

# Improvement and Recovery Programme

August 2023



Shaping the *future*  
of our borough



# Foreword



**Councillor Ann-Marie Barker**  
**Leader of Woking Borough Council**

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

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

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

I am in no doubt that it will take a significant collective effort from councillors and officers to address these challenges and achieve a sustainable position.

We have not rested on our laurels and action has already happened. Steps have been taken to control borrowing and improve the governance of our commercial investments and to address the past actions that led us to this position.

I have asked our new auditor to bring forward their value for money review which includes a review of all the council's borrowings and investments.

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

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

# Foreword



**Julie Fisher**  
Chief Executive

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

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

It incorporates the support, oversight and expertise of the government appointed commissioners to establish realistic and deliverable improvements, fundamental to change.

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

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

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

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

# Section 1: Introduction

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

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

Excellent transport and infrastructure links, strong communities, and a healthy and economically active population make Woking a desirable and attractive borough in which to live, work and play.

## Context

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

commercial income which are no longer available.

This is now compounded by a) national factors - the impact of Covid-19, the energy crisis and historically high inflation, and b) local factors - commercial income from parking and commercial rents has reduced dramatically since the pandemic. This reflects changing life and workstyles and is considered a long-term change to the council's revenue. WBC is now facing a deficit of at least £1.2bn.

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

In order to balance the books, WBC needs to:

- significantly reconfigure services, taking 25% out of the revenue budget to live within the resources available
- rationalise the assets held to reduce the £1.8bn debt WBC holds and make sufficient provision for the repayment of that debt

- consider the future of commercial ventures, particularly Victoria Square Woking Ltd. and the ThamesWey group of companies, in a way that best protects the public purse
- ensure all the steps are in place to deliver sound commercial governance and financial management, and to deliver the scale of organisational change required
- negotiate a substantial package of government support.

## Statutory Notice

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

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

The intervention is formed of a set of actions which the council is directed to take, and the appointment of commissioners who have been given powers over certain functions. The range of functions which the commissioners will exercise is broad, relating to financial and commercial governance, strategic decision-making and the council's operating model, as well as other functions.

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

#### **Section 114**

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

The notice was required because the council's expenditure was likely to exceed

the financial resources available, and therefore it could no longer balance its budget for the remainder of the financial year and subsequent years. The council faces an extremely serious financial shortfall owing to its historic investment strategy that has resulted in unaffordable borrowing, inadequate steps to repay that borrowing and high values of irrecoverable loans.

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

The Section 114 Notice lays out the stark financial position facing WBC. Against available core funding of £16m in the 2023/24 financial year, WBC faces a deficit of £1.2bn. The scale of the deficit is unprecedented and will require both immediate and ongoing concerted action by officers and councillors over a number of years to return WBC to a path of financial and operational sustainability and recovery. This will include an ongoing framework of intervention from government.

Whilst the Section 114 Notice focuses on WBC's borrowing and investments due to the size of their impact, confidence in the

council and its governance and decision-making will not be established unless it is seen and evidenced that it has taken all steps to deliver a balanced budget and has a strategy and plan to manage within the resources available and bridge the £11m savings gap from 2024/25.

#### **Chief Executive's response**

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

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

The Improvement and Recovery Plan will need to be jointly owned by officers and councillors and be the primary focus moving forward to drive the transformational change required to support recovery.

## Improvement and Recovery Plan

In line with the Secretary of State's Directions, and in recognition of the scale of the task faced, WBC has developed this Improvement and Recovery Plan around four key themes, each with a strategic aim.

### 1. Financial recovery

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

### 2. Commercial

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

### 3. Governance and assurance

Ensure risk is managed and decisions are made transparently and safely, improving future decision-making.

### 4. Organisation and service redesign

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

There are also enablers that cut across all the themes to support their delivery.

#### a) Communication and engagement

#### b) Digital, data and management information.

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

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

- **Phase one** – captures known actions and deliverables to date and provides a foundation for the council's improvement. This is the Improvement and Recovery Plan

that is submitted to council for approval with this report.

- **Phase two** – will build on phase one and identify additional areas for improvement that arise and clarify the delivery of certain areas.

