one document. A list of the recommended components to be reported for each directorate is as follows:

- Strategic Director summary of progress, issues arising, and achievements
- Woking For All Actions Progress Report
- Directorate Budget Status
- Investment/Capital Programme Update
- Directorate Savings Targets
- Directorate Strategic Risks
- Key KPI's.

- 4.5 The Performance Report will in future include the monitoring of complaints in relations to the Council's Housing landlord functions now that these services have come back in house.

3. Project Management Reporting:

- 4.6 It is recommended that project management reporting is not included in the quarterly performance report. The reasoning behind this is that the existing project monitoring report has

Performance and Financial Monitoring Review

been developed over time based on feedback from Councillors, CLT, and audit, and the report that is currently produced is subject to robust scrutiny and governance as part of the Corporate Programme Board arrangements and regular submission to the Executive Committee for review.

- 4.7 In addition, the level of information produced is such that A3 sized reports are required, and this will not easily lend itself to the format envisaged for Performance Management reports. It is recommended, however, that future Project Monitoring reports are grouped by directorates to reinforce the new structure of the Council and enable Strategic Directors to quickly see the status of projects that fall under their remit.

4. Frequency:

- 4.8 The compilation and publication of performance management should be undertaken on a quarterly basis. A quarterly report will allow officers the time to better review and analyse data, which in turn will lead to a more focused narrative. Output will be of a higher quality, with improved narrative which will provide greater insight to Councillors and residents. Quarterly reporting will also allow performance management to closely align with project, risk, and Woking For All action updates; this means key areas can be presented and reviewed at the same time, facilitating the joining-up of information across the organisation. No other Surrey local authority reports monthly, the majority report on a quarterly or six-monthly basis, with formal published reports often being compiled annually.

5. Self-Service KPI's:

- 4.9 As part of the consultation process, several comments were received from Councillors that high profile KPI's, such as waste collection, would benefit from monthly reporting rather than the proposed quarterly performance management publication. The intention is that such KPI's will continue to be available on a monthly basis, with the potential for automatic publication to the Council's website. This will allow Councillors and residents to self-serve i.e., users will be able to access and interrogate the information as needed.
- 4.10 As part of the review of performance management a pilot exercise in the use of Microsoft Power BI has been commissioned; the pilot is intended to demonstrate how this self-service approach would work. The findings are not yet known, but the intention is to have any such service available ready for the new financial year alongside the implementation of the other recommendations in this report.

6. Detailed KPI Assessment:

- 4.11 As part of phase 2 every current KPI will be assessed with the data owner, Strategic Director, and portfolio holder as appropriate to determine if (a) the KPI should continue to be monitored or removed (b) if yes, whether it can be published as part of the self-service approach listed at 4.6 above or (c) whether it warrants inclusion in new Corporate Performance Management report.
- 4.12 In line with Councillor feedback, the assessment will also ensure that each KPI is user friendly, engaging, and easy to understand and, wherever possible, the KPI is adjusted to move away from dated charts and graphs.
- 4.13 It is also recommended that each directorate has a KPI section based around customer feedback and, where appropriate, benchmarking against neighbouring authorities.

7. Move to In-Year Financial Monitoring:

- 4.14 The Green Book currently monitors budgets by variation or exception, which has been used as a method to focus on areas of concern or anomaly. To take this approach further, it is

Performance and Financial Monitoring Review

recommended that service and staff budgets for each directorate are monitored on actual spend vs. planned or profiled spend. This will allow officers and Councillors to identify overspends or issues in advance of end of year reconciliation. Variations/exceptions will still be required in the performance management report for each directorate but should be built around in-year financial monitoring.

8. Separating Financial Information:

- 4.15 If performance management is structured by Directorate as proposed, it will not allow for separate Financial and Treasury Management sections as is currently the case in the Green Book. The recommendation for these sections is as follows:
- 4.16 **Financial Management Information:** The 11 reports in this section of the Green Book will need to be split out and adjusted to conform to the new structure. For example, items such as Community Infrastructure Funding and Car Parks Income would form a KPI and narrative that would sit under the Place Directorate. Employee Costs and Numbers would sit under Corporate Resources and so on. This will provide a more joined-up approach to directorate reporting and help to group related service information.
- 4.17 **Treasury Management Information:** It is recommended that the 4 reports in this section of the Green Book (Summary of external commitments, long term loans, deals outstanding and new deals undertaken) are removed from the performance monitoring publication and are published separately to either the Council website as part of the move to self-service, or taken independently to the Finance Task Group.

9. Renaming:

- 4.18 The ‘Green Book’ title causes confusion. It was initially named after the colour of the paper it was printed on. It may also be interpreted as the HM Treasury method in how to appraise policies, programmes and projects, referred to as the Green Book. The proposed name is the ‘Woking For All Performance Report’ or ‘Performance Report’ for short. This includes financial, project and operational performance.

