



**WATFORD
BOROUGH
COUNCIL**

CABINET

**Item 6 – Corporate Peer Challenge report
and Item 8 – Attachment 1, Appendix 10**

15 January 2024

7.00 pm

**Rooms 201/202, Annexe, Town Hall,
Watford**

Contact

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Cabinet Membership

Mayor	P Taylor	(Chair)
Councillor	A Dychton	(Deputy Mayor)
Councillors	J Pattinson, K Rodrigues, G Saffery, I Stotesbury, M Watkin and T Williams	

Agenda

Part A – Open to the Public

- 6. Local Government Association - Corporate Peer Challenge Feedback report and action plan (Pages 3 - 45)**

Report of the Chief Executive

- 8. Financial Planning 2024/25 to 2026/27 (Pages 46 - 47)**

Report of the Chief Finance Officer

Appendix 10 of Attachment 1 is to follow.

Report to: Cabinet

Date of meeting: 15 January 2024

Report author: Chief Executive

Portfolio holder: Elected Mayor

Report title: **Watford BC LGA Corporate Peer Challenge, 14-17 November 2023, final report and associated action plan**

Nature of report: Discussion and approval

1.0 Executive Summary

- 1.1 In 2023, Watford BC invited the Local Government Association (LGA) to lead a Corporate Peer Challenge (CPC) at Watford. A CPC provides a robust, thorough and independent external assessment of a local authority's progress and performance and, through its findings, makes recommendations for further improvement.
- 1.2 Watford BC hosted the LGA CPC team from 14-17 November 2023. The team comprised a LGA lead and an experienced councillor and senior officers from other councils. Together, they reviewed a range of information the council provided in advance of the onsite visit, including a position statement, which outlined the council's achievements, areas of progress and good practice as well as where we identified future areas of focus. During their time at Watford, the CPC team undertook 55 internal and external meetings with over 150 people, which helped build their understanding of the council and inform their conclusions and recommendations.
- 1.3 The LGA's assessment and recommendations are set out in the LGA Corporate Peer Challenge Feedback Report (Appendix A) and are summarised in the report (4.10 - 4.17).
- 1.4 The council has found the CPC an extremely positive and valuable experience. It has provided the opportunity to reflect on the council's achievements, the significant progress made against the delivery of our Council Plan ambitions and, importantly, agree where we need to focus our drive and resources to continue as a high performing council that delivers for Watford and our community. This context is noted in the final CPC report:
WBC is delivering hugely ambitious plans for Watford, with an unwavering focus on the outcomes for its residents. To enable this to be delivered, WBC has forged strong external relationships and is an organisation underpinned by a culture of pride, ambition, and empowerment.

- 1.5 Following receiving the report, councils are expected to develop an action plan, based on the recommendations and to publish both the action plan and the final report on their website (see Appendix B for Watford BC's action plan).
- 1.6 Councils must also arrange a follow up visit by the CPC team (the LGA lead, lead member and Chief Executive member) to discuss the council's progress since the initial review (currently scheduled for autumn 2024).
- 2.0 **Recommendations**
Cabinet is recommended to:
 - 2.1 Note Watford BC's LGA Corporate Peer Challenge final report (Appendix A) and that this is now published on the council's website.
 - 2.2 Note the CPC team's findings and the seven recommendations.
 - 2.3 Consider and approve Watford BC's Corporate Peer Challenge action plan that addresses the team's recommendations (Appendix B) and note that this will also be published on the council's website.
 - 2.5 Note the CPC team (lead member, Chief Executive and LGA lead) will undertake a return visit to Watford to assess progress. This is currently planned for autumn 2024.
- 3.0 **Report pathway**
 - 3.1 Final review body: Not applicable

Contact Officer:

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4.5 All CPCs consider questions from five core component themes:

1. **Local priorities and outcomes:** Are priorities clear and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all its communities?
2. **Organisational and place leadership:** Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and Culture:** Are there clear and robust governance arrangements? Does the current framework allow for the most effective decisions to be made? Is there a culture of respect, challenge, and scrutiny?
4. **Financial planning and management:** Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
5. **Capacity for improvement:** Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition, councils can ask the team to review other key areas. For Watford two additional areas of focus were identified for the team to consider:

6. **Place brand and narrative:** How can we build on the momentum we have created through the development of our place brand to support our ambitions for Watford, using it as a platform to move our place communications and marketing to the next level, reflecting those areas who are leading the way and learning from their experiences.
7. **Strategic communications strategy:** Do we have clarity on our key messages, objectives and audiences and do we understand and evaluate the impact of our communications across our channels and areas of activity.