The activity within each theme cannot be delivered in isolation. There are multiple dependencies between activities, which is why the plan will be delivered using a programme management approach.

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

The three year vision for the organisation is:

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

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

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

The ambition over a longer term is to be a council managing finances with a sustainable budget. Services will be largely digital and there will be improved customer satisfaction. The commercial estate will be smaller and the debt reduced. We will be a council driven by data and evidence to inform better decision-making. We will have rebuilt trust from residents and regained confidence from government.

## Phased approach

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

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## Section 2: Communications and engagement

WBC will become a much smaller, more efficient council focussed on core services. It is important that WBC sets out a clear vision for what will be delivered and what this means for residents, stakeholders, councillors and staff.

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

### Residents

WBC is committed to becoming a listening, responsive council that enables residents to influence the design of services. It is conducting a residents' survey that will inform priorities to ensure that the council is focussed on the issues that residents care about most.

### Partners and stakeholders

WBC is changing the way it works as a council, and in some cases reviewing partnership arrangements as it continually strives to provide the best possible services. It wants to build on the operational relationships with partners that have been strengthened during the pandemic, and it is crucial to keep them informed of progress throughout the improvement journey.

### Councillors and staff

It is vital that WBC effectively engages staff and councillors in its improvement journey to create and drive organisational and cultural change. The council wants to have an open conversation with staff and councillors about the values it needs to adopt and embed to take the council forward. With over 350 employees, many of whom are resident-facing, internal communications must support staff to

understand the relevance of the Improvement and Recovery Plan to their day-to-day work, and the connection it has to the Corporate Plan and priorities for residents.

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

Briefings will be held to update councillors on progress and key areas. Training and support will be provided to ensure they are well informed and make better decisions. Councillors will have oversight of progress through quarterly updates to the Executive. The Overview and Scrutiny Committee will scrutinise progress.

## Section 3: Programme governance

### **Role of the commissioners**

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

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

The commissioners will be providing six-monthly reports to the Secretary of State on the council’s progress in addressing the matters highlighted by the external review. There are several factors that will inform any decision by the Secretary of State to end the period of government intervention which will be based on the reports received from the commissioners.

### **Ownership and accountability**

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

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

Progress will be monitored monthly by the Improvement and Recovery Board by considering the progress of the actions and milestones within the delivery plan, and the management of risks, issues, and dependencies. A focus on embedding sustainable improvement will be maintained through the ongoing capture of evidence of success.

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

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

### **Programme management approach**

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

A Programme Management Office (PMO) is already in place and will manage the delivery of the programme on a day-to-day basis, with a dedicated Programme Manager responsible for the delivery of the programme and managing the dependencies between themes.

The PMO will provide assurance that the plan is being delivered, identify variances to the agreed deliverables at the earliest opportunity, and work with lead officers to ensure mitigating action is designed and implemented as appropriate.

It will draw upon key skills and expertise available across the organisation as

necessary, such as communications, organisational development, employee engagement, risk management, democratic services, and financial management. By engaging with and involving staff in the development and delivery of this plan, the council will build the necessary skills and experience to ensure improvements are sustainable.

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## Section 4: Risk management

### Risk approach

This plan has a distinct set of objectives, and the risks that might impact these will need to be managed.

Initial risks have been identified. As the plan progresses, risks will be identified within the theme working groups and boards and managed. Risks requiring escalation will be reported and captured in the programme risk register.

The programme risk register will be reviewed monthly at the Improvement and Recovery Board. In addition, risks will also be shared as part of quarterly programme updates to the Executive.

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

- all council projects and major programmes, including the Improvement and Recovery Plan, are subject to performance monitoring with

quarterly reports prepared and submitted to the Executive.

- the council's strategic risk register, on which risks relating to the Improvement and Recovery Plan reside, is owned by Corporate Leadership Team, and is reviewed every three months.
- the strategic risk register is reviewed by the Overview and Scrutiny and Executive Committees on an annual basis.

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

### Key risks

1. **Resources** – for the delivery of key areas of activity required in the first

year of the plan, such as financial management, commercial expertise and project management. Resource requirements have been identified and will be put in place, subject to approval at the Financial Control Panel (FCP).