5.0 Resources

- 5.1 The recommendations in this report will require significant effort to implement. The changes will have a direct impact on all contributors to performance management, particularly:
- 5.2 **Business Improvement** in the development of the plans and processes and creation of draft performance management versions alongside the existing Green Book. It is estimated that this work can be completed to schedule (Q1 2023/24) and within existing resources.
- 5.3 **Finance colleagues** will need to rebuild budgets to align to the new directorates, investigate steps required to move towards in-year reporting, agree the publication process for Treasury Management reports (subject to recommendation 4.9 being agreed) and work with Business Improvement on draft versions of the new performance management report to align financial reports to each directorate.
- 5.4 **ICT** in the implementation of Microsoft Power BI and the move towards the publishing of KPI’s to the Council website or other such platform.

6.0 Corporate Strategy

- 6.1 Robust performance and financial monitoring underpin the effective delivery of the functions that the Council provides, which in turn supports the objectives listed in the Woking For All Strategy. A cross cutting theme in the Woking For All Strategy is a ‘High Performing Council’,

Performance and Financial Monitoring Review

and this review will help to achieve one of the stated priorities which is to 'develop and strengthen strategic financial planning and performance'.

7.0 Implications

Finance and Risk

- 7.1 No implications arise specifically from this report.

Equalities and Human Resources

- 7.2 None arising from this report.

Legal

- 7.3 None arising from this report.

