



Corporate Peer Challenge **Woking Borough Council**

20th – 22nd October 2015

Feedback Report

1. Executive Summary

Woking Borough Council (WBC) has been involved in the clear sighted, ambitious and successful regeneration of the town centre which began significantly before the recent financial crisis and has bold plans for further developments. This is funded through an innovative approach including significant long term financing to generate income at a scale which is atypical amongst district councils. This entrepreneurial model has been achieved through a strong and collaborative relationship between members and officers over a number of years within a stable political environment. The staff of Woking Borough Council operate in a can do culture that finds solutions to the challenges they encounter to deliver success for themselves, the Council and the people of Woking.

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

The broad political consensus on the ambitions has enabled the high profile and charismatic Chief Executive to provide the vision, direction and solutions necessary to achieve success. He has an impressive track record over a number of years. The Council is now at a cross-roads with all out elections for a new council in 2016 and the challenge is to secure the legacy of this administration through ensuring key decisions are secured for the immediate and long term future of the organisation and the borough up to and beyond 2020.

2. Key recommendations

- Be clear on the legacy of the current political administration and the ambition and priorities for the next 5 year period
- Consider a corporate organisational development programme to grow skills in commercial thinking and leadership to support the Transformation Programme
- Clarify the sequence of events required to make the key decisions on financial strategy and major development projects over the next few months
- Use the overview and scrutiny function to influence and develop policy prior to consideration by the whole Council
- Ensure there is clarity and capacity in the roles and responsibilities after the service realignment around People, Place and Us.

3. Summary of the Peer Challenge approach

The peer team

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

- **Alan Goodrum**, Chief Executive Associate Peer (Ret. Chiltern and South Bucks Councils)
- **Councillor Duncan McGinty**, Leader of Sedgemoor District Council
- **Rachel North**, Deputy Chief Executive, Tewkesbury Borough Council
- **Patrick McDermott**, National Graduate Development Programme
- **Marcus Coulson**, Challenge Manager, Local Government Association

Scope and focus

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

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

Scope

In addition to these questions, you asked the peer team to enable it to receive an independent review of its arrangements and proposals so that it can be satisfied that it has taken into account the issues it needs to address in pursuing its wider objectives.

The peer challenge process

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

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite at Woking borough Council, during which the team:

- Spoke to more than 118 people including a range of council staff together with councillors and external stakeholders
- Gathered information and views from more than 37 meetings, visits to key sites and additional research and reading
- Collectively spent more than 120 hours to determine our findings – the equivalent of one person spending 3½ weeks in Woking

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (Tuesday 20th – Thursday 22nd October 2015). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Woking Borough Council has an ambitious approach to the place of Woking and what the future should look like that comes from both the political and managerial leadership of the Council. This is expressed in Council documentation and is shared by all of the large number of partners the peer challenge team spoke with whilst on-site. A couple of representative quotes that summed up this appreciation were that a key partner, “Admires the level of ambition for the town”, and that there is a recognised plan for, “Systematically working through the town centre”, to develop it as a place and improve the environment for all the people in the borough.

The Council has high aspirations for the borough and a programme of economic development activities to deliver it and has looked at innovative ways to enable this including borrowing from the Public Works Loans Board (PWLB) and the use of trading companies. This brave, entrepreneurial approach has given it a reputation as willing to do deals led by the Chief Executive who is energised by risk and the management of it. This has resulted in the Council being highly interventionist on behalf of the town and reaping considerable benefits from successful regeneration. The level of borrowing is unique amongst district authorities and demonstrates an unusually strong appetite for risk. One example is the purchase of the Wolsey Place shopping centre for £68m in February 2010 which through careful management generates a healthy return. The Council has looked at a variety of ways of financing its investments from its own capital receipts from borrowing and from revenue contributions. The peer challenge team identified that a key question for WBC going forward is that of affordability and the budget report 2015/16 signals the need for a review of the investment programme which is recognised by the Council. WBC takes a long term view to achieve success and has further plans to develop the town centre in line with this.

There is effective joint working with Surrey County Council and other partners to deliver a range of positive outcomes for those who use services. The peer challenge team saw a number of examples of this with the work on the Woking street scene, the new library co-location in the town centre, the delivery of community safety, the Voluntary and Community Service (VCS) sector and the achievements of the Resilience Forum.

When considering the activity of the Council we heard that many partners were very positive that they have direct access to the Chief Executive for discussion and decisions, however they did question the sustainability of this type of engagement. This issue about the organisation’s capacity to deliver below senior managerial level is summarised by a couple of quotes on the situation, “Is capacity sufficient for the vast range of ambitions?” and the Council is “spinning 100 plates”. The peer challenge team suggest that there should be a consideration of how staff beyond the Chief Executive are empowered to share the workload to deliver the impressive range of Council ambitions.

