

24 JUNE 2021

JOINT EXECUTIVE ADVISORY BOARD

24 June 2021

- * Councillor Angela Goodwin (Chairman)
- * Councillor Ruth Brothwell (Vice-Chairman)

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| * Councillor Paul Abbey | Councillor Bob McShee |
| * Councillor Jon Askew | Councillor Masuk Miah |
| * Councillor Christopher Barrass | * Councillor Ramsey Nagaty |
| Councillor Richard Billington | * Councillor George Potter |
| * Councillor Dennis Booth | * Councillor Jo Randall |
| * Councillor Graham Eyre | * Councillor Maddy Redpath |
| * Councillor Andrew Gomm | Councillor Tony Rooth |
| * Councillor Angela Gunning | * Councillor Will Salmon |
| * Councillor Diana Jones | * Councillor Pauline Searle |
| Councillor Steven Lee | * Councillor Fiona White |
| * Councillor Ann McShee | * Councillor Catherine Young |

* Present

Councillors Tim Anderson, Joss Bigmore, Colin Cross, Jan Harwood, John Redpath and John Rigg were also in attendance.

28 ELECTION OF CHAIRMAN FOR THE MEETING

The Joint Executive Advisory Board (EAB)

RESOLVED

that Councillor Angela Goodwin be elected as Chairman for this meeting.

29 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Steven Lee, Bob McShee and Masuk Miah. Councillor Chris Blow was present as a substitute for Councillor Bob McShee.

30 LOCAL CODE OF CONDUCT AND NOTIFICATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of disclosable pecuniary or non-pecuniary interests.

31 MINUTES

The minutes of the meeting of the Joint EAB held on 15 March 2021 were confirmed as a correct record, and would be signed by the Chairman at the earliest opportunity.

32 SAVINGS STRATEGY PROGRAMME MANDATE

The Resources Director introduced this item and delivered a related presentation which covered:

- Reasons for the projected £6.0million budget gap
- Trajectory of the medium term General Fund revenue budget gap of £2.7million in 2022-23 rising to £6.0million by 2025-26
- The Savings Strategy

- Definitions of Savings Types
- Options / Workstreams
- Considerations
- Resources
- Potential costs and benefits
- Issues, assumptions and risks
- Dependencies, constraints and opportunities
- Reviewer List
- Corporate Management Team and Executive Liaison Feedback

By way of introduction, the Director advised that the Savings Strategy related to the next five years and was intended to assist with mitigating the estimated £6.0million General Fund revenue budget shortfall. There was an anticipated overspend of £9.0million in the 2020/21 financial year with expected financial pressure in 2021/22 owing to a delay in the Government's pandemic lockdown easing plan. Therefore, there was an urgent requirement to identify any and all potential savings that could assist with bridging the budget gap over the next few years. Savings delivered to date included a reduction in staffing costs of £4.3million through the Future Guildford programme.

Areas highlighted in the presentation included the receipt of some one-off Government grants to provide financial support during the pandemic. However, in general, Government funding had reduced by approximately 50% over the last five to six years. In terms of the £6.0million budget gap, factors such as the Local Government Finance Settlement, the final accounts for 2020/21, the findings of the Capital Investment and Outturn Report and debt interests likely to be incurred in 2022/23 could all have an impact on the 2021/22 and 2022/23 financial years.

The Savings Strategy was a high priority piece of work required to secure the Council's future financial viability which overarched a number of savings project workstreams that would each have their own individual mandate. In terms of potential costs and benefits, some costs would be incurred in the process of identifying potential savings. Attention was drawn to the need to apply the entire Strategy to closing the budget gap as no single savings strand would be sufficient to achieve this alone.

The Lead Councillor for Resources highlighted the fact that this Council spent significantly more on some service areas compared to other similar councils on a per head of population basis. Although this would not render savings in such areas any less unpopular or controversial, it was emphasised that the Council needed to identify and progress spending reductions to address the budget gap.

The following points arose from related questions, comments and discussion:

1. In terms of the Future Guildford programme, its Board had met on limited occasions during the past year owing to difficulties associated with the pandemic lockdowns. The programme was nearing completion following the implementation of Phase B of the related restructuring and of the majority of the associated new technology. However, some teams remained in a transitional period. Following the instigation of the remaining ICT modules, a development pipeline for the new technology would be introduced, particularly around the Business World and Salesforce systems. New processes such as the customer portal and revamped website were now operational. Post project evaluation work would be undertaken and it was anticipated that the programme would be closed in September 2021 after which time consultants would no longer be required. Ongoing savings of approximately £1.7million associated with the programme, mainly relating to procurement and asset investment, were yet to be

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delivered and it was anticipated that these areas would generate additional income over the next two to three years. Other workstreams that were yet to realise savings had been absorbed into the Savings Strategy and formulated part of the Discretionary Services review.