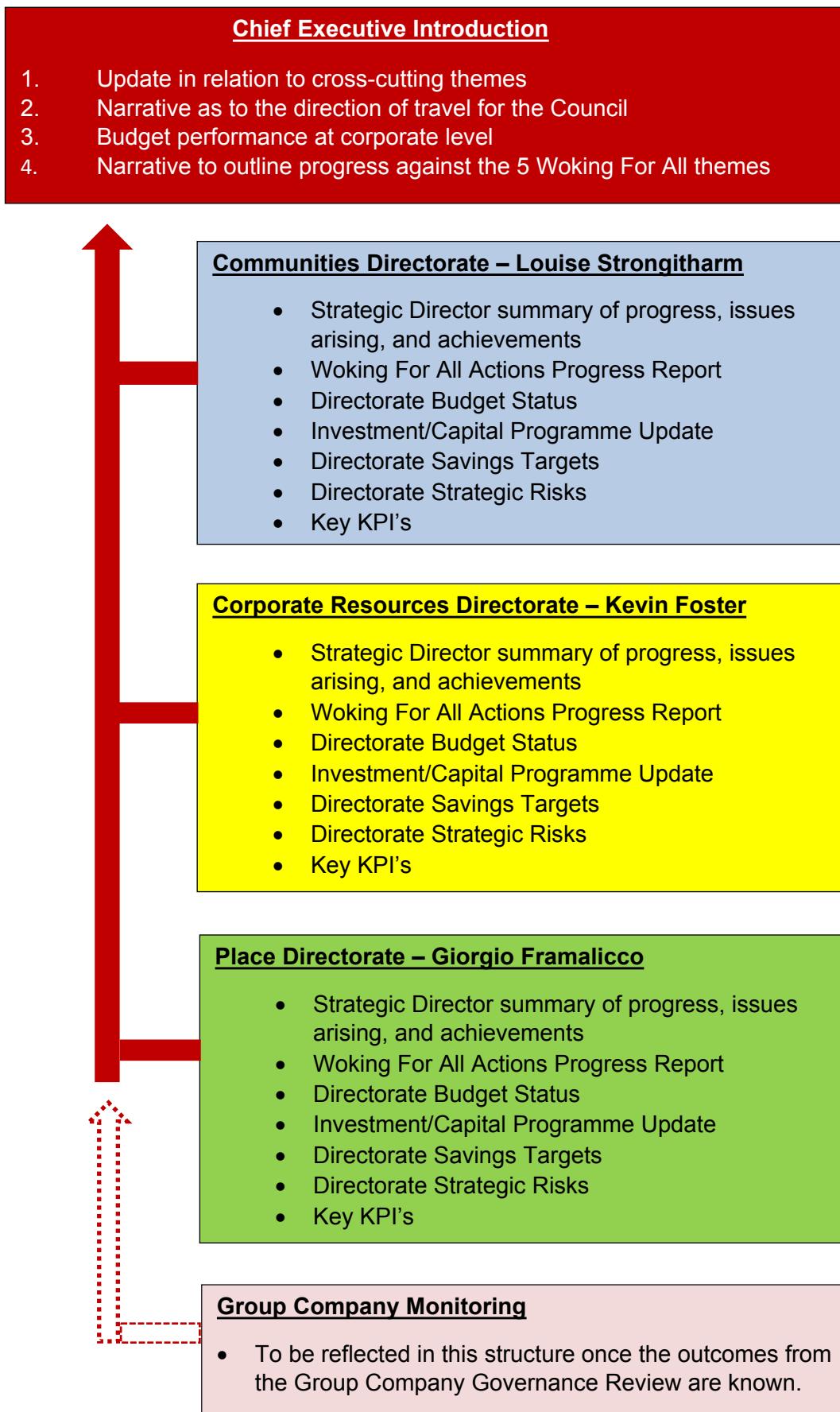
8.0 Engagement and Consultation

- 8.1 Engagement and consultation have been undertaken with both Councillors and Officers and the feedback received has key to the creation of this report.

REPORT ENDS

Performance and Financial Monitoring Review

Proposed Structure of Council Performance Monitoring



Agenda Item 10

OVERVIEW & SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

REVIEW OF THE CONSTITUTION

Executive Summary

This report outlines the proposed timetable and consultation process to undertake a review of the Council's Constitution. Members are invited to discuss the matter in general terms and make early suggestions for inclusion within the review.

Recommendations

The Committee is requested to:

RESOLVE That the report be noted.

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

Background Papers: [The Constitution](#)

Reporting Person: Joanne McIntosh, Director of Legal and Democratic Services
Email: Joanne.McIntosh@woking.gov.uk, Extn: 3038

Contact Person: Joanne McIntosh, Director of Legal and Democratic Services
Email: Joanne.McIntosh@woking.gov.uk, Extn: 3038

Portfolio Holder: Councillor Ann-Marie Barker
Email: CllrAnn-Marie.Barker@woking.gov.uk

Shadow Portfolio Holder: Councillor Ayesha Azad
Email: CllrAyesha.Azad@woking.gov.uk

Date Published: 2 September 2022

1.0 Introduction

- 1.1 The Council is required by law (Local Government Act 2000) to prepare and maintain a constitution. It has been agreed that a wholesale review of the Constitution shall be undertaken. As a matter of good practice, this review shall include consulting with all Members together with the Overview and Scrutiny Committee and Standards and Audit Committee prior to adoption by Full Council. This report outlines the timetable and proposed methodology of the review and invites comment and suggestions from the Committee to inform the review.
- 1.2 Councillors will be familiar with the Constitution which sets out the basic rules governing the Council's business. For ease of reference, a link to the same is provided as a background document.

2.0 The Constitution

- 2.1 The purpose of the Constitution is to:

- (a) enable the Council to provide leadership to the community in partnership with citizens, businesses and other organisations;
- (b) support the active involvement of local people in decisions made by the Council;
- (c) help councillors represent their constituents more effectively;
- (d) enable decisions to be taken efficiently and effectively;
- (e) create a powerful and effective means of holding decision-makers to public account;
- (f) ensure that no one will review or scrutinise a decision in which they were directly involved;
- (g) ensure that those responsible for decision making are clearly identifiable to local people, and that they can explain the reasons for their decisions; and
- (h) provide a means of improving delivery of services to the community.

- 2.2 The Council exercises all of its powers and duties in accordance with the law and its constitution. The Constitution should at all times remain fit for purpose and its aims and principles given effect.
- 2.3 The Constitution should primarily be a locally driven document which reflects the character and culture of the organisation and facilitates Council business, rather than something that creates bureaucratic procedures. However, the Committee should be mindful that this is a delicate balance; the Constitution is the Council's rule book which governs the Council's business and as such certain procedures and practices must remain.

3.0 Initial considerations

- 3.1 As part of the review, I shall seek to modernise the Constitution and make it user friendly avoiding the use of legal jargon wherever possible. It is also intended to provide clarification through clear drafting on areas which lead to confusion. For example, in respect of amendments to motions; what constitutes an amendment, when can it be made and how the debate follows. These changes shall ensure that the document is widely accessible and understandable to all and in turn shall provide assurance that the Council is operating in an open and transparent manner.

- 3.2 The Constitution has been updated over the years as and when necessary, for example to reflect changes in the law or structure of the Council. This can at times lead to inconsistency in terminology and/or approach. A wholesale review shall ensure consistency between various parts of the Constitution. Further to this, timeframes and deadlines can be aligned to ensure efficiencies. For example, the deadline for submitting a Notice of Motion falls after the agenda is published.
- 3.3 Ideally, the review of the Constitution shall result in a reduction in size of the document whilst ensuring that it meets legal requirements. The review proposes to remove any duplication or unnecessary provisions contained within the document, streamlining wherever possible and using short and concise drafting.
- 3.4 The review shall encompass all codes, protocols and rules contained within it to ensure they remain reflective of best practice and guidance.
- 3.5 Unless otherwise agreed, it is not proposed to re-visit areas which have recently been updated such as the Members Code of Conduct and Arrangements for the Dealing with Allegations of Misconduct by Councillors under the Localism Act. These Arrangements have been recently updated following consultation with Members.
- 3.6 The review shall ensure that the Constitution continues to achieve and deliver the purposes of the Constitution in a way which reflects the character and culture of the organisation and enables the Council business to proceed in an open and transparent manner.
- 3.7 Following the adoption of the new Constitution it is proposed to produce a companion guide that will assist Members, Officers and residents to understand the Council's Constitution.