4.6 The council's preparations for the Challenge included:

- Liaising with the LGA lead to establish the framework and governance for the Challenge, including the members of the CPC team
- Developing and agreeing the onsite timetable across the four days of the team's visit, involving 55 meetings with over 150 people including members, officers, partners and stakeholders as well as a meeting of Overview and Scrutiny Committee
- Developing the council's position statement, a key background document for the peer team, providing an honest and clear brief and steer on the local context and what the peer team should focus on, setting out the key issues, challenges and pertinent issues
- Compiling an evidence base of a wide range of information, documents and data to support the position statement

4.7 In addition, the peer team was able to review an information pack based on the council's performance data and financial information. Given the current context of local authority finances, which have been severely hit by rising costs, high inflation and increased demand for services, the team recognised the importance to the council of undertaking a thorough review of the council's finances and budget setting approach.

4.8 **Corporate Peer Challenge findings**

The LGA's report and findings can be read in full at Appendix A. In summary, the peer team found the council's journey since the last peer challenge has been transformational. There are many positive attributes and assets both within the council and borough, including: hugely ambitious plans for Watford, an unwavering focus on delivery and outcomes for residents, a good record of financial stewardship and clear understanding of our financial position, strong external relationships and an organisational culture underpinned by pride, ambition, and empowerment.

4.9 From their observations, the team identified seven recommendations for the council, with a number focusing on ensuring we maintain our strengthened emphasis on the council's financial sustainability and robust budget management.

4.10 **Recommendation 1 - Finance**

The council has identified significant revenue savings for 2024-25, however there still remains a revenue gap for 2024-25 and further savings are required in 2025-26. The council should continue at pace to agree all required 2024-25 savings before the end of 2023-24 and during 2024-25, identify the savings opportunities for 2025-26. Implementation of 2025-26 savings during 2024-25 would further reduce revenue pressures and provide a contingency against unforeseen budget issues.

The council has a relatively large capital programme that is subject to inherent risks associated with external factors such as interest rate changes, construction cost inflation, demand for residential and commercial premises and the cost of living. The council must continue to monitor these external factors, manage these risks and implement appropriate mitigating actions in order to ensure that the council is not overly exposed to new financial pressures.

Portfolio holders are briefed on the council's financial position and the quarterly budget monitoring report is provided to the Finance Scrutiny Committee. In order to improve transparency and provide a more robust management process, the quarterly report should also be provided to cabinet and timeliness of reporting should be improved (the 2023-24 Q1 report was presented to committee in September 2023).

4.11 Recommendation 2

A significant slippage of capital expenditure during 2023-24 indicates that the risks referred to above have already impacted upon project delivery. In order to manage expectations both externally and internally and ensure that objectives remain realistic and time-bound, a review of project milestones and risk mitigation actions should be undertaken. The results of this review should be published both internally and externally by the council.

4.12 Recommendation 3

The council should review its approach to communications to ensure that all members of the community are able to access council services. For example, the provision of a simple approach to gaining access to benefits including housing benefit. This review should include engagement with community groups in order to determine the efficacy of the communications plans.

4.13 Recommendation 4

In view of the fact that the shared services arrangements with Three Rivers District Council have been in place for many years, these arrangements should be reviewed to ensure that they meet the current objectives and business needs of the council whilst providing value for money and giving a springboard for future growth of shared service arrangements.

4.14 Recommendation 5

In view of the fact that the council is operating in a dynamic and fast-changing environment, strategic risks should be reported more frequently than the current annual report to the Audit Committee and a separate report should be provided to cabinet on a regular basis.

4.15 Recommendation 6

Significant work has already been undertaken in the development of the strong "Watford Actually" brand. Whilst being cognisant of the current economic challenges, work should now continue to identify and work with external brand ambassadors and roll out the branding strategy.

4.16 Recommendation 7

The council is to be commended on its plans to deliver an ambitious and far-reaching programme of activities. It will be essential that the council's plans for organisational development ensure that the skills of the workforce and internal capacity continue to be aligned to these growing aims and ambitions.

4.17 Response and Action Plan

The peers' recommendations are strongly reflective of the challenges set out within the position statement and the conversations and meetings they had whilst on site. Additionally, they complement and add value to the council's own plans for an enhanced

focus on the council’s financial sustainability and robust budget management. In view of this, it is recommended that Cabinet note and accept the LGA’s findings and seven recommendations outlined in the final report (Appendix A) and above.

