



**WATFORD
BOROUGH
COUNCIL**

CABINET

4 December 2017

7.00 pm

Town Hall Watford

Contact

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Cabinet Membership

Mayor	D Thornhill	(Chair)
Councillor	P Taylor	(Deputy Mayor)
Councillors	K Collett, S Johnson, I Sharpe and M Watkin	

Agenda

Part A – Open to the Public

- 1. Apologies for Absence**
- 2. Disclosure of Interest (if any)**
- 3. Minutes of previous meeting**

The [minutes](#) of the meeting held on 6 November 2017 to be submitted and signed.

- 4. Conduct of meeting**

The Cabinet may wish to consider whether there are any items on which there is general agreement which could be considered now, to enable discussion to focus on those items where the Cabinet sees a need for further debate.

- 5. Petition**

A petition in the following terms has been received. At the time of agenda publication the petition contained 65 signatures of Watford residents.

Statement:

“Watford Taxi Drivers and WHCDA petition against the relocation of taxi ranks from the High Street to Wellstones and Palace Theatre”

6. To recommend a level of fine under the Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 (Pages 5 - 10)

A report of the Senior Environmental Crime Officer to set a penalty charge for a fixed penalty notice issued for fly tipping under the Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016.

7. People Strategy (Pages 11 - 26)

A report of the Head of Human Resources to provide Cabinet with an update on progress on the People Strategy.

8. Corporate Peer Challenge: final report (Pages 27 - 71)

A report of the Managing Director to note the final Corporate Peer Challenge report and to recommend the report to Council.

9. Exclusion of press & public

The Chair to move: that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated below in terms of Schedule 12A.

Note: if approved, the Chair will ask members of the press and public to leave the meeting at this point.

10. Restructure of the ICT Section

Report of the Head of Service Transformation

This report is considered Part B in accordance with Paragraph 4, Part 1, Schedule 12A as it contains information relating to staffing matters and individual staff employment.

11. To appoint a contractor to deliver the new leisure centre management contract to operate the three council owned leisure facilities: Central and Woodside Leisure Centres and Woodside Stadium

Report of the Head of Community and Environmental Services.

This report is considered Part B in accordance with Paragraph 3, Part 1, Schedule 12A as it contains information relating to the financial and business affairs of the Council.

12. Award of parking enforcement contract

Report of the Deputy Managing Director – Place Shaping and Performance.

This report is considered Part B in accordance with Paragraph 3, Part 1, Schedule 12A as it contains information relating to the financial and business affairs of the Council.

13. Parking ICT contract - preferred bidders report

Report of the Deputy Managing Director – Place Shaping and Performance.

This report is considered Part B in accordance with Paragraph 3, Part 1, Schedule 12A as it contains information relating to the financial and business affairs of the Council.

Report to: Cabinet
Date of meeting: 4th December 2017
Report of: Senior Environmental Crime Officer
Title: The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016

1.0 Summary

- 1.1 On the 9th May 2016 the Government introduced the Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016. This legislation allows local authorities the opportunity to issue a “Fixed Penalty Notice” (FPN) for small scale fly tipping offences as an alternative to taking offenders to Court.
- 1.2 The Regulations set a default penalty of £200 reduced to an amount not lower than £120 if paid within 10 days. The Regulations also allow for Councils to vary the penalty amount and to set it between £150 and £400.
- 1.3 Currently Officers are using FPN’s at the default level of £200 reduced to £120 if paid within 10 days. This report is to amend the penalty charges to a level agreed by Cabinet and Officers are recommending £300 penalty fee reduced to £150 for early payment.

2.0 Risks

2.1	Nature of Risk	Consequence	Suggested Control Measures	Response (Treat, tolerate, terminate, transfer)	Risk Rating (the combination of severity and likelihood)
	Public perception that FPN’s would be a money making opportunity for	Negative perception for council	Positive press release	Tolerate	4

WBC				
Herts Waste Partnership negative perceptions of adopting different charge levels to those recommended.	Lack of County cooperation	Explanation of reasoning from portfolio holder	Tolerate	2

3.0 Recommendations

- 3.1 That the penalty charge for a fixed penalty notice issued for fly tipping under the Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 be set at £300, and be reduced to £150 if paid within 10 days.

Contact Officer:

For further information on this report please contact: Philip White, Senior Environmental Crime Officer

Telephone extension: 8241

Email: Philip.white@watford.gov.uk

Report approved by: Alan Gough Head of Community & Environmental Services

4.0 Detailed proposal

- 4.1 Fly tipping can cause serious pollution of the environment, be a risk to human health, harm wildlife and leave councils and land owners with significant clearance costs. The Department for Environment Food and Rural Affairs (Defra) estimate the cost of clearance for fly-tipping to local authorities in England in 2015/16 was £49.8 million.
- 4.2 As a local authority we are empowered to investigate and prosecute criminal offences of fly tipping. Section 33 of the Environmental Protection Act 1990 defines fly tipping as the 'illegal deposit of waste onto land that does not have a licence to accept it'. Anything illegally dumped that is larger than a single black bag of waste is considered to be a fly tip.
- 4.3 For residents this means that apart from domestic waste which is collected by the council, they must ensure that they dispose of all other waste lawfully. They can either take it themselves to a household waste recycling centre, or they can arrange for it to be collected by a waste carrier licensed by the Environment Agency who then disposes of the waste legally. Residents can check how to dispose of their waste legally, and if a

business is registered, on our website and via this link to the Environment Agency's website <https://environment.data.gov.uk/public-register/view/search-waste-carriers-brokers>. The Council regularly undertakes promotion of legal waste management.

- 4.4 For business waste there are stricter controls in place and businesses must have a contract in place with a registered waste collector. Officers regularly carry out proactive checks with businesses to ensure they are legally disposing of their waste.
- 4.5 The factors that influence the decision of an individual to fly tip waste are usually associated with ignorance of the law or misunderstanding of the requirements, irresponsibility and convenience, or in a small proportion of cases an intent to carry out a criminal act - generally for financial gain. When officers investigate cases they have to assess each one individually. They consider the evidence they have to verify who is responsible as well as the factors that led to the offence. They then decide the best course of action to deal with the matter and the outcomes can range from education and information, to enforcement, which can be a formal caution, a fixed penalty notice or a prosecution. Officers refer to the Compliance Policy adopted by the Licensing Committee to guide this decision
https://www.watford.gov.uk/info/20011/business_and_licensing/423/environmental_services_enforcement_policy.
- 4.6 Prior to May 2016 enforcement options were limited to either prosecution at magistrates court with a maximum sentence of 12 months imprisonment and/or a fine of £50,000, or the issue of fixed penalty notice for littering which could be applied for a small fly tip of a single black bag or less. The penalty for the Fixed Penalty Notice was £75. Whilst FPNs could be used for various waste offences, including businesses without legal waste collection arrangements in place, they could not be issued for fly tips over one black bag.
- 4.7 This left councils with limited formal options. Prosecution results in a criminal record if convicted and we understand that the majority of fly tips are not as a result of intended criminal behaviour by residents. The criminal nature of the offence also means significant resource can be needed to prove a case as it needs to be "beyond all reasonable doubt". Once a decision to prosecute is taken, the reality was often that for small scale fly tipping cases they often result in low fines and costs being awarded that do not cover officer time and legal fees. Cases locally often result in a fine of ~£350 for a guilty plea and costs of around £800. For a simple case officer costs can often be in excess of £1,000. DEFRA estimates that Local authorities carried out 494,000 enforcement actions in 2015/16 at an estimated cost of £16.9 million.
- 4.8 In May 2016 the government introduced 'The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016' to address small scale fly tips. The small scale deposits are mostly from householders and make up the bulk of the incidents reported to local authorities in England and Wales. The Regulations amend Section 33 of the Environmental Protection Act 1990 permitting Waste Collection Authorities to issue a "Fixed Penalty Notice" (FPN) for fly tipping offences where the authority believes an FPN

is the most appropriate course of action rather than a prosecution. Using this option when appropriate is more proportionate for the majority of offences, and a more effective use of officer resources allowing focus on the repeat and serious offences as well as wider environmental improvements.

- 4.9 The Regulations permit the Waste Collection Authority to set the level of fixed penalty no less than £150 and no more than £400 payable within 14 days. A discount payment of no less than £120 is allowed if paid within 10 days. Until the level is agreed by Council the default payment applies, this is £200 with a discounted payment of £120. Currently the default level of fines is being used in Watford and this report seeks to vary this to reflect discussions across the County and to offer an effective yet proportionate deterrent.
- 4.10 Watford Borough Council is a member of the Hertfordshire Waste Partnership who Chair the Hertfordshire Flytipping Group. Both groups agree that a uniform approach to fly tipping throughout the county will help reduce incidents of fly tipping through the exchange of intelligence and good practice, but also increased consistency. The group has an action plan that is working to deliver this. There is also however some recognition that the problems faced in one district/borough are not necessarily the same as those in others and so tailoring approaches is understood. As an example, Watford rarely experiences the large scale fly tips seen in rural areas.
- 4.11 Hertfordshire Waste Partnership recommend an FPN fine of £300 discounted to £100, and local authorities have adopted fines as set out below –

Local Authority	FPN	Discounted FPN
Broxbourne	£300	£100
Dacorum	£300	£100
East Herts	£300	£100
Hertsmere	£300	£100
North Herts	ONLY PROSECUTE	ONLY PROSECUTE
St Albans (using default fines)	£200	£120
Stevenage	£300	£100
Three Rivers	£300	£100
Watford	£200	£120
Welwyn Hatfield	£300	£120

NB: It is Watford Borough Council's opinion that legally the reduced payment option must be a minimum of £120 according to the regulations.

- 4.12 The number of FPNs for fly tipping per authority as of September 2017 throughout the county is as follows –

Authority	No.
Broxbourne	6
Dacorum	4
East Herts	1
Hertsmere	14
North Herts	0
St Albans	4
Stevenage	1
Three Rivers	2
Watford	18
Welwyn Hatfield	13
Sub total	63

- 4.13 Officers recommend fines are set at £300 with a reduced fee of £150 if paid within 10 days. In addition to the reduced fee officers will agree payment options with customers where appropriate – this process is already in place for littering FPNs. Experience has shown that the vast majority of people pay within 10 days at the reduced rate and that people are very unlikely to reoffend once issued with a FPN. Setting the amount for the FPN needs to be significant enough to be a deterrent to prevent small scale fly tipping but also an attractive alternative to attending court and risking a criminal conviction.
- 4.14 Members should note that before an FPN is issued evidence still has to meet the same standard in criminal law to prove the offence ‘beyond reasonable doubt’. This is the same standard as if the case was being prosecuted and issuing FPNS can in no way be used to generate income or take cases where limited or insufficient evidence exists. The issue of an FPN allows the person to discharge his liability for the crime when payment is received. To ensure FPNs remain effective as a deterrent, and as is the case with littering FPN’s, if payment is not received the offender will be prosecuted unless further evidence comes to light that mean it is not appropriate. This commitment is important to retain the effectiveness of the approach.

5.0 **Implications**

5.1 **Financial**

- 5.1.1 The Head of Finance comments that as the use of Fixed Penalty Notices is designed to be a deterrent rather than an income generator it would not be prudent to set specific budget targets for fly-tipping FPN income budgets.

5.2 **Legal Issues** (Monitoring Officer)

- 5.2.1 The Head of Democracy and Governance comments that the legal implications are

contained within the body of the report.

5.3 Equalities/Human Rights

- 5.3.1 Having had regard to the council's Equalities Impact Analysis obligations under s149, it is considered that there are no Equalities/Human Rights issues.

5.4 Staffing

- 5.4.1 Not applicable.

5.5 Accommodation

- 5.5.1 Not applicable

5.6 Community Safety/Crime and Disorder

- 5.6.1 Authorised officers already issue FPN's in relation to other offences

5.7 Sustainability

- 5.7.1 Authorised officers already issue FPN's in relation to other offences

Appendices

None

Background Papers

No papers were used in the preparation of this report.

File Reference

None.

PART A

Report to: Cabinet
Date of meeting: 4 December 2017
Report of: Head of HR (Interim)
Title: People Strategy

1.0 Summary

- 1.1 One of the key supporting strategies for the Watford 2020 Programme is the People Strategy. The strategy aims to describe the culture we aspire to and the deliverables required to achieve the gap between the current situation and the 2020 aspiration.
- 1.2 The outline People Strategy, attached at Appendix 1, sets out the challenge for our workforce to meet the ambition for 2020 and the approach we will take to achieve this. The Year 1 deliverables are appended to the strategy. The completed strategy and medium term deliverables beyond Year 1 will be developed in line with the new corporate plan.

2.0 Risks

2.1

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(Treat, tolerate, terminate, transfer)</i>	Risk Rating (the combination of severity and likelihood)
Capacity and skills to deliver the work	Quality and slippage on implementation	Building skills internally and commissioning specialist skills as required	Treat	9
Capacity of our workforce to engage in the transformation	Relevance and impact of solutions	Ongoing engagement in development	Treat	4

due to pressures of work		and delivery of plan and governance through Leadership Team and Watford 2020 Programme Board		
Lack of clarity and agreement by key stakeholders on what success will look like	Wrong focus and less impactful solutions	Leadership Team sponsorship and sign-off of delivery plan workstreams	Treat	4
Not having the right priorities and alignment with wider 2020 Programme	Wrong focus and prioritisation impacting on the success of the 2020 Programme	Leadership Team and Watford 2020 Programme Board governance	Treat	4

Recommendation

3.0 Cabinet is asked to note the progress on the People Strategy.

Contact Officer:

For further information on this report please contact: Nicola Houwayek, Interim Head of HR

Telephone extension: 01923 278133 email: nicola.houwayek@watford.gov.uk

4.0 **Detailed proposal**

4.1 The Council's Transformation Programme, Watford 2020, has a vision that:

"Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council."

