

EXECUTIVE – 12 SEPTEMBER 2024

**IMPROVEMENT AND RECOVERY PLAN PROGRESS –  
MARCH TO SEPTEMBER 2024**

**Executive Summary**

Following the issuing of a Section 114 Notice and Government intervention, the Council was required to put in place an Improvement and Recovery Plan.

The Improvement and Recovery Plan (IRP) responds to the Secretary of State’s Directions published on 25 May 2023 and will help the Council discharge its Best Value duty. It will also draw upon the recommendations of the non-statutory external assurance review into the Council’s finances, investments and related governance.

The three-to-five-year Improvement and Recovery Plan, which was adopted by the Council on 22 August 2023, details the actions that the Council will undertake to address the Government Directions, together with milestones and delivery targets to measure progress.

The Council is required to report to the Commissioners on the delivery of the Improvement and Recovery Plan after three months, six months and thereafter at six-monthly intervals, or at such intervals as the Commissioners may direct. This is the fourth progress report to be submitted to Commissioners and reflects the position one year since the adoption of the Improvement and Recovery Plan.

In the context of the Directions, Commissioners have sought to define the outcomes they would expect to result from the delivery of the Council’s IRP.

Therefore, this progress report consists of three documents:

Appendix A: An outcome-based review of progress against the IRP. This is focussed on where the Council has evidenced changed outcomes as a result of IRP activity.

Appendix B: A programme-based review of progress against the IRP.

Appendix C: The IRP high level risks.

The Executive is asked to consider and approve the progress outlined in the report.

**Recommendations**

The Executive is requested to:

**RESOLVE That**

the Improvement and Recovery Plan progress report to Commissioners be approved.

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

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**Background Papers:** None.

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### Appendix A - Outcome Based Review of IRP Progress

#### 1.0 Background

- 1.1 The Improvement and Recovery Board (IRB) is chaired by the Lead Commissioner, Sir Tony Redmond. At the IRB on 22 July 2024, the Board agreed the Chair's 'Focus of Attention' report. The aim of this report was to ensure that the Improvement and Recovery Plan results in tangible outcomes that help with the assessment of the Council's progress in discharging its Best Value responsibilities.
- 1.2 This report provides an update of progress against the priorities of the 'Focus of Attention' document.

#### 2.0 Overall Position statement

- 2.1 Woking Borough's Council (WBC) Improvement and Recovery Programme (IRP) has now been in place for one year (following its adoption in August 2023). During that period, the Council has put in place the foundations to enable WBC to manage its own affairs appropriately in the future. The Council recognises that, although important progress has been made, there is still significant work required to deliver in full the workstreams within the IRP and evidence the success measures outlined in this report. Capacity remains a challenge and the Council is developing a clearer focus on the sequencing of actions within the IRP to ensure that priority improvements are delivered. In addition, the scale and complexity of the legacy issues, particularly as a result of the commercial arrangements the Council involved itself in historically, should not be underestimated.

#### 3.0 Governance

##### Position statement

- 3.1 Since the intervention, a new governance and assurance structure has been established with improved checks and balances to support rounded decision making. Additional governance has been established at both officer and Member level to enable improved decision-making and effective management of the Council's relationship with its wholly owned companies. The Commercial Governance Board was established in August 2023 and reviews, and advises on, all commercial proposals ahead of decision-making by the new Shareholder Executive Committee or the Executive. Overall, the foundations are in place to enable the success measures to be delivered in the future, with some initial evidence outlined below.

##### Success measures evidence

*G1) the respective roles of members and officers in decision making being fulfilled in practice*

##### Evidence

- *Member induction*: The recent Member induction included information on the Code of Conduct, the role of Members and how Members/Officers can work effectively together.
- *Scrutiny committee re-structure*: Changes to the scrutiny structure mean that Strategic Directors are better able to support and guide the Scrutiny Committees. An example, of this is their input into the work programming process, which is helping ensure that Members are

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fulfilling their oversight and scrutiny role based on an enhanced understanding of the services covered by each of the new Scrutiny Committees.

- *Constitution review*: The Council's Constitution has been reviewed and updated, reflecting the recent committee review, and bringing Woking's decision-making processes in line with governance best practice.

### Next steps

- *Committee report template*: A standard Committee report template is being developed to help improve the quality of Officer reports and help ensure that Members have the right information to take or scrutinise decisions.
- *Staff training on democratic process*: Staff inductions are being reviewed to support a better understanding of the Member-Officer Protocol and Member/Officer roles. Specific training for Managers on democratic processes is being arranged, starting with a recent session for the Council's Extended Leadership Team (which includes all Heads of Service) to enhance understanding of their responsibilities in relation to governance.
- *Scheme of delegation*: A review of the Scheme of Delegation is underway, to ensure Officer delegations are clear and in line with best practice.

### G2) the application of the member/officer protocol

#### Evidence

- The Member/Officer protocol is in place as part of the Constitution. Democratic Service are referencing the Member/Officer protocol when providing advice to Officers to help raise awareness and facilitate understanding of the document.

#### Next steps

- See G1 - Staff Training on Democratic Processes.