4.18 An action plan that addresses the CPC recommendations has been developed (Appendix B). The plan will be published and outlines how the council will implement the learning and respond to the opportunities identified for improvement. A lead has been identified for each of the recommendations and delivery will be monitored through Corporate Management Board, Portfolio Holders and Cabinet.

5.0 Implications

5.1 Financial

5.1.1 The Chief Finance Officer and Section 151 Officer comments that the CPC has identified recommendations for the council’s financial management, which aligns with the council’s plans and approach to achieving a balanced budget and a sustainable financial future. The recommendations are included in the council’s CPC action plan. The action plan can be met within existing budgets and staff capacity.

5.2 Legal issues (Monitoring Officer)

5.2.1 The CPC has made recommendations relating to the council’s governance, which are included in the action plan.

5.3 Risks

Nature of risk	Consequence	Suggested control measure	Response (treat, tolerate, terminate, transfer)	Risk rating (combination of severity and likelihood)
Failure to develop a robust and SMART action plan	Lost opportunity to learn and improve as a council	Ensure the action plan fully addresses the CPC recommendations	Treat	3 x 1 = 3
Action plan not monitored to ensure actions are delivered	Lost opportunity to learn and improve as a council	Ensure the action plan is included in the council’s monitoring	Treat	3 x 1 = 3

5.4 People implications

5.4.1 The CPC has made recommendations relating to the importance of ensuring the skills of the council staff and our internal capacity continue to be aligned to the council’s

ambitions and far-reaching programme of activities. This is included in the action plan and reflected in the council's emerging People Strategy.

Appendix A LGA Corporate Peer Challenge: Watford Borough Council - 14 – 17
November 2023 Feedback report

Appendix B Watford BC LGA Corporate Peer Challenge 2023 action plan (Draft)

LGA Corporate Peer Challenge

Watford Borough Council

14 – 17 November 2023

Feedback report





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1. Executive summary

Watford is a vibrant and diverse borough, located in the south-west of Hertfordshire and is one of ten districts within the county. Watford is known as a major regional centre, located just within the M25 and is playing a vital role in Hertfordshire's economic prosperity. Watford has a strong local, regional and national profile and covers just 8.3 square miles making it one of the smallest councils in terms of area.

Despite no boundary with London, in terms of Watford's profile and reputation, along with a young and diverse population, the council is often compared with London boroughs.

Watford as a predominantly urban borough has a population of 102,000 (Census 2021) having experienced growth of 13.2 per cent between 2011 and 2021, higher than East of England (8.3 per cent) and England overall (6.6 per cent) which is an indication to the popularity as a place to live whilst being recognised as the most densely populated local authority area within England.

Watford's population profile differs significantly from the rest of Hertfordshire and is highly diverse. During the 2011 and 2021 Census, the non-White British population increased to 54 per cent from 38 per cent. Over 100 languages are spoken across Watford with 20 per cent of residents with English not their main language.

Peers were informed of many examples of how members work relentlessly to understand the needs of communities (for example 'The big Watford conversation'), ensuring all Watford residents have the opportunity to be engaged ensuring they have a strong voice to inform council decision-making. A new consultation portal once launched will further support community engagement. These examples demonstrate how the council is actively working towards one of the council plan themes – '*a council working for our community and serving our residents*'.

Since the council's last corporate peer challenge in 2017, the landscape in Watford has significantly changed. The previous peer challenge reflected positive progress as an organisation, whilst identifying challenges ahead including the sustainability of the council's improvement journey and questioned if the right relationships were developed and in place to maximise the opportunities ahead.

There is strong evidence and recognition that WBC's journey since the last peer challenge has been transformational. WBC is delivering hugely ambitious plans for Watford, with an unwavering focus on the outcomes for its residents. To enable this to be delivered, WBC has forged strong external relationships and is an organisation underpinned by a culture of pride, ambition, and empowerment.

There is a highly effective and close working relationship between the Elected Mayor and Chief Executive which is providing strong leadership externally to communities and partners and internally to staff. There is a well-developed focus on place shaping with joined up senior leadership ensuring the vision for Watford is promoted nationally, regionally and locally.

Strong leadership has created a culture which is transformative, where the council is seeking to 'be bold' and focused on improving outcomes for the residents of Watford. Amongst members and staff there is a formidable sense of pride, coupled with a can-do attitude with the council driven to step up to the challenge and be ambitious for the place and communities. Peers were struck by how much delivery is taking place with a workforce of circa 240 staff. The workforce is engaged and feels empowered to make a difference with a strong link between the council plan and personal accountability and objectives. Peers commended WBC on its plans to deliver an ambitious and far-reaching programme of activities and identified that it will be essential that the council's organisational development strategy and plans ensure the skills of the workforce and internal capacity continue to be aligned to the growing aims and ambitions. Ensuring that WBC has the capacity to deliver against its council plan is recognised internally as a priority area.

