

EXECUTIVE – 16 JULY 2020

## **LOCAL GOVERNMENT ASSOCIATION PEER CHALLENGE**

### **Executive Summary**

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

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

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

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

### **Recommendations**

The Executive is requested to:

#### **RESOLVE That**

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

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

### Reasons for Decision

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

The Executive has the authority to determine the recommendation(s) set out above.
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<b>Background Papers:</b>	None.
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## Local Government Association Peer Challenge

### 1.0 Introduction

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

#### The Peer Team

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

#### Scope and focus

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

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

#### Scope

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

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

#### Outcome of the Peer Challenge

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

### 2.0 Peer Challenge Key recommendations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Review the effectiveness and resourcing of Overview and Scrutiny

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

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

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

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

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

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

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

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

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

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

### **3.0 Implications**

#### Financial

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

#### Human Resource/Training and Development

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

#### Community Safety

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

#### Risk Management

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

#### Sustainability

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

#### Equalities

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

#### Safeguarding

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

### **4.0 Consultations**

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

REPORT ENDS