### G3) effective oversight and monitoring of all key decisions made by the Council, Executive, Boards, Committees, and LA companies

#### Evidence

- *Shareholder Executive Committee*: A Shareholder Executive Committee has now been established and has started to give the Council stronger oversight of the performance of its companies, focusing initially on Victoria Square Woking Ltd and ThamesWey. Support is being provided to the companies to respond appropriately, although this is in the early stages of development.
- *Scrutiny forward work programmes*: Forward work programmes have been developed to facilitate greater pre-decision scrutiny for key Council decisions. The work programmes are based upon service risk registers.
- *Member working groups*: Transparency has been improved through the removal of Member working groups that were previously operating in private.
- *CLT oversight of committee processes*: The Forward Plan and agenda for all Member meetings are reviewed systematically at CLT meetings, to help ensure that meetings are well planned and supported.

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- *Member newsletter:* A new fortnightly Members' newsletter has been introduced to help keep Councillors informed of Council activity and upcoming decisions.

### Next steps

- *See G1 – Staff training on democratic processes.* This will help embed the new processes detailed above.
- *Annual Governance Statement:* The structure and process for developing the Annual Governance Statement has been reviewed and is due to be submitted to Audit and Governance Committee in November. This annual process will provide a vehicle for the Council to assess the effectiveness of its governance processes.

### G4) clarity about the roles of Audit and Governance and Scrutiny Committees in delivering effective oversight of the Council's operation

#### Evidence

- *Terms of Reference:* Terms of Reference of all Council Committees have been refreshed as part of the Council meeting structure review. This has helped define the roles of all Committees and remove areas of unnecessary duplication (for example, between the Audit and Governance and Scrutiny Committees).
- *Scrutiny induction:* Alongside a scrutiny skills induction session for all Councillors, the first meeting of each Scrutiny Committee was set aside for induction, to help ensure that Committee Members were clear on the role of scrutiny and the service areas of which they have oversight.
- *Chairs' Forum:* A Chairs' Forum has been introduced, consisting of the Chairs of all Committees, to help share best practice and enable joined up working.

### Next Steps

- *Independent Members:* Recruitment of a new Independent Member and Chair for the Audit and Governance Committee is underway.
- *Audit and Governance Committee training:* The Local Government Association (LGA) provided assurance mapping training to Audit and Governance Councillors and is providing a mentorship service through its Finance Improvement and Sustainability Associate Programme.
- *Mentoring:* The LGA is providing peer mentoring for scrutiny chairs to support them in their roles.

### G5) robust governance processes underpinning all Council activity

#### Evidence

- *Commercial Governance:* Stronger governance for commercial activity is now in place, with the introduction of the Shareholder Executive Committee, Commercial Board and Lender Board.
- *Committee re-structure:* The review of the Committee Structure and Constitution has helped ensure that governance processes are robust and in line with best practice.
- *Quarterly assurance process:* A quarterly Council Leadership Team assurance process has been introduced. The purpose of this is to review the outputs and effectiveness of key

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assurance mechanisms, for example Internal Audit, Complaints and Risk, alongside performance monitoring.

### Next steps

- See G1 – Staff training on democratic processes.
- *Control framework* – Work has begun to articulate the Council's 'control framework' – the processes and mechanisms which provide assurance that the Council is taking effective decisions, informed by evidence and in line with statutory requirements. A recent Extended Leadership Team meeting articulated the components of this Control Framework, with future sessions being designed to help embed these processes within the Council.

### G6) regular review of Council's governance in practice

#### Evidence

- See G3 – CLT oversight of Committee processes.
- See G4 – *Chair's Forum*. The new Chairs' Forum provides an opportunity to reflect on the effectiveness of Committee meetings and implement improvements.
- See G5 – Quarterly assurance process.

#### Next steps

- See G3 - Annual Governance Statement.
- See G3 – CLT oversight of Committee processes.
- *Internal Audit* - The Council's relationship with its Internal Audit provider has been reviewed with regular reports now coming to CLT as part of the quarterly assurance meeting. However, further work is required to strengthen the arrangements for Internal Audit, including training for Managers around the control framework (see G5 - control framework).

### G7) the application of these elements leading to rounded decisions being made by the Council at all levels in a way that is underpinned by sound rationale in considering options, risks, and evidence

#### Evidence and next steps

- Throughout the past year, activity within the Governance and Assurance theme has been focussed on putting in place the foundations for effective and robust decision-making. All the evidence listed in this section will help contribute to the delivery of this success measure. There have been early examples of the work completed so far contributing to more effective decision-making (for example, around the development of the Medium-Term Financial Strategy). However, it is recognised that there is still much to do to embed the new processes throughout the organisation and see their sustained impact on Council decision-making.

### 4.0 Risk

#### Position statement

4.1 Risk procedures and processes have been in place for some time; however, work is required to embed understanding of risk throughout the organisation, including as part of effective decision-making, and the management of risks. This has started as part of the Control framework (see *G5 – control framework*) and the introduction of the quarterly assurance meetings (see *G5 – quarterly assurance process*). Further work is needed to ensure consistent delivery of the mitigations identified, so that the Council can check that these have the desired impact on those risks, i.e. that the mitigations help contain the risks.