WBC is hugely ambitious for Watford, residents and businesses and is driven for each to thrive. There is a strong link between the Elected Mayor's manifesto and the ['Council Plan'](#) (2022- 2026). The council's 2022 – 2024 ['Delivery Plan'](#) captures the actions that will be taken to deliver against the four council plan themes and progress is reported each quarter including a set of refreshed [key performance indicators](#) to the Corporate Management Board, Cabinet and Overview & Scrutiny Committee.

WBC is delivering some ambitious large-scale place shaping programmes for example the ['Town Hall Quarter'](#) a £200m highly complex 10-year programme which seeks to regenerate the northern end of the Watford High Street. The programme will

provide the opportunity for culture, heritage and the arts alongside new homes, and community and business space. The cultural offer will be improved through the [‘Watford Colosseum’](#) refurbishment as part of the Town Hall Quarter programme.

WBC has a good record of financial stewardship and has a clear understanding of its financial position. Through developing the MTFs, WBC have identified significant revenue savings for 2024-25, however there still remains a revenue gap for 2024-25 and further savings are required in 2025-26. WBC should continue at pace to agree all required 2024-25 savings before the end of 2023-24 and during 2024-25 it is essential that the council identifies the savings opportunities for 2025-26. The implementation of 2025-26 savings during 2024-25 would further reduce revenue pressures and provide a contingency against unforeseen budget issues.

WBC has a relatively large capital programme that is subject to inherent risks associated with external factors such as interest rate changes, construction cost inflation, demand for residential and commercial premises and the cost of living. WBC must continue to monitor these external factors, manage these risks and implement appropriate mitigating actions in order to ensure that WBC is not overly exposed to new financial pressures.

There is a shared understanding of the financial situation that is owned by the organisation with political and managerial leadership. Portfolio holders are briefed on the council’s financial position and the quarterly budget monitoring report is provided to the Finance Scrutiny Committee. In order to improve the transparency and provide a more robust management process, the quarterly report should also be provided to cabinet and the timeliness of reporting should be improved.

During 2023-24 WBC experienced a significant slippage of the capital expenditure indicating that the risks referred to above have already impacted upon project delivery. In order to manage expectations both externally and internally and ensure that objectives remain realistic and time-bound, a review of project milestones and risk mitigation action should be undertaken.

WBC have a number of shared service arrangements; some have been formed more recently than others and therefore take into consideration a range of external factors to ensure arrangements are efficient, economical and effective. In view of the fact the shared service arrangements with Three Rivers District Council have been in place

for circa thirteen years, these shared services should be reviewed to ensure that they meet the current objectives and business needs of the council whilst providing value for money and adaptability for future growth of shared service arrangements which are currently in consideration with support from Local Partnerships.

In view of the fact that WBC is operating in a dynamic and fast-changing environment, strategic risk should be reported more frequently than the current annual report to the Audit Committee. Peers recommend strategic risks should be separately reported to cabinet on a regular basis to ensure there is an increased ownership for risk management.

WBC have a considered approach to communications and have recently developed a [‘Communications and Conversations Strategy 2023-26’](#) which aims to ensure excellent and effective communication is pivotal in both achieving the bold goals the council have for Watford and ensuring the community and businesses remains the driving force behind all activities. Despite a strong digital channel offer, WBC should review its approach to communications to ensure those members of the community that do not have access to digital services have equal access to information, advice and guidance provided by the council.

Through close working relationships with local businesses, WBC has been able to drive engagement and conversation around the longer-term aspirations and bigger picture perspective for Watford. Working with key businesses and anchor organisations WBC have been able to co-produce a place brand strategy (Watford Actually), supported by an authentic brand narrative and identity. Whilst being cognisant of the current economic challenges, work should now continue to identify and work with external brand ambassadors to roll out the branding strategy.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1 Recommendation 1

Finance

- a) The council has identified significant revenue savings for 2024-25, however there still remains a revenue gap for 2024-25 and further savings are required in 2025-26. The council should continue at pace to agree all required 2024-25 savings before the end of 2023-24 and during 2024-25, identify the savings opportunities for 2025-26. Implementation of 2025-26 savings during 2024-25 would further reduce revenue pressures and provide a contingency against unforeseen budget issues.
- b) The council has a relatively large capital programme that is subject to inherent risks associated with external factors such as interest rate changes, construction cost inflation, demand for residential and commercial premises and the cost of living. The council must continue to monitor these external factors, manage these risks and implement appropriate mitigating actions in order to ensure that the council is not overly exposed to new financial pressures.
- c) Portfolio holders are briefed on the council's financial position and the quarterly budget monitoring report is provided to the Finance Scrutiny Committee. In order to improve transparency and provide a more robust management process, the quarterly report should also be provided to cabinet and timeliness of reporting should be improved (the 2023-24 Q1 report was presented to committee in September 2023).