4.0 Observations

- 4.1 Councillors will, of course, be familiar with the Constitution and the procedures of the Council contained within it. The Committee is invited to suggest high level themes and areas that they would like to see considered during the review of the constitution. It is always helpful to have constructive feedback and the Committee's thoughts are welcomed:
 - What works well?;
 - What could be improved?;
 - Is the structure right and does it work (length/articles/summary etc)?;
 - Is it sufficiently "public facing" - can people express their views at meetings adequately?; and
 - Are complaints and other processes clear?

5.0 Timetable

- 5.1 The proposed timetable outlined below provides an indicative overview of the approach that shall be undertaken:

Date	Consultee	Aim/Purpose
12 Sept 2022	Overview and Scrutiny Committee	To inform the Committee of the review and discuss high level amendments and themes to the Constitution.
Sept/Oct	All Member workshops/ feedback sessions. Consultation with Portfolio Holder and Executive. Consultation with Co-opted Member and Independent Person.	To inform the review. To enable a discussion at a granular level.
Sept/Oct	Consultation with CLT and Senior Managers	To inform the review.
Sept/Oct	Executive and CLT meeting	To consider proposed amendments to the Constitution.
24 Nov 2022	Standards and Audit Committee	To inform the review and consider amendments to the Constitution.
17 Nov 2022	Executive	To receive and comment upon the amended Constitution.
1 Dec 2022	Full Council	To adopt the Council's new Constitution.

6.0 Corporate Strategy

- 6.1 The review of the Constitution supports the Corporate Strategy ensuring the Council is a high performing Council and that its practices and procedures are open, transparent and accessible to all.

7.0 Implications

Finance and Risk

- 7.1 There are no specific implications.

Equalities and Human Resources

- 7.2 There are no specific implications.

Legal

- 7.3 There is a duty to maintain the Constitution.

8.0 Engagement and Consultation

- 8.1 The proposed timetable and consultation is outlined in the body of the report.

REPORT ENDS



Overview and Scrutiny Work Programme

This Overview and Scrutiny Work Programme is published with the purpose of assisting the Council in its overview and scrutiny role. The Work Programme covers the following areas:

- Items for consideration at future meetings of the Overview and Scrutiny Committee.
- Any Scrutiny Review Topics proposed by Members of the Council for inclusion on the Work Programme.
- Any topics identified for pre-decision scrutiny.
- The draft forward programme of work for the Executive.
- Details of the current Task Groups under the Committee's remit.

The Work Programme is designed to assist the Council with its overview and scrutiny role by providing Members with an indication of the current workload, subjects to be considered for review and items which the Executive expects to consider at its future meetings, so that matters can be raised beforehand and/or consultations undertaken with a Member of the Executive prior to the relevant meeting.

Any changes to the Work Programme since it was last published have been highlighted in green.

The Committee

Chairman: Councillor A Azad

Vice-Chairman: Councillor J Sanderson

Councillor H Akberali	Councillor C Kemp
Councillor A Caulfield	Councillor A Kirby
Councillor K Davis	Councillor J Morley
Councillor P Graves	Councillor M I Raja

2022/23 Committee Dates

6 June 2022	21 November 2022
11 July 2022	23 January 2023
12 September 2022	20 February 2023
17 October 2022	20 March 2023

Recommendations

The Committee is requested to:

RESOLVE That the report be noted.

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

The Overview and Scrutiny Work Programme

Background Papers:	None.
Reporting Person:	Councillor Ayesha Azad Email: clrrayesha.azad@woking.gov.uk
Contact Person:	Toby Nash, Scrutiny and Democratic Services Officer Email: toby.nash@woking.gov.uk, Extn: 3056
Portfolio Holder:	Councillor Ann-Marie Barker Email: clrrann-marie.barker@woking.gov.uk
Shadow Portfolio Holder:	Councillor Ayesha Azad Email: clrrayesha.azad@woking.gov.uk
Date Published:	2 September 2022

REPORT ENDS

Suggested Additions to the Work Programme

Following the last meeting of the Committee, the Chairman and Vice-Chairman provided Officers with a list of items for consideration over the coming year. Where possible, these have been added to the Work Programme. Set out below are any ideas which have been requested but are yet to be included against a specific meeting of the Committee.