#### Success measures evidence

*R1) the concept of risk and application of sound risk management policies and practices being deeply embedded in the whole organisation*

#### Evidence

- *Risk policies and procedures*: Risk Management policies and procedures are in place and are regularly reviewed, including a new Risk Management Policy, Risk Appetite Statement, Corporate Strategic Risk Register and three Directorate Risk Registers.
- *Strategic oversight of risk*: Strategic/Directorate risks are formally reviewed by CLT every three months as part of the quarterly assurance process (see *G5 - quarterly assurance meeting*). An IRP Risk Register is in place and formally reviewed by the Improvement and Recovery Board monthly. WBC Corporate Project risks are formally reviewed by CLT, quarterly at the Corporate Programme Board.
- *Risk reporting*: To improve transparency, the highest scoring risks are published on the Council's website as part of the performance monitoring process.
- *Risk training*: Several training sessions and discussions have taken place to improve awareness of the importance of managing risk. These include Risk Management training provided to Members and Senior Officers by Zurich; a Risk and audit workshop held with Senior Managers Forum (July 2024); and the ELT control framework session (July 2024).

#### Next steps

- *Risk training*: Further work is required to explain risk and the responsibilities for identifying and managing it to different staff audiences depending on their role. There is also a need to evaluate the impact of this training.
- *Risk mitigation*: Further work is needed to ensure meaningful assessments of the impact of mitigations for major risks takes place, to check that these are effective in reducing or containing the risks identified or identifying new risks.

### 5.0 Finance

#### Position statement

5.1 Budget holders and business partners are working together to improve budget monitoring and forecasting, which is now produced each month. The approach to the development of the Medium-Term Financial Strategy has been approved by the Council's Executive, including plans for further revenue savings. However, it is recognised that this in the early stages of development and heavily dependent on the work of interim staff. Work is required to reduce the reliance on interims and increase the skills and knowledge of the Council's

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permanent Finance staff. Work is underway to upgrade the Council's Financial system, which will help to provide additional capability, insight, and reduce reliance on manual processes. Once implemented, the upgraded system should further improve budget management. However, this is a significant project which will take time to complete and embed.

- 5.2 Consultants have produced an initial 30-year Housing Revenue Account (HRA) forecast based on current circumstances, which presents an extremely challenging picture. Urgent and significant action is required to deliver a viable HRA position. The consultants have provided some suggested actions, but the implications of these need to be worked through to understand the impact on tenants and property conditions.
- 5.3 Considerable progress has been made to improve asset information and management. Further work is underway to improve the performance of assets, for example by getting tenants into vacant space prior to disposal improves the likelihood of a sale as a property with full tenancies with good lease lengths gives an investor greater guaranteed return from their investment. The priority moving forward is to deliver the Asset Rationalisation and Debt Reduction Plan. This needs to balance the imperative to reduce the level of outstanding debt with the need for a managed exit from commercial ventures and investments.

*F1) the whole workforce, and all Councillors, recognising the Council's fiduciary duty in all financial business, to use public resources responsibly on behalf of citizens*

### Evidence

- *Councillor training:* A general training session on Local Government finance was delivered to all councillors, with a more detailed training session provided to all Audit Committee members. The Local Government Association is providing additional support to Audit Committee members by assigning a Finance Improvement and Sustainability advisor to assist with guidance and advice.
- *See G1 – Committee Report Template.* This new report template requires appropriate reassurance that the financial implications of proposals are properly considered.

### Next steps

- *See G5 – Control framework.* This includes enabling better understanding of budget monitoring processes.
- *Financial system update:* This project, when completed, will provide managers with more detailed and robust financial information, better equipping staff to fulfil their fiduciary duty.

*F2) a 'right sized' budget for the council focussed on delivering to citizens*

### Next Steps

- *Medium Term Financial Strategy:* The outline Medium-Term Financial Strategy was approved by the Executive on 11 July. This included the four-year budget position and the budget gap to be bridged to achieve a right sized budget leading up to 2028/29 (distinct from the legacy debt). However, it is recognised that this work is in the early stages of development. Work is required to improve the capacity and capability of permanent staff to deliver this work. It is also recognised that there are significant in-year budget pressures which need to be mitigated.



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### F3) robust financial, budgeting and accounting systems

#### Evidence

- *Budget monitoring* - Timely and improved budget monitoring information has been provided for the conclusion of 2023/24 and the first period of 2024/25.

#### Next steps

- *Budget monitoring* - An improved budget monitoring process is being implemented, involving business partners and budget holders. Once embedded, this will enable budget holders to have increased management and control of budgets, contributing to improved forecasting and budget outturns.
- See F1 – Financial system upgrade.
- *Outstanding final accounts* – work is underway to complete the outstanding final accounts. Single entity accounts for 2019/20, 2020/21 and 2021/22 have now been to the Audit Committee, with 2022/23 and 23/24 scheduled for completion in later in the Autumn. The consolidated accounts for 2022/2023 and 2023/24 are also scheduled for completion in early 2025.

### F4) a detailed asset management plan with timescales for disposals consistent with VFM criteria, aligned to the debt reduction plan and the operational needs of the Council.

#### Evidence

- *Asset management* – Considerable progress has been made to improve asset information and management. Further work is underway to improve the performance of assets, for example by getting tenants into vacant space prior to disposal improves the likelihood of a sale as a property with full tenancies with good lease lengths gives an investor greater guaranteed return from their investment.
- *Development of business cases* – Business cases have been developed for 55 investment properties. Each asset has gone through a detailed review in line with industry best practice and following the Council's Commercial Protocol. The work was completed in July with a session held with Commissioners to review the outcomes. Several assets have been identified for disposal from this process (the disposal of these assets will not impact the operational running of the Council).