4.2 Within the programme's design principles, it is recognised that the culture and skills of the organisation will need to align to this vision. As such, one of the key supporting strategies for the programme is the People Strategy, which aims to describe the culture we aspire to and the deliverables to achieve the gap between the current situation and the 2020 "design".

4.3 The People Strategy also aspires to address other key people issues affecting the organisation (for example the changes to the Housing Act) and to ensure that we have the required skills and an engaged, motivated and high performing workforce in order to deliver our services.

4.4 The strategy has been developed following considerable engagement with Leadership Team, the Extended Leadership Team, managers and staff. This approach has enabled the strategy to focus on the right priorities and to ensure that the workforce will more readily engage in the development and implementation of the different areas of work. The work was shared at the Portfolio Holders meeting on 11 September and was endorsed by Leadership Team on 27 September.

4.5 The Strategy has four themes:

- Skilled and Agile Workforce
- Bold and Progressive Leadership
- Dynamic Culture
- Enablers

Year 1 deliverables are detailed in Appendix 1.

4.6 The year one deliverables are now being developed into a programme of work, with individual members of Leadership Team providing sponsorship to different workstreams. They will work with the HR Leads to agree the scope of individual workstreams – what will be delivered when – and the required resources, including commissioned expertise.

4.7 Governance will be provided by Leadership Team who will be responsible for signing off:

- The delivery plan, including prioritisation

- Scope – what will be delivered when and measures of success
- Required resources
- Workstream products

In addition, regular updates will be provided to the Watford 2020 Programme Board, who will be responsible for:

- Progress reporting as part of whole transformation programme
- Ensuring alignment to wider transformational work

5.0 Implications

5.1 Financial

- 5.1.1 The Shared Director of Finance comments that as part of the Watford 2020 programme, there is budget allocated in the current financial year. Costs of implementing the strategy should be managed within the existing HR budget, with any additional costs identified through the process needing to come for approval either through the annual budget setting process or supplementary budget requests.

5.2 Legal Issues (Monitoring Officer)

- 5.2.1 The Head of Democracy and Governance comments that there are not specific legal implications at this stage of the programme.

5.3 Equalities/Human Rights

- 5.3.1 Having had regard to the council's obligations under s149, it is considered that at this time no Equalities Impact Assessment is required because there are no specific proposals relating to staffing or service delivery changes arising from the strategy

5.4 Staffing

- 5.4.1 The staffing implications are not yet known and will be considered against individual workstreams within the strategy.

Appendices

Appendix 1 – Draft People Strategy document

Background Papers

No papers were used in the preparation of this report.



DRAFT PEOPLE STRATEGY CONTENT OUTLINE



watford.gov.uk



1. Foreword – Our Organisation

Watford Borough Council's motto is "be bold". As a council we thrive on challenges and make the most of our opportunities to ensure we deliver a positive outcome for our town.

We have an ambitious transformation programme which we aim to deliver by 2020. The programme of work is designed to enable us to meet the challenges common to all local authorities – financial constraints, further budget reductions, increasing demands for homes and continuing to deliver economic prosperity for all our residents and we want to continue to build on our success and make sure we have the right solutions for Watford.

Our vision is that "Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council".

In addition to this we will build on our responsibility as place makers – creating new communities and a legacy to pass to future generations who will live, work and visit our town. In order to do this we will need to work with our communities to enable them to do more for themselves, improve engagement and work in partnership with other organisations and bodies.

All this will be delivered through our workforce, working with partners and our community, and this document sets out our commitments to them to enable them to successfully achieve the Council's ambitions.

Foreword - Our Staff

In shaping shape our organisation to meet our future challenges, we need to prepare our staff for the next phase in our transformation journey. We are well set for this - we have already been awarded liP Gold - but we know that our organisation will need to be more agile, customer focussed, digitally savvy and commercially minded. Changes in legislation (for example The Housing Act) will also mean that we require very different ways of working from groups of staff within the organisation. All of this combined, means that we need:

- to maximise our resources
- to ask more of our people - requiring them to learn new skills, support and drive transformation and new ways of working whilst continuing to deliver high quality services with less money
- increasing our capability in areas such as: commissioning services, being more commercial and working in a more collaborative way both within the council but also with residents and partners
- greater flexibility in the way people work - hours, locations and across teams
- strong and capable leadership
- maintaining our values and behaviours, so that customers get a consistent experience - whoever is delivering services on our behalf

Whilst:

- Respecting and valuing our public sector ethos
- And valuing diversity by maximising the opportunities this gives us to reflect our town

2. Our Vision & Priorities

Our vision:

Making Watford Bold & Progressive

- Our Corporate Priorities:
- Identify ways to manage the borough's housing needs
- Champion smart growth and economic prosperity
- Provide for our vulnerable and disadvantaged communities
- Deliver a digital Watford to empower our community
- Secure our own financial future

3. Our Values and Behaviours

Our values describe the guiding principles that drive how we expect people in our organisation to work and what they can expect to experience when working with others. At WBC we want to inspire all our employees to work as one team and demonstrate the attitudes and approach that reflect these values.

Bold - we work as a team and make things happen

Progressive - we are ambitious, we are innovative, we are welcoming

We strive to having a **dynamic culture**, to be:

Ambitious - Having a “can-do” attitude to making things happen. Challenging ourselves to deliver excellent services and inspiring others to deliver results in a business-like way

Innovative - Embracing creative and entrepreneurial approaches and championing new ways of working that will transform Watford and deliver our ambitions

Welcoming - Engaging our residents and partners and providing an excellent customer experience

Empowering - Enabling our staff to take ownership and be accountable for their own performance, actions and decisions. Valuing diversity and listening to and understanding the views of others

Open to Change - being adaptable and agile in order to support the needs of the business - working collaboratively and supporting colleagues

4. The Strategy – Focus and Delivery

This strategy helps define our expectations . It's aim is to give us a clear, consistent and agreed understanding of what our people priorities are for the next three years, focussing on what we expect of those who work for us and what they can expect from us, as their employer. It aims to:

- Recognise that only through our people can we continue to deliver excellent services and the required transformation
- Enable a “One Council” approach to the way we work
- Be future focussed but ensure we are also addressing immediate needs
- Demonstrate the equal value we place on how we work, as well as what we deliver, with our values and behaviours setting the frame for how we work with each other, our partners and our customers

There are four key themes to our People Strategy

- **SKILLED AND AGILE WORKFORCE** - We will build a skilled and flexible workforce who are able to respond to the changing needs of our organisation
- **BOLD & PROGRESSIVE LEADERSHIP** - We will develop confident, capable leaders at all levels, who use our organisational values and behaviours to build engaged teams who deliver our goals
- **DYNAMIC CULTURE** - We will build a culture that enables the delivery of a bold and progressive future for Watford and recognises the contribution our people make to enhancing the delivery of our organisational objectives
- **ENABLERS** - We will ensure our policies, processes and systems are designed to enable our managers and staff

Delivery of our strategy

We have high expectations and are committed to giving high support to succeed. This strategy will ensure that we:

- Build on our strengths and successes - we're starting from a strong platform and need to build on what is already good and great
- Value the diversity and wellbeing of our staff
- Develop solutions in a collaborative way, with shared ownership of successful delivery and clarity of roles and responsibilities
- Use an evidence based approach in our design and implementation - targeting our efforts where they are most needed and where they will have the most impact however....
- We will not be afraid to be bold and try innovative approaches that may include some risk
- We will work through and consolidate our actions - embedding and learning from our approaches and experience

Delivery Plan

Using the key principles outlined above, we will phase the implementation of the strategy - building on what we have in place and ensuring that key enablers are delivered to support a sustainable approach

The strategy will be delivered through an annual plan focussed on clear deliverables for Year 1, Year 2 and Year 3 (The Year 1 deliverables are included as an appendix to this strategy)

Roles, Responsibilities & Governance

Our HR function are responsible for developing and driving delivery of the People Strategy and for measuring its impact on organisational performance. They will do this by working collaboratively with stakeholders from across the organisation and with partners, bringing together their professional expertise with the knowledge and experience of managers, staff and partner organisations.

The delivery plan will be fully sponsored by members of our Leadership Team who will agree the scope and measures of success and, working with HR, ensure effective deployment of the strategy is possible.

Cabinet will sign-off the strategy and receive regular reports on its progress

Strategy Themes

Skilled and Agile Workforce...	Bold & Progressive Leadership...	Dynamic Culture...	Enablers....
What are we committed to?			
We will build a skilled and flexible workforce who are able to respond to the changing needs of our organisation	We will develop confident, capable leaders at all levels who use our organisational values and behaviours to build engaged teams who deliver our goals	We will build a culture that enables the delivery of a bold and progressive future for Watford and recognises the contribution our people make to enhancing the delivery of our organisational objectives	We will ensure our people policies, processes and systems are designed to enable our managers to be great people managers
Why are we committed?			
<ul style="list-style-type: none"> ● Our digital and commercial agendas create the need for different skills and ways of working ● We need to be able to align our resources where they are most needed, reducing organisational complexity 	<ul style="list-style-type: none"> ● We need strong, visionary leaders to take us through our transformation ● Our leaders need to be visible, active and clear about what is required of them and enabled to fulfil these responsibilities 	<ul style="list-style-type: none"> ● We have big ambition and so need a culture that has high performance expectations and supports and rewards people in being creative, entrepreneurial, pro-active and can-do 	<ul style="list-style-type: none"> ● Our managers need to be enabled to own their people management activities and carry them out effectively ● Our focus needs to be determined by evidence and on what will have the biggest impact

Appendix 1: People Strategy – Year 1 Deliverables

Deliverables	Skilled & Agile Workforce	Bold & Progressive Leadership	Dynamic Culture	Enablers
Refresh our approach to performance management – less focus on the end of year process and more focus on regular, enabling performance conversations	✓	✓	✓	
Further develop our reward strategy to enable and recognise success	✓		✓	
Work with teams and partners to bring our Values & Behaviours to life and making them meaningful for all			✓	
Incorporate a talent management approach into resourcing projects	✓			
Modernise recruitment approach and process	✓			✓
Implement creative career pathways for hard to recruit to posts	✓			
Increase our commercial knowledge and skills	✓			
Build our capability in programme and project management, commissioning , effective contract management and partnership working	✓		✓	
Build skills in coaching conversations for front-line staff to support a more enabling relationship with customers	✓			
Train our staff to support working with customers in the new digital environment	✓		✓	
Further enhance our ICT training offer, to enable optimum use of our systems and software	✓			
Refresh our leadership development offer to give specific focus on enabling our Watford 2020 agenda		✓		
Modernise our approach to enable flexible and new ways of working	✓		✓	✓
Deliver a simplified framework of enabling HR policies & processes		✓		✓
Improve data and reporting for people related activities		✓		✓





*PART A

Report to: Cabinet
Date of meeting: 4 December 2017
Report of: Managing Director
Title: Corporate Peer Challenge: final report

1.0 SUMMARY

- 1.1 In September 2017, Watford Borough Council invited an external team from other local councils to Watford to independently review how we work and the outcomes we are achieving for the town and our local communities. This Corporate Peer Challenge was led by the Local Government Association (LGA) as part of their sector-led improvement programme and is something that all councils are encouraged to participate in.
- 1.2 The Corporate Peer Challenge team comprised a council leader from another district local authority and three local government chief officers (one of whom is a retired chief executive) and a programme leader from the LGA. They were on site at the council from 12 – 14 September but undertook a significant amount of off-site work including reviewing a range of relevant information and a position statement (Appendix A) that we provided in advance. During their visit the team spoke with over eighty people both within the council and from our external partners and stakeholders. This was to ensure they could get a comprehensive overview of the council, how we do business, our performance and, ultimately, our readiness for the future and challenges ahead.
- 1.3 Initial feedback was received on the last day of the review to an audience of staff and members and the team's final report was received in November 2017 (Appendix B).
- 1.4 The challenge team's findings were extremely positive for the council and Watford. The organisation's high performance and strengths were recognised as were the outcomes it is achieving for the town in line with its bold and progressive vision.
- 1.5 As part of the review, the team was asked to focus on future areas for improvement and where the council could learn from best practice. This was particularly around managing Watford's place-shaping and economic development agenda and best practice engagement with communities. The team's recommendations are on pages 2 and 3 of the report. These will be used as the basis for an action plan that the council build into its overall corporate planning over the next 12 months, in advance of the team returning to Watford to assess the progress made.

2.0 Risks

2.1

Nature of Risk	Consequence	Suggested Control Measures	Response (<i>Treat, tolerate, terminate, transfer</i>)	Risk Rating (the combination of severity and likelihood)
Failure to address the recommendations of the Corporate Peer Challenge	Organisation does not benefit from the opportunities and challenges identified by the Corporate Peer Challenge Team do not find progress on return in 12 months	Robust improvement plan that is reflected within the Corporate Plan and service plans	Treat	4

3.0 RECOMMENDATIONS

Cabinet to:

- 3.1 Note the final Corporate Peer Challenge report – Appendix B and to recommend the report to Council.
- 3.2 Note that the Corporate Peer Challenge actions based on the recommendations will be incorporated into the council's strategic planning at both corporate and service planning level.
- 3.3 Note that the Corporate Peer Challenge team will re-visit Watford next year to assess progress against the team's recommendations

4.0 Implications

4.1 Financial

- 4.1.1 The Shared Director of Finance comments that the Corporate Peer Challenge recognised that the council shows prudent budget management and that the Financial Review Board provided good scrutiny of the council's financial resources. The council has been bold and progressive in a time of declining budgets and there are still challenges ahead. Recommendations include better integration of the Medium Term

Financial Strategy with the council's transformation programme, commercialisation and people and digital strategies.