2. **Pace of change** – the council is required to change at a considerable pace. Impact of change on staff delivering services requires considerable management to ensure morale is maintained, key staff are retained and service levels are maintained.
3. **Reliance on external expertise** – the financial and commercial themes are being delivered by consultants and contractors. Up-skilling of existing staff, where possible, is underway and medium-term plans are in place to establish the capability and capacity required to sustain the improvement.

# Section 5 – Theme Plans



# Theme 1: Financial recovery

## Introduction

The financial recovery theme is core to this plan. Accurate and timely financial information is key to the delivery of the recovery plan priorities and it is essential that WBC manages its finances in a sustainable way.

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

WBC will reduce its level of debt through rationalisation of assets and by restricting future borrowing to what is essential. Sufficient provision will be made for the repayment of debt. Building on the revised MTFS, WBC will establish a planned and sustainable budget framework to live within its means.

The council will ensure that it has a finance team structure that delivers the skills, experiences and competencies required for the challenges ahead.

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

### Directions and Review Team recommendations

#### An action plan to achieve financial sustainability

- Implement spending controls.
- Produce a budget planning timetable.
- Close outstanding annual accounting years.
- Prepare a [30 year](#) Housing Revenue Account (HRA).
- Rebuild the balance sheet.

#### An action plan to ensure that capital, investment and treasury management strategies are sustainable and affordable

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

#### Debt reduction plan

#### Compliance with financial management guidelines (updated Minimum Revenue Provision (MRP) policy)

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

### Objectives

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

### Activity workstreams

2023/24	Financial workplan and capacity	Assurance and expenditure controls	Borrowing and cashflow	Annual accounts and crystallisation of debt	Reduction of the level of outstanding debt
	Delivery of the MTFP	Financial reporting	HRA	Set a balanced budget for 2024/25	Engagement with the Department for Levelling Up, Housing and Communities (DLUHC)

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## Financial recovery workstream action plan

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

Workstream	Workstream aim	Actions	Due
Financial workplan and capacity	Support a longer term finance function with the right skills and capacity in place	<ul style="list-style-type: none"> <li>Understand expertise and capacity gaps in the finance structure with recommendations for a resource/recruitment/retention plan, and agree an interim Finance structure for the Finance Team until March 2024.</li> </ul>	March 2024
Assurance and expenditure controls	Ensure basic governance is in place to underpin financial decision-making and rebuild commercial decision-making frameworks	<ul style="list-style-type: none"> <li>Expenditure control process updated and evaluated.</li> <li>Establish a Commercial Governance Board to oversee all commercial decision-making.</li> <li>Annual Governance Statement and Financial Management Code assessments drafted and implemented.</li> <li>Agree with Internal Audit an audit plan and assurance framework.</li> <li>Understand the legal position on subsidy control and best consideration compliance.</li> <li>Ensure company accounts for the companies portfolio are filed consistent with Companies House rules.</li> </ul>	July August August  August August Ongoing
Borrowing and cashflow	Minimise and confirm borrowing requirements	<ul style="list-style-type: none"> <li>Baseline cashflow requirements understood and agreed with DLUHC including 'what if?' analysis.</li> <li>Complete work on loan register and Public Works Loans Board documentation.</li> <li>Business cases for the future of the ThamesWey and Victoria Square Woking Ltd. companies completed and financing requirements understood. Agree position on future borrowing requirements and approach with DLUHC and His Majesty's Treasury.</li> </ul>	August  September September
Annual accounts and crystallisation of debt	Meet statutory reporting requirements, confirm the deficit relating to MRP and impairment and deliver an updated MRP policy	<ul style="list-style-type: none"> <li>Agree approach to valuations for the strategic asset management plan and accounts and companies work, and work commissioned.</li> <li>Next phase MRP work commissioned and modelling undertaken against agreed scenarios (leading to MRP policy and financial implications being understood and agreed).</li> <li>Draft options for potential government support. Agree headline options for government support internally and with commissioners.</li> <li>Draft 2022/23 accounts produced.</li> <li>Impairment position for 2022/23 understood and agreed. Update prudential indicators.</li> </ul>	July  August  August  September September