#### Next Steps

- *Asset management system* – Work is underway to implement the new Asset Management System. All facilities management data is now uploaded, with the property information due to be entered by the end of October.
- *Asset management review* – An asset management review is underway to ascertain an approach to improving the performance of the Council's property portfolio.
- *Asset disposals* – Consultants are being appointed to advise an assessment of market criteria, how assets should be marketed over the next three years and in which order. The three-year disposal programme is due to be in place by October.

### F5) a balanced Housing Revenue Account and a sustainable Housing service

#### Evidence

- *HRA 30-year business plan:* Consultants have produced an initial 30-year HRA forecast based on current circumstances, which presents an extremely challenging picture. Urgent and significant action will be required to deliver a viable HRA position. The consultants have provided some suggested actions, but the implications of these need to be worked through to understand the impact on tenants and property conditions.
- *HRA oversight:* An officer HRA working group has been established to plan, track, and manage workstreams within the project. The HRA working group will be meeting fortnightly to review progress and address barriers, risks, and outcomes.

#### Next Steps

- *HRA 30-year business plan:* Officers need to review several scenarios and possible mitigating actions to understand their impact both on the HRA viability and residents. The aim is to have completed the HRA Business Plan by December 2024, with a view to proposing an approach to a sustainable HRA. Areas of focus will include the capital programme, recharges, energy, service charges, rent policy and the inter-relationship with ThamesWey.

## 6.0 Culture

### Position statement

6.1 Upon starting with Woking, the Chief Executive joined staff team meetings across the Council. These confirmed that generally staff are highly invested in Woking and are keen to deliver good outcomes for the Borough's residents. This provides a platform upon which to build an organisational culture which supports the delivery of efficient and effective outcomes for local people.

### C1) embedded ways of working, which are efficient, effective and deliver service outcomes which represent best value

#### Evidence

- *Improved performance and budget monitoring Information* – The previous reporting arrangements have been revised into separate, clearer, and more concise performance and budget monitoring reports. RAG ratings have been introduced to help Members and officers interpret the performance information and identify trends.

#### Next Steps

- See G5 – control framework.
- *Improved performance and budget monitoring information* – Although the quality of performance and budget monitoring information has improved, there is still work required to further develop these reports (for example, ensuring there are clear targets for all performance measures and meaningful narratives), alongside supporting managers to better utilise performance and budget information to improve service outcomes. The work on the Control framework should support this process.

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- *Benchmarking exercise:* The Council is working with the LGA to benchmark its some of its services and learn from best practice.
- *Service planning and delivery:* Although work is underway to review the Council's strategic plan (the 'Woking for All Strategy'), further work is required to embed the 'golden thread' that will help ensure the strategy is delivered effectively and efficiently. This includes implementing a systematic process to service planning across all teams and ensuring that all staff receive a meaningful Performance Development Review (PDR).

### C2) a robust performance management and accountability system

#### Evidence

- See G5 – quarterly assurance meeting.
- See C1 – improved performance monitoring information.

#### Next Steps

- See G5 – control framework.
- See R1 – risk training.
- See C1 – improved performance monitoring information.
- See C1 – *service planning and delivery*. A particular focus needs to be given to developing and embedding a robust process for PDRs, following a slimmed down version of PDRs in 2023/2024 whilst the staff restructure was taking place.

### C3) a transformation planning process which enables the integration of strategic, service, and financial plans

#### Evidence

- *Transformation programmes* – There are examples at the Council of where strategic transformation aims are influencing service plans. For example, the website improvement project.

#### Next Steps

- *Transformation workstream* – There is still work to do, to develop an integrated service-wide approach to transformation. This has begun with the transformation work stream that forms part of the Medium-Term Financial Strategy process. The workstream aims to identify where transformational projects, across the Council, could have beneficial service and financial outcomes.

## 7.0 Service Delivery

### Position statement

- 7.1 The Woking for All Strategy is in the process of being reviewed and will be agreed by Executive in October. The strategy will outline the Council's strategic objectives to residents, businesses, and partners. The intention is for the strategy to be more narrowly focussed than in the past, reflecting the need for prioritisation.

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- 7.2 A Housing Improvement Programme has been developed with progress achieved in many areas, particularly around resident engagement. There is, however, significant work to do to ensure a high-quality housing service which meets regulatory standards. This includes condition surveys and fire remedial works.

*S1) a clear and appropriate set of service outcomes, which are validated and communicated to Woking's citizens in a timely way*

### Evidence

- See C1 – Improved performance and budget monitoring information. This includes the setting of clear performance targets.

### Next Steps

- *See C1 – Service planning and delivery.* This includes a review of the Woking for All Strategy, due to be considered by Executive in October.
- *Resident communication* - The Strategy will be published and promoted to residents following approval by the Executive. Monitoring of progress against objectives will be reviewed on a quarterly basis by the Executive and therefore published on our website.