4.2 Legal Issues (Monitoring Officer)

- 4.2.1 The Head of Democracy and Governance comments that, in line with agreed procedure, the Corporate Peer Challenge report be presented to the next Council meeting (January 2018).

4.3 Staffing

- 4.3.1 The Corporate Peer Challenge team recognised that staff are the council's biggest asset. Staff were positive about working for the council and enthusiastic and committed to Watford as a place. Of particular note was the council's low and impressive sickness rate, the collaborative working style across the organisation and that staff feel valued and their efforts recognised.

Contact Officer:

For further information please contact: Manny Lewis, Managing Director

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Email: manny.lewis@watford.gov.uk

APPENDIX A. Watford Borough Council: Corporate Peer Challenge. Position Statement. September 2017

APPENDIX B. Watford Borough Council: Feedback Report



Watford Borough Council LGA Corporate Peer Challenge

12- 14 September 2017



**WE ARE
WATFORD**

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1. Welcome to Watford

On behalf of the councillors and staff at Watford Borough Council we welcome the peer challenge team to our borough.

Our borough motto is 'be bold' and we hope that, through this peer review, we demonstrate we are a council that thrives on challenges and are making the most of our opportunities to ensure we deliver the positive outcomes for our town that we know are important to our diverse and vibrant communities.

In 2010, we set ourselves the goal of building Watford's reputation as a town to be proud of. We firmly believe that, whilst similar towns and urban areas, have struggled over the past decade, the council's vision and commitment to invest in the borough's future means that it is, today, well-placed to continue to thrive and grow. We do not under-estimate the challenges of our 'bold and progressive' agenda for Watford both in terms of the [ambitious programme of work](#) we aim to deliver by 2020 but also in ensuring that we build our communities' understanding of what we have set out to achieve.

We face a number of issues common to local authorities across the country: significant financial constraints, with more reduction in our budget to come, demand for homes far outstripping supply, rising housing costs, high levels of homelessness, local concerns about growth in the borough and how we continue to deliver economic prosperity which benefits all our residents and communities. Our bold thinking has delivered new ways of meeting these challenges but we want to continue to build on our success and make sure we have the right solutions for Watford.

We recognise we have both a great opportunity but also a significant responsibility as place makers. We are creating new communities that will bring thousands of new families to Watford over the next 20 years and our decisions today are part of the legacy we will pass to future generations who will live, work and visit our town. Successful place making will not only depend on our ability to ensure infrastructure and services keep pace with this growth. We need to work with our communities to enable them to do more for themselves, improve engagement and we need to continue to successfully leverage other organisations and bodies to help us deliver.

At the same time we need to shape our organisation and prepare our staff for the next phase in our transformation journey. We are well set, having being awarded [IIP Gold last year](#), but know that our organisation will need to be more agile, customer-focused, digitally savvy and commercially-minded, which is where our [Watford 2020 programme](#) comes in. This aims to deliver over £1million of savings or additional income to support our future financial plans, building on the [£5million we have achieved since 2010](#).

Our position statement sets out some of our recent achievements but also an honest and realistic assessment of areas that need further focus. We believe that now is the right time to present our council for external challenge: firstly to help make sure there is on-going improvement and continued success; secondly as Watford will have a new elected Mayor in 2018 for the first time in 16 years, there is no better time to have a review of how we have done and what more we need to do.

Dorothy Thornhill

Manny Lewis

Baroness Dorothy Thornhill
Elected Mayor of Watford



Manny Lewis
Managing Director



2. Our strategy

- 2.1 Watford had its first election for Mayor in 2002. At that time, the council was in chaos with a legacy of problems and no clear plans on how to improve. It had had received three public interest reports and was the only council in the country to have its accounts disclaimed for two years running. We had received a warning from the then Office of the Deputy Prime Minister about our performance on planning applications (the government was about to step in) and a best value capacity inspection classed us as one of the highest spending, poorly performing councils in the country with some of the lowest satisfaction rates. The council had suffered from too much focus on its “nice to do’s” at the expense of its internal infrastructure and getting the basics in order. Staff sickness was running at around 15 days, our leisure, community and parks facilities were shabby and out of date, we had no plans for how to manage our housing stock to meet our tenants aspirations for better quality homes and our residents were deeply dissatisfied – we were in the bottom quarter nationally for people’s satisfaction with their council.
- 2.2 The first phase was to turnaround a failing council and create a high performing organisation. The council changed its leadership and put in a strong politically-led portfolio management system based on quarterly performance reviews and invested strongly in direct services such as through the delivery of two new leisure centres on time and to budget. In 2007, we were one of the first council’s in the country to put themselves forward for a second Comprehensive Performance Assessment. We were now judged to be a ‘good’ council that had taken on board the lessons from just five years earlier and had made considerable improvement. We were praised for our strong political and managerial leadership that promoted a culture of openness and support, which recognised innovation and learning. Our accounts were in good shape with a strong medium term financial strategy in place that meant the council had consistently set the lowest, or amongst the lowest, council tax rises in the county. Outcomes for the community were clear with improving parks, approval from our housing tenants for stock transfer to an innovative ‘gateway’ model, which would help deliver better quality homes, over £20 million secured for new, state of the art leisure facilities and plans underway to regenerate the town centre by improving our cultural offer. Local priorities such as street cleansing and recycling were prioritised and the change in the council’s relationship with its communities was recognised with better resident satisfaction ratings.
- 2.3 In 2008 it was clear that the Council had consolidated its service management to a very high level, the challenge was then how could the town facilitate its long term economic prosperity as well as reposition its image and reputation outside of Watford. The council had over £100m of property assets but had not captured the benefits, it had good performance but not a fully engaged workforce and Watford was still held back by an unfair negative reputation for being a characterless, unattractive place.
- 2.4 Our second phase focus was to address these big issues. The council appointed a chief executive with a regeneration background and set about a programme of leadership on the key issues, harnessing the strength of the private sector and public sector partners. In the phase from 2008 - 2016:
- The ‘Watford for You’ portal was grown to promote the town’s economic, cultural and visitor offer, chaired through a partnership with the Watford and West Herts Chamber of Commerce and John Lewis
 - The cultural leaders forum was established to catalyse a change in our art and events strategy, building on the culture led renewal of the top of the town, with an ambitious outdoor events

programme supported by the Arts Council, diversifying away from the dominance of the night time economy in the town centre

- The Colosseum concert hall was renewed
- The joint venture with Kier to form a local asset backed vehicle was formed
- The lease agreement with Orion to deliver a 500 unit residential led mixed use scheme was signed
- The development agreement to create a new 1.4 million sq.ft. retail and leisure destination was signed
- The indoor market was relocated to a newly-constructed eye catching setting
- The funding and delivery agreement for the extension of the Metropolitan line to Watford Junction, creating two new stations, was signed although the new Mayor of London is reviewing the cost.
- The Joint Venture with the Watford Community Housing Trust to deliver social and affordable homes was established
- The Property Investment Board to trade low value capital assets for higher yield investments was established and has already secured over £1m in increased revenue to the council
- Watford Commercial Services, the council's own trading company was formed
- Grounds maintenance, street cleansing and refuse collection was outsourced to Veolia, saving the council £594k per annum.
- The council's community centres were transferred to the third sector, bringing in new investment and generating savings.
- The council renewed its allotments by investing £800k of new money to bring them up to an unprecedented standard and achieved 8 green flags for its parks
- The council established and has successfully maintained the Developers Forum and Big Business Connect to engage with the private sector and this has produced significant reputational and investment benefits.
- The council has maintained strong, harmonious community relations notwithstanding rapid population growth and a rapidly changing demography
- The council has achieved IIP Gold and
- Successfully enabled the town centre BID and procured free town centre wifi

2.5 The council strategy in phase two has been characterised by moving towards a commissioner of services rather than a direct deliverer, embracing the private sector to provide improved services at a reduced cost, creating joint ventures to generate significant commercial returns, regenerating brownfield sites to create new communities and working with businesses and partners to transform the image of the town. The pace of growth and change is challenging for both the organisation and our community but is consistent with being a bold and progressive council.

2.6 As a result the council has made over £5million worth of savings whilst protecting and enhancing front line services overall, acting early on change management from 2010, it has a strong balance sheet, healthy reserves and is well on track to achieve a balanced budget in this medium term.

2.7 The third phase of the Council's strategy is the current one: 2017-2020. It builds on our success in embracing the private sector by setting out a renewed commercial approach; it focuses on the customer to further improve and integrate our services and it creates a digital strategy to enable full transformation. We have branded this as Watford 2020, whilst developing a new people strategy and refreshing the way we work. We would welcome the peer challenge team's assessment of our progress and further ambitions.

3. Knowing our borough

- 3.1 Watford is a [vibrant and diverse borough](#), located in the south-west of Hertfordshire. It is one of ten districts within the county and, as a major regional centre located just within the M25, it is Hertfordshire's most significant town and plays a vital role in its economic prosperity as a successful commercial hub and is a desirable place in which to live, work, study and enjoy leisure time.
- 3.2 The borough has a strong local, regional and national profile, although it covers an area of just 8.3 square miles – so it packs a lot of activity within a relatively small borough boundary. Whilst it does not have a common boundary with London, in terms of its regional profile and its young and diverse population, the borough has much in common with the energy and dynamism of the capital. However, one of Watford's key strengths is that retains its own strong identity, with a long and varied history as a market town and a much-loved premier league football team.
- 3.3 The borough has excellent transport links with mainline rail connections to London, the Midlands and the North, underground and overground connections to London, its north-west suburbs and the rural Chilterns, community rail connections to St Albans, coach services to Heathrow airport, bus services to Luton airport and convenient road connections via the M1, M25 and A41. These will be enhanced by the Metropolitan Line Extension (MLX), which will provide two new underground stations and significantly improve the east / west links across the town as well as to the wider rail and underground network. Its location, just 20 minutes travelling time from London, means it faces the pressures of being part of the London commuter belt such as high levels of traffic congestion, high house prices and limited land available for development.
- 3.4 Watford is the centre of a sub-region serving around 500,000 people, living within a 20 minute travelling time catchment. The town centre attracts visitors to enjoy its broad retail offer and vibrant night time economy, and recent initiatives such as the public realm enhancements, New Watford Market and comprehensive events programme have enabled the High Street to fare comparatively well during a challenging period for town centres across the UK. The forthcoming £100m redevelopment of the former Charter Place shopping centre by [Intu](#), due for completion in 2018, also demonstrates the town centre's continued attractiveness to the market as one of the premier retailing destinations nationally.



Figure 1: Watford's location in the region



Figure 2: *Watford's centre, including the High Street area*

3.5 **Our population**

Watford is predominantly an urban borough with a population of 96,800 (ONS mid-year 2016). Given the area of the borough, this size of population means it is the most densely-populated district authority area within England.

3.6 The profile of Watford's population differs significantly from the rest of the county. It is highly diverse and, more in line with London authority areas, saw a substantial increase in diversity between Census returns in 2001 and 2011 when the non-White British population rose from 21% to 38%. The town continues to welcome a diverse range of nationalities and community cohesion remains one of our key strengths, with new arrivals establishing themselves alongside longer-standing communities. Around 150 languages are spoken as the main language in Watford homes (Hertfordshire County Council's annual school census 2016). This diversity is also reflected in national insurance registrations to adult overseas nationals (Department of Work and Pensions statistics), which consistently show new arrivals to Watford remain high with the greatest number of people currently coming from Eastern Europe and the Asian sub-continent

3.7 Watford is also a young town. Like most areas its residents are living longer but, unlike the rest of Hertfordshire and the majority of the Eastern region, it has a high birth rate and continues to be somewhere that is predominantly made up of younger families and households. Watford has the fourth highest percentage population of 0-4 year olds in the Eastern region and the sixth highest 0-14 year olds. In comparison, Watford has the third lowest percentage population of 65+ in the region. The figure below shows how the distribution of Watford's population across age ranges differs from the profile of the UK, particularly in terms of a concentration of population below 45 years.

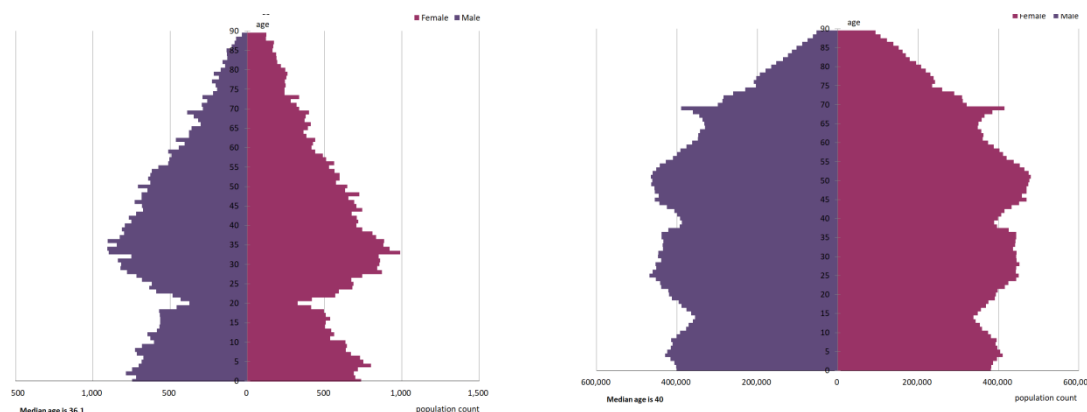


Figure 3: *Watford's population distribution mid-2016*

- 3.8 The borough's population has increased by around 7% since the 2011 Census compared with just under 4% for Great Britain overall and around 5% for the Eastern region. This growth is projected to continue. Government projections show that Watford will reach a population of 100,000 by the end of 2017 (ONS sub-national projections) and just under 110,000 by 2024. This increase represents a 14.7% increase in population from 2014-2024, higher than the projection for England overall (10%) and more in line with projections for London authority areas.
- 3.9 Our MOSAIC profiling of the borough enhances our understanding of our population and provides valuable context for our future plans and decision-making. Watford's MOSAIC profile reinforces our understanding of the diversity of our population, its overall youth and also reflects the significance of the private sector rental sector in our housing market.

