

# Improvement and Recovery Programme

August 2023

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of our borough



# Foreword

## Leader of the Council

### Councillor Ann-Marie Barker

“Please find before you Woking Borough Council’s first Improvement and Recovery Plan.

My administration is very clear about the huge challenges that face the council due to its legacy of extraordinarily high and disproportionate levels of debt and the past financial practices. However uncomfortable the future will be, we are focused on delivering this plan, which we know, is necessary to achieve financial stability and secure services for the future.

Our Improvement and Recovery Plan aligns with the expectations detailed in the Secretary of State’s Directions published on 25 May 2023 and draws upon the recommendations of the non-statutory external assurance review into the council’s finances, investments, and related governance.

I am in no doubt that it will take a significant collective effort from councillors and

officers to address these challenges and achieve a sustainable position.

We have not rested on our laurels and action has already happened. Steps have been taken to control borrowing and improve the governance of our commercial investments and the past actions that led us to this position, and I have asked our new auditor to bring forward their value for money review which includes a review of all of the Council’s borrowings and investments.

There will be substantial change over the next five years to the services council delivers to residents as it becomes a smaller, leaner council focused on delivering core services to residents. Nonetheless we will not lose our ambition, values and commitment to residents. We are committed to becoming a Council that lives within its means.

We will work closely with government, commissioners, partners, businesses and residents, to take the necessary actions at pace to deliver the fundamental changes needed.”

Add picture of Cllr Barker



# Foreword

## Chief Executive

### Julie Fisher

“Our Recovery and Improvement Plan provides the necessary assurance to Government that Woking Borough Council is committed to delivering the changes needed to meet our best value duty and tackle the significant financial challenges that face the council.

The plan details the actions we will undertake, together with milestones and delivery targets against which to measure performance, in order to deliver rapid and sustainable improvements in governance, finance and commercial functions, and organisational effectiveness.

It incorporates the support, oversight and expertise of the government-appointed commissioners to establish realistic and

deliverable improvements fundamental to change.

Continuing to strengthen our commercial and financial capability will be fundamental to our success.

Through transparent, effective and efficient decision-making, our plan for recovery will be delivered with pace and urgency.

The plan will also play an integral role in regularly informing the Secretary of State of our progress against the identified actions and informing the Medium-Term Financial Strategy.

With the support of the commissioners, councillors and partners, I am confident that we will deliver the change needed and achieve best value for taxpayers.”

Add picture of Julie Fisher

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# Section 1: Introduction

Located in the heart of Surrey, 30 miles south west of London, Woking is a modern and vibrant borough containing a thriving town centre, attractive waterways and beautiful countryside dotted with charming villages.

The town centre benefits from convenient high-quality and accessible shopping, the latest entertainment facilities, special cultural events and a superb range of dining options across a world of cuisines.

Excellent transport and infrastructure links, strong communities, healthy and economically active population makes Woking a desirable and attractive borough to live, work and play. It has a strong sense of community.

## Context

Woking Borough Council (WBC) is in a challenging financial position. This is due to historical commercial and regeneration investments leading to unsustainable levels of borrowing. Insufficient provision has been made by WBC to repay the debt and the level of service provision historically

enjoyed has become dependent on the use of reserves and commercial income which are no longer available. This is now compounded by a) National factors - Impact of covid, energy crisis and historically high inflation and b) local factors - Commercial income from parking and commercial rents has reduced dramatically since pandemic. This reflects changing life and workstyles and is considered a long term change to the Council's revenue. WBC is now facing a deficit of at least £1.2bn

The national and local factors combined with reduced valuation of our assets, mean that we cannot continue to operate as we have been.

In order to balance the books WBC needs to:

- Significantly reconfigure services, taking 25% out of the revenue budget to live within the resources available
- Rationalise the assets held in order to reduce the £1.8bn debt WBC holds and make sufficient provision for the repayment of that debt
- Consider the future of the commercial ventures, particularly Victoria Square Woking Ltd and Thamesway group of

companies, in the way that best protects the public purse

- Ensure all the building blocks are in place to deliver sound commercial governance and financial management and to deliver the scale of organisational change required
- Negotiate a substantial package of government support

## Statutory Notice

On 25 May 2023, the Secretary of State for Levelling Up, Housing and Communities exercised his powers under the Local Government Act 1999 to intervene in WBC.

The Secretary of State has done this because he considers that the council failed to meet its 'Best Value Duty' and needs to secure continuous improvement in how it delivers its functions.

The intervention is formed of a set of actions which the council is directed to take, and the appointment of commissioners who have been given powers over certain functions. The range of functions which the commissioners will exercise is broad, relating to financial and commercial

governance, strategic decision making and the council's operating model, as well as other functions.

The Secretary of State's intention is that the powers he is providing to the commissioners be used to ensure that the council takes the necessary steps to achieve the best possible outcome for Woking residents and the public purse. The exercise of these functions should enable the commissioners to make sure that the council has made sufficient improvement within the next five years to be able to comply with its best value duty on a sustainable basis.

### **Section 114**

On 7 June 2023, the Section 151 Officer issued WBC with a Section 114 Notice in response to the unprecedented financial challenges facing the authority.