Decision to be Taken	Proposed by	Officer Comment
Biannual Overview of Complaints Report	Chairman and Vice-Chairman	Following the meeting of the Committee on 21 February it was expressed by Members that the possibility of having this report appear at the Committee twice a year, as opposed to once a year would be beneficial.
Overview and Scrutiny Committee Communications Plan	Chairman and Vice-Chairman	Following the work that was undertaken to develop a communications plan for the Committee it was advised to the Chairman that it would be beneficial for the 2022/2023 Committee to receive a report on the Communications Plan.
Pre-Decision Scrutiny – Risk Management Update	CLT	This item was previously due to be considered by the committee on 12 September 2022. It has been removed while training in risk management is arranged for Councillors

The Work Programme 2022/23

Overview and Scrutiny Committee Meeting – 17 October 2022

1 – Performance Management

- 1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book)

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2 – Matters for Consideration

- 2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

- 2.2 Centres for the Community.** To receive an update from the Family and Community Services Manager.

Consultation	Background Documents	Contact Person/Team
None	None	Adam Thomas

- 2.3 Community Lottery Proposal.** To receive a proposal to introduce a community lottery administered by GatherWell.

Consultation	Background Documents	Contact Person/Team
None	None	Franky Jeffrey

3 – Task Group Updates

- 3.1 Task Group Update.** To receive an update from any meetings of the three Task Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chairman of each Task Group

Overview and Scrutiny Committee Meeting – 21 November 2022

1 – Performance Management

1.1 Performance & Financial Monitoring Information. For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book)

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2 – Matters for Consideration

2.1 Work Programme. For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2.2 Celebrate Woking 2022/2023 Review and Forward Plan. For the Committee to receive the latest review of Celebrate Woking and the Forward Plan

Consultation	Background Documents	Contact Person/Team
None	None	Riette Thomas

2.3 Play Areas Provision. For the Committee to receive the latest review of the Play Areas Provision.

Consultation	Background Documents	Contact Person/Team
None	None	Neighbourhood Services

2.4 Treasury Management Mid-Year Review. For the Committee to receive the Mid-Year Treasury Management Review

Consultation	Background Documents	Contact Person/Team
None	None	Leigh Clarke

2.5 Insulation and Energy Efficiency. For the Committee to receive an update on insulation and energy efficiency.

Consultation	Background Documents	Contact Person/Team
None	None	Tracey Haskins

3 – Task Group Updates

3.1 Task Group Update. To receive an update from any meetings of the three Task Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chairman of each Task Group

Overview and Scrutiny Committee Meeting – 23 January 2023

1 – Performance Management

1.1 Performance & Financial Monitoring Information. For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book)

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2 – Matters for Consideration

2.1 Work Programme. For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2.2 Joint Waste Management Performance Review. For the Committee to receive the latest Performance Review of Joint Waste Management.

Consultation	Background Documents	Contact Person/Team
None	None	Neighbourhood Services

2.3 Noise Complaints Update. The Committee to receive the Noise Complaints Update (pending the Review of Performance and Financial Monitoring Information).

Consultation	Background Documents	Contact Person/Team
None	None	Emma Bourne

3 – Task Group Updates

3.1 Task Group Update. To receive an update from any meetings of the three Task Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chairman of each Task Group

Overview and Scrutiny Committee Meeting – 20 February 2023

1 – Performance Management

- 1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book)

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2 – Matters for Consideration

- 2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

- 2.2 Freedom of Information Requests Annual Report.** To review the statistics and requests that proceed to the Information Commissioners Office.

Consultation	Background Documents	Contact Person/Team
None	None	Natalie Khan Frank Jeffrey

- 2.3 Overview of Complaints Received and Contract Review Annual Report.** A review of the complaints received over the past year and identify any trends.

Consultation	Background Documents	Contact Person/Team
None	None	Joanne McIntosh Adam Browne

- 2.4 Enterprise M3.** The receive a presentation on the work carried out by Enterprise M3.

Consultation	Background Documents	Contact Person/Team
None	None	Stephen Martin Giorgio Framalicco

- 2.5 Annual Update on Climate Change.** For the committee to consider

Consultation	Background Documents	Contact Person/Team
None	None	Lara Beattie

3 – Task Group Updates

3.1 Task Group Update. To receive an update from any meetings of the three Task Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chairman of each Task Group

Overview and Scrutiny Committee Meeting – 20 March 2023

1 – Performance Management

- 1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book)

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

2 – Matters for Consideration

- 2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Democratic Services

- 2.2 Safer Woking Partnership – Community Safety Plan.** The Police and Justice Act 2006 gave local authorities responsibility for considering crime and disorder matters. In 2010 the Committee agreed that the Safer Woking Partnership Plan would be brought forward annually for scrutiny.