2.2 Recommendation 2

A significant slippage of capital expenditure during 2023-24 indicates that the risks referred to above have already impacted upon project delivery. In order to manage expectations both externally and internally and ensure that objectives remain realistic and time-bound, a review of project milestones and risk mitigation actions should be

undertaken. The results of this review should be published both internally and externally by the council.

2.3 Recommendation 3

The council should review its approach to communications to ensure that all members of the community are able to access council services. For example, the provision of a simple approach to gaining access to benefits including housing benefit. This review should include engagement with community groups in order to determine the efficacy of the communications plans.

2.4 Recommendation 4

In view of the fact that the shared services arrangements with Three Rivers District Council have been in place for many years, these arrangements should be reviewed to ensure that they meet the current objectives and business needs of the council whilst providing value for money and giving a springboard for future growth of shared service arrangements.

2.5 Recommendation 5

In view of the fact that the council is operating in a dynamic and fast-changing environment, strategic risks should be reported more frequently than the current annual report to the Audit Committee and a separate report should be provided to cabinet on a regular basis.

2.6 Recommendation 6

Significant work has already been undertaken in the development of the strong "Watford Actually" brand. Whilst being cognisant of the current economic challenges, work should now continue to identify and work with external brand ambassadors and roll out the branding strategy.

2.7 Recommendation 7

The council is to be commended on its plans to deliver an ambitious and far-reaching programme of activities. It will be essential that the council's plans for organisational development ensure that the skills of the workforce and internal capacity continue to be aligned to these growing aims and ambitions.

3. Summary of the peer challenge approach

3.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Member Lead Peer: **Cllr David Tutt**, Previous Leader, Eastbourne BC / Group Leader of East Sussex County Council.
- Lead Officer Peer: **David Blake**, Managing Director, Worcester City Council
- **Dawn Hudd**, Strategic Director - Place, Guildford & Waverley BCs
- **Steve Mullineaux**, Deputy Chief Executive & Director of Customer Service Delivery, South Hams DC & West Devon BC
- **Adrian Waite**, LGA Finance Associate Peer
- LGA Peer Challenge Manager: **James Mehmed**

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of

local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on place shaping and brand narrative along with the effectiveness of the council's communication strategy.

3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. 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 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 four days onsite at Watford Borough Council, during which they:

- Gathered information and views from 50 meetings, in addition to further research and reading.
- Spoke to circa 150 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1 Local priorities and outcomes

There is a strong link between the Elected Mayor's manifesto and the ['Council Plan'](#) (2022- 2026). The council's 2022 – 2024 ['Delivery Plan'](#) captures the actions that will be taken to deliver against the four council plan themes and progress is reported each quarter, which now includes a set of refreshed [key performance indicators](#) to the Corporate Management Board (CMB), Cabinet and Overview & Scrutiny Committee.

Following peer discussions with staff at all levels, there is clear evidence of a 'golden

thread' from the Elected Mayor's manifesto, through the council's plan, to the individual performance reviews and objectives.

Watford have developed a robust performance management system (Qlik) to provide an accurate touch-of-the-button view of performance of core service delivery and project delivery. All of the current 98 deliverables in the council delivery plan are recorded and measured on the system. Individual project officers are required to update their specific projects on the system, including highlight reports. The Enterprise Project Management Office (EPMO) has an assurance board, with Corporate Management Board (CMB) attendance and each attendee takes the lead on quality assurance and challenge of each project, this is thoroughly documented in the form of a report that goes to the CMB meeting and a subsequent short report is used to brief the portfolio holders and cabinet ahead of the formal quarterly public report focussing on outcomes against the plan. This was seen as robust and effective by peers.

The EPMO has significant resources (8 staff, 3.3% of the establishment). This investment in resources, clear project methodology and processes has clearly driven delivery. Many partners and external stakeholders referred to Watford as a council that gets things done.