The notice is required because the expenditure of the council is likely to exceed financial resources available, and therefore it can no longer balance its budget for the remainder of the financial year and subsequent years.

The council faces an extremely serious financial shortfall owing to its historic investment strategy that has resulted in unaffordable borrowing, inadequate steps to repay that borrowing and high values of irrecoverable loans.

A Section 114 Notice stops all but essential spending, making sure the council can continue to provide vital services to its most vulnerable residents.

The Section 114 (3) Notice lays out the stark financial position facing the Council. Against the core funding of £16million available in the 2023/24 financial year the Council faces a deficit of £1.2billion. The scale of the deficit faced by the Council is unprecedented and will require both immediate and ongoing concerted action by Officers and Members over a number of years in order to return the Council to a path of financial and operational sustainability and recovery. This will include an ongoing framework of intervention from Government.

Whilst the Section 114 (3) Notice focuses on the Council's borrowing and investments due to the size of their impact, confidence in the Council and its governance and decision making will not be established unless it is seen and evidenced that the

Council has taken all steps to deliver a balanced budget and has a strategy and plan to manage within the resources available to the Council and bridge the £11m savings gap from 2024/25.

### **Chief Executive's Response**

It is recognised that the previous savings plans required significant review to ensure sufficient capacity and pace, with support and engagement of the Commissioning Team, to address the issues of the Council as represented by the Section 114 Notice and the intervention directed by the Secretary of State relating to the Council's failure in meeting its Best Value Duty.

This updated Improvement and Recovery Plan is a requirement of the intervention from the Secretary of State. The Commissioning Team have played a critical role in supporting the designing of this plan and will provide oversight and assurance on its delivery.

The Improvement and Recovery Plan will need to be jointly owned by Officers and Councillors and be the primary focus of the Council moving forward in order to drive the transformational change required to support recovery.

## Recovery and Improvement Plan

In line with the Minister's Statutory Directions, and in recognition of the scale of the task faced, the council has built this Improvement and Recovery Plan around four key themes, each with a strategic aim:

### 1. Financial recovery

Sustainable budget management, making difficult decisions whilst delivering against strategic council priorities and safeguarding future capacity.

### 2. Commercial

Release the council from unaffordable commitments, whilst protecting the public purse and optimising the value of existing assets and rationalising.

### 3. Governance and assurance

Ensure risk is managed and decisions are based on data and evidence and scrutinised.

### 4. Organisation and Service redesign

Deliver a smaller, data driven organisation, where staff feel empowered, digitally confident, and delivering on key priorities.

And enablers that cut across all the themes to support their delivery:

- a) **Communication and engagement**
- b) **Digital, data and Management Information.**

All Directions and recommendations are aligned to one or more of the themes and will be monitored and progress reported against to the Secretary of State, as part of the regular reporting. Each theme has a clear set of objectives, workstreams and activity with milestones which will be used to track progress against expected timescales and achievements.

In recognition that there are elements of activity that require more design before confirming our approach, that there will be other issues arising that will feed into the Improvement and Recovery Plan, and the need for more detailed engagement, a phased approach has been taken to developing the plan. This is particularly relevant for the Commercial theme.

- Phase One - captures the known actions and deliverables to date and provides a foundation for the council's improvement. This is the Improvement

and Recovery Plan that is submitted to council for approval with this report.

- Phase Two – will build on the Phase One and identify additional areas for improvement that arise and clarify the delivery of certain areas.

The activity within each theme cannot be delivered in isolation. There are multiple dependencies between the activity, which is why the Plan will be delivered using Programme Management approach.

The Plan is a three to five year plan, recognising the journey that the council needs to progress through and reflecting the intervention timescale. The activity within the Plan focusses on the first year and will be updated periodically to update as improvement progresses.

The 3 year vision for the organisation is:

**We will be known as one of the most improved councils in the country. We'll be financially resilient, driven by data and effective and efficient in everything we do. Trusted by residents, guided by councillors, supported by businesses and partners with staff who are proud to work here.**

There are stages of development for each of the Themes, to drive toward this vision, shown here. This represents the progress of the improvement journey. In the short term the focus is on Recovery – ‘fixing the plumbing’, making significant savings and efficiencies, at pace.

The medium term focus will be on improvement, the council operating effectively as a smaller organisation with strengthened financial and legal capability and capacity.

The ambition over a longer term is to be a council managing finances with sustainable budget. Services that are largely digital and improved customer satisfaction. The commercial estate will be smaller and the debt reduced. A council driven by data and evidence to inform better decision making. Rebuilt trust from residents and confidence regained from Government.