MOSAIC GROUP	Group/Type Name	MOSAIC DESCRIPTION	Number of households in Watford	Watford Percentage	UK Percentage
1 J40	Career Builders	Singles and couples in their 20s and 30s progressing in their field of work from commutable properties	4508	11.69%	1.59%
2 J44	Flexible Workforce	Young renters ready to move to follow worthwhile incomes from service sector jobs	3123	8.10%	1.26%
3 D14	Cafés and Catchments	Affluent families with growing children living in upmarket housing in city environs	2837	7.35%	1.31%
4 I36	Cultural Comfort	Thriving families with good incomes in multi-cultural urban communities	2794	7.24%	1.37%
5 H35	Primary Ambitions	Forward-thinking younger families who sought affordable homes in good suburbs which they may now be out-growing	2391	6.20%	1.96%

Figure 4: *Watford's MOSAIC profile (2016)*

- 3.10 Watford has experienced a substantial rise in housing prices and costs over the last five years (currently average house prices are around £450,000 almost twice as high as for the UK overall average of £220,000 and way above the East of England average of around £300,000; average rental costs are £1,390 per month compared to £915 for the East of England – home.co.uk figures-August 2017) making it an extremely attractive area for investment. This has impacted on housing affordability (the median annual salary for Watford residents is around £33,000), which is a key issue for the borough, and, in combination with our increasing population, has led to considerable and growing pressure for new housing development. This has also resulted in a sharp rise in the number of our residents living in private sector rental accommodation, which is shown by our MOSAIC profile, where our top two types are characterised by living in rental properties.

3.11 Our economy

The town is currently home to around 4,500 businesses with a good mix of company size and sector, with many international HQ's and a higher than average start-up success rate, and a range of businesses in between. There is representation from financial and professional services sectors,

pharmaceutical, health sciences, creative media, manufacturing and retail and leisure industries, amongst many others.

- 3.12 The number of jobs in the borough is 84,000. Nearly half of these (47%) are part-time, which reflects the number of jobs within the borough in the retail, restaurant and bar and support services sectors. The borough also has a higher proportion of professional / technical professions than seen at a regional and national level. Overall, the borough's job density (jobs per head of population aged 16-64) is very high at 1.43 compared with 0.81 for the Eastern region and 0.87 for Great Britain. The Job Seekers Allowance and benefit claimant rates are relatively low – 0.9% and 7.8% respectively. (Data from NOMIS).
- 3.13 A key driver for our place shaping agenda is to retain employment opportunities within the town and to provide the flexible developments that meet the needs of current and future Watford businesses. At the same time, we know that access to the right workforce is critical for business success so we want our employment areas to be connected to good quality housing or linked through well-planned infrastructure and transport links.
- 3.14 Whilst the borough remains a prosperous place to live and do business there remain small pockets across the town where we know our residents are finding it harder to thrive. In national terms, our areas of deprivation are not comparable to other urban areas but we recognise the challenge of ensuring that Watford's prosperity does offer better economic opportunities for all our residents.
- 3.15 We see 'knowing our communities' as a fundamental part of our future planning for the council and the town. We are currently undertaking a project with our partners in the police to map our communities, including understanding what the information tells us about what type of place we will be in 5-10 years, which we see as critical to effective planning and decision making. This will be supported by focused engagement with key identified communities to build a fuller picture of their attitude to life in Watford and their aspirations for the future. This is a pilot project for Hertfordshire and has received funding from the Police and Crime Commissioner as they are keen to see other areas take a similar in-depth and longer-term approach to community safety.

4. Our leadership of Watford

- 4.1 Since 2002, the Council has been led by a Liberal Democrat directly elected mayor, [Baroness Dorothy Thornhill MBE](#). It is just one of three district councils in the country to have adopted the elected mayoral system. For Watford, this political leadership has been the driving force behind the council's achievements over the last 15 years, providing strong community leadership, clear direction on what needs to be done and offering our residents an important democratic link to the council. Next year, the borough will hold its fifth mayoral election and, as Baroness Thornhill has indicated she will not be standing for re-election, the town will have a new mayor from May 2018.
- 4.2 The elected Mayor model has also provided clear leadership and direction for the council's key partnerships, which means Watford has a strong voice and effective advocacy when issues arise of importance to the town and our residents. This is demonstrated in areas such as ensuring Watford retains the main acute hospital provision for south-west Hertfordshire, the delivery of the Metropolitan Line Extension, highlighting issues impacting the town like the housing crisis at government level and representing Watford in both public and private sector strategic partnerships. The Mayor chairs the borough's Local Strategic Partnership One Watford, which now incorporates Watford's community safety partners, and brings together leaders from the town's key organisations who all have a role in shaping the borough.
- 4.3 The council recognises the importance and effectiveness of partnership delivery and has a good track record of exploring options which both guarantee the quality of services and generate real cost savings to the authority. This has impacted across a range of service delivery. We were an early adopter of the shared service model, partnering with neighbouring Three Rivers District Council for IT, HR, Finance and Revenues and Benefits from 2009. This brought a combined savings of £1.5million per annum to both authorities but, as the model has matured, it has also evolved and the services are now delivered through a 'lead authority model'. One benefit of this has been the greater flexibility it has given the services and, for example, our HR service has pursued commercial opportunities, which currently achieve £125k of income by providing external services to fee paying clients. A joint management board between Three Rivers and Watford oversees the shared services.
- 4.4 Through its community leadership role, the council has provided the catalyst for bringing together key partners who, through their combined expertise, energy and commitment, can support our ambitions for the town. They are often in a better position than a local authority to exert the right levels of influence across their chosen sector and can also help unlock funding where this is appropriate. We have had particular success in partnership working that supports our place shaping agenda. Our [Developers Forum](#) is an opportunity for those companies and businesses that are making investment decisions about the town to come together to share experiences and to better understand how their input is contributing to the bigger picture in Watford. We have also used it as an opportunity to consult them on some key areas for their business needs such as local planning policy and how this impacts their investment plans. Our [Big Business Connect forum](#) brings together 35 of the borough's biggest companies. As champions of Watford as a place to do business, there is a lot we can learn from them in terms of retaining and attracting business and building the partnerships that mean they are ambassadors for the town is something we see as vitally important to our success. Some of our key town-wide initiatives have been led by this forum such as the plans in progress to renew Watford Junction and Clarendon Road and Skillmakers (a skills brokering service for employers led by the college).
- 4.5 One of the key decisions we made over five years ago was to put Watford's cultural offer at the heart of our regeneration and place-shaping story. This was a bold decision at the time of a world-wide recession. However, we knew Watford has some great cultural assets. By building on these, and the wealth of creative talent within the borough, we firmly believed this would encourage growth of our creative sector and those in associated businesses such as restaurants and bars and, overall, enhance the borough's reputation as a great place to work, live and visit. Bringing together the town's key cultural players in our Cultural Leaders' group has made a real impact in the town.

With their professional guidance we have created a hugely successful [Big Events programme](#), which has animated our town centre throughout the year but particularly during the summer and Christmas periods.

4.6 As a district council our relationships with Hertfordshire County Council and other county level partners are critical. The county council plays a central role in supporting our ambitions for schools, transport, health and parking infrastructure improvements. We are currently working with them, as well as Watford BID, Intu Watford, Lang O'Rourke and Project Centre, to develop an [improvement programme](#) for the main section of our High Street. This will create a high-quality, safer environment for pedestrians as well as significantly reducing the number of cars using the area to improve the look and feel of the area.

4.7 The [Hertfordshire LEP](#) recognises the value of our place shaping plans for Watford and the benefits they will bring not just to the town but the county overall. We have benefited from significant LEP investment, including £6m for our [Watford Riverwell](#) regeneration project and £1.5m for our Watford Business Park project and remained fully engaged with the LEP's economic vision and plans for Hertfordshire. We have been bold to take a lead role in working with the Department for Transport, the LEP and Hertfordshire County Council to gap fund the original cost of the metropolitan line extension, with the council committing £13m and leveraging private sector contributions.

4.8 **Case Study: Watford Riverwell**

When looking for a solution to reinvigorate one of the town's most significant regeneration projects, Watford Borough Council established an innovative public / private sector LABV (known as Watford Health Campus Partnership LLP) that also provided our local hospitals Trust with a vehicle to bring forward its plans for the Watford General Hospital site.

This initiative took place against the backdrop of the economic downturn in 2010 when private sector development partners were particularly cautious about where they took on long-term investments.

The council had significant land assets on the development site and wanted to retain a strong influence on how the scheme developed. This included ensuring that the Trust's aspirations for a new access road, backed by Department of Health money was delivered as well as making sure the council's vision of new homes, jobs and community facilities came to fruition. Simply selling the land to the private sector to develop out was not a route the council felt appropriate for the scheme. Whilst a more challenging solution, the LABV has proved a major success and, seven years on, the decision to join with the private sector, Kier Property, who has brought the right level of expertise as well as private sector financing, has proven the right one for Watford. The new road is built, cutting important journey times for emergency vehicles, the first employment zone, Trade City, is completed and planning permission has been granted for the first homes on site. The council will benefit from positive financial returns on its investment, which are supporting its medium term financial planning, whilst helping to shape what will be a vibrant and attractive new community in the west of the borough. In 2017, the partnership marked the scheme's progress and its move to delivery phase with the launch of the Watford Riverwell brand.

4.9 Our town centre plays a vital role in the economic prosperity and wellbeing of the town. It provides a significant number of our employment opportunities and is the engine that drives our local economy as well as the town's identity. We recognised that, whilst the council had an important role to play in improving the town centre and coordinating the agencies that all work to keep it safe, clean and vibrant, that the best lead for achieving this is the business sector itself. Working with our businesses, we pursued creating a Business Improvement District (BID) and, following a successful ballot in October 2015, [Watford BID](#) launched in April 2016. Through the additional BID levy, it is able to respond to town centre business needs and provide the focus required to keep Watford's place as one of the top retail centres in the country (we aim to be top 20 once the Intu redevelopment is complete in 2018). The BID now leads on the Purple Flag town accreditation for the management of the night time economy, which Watford has achieved since 2012.

4.10 **Case study: Community Protection Group**

As a major regional entertainment and retail centre, Watford experiences a range of community safety challenges that are not experienced elsewhere in Hertfordshire. Thousands of people visit the town each day and we know from statistics that this does impact on our levels of crime and anti-social behaviour. At the same time, we are experiencing many of the community safety issues faced by areas across the country including the impact of people suffering from mental health problems and other vulnerability related issues.

We have a strong track record of tackling our community safety issues through effective and coordinated partnership and agency working. This goes well beyond bringing together the council and the police and extends to other key partners whose input is essential in making a difference who meet regularly as part of Watford's Community Protection Group. Round the table and making a positive contribution to the borough's community safety work are: mental health services, housing providers, schools and colleges, Families First as well as third sector homeless organisations based in the town. The inclusion of mental health services is not something achieved in every area and is making a real difference to the outcome-led solutions Watford is able to put into action.