When reading and hearing about Council activity there did not always appear to be a consistency between the narrative of the vision and the documentation that supported it.

It may be that activity is followed by the necessary formal papers and consequently there is an opportunity to bring greater clarity to strategic policy objectives by ensuring there are up-to-date policy documents.

It is an accepted truism at Woking Borough Council that Ray Morgan, the Chief Executive, is a charismatic high profile leader who energetically defines strategy and creates consensus around solutions for staff and partners to deliver. He has been at the heart of WBC's success over a number of years and a strength is that he is key to all relationships. The converse side of this situation is that future challenges may require longer term officer capacity at WBC to manage the strategy and investments of the Council. Entrepreneurial activity at Woking BC could be further embedded throughout the organisation with a systematic programme of skill development to equip staff at all levels with the commercial thinking necessary to maintain the level of ambition articulated.

As has been stated elsewhere the WBC has a track record of success regenerating the centre of the town and has plans for further significant development. It is evident that the capacity of rail and road links to the town are stretched. The implicit question here is what is the limit to Woking's strategic and development ambitions? Given the Council's effective levels of partnership working with the County Council they are well placed to engage with the key transport infrastructure bodies to prioritise investment to support the continuation of this regeneration. It has to be recognised the major decisions, for example on airports and the next stages of Crossrail, are outside the Council's control although WBC has an important influencing role to play.

On a more operational note a suggestion the peer challenge team heard was to have more flexible parking policies that encouraged those visiting the theatre or cinema in the evening to be able to park earlier and incur no extra cost thereby encouraging them to spend more on their visit.

What has been harder to distil is the ambition for the next phase of the Council as this administration comes to a close in May 2016. The current level of activity is aimed at committing the current round of projects. There is an opportunity to reflect on what the next stage of the Council's vision should be and how that relates to the financial resources likely to be available. Some key investment decisions need to be addressed prior to that which is why we would describe the current stage as being at a crossroads.

4.2 Leadership of Place

Woking Borough Council is an ambitious, innovative and creative Council that has a strong track record of success. Further examples the peer challenge team were made aware of are in the purchase of Brookwood Cemetery, the initiative to create a site for Hoe Valley School and the regeneration over a number of years of most of the centre of Woking into a shopping and entertainment destination of choice.

The success of WBC has been achieved through hard work and determination as well as a joint political and managerial team who are "comfortable to let Ray drive forward". Because of this clarity staff and partners are very positive of the town's regeneration

and the resulting prosperity that also embraces diversity in its outlook and punches well above its weight on economic development. The narrative of borrowing to invest in the future from the Chief Executive is owned by all internal and external stakeholders and this is no more obvious when the Council has hosted visits from the Prime Minister, Her Majesty's Treasury, the Department of Communities and Local Government, the Department for Transport and other central government departments as well as numerous councils from across the country eager to see what successful regeneration and development looks like using the model devised by WBC.

WBC engages well with key partners and this is evidenced from the work of the Joint Committee with Surrey County Council, a very good example of joint place shaping. This joint Committee provides the Borough Council with an excellent platform to develop further joint initiatives and shared vision with the County Council and potentially other public sector agencies serving the population of Woking.

There is the high profile regeneration scheme in Sheerwater which in partnership with its housing management partner New Vision Homes, WBC is putting forward plans which would see considerable investment in significant improvements to housing, roads, parks, shops and community facilities to make the area a desirable and attractive place to live. There is a close linkage with this scheme and the Hoe Valley School where the athletics track will be relocated.

The creation of the Thameswey Group of companies is an innovative and creative model to deliver housing for the betterment of local people. Although originally conceived as a way of implementing the Council's green and energy efficiency objectives, the group is already playing a vital role in the delivery of affordable housing and there is potential for this to grow further. The financial models used provide an income stream to the Council with the Council organising the borrowing. Business plans together with the financial requirement are reported to the Council's Executive. The Council may wish to consider how the good practice in the use of the group of companies could be more widely shared on national platforms from which others could learn.

There has been a recent report into the Sheerwater regeneration work by an independent panel that have made a number of helpful recommendations on the project. There is a broader learning point from what is an extremely complex regeneration scheme which is to position "people" more centrally within the project's development as the team heard that whilst it is a potentially successful initiative the human factors involved could be more 'front and centre'.

The Council has a successful track record of physical regeneration projects which have revitalised the town centre and wider public realm. However community regeneration in residential areas can be a different animal requiring a more collaborative approach with local people who are directly affected by the proposed change. The Council needs to understand the messages contained in the Independent Sheerwater report and develop its skills in engaging, involving communities and local Ward Members more directly in order to secure the desired outcomes with high levels of local support. This approach would also add value to all WBC's future ambitions.