Consultation	Consultation	Contact Person/Team
None	None	Camilla Edmiston

- 2.3 Annual Report of the Overview & Scrutiny Committee.**

Consultation	Background Documents	Contact Person/Team
None	None	Chairman

- 2.4 Annual Update on Climate Change.**

Consultation	Background Documents	Contact Person/Team
None	None	Lara Beattie

3 – Task Group Updates

- 3.1 Task Group Update.** To receive an update from any meetings of the three Task Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chairman of each Task Group

The Draft Executive Work Programme

The following list sets out the draft forward programme of work for the Executive over the coming year. The programme is subject to additions and alterations and will be updated for future meetings of the Overview and Scrutiny Committee. The purpose of the list is to enable the Members of the Overview and Scrutiny Committee to identify those items they would like to scrutinise under the Committee's function of pre-decision scrutiny. The list includes those items for recommendation to Council as well as those for determination by the Executive.

Executive – 6 October 2022

Matters for Consideration

- 1) Notice of Motion – Cllr W Forster – Proportional Representation
- 2) Victoria Place – Six Months On
- 3) Empty Homes Plan
- 4) Animal Welfare Policy
- 5) Performance and Financial Monitoring Review
- 6) Selective Licensing Review
- 7) Recommendation from Licensing Committee – Review of Taxi Fares
- 8) Confidentiality Protocol Annual Report
- 9) Performance and Financial Monitoring Information
- 10) Monitoring Reports – Woking For All Strategy
- 11) Monitoring Reports - Projects

Executive – 17 November 2022

Matters for Consideration

- 1) Review of the Constitution
- 2) Partnership Landscape
- 3) Thameswey Business Plans
- 4) Review of Fees and Charges 2023-24
- 5) Calendar of Meetings 2023-24
- 6) Draft Medium Term Financial Strategy (MTFS) and General Fund Budget 2023-24
- 7) Draft Housing Revenue Account Budget Update 2023-24
- 8) Draft Investment Programme 2022-23 to 2026-27
- 9) Housing Infrastructure Fund (HIF) - Update
- 10) Affordable Housing Delivery Supplementary Planning Document (SPD)
- 11) Performance and Financial Monitoring Information

Executive – 19 January 2023

Matters for Consideration

- 1) Town Centre Masterplan
- 2) Play Areas Update
- 3) Performance and Financial Monitoring Information
- 4) Monitoring Reports - Projects

Executive – 2 February 2023

Matters for Consideration

- 1) Medium Term Financial Strategy (MTFS), General Fund, Service Plans, Budgets and Prudential Indicators 2023-24
 - 2) Housing Revenue Account Budgets 2023-24
 - 3) Investment Programme 2022-23 to 2026-27
 - 4) Capital, Investment and Treasury Management Strategies
 - 5) Performance and Financial Monitoring Information
-

Executive – 23 March 2023

Matters for Consideration

- 1) Greener Woking
 - 2) Climate Change Supplementary Planning Document (SPD)
 - 3) Affordable Housing Delivery Supplementary Planning Document (SPD)
 - 4) Regulation of Investigatory Powers Act 2000 – Annual Monitoring Report
 - 5) Write off of Irrecoverable Debt
 - 6) Performance and Financial Monitoring Information
-

Current Task Groups Responsible to the Committee

The table below provides a list of current Task Groups established by the Committee, including an indication of the resource requirements and the anticipated completion date. Updates on the progress of individual Task Groups are included elsewhere on the Committee's agenda.

Economic Development Task Group	
Remit:	<p>The Economic Development Task Group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality. The Elected Members to be appointed annually by the Overview and Scrutiny Committee in May. The Portfolio Holder for Promoting the Local Economy shall be an ex-officio member.</p> <p>Members of the Task Group will be expected to gain the views of Councillors/ Officers/ other representatives with a view to reporting those views to the Task Group.</p> <p>Members of the Task Group may also be charged with specific areas to research and report back on to the Task Group.</p> <p>Members of the Task Group may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p> <p>Substitutes may be appointed when necessary.</p>
Membership:	Councillors Akberali, Aziz, Davis, Elson, Morley, Oades, Roberts.
Resources:	Officer and Councillor time.
Date Established:	11.03.09
Completion Date:	Ongoing