Workstream	Workstream aim	Actions	Due
		<ul style="list-style-type: none"> <li>Clear outcomes from government on what support will be made available to WBC.</li> <li>Complete closedown of 2023/24 accounts.</li> </ul>	September September
Reduction of the level of outstanding debt	Reduce the level of debt for the council	<ul style="list-style-type: none"> <li>Map interdependencies with asset rationalisation work to release capital receipts.</li> <li>Undertake valuation work required to revalue the assets.</li> <li>Capital strategy completed alongside data quality exercise and asset register build.</li> <li>Initial estimate of realisable receipts produced.</li> <li>Review output of the asset valuation work.</li> </ul>	September September September October October
Delivery of the MTFP and support delivering the required £11m savings	Close the budget gap as per the first priority in the Directions	<ul style="list-style-type: none"> <li>Updated MTFP produced with approach to savings proposed.</li> <li>Updated MTFP: full deficit understood including impairment and MRP. Savings options for consultation and engagement clearly set out with consultation materials.</li> <li>Phasing of service change and any remaining gaps well understood.</li> <li>Review grants to third parties (where grants are self-funded by WBC).</li> <li>Consultation complete and final MTFP ready for budget setting.</li> <li>Draft suite of budget documents: MTFP, capital strategy, treasury management strategy.</li> </ul>	September September  October December December January 2024
Financial reporting	Support production of meaningful financial monitoring information that supports effective decision-making and meets the requirements for government returns	<ul style="list-style-type: none"> <li>Review of financial monitoring reporting and propose changes to simplify process.</li> <li>2022/23 capital and revenue outturn position reconciled and confirmed.</li> <li>Review and update ledger coding structure and ensure it is in compliance with the Statement of Recommended Practice (Financial Reporting Council). Undertake data integrity and sample testing next year.</li> <li>Process for completing and signing off revenue account and revenue outturn forms agreed.</li> <li>Grants register in place.</li> <li>Review process and update policies for debt collection and write-off.</li> <li>Agree terms of reference for and commence a review of revenues and benefits processes.</li> <li>Finance and budget manager roles and responsibilities clearly defined, agreed and communicated to the organisation with support from re-engineered finance business partner approach and budget manager training.</li> </ul>	July August September  September  September September December  December
Housing Revenue Account (HRA)	Deliver a balanced HRA	<ul style="list-style-type: none"> <li>Update HRA position as part of MTFP refresh.</li> </ul>	September

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Workstream	Workstream aim	Actions	Due
		<ul style="list-style-type: none"> <li>Review and update for achievable savings and ensure all recharges are correct and justifiable.</li> <li>Review and update HRA asset valuations.</li> <li>Produce draft 30 year business plan.</li> <li>HRA report finalised as part of suite of budget reports.</li> </ul>	September October November December
Set a balanced budget for 2024/25	Set a balanced budget for 2024/25	<ul style="list-style-type: none"> <li>Dependent on government support, create the shadow 2024/25 budget.</li> <li>Update 2024/25 shadow budget in line with local government settlement for next fiscal year.</li> </ul>	October December
Engagement with the DLUHC	Build a relationship with DLUHC to enable ongoing support	<ul style="list-style-type: none"> <li>Build and maintain a relationship with DLUHC.</li> </ul>	Ongoing

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# Theme 2: Commercial

## Introduction

The purpose of this theme is to generate greater yields from retained assets, and optimum capital receipts from the disposal of assets that are surplus to WBC requirements.

Historically the council has embarked on an ambitious regeneration programme, funded through Public Works Loan Board borrowing. This was used to fund the acquisition of commercial properties within the borough, to support the regeneration of Woking town centre and, through its wholly owned ThamesWey subsidiaries, to fund sustainable energy and housing (including the Sheerwater regeneration). Financing these schemes accounts for the majority of the council's debt.

The focus is a major review of company-owned and council-owned assets to determine how rationalisation can be delivered (taking into account valuation). In light of this, a review of the 24 council-owned companies is required and a significant asset rationalisation (to dispose of, retain, or develop property) will be managed.

A major review of commercial and company governance will be undertaken, the focus being on resolving undeliverable commitments in an ethical and fair way.