The Council's track record in community development work, both in its willingness to support groups with staff time and financial resources, means that it is in a good position to do this.

There is recognition that the number and scale of the development projects the Council is involved in demonstrates ambition but at the same time the peer challenge team concur with WBC's own view that they need to ensure there are adequate resources to deliver the complexity and scale of these projects.

There are all out elections in 2016 to address the changes made by the Boundary Commission and the realignment from 36 to 30 councillors covering the revised wards in the Borough. Immediately after this there may be some changes to the elected membership representing wards and therefore now would be a good time to refresh member training and induction. The Council might also like to consider the additional pressure on Councillors following the elections, with larger and more populated Wards, meaning additional support may be required.

It was reported to the peer challenge team that the Chief Executive is a very visible and welcome presence for staff and partners, it was also mentioned that staff would also welcome greater visibility of the senior managers and leading members. This would reinforce the broad political and managerial support for the programmes and reinforce that a major team effort is required to deliver them. It would also be useful to consider the Council's approach to succession planning and risk which was raised during our interviews. Much success has been delivered for which the members, the organisation and people of Woking Borough should be rightly appreciative, however the peer challenge team felt that as so much is vested in one person we agree it would be prudent to have the conversation about how the continuation of the current (progressive) approach can be sustained in terms of organisational capacity, resources and the Chief Executive's contribution to it.

4.3 Financial planning and viability

The Council has had and continues to have a bold and ambitious investment programme which is reaping considerable rewards for the authority and its community. The Council has seized the opportunity presented by low rates of interest from the Public Works Loan Board and the vehicle it has in the Thameswey group and maximised the benefits for the local community. It is also signed up to the United Kingdom's Municipal Bonds Agency. However it is important that adequate checks and balances are instigated to protect the Council from risk and to effectively manage any potential impact. To that end WBC should continue to manage risk whilst remaining cognisant of the duty to the rate-payers of Woking and ensure there is a clear awareness in the financial and treasury management strategies of the legislative framework to set annual risk limits that are affordable, sustainable and prudent. There is also the need to demonstrate awareness that risk is accumulative across all projects.

From the evidence the peer challenge team saw and heard from key individuals the Council appears to be in a robust financial position with significant income generation outstripping costs. Senior officers have a clear grasp of day-to-day financial control and

budgeting issues and there is a thoughtful and pragmatic approach to in-house/out-sourcing of Council activity and working with partners. There are also enough resources for WBC to embark on projects that would not typically be the preserve of district councils (education, health) thereby helping to deliver the Health and Wellbeing Strategy and seeking to support the most vulnerable members of society. This is highly commendable. Another good example of intent to drive efficient working is the desire to join up with other partners in the Orbis joint committee work to deliver savings.

There is recognition by leading members and officers relating to the uncertainty of government funding and when capital projects come on stream and as a consequence there is an on-going dialogue of how to manage Council finances in the light of these uncertainties. When comparing the Council to its cohort of District Councils it is in a healthy position and reflects the fact that overall as the Revenue Support Grant has reduced the Council has been able to utilise the growth agenda to increase the New Homes Bonus and Business Rate monies and increase income considerably. Based on the LGA's projections of the future path of funding and expenditure, the Council will be 100% funded in 2019/20. However this has resulted in a level of long term loan debt which is unique in district Councils. Uncertainty surrounding the future of the New Homes Bonus and the impact this may have on the general fund may be an area of risk that the Council should consider as part of its financial planning.

The Council is at a key point in its development as there will be an all-out election in 2016 to create a new Council with a reduction in the number of Councillors from 36 to 30. In the run up to this event the Council recognises that a number of decisions need to be made related to development and regeneration activity. First and foremost is the Victoria Square development early in the New Year that is followed by others, for example, Sheerwater. The Chancellor's autumn statement can only bring bad news though the decisions already made put the Council in a very good position. The peer team consider that the key financial parameters need to be brought together in a refreshed financial strategy, including the Council's appetite for risk, and this needs to be done before considering the next round of investment and, for example, the development appraisal for Victoria Square. What the peer team are concerned to recommend is that the Council gets the sequence of these decisions right so that the priorities and financial strategy provide an up to date framework for the individual decisions on projects and investments.

Related to this the peer challenge team recommend the creation of a clear Transformation Strategy linked to the financial planning and budgetary process which would enable a number of people to share the development narrative and add value to it. This will help focus on the key dimensions of service quality, making savings and improving resilience both in terms of managerial capacity and front line services. A further aspect of this would be to deliver programmes using consistent project management processes.

4.4 Organisational leadership and governance

The Leader of the Council is well known to staff and partners and seen to be a visible presence, he is open, listens to others and is well respected. This sets an agenda that creates good member officer relationships across the organisation and allows for discussions to take place on the vision and strategy at WBC as well as progress towards targets in a constructive manner. This state of affairs is to be commended.