*S2) a high quality housing service, underpinned by a single plan, which meets the regulatory requirements for the service*

### Evidence

- *Housing Improvement Programme:* The Council has established a Housing Improvement Programme, comprising 7 workstreams, to improve the Housing Service and ensure regulatory compliance. This is overseen by a Programme Board that meets monthly, along with monthly engagement meetings with the Regulator of Social Housing.
- *Tenant Satisfaction Measures (TSMs):* The Council submitted its first set of Tenant Satisfaction Measures to the Regulator of Social Housing in June 2024. These included the results of the tenant survey undertaken in early 2024. Whilst these highlighted significant room for improvement, the TSMs provide a good baseline upon which to develop and measure progress.
- *Resident Engagement:* Strong progress has been made with resident engagement, including building the Tenant and Landlord Partnership Board and running a number of summer events and focus groups to capture the views of tenants.

### Next Steps

- See F5 - HRA Business Plan.
- *Condition Surveys:* a contractor has been onboarded to begin stock condition surveys for 100% of stock - surveys will begin imminently.
- *Homes and safety:* The draft fire safety policy was presented and supported at the first Communities and Housing Scrutiny Committee at the end of July and will shortly be finalised. Arrangements are being made to procure a contractor to complete the remaining fire safety remedial works.
- *Policies and procedures:* A programme for developing and updating all housing policies and procedures is to be prepared.
- *Sheerwater:* Development of a plan and programme for refurbishing homes in Sheerwater.

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### S3) a focus on residents' needs and choices

#### Evidence

- *Website improvements* – Improvements to the website have supported a 20% reduction in the number of calls to the service desk. These have been partly informed by a website accessibility audit. Extensive resident engagement is taking place with contractor Invuse, as part of the website improvement project which forms part of the self-service programme. The engagement is to understand how residents currently use the website, their problems with it, and what they'd like to see on the website.
- *Community Asset Transfer* – A Community Asset Transfer (CAT) policy was adopted by Council earlier this year. This was following a resident consultation on the future delivery of discretionary services in Woking, which showed there was an appetite from community groups to take over responsibility for Council facilities. Significant progress has been made to implement. Expressions of interest have been received from community groups and many are progressing to business case stage.
- *Housing resident engagement* - A new Housing Resident Engagement Team was introduced in February 2024 and has made a strong impact. This includes:
  - See S2 – Tenant Satisfaction Measures.
  - *Resident and Landlord Partnership Panel* – which has been introduced recently. The Panel's provides for tenants to scrutinise performance and help monitor and contribute towards service improvements.
  - *Housing complaints*: The Housing complaints procedure was revised in April 2024, in line with the Ombudsman Complaint Handling Code and the Council's self-assessment was submitted to the Ombudsman and Regulator in June 2024.
  - *Resident focus groups*: Several focus groups have been set up with residents each month and actions for improvements from these focus groups are shared with the Housing teams and monitored through the Resident and Landlord Partnership Panel.
  - *Resident engagement events*: Summer engagement events took place throughout August to engage with tenants on their views of the Council and future engagement. The results of this feedback will contribute towards the production of the Resident Engagement Strategy.
  - *Partnership working events*: Resident Engagement Partnership working sessions have taken place with tenant volunteers and other Local Authorities to share best practice and find solutions to issues. This has been a great opportunity for both Woking and tenants to understand how best to improve our engagement offering.

#### Next steps

- *Website Improvement project*: Complete website resident engagement and carry out analysis. New Digital Programme Managers to be on-boarded to provide much-needed capacity.
- *Community Asset Transfer*: Progress the Business Case stage for all community groups approved by the panel. Finalise critical/ urgent work on assets to meet health and safety requirements.
- *Housing Resident engagement*: Review feedback from the summer events to inform the Resident Engagement Strategy. Appoint tenant Chairperson for Resident and Landlord Partnership Panel.

### 8.0 Commercial

#### Position statement

- 8.1 A more robust structure for commercial governance has been implemented through the introduction of the Commercial Governance Board, Lender Board and Shareholder Executive Committee. These Boards are enabling greater oversight of commercial activity and have overseen the development of the Company Governance Framework and the Commercial Protocol. There has also been significant work with the Council companies to improve governance, maximise the value of the assets and develop an exit strategy for the council.
- 8.2 A significant project has been initiated to drive forward improvements to the Council's procurement processes. This will include ensuring that robust procurement policies and practices are in place across the Council, in line with the Procurement Act 2023 and enabling the Council to achieve best value from its contracts. The creation of a new Commercial team within the Council will help drive forward this work.

#### *CI1) commercial protocols which are applied universally across the Council*

##### Evidence

- *Company Governance* – The Council has approved a Company Governance Framework and Commercial Protocol. The Company Governance Framework sets out the framework for the Council and the companies, drawing on expert advice. The Commercial Protocol sets out the framework and checks and balances that should be considered in relation to all Council commercial activity.

##### Next steps

- *See G5 – control framework* – This will include embedding awareness of the Commercial protocol.

#### *CI2) commercial business cases which are clear and sufficient for well informed decision making*

##### Evidence

- *Development of Business Cases*. Business cases have been developed for 55 investment properties. Each asset has gone through a detailed review in line with industry best practice and following the Council's Commercial Protocol. The work was completed in July with a session held with Commissioners to review the outcomes. Several assets have been identified for disposal from this process (the disposal of these assets will not impact the operational running of the Council).

##### Next Steps

- *Company Business Cases* – Draft business cases are being developed for the Council's companies, due for consideration in the Autumn, with the final businesses cases due to be completed by the end of 2024/25.