Performance levels are generally meeting or exceeding target and performance compares favourably with comparable councils both locally and nationally. Whilst detailed operational service KPI's are recorded in the performance management system and reported through to CMB and portfolio holders, the overview and scrutiny committee have worked with officers to develop a set of public service KPI's that reflect the key operational services that are important to residents, businesses and members. These are reported on a quarterly basis to both cabinet and the scrutiny committee.

Whilst some of the Qlik data is automated a number of the KPI's require manual inputting, the team's ambition is to automate many of these although ultimately it will be dependent on budget as integration of core council systems can be expensive.

The LGA's [LG Inform report](#) details WBC's performance against a range of headline indicators and compares performance against the council's CIPFA nearest neighbours. Data drawn from the OFLOG local authority data explorer details of WBC's performance for [waste management](#) household recycling rate is 51.7 per cent, compared to 38.9 per cent for Watford's CIPFA nearest neighbours and 41.9

percent for the England median. Residual household waste data indicates positive performance with 385.9 KG compared to a CIPFA nearest neighbours 516.6 KG. WBC's recycling contamination rates are also better than the CIPFA nearest neighbour's 5.5 percent at 3.5 percent. [Financial indicators](#) show WBC has a positive higher than median non-ringfenced reserves as a percentage of net revenue expenditure and a lower than median non-ringfenced reserves as a percentage of service spend.

WBC place a strong emphasis on the community voice and engagement. This is evidenced through the 'Watford Big Conversation' which started a conversation with the community about the town, the council and resident's views on their aspirations for Watford and related place shaping. Engagement will be further enhanced through the development of a new consultation portal which will bring together all the council's conversations and consultations. WBC have also adopted a new 'Watford People's Panel' which strives to make sure the voice of residents is heard and help Watford thrive. The 'Watford Actually' place brand is also an example of how the council is engaging with businesses to understand their future growth requirements and how Watford as a place can be further strengthened to provide more inward investment.

The award-winning Watford Local Plan was adopted in 2022 and the council has continued to work with neighbouring councils in the development of their local plans, for example on the housing needs assessments to ensure that there is coherence between the Watford plan and the emerging plans for the other districts. This joint working enables the authorities to pool expertise whilst at the same time reduce costs to individual councils.

The council through its leadership, plays a lead role at county and borough level for example working closely with the five other South West Hertfordshire councils and the county council to plan for the long-term future of the area. This sub-regional group has been formed to provide a shared position on growth and infrastructure. The South West Hertfordshire working group has developed a joint strategic plan (JSP) which includes a shared vision detailing the economic priorities for the area and required infrastructure, this is a great example of working with partners to strengthen the outcomes for Watford in addition to other influential roles such as the Elected Mayor chairing the Sustainable Transport Board and Hertfordshire Infrastructure and Development board.

WBC has invested capital in transport schemes to stimulate regeneration, improve health and wellbeing outcomes and modal shift and has developed strong travel

partnerships for example the implementation of [Beryl Bikes](#) a bike hire scheme that has seen users complete one million kilometres since the scheme was launched in March 2020. The user feedback is informing the council that a fifth of the 347,000 cycle journeys have replaced road transport journeys. On top of the modal shift, WBC's experience has inspired neighbouring authorities, Three Rivers and Hertsmere to consider expanding the scheme.

There is a strong commitment to sustainability as evidenced by WBC's 2023 – 2030 Environmental Strategy where 81 per cent of people consulted support the ambition and vision. The strategy sets out the actions WBC will take to make Watford low carbon, nature positive and environmentally sustainable. A further example demonstrating an integrated approach to meeting the ambitious sustainability targets is WBC's development of a 'tall buildings policy' which aims to centralise the development massing in the core development area close to the railway station in order to enhance the sustainable transport links whilst at the same time, enabling the outskirts of the town to benefit from lower levels of development, protecting green spaces and promoting biodiversity.

The Chief Executive of WBC is working with the local integrated care system to understand further the roles of district and boroughs in the developing health agenda. WBC took a decision to convene a meeting with internal staff and external partners (primary and secondary health care delivery, voluntary and community sector and local government) to further explore the role and impact each partner in the system can play in delivering health outcomes. The meeting was well attended and resulted in WBC preparing a proposal shared with health partners on the developing role of district and boroughs as well as the projects already underway that contribute to health, for example a potential health hub in the town quarter project and the new Watford General Hospital project. This example highlights how WBC is actively delivering against local priorities, with the community having identified health as a top priority.