## Phased approach

	Short term	Medium term	Ambition
Financial recovery	<ul style="list-style-type: none"> <li>Fix the plumbing / the mechanics</li> <li>Review of budgets, reducing complexity, budget lines budget codes</li> <li>Increasing short term capacity</li> <li>Reduce the cost base</li> </ul>	<ul style="list-style-type: none"> <li>Refine the nature of central gov financial support</li> <li>Strengthen long term capability, capacity</li> <li>Clear budget position, controls and monitoring</li> <li>Accounting treatment for MRP</li> </ul>	<ul style="list-style-type: none"> <li>Balanced budget set annually</li> <li>Clear, transparent, accurate budgets and forecasts</li> </ul>
Organisation and service redesign	<ul style="list-style-type: none"> <li>Organisation restructure</li> <li>Discover and baseline: understand value for money</li> <li>Design, deliver: quick wins, cost/benefit analysis</li> <li>Align customer services and ICT</li> </ul>	<ul style="list-style-type: none"> <li>Organisation and service redesigns</li> <li>Organisation development and ways of working investment</li> <li>Key technology investments to drive out cost and improve services: website, telephony, ways of working</li> </ul>	<ul style="list-style-type: none"> <li>Efficient, lower cost council, high levels of collaboration</li> <li>Employer of choice</li> <li>80% of transactions online</li> <li>High resident services satisfaction levels</li> </ul>
Commercial strategy	<ul style="list-style-type: none"> <li>Review assets including Sheerwater</li> <li>Develop commercial land asset disposal strategy</li> <li>Review the 24 council -owned companies</li> <li>Strengthen SAG</li> <li>SLS reviewed, emphasis on commercial risk</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened governance and constitution</li> <li>Property reviewed, upgraded, disposed</li> <li>Companies reviewed, disposed, restructured</li> <li>Effective risk management</li> </ul>	<ul style="list-style-type: none"> <li>Right-size the estate to be financially and operationally more efficient</li> <li>Fewer companies, better risk management, reduced debt</li> </ul>
Governance & assurance	<ul style="list-style-type: none"> <li>Councillor mentoring to support member-led scrutiny</li> <li>Audit &amp; Standards committee work programme</li> <li>Annual governance statement</li> </ul>	<ul style="list-style-type: none"> <li>Scrutiny of budget setting</li> <li>Member training</li> <li>Regeneration scrutiny panel</li> <li>Constitution updated</li> </ul>	<ul style="list-style-type: none"> <li>Decisions made based on evidence</li> </ul>

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## Section 2: Communications and Engagement

We will become a much smaller, more efficient council focussed on our core services. It is important that we set out a clear vision for what we will deliver and what this means for our residents, stakeholders, councillors and staff.

We will regularly report on the progress in delivering our Improvement and Recovery Plan and will complement this with a communications plan to keep our staff, residents, partners, businesses and stakeholders informed.

### Residents

We are committed to becoming a listening, responsive council that enables our residents to influence the design of services. We are conducting a residents' survey that will inform our priorities with our community to ensure that we are focussed on the issues our residents care about most.

### Partners and stakeholders

We are changing the way we work as a council, and in some cases reviewing our partnership arrangements as we continually strive to provide the best possible services. We want to build on the operational relationships with our partners that have been strengthened during the pandemic, and it is crucial that we keep them informed of our progress throughout our improvement journey.

### Councillors and staff

It is vital that we effectively engage our staff and members in our improvement journey to create and drive organisational cultural change. We want to have an open conversation with our staff and members about the values we need to adopt and embed to take the council forward. With over 350 employees, many of whom are

resident-facing, our internal communications must support our staff to understand the relevance of our Improvement and Recovery Plan to their day-to-day work, and the connection it has to our Corporate Plan and priorities for our residents.

We will communicate with staff in a variety of ways, including email messages, staff Q&A sessions, manager briefings and full staff briefings. This is a two-way conversation with the intelligence gained from staff throughout the organisation used to inform our Improvement and Recovery Plan

We will hold all Council briefings to update Councillors on progress and key areas. Training and support will be provided to councillors to ensure they are well informed and make better decisions. Councillors will have oversight of progress through updates to Executive quarterly. Overview and Scrutiny Committee will scrutinise progress.

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## Section 3: Programme Governance

### Role of the Commissioners

In his Directions to the council, the Secretary of State for Levelling Up, Housing and Communities appointed three Commissioners to provide the council with “rapid and extensive support in its commercial and finance functions”.

The Secretary of State considers that most decisions should continue to be made by the Authority. Commissioners will uphold proper standards and due process and recommend action to the Authority. The Secretary of State’s intention is that the powers he is providing to the Commissioners be used to ensure that the Authority takes the necessary steps to achieve the best possible outcome for Woking residents and the public purse.

The Commissioners will be providing three-monthly reports to the Secretary of State on the council’s progress in addressing the matters highlighted by the external reviews. There are several factors that will inform

any decision by the Secretary of State to end the period of government intervention at WBC, and this decision will be based on reports received from the Commissioners.

### Ownership and Accountability

This Improvement and Recovery Plan has four themes, each with clear objectives, milestones and deliverables. Supporting each theme will be a detailed action plan setting out activity to achieve the deliverables, identify responsible officer, timescales, and measures of success.

These action plans will also set out how specific actions address recommendations. Working groups or project boards have been established to monitor the actions within the plan and to manage risks. Progress will be reported to the Improvement & Recovery Board, via the Programme Management Office.

Progress will be monitored monthly by the Improvement and Recovery Board through considering progress of the actions and

milestones within the delivery plan, and management of risks, issues, and dependencies. A focus on embedding sustainable improvement will be maintained through the ongoing capture of evidence of success.

Councillors will have oversight of progress through formal reporting to Council quarterly. Overview and Scrutiny Committee will scrutinise progress ahead of reporting to Council. This will continue until all actions within the plan have been completed and government intervention has been lifted.