2. As the Benefits service was a statutory function, it did not form part of the Discretionary Services review and there were no proposals to reduce staffing in that service area beyond the reductions already made through the Future Guildford programme, which had also introduced related on-line accounts. Whilst Housing Benefit was set by the Government and therefore out of the Council's control, the Local Council Tax Support Scheme was determined by the Council, however, no guarantee could be made regarding possible future benefit reductions.
3. Although town planning fees were statutory fees set by the Government and outside local authority control, the Council did have some discretion in respect of charges for pre-application advice and planning performance agreements and it was suggested that these should be increased as a measure towards offsetting the budget gap. Whilst the Council had raised planning application fees in line with Government increases in recent years, they did not cover the cost of the planning service which was subsidised by the Council Tax payer. There had been a significant increase in the volume of planning applications received recently.
4. Whilst the potential costs and benefits associated with unitary authority / council merger options did not include potential redundancy or ICT costs as these would not emerge until the initial scoping study and business case had developed, such costs associated with Future Guildford were recorded and could possibly be shared with Waverley Borough Council in the light of a merger.
5. ICT software costs and licence fees remained under review to ensure best value for money, particularly when the re-procuring of systems and services became due. The increase in software costs related to the new systems introduced as a feature of, and funded by, the Future Guildford programme, which had been agreed as part of the related business case. The costs were associated with the 'Software as a Service' cloud based facility which featured the payment of regular ongoing licence fees in place of the former arrangement where a software package was purchased as an initial one off capital sum.
6. There was no certainty regarding the future Government grant trajectory. The Government had launched a consultation in respect of the Fair Funding Review and Business Rate Retention Reforms in 2019 which gave an indication of its plans and informed calculations undertaken by the Council's local government finance advisers regarding the Business Rate retention trajectory. However, there was scope for the Government to pursue alternative courses of action and it was expected that further consultations would emerge in due course offering an indication regarding the future funding direction.
7. Equality Impact Assessments (EIAs) would be undertaken in respect of some savings proposals, particularly those of a complex nature which would feature a mandate followed by a business case report to the Executive, via an EAB, which would include an EIA.
8. Regarding measuring the impact of funding economies on services, there were a number of key performance indicators across services which were reported to the Corporate Governance and Standards Committee. Performance indicators were also aligned to the Corporate Plan. Any deterioration in service would become apparent through measurement against performance indicators.

33 GUILDFORD AND WAVERLEY COLLABORATION MANDATE

The Joint Executive Advisory Board (JEAB) received a presentation from the Strategy and Communications Manager in respect of the above mandate. The presentation introduced the mandate and explained the following aspects of it:

- Strategy
- Options evaluation
- Considerations
- Resources
- Issues, assumptions and risks
- Dependencies, constraints and opportunities
- Reviewer list

A Late Sheet containing related supplementary information, which consisted of the resolutions and recommendations of the Executive of Waverley Borough Council (WBC) to its full Council meeting on 6 July 2021, had been circulated. The additional information sought by WBC in resolution (1) would be shared with this Council.

The Leader of the Council provided some additional background information and invited the JEAB's comments regarding the mandate.

The following points for forwarding to this Council's Executive arose from related questions, comments and discussion:

1. Support was expressed for mandate option 4 to establish a single corporate management team with one chief executive as a first step towards progressing to the full integration of the officer teams of both councils into one shared officer resource working for two separate democratic councils. This would lead to the preparation of a series of business cases relating to the possible integration of individual service areas commencing where compatibility between the authorities was greatest, such as similar back office functions.
2. There was no wish to merge the authorities fully at this stage and each would remain as a separate legal identity with individual decision-making powers.
3. It was considered important for the Council to address its funding deficit in a proactive manner in order to avoid any financial controls or service reductions being imposed on it, such as a move to a single county-wide unitary authority which was not favoured.
4. Councillors felt that frontline services should be protected to meet the needs of residents. Demand for services had increased as a result of the Covid-19 pandemic and was expected to continue to do so as future residential developments stemming from the Local Plan led to local population growth. WBC was in a similar position regarding its recently adopted Local Plan.
5. Issues with the volume of planning applications being submitted were highlighted and it was questioned whether some related fees could be raised where possible to increase income towards offsetting the budget deficit.
6. In terms of risks associated with collaboration, concerns were raised regarding the short term disruption to Council services and officers, public perception of Council services, integration of ICT systems, lack of local knowledge, loss of continuity of officer experience and integration in the Guildford senior management team, and failure to achieve efficiencies and projected savings.
7. The Local Government Boundary Commission for England and the Boundary Commission for England reviews were not expected to impact on a proposed collaboration between the two councils as the former review concerned warding patterns within the Borough and the latter was a parliamentary review of the constituency boundaries.
8. Although WBC had not been through a rationalising restructure such as Future Guildford, there was confidence that should such a measure be pursued, it could be managed within a collaboration scenario. Whilst it was accepted that the two councils

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had varying strengths and weaknesses, it was felt that these would counter-balance each other and lead to overall improved efficiencies and savings collectively.