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

### Directions and Review Team recommendations

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

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

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

- Develop a small client team to oversee Victoria Square Woking Limited (VSWL) and other companies.
- Seek tax advice on company structures.
- Review the 24 council-owned companies.
- Strengthen the Shareholder Advisory Group with independent external advisors.
- Develop reporting content from the Shareholder Liaison Service with emphasis on commercial risk.

### Objectives

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

### Activity workstreams

2023/24	Commercial strategy and governance	ThamesWey and subsidiaries	Victoria Square Woking Ltd.	Resourcing, requests and data room	Commercial estate and commercial options
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## Commercial workstream action plan

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

Workstream	Workstream aim	Actions	Due
Commercial strategy and governance	Develop a long-term commercial strategy	<ul style="list-style-type: none"> <li>Taking into account the commissioners' directions and council's high level strategic aims, draft first outline version of the commercial strategy, including Subsidy Act requirements.</li> <li>Distribute draft to key stakeholders for feedback.</li> <li>Taking into account feedback, produce final draft of strategy.</li> </ul>	September
	Implement appropriate governance framework for each company and within the council	<ul style="list-style-type: none"> <li>Assess each company against the council's Companies Governance Handbook and UK Corporate Governance Code (including risk, conflicts of interest, business planning and board effectiveness) and ensure compliance.</li> <li>Review current governance arrangements within the council, including Subsidy Act obligations, to ensure they are fit for purpose.</li> <li>Implement a Commercial Governance Board to ensure all commercial decisions taken by officers, or put to the Executive, are founded on high quality, complete information with clear rationale and evidenced recommendations.</li> </ul>	October
	Review the 24 council-owned companies	<ul style="list-style-type: none"> <li>With reference to the relative size, assets held and risk, prioritise company reviews.</li> <li>Assess the each company's contribution to, and alignment with, the council's key strategic outcomes.</li> <li>Evaluate the companies' performance against best value requirements.</li> <li>Make recommendations for each company based on 'hold, invest or dispose'.</li> </ul>	January 2024
ThamesWey and subsidiaries	Develop strategic options for the TW Group	<ul style="list-style-type: none"> <li>Define and commission high level financial, tax and legal advice to help inform strategic options.</li> <li>Generate a longlist of disposal/refinancing options.</li> <li>Establish an options review team with stakeholders (company boards and DLUHC).</li> </ul>	October
Victoria Square Woking Ltd.	Develop strategic options for VSWL	<ul style="list-style-type: none"> <li>Establish WBC baseline for loan repayments position for VSWL loans.</li> <li>Generate a long list of disposal/refinancing options.</li> <li>Options need high level financial, tax and legal implications to be set out clearly with appropriate external advice.</li> </ul>	July November

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Workstream	Workstream aim	Actions	Due
Resourcing, requests and data room	Ensure resourcing and information requirements are in place, including skills and capacity for a profit centre approach to asset management	<ul style="list-style-type: none"> <li>• In tandem with the commercial strategy, propose resourcing requirements to operate the strategy, and meet governance requirements effectively.</li> <li>• Assessment of existing commercial asset information, and creation of rectification plan as required to ensure complete asset information is available.</li> <li>• Following the identification of strategic options for the council's wider commercial estate, propose resourcing requirements to manage these appropriately based on sector norms through benchmarking vs performance.</li> </ul>	September  January 2024  April 2024
Commercial estate and commercial options	Develop strategic options for the council's wider commercial estate	<ul style="list-style-type: none"> <li>• Analysis of contribution (and potential contribution) of each asset to the council's strategic aims, including the commercial strategy, financial, social, environmental and local economic terms.</li> <li>• Analysis of revenue and capital impacts of disposal, development or repurposing.</li> <li>• Create subsequent options for each asset.</li> <li>• Make recommendations for each asset based on 'keep, hold or dispose'.</li> </ul>	April 2024

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# Theme 3: Governance and assurance

## Introduction

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

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

The legal and commercial capability review will be right-sized to fit the future commercial operations of WBC, once clear.

The legal team will work closely with the commercial theme to improve the governance linked to the 24 council-owned companies, including the Shareholder Advisory Group and the Shareholder Liaison Service.

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

### Directions and Review Team recommendations

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

- Review the constitution.
- Review the scrutiny function and establish a Regeneration Scrutiny Panel.