The Improvement & Recovery Plan is intended to be a live document updated to take account of progress and relevant changes. These changes will be tracked through the programme management mechanisms and may include the addition of new workstreams or objectives, or the amendment of timescales for delivery of actions. The Executive will retain oversight of these changes through the regular updates and reporting of progress.

## Programme Management Approach

Effective programme management arrangements, robust monitoring processes, and clear roles and responsibilities will be key to Woking's successful delivery of this Improvement & Recovery Plan and achievement of sustainable change.

A Programme Management Office is already in place and will manage the delivery of the programme on a day to day

basis, with a dedicated Programme Manager responsible for the delivery of the programme and managing the dependencies between themes.

The programme management office will provide assurance that the Plan is being delivered, identify variances to the agreed deliverables at the earliest opportunity and work with lead officers to ensure mitigating action is designed and implemented as

appropriate. It will pull on key skills and expertise available across the organisation as necessary, such as communications, organisational development, employee engagement, risk management, democratic services, and financial management. By engaging with and involving staff across the council in the development and delivery of this plan, we will build the necessary skills and experience to ensure improvements are sustainable.

# Section 4: Risk Management

## Risk approach

This Plan has a distinct set of objectives, and the risks that might impact these will need to be managed. Initial risks have been identified. As the plan progresses risks will be identified within the Theme working groups and boards and managed. Risks requiring escalation will be reported and captured in the programme risk register. The Programme risk register will be reviewed on a monthly basis at the Improvement & Recovery Board meeting. In addition to monthly reporting, risks will also be shared as part of quarterly programme updates to Executive Members.

The IRP programme governance and risk register will align to existing corporate reporting arrangements through the following means:

- All Council projects and major programmes, including the IRP, are subject to performance monitoring with quarterly reports prepared and submitted to the Executive.

- The Council's Strategic Risk Register, on which risks relating to the IRP reside, is owned by Corporate Leadership Team, and reviewed every three months.
- The Strategic Risk Register is reviewed by the Overview & Scrutiny and Executive Committees on an annual basis.

A risk register will be maintained for the duration of the Improvement Plan. This risk register will underpin the entry on the strategic risk register relating to the council's Improvement Plan. An initial risk register has been populated with key risks and an assessment of their impact and severity. This will guide the development of action plans to provide further mitigation, where required.

## Risk monitoring

Monthly report of the risk register will be made to the Recovery & Improvement Board meeting and quarterly to the Executive.

## Key risks


1. Resources – for the delivery of key areas of activity required for the first year of the plan, such as financial management, commercial expertise and project management. Resource requirements have been identified and will be put in place, subject to approval at the Cost Control Panel
2. Change pace – the organisation is required to change at a considerable pace. Impact of change on staff delivering services, requires considerable management to ensure morale is maintained and key staff are retained
3. Reliance on external expertise – Finance Theme and Commercial Theme are being delivered by consultants and contractors. Up-skilling of existing staff is underway and medium term plans in place to establish the capability and capacity required within the organisation to sustain the improvement

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## Section 5 – Theme Plans



# Theme 1: Financial Recovery

## Introduction

The Financial Recovery Theme is core to this plan. Accurate and timely financial information is key to the delivery of the recovery plan priorities and it is essential we manage our finances in a sustainable way.

Our budget process will be designed to deliver the savings and increased income required alongside developing a clear vision for the outcomes a much smaller and efficient organisation will deliver for our residents, visitors and businesses.

We will reduce our levels of debt through rationalisation of our assets and restrict future borrowing to that which is essential. We will ensure that sufficient provision is made for the repayment of debt. Building on the revised MTFs we will establish a planned and sustainable budget framework to live within our means.

And we will ensure that we have a finance team structure that delivers the skills, experiences and competencies required for the challenges ahead.

**Strategic aim:** Sustainable budget management, making difficult decisions whilst delivering against council strategic priorities and safeguarding future capacity

### Directions and Review Team recommendations

#### Action plan to achieve financial sustainability

- Implement spending controls
- Budget planning timetable
- Close outstanding annual accounting years
- Prepare 30 year HRA
- Rebuild the balance sheet

#### Action plan to ensure the capital, investment and treasury management strategies are sustainable and affordable

- Reduce future investment and borrowing to the minimum
- Produce accurate cashflow and borrowing schedule
- Review council's position on subsidy/ state aid
- Assess the impairment risk to council's loans

#### Debt reduction plan

#### Compliance with financial management guidelines (updated MRP policy)

- Ensure MRP correctly accounted for and sufficient for the level of debt held

### Objectives

1. Ensure basic governance in place to underpin financial decision making
2. Confirm the scale of the deficit, ensure loans correctly impaired and sufficient MRP made
3. Reduce levels of outstanding debt – support asset rationalisation and commercial strategies
4. Limit future borrowing to refinancing and essential / committed capital spend
5. Delivery of MTFP and Savings – to close budget gap
6. Improve financial reporting to aid decision making and performance management
7. Deliver a balanced HRA
8. Ensure there is a clear financial workplan and capability and capacity to deliver the above
9. Agree a package of financial support from central government