The Leader of the Council offered to make further detailed information available to JEAB members if required to assist them with their deliberations leading up to the full Council meeting on 6 July 2021 when this matter would be determined.

34 MANDATE TO REVIEW THE COUNCIL'S OPERATIONAL PROPERTY PORTFOLIO

The Head of Asset Management gave a presentation regarding a proposed mandate to review the Council's operational property portfolio. The presentation introduced the mandate and explained that the rationale behind its development was that the review had been identified as one initiative in the Council's Savings Strategy which sought to generate revenue savings required to reduce the Council's cumulative budget deficit of £6.0million over the next 5 years. This was an overarching programme level review and underlying projects would be subject to their own individual project mandates.

This mandate followed the standard mandate format and the aspects addressed included those set out below:

- Strategy
- Options Evaluation, Considerations and Resources
- Potential costs to proceed to the next stage to develop the Strategic Outline Case
- Issues and assumptions
- Risks and dependencies
- Constraints and opportunities
- Likely projects
- Reviewer list

In terms of strategy, a full review of the Council's 250 operational assets and office accommodation would be undertaken in order to identify any rationalisation and revenue savings opportunities, in conjunction with other savings initiatives and service changes being carried out across the Council. Covid-19 had accelerated a review of the use of the Millmead House complex due to the new and accepted home-working culture which had subsequently led to the Council's reduction in its office space requirement and created an opportunity to save significant revenue costs and potentially generate capital receipts.

The options evaluation offered three alternative potential ways forward regarding assets, namely, do nothing, do minimum or do more. All of these options were green rated under the RAG system as they could pose a solution for a particular asset. This would depend upon whether the asset was fulfilling its purpose in line with service requirements, was redundant or underutilised accommodation suitable for sale / leasing / transfer, or could offer opportunities for redevelopment or alternative use. It would be necessary for Asset Management to collaborate closely with discretionary services when reviewing assets.

Considerations included the assumption that savings achieved in some discretionary service areas would not be included in this programme in terms of costings and savings and would not therefore contribute to the Asset Management savings target of £1.5million net revenue savings, which would be refined as the review progressed. However, Asset Management would have regard to the outcome of discretionary services reviews.

Potential resource costs to progress to the next stage / gate and develop the strategic outline business case would include those associated with internal staffing and specialist external consultants for ICT development work to the Property Asset Database.

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The issues and assumptions and the risks and dependencies were also explained.

The likely projects forming the programme consisted of office accommodation, community centres and Stoke Park Nursery.

The following points arose from related questions, comments and discussion:

1. A Councillor expressed the view that the Council's operational property portfolio should be reviewed more widely than from a purely financial perspective to take account of the Council's property requirements to meet the needs of residents overall. This should include consideration of possible alternative uses of redundant or underutilised property prior to disposal, such as social housing provision for rent, for which there was considerable demand in the Borough. In response, the Head of Asset Management advised that the current strategic programme work sought to capture all asset opportunities whilst related risks and liabilities were being explored for sites with redevelopment potential, including housing, which would be progressed at the project level.
2. Owing to the uncertainty surrounding the property market following the Covid-19 pandemic, difficulties could be incurred when assessing the level of potential savings which could be achieved via the programme.
3. The Government's consideration of the possible expansion of permitted development rights could be beneficial to the Council when deciding the future use of assets.
4. There was experience of a growing need for local charities to secure new premises due to the expiry of existing leases, the need to expand owing to increased demand or the sharing of facilities to increase efficiency and possibly create an accessible central hub. Accordingly, it was suggested that the review should consider releasing redundant or underutilised property for this purpose where feasible.
5. The need for improvements to the system for booking Council owned facilities, such as community halls, was raised as a means to increase income generated by the property portfolio.
6. Whilst staff accommodation was not a statutory requirement, it was linked to the relevant service, for example the Millmead House complex included on site accommodation for a caretaker in Riverview Lodge. Some staff accommodation had been sold in recent years and the future of each unit was considered on its own merits in the light of property condition, links to the related service area and existing contracts in place. Right to Buy was also a consideration in relation to staff accommodation. Ward councillors would be consulted regarding future decisions in respect of staff accommodation at the project level.

The meeting finished at 9.37 pm

Signed

Date

Chairman