### Objectives

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

### Activity workstreams

2023/24	Documentation review	Elections review	Overview and scrutiny function	Standards and audit	Company governance	Legal and commercial capability
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## Governance and assurance workstream action plan

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

Workstream	Workstream aim	Actions	Due
Documentation review	Complete review of historic Part 2 documentation (agenda papers and minutes) dating back to 2016	<ul style="list-style-type: none"> <li>Identify quantity of material.</li> <li>Review all documentation and determine whether it is suitable for release.</li> <li>Make any necessary redactions and release into the public domain in consultation with Marketing and Communications team.</li> </ul>	August September November
Elections review	Review election format and approach	<ul style="list-style-type: none"> <li>Commence a review of the election format and process to aid long term strategic decision-making within the council.</li> </ul>	August
Overview and scrutiny function	Review and implement improvements to Overview and Scrutiny	<ul style="list-style-type: none"> <li>Local Government Association (LGA) mentoring in place for the Overview and Scrutiny Committee chair and vice chair.</li> <li>Centre for Governance and Scrutiny (CfGS) to conduct a rapid review action plan.</li> <li>Agree Member training programme with LGA/CfGS.</li> <li>Review the need for ongoing support and training requirements.</li> </ul>	August November November 2024/25
Standards and audit	Review and implement improvements to Standards and Audit	<ul style="list-style-type: none"> <li>Technical advice received to support the recruitment and selection of a new independent chair of the committee/consider restructure based on a non-independent chair and two independent committee members. Assurance mapping exercise carried out and plan for annual work programme.</li> <li>New chair to attend LGA's Leadership Essentials training for Audit Committee chairs.</li> <li>Review the need for ongoing support and training requirements.</li> </ul>	November March 2024 2024/25
Company governance	Review and implement improved governance and reporting standards	<ul style="list-style-type: none"> <li>Changes made to boards and Articles of Association to reduce conflicts of interests. Strengthen cash draw down processes with companies. Updating Shareholder Advisory Groups with regards to the position of companies.</li> <li>Review of legal implications and any requirement for external legal advice regarding companies and their shares and assets.</li> </ul>	August August

Workstream	Workstream aim	Actions	Due
		<ul style="list-style-type: none"> <li>The direction and future of the companies identified and preparation for reports to Council. Refresh of the council's Company Governance Operating Manual and any changes to the Constitution Part 6.</li> <li>Continue to implement strengthened governance procedures over remaining companies.</li> </ul>	November  2024/25
Legal and commercial capability	Right-size the legal and commercial capability and capacity following commercial review	<ul style="list-style-type: none"> <li>Review legal and commercial requirements following an initial review of companies and development of asset disposal strategy.</li> <li>Implement new 'right-sized'/skill matched legal and commercial team.</li> </ul>	March 2024  2024/25

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# Theme 4: Organisation and service redesign

## Introduction

The organisation and service redesign theme is focussed on identifying and delivering a smaller, more efficient and more resident focussed council, with lower expenditure and a smaller budget, driving us to become the most improved council in the country.

Resident services will be accessed online by default with support for those who need it; better insights will be gathered to drive improvement; and modernised staff tools and processes will increase efficiency and collaboration.

The council will be a smaller organisation focused on essential services.

Discretionary service areas must have a strong rationale for being delivered by WBC and need to be cost neutral. This means fees and charges may need to be increased if it allows the service to continue. WBC will look to partners and the voluntary sector for delivery of discretionary services where appropriate.

Throughout the change, the council will treat staff and residents fairly and compassionately.

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

### Directions and Review Team recommendations

#### An action plan to reconfigure services

- Design and implement an organisational design programme.
- Ensure the Fit for the Future change programme realises savings and embeds a culture of service redesign.
- Strengthen staffing capacity and capability across the council, particularly in finance, legal and commercial.

#### An action plan to secure continuous improvement

- Redesign systems for management information.