### Activity workstreams

2023/24	Financial workplan & capacity	Borrowing & cashflow	Reduction of the level of outstanding debt	Financial reporting	Engagement with DLUHC
	Assurance & expenditure controls	Annual accounts & crystallisation of debt	Delivery of MTFP	HRA plan	

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## Financial recovery workstream action plan

The actions set out below are designed to ensure all the building blocks are in place to deliver the recovery plan priorities at the required pace and scale

Workstream	Workstream aim	Actions	Due
Financial workplan and capacity	To support having a longer term finance function with the right skills and capacity in place	<ul style="list-style-type: none"> <li>Understand expertise and capacity gaps in finance structure with recommendations for a resource/recruitment/retention plan and agree an interim Finance structure for the Finance Team until March 2024</li> </ul>	March 2024
Assurance and Expenditure Controls	To ensure basic governance is in place to underpin financial decision making and rebuild the commercial decision making frameworks	<ul style="list-style-type: none"> <li>Expenditure control process updated and evaluated</li> <li>Establish Commercial Governance Board to oversee all commercial decision making</li> <li>Annual Governance Statement and Financial Management Code assessments drafted and implemented</li> <li>Agree with Internal Audit an audit plan and assurance framework</li> <li>Understanding the legal position on subsidy control and best consideration compliance</li> <li>Ensure company accounts for companies' portfolio are filed consistent with Companies House rules</li> </ul>	July August August August August Ongoing
Borrowing and Cashflow	To minimise and confirm borrowing requirements	<ul style="list-style-type: none"> <li>Baseline cashflow requirements understood and agreed with DLUHC including 'what if?' analysis</li> <li>Complete work on loan register and PWLB documentation</li> <li>Business cases for the future of the Thameswey and VSWL companies completed and financing requirements understood. Agreed position on future borrowing requirements and approach with DLUHC and HMT</li> </ul>	August September September
Annual Accounts and crystallisation of deficit	To meet statutory reporting requirements, confirm the deficit relating to MRP and impairment and deliver updated MRP policy	<ul style="list-style-type: none"> <li>Next phase MRP work commissioned and modelling undertaken against agreed scenarios (leading to Minimum Revenue Provision (MRP) policy and financial implications understood and agreed)</li> <li>Agreed approach to valuations for Strategic Asset Management Plan, Accounts and companies work and work commissioned</li> <li>Draft options for potential Government support. Agree headline options for Government support internally and with SoS commissioners</li> <li>Draft 2022/23 accounts produced</li> <li>Impairment position for 2022/23 understood and agreed. Update Prudential Indicators</li> <li>Clear outcomes from Government on what support will be made available to WBC</li> <li>Complete closedown of 2023/24 accounts</li> </ul>	August July August September September September September

Reduction of the level of outstanding debt		<ul style="list-style-type: none"> <li>Map interdependencies with Asset Rationalisation work to release capital receipts</li> <li>Undertake valuation work required to re-value the assets</li> <li>Capital Strategy completed alongside data quality exercise and asset register build</li> <li>Initial estimate of realisable receipts produced</li> <li>Review the output of the asset valuation work</li> </ul>	September September September October October
Delivery of MTFP and support delivering of the required £11m savings	To close budget gap as per priority 1 in the directions	<ul style="list-style-type: none"> <li>Updated MTFP produced with approach to savings proposed.</li> <li>Updated MTFP: Full deficit understood and includes impairment and MRP. Savings options for consultation and engagement clearly set out with consultation materials</li> <li>Phasing of service change and any remaining gap well understood</li> <li>Review of grants to third parties (where grants are self-funded by WBC)</li> <li>Consultation complete and final MTFP ready for budget setting</li> <li>Draft of full suite of budget documents – MTFP, Capital Strategy, Treasury Management Strategy</li> </ul>	September September  October December December January 24
Financial reporting	To support the production of meaningful financial monitoring information to support effective decision making and meet the requirements for government returns	<ul style="list-style-type: none"> <li>2022/23 capital and revenue outturn position reconciled and confirmed</li> <li>Review and update ledger coding structure and ensure in compliance with the Statement of Recommended Practice (Financial Reporting Council). Undertake data integrity and sample testing Next year</li> <li>Review of financial monitoring reporting and make proposals for changes making the process simpler</li> <li>Process for completing and signing off Revenue Account and Revenue Outturn forms agreed August</li> <li>Grants register in place</li> <li>Review process and update policies for debt collection and write off</li> <li>Agree Terms of Reference for and commence a review of Revenues and Benefits processes</li> <li>Finance and budget manager roles and responsibilities clearly defined, agreed and communicated to the organisation with support from re-engineered finance business partner approach and budget manager training</li> </ul>	August September  July  September  September   December
HRA	To deliver a balanced HRA	<ul style="list-style-type: none"> <li>Update HRA position as part of MTFP refresh</li> <li>Review and update for achievable savings, and ensure all recharges are correct and justifiable</li> <li>Produce draft 30 year business plan</li> <li>Review and update HRA asset valuations</li> <li>HRA report finalised as part of suite of budget reports</li> </ul>	September September   November October December



Set a balanced budget for 2024/25		<ul style="list-style-type: none"> <li>• Dependent on Government support, create the shadow 2024-25 budget and by applying range of Government measures for support</li> <li>• Update 2024-25 shadow budget in line with Local Government settlement for next fiscal</li> </ul>	<p>October</p> <p>December</p>
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# Theme 2: Commercial

## Introduction

The purpose of this Commercial Theme is that we generate greater yields from retained assets and generate optimum capital receipts from disposal of assets that are surplus to WBC requirements.