Finance Task Group	
Remit:	<p>The Task Group has been established as a Standing Task Group to review financial issues as identified either by itself or the Overview and Scrutiny Committee. The Task Group will receive financial information, including reports to the Executive, to enable it to undertake effective scrutiny of the financial performance of the Council.</p> <p>The Task Group will receive reports on areas such as Treasury Management, Budget Process and Financial Forecast, Statement of Accounts, Investment Programme, Review of Fees and Charges, General Fund Budget, Update on Commercial Rents, Update on Irrecoverable Debt, and matters arising from the Green Book. Its Work Programme will be received at each Task Group meeting.</p>
Membership:	Councillors Akberali, Azad, Aziz, Davis, Kirby, Oades and Sanderson
Resources:	Officer and Councillor time.
Date Established:	25.05.06
Completion Date:	Ongoing

HIF Task Group	
Remit:	<p>The HIF Task Group has been established following the decision on 23 May 2022 to take on the responsibilities of the Aggregates Site Working Group and the HIF Oversight Panel.</p> <p>The Task Group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality. The Elected Members to be appointed annually by the Overview and Scrutiny Committee in May.</p> <p>Members of the Task Group will be expected to gain the views of Councillors/ Officers/ Portfolio Holder / External Advisors and other representatives with a view to reporting those views to the Task Group.</p> <p>Members of the Task Group may also be charged with specific areas to research and report back on to the Task Group. Any investigation requiring funding would normally be expected to be part of the existing housing budget. Offsite visits will be ad hoc. Requests for additional funds for the purpose would be submitted to the Portfolio Holder.</p> <p>Task Group Members may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p>
Membership:	Councillors Akberali, Ali, Azad, Johnson, Kemp, Lyons and Nicholson.
Resources:	Officer and Councillor time.
Date Established:	23.05.22
Completion Date:	Ongoing

HIF Housing Output Task Group	
Remit:	<p>The HIF Housing Outputs Task Group has been established following the decision on 22 November 2022 to set-up a task group to look at the housing element of the Housing Infrastructure Fund. The Task group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality.</p> <p>Members of the Task Group will be expected to gain the views of Councillors/ Officers/ Portfolio Holder / External Advisors and other representatives with a view to reporting those views to the Task Group.</p> <p>Members of the Task Group may also be charged with specific areas to research and report back on to the Task Group. Any investigation requiring funding would normally be expected to be part of the existing Overview and Scrutiny Budget. Offsite visits will be ad hoc.</p> <p>Task Group Members may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p>
Membership:	Councillors Akberali, Ali, Azad, Forster, Johnson, Kemp and Kirby.
Resources:	Officer and Councillor time.
Date Established:	24.01.22
Completion Date:	To be confirmed.

The Overview and Scrutiny Work Programme

Housing Task Group	
Remit:	<p>The Housing Task Group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality. The Elected Members to be appointed annually by the Overview and Scrutiny Committee in May.</p> <p>Members of the Task Group will be expected to gain the views of Councillors/ Officers/ Portfolio Holder / External Advisors and other representatives with a view to reporting those views to the Task Group.</p> <p>Members of the Task Group may also be charged with specific areas to research and report back on to the Task Group. Any investigation requiring funding would normally be expected to be part of the existing housing budget. Offsite visits will be ad hoc. Requests for additional funds for the purpose would be submitted to the Portfolio Holder.</p> <p>Task Group Members may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p>
Membership:	Councillors Akberali, Aziz, Cosnahan, Dorsett, Johnson, Lyons and Whitehand.
Resources:	Officer and Councillor time.
Date Established:	25.05.06
Completion Date:	Ongoing

Agenda Item 13

OVERVIEW & SCRUTINY COMMITTEE – 12 SEPTEMBER 2022

ECONOMIC DEVELOPMENT TASK GROUP UPDATE

Executive Summary

The Economic Development Task Group met for the first time in this new Municipal Year on 25th July 2022, the meeting was conducted via Zoom. The new group comprises of seven Councillors: Cllr Hassan Akberali, Cllr Tahir Aziz, Cllr Gary Elson, Cllr John Morley, Cllr Stephen Oades, Cllr Dale Roberts and Cllr Kevin Davis.

The first item of business for the group was to elect the Chairman and Vice - Chairman for the remainder of the Municipal Year, Cllr Gary Elson was elected as Chairman with Cllr Stephen Oades elected as Vice-Chairman.

The group reviewed and discussed the minutes from the last meeting held on 23rd March 2022, there were no Matters Arising.

Chris Norrington introduced the Business Liaison team members to the Group, Riette Thomas then gave a presentation on the work of the team and its activities. Riette referred to the Economic Development priorities as set in Core Strategy 2022 to 2027:

A Borough of opportunity; Strong and Stable Economy and a Borough with an enabling infrastructure. Woking Works was created in 2017 as a directory of services and has been transformed since that time, now facilitating a link between the Business Liaison Team and a wide spectrum of local organisations with over 5000 businesses operating in the Borough.