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### C3) procurement policies and practices which are consistent across the council

#### Evidence

- *Procurement workstream* – Procurement is a key workstream of the MTFs development. Work within this workstream is focussed on ensuring that robust procurement policies and practices are in place across the Council, in line with the Procurement Act 2023 (PA23) and enabling the Council to achieve best value from its contracts.
- *Staffing* - a new full-time Orbis resource joined the Council on 19 August. This resource will be essential in supporting the preparations for PA23 and assist in improving current procurement/contract management arrangements.

#### Next steps

- *Project plan* - Development of a project plan for (a) PA23 and (b) wider procurement/contract management improvements is underway. This will ensure that all actions are captured, and that the critical path is clearly articulated.
- *Supplier spend controls* - Work is underway with Finance colleagues to introduce monitoring of supplier/contract spend.
- *Review of contract register* – The contract register is being updated in collaboration with Senior Managers who manage the contracts. This will help inform a review of existing procurement thresholds to determine whether the current parameters should remain or should be altered. A recommendation will be made to the Commercial Governance Board in due course.

### C4) robust commercial governance arrangements which enable officers and members to challenge commercial proposals in order to secure best value

#### Evidence

- *Commercial governance structure* - A more robust structure for commercial governance has been implemented through the introduction of the Commercial Governance Board, Lender Board and Shareholder Executive Committee. These Boards are enabling greater oversight of commercial activity and have overseen the development of the Company Governance Framework and the Commercial protocol.

#### Next Steps

- *See G5 – Control framework.*

### Appendix B: A programme-based review of progress against the Improvement and Recovery Plan

#### 1.0 Introduction

- 1.1 In August 2023 the Council approved the Improvement and Recovery Plan (IRP) which was developed to address the issues outlined in the intervention and shaped around four themes. In December 2023 the Executive approved a fifth theme to focus on housing recovery and improvement. The five themes and their strategic aims are:
- (i) **Financial Recovery:** Sustainable budget management, making difficult decisions whilst delivering against Council strategic priorities and safeguarding future capacity.
  - (ii) **Commercial:** Release the Council from unaffordable commitments, whilst protecting the public purse and optimising the value of existing assets.
  - (iii) **Governance and Assurance:** Ensure risk is managed and decisions are made transparently and safely, improving future decision-making.
  - (iv) **Organisation and Service Redesign:** Deliver a smaller, data driven organisation, where staff feel empowered and digitally confident, and are delivering on key priorities.
  - (v) **Housing Recovery and Improvement:** Ensure the service is compliant with all the housing regulatory standards, delivering an efficient, reliable, and modern service that meets our statutory requirements, and supports strong neighbourhoods and communities for our residents.
- 1.2 Progress against each workstream within the five themes is outlined in the next section, including where there has been slippage against the planned timescales.

#### 2.0 Financial Recovery theme

- 2.1 *People and Skills:* Following the appointment of a permanent Finance Director, additional interim staff have been brought in to provide pace, capability, and capacity to the Finance Team. This has enabled improved processes and reporting as well as training to the finance team to be delivered at pace, which has led to some significant improvements. The new permanent deputy finance director will start in November and bring further stability.
- 2.2 An improved budget monitoring process is being implemented, involving business partners and budget holders. Once embedded, this will enable budget holders to have increased management and control of budgets, contributing to improved forecasting and budget outturns.
- 2.3 *'Right-sized budget':* This period has seen improvements to the financial information being reported which has led to a better grip on the Council's financial position. This has, however, identified further budget gaps that need to be addressed in-year. Workstreams to identify further the required level of savings are being led by Corporate Leadership Team.
- 2.4 *Accounts:* Single entity (WBC only, i.e. not including companies) accounts for 2019/20, 2020/21 and 2021/22 have now been to Audit Committee. There is a slight delay against the plan for 2022/23 and 2023/24 scheduled for completion in later in the Autumn. The consolidated accounts for 2022/2023 and 2023/24 are also scheduled for completion in early 2025.

#### 3.0 Commercial theme

- 3.1 *Council-owned assets:* A key achievement over the last reporting period has been the further development of the Asset Rationalisation Plan. For all 55 assets within the investment portfolio that the Council owns, a detailed review in line with industry best practice and following the Council's Commercial protocol has been carried out. These proformas propose whether the



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Council should hold, dispose, or dispose later each asset. The three-year disposal programme will be in place by October as planned.

- 3.2 Considerable progress has been made to improve asset information and management. Further work is underway to improve the performance of assets, for example by getting tenants into vacant space prior to disposal improves the likelihood of a sale as a property with full tenancies with good lease lengths gives an investor greater guaranteed return from their investment. Work is also underway to implement the new Asset Management System. All the Facilities Management data is now loaded, with the property information due to be entered by the end of October.
- 3.3 *Companies' governance:* Governance covering the effective management of the Council's relationship with its companies has been strengthened, including to provide greater accountability and transparency. Initial Company Business Plans have been reported and refreshed Business Plans will be presented to the Shareholder Executive Committee in October. These business plans are required to ensure each company has a clear purpose and strategic direction, alongside a set of performance measures which the Shareholder Executive Committee can utilise to hold the respective Board and management to account.
- 3.4 *Companies' strategic options:* Companies are producing business cases on options for the business entities. Following the Treasury Green Book 5 case model, the outline business cases will be considered at the Lender Board in early October, and full business cases developed by December. Whilst the development of the initial strategic Business Cases has seen a slight delay, this is not expected to impact on the production of the full business cases by the end of December 2024.