### Objectives

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

### Activity workstreams

2023/24	Service review – staffing restructure	Service review – resident engagement and public consultation	Financial benefits tracking	
	Procurement services improvement	Digital services	Staff and councillor tools and ways of working	Insights and data

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## Organisation and service redesign workstream action plan

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

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

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Workstream	Workstream aim	Actions	Due
	better, cheaper services	<ul style="list-style-type: none"> <li>• Formal restructure of ICT, Transformation, Business Improvement, Customer Services and Revenue and Benefits teams to improve customer contact internally and externally.</li> <li>• Discovery and design of council 'single experience' to aid customer contact.</li> <li>• Telephony provider commissioned.</li> <li>• Channel shift partner commissioned</li> </ul>	December  February 2024 February 2024 March 2024
Staff and councillor tools and ways of working	Support staff with the tools and culture they need to deliver high quality services	<ul style="list-style-type: none"> <li>• Review use of council offices and working environment.</li> <li>• Adoption of modern tools and rollout of Bring Your Own Device programme to enable more mobile working.</li> </ul>	August September
Insights and data	Raise profile, build capacity	<ul style="list-style-type: none"> <li>• Plan to be developed.</li> </ul>	January 2024

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## Section 6: Glossary

- **Channel shift** – Channel shift is the process by which organisations encourage customers to change the way they choose to interact with services, from the customers' current preferred approach to a new one. For example, encouraging customers that can do to self-serve, primarily using online and digital services rather than in-person services, by phone or paper forms.
- **Commercial strategy** – A plan to optimise the returns from the council's company assets, in part through disposal of them.
- **Commissioning team** – A team of three individuals appointed by government to intervene in certain functions within the council following its 'best value duty' failings. They provide support in areas such as financial and commercial governance and strategic decision-making.
- **Discretionary services** – Services that the council is not legally obliged to offer.
- **DLUHC** – Department for Levelling Up, Housing and Communities.
- **FCP** – Financial Control Panel. A panel consisting of at least four senior employees chaired by the Director of Finance (or their deputy) whose responsibility is to approve council spend before it is committed, or anything is ordered.
- **FFTF** – Fit for the Future. The staff restructure programme taking place as part of the organisation and service redesign theme.
- **Gateway process** – A fundamental part of the FFTF programme, the gateway process is a three-stage process which has systematically reviewed all service areas across the organisation and identified the minimum level of service provision and where savings can be made.
- **HRA** – Housing Revenue Account. Records expenditure and income on running a council's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the council's own tenants.
- **LGA** – Local Government Association. The national membership body for local authorities who work on behalf of its member councils to support, promote and improve local government.
- **MRP** – Minimum Revenue Provision. The minimum amount of funding that a council must set aside to use towards capital expenditure as financed through either borrowing or debt. Accounting standards guide local authorities to determine what that minimum amount is.
- **MTFP/MTFS** – The Medium-Term Financial Plan (MTFP) and Medium-Term Financial Strategy (MTFS) are the council's approach and delivery plans to managing its budgets.
- **PWLB** – Public Works Loan Board. Local authority lending facility operated by the UK Debt Management Office (DMO) on behalf of His Majesty's Treasury. This borrowing is for capital projects.
- **S114 Notice** – Section 114 Notice. S114 refers to section 114 of the 1988 Local Government Finance Act which specifies that a S114 Notice must be issued when a council cannot balance its budget. Issuing a S114 Notice restricts all but essential spending.

- **S151 Officer** – Section 151 (Monitoring) Officer. The Chief Finance Officer for a council. S151 refers to Section 151 of the 1972 Local Government Act which specifies that each council must employ a responsible finance officer within the authority who has certain powers, including issuing S114 notices.
- **SAG** – Shareholder Advisory Group. Provides a clear focus for councillors to set out policy, strategy and control for the companies that it funds. Separates the roles of Council Directors on company boards and the Shareholder interest.
- **SLS** – Shareholder Liaison Service. An officer group, containing experts, set up to support the SAG.
- **Statutory services** – Services that the council is legally obliged to offer.
- **TW** – ThamesWey Ltd. A public-private joint venture to spearhead delivery of the councils' ambition for Woking to meet the UK's 2050 carbon reduction targets. TW has sustainable energy centres in Woking and in Milton Keynes.
- **VSWL** – Victoria Square Woking Limited. A joint venture company to oversee the development of the Victoria Square project.

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