- 4.11 Watford's Mayor and Cabinet model has provided an effective and productive framework for member / officer working relationships at Watford. The clear lines of decision-making and accountability have been critical to the council's achievements. Currently, the Mayor is supported by a Cabinet of [five portfolio holders](#) who work closely with the [Leadership Team](#) to develop and deliver the council's agenda.
- 4.12 As well as the Mayor and Cabinet, political leadership is provided by [36 councillors](#) all from two of the three main political parties (portfolio holders are amongst these 36 elected members). Watford currently has [25 Liberal Democrat councillors](#), [11 Labour councillors](#) and no Conservatives). A recent Boundary Commission review recommended the number of councillors remained at 36 given the borough's current population and projected population growth.
- 4.13 We have an active and involved [scrutiny function at Watford](#). As well as an Overview and Scrutiny Committee we have the following standing panels, an Outsourced Services Scrutiny Panel, Budget Panel and Community Safety Task Group. In addition each year stand alone task groups are set up to review specific areas to recommend policy improvements to Cabinet.
- 4.14 A reflection of the politically more- inclusive approach is that the Budget Panel is chaired by a member of the opposition and Call-In is also chaired by an opposition member (the vice chair of the Overview and Scrutiny Committee). The chairs and vice chairs of our scrutiny committees are fully involved in shaping the committees' work programme each year and we have recently introduced an 'outcomes' section to the programme. In addition, the Mayor (as chair of Cabinet) has, by convention, allowed the opposition leader to attend Cabinet and ask questions directly to Cabinet members and our 'questions to the Mayor' at full Council are open and transparent with opposition members able to ask questions without prior notice. The Chairman of the council is rotated by length of service across all political parties.
- 4.15 Cohesive officer leadership is provided by the council's Leadership Team comprising the Managing Director, Deputy Managing Director (Place Shaping and Corporate Performance), Director of Finance and 7 heads of service (two are from our Three Rivers lead authority – Finance and Revenues and Benefits). Leadership Team is responsible for advising Cabinet and implementing its decisions as well as providing management to the council's 210 members of staff.
- 4.16 Our [constitution](#) is reviewed annually by our cross party Constitution Working Party, which considers suggestions for any change made by members or officers. The working party will make recommendations to Council. Procurement rules are also considered by the working party.
- 4.17 We have recognised that our strategic risk management is an area where we need to improve and give more focus. Whilst we have a [corporate risk register](#) that is overseen by [Audit Committee](#) and

we expect all our programmes and projects to be supported by actively managed risk registers, we know that there is work to do to embed a risk management culture more effectively, especially as we adopt a more commercial approach. We are revisiting this with a Leadership Team workshop in September, which will also start our corporate thinking on our risk appetite going forward

5. Setting our ambitions and priorities

- 5.1 Each year through our corporate planning we review our ambitions and priorities for the borough and for the organisation. Through this review we ‘sense check’ our vision and priorities as well as our organisational values to understand if they are still providing the drive and direction for the council, based on our understanding of Watford, emerging opportunities and challenges and what we know is important to our residents.
- 5.2 Our current framework was developed in 2016 and strongly reflects how we see our role as a council. It makes clear that ‘more of the same’ is not an option, given some of the issues we face but also the significant opportunity we have to do things differently in the face of continuing pressure on our finances. **Bold** and **progressive** lie at the heart of our ambitions for the town and the council and clearly demonstrate that we have positively embraced our challenges. We recognise that we need to be more creative, innovative and entrepreneurial and champion new ways of working that will transform Watford and deliver our ambitions.
- 5.3 Supporting our corporate vision, the council has identified five priority areas of work. Each of these reflects areas that we know need additional focus and resource to 2020. By choosing these and setting out what we need to do to deliver outcomes that make a real difference we are sending a well-defined message to our residents and staff about what is important for Watford over the next three years. It is also the means by which we assess our own performance – have we delivered what we have said we would do and with our focus on programme and project management through the [Programme Management Board](#), we have strong governance in place to ensure we deliver ‘on time and on budget’.
- 5.4 Through our [Corporate Plan](#) we highlight the importance of seizing every opportunity that comes our way to deliver new homes, create jobs and opportunities for our residents and to make economic growth work for Watford so that our residents can benefit and share in our borough’s success. We make clear that we need to support and encourage housing growth but in sustainable locations with appropriate infrastructure in place (working to the ‘i’ before ‘e’ principle – infrastructure before expansion). In this way we can protect the town’s character and residential areas. We set out the challenge of securing our finances to protect services we know are important to residents whilst also ensuring we listen and respond to our community in a way that meets their needs. The corporate priorities are to:
1. Identify ways to manage the borough’s housing needs
 2. Champion smart growth and economic prosperity
 3. Provide for our vulnerable and disadvantaged communities
 4. Deliver a digital Watford to empower our community
 5. Secure our own financial future
- 5.5 We involve our staff as we review and refresh of our corporate framework and corporate plan to ensure there is good organisational understanding and ownership of our agenda. The corporate plan is also a key part of the service planning, which then links through to our PDR process with staff using it to inform their personal objective setting and to prompt discussions with their manager. This year we have also produced an [‘at a glance’ corporate plan](#), which identifies our priority areas of work on just one sheet of paper and assigned icons to each priority to support better staff recall. Our [core brief](#) and weekly staff e-newsletter [Wat’s Up](#) are used to reinforce our priorities and through our council magazine [‘About Watford’](#), social media channels and website we also communicate and engage with our communities on the work we are doing to deliver our priorities.

- 5.6 Through our [community survey](#) we regularly test our residents' views of the council and aspirations for the town. However, we have recently reviewed our engagement approach as we want to go beyond the more traditional ways of engaging through surveys and focus groups. This is particularly important for us, given that we have a young population, many of whom are recent arrivals in Watford and whose communications preferences are online and digital. We are looking to create online communities using the approach adopted by multi-national companies to understand their customers.
- 5.7 We recognise that keeping on track and making sure we deliver on our promises is critical to the council's reputation and to ensuring we are not slipping on budgets or milestones. We have established a Programme Management Board, chaired by the Managing Director, which meets monthly to review our major projects. Each project manager is responsible for [reporting to Board](#), for reporting on the benefits realised by their projects and, importantly, the lessons learned for the rest of the organisation. We have strengthened our programme and project management capability with the creation of a Programme Management Office and have a renewed focus on corporate and service performance with the appointment of our Deputy Managing Director who has this within his remit. Performance information is considered regularly by both officers and members. Leadership Team receives monthly and quarterly 'managing the business' information, which also forms part of our scrutiny arrangements with in-house services reporting to [Overview and Scrutiny Committee](#) and outsourced services to [Outsourced Services Scrutiny Panel](#). At the latter, our outsourced partners (including those services shared with Three Rivers District Council) are regularly invited to update members on how they are performing and the quality of their outcomes they are achieving for Watford.
- 5.8 Our focus on better performance has seen significant improvements in our Benefits performance. In 2013/14 our new claims result was over 31 days and change of circumstances over 15 days. At the end of 2016/17 and with significant changes to the service led by the head of service and Portfolio Holder we are now at 18 days and 10.5 days respectively. This focus has also had a considerable impact on the subsidy we would otherwise have lost in relation to payments classified as local authority error. We now receive 100% subsidy (confirmed for the second year running).
- 5.9 **Case Study – leadership in priority setting**
Through the [Mayoral manifesto](#) the council has clear direction of where it will need to bring forward plans and investment decisions. Whilst Watford is an urban borough, it benefits from a number of parks and open spaces, including the nationally renowned [Cassiobury Park](#). These 'green lungs' across the town are a strong part of the town's identity and extremely important in a densely populated borough where, due to the nature of the housing, not all residents have access to outdoor space. Over her period in office, the Mayor has prioritised investment in parks and open spaces, which has included a £4.8million programme of improvements to every play area within the borough and a £6.6 million investment in Cassiobury Park, with council funding matched by HLF and Big Lottery funding, and over £800,000 investment in our allotment sites. The impact of this investment on our town and on the health and wellbeing of our residents is significant. Parks and open spaces consistently achieve over 90% satisfaction rating and this year we have celebrated achieving 11 green flag awards. This includes a green flag for one of our allotment sites, which is one of only 21 in the country and the only one in the Eastern region. It is also the highest number of awards in Hertfordshire, which is a real achievement for the most urban district in the county.
- 5.10 Whilst we recognise the importance of setting the right vision and priorities we also know that successful delivery requires our people to bring the right attitudes and behaviour to their work, which is why we reviewed our values as part of our corporate framework. Talking to our staff, we discovered that the 'bold' value had extremely strong resonance. They felt motivated by having the permission to step outside of the usual ways of working, think the unthinkable and make things happen. Staff also responded to having a value that encourages them to work creatively and innovatively, so we included 'progressive' to capture this Watford staff behaviour.

This will be essential to ensuring the success of our Watford 2020 programme, our major transformation programme that will fundamentally change how the council functions.

- 5.11 The vision for our [Watford 2020 programme](#) is to deliver a 'customer-focussed, digitally-enabled, commercially-minded council, demonstrated by:
- High-performing services that will provide an excellent customer experience and will be designed from the customer's perspective.
 - Services that will be digital by design, exploiting opportunities provided by existing and emerging technology to deliver significant efficiencies.
 - An innovative, bold and entrepreneurial organisation that is in continually challenging ourselves to reduce costs, generate income and improve performance.
- 5.12 We have set an ambitious timetable for the programme, with recommendations for a new operating model to be in place by March 2018. We expect this to be transformational, with the council of 2020 looking very different from the organisation today. It will inform and drive our approach to being a more commercial organisation building on where we have already identified opportunities to raise income through marketing and selling services.
- 5.13 Alongside our move to improve the council's digital offer, we are transforming the town through better digital infrastructure. Our first offer was free town centre [wi-fi](#). This went live in summer 2016 and currently has 68,000 subscribers; it forms an important part of our 'Watford's open for business' campaign. In addition, our agreement extended free wi-fi to the town's community centres and sheltered accommodation to improve digital inclusion for some of our more vulnerable residents. We have also introduced roof top broadband capability in the town centre so that our businesses, particularly our SMEs have cheaper broadband access.
- 5.14 **Case study – the Internet of Things and LoRaWAN comes to Watford**
- 'LoRaWAN' is a low powered wireless network which Watford Borough Council have installed across the town with the help of Digital Catapult, a government funded organisation responsible for improving digital infrastructure across the UK. LoRaWAN provides a new, low cost platform to support the 'Internet of Things' (IoT), a concept which allows devices to talk to each other to provide real time information and data. Unlike Bluetooth or 4G technologies, the network itself is both wide ranging and low energy meaning that relatively few supporting gateways are required and associated devices can be battery operated for periods up to ten years, removing the need for costly cabling or other infrastructure. When deployed across an entire town, as in Watford, the network can start to provide some real benefits. For example, bins can let you know when they are full, parking bays can tell you how long vehicles have been parked and pest traps can let you know when they have been activated – all of which means that a council officer only has to visit the location when action is needed.
- Whilst there are many conceptual uses of the technology, these can only operate when a network is in place and, currently, the UK trails behind other countries. However, Watford is one of the first Local Authorities to work with Digital Catapult, taking the bold step to implement its own LoRaWAN network across the borough to support the IoT and enabling us to do things differently and more efficiently. Our current network is a two year trial to prove concept but, after this period, we will have the opportunity to commercialise the network, which could have real income generation implications for the council.
- We are currently running two trials – one for our electric charging bay points and another to measure bus stop layover times and pollutions levels in the High Street. However, we are hoping to support many more trials over the two year trial period and our local college and partner, West Herts College, is including LoRaWAN in their 2017/2018 curriculum, using the network to provide their students with an unrivalled opportunity to learn about the new technology and develop devices to use it. The network will also provide a foundation for ideas generation during the internal Service Innovations tranche of the Watford 2020 programme, encouraging staff to consider the way in which LoRaWAN can be used to improve and transform the delivery of their service.

Our digital town agenda is another area where we have recognised the value of partnership working. We established a Digital Watford Board last year to provide direction and governance to support plans to improve the digital connectivity of the borough and recognised that there were key partners whose influence and innovation would play an important role. West Herts College, Watford UTC, Watford and West Herts Chamber of Commerce, Watford Bid and Hertfordshire County Council are now all on the Board and contributing to the future success of a digital Watford.

6. Our financial plans

- 6.1 Like all local authorities, the council continues to face significant financial pressure. Since 2010 the council has achieved significant savings of circa £5million. This was achieved through two major programmes – [service prioritisation](#), which explored where savings and income could be generated across all our service areas- and our Future Council programme, which significantly reduced our senior management costs and generated savings through service redesign and moving towards a commissioning authority. This resulted in the outsourcing of our waste, recycling, streetcare and parks services to Veolia, which has proven a highly successful partnership for Watford since 2013.
- 6.2 Our [Medium Term Financial Strategy \(MTFS\)](#) is our key financial planning document. It is monitored through the year and is reviewed through discussion with our members. Our Finance Digest is produced five times a year. This is shared with budget holders, and discussed at Leadership Team then scrutinised by our Budget Panel and discussed at Cabinet. With the news in 2015 that our Revenue Support Grant will reduce from £2.5million to nil by 2019/20, we established a Finance Review Board, which is an officer and member forum, chaired by the Mayor to ensure that, whilst we make the savings necessary to deliver our financial strategy, our budget remains priority led.
- 6.3 The Finance Review Board considers the council’s financial sustainability beyond the current MTFS and brings together both revenue and capital. It also includes the implications of projects which are being planned and identifies their impact on the financial position. The documents include details of each of the significant projects and/or programmes and easily identify their impacts, splitting them into capital and revenue.
- 6.4 Underlying features of our MTFS include:
- £1million worth of savings from our Watford 2020 programme. This will be achieved through a number of strands of the programme, including our emerging commercial strategy. Whilst we have taken some steps to being a more commercially-minded organisation, we know there is a lot more we need to do. We have established a trading company, Watford Commercial Services Limited, which will allow us to pursue business opportunities outside of the constraints that apply to local government.
 - To support the commercial agenda the council has built a cost model, which will allow services to cost the price of their services for trading. This will also allow decisions to be made on the type of cost recovery to be adopted for each traded service. Some services may opt for full cost recovery and others may opt for delivering a ‘contribution’ to our overheads. This will be considered on a case by case basis and will easily identify if the proposed pricing will generate a return for the Council.
- 6.5 **Case study – Managing our housing crisis to support our financial position**
- Watford’s proximity to London and the overall attraction of the town as a place to live has meant that we are facing a perfect storm of issues that are seriously impacting on local people’s ability to access affordable housing. Rising house prices and rental costs, reduced government support for individuals and families in housing need and limited land for development mean that Watford has seen a significant increase in demand on our housing services.
- Analysis shows that the primary reason for people presenting as homeless is the ending of private sector tenancies (this is an even bigger cause of homelessness in Watford than in the London area) as landlords find they can demand, and achieve, higher rents. Local housing allowance is far below the average rental cost in Watford and so we have seen an increasing number of local people presenting as homeless and, in many cases, unable to afford Watford rental costs. This has seen our temporary accommodation numbers surge – reaching over 220 last year – and, without the right intervention and more innovative solutions, we were facing some very costly solutions to ensure we meet our homeless duties. This was having a direct impact on the council’s finances. Over the last 12 months we have put in place new ways of working to help tackle the borough’s housing problems and reduce the impact on our budget. These are:

Harts Homes

In January 2017, the council, in partnership with Watford Community Housing Trust, formed a ground-breaking joint venture (Hart Homes Watford Limited and Hart Homes Watford Development LLP) to help tackle the borough's housing crisis by developing much-needed affordable homes. As one of the first such joint ventures between a local authority and a housing association, the new entities offer a pioneering approach to addressing housing need. By working in partnership, the two organisations will be able to access additional sources of funding for new homes and make more effective use of their land, helping to enhance Watford's housing infrastructure by delivering modern homes fit for 21st century living. The newly formed entities aspire to deliver more than 500 new homes over the next five years. The first development has involved a transfer of council land to the Hart Homes Watford Limited to deliver both temporary and affordable accommodation. The development was granted planning permission in early 2017 and will see 36 residential apartments and 40 dwellings for temporary accommodation. The apartments include a mixture of one- and two-bedroom homes, the majority of which will be available for affordable rent. Work has now started on site with completion due in spring 2018. The development is being built via the LLP but will be managed long term by Hart Homes (Watford) Ltd with the Council having nomination rights and full access to the temporary accommodation.