### 4.0 Governance and Assurance theme

- 4.1 *Democratic processes:* This period has seen increasing discipline in the approach to agenda planning and preparation, with greater ownership of this by CLT. In March, the new Council meeting structure was approved by Council. This included the introduction of three, directorate specific scrutiny committees, in place of the previous one Overview and Scrutiny committee. This has given scrutiny a stronger focus in our decision-making process and Strategic Directors are now working more closely with their committee chairs to make sure all relevant items are scrutinised. The new structure also removed a number of Member working groups that were operating behind closed doors, thereby increasing transparency, and has streamlined the Council meetings calendar to allow for more robust decision making.
- 4.2 The committee reports template is being reviewed and updated, making the structure of reports clearer so that Members are more informed in their decision making. Accompanying guidance on report writing is being developed to support the new template and will be socialised with Officers.
- 4.3 *Scrutiny function:* The scrutiny improvements action plan, developed with support from the Centre for Governance and Scrutiny, continues to be delivered in the new context of three scrutiny committees. Recent work includes the updating and circulation of the scrutiny toolkit, work programming workshops between committee chairs and Strategic Directors to capture all relevant items, and a new CLT/scrutiny arrangement that encourages better support for scrutiny by each Strategic Director.
- 4.4 *Audit and Governance:* Following the decision to increase the number of Independent Members on our Audit Committee (now called the Audit and Governance Committee), recruitment is underway to secure a second Independent Member for the Committee, and a new Independent Member Chair. There has been a slight delay in appointing the new Members however this shouldn't impact on the performance of the function.

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- 4.5 In June, the LGA provided assurance mapping training to our Audit and Governance Committee. This has been followed up by a longer-term commitment of support for the Committee through mentoring by a Financial Improvement and Sustainability Advisor, who has extensive experience as a Section 151 Officer in the public sector. The purpose of this is to help build the Committee's confidence in the Council's governance processes and its ability to navigate and oversee them.
- 4.6 *Annual Governance Statement (AGS)*: The AGS has been informed by the newly introduced quarterly assurance meetings, which have improved monitoring of our assurance and governance arrangements. The 2023/24 AGS will go to the Audit and Governance Committee in November for approval as planned.
- 4.7 *Constitution Review*: The constitution has been reviewed, amended, and republished on the website. This has helped ensure that our governance processes are robust and in line with best practice in light of the changes being made across the organisation.

### **5.0 Organisation and Service Redesign theme**

- 5.1 *Woking for All Strategy*: The Woking for All Strategy is in the process of being reviewed and will be agreed by Executive in October. The strategy will outline the Council's strategic objectives to residents, businesses, and partners.
- 5.2 *Community Asset Transfers*: The work to deliver the community asset changes (CATs) will deliver a significant amount of the savings identified in the 2024/25 budget. This is progressing well. There were 45 expressions of interest from community groups to take on the running of the centres and pavilions across the borough. Community groups will now be asked to develop business cases. This will result in not only eliminating all council subsidy in these areas but also ensure that the centres remain in use in the community.
- 5.3 *Self Service programme (previously called Resident Services programme)*: With the new web publishing provider (Invuse) now on board, work is progressing on the Website improvement project. Improvements to the website have also supported a 20% reduction in the number of calls to the service desk. These have been partly informed by a website accessibility audit. Extensive resident engagement is taking place. The engagement is to understand how residents currently use the website, their problems with it, and what they would like to see on the website. Initial website development in Customer Services Revenues and Benefits has led to initial improvements to website content and redesigned forms has already led to 51% less enquiries to customer services. Also, there has been a 72% increase in the use of the Council tax form (instead of calling or emailing Customer Services).
- 5.4 *Data Insights and AI*: Following the discovery work in the spring, the appointed contractor, Pivotl, has produced their initial findings and insights into the data issues and opportunities. Due to lack of resources and competing demands, the next stage of this project has seen a delay in producing the plan for the Council's data improvements. Pivotl have outlined the suggested 'accelerator' areas for Data, Insights and AI. The next step is for a business case to outline the cost/benefit of undertaking a deeper dive into data and delivering the accelerators.
- 5.5 *Organisational Development*: A new Extended Leadership Team has been formed which includes the Corporate Leadership Team and direct reports. This is supporting CLT with capacity and also driving improved communications into teams. The approach to pay progression and Personal Development Plans are being prioritised for this period. Also, staff induction and training are being reviewed, starting with seeking staff views to help shape this work.

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- 5.6 *Internal Communications and Engagement:* The internal Communications Plan has been agreed and is now being implemented, which includes regular 'VLOGs' to staff and internal website improvements to ensure information to support staff is easily accessed.

### **6.0 Housing Recovery and Improvement theme**

- 6.1 *Homes and Safety:* Bailey partnership have been appointed to support the Council with the delivery of the remaining fire safety remedial actions and the new C365 system has been implemented.
- 6.2 Stock condition surveys for 100% of stock will begin imminently. This represents a slippage due to staffing issues.
- 6.3 The draft fire safety policy was presented and supported at the first Communities and Housing Scrutiny Committee at the end of July.
- 6.4 *Housing Revenue Account 30-year Business Plan:* This period has seen significant progress made on the development of the 30-year Housing Revenue Account Business Plan. The emerging plan has identified issues, but these are being worked through and re-modelled.