The group were reminded of the activities undertaken under the Woking Works brand were: Providing business support and advice; Supporting start-ups; the Woking Jobs Board; the Woking Hospitality Alliance; Business Directory; Engagement; Property Enquiries and Inward Investment.

Riette Thomas has emphasised the import role of Councillors in sharing the Woking Works activities listed on Facebook through their social media channels. The annual TEDx event is due to be held in November, other events of note are the economic breakfast with the Bank of England, the Crest Awards and Woking Means Business.

The original Economic Development Strategy ended in March this year, the timescales for the next strategy have yet to be decided. Looking forward The Action Plan containing five Key Priorities and 89 actions was circulated to the Group. The five Key Priorities are:

1. Focus on Business
2. Build on our People and Skills advantages
3. Future proofing our Borough's town and village centres
4. Woking the place to be
5. Destination Woking

The group was advised that an investment plan for Destination Woking is to be received by the Corporate Leadership Team this September.

All 89 Actions were linked to the Woking For All Strategy and a quarterly summary was provided to Giorgio Framalicco alongside a twice yearly update for the Task Group on the actions and activities taken place during the period.

Both the Group Members and Officers recognise that some aspects of the Action Plan will need to be revisited given the rapidly changing Global Economy and the cost-of-living crisis that is having an effect on people living and working in the Borough. It is also recognised that it is important to identify those businesses that operate from home as well as Sole Traders and the Self Employed.

Economic Development Task Group Update

Regular business drop-in sessions with local businesses were being held across the Borough, the most recent was in St Johns which had been well received with valuable exchanges of information helpful to all sides. The next planned sessions were due in West Byfleet and Knaphill. Further updates on these and others will be made in the next report.

There has been close working with Council Services such as Estates Management and Green Infrastructure; agencies such as the Department of Work and Pensions to reduce the level of claimant counts; and Surrey Chambers and the Woking Federation of Small Businesses.

The Group are keen to ensure that Woking continues to be promoted as a Town and Borough of destination and opportunity not only for employment but also for leisure and recreation and that we maximise the potential of the many unique and interesting activities, features, legends and heritage that we have to offer. This will appeal to visitors and in doing so help support our local economy.

The Celebrate Woking website had been set up 10 years ago and the excellent work of the team had been instrumental in our past successes, it has been reported that the site now receives around 10,000 visits per month.

We wish to thank the Business Liaison team and colleagues for all the invaluable work they do to ensure that Woking continues to have a balanced, positive and credible Economic Development Strategy.

Recommendations

- (i) The Task Group to receive a quarterly update on the Action Plan
- (ii) The Terms of Reference be reviewed to ensure they remain current and fit for purpose

The Committee is requested to:

RESOLVE That the report be noted.

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

Background Papers: None.

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HIF TASK GROUP – 23 JUNE 2022 & 25 JULY 2022

HIF TASK GROUP UPDATE

Executive Summary

23 June 2022

Election of Chairman – Councillor Colin Kemp was elected as Chairman of the HIF Task Group for the year 2022-23.

Election of Vice-Chairman – Councillor Ian Johnson was elected as Vice-Chairman of the HIF Task Group for the year 2022-23.

The Task Group received a project update as well as information on the report to be proposed to be sent to the Executive in July concerning the project. The Executive report would highlight the key concerns with the project and include a proposal to ‘pause and review’ the project given the likely exposure and scale of risk of committing to further expenditure.

It was reported that work was still underway on the bridge closure plan, however it was anticipated that the pedestrian and cycle routes would remain open for longer than previously thought. It was anticipated that the bridge would close for 2.5 years for traffic and potentially only 7 months for pedestrians.

The Task Group reviewed the HIF Housing Update Task Group report which was due to be presented to the next Overview and Scrutiny meeting.

The Task Group also considered the outcomes of discussions related to the relocation of the aggregates yard. The Task Group asked that suggestions of potential sites be forwarded to Network Rail. It was noted that Network Rail had no plans to relocate the site which would require a process to find a new site and considerable development cost. Network Rail referred to the possibility in the future to modernise the yard and by doing so secure environmental improvements related to noise and dust.

25 July 2022

The Task Group received information on the proposed Day Aggregates planning applications which would see a) a temporary access created from York Road operational when the current access could not be used during the replacement bridge works and b) the redesign of the existing access from Guildford Road for permanent access. Note both of these can now be delivered without the use of CPO of any properties in York Road or Waverley Court. Members asked a number of detailed questions including how a HGV ban on York Road and Mount Hermon Road would be managed. It is likely that there would be a planning condition detailing the routing, limit the use of private roads and a Traffic Regulation Order that would only be granted after planning approval.

Information would be sent to residents and other parties on the HIF mailing list prior to the submission of the planning applications.

Recommendations

The Committee is requested to:

RESOLVE That the report was received.

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

Background Papers: None.

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