Hart Homes (Watford) Development LLP is the first project the council has taken forward under our new trading company Watford Commercial Services Limited, which has a 50% interest in the LLP.

The council has senior officers on the boards of both these joint vehicle companies.

Modular housing

With demand for temporary accommodation exceeding the council's current supply, we are quite often forced to use more expensive options (such as bed and breakfast) to support the increasing number of people who have presented themselves as homeless as a result of rapidly rising rent or unaffordable mortgages.

We have recently approved plans for our first modular homes, which can be constructed relatively quickly and will provide a flexible solution to the need for quality and well-designed temporary accommodation. 11 units will be delivered through this first initiative, which will make a significant impact on our current temporary accommodation numbers (212) and reduce the cost to the council.

7. Our capacity to deliver

- 7.1 Watford recognises that a skilled and motivated workforce is vital to the organisation achieving its ambitions and priorities. Alongside this, we know our members need to be equipped to guide the council through what will be a significant period of change. Whilst we have had to make savings, we recognised the importance of continued training and development for both staff and members and so have protected our training budgets.
- 7.2 An integral part of this investment has been our innovative 'STEP' personal development programme, which was designed in-house and has run across all levels of the organisation, increasing the skills and confidence we need to respond to the fast moving environment in which we work. In particular, all managers are expected to undertake the STEP programme as it clearly sets the standard that we expect from our senior staff.
- 7.3 The STEP programme was one of the many strengths recognised in our IIP Gold assessment in 2016, which also noted that many staff said that their job at Watford was the best they had ever had and the council the best employer they had worked for. This is correlated through our annual PDR process (which was also recognised as excellent by the IIP assessors). All staff are asked to consider both motivation and job satisfaction – scoring between 0 and 10). For 2015 the scores were: 7.63 for motivation and 7.43 for satisfaction. Our sickness absence rate is currently (June 2017) 4.83 days per employee. Tackling sickness absence has been a key indicator for our organisation, showing that senior staff are managing their teams effectively and that staff are motivated to be at work. This current result shows a 20.5% improvement on last year and benchmarks favourably with other district authorities.
- 7.4 We have a long established approach to devolved and empowered management. We hold an [Extended Leadership Team \(ELT\)](#) meeting each quarter, which brings together heads of service and our 'section heads', which are the next tier of management. The sessions are led by the Managing Director whilst the agenda covers priority areas of work requiring collective discussions and decision-making. We also see it as an important opportunity for networking away from the office and so always commit a portion of the day to allow informal discussions and catch up. Similarly, we hold a [Managers Forum](#) twice a year for our next tier of managers which includes a development session, often provided by external providers as well as key organisational updates and networking.
- 7.5 We celebrate success with our staff throughout the year. In January, we introduced the '[star of the month](#)' award, where we recognise members of staff who have made an 'above and beyond the call of duty' contribution to their work and delivering our corporate priorities. We also hold an annual '[We Make Watford Awards](#)', which is another opportunity to thank our staff for their hard work. This is sponsored by some of our key partners who also attend the celebration.
- 7.6 Our approach to managing change has been directed by our [Managing Change Framework](#), developed by our staff. We will always support any significant organisational change with a dedicated communications and engagement programme to ensure staff feel involved and have the opportunity to feedback and share their views. Our current Watford 2020 programme is underpinned by a full communications and engagement plan, with a range of channels identified to ensure staff are engaged and feel able to influence the programme and proposed changes. One of these will be a refreshed Employee Council (which has a mix of union and non-union staff) that will act as a 'pulse group' to test our thinking and how the transformation is impacting our staff.
- 7.7 Our recent LGA HR peer review has provided an important improvement framework for our organisational development. This is timely as it coincides with the roll out of our Watford 2020 programme. Our 'People Strategy' is a key supporting strategy and will be critical to driving the cultural change we are looking for to embed our new operating model and ways of working. Through our strategy we will also address how we attract and retain the talent we need as an authority including how we 'develop our own', which is an area where we have already had successes, and ensure we can be agile in terms of deploying our staff to where we need resource.

We are engaging with staff throughout the development of the strategy and have held a series of workshops through the summer to empower our staff to contribute to, and shape, our approach.

7.8

Case study: Contract management and relationship forum

Since 2013, we have built our expertise and knowledge around contract and client management to reflect the changing focus of our service delivery from direct to commissioned services. Whilst, in some circumstances, we had the opportunity to recruit this expertise and knowledge, we recognised, for future organisational resilience, we needed to embed effective contract and relationship management across our services. An initial audit showed that we had staff in many areas and at all levels undertaking a client function but they needed to be equipped to do so more effectively. In 2014, we established our [Contract Management and Relationship Forum](#), led by a head of service, with the remit of promoting better ways of managing contracts and working commercially. Now over 70 staff meet on a quarterly basis to network, share best practice and discover how to achieve cost savings, higher values and quality through a more business-like approach to contract management. Those attending include staff from our neighbouring authority, Three Rivers, who saw value in what Watford is achieving. A peer review on our progress last year by an associate of the East of England Local Government Association found we were well ahead of other councils and that our approach was innovative. The assessors were so impressed they nominated Watford for an International Association of Commercial and Contract Management (IACCM) Excellence in Contract Management Award, which we won.

7.9

Our members complete an annual self-assessment, which reviews their work in the previous year and sets targets for the next 12 months. Our cross party member development group sets training priorities and emerging training needs for the year ahead. All our members are now equipped with surface pros and so, from the start of the municipal year (May), we were able to go 'paperless' for our council meetings. We know we need to make our council meetings more accessible and will be introducing webcasting of full council and development management committee.

7.10

Unlike many district councils, the council has retained a substantial budget for commissioning services from the voluntary and community sector. This is in recognition of the important role the sector plays in our community and that they are often better placed to deliver services where they have more expertise and insight into the needs of service users. Our most recent [commissioning framework](#) identified the priority areas of need for the borough we sought to achieve through commissioning services (infrastructure support to the voluntary and community sector, enabling people with physical mobility problems to access services in the town centre, advice services, arts and culture, community centres and sport activities) and invited service proposals from the voluntary and community sector (VCS). We currently commission services from Watford & Three Rivers Trust (W3RT), Shopmobility, Watford Citizens Advice, Watford Palace Theatre and five VCS community centre

8. Our focus on place shaping

- 8.1 Watford is a borough with a strong identity and a cohesive and vibrant community. It has now established an enviable reputation as a great place to live, do business and visit but we know that this current success has required a strong vision, decisive action and targeted investment, which, as we shape our town for the future will need to continue.
- 8.2 We also know that place shaping comes with significant challenges particularly in a borough that has limited development space but where there is strong demand for residential, business and retail space. But it also opens up outstanding opportunities for the town, which we are working closely with both the private and public sector to progress.
- 8.3 Directing the spatial element of our place shaping is our [Local Plan Core Strategy](#), which was approved in January 2013. In this we set down our principles for sustainable growth within the borough, which we focused within a number of [special policy areas \(SPAs\)](#). These SPAs are identified for planned regeneration because they are in need of improvement and have access to sustainable transport links. In this way, we aim to protect the character of our current residential areas and the character and identity of the town overall.
- 8.4 The SPAs are, therefore, the focus for our major regeneration projects, which we have estimated will bring around £1.5billion of investment to the town over the next decade. These projects are a central part of our place shaping as they will deliver the majority of our housing need, which is currently set at 570 new homes per year, although we will be testing this through the next phase of our local plan. Delivering this level of housing in our borough is a challenge. Our boundaries are tight and the duty to cooperate has not yet impacted sufficiently to enable us to work with neighbouring authorities to effectively meet our housing targets. The projects will also deliver new infrastructure, including new primary schools (we have so far directly facilitated three schools), improved public transport links, cycling, pedestrian improvements and enhanced public realm.
- 8.5 Our portfolio of major projects transforming our town are of various are complexity and are being delivered through a range of different vehicles, bringing together the private and public sector financing and influence. As well as the Watford Health Campus Partnership LLP (delivering Watford Riverwell), the Intu redevelopment and our housing projects we are working to deliver the following schemes:
- 8.6 **Ascot Road**
We have developed the supplementary planning document: [‘Skyline Watford’s Approach to Taller Buildings’](#), which sets out our approach to determining planning applications for taller buildings. In terms of place shaping we believe that where appropriately located and, if well-designed, they can enhance the skyline and provide iconic landmarks. In July 2017, planning approval was granted for our first iconic tall building at Ascot Road – a 23 storey mixed use building offering 485 residential units including 170 affordable units, retail space surrounded by community areas and extensive landscaping. This building meets our skyline criteria; it stands at the western gateway to the borough and, in our view, is a good example of a well-designed tall building that sets a high standard for other developments.
- 8.7 **Watford Junction**
Watford Junction station is the key gateway to the town but both the station and the surrounding area are in significant need of regeneration. As the area where many people experience the borough for the first time or, for those who commute in or visit on a regular basis, it is far from showcasing what Watford has to offer. However, in place shaping terms it also provides some of our biggest challenges. It is a site on which we do not have land ownership, which means we have to play a critical role in bringing together the public and private sector organisations with an interest in the site including Hertfordshire County Council, London Midland, Network Rail, HSBC and Redrow Plc and to understand their aspirations alongside our own.

Our shared vision for the site includes a new neighbourhood and gateway to the town, an improved train station and commercial centre and high quality public realm, which we have shared with our community.

8.8 **Clarendon Road**

Over the years, Clarendon Road has established itself as the borough's main area for office accommodation and is where some of the town's largest employers are located. However, much of the office space is dated and does not meet the needs of 21st century business. For us this meant there was a risk of losing some of the town's major business players and the employment and prosperity they bring to Watford. We knew to keep Clarendon Road thriving, we needed to invest in developing a different approach to its future prospects. This has involved revisiting the mix of uses to allow residential and community infrastructure as well as office accommodation, should this mix bring forward an acceptable development. This infrastructure includes a two form entry primary school.

The new TJX Europe head office (operators of TK Maxx) was granted planning approval in Clarendon Road at the end of July. This is focused around a group of three distinct buildings including an iconic 12-storey building, which will act as an impressive gateway to the area as well as providing additional retail and green space. This not only launches the transformation of Clarendon Road it is also a vote of confidence in Watford as a great place for business.

8.9 **Watford Business Park**

This is a 67 acre industrial site and is an important location for many of our local businesses. However, it has low density employment and is generally out-dated and in need of refurbishment. The council owns the freehold of the land but there are a range of different leasing arrangements across the site. We are currently looking to assemble the land and bring forward a strategy for securing a private sector partner to work with us on re-development.

8.10 **Building understanding of the impact of our transformational plans**

Understanding the impact of our transformational plans and other major planning applications on our townscape is a vital part of effective place making. We have introduced a number of mechanisms to help test the coherence of the proposals in advance of the decision making process:

- **Major application review forum:** this is an opportunity for developers to present their proposals to the council at pre-application stage. The forum is made up of members and officers and provides direct feedback to developers at a stage when they can review their proposals
- **Major projects board:** this is a cross-party meeting where updates on major projects are shared and next phases of delivery discussed
- **PPAG and HPAG:** Planning Policy Advisory Group (PPAG) and Housing Policy Advisory Group (HPAG) are cross party forums that enable members to scrutinise and comment on local plan policies and housing policies
- **Watford town model:** we have invested in a 3D model of the town that allows us, and developers, to generate their plans so that they can be assessed for how they will fit into the current, local environment. This has been particularly helpful during our debate on tall buildings as we were able to show members and other stakeholder just how a variety of heights would appear against the borough's skyline
- **The Watford vernacular:** we are working to develop an agreed understanding of the look and design of our new developments so that they contribute to and enhance the character of the borough. This arose from a scrutiny task group on conservation areas where members identified a need to establish better understanding of what good design should look like for Watford. The next step will include a further workshop to explore their feedback to officers.