### **7.0 Implications**

#### Finance and Risk

- 7.1 If the Council fails to take appropriate action to meet the requirements set out in the Government Directions, or if the Commissioners appointed by the Secretary of State do not have sufficient confidence that appropriate actions are being taken to implement and sustain the required improvements, then the Council risks not having appropriate arrangements in place to comply with its best value duty under Part 1 of the Local Government Act 1999. This could lead to further Government intervention.
- 7.2 An IRP Risk Register is maintained which will underpin the Council's Strategic Risk Register. This is reported monthly to the board and as part of the Progress Reporting to the Executive. The current key risks are outlined in Appendix C.

#### Equalities and Human Resources

- 7.3 The successful delivery of this IRP will require the development and review of many of the Council's services. This will include an Equality Impact Assessment where appropriate prior to decisions being made.
- 7.4 Any further staffing changes as a result of the Organisation and Service Redesign theme will be carefully managed and a formal consultation will be undertaken ahead of any change taking place. Full Equality Impact Assessments will be carried out as part of this process.

#### Legal

- 7.5 The Monitoring Officer reiterates the guidance provided by the Section 151 Officer under the Finance heading of this report as well as highlighting that the Council is still obliged to meet its statutory duties and continue to make decisions in accordance with public law principles. It is anticipated that the IRP outlined in this report will support the Council to deliver its statutory obligations.

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### **8.0 Engagement and consultation**

- 8.1 The IRP is published on the Council's website. The progress reports produced to the Commissioners are also published on the Council's website. A communications plan to keep staff, residents, partners, businesses, and stakeholders informed is in place.

#### Staff and Members

- 8.2 It is vital that the Council effectively engages staff and Members to drive organisational changes. The Council has around 350 Members of staff, many of whom work on the frontline, and internal communications will support staff to understand the relevance of the IRP to their day-to-day work, alongside the Council's Corporate Strategy and priorities for residents.
- 8.3 The Council is communicating with staff in a variety of ways, including regular video and email messages, staff Q&A sessions and manager briefings. This is a two-way conversation with the intelligence gained from staff throughout the organisation used to inform the IRP.

#### Residents

- 8.4 The Council is committed to becoming a listening, responsive Council that enables residents to influence the design of services. The Council carried out a resident engagement in the summer last year, to understand the issues residents care about. A major consultation was carried out with residents in the autumn on proposed changes to services. As the Council transforms, there will be further resident engagement and ongoing communications.

#### Partners and stakeholders

- 8.5 The Council is reviewing ways of working and partnership arrangements as it continually strives to provide the best possible services. The Council wants to build on its operational relationships with partners that were strengthened during the pandemic and is keeping them informed of progress against the IRP.

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### Appendix C – Programme risks summary

	Risks and issues	Probability	Impact	Level	Mitigation
1	Insufficient programme budget to deliver the Improvement Plan priorities that require funding leading to delays in improvement	4	5	<b>H</b>	Programme costs have been reviewed and all non-transformation costs have been removed. Decision required regarding priority spend areas beyond what is already budgeted for. Overarching funding strategy being developed to identify all costs for recovery, improvement, and intervention.
2	Insufficient resources (capacity and capability) to deliver the level of activity and change required at the pace required	3	4	<b>M</b>	Temporary resources in place (contractors, consultancy support). Medium-longer term resource requirements are identified and being implemented in Finance and Commercial areas.
3	Reliance on temporary external expertise leading to potential gaps in knowledge and extra cost	3	4	<b>M</b>	Up-skilling of existing staff, where possible, is underway. Blended teams being developed where possible. Documentation on shared files and communicated via PMO. Medium-term plans are in place to establish capability. Permanent Finance roles in place.
4	New ways of working not enabled quick enough to support the new vision and reduced workforce.	4	4	<b>H</b>	Channel shift work is well underway for resident services and includes change management plans. OD work will identify pain points and inform where targeted change is needed. Communication and staff engagement will support.
5	Improvement and Recovery Plan does not fully support getting the WBC back to a council discharging its statutory responsibilities in a way that is sustainable and focussed on the needs of the residents and communities of Woking	3	5	<b>M</b>	A full review of the IRP and refresh of the Working for All Strategy to ensure all organisational changes are managed consistently and in line with this aim.
6	Interdependencies between themes and/ or workstreams not identified or poorly managed leading to disconnect, delay and further issues	2	4	<b>M</b>	Reporting and processes are well established now. Clarity on interdependencies as programme matures and additional mechanisms will be put in place. Additional workstream working groups in place to improve integration of finance and

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					housing (HRA) and Commercial and Finance (debt reduction)
7	Insufficient data and information in place to support effective decision making	4	4	<b>H</b>	Data cleansing and improvements in place in various parts of the organisation e.g. asset management system. Data and Insights initial discovery work now complete and will inform improvement plans.

The scores for probability and impact are out of a maximum of 5, and are multiplied together to result in the risk level (high, medium, or low).

REPORT ENDS