Historically the council embarked on an ambitious regeneration programme, funded by money borrowed from Public Works Loan Board. This was used to fund a number of commercial properties within the borough and to support the regeneration of the Town Centre joint venture and through its wholly owned Thamesway group of companies for sustainable energy and housing (regeneration of Sheerwater). Financing these schemes accounts for the majority of the council's debt.

The focus for this theme is a major review of the company-owned assets and the council-owned assets to determine how rationalisation can be delivered (taking into account valuation). Also, in light of this a review of the 24 companies is required and a significant asset rationalisation (disposal, retain, develop properly) will be managed. A major review of commercial and company governance will be undertaken. Focus being on resolving undeliverable commitment and resolving in an ethical and fair way.

**Strategic aim: Release the council from unaffordable commitments, whilst protecting the public purse and optimising the value of existing assets**

### Directions and Review Team recommendations

#### An action plan to strengthen financial and commercial functions

- Develop a long term commercial strategy
- Review decisions to acquire land during 2015-19

#### An action plan to secure value for money in dealing with and financing of and strategies for companies

- Develop a small client team to oversee VS and others
- See tax advice on company structures
- Review the 24 council owned companies
- Strengthen SAG with independent external advisors
- Develop reporting content from the SLS with emphasis on commercial risk

### Objectives

1. Develop a commercial strategy and ensure that effective governance is in place to deliver this strategy. To include:
  - a) Review of all 24 companies and their assets to determine a company restructure programme, aligning them to Council objectives and ensuring best value in reducing costs and risk to the Council
  - b) Engagement with the companies on options for the future to ensure revised business plans are in place to deliver the commercial strategy
  - c) Implement improved governance, decision making and risk management frameworks for remaining companies
2. Develop a strategic options plan for the Thamesway Group
  1. strategic options plan for TW Housing (incl completing the regeneration of Sheerwater, but also for the whole housing portfolio)
  2. strategic options for Thamesway energy including TCMK disposal
3. Develop a strategic options plan for Victoria Place and related town centre assets
4. Develop a strategic options plan for the council's wider commercial estate, assessing disposal and retention options
5. Ensure that the resources and information requirements to deliver the commercial strategy are in place. To include developing the capacity and skills necessary to drive a profit centre approach to management of the asset portfolio

### Activity workstreams

2023/24	Commercial Strategy & Governance	Thamesway & Subsidiaries	VSWL & Subsidiaries	Commercial Estate Strategic Options & Implementation	Resourcing, Requests & Data Room
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## Commercial workstream action plan

Workstream	Workstream aim	Actions	Due
Commercial Strategy & Governance	Develop a long term commercial strategy	<ul style="list-style-type: none"> <li>Taking into account Commissioners' directions and the Council's high level strategic aims, draft first outline version of the commercial strategy, including Subsidy Act requirements</li> <li>Distribute draft to key stakeholders for feedback</li> <li>Taking into account feedback, produce final draft of Strategy</li> </ul>	September
Commercial Strategy & Governance	Implement appropriate governance framework for each company and within the Council	<ul style="list-style-type: none"> <li>Assess each company against the Council's Companies Governance Handbook and UK Corporate Governance Code (including risk, conflicts of interest, business planning and board effectiveness) and ensure compliance ASAP</li> <li>Review current governance arrangements within the Council, including Subsidy Act obligations, are fit for purpose</li> <li>Implement a Commercial Governance Board to ensure all commercial decisions taken by officers or put to the Executive are founded on high quality, complete information with clear, rationale and evidenced recommendations.</li> </ul>	October
Commercial Strategy & Governance	Review the 24 council owned companies	<ul style="list-style-type: none"> <li>With reference to the relative size, assets held and risk, prioritise companies' reviews</li> <li>Assess the contribution to, and alignment with, each company to the Council's key strategic outcomes</li> <li>Evaluate the companies' performance against Best Value requirements</li> <li>Make recommendations for each company based on Keep, Hold or Dispose</li> </ul>	January
Thameswey and Subsidiaries	Develop strategic options for Thameswey Group	<ul style="list-style-type: none"> <li>For Thameswey companies, define and commission high level financial, tax, and legal advice to help inform strategic options</li> <li>Generate longlist of disposal /refinancing options</li> <li>Establish options review team with stakeholders (company boards and DLUHC)</li> </ul>	October
Victoria Square Woking Ltd	Develop strategic options for Victoria Place	<ul style="list-style-type: none"> <li>Establish WBC baseline for loan repayments position for VWSL loans</li> <li>Generate longlist of disposal /refinancing options</li> <li>Options need high level financial, tax, legal implications to be set out clearly with appropriate external advice</li> </ul>	July November
Resourcing, requests & data room	Ensure resourcing and information requirements are in place, including skills and capacity for a profit	<ul style="list-style-type: none"> <li>In tandem with the commercial strategy, propose resourcing requirements to operate the strategy, and governance requirements effectively.</li> <li>Assessment of existing commercial asset information, and creation of rectification plan as required to ensure complete asset information is available</li> </ul>	September January 24