- 8.11 We know that economic prosperity remains a top priority for our residents and businesses, but we are also aware that growth, particularly where it means new housing, is not greeted with the same enthusiasm. One of our major place shaping challenges is to work with our community to build better understanding of our approach and the benefits of growth to the town and to our communities. We believe we are taking an effective, proactive approach to shaping Watford. We know the consequences there would be for the town if we did not have a sound Local Plan in place and definite plans for where sustainable growth can happen. Where we haven't been so effective is getting these messages across to our residents and building a more shared consensus of the town's future.
- 8.12 Whilst we know we need to improve how we engage with our communities on place shaping, we do have some positive examples of working well with local residents as we develop plans. The new road that was built as the first phase of Watford Riverwell runs through the edge of a much-loved local park. The council approached the active park friends' forum and other interested residents to work with them and local councillors to review the plans for the road. This empowered our community to shape the design, layout and mitigation elements, turning what could have been a very negative response to the new infrastructure. We are currently running a similar forum with our community regarding the relocation of our town centre skate park to a park location and incorporating additional leisure and sports activities elements. The proposal has not met with universal approval but through the engagement, which is being led by a Portfolio Holder, issues have been aired and addressed in advance of the planning application being submitted. Suggestions from our community have been included within the proposals and, overall, the engagement has helped create greater community ownership for the new facility. The scheme is being funded through £4million of council investment and will deliver not only a new skate boarding facility but also facilities for BMX, mountain biking and scooting (all popular activities in the borough) as well as a café, community room and toilets for the park.

9. Conclusion

- 9.1 Through this position statement we have aimed to provide an honest and balanced assessment of Watford Borough Council and the achievements we have delivered for our town and communities. Whilst we believe we have a lot to be proud of, we are realistic that we cannot be complacent and continually need to challenge how we are performing and how we are responding to what will certainly continue to be a rapid range of change for local government. Our main goal is always to ensure we are delivering the right outcomes for Watford, particularly in terms of how we are shaping the town for the future. We believe we have an outstanding track record of not just planning but also for delivery and are confident that we can build the long term relationships that are at the centre of effective, high quality place shaping.
- 9.2 We have commissioned a peer challenge to support us on our journey and are looking forward to bringing this statement to life when the team visits Watford and welcome hearing your findings and recommendations on how we can enable further success for the town.



WELCOME TO **WATFORD**

Watford Borough Council

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Corporate Peer Challenge **Watford Borough Council**

12 – 14 September 2017

Feedback Report

1. Executive Summary

Watford Borough Council is a high-performing, bold and progressive council with a lot of ambition for the future. A strong partnership between the Mayor and the Managing Director has ensured a stable and sound platform for delivering services and has created a strong legacy for post-May 2018 when the current Mayor intends to step down. The peer team felt that some further detail was needed on the council's future to provide clarity for the incoming Mayor and suggest that a clear roadmap for the council after May 2018 would help to capitalise on the council's current position and go some way to future-proofing key strategies. The peer team's view is that this could be achieved quite quickly and would help to create a successful next step in the council's journey.

The council benefits from mature officer and member relationships that are based on mutual trust and respect. This was seen at different levels within the organisation. The peer team found staff to be positive about working for the council and enthusiastic and committed to Watford as a place. Staff felt valued and appreciated the recognition that they received through the staff awards that took place both monthly and annually. Whilst the peer team found that officers and members shared the same vision for the future it was thought that more could be done to articulate this to all stakeholders at all levels including staff, the community, businesses and residents. An integrated communications plan would simplify this and enable consistent messaging to stakeholders. The council's move to work with a communications expert on messaging shows that they are moving in the right direction.

Watford Borough Council has good self-awareness and understands the communities, economy and geography of the borough and leadership of place role. This is demonstrated through its partnerships and projects with other key place stakeholders e.g. working with the business community to attract new businesses to Clarendon Road, and providing support and networks to make their transition smoother. The Council sees Watford as being more than a commuter town for London – an economic driver in itself and for the county of Hertfordshire. An example of this is the project that the council is working on with Transport for London and the extension of the Metropolitan tube line in Watford, which would provide better transport links to key business and retail areas.

The peer team were impressed with the ambition of the council with this and other projects. However, it is important that the council assesses whether it has the right skills and capacity in place currently to deliver these projects to time and specification, and to recognise the demand that they place on the senior leaderships' time. The peer team suggests that some further thought is given to whether there is sufficient resilience within the organisation given the number and variety of projects being undertaken both internally and externally by the council. One way of building this resilience and capacity is to utilise the willingness of partners. The private and public partners that the peer team spoke with were keen to support the council with their future plans for the Borough.

The council is committed to financial planning for the future and a good appetite towards risk has been developed. This is supported by a good planning / borrowing approach

but the Council will need to be vigilant to ensure savings capture is achieved in its transformation and income generation programmes.

To support the external ambition for the place, the council is undergoing an internal transformation programme. It is important that the council is able to integrate all of its plans to ensure that there is a holistic council – wide programme that incorporates the council's work on transformation, commercialisation, medium-term financial strategy and the people and digital strategies. Following this the council might wish to pull together a 'state of the borough' narrative to help secure buy in from partners to support the council's future plans and ambitions.

To deliver such a big internal change programme there needs to be strong and visible leadership from the senior leadership team. Whilst it was clear that this was happening currently the peer team felt that more could be done. This needs to be a priority in the coming months and will be essential in developing a future culture for the organisation and for driving change and maintaining the pace and rigour to keep the programme on track. This could prove difficult due to the parallel ambitious place-shaping projects that are also being delivered by the council. To be successful at both the peer team believe that the council should invest in and develop the right capacity and resilience needed to deliver on both their internal change programme and their external place shaping programme.

It is clear that Watford Borough Council has achieved a lot of successes over the past few years and has a lot of positive stories to tell. More could be done to promote this. Whilst it is understandable for the council to have been focused internally over the past decade, it now needs to think about what it has to offer regionally and sub-regionally. WBC should take this opportunity to look outwards and shout about and share what they have done. The council is seen as punching above its weight in terms of the partnerships and investment projects for the size of the place. There are a number of recommendations within this report that the peer team hope will help the council move to the next stage of its vision and future plans.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

1. Develop capacity and skills to deliver and sustain your ambitious programme to keep pace and rigour
2. Develop communications strategies to articulate vision to residents, commuters, businesses and partners
3. Prioritise visibility of leadership on internal transformation
4. Integrate transformation, commercialisation, MTFs, people and digital strategies etc. into one coherent whole = holistic council-wide change programme
5. Consider the Council's role in owning management and delivery of housing supply

6. Create a roadmap for post May 2018 and future proof key strategies e.g. finance, asset management
7. Build on the willingness of partners to develop the future Watford agenda
8. Be more outward looking - shout & share your success
9. Decide what culture you want for 2020 and beyond

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 Watford Borough Council were:

- Alan Goodrum, LGA Associate Peer
- Councillor Keith House, Leader of Eastleigh Borough Council
- Chris Trail, Strategic Director, Charnwood Borough Council
- Tom Blackburne-Maze, Service Director, Milton Keynes Council
- Emily Coulter – Officer, East Hertfordshire District Council
- Ami Beeton – Challenge Manager, LGA

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. 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?

4. 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?
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?

In addition to these questions, you asked the peer team to provide feedback on:

- Watford's place-shaping & economic development agenda
- Community Engagement

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. 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 three days onsite at Watford Borough Council, during which they:

- Spoke to more than 90 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 42 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 180 hours to determine their findings – the equivalent of one person spending more than 4.5 weeks in Watford Borough Council.

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 visit on 14th September 2017. 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

Watford Borough Council has good self-awareness and understanding of place and context. The peer team found that a broad consensus on the future direction and vision for Watford was held by members, officers and partners. It was evident to the peer team that council has clear objectives and a direction of travel. This coupled with honest, open relationships and a track record of doing what it says it is going to do led the peer team to view the council as being effective and place-led.

The council has done some good work to get partner buy in for their place-based change agenda centred around building a new Watford. This has been carried out through high level meetings and discussions with strategic partners. Having the right partners on board has enabled key support to some of the projects and the council's growth agenda which is vital in ensuring opportunities and benefits for local people e.g. health, economic and housing benefits from the Watford Riverwell regeneration project and economic benefits from the revitalisation of Clarendon Road.

The peer team found evidence that the council has a positive approach to working with partners to make sure that the best options and services available are delivered to residents. Examples of imaginative and innovative delivery vehicles used by the council include the council's shared services arrangement with neighbouring authority Three Rivers District Council, as well as third party contractors, joint vehicle and place partners.

The peer team felt however that further work could be done to cascade and share council priorities down to strategic partners on a more operational level. When talking to some business partners it was clear that they had good relationships with the senior leadership of the council but this did not filter down the organisation. If partners had a contact point within the organisation outside of the leadership team, it could mean that the council would be more open and accessible, creating resilience and capacity.

Watford Borough Council has a mixed economy approach to delivering services for its residents and customers. It maintains generally good relationships with service providers that are mature and allow for the sharing of information and flexibility when needed. An example of this is the contract with Veolia for Waste, Streets and Parks where a number of beneficial changes have been made since 2013.

The council has a strong focus on growth and regeneration for the place and there is a strong partnership board that has been set up to manage regeneration that works well currently. It is important that plans and strategies are reviewed regularly and future proofed. Regeneration is a long term business and as with most

initiatives the council needs to ensure that they stay relevant and not become outdated. It is important that pace and rigour are maintained and that buy in both politically and from partners is maintained. The officers of the council need to be ready for a change in ways of working when the current mayor steps down (as she has indicated that he intends to do in May 2018) and plan for any support and briefing that her successor will need.

The peer team found that the council has a healthy appetite for risk. This is demonstrated through the council's approach to working with partners and delivering services differently. The Riverwell project is a good example of this. There are some risks associated with this project, given the scale of the Northern Development Zone and key relationship with the NHS, but they are seen to be proportionate by the peer team.

Watford Borough Council has a reputation for delivering projects to time and is known for getting things done. The peer team feel that the council needs to be aware of the complexity of delivering on a number of large projects. There is a need for intensive programme management and senior leadership to manage the different stake holder group and this absorbs a lot of capacity. With the council's own transformation and change programme underway, the peer team recommend that the council looks at building further capacity to manage and deliver on the regeneration projects that are already in train.

The council has benefitted from stable finances over recent years through prudent budget management so the administration has not yet had to make some of the more difficult decisions other local authorities have had to consider, for example fortnightly collections, putting up council tax significantly, or charging for garden waste. These issues are going to become more prevalent as funding decreases. The peer team suggest that a conversation with members and the community is needed to understand what views are held about future priorities, what council tax is for and what it should cover. This will help with planning for post-2018 and help to build a new era and legacy for the new mayor.

4.2 Leadership of Place

There is a sense of pride about Watford as a place from members and officers at Watford Borough Council. The Mayor and Managing Director are seen to be great ambassadors of the town and are known for their leadership in managing the growth of Watford and preventing decline. This is supported by the view from the Local Enterprise Partnership (LEP) who recognised Watford Borough Council as being progressive and positive for the county. Both the Mayor and the Managing Director are described as engaging, credible and easy to work with. There is an opportunity for the leadership team to step up to leading on a sub-regional level basis. WBC would benefit from looking outwards to the local government sector and sharing their successes with other local authorities. They have a lot to be proud of.

Having good relationships with stakeholders and partnership bodies has meant that the council has achieved good buy in and support for key projects. Partners described the council as a 'finely tuned and lean machine that is delivering an ambitious plan for growth and regeneration'. The regeneration board is a good example of the council working well and holding its place at the table. Partners are confident and comfortable for the council to lead on key projects. The extension of the Metropolitan tube line (MXL) is a key project for the LEP and it was evident to the peer team that the strong relationship between the council and the LEP has meant a united approach when dealing and negotiating with London Underground and the Greater London Authority. The peer team believe that the council should consider their options if the extension project does not go ahead.

The council has good relationships with its business community. The representatives that the peer team met found the council's leadership to be place-focussed. Examples of this include the support to new businesses and the Big Business Connect event which was hosted by the council. This initial support and activity is important for new businesses but partners suggested that more could be done to follow on from this. If the council was to strengthen its follow up support businesses would be willing to work with and help to deliver new initiatives e.g. reinvigorating the chamber of commerce and the business growth forum.

There was also a willingness from the business community to support the council in articulating its communications and PR around the vision for the place. The peer team believe that Watford Borough Council should utilise the support and skills offered by its partners in areas where it does not traditionally have the capacity or skills itself.

The business community representatives saw the Mayor as being a great driver and influencer able to get things done. Again there was some concern about the change in Mayor post May 2018 and this suggests that some further communications with external partners in anticipation of the changes would be welcomed. Partners view the council as ambitious and progressive and want to add value to help put Watford on the map.

However, some partnerships do need strengthening in order that the council can maximise its skills and resources. The council has a strong community wellbeing agenda for its citizens. The view of the peer team is that the Community Safety Partnership (CSP) is mature and robust. There is a single plan and shared ownership of roles. To be even more effective further work needs to be done to engage operational managers from public health and social services into the Community Safety Partnership. This view was held by a number of senior managers within the council. Getting this buy-in would mean that the CSP would be able to deliver more support to residents and the community, and be more proactive and preventative rather than just reactive.

Another example is around commercial activities. The council needs to embed its approach to commercialism with partners to get their support. The first step for this is to gain some clarity on what commercialism means for the council and for the community, and then articulate the shared understanding to strategic partners.

Some high level discussion between members and senior officers will aid this and a communication piece should be planned to cascade the message to staff, members and other stakeholders.

4.3 Organisational leadership and governance

The Mayor and Managing Director have a strong partnership which is based on trust and respect. Leadership within the organisation is both visible and accessible. This is appreciated by staff and creates a positive working environment. This is then mirrored by supportive and mature member/officer relationships throughout the organisation. Staff and partners are slightly apprehensive about the changes post-May 2018 when a new Mayor will be elected. The council does have a robust governance framework in place which should help to support this transition period but the peer team think that some thought should be given to how the softer changes are managed in terms of ways of working and accessibility / visibility of the new mayor.