The huge ambition for place-shaping will rely on securing meaningful infrastructure funding from Homes England to unlock housing development, for example to deliver the 'New Neighbourhoods Project'. Building more affordable homes will help mitigate potential increased risks of homelessness, given 28 per cent of residents are in private rented accommodation. Should landlords follow a national trend of selling properties and exiting the private rented sector, combined with the high cost of local housing, this is placing more emphasis on the requirement to build more affordable homes. The supply of affordable homes is also recognised as a key component of the growth strategy ensuring there are people locally that can supply the many

businesses and public services with their workforce requirements. WBC will need to ensure it can maximise all options to influence investment from stakeholders and partners on related growth boards and through further developing the Watford place brand as an area to invest in. The recent successful award of £16.02M from the LUF bid (Levelling Up Fund) is an example how WBC can influence government to invest in the vision for Watford.

During 2023-24 WBC experienced a significant slippage of the capital expenditure programme, indicating that certain risks have already impacted upon project delivery. In order to manage expectations both externally and internally and ensure that objectives remain realistic and time-bound, a review of project milestones and risk mitigation action should be undertaken. Any changes to these milestones arising as a result of the review should be communicated both internally and externally.

As Watford continues to grow economically peers identified through their discussions with staff and partners a need to support the economically inactive communities back into employment and to ensure the town's small and medium sized businesses are supported to fulfil their potential contribution to the local economy. The WBC Economic Development Team is well regarded and there is trust between the council, the community and businesses. An example of positive engagement with the business community is the 'Watford Business Charter' which has been well received by partners and is currently in draft. The Watford Business Charter should be finalised and launched providing further evidence that WBC is already championing good practice through facilitating business engagement.

4.2 Organisational and place leadership

In terms of place leadership, the Elected Mayor is providing a strong voice, advocating for Watford and South West Hertfordshire ensuring that the needs of the community and businesses are understood and represented using the most appropriate communication channels, established forums or governance, for example membership of the Hertfordshire Growth Board. This impactful representation is ensuring Watford's ambition is being communicated consistently amongst partners, articulating the Watford 2040 vision and missions. Partners had a comprehensive understanding of WBC's priorities and local context and are working positively together on a range of projects to work towards achieving the vision.

The South West Hertfordshire group was seen as positive and strengthening the council's ability to influence investment decisions for growth and dependent infrastructure. There has been a positive relationship with the Hertfordshire Local

Enterprise Partnership (LEP) supported by the Elected Mayor being on the board since 2020. Peers recommend WBC consider how continued strategic and financial support can remain to be effective post-transition of the LEP to the County Council.

The recently refreshed 'One Watford Place Board' chaired by the Elected Mayor is a further positive example how partners and anchor organisations are convened to work together and collectively drive forward the vision and missions of Watford 2040. Peers noted the positive application of partnership working, where the council competently convenes partners and uses their experience and learning to ensure all boards and partnerships are impactful and engaging the right people and organisations.

The Elected Mayor's [manifesto](#) has provided a clear vision and priorities which are captured throughout the 2022-26 council plan. The council plan is well understood throughout WBC and staff can clearly articulate how the Elected Mayor's priorities are captured in the council plan and subsequently in their work and projects. The council plan is providing a clear organisational focus and purpose. Peers were informed how the council plan serves as 'a shield', which in practice gives staff the autonomy and empowerment to challenge any requests for work or resources that do not directly bring value or impact to the council plan. There was a high-level of understanding of the council plan, the associated priorities and the accountability required by each team and at a personal level. Staff are working with a clear purpose.

The Chief Executive since being appointed in early 2020 has actively worked to transform the organisational culture, which is now described as being more inclusive, open and honest, empowering, enabling and focused on continuous improvement. Peers heard from a broad range of members, staff and partners how the organisational culture has been transformative. This has resulted in a critical mass of staff who are highly supportive of the Elected Mayor's political manifesto, the council plan and the council delivery plan. Staff are positive, motivated and consistently role model a can-do attitude which is reflected in successful project delivery and proactivity and enthusiasm to challenges, such as the current need to urgently address budget gaps.

Clearly evidenced to peers through a range of examples ('Staff Ambassadors Group', 'Ask Donna', 'In Touch', 'Conversations', 'Team Talk') demonstrate how much effort the Chief Executive had put into role modelling impactful leadership and management interventions to create the current organisational culture. Peers

recommend at this stage in the organisations journey of improvement, there is an increased focus on building further leadership capacity and increased external visibility of second and third tier officers. This will provide the Chief Executive with increased capacity to further develop external partnerships, place shaping and leadership of Watford 2040 strategy including the aspirations for an increased place brand.