Workstream	Workstream aim	Actions	Due
	centre approach to asset management	<ul style="list-style-type: none"> <li>Following the identification of strategic options for the council's wider commercial estate, propose resourcing requirements to manage these as a profit centre based on sector norms through benchmarking vs performance</li> </ul>	April 24
Commercial estate and commercial options	Develop strategic options for the council's wider commercial estate	<ul style="list-style-type: none"> <li>Analysis of contribution (and potential contribution) of each asset to council's strategic aims, including the commercial strategy, financial, social, environmental and local economic terms</li> <li>Analysis of revenue and capital impacts of disposal, development or re-purposing</li> <li>Create subsequent options for each asset</li> <li>Make recommendations for each asset based on Keep, Hold or Dispose</li> </ul>	April 24

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# Theme 3: Governance and Assurance

## Introduction

The purpose of this theme is to strengthen and radically improve how decisions are made, improving the scrutiny and transparency of the processes.

This will include reviewing the approach to reporting and the content of reports to ensure decisions are based on evidence and are scrutinised.

The Legal and Commercial capability review will be right-sized to fit the future commercial operations of the organisation once clear.

The legal team will work closely with the Commercial Theme to improve the governance linked to the companies, including the Shareholder Advisory Group and the Shareholder Liaison Service.

**Strategic aim:** Ensure risk is managed and decisions are made transparently and safely, improving future decision making

### Directions and Review Team recommendations

#### **An action plan to strengthen financial and commercial functions**

- Review of the constitution
- Review the Scrutiny Function and establish a Regeneration Scrutiny Panel

### **Objectives**

- Strengthen the role of scrutiny within the organisation and ensure companies are aligned to WBC priorities
- Improved standards and audit to ensure greater scrutiny of the audit and governance functions and avoid past mistakes from recurring
- Develop a legal and commercial function to support the future commercial activity with the right skills and capacity in place
- Work with the Commercial theme to ensure enhanced oversight as a shareholder in the remaining companies in line with best practice
- Undertake the improvements to the constitution in order to ensure the constitution remains effective fit for purpose in the light of changing circumstances
- Review the election format to aid the long term strategic decision making within the council

### **Activity workstreams**

2023/24

Company Governance

Overview &  
Scrutiny Function

Standards & Audit

Legal & Commercial  
Capability

Elections Review

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## Governance & assurance workstream action plan

Workstream	Workstream aim	Actions	Due
Documentation review	Complete review of historic part 2 documentation (agenda papers and minutes) dating back to 2016	<ul style="list-style-type: none"> <li>Identify quantity of material</li> <li>Review all documentation and determine whether it is suitable for release</li> <li>Make any necessary redactions and release into public domain in consultation with Marketing and Communications Team</li> </ul>	August September  [November]
Overview & Scrutiny function	Review and implement improvements to O&S	<ul style="list-style-type: none"> <li>LGA mentoring in place for OSC chair and vice chair</li> <li>Centre for Governance and Scrutiny (CfGS) will conduct a rapid review – action plan</li> <li>Agree Member training programme with LGA/ CfGS</li> <li>Review need for ongoing support and training requirements</li> </ul>	August November  November 2024/25
Standards & Audit	Review and implement improvements to Standards & Audit	<ul style="list-style-type: none"> <li>Standards and Audit Cttee - technical advice to support the recruitment and selection of a new independent chair of the committee/ consider restructure based on non-independent chair and 2 independent committee members Assurance mapping exercise carried out and plan for annual work programme</li> <li>New chair to attend the LGA's Leadership Essentials training for Audit Committee chairs</li> <li>Review need for ongoing support and training requirements</li> </ul>	November   March 24 2024/25
Legal & Commercial Capability	Right-size the legal and commercial capability and capacity following the commercial review	<ul style="list-style-type: none"> <li>Review Legal and Commercial requirements following the initial review of companies and development of asset disposal strategy</li> <li>Implement new 'rightsized'/ skill matched Legal and Commercial team</li> </ul>	March 24  2024/25
Company Governance	Review and implement improved governance and reporting standards	<ul style="list-style-type: none"> <li>Changes made to Boards and Articles of Association to reduce conflicts of interests. Strengthen cash draw down processes with companies. Updating SAG with regards to position of companies.</li> <li>Review of legal implications and any requirement for external legal advice with regard to companies and their shares and assets</li> </ul>	August  August  November

Workstream	Workstream aim	Actions	Due
		<ul style="list-style-type: none"> <li>The direction and future of the companies identified and preparation for reports to Council. Refresh of the Council's Company Governance Operating Manual and any changes to the Constitution Part 6.</li> <li>Continue to implement strengthened governance procedures over remaining companies.</li> </ul>	2024/25
Elections	Review election format and approach	<ul style="list-style-type: none"> <li>Commence a review of the election format and process to aid the long term strategic decision making within the council</li> </ul>	August 24

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# Theme 4: Organisation and service redesign

## Introduction

The Organisation and service redesign Theme is focussed on identifying and delivering a smaller, more efficient, more resident focussed council with lower expenditure and a smaller budget. This means resident services online by default with appropriate alternatives available, better insights to drive improvement and modernising staff tools and processes increasing efficiency and collaboration.