The peer team found evidence of good member-led strategic forums for policy development that have helped to create an open and positive culture for discussions about the future. Further to this, the senior leadership team have two away days a year with the cabinet to plan and take stock, and cabinet members meet monthly with their respective heads of service.

The vision and future plans for the organisation were understood and supported by staff who were keen for the transformational and culture change. Embedding the messages and direction within the organisation is going to be a big job, and communications and messages will need to continue to be managed and thought through to achieve a shared understanding. The peer team felt that officers and members are ready to embrace this change and saw evidence of good communications to staff on the change agenda. The peer team met with a number of staff supporting the transformation programme and were impressed by their commitment and enthusiasm for change and this was reflected throughout the organisation. The council needs to harness this support and enthusiasm over the coming months and use it to keep the pace for change on track.

There is a supportive culture at the council and development opportunities for officers and members are seen as important. The peer team spoke to officers who said that they feel valued and believe that the council is a good place to work. The peer team heard about supportive and informative management forums that ensured staff were aware of key issues. The people and digital strategies are going to be important for the council going forward and the peer team felt that they need to keep pace with the transformation programme and the culture change for 2020. They will be fundamental in looking at agile working and organisation and team development.

A cross-party working group for member development has also been set up to look at and support the training needs of members. It is clear to the peer team that the administration has looked at succession planning and were preparing for the future. There was no evidence of political in-fighting within the organisation but instead a shared commitment to the place. This was seen through the agreement on a strong community wellbeing agenda for the borough.

The peer team found good examples of where scrutiny had worked well and has provided supportive challenge to the council. The scrutiny role is seen as open and effective and cabinet will listen to scrutiny members views even if it doesn't agree. Good practice has been seen through the outsourced services panels where scrutiny has been used for oversight, governance and challenge to providers. The council has been proactive in learning from when things have gone wrong e.g. the ICT contract failure and has used these lessons when managing subsequent contracts. The council has also consistently addressed poor performance in the organisation and improved outcomes and ways of working as a result. The peer team found evidence that this approach had been used to deal with staff, contracts and shared service arrangements. To make this approach more robust the peer team suggest that the council's service plans be integrated into the performance management process. This will help the council to monitor more closely and intervene at an earlier stage if needed.

The transformation programme that the council is undertaking is ambitious and real and the right thing for the council's next phase. The peer team did have some concerns around capacity, especially at a senior level. To be successful in delivering this programme the council needs to sustain visible leadership at a high level. The Mayor and the Managing Director need to front the programme but equally they have important roles delivering on all of the ambitious external projects. The peer team suggested that the council reflects on the capacity it thinks it needs to deliver all of the programmes successfully and how and where it can build extra capacity and resilience within the organisation. There are going to be a number of crunch points over the next couple of years and the Managing Director will need some support to deliver the complex external projects on time and in budget. It will be essential for members and officers to have a visible leader delivering the internal change programme.

4.4 Financial planning and viability

Watford Borough Council is in a sound financial position and has worked hard to ensure a good level of service delivery to residents and the community. This has been aided by some successful historic investment decisions for the borough. The council has a prudent approach to reserves and borrowing, but as funding regimes continue to change and pressures increase, the council will need to continue to monitor these closely. To date the council has managed change well and has not had to use 'salami slicing' to identify savings. To help maintain this position the peer team suggested that a refresh of the financial strategy is needed, including improved profiling and forecasting. This would allow the council to more closely

specify saving and income realisations earlier on which would provide a clearer financial picture for the council as it moves forward.

The council has a shared financial service with Three Rivers District Council. Sharing across two authorities has built some resilience by sharing management responsibilities and rotating staff and reduced costs. Watford Borough Council also benefits from having a diversified investment portfolio. The peer team thought the council could benefit from reviewing the advice it gets for its investment portfolio to ensure that it reaps as much benefit as it could and invests appropriately to realise long-term income and support regeneration. The council also needs to ensure that it has effective client capacity and ambition for future asset management/property acquisitions.

Due to the prudent approach to reserves and borrowing, the council has not yet had to make any real difficult political decisions about council tax or charging for services e.g. there is no business plan to show the possible cost implications of charging for garden waste. This approach appears to have been welcomed by residents to date, but as previously mentioned needs to be looked at in the future as funding regimes change and residents wants and needs evolve.

Excellent leadership at the council has allowed for bold and progressive spending on ambitious and place-shaping projects for the area. Provision has been made in terms of a central contingency pot that allows the authority to plan for any issues that arise. The council has an ambitious yet realistic capital programme. The capital budget is big at £80-100 million with a further £20 million waiting for approval. This money is well scrutinised by a financial review board. A consistent approach to procurement and contract management is needed across the council's projects so that it can make sure that it is getting value for money. Strategic partners would welcome a financial challenge discussion to fully understand what the council's future role will be in projects and service delivery. For example the financial agreement with the NHS about the Riverwell project needs to be developed and agreed.

In moving forward with transformation the council needs to ensure that key plans and strategies are all aligned and integrated. Financial planning for the organisation needs to be clearly linked to the transformation programme and the council's objectives for change e.g. becoming more commercial. If the council was to look at these in isolation there is a danger that they will not complement each other and pose a risk to the programme. It is also important that members have the opportunity to consider and discuss the service implications of transformation and the effects this may have on service users.

4.5 Capacity to deliver

The council has committed, engaged and positive staff. They were found to be supportive of the council's leadership and plans for the future and were seen by the peer team as the council's biggest asset. Watford Borough Council is a friendly place to work and staff were engaged and motivated by future challenges facing the council. The council benefits from a low and impressive sickness absence rate

of 4.68 days. Return to work interviews are carried out to assess and provide appropriate support to staff. Watford Borough Council has been awarded with Gold Investors in People status.

Staff have access to a range of training and development programmes as well as the chance to build on and learn new skills. Training budgets have been protected to enable the council to 'grow staff' and this approach is supported by managers e.g. the Step up Programme. Practical skills development is also evident. An example of this are the cross cutting projects that the Heads of Service pick up alongside their substantive service delivery role. By developing staff skill sets the council is building resilience within the workforce. However the peer team felt that the council needed to recognise that this could cause a capacity issue for some and as a result service delivery could be affected.

It was clear that the council benefits from a collaborative working style that was demonstrated at senior member and officer level and subsequently filtered down throughout the organisation. This approach has maximised the council's ability to move forward and be progressive in its approach and its external thinking. However the peer team suggest that the council further test the understanding of staff about new ventures and approaches to ensure that there is a shared ownership and perception of what this approach means for services and for the future ambitions of the council. An example of this is commercialisation. The view of this varied between senior officers and officers lower down in the organisation. The service level agreements for HR as a trading service need to be developed to increase clarity on opportunity costs and any potential income that may be received. The council needs to ensure that the business case is robust and viable and to do this it may need to look at whether it currently has the right skill sets to do this. To ensure that commercialisation is developed beyond 'quick-wins' the council may wish to consider recruiting a dedicated resource to lead on delivering and embedding commercialisation within the organisation.

The council shares some services with neighbouring authority Three Rivers District Council. This arrangement has not always been smooth but both councils have worked on achieving a positive one team culture. Staff really care about delivering these services and are keen to belong to the arrangement and to improve the existing performance indicators for revenues and benefits. Performance indicators are monitored regularly at the Executive Leadership team attended by heads of service, the deputy managing director and the managing director.

The peer team found examples of the council having an emphasis on picking the right partner to work with rather than just the right deal. This has enabled the council to manage and negotiate contracts and work with partners to deliver good services to residents. The partnerships in place with Veolia and Kier are examples of this. The council does need to do some forward thinking in advance of the end of the Veolia contract and consider what type of waste service will be appropriate and match with future council aspirations. A full scale review would support this.

As the council is undergoing a significant change programme, the peer team recommend strengthening the programme and project management process in

key areas. There is some current good practice e.g. commissioning, re-tendering as well as the equality impact assessment tools used for the leisure contract but there are some gaps in practical skills and there didn't always seem to be the space for officers to reflect after the implementation of a project. A clearer process on evaluating ideas will help the council with future projects. The peer team believe that the risk for Watford 2020 and the transformation programme is that ambition exceeds the capacity of the organisation. Having the right skills and processes in place will help with capacity but the council also needs to be future proofing its skills and process needs so that it can continue to be a forward, bold, progressive and efficient council for the future.

It is really important that the council gets the ICT right for the transformation programme. The organisation is aware of the IT issues following insourcing and has taken steps to resolve this including a new IT manager with experience of the private sector. Going forward it will be beneficial for the council to have universal operating systems that talk to each other.

The customer service element of the transformation programme will be important and customers need to buy into the journey and plans. Part of this will be making the council more open and accessible to customers both physically and digitally. The current town hall and customer services area does not fit with the council's ambitions for the future. The building is not conducive to agile working, collaboration, hosting partners or developers. The council might wish to consider moving to a more fit for purpose building for the long-term.

4.6 Watford's place shaping & economic development agenda

The council has a strong commitment to place shaping and economic development with many examples of this already mentioned within the report. As a geographical area, Watford is one of the smallest council areas within the country and is mostly urban but with a number of award winning green spaces e.g. Oxhey and Cassiobury parks for residents. This also includes the free Harwoods and Harebreaks "adventurous playgrounds" that have been built for younger residents of the borough and are accessible to all.

The developments that have been undertaken are bold and progressive in a time when many councils are battling with a decline in their budgets. This has been strengthened by the fact that regeneration plans and ambitions of the council are understood and shared by strategic partners. Support for the arts remains strong, as does the council's commitment to environmental quality and events in the town centre. However, a watching brief may be needed for managing the growth and the ambitious plans for the place. The peer team feel that there could be a risk if growth and regeneration are not managed in a sustainable way. Pace, rigour and capacity will be key to delivering these objectives successfully. This also builds on the earlier point made about internal resilience and capacity within the council. The peer team suggest that the council reflects on how it can manage its

resources so that any concerns or issues raised by partners can be dealt with quickly and effectively at all levels.

The peer team understood that managing growth was a key priority to the council and its partners. Some bold decisions have been made e.g. Watford Riverwell mentioned earlier. The decision that was taken on moving the allotments for the success of the project was not an easy one for affected residents but does demonstrate the wider more strategic vision of the council and the strength of relationship between councillors and their constituents.

There were some issues that the peer team felt more discussion was needed between the community and some councillors, for example the lack of ownership around housing supply. This is a big issue and one that the council needs to be able to deliver on. Some conversation with different stakeholders will help the council to articulate its position and for everyone involved to understand any possible solutions.

Another example of place shaping is the positive relationship that the council has with Intu who manage a substantial retail venue for the town. Working in partnership with Intu and the successful Business Improvement District the council has supported a varied and exciting cultural programme for residents and communities including a temporary beach, a varied theatre schedule and free screenings of films over the summer. One demographic that didn't seem to be as engaged with the offer of the place are commuters. There are a number of big companies with offices on Clarendon Road as well as other sites around the town. The peer team think more thought could be given to how this important group are encouraged to stay in town after work and see it as a place for leisure and relaxation as well as work.

4.7 Community Engagement

The peer team found that community satisfaction was high which was expressed in the last engagement survey with 90% of respondents expressing this. The peer team believe that this is partly down to the role and visibility of the Mayor who is seen as the 'Mayor of the town' rather than the Mayor of the council. Elected Members were also key to the current engagement strategy with councillors seen to be taking on more of an engagement role than officers. Whilst this has worked well it is a more informal approach, the council needs to check that formal engagement routes are robust and in place. Having said this, there is evidence of some good examples of community engagement e.g. engagement of users and non-users re the leisure contract and the engagement work carried out at the Oxhey Park forum discussing and agreeing proposals for the development of the area for all parts of the community. The peer team were encouraged by the council's recognition to make this approach more consistent through their plans to work with private partners to increase communications with residents, businesses and other users. The peer team believe this will allow the council to be more proactive with decision making and provide more legitimacy for it.

As mentioned previously, communications need to be strengthened on the agenda and the priorities of the council. It can be difficult to communicate growth as a good story for all demographics, however the peer team thought that both officers and members needed to be braver and demonstrate greater leadership around the implications and benefits of growth to the community. Using partners as ambassadors of place could help the council with this objective. The relationship with the local press is not as strong as it could be and the council could reflect on how to improve this. An effective communications plan could help counteract any negative communications. Greater use of social media could help to promote outcomes and quick wins for partnership work.

A further suggestion from the peer team is to be very clear about how the community survey results have fed into the corporate priorities and what action will be taken as a result. The community need to know that they are being listened to and that their views are valued and contributing to the place-shaping agenda. A strengthened feedback loop should help the council in demonstrating to residents that it is listening to them and understands their views. It would also enable the council to review its services to deliver in a way that meets the communities' needs.

It is also important that a community element is built into the council's transformation programme. The peer team suggest that this can be beneficial on two counts: firstly, to ensure that the new digital strategy is appropriate and accessible for users, and secondly to reflect and understand what skills and capacity the community have to help deliver future council priorities and objectives. This would also help in creating further resilience for the council.

Finally, the peer team suggest that the council works with partners to create an effective community engagement plan for the future. The council may wish to look at other organisations plans to see what can be learned from others successes in this area. The LGA can help to facilitate this if required.

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Rachel Litherland, Principal Adviser and Gary Hughes, Principal Adviser are the main contacts between your authority and the Local Government Association (LGA). Their contact details are: Email rachel.litherland@local.gov.uk and gary.hughes@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of good practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before 2022.