There are systems in place managing performance, reporting key issues into Executive - and all members through the monthly green booklet - enabling them to manage the key priorities and activities of the Thamesway Group that ensures the activities of the company are closely aligned to Council priorities. The peer challenge team met a significant number of staff from a variety of departments at WBC and found them to be a capable, enthusiastic, hardworking staff delivering positive outcomes for the people of Woking through a can-do culture. It is also a feature that staff and member groups are stable with low turnover and feelings of high satisfaction. This culture has been created and maintained by those staff and members and is a key factor enabling the Council to achieve past and future successes.

The Council has made good use of independent members in the Sheerwater Independent Review and member induction process demonstrating that it is prepared to search for and take on the views of others to move forward effectively.

It is not uncommon in modern organisations for staff to identify that aspects of the Information Technology infrastructure lacks some functionality. This is the case in Woking and the peer challenge team recommend that the Council consider future-proofing it as part of the transformation programme – it would both help staff and improve efficiency.

The Overview and Scrutiny function in the Council has a clear work plan and regular meetings. However the peer challenge team felt that there is still an opportunity to emphasise the overview aspect of this work to more actively influence and develop policy prior to its consideration by the whole Council. This would ensure a wider buy-in for the direction of the Council at an earlier stage. This was something we discussed at the feedback sessions in terms of good practice at other Councils and a project could be developed to ensure this is followed up and incorporated.

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

4.5 Capacity to deliver

Whilst there have been reductions in staff numbers to the present number of approximately 350, there was evident pride that this has been achieved through no compulsory redundancies or significant tension with trade unions. In point of fact Union representatives expressed satisfaction with the style and direction of the leadership at the Council and that they had an open door to the Chief Executive and Leader that enabled them to discuss issues as they arise.

In conjunction with good working relationships staff reported that they were encouraged to explore professional development opportunities and that there is an organisational commitment to staff training and personal development. The peer challenge team heard no reports that opportunities were denied or restricted, which in a time of financial difficulty for the local government sector is commendable.

The peer challenge team had the opportunity whilst on-site to speak with a number of different groups of staff from frontline employees, middle managers, senior staff, and partners. There was a consistent message that the morale of staff was felt to be high with an optimistic can-do culture that seeks to find solutions to issues as they arise. These issues are seen as challenges rather than road blocks and partners especially voiced their pleasure to work with WBC because of this response. A quote from a significant partner was that, "We have good Council officers willing to work with us", enabling them to get things done and achieve. Furthermore staff told stories of colleagues who left to work in nearby London boroughs for more money only to return some time later to what was felt to be a 'better' organisation. To support and illustrate this narrative the Council could repeat the staff survey of 2011, additionally this could inform senior management of any training and skills requirement following the organisational changes.

The senior leadership at Woking Borough Council is very clear that the Thamesway Group of companies has been established to assist in the delivery of the Council's strategic objectives with a view to securing benefits for the residents of the Borough. Those involved in this multi-faceted enterprise share this vision and its ambition and believe it has the necessary capacity for the future and is very commercially minded. This places it strongly to achieve the stated goals of the group. Areas where capacity might need to be improved to enable delivery are with the Hoe Valley School project and the Sheerwater Regeneration Scheme.

As previously stated the ambition of WBC is extensive and this is primarily driven by the Chief Executive. To embed this approach fully across the organisation in its structures and decision-making systems the Council could consider a corporate organisational development programme to grow skills in commercial thinking and leadership in different tiers of staff to support the Transformation Programme. This would also make better use of the third and fourth tier managers by maximising capacity and using the talent in the organisation. The peer challenge team were impressed with the capability at this level and to meet the next round of challenges the organisation will need to enable this level of leadership to achieve more.

The organisation has not stood still and the Chief Executive is already in the process of clarifying roles and responsibilities in the top team building upon the People, Place and Us themes. This needs to be finalised urgently as it will allow senior leaders to clarify the roles and reporting lines of the staff within their directorate and further establish the role of middle leaders. It will also provide the opportunity to further develop the abilities of a very capable workforce, as well as providing a platform the Chief Executive and the senior team to communicate the role of staff in the Council's vision with even greater clarity.

There is an opportunity to engage further with the VCS to deliver the ambitions of the Council. They felt able to work with WBC in a number of ways which led the peer challenge team to the view that this strong VCS sector could be used more. This could be in terms of the balance of what the Council does and the voluntary sector provides in the future, linking into the transformation programme, or facilitating their involvement on the ground floor of future regeneration projects.

5 Next steps

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

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

All connected with the peer challenge would like to wish you every success going forward. Many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation. In particular, please pass on our thanks to Frank Jeffery and his team for their excellent support in organising the challenge.

Yours sincerely



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On behalf of the peer challenge team.