The council will be a smaller organisation focused on essential services. Discretionary service areas must have a strong rationale for being delivered by WBC and need to be cost neutral. This will mean fees and charges may need to be increased if it allows the service to continue.

We will look to partners and voluntary sector for delivery where appropriate. Throughout the change we will treat staff and residents fairly and compassionately.

**Strategic aim:** Deliver a smaller, data driven organisation, where staff feel empowered, digitally confident, and delivering on key priorities

### Directions and Review Team recommendations

#### **An action plan to reconfigure services**

- Design and implement an Organisational Design programme
- Ensure FFTF change programme realises savings and embeds a culture of service redesign
- Strengthen staffing capacity and capability across the council particularly in Finance, Legal and Commercial

#### **An action plan to secure continuous improvement (9)**

- Redesign systems for Management Information

### **Objectives**

1. Collaborate with staff to identify the minimum viable provision for services to ensure robust information on implications
2. Deliver the revised structure and smaller organisation to achieve the revenue budget savings
3. Consult with staff on changes to staffing structures in a fair and transparent way
4. Engage with residents and partners on potential service changes to inform decisions
5. Deliver an improved procurement service to ensure vfm on contracts and commissioning
6. Implement savings from tail end spend and major contracts
7. Move customer-facing services online to deliver further efficiencies and improved customer service
8. Develop a culture to ensure the workforce are empowered and digitally confident

### **Activity workstreams**

<b>2023/24</b>	Staffing restructure (phase 1 & 2)	Resident engagement & public consultation	Financial benefits tracking	Procurement services improvement	Channel shift (phase 1)
<b>Later</b>	Channel shift: Customer services, Revs and Bens	Channel shift: other service areas	Insights and data: raise profile, build capacity	Staff tools and ways of working	

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## Organisation and service redesign workstream action plan

Workstream	Workstream aim	Actions	Due
Service review - staffing restructure (FFTF)	Staffing restructure to reduce the size of the organisation focusing on statutory and critical services	<ul style="list-style-type: none"> <li>Phase 1 staff consultation concludes</li> <li>Proposed service changes and public consultation material developed</li> <li>Initial savings firmed up and inputted to MTFS</li> <li>Phase 2 staff consultation concludes and new structure (and savings firmed up)</li> <li>Executive decision on service changes</li> <li>Additional savings clarified</li> <li>Benefits tracker developed and in place to monitor all financial and non-financial benefits</li> <li>Staffing savings implemented and budgets adjusted</li> <li>Services transferred to partners (where planned)</li> </ul>	<p>August</p> <p>August</p> <p>August</p> <p>January</p> <p>January</p> <p>November</p> <p>November</p> <p>April 24</p>
Service review - Resident Engagement and public consultation	External engagement and consultation on the reduction and stopping of services	<ul style="list-style-type: none"> <li>Resident engagement completed and results analysed to feed into MTFS</li> <li>Public consultation on proposed service changes commences</li> <li>Public consultation results analysed</li> <li>Executive decision on service changes</li> </ul>	<p>August</p> <p>October</p> <p>December</p> <p>January</p>
Financial Benefits Tracking	Working with teams to ensure committed savings and benefits are being delivered	<ul style="list-style-type: none"> <li>Collect and monitor previously committed savings offered since April 2022</li> <li>Monitor committed savings</li> </ul>	<p>June</p> <p>Ongoing</p>
Procurement services improvement	Reviewing contracts to ensure value for money and embedding improved procurement and commissioning process	<ul style="list-style-type: none"> <li>Implementation plan for tail-end spend</li> <li>Objectives and plan for the workstream developed</li> <li>Tail-end spend review complete</li> <li>Contracts register updated</li> <li>Procurement and commissioning processes embedded into organisation</li> <li>Major contracts are renegotiated to deliver savings</li> </ul>	<p>September</p> <p>September</p> <p>November</p> <p>March</p> <p>March</p> <p>2024/25</p>
Digital Services	Moving customer facing services online	<ul style="list-style-type: none"> <li>Aligning ICT, Customer Services and Revenue and Benefits teams</li> <li>Develop list of website improvements and begin quick wins</li> </ul>	<p>July</p> <p>August</p>

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Workstream	Workstream aim	Actions	Due
	where it results in better, cheaper services	<ul style="list-style-type: none"> <li>• Telephony review</li> <li>• Formal restructure of ICT, Transformation, Business Improvement, Customer Services and Revenue and Benefits team to improve customer contact internally and externally</li> <li>• Discovery and Design of Council 'single front door' to aid customer contact</li> <li>• Telephony provider commissioned</li> <li>• Channel Shift partner commissioned</li> </ul>	September November- December February February March
Staff and Councillor tools and ways of working	Support staff with the tools and culture they need to deliver high quality services	<ul style="list-style-type: none"> <li>• Review use of council offices and working environment</li> <li>• Adoption of modern tools and rollout of Bring Your Own Device to enable more mobile working</li> </ul>	August September

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