The organisational culture has benefited positively through improved staff communications, engagement and accessibility of the Chief Executive. Staff shared their positive reflections concerning improved organisational communication and how these interventions have led to a feeling of greater connectivity and engagement with the council. Peers reviewed a briefing presentation which was recently delivered by the Chief Executive; the briefing was impactful with comprehensive detail concerning the council's budget challenges, including ways for staff to further engage, a clear timeline of activities and decisions detailing next steps and when the next update would be given; this was seen as notable good practice. There was evidence the briefing had generated staff suggestions for income generation and savings.

There are strong internal and external communication practices in place informed by a new 'Communications and Conversation Strategy 2023-26', which is directly informing local priorities and improving further reach with communities. WBC is also working well with its partners to engage hard to reach community groups. Peers discussed with partners that some members of the community who have limited or no access to technology are digitally excluded and should consider how improved accessibility to council information can be achieved.

WBC has a well-developed approach to partnership working and works with a number of partners to deliver long-term contracts for example Beryl Bikes, Veolia, NSL and system partners including Health, the Palace Theatre, Watford FC, local government and the voluntary and community sector. Peers met with a range of long-term partners and were able to hear first-hand of the open and honest relationships that have been developed across all partners. The impact of well-developed and mature partnership relationships is evidenced by the deep understanding of the council's service requirements and how these play into delivery expectations and more widely with the council plan priorities.

Peers heard examples from the council's leisure partner how regular conversations with the council have led to clarity around target groups, with established KPI's to monitor performance. All partners shared how regular conversations have been

helpful in developing a positive relationship and enabled problem-solving to take place, for example working with Beryl Bikes to resolve issues of vandalism with bikes.

Partners shared their experiences of attending the council's scrutiny process to present annual outcomes and information to members. Attendance at scrutiny was seen as positive and supporting service delivery improvement. There was a high-level of awareness of the economic challenges in local government and how this is impacting WBC. The positive working relationships were cited as a key factor in working up potential saving options for consideration by members.

Partners shared that their respective teams take pride in working for Watford and undertake joint annual celebration events for example marking the contract anniversary with staff awards attended by the Elected Mayor. Peers noted the mature and well-established relationships with partners and the direct link with positive delivery outcomes.

4.3 Governance and culture

Peers were informed of the positive working relationships between members and officers. Members from both parties are focused on what is best for Watford and focus on achieving positive outcomes for the community. The council has a [guidance document](#) for the professional relationships between members and council staff which clearly sets out expectation, protocols and procedures for any breach of the recommended guidelines. There are no outstanding complaints against members and no complaints have been made in many years.

WBC has a well-developed member induction programme, for example which covers code of conduct training with the Monitoring Officer, meetings with directors and democratic services. There is an appointed member development champion, providing representation of members development requirements. Cabinet members and chairs receive additional development to ensure they are fully supported in their roles.

Peers were able to review past cabinet and CMT away day agendas and could see how there was joint work taking place on the review and prioritisation of the council's strategic direction. This was seen by the peer team as positive joint working, with early collaboration on strategic work areas, for example 'Watford 2040'.

Member and officer relationships have been supported by monthly briefings with the Labour group (Opposition) and strategic briefings with the Elected Mayor. Peers heard how regular meetings and briefings between portfolio holders and senior officers provide the opportunity to discuss related portfolio performance metrics on service delivery and projects, as well as policy development and new projects.

WBC has an established structure that clearly articulates the decision-making framework, detailing all regulatory meetings, committees and panels, ensuring members and staff have a good awareness where decisions are made.

There is a thorough understanding at all levels of the council including members on the links between the council plan and council delivery plan. Peers heard how the council delivery plan is providing a clear focus around priority work areas and an established basis for allocating resources. This link was seen as strong by the peer team, ensuring resources are targeted to agreed priority areas.

The scrutiny function was seen by peers as mature and inclusive. The council has been on a journey with improving Overview and Scrutiny functions with greater alignment to the council's key work areas and programmes. The allocation of a member of CMT was seen as a positive step and supports raising the profile of scrutiny in the organisation ensuring there is transparency and robustness of decision-making. The council has adopted scrutiny best practice by allocating the Chair of Finance Scrutiny to an opposition member, as well as 'Call-in' being chaired by an opposition member (Vice Chair of the Overview and Scrutiny Committee).

WBC has clear established terms of reference for scrutiny supported by a scrutiny protocol that sets out the working arrangements between cabinet and scrutiny at the council. The protocol sets out good practice and addresses desired values and behaviours to influence business in a meaningful way.

Although budget monitoring reports are taken to scrutiny, peers recommend budget monitoring and financial sensitivity analysis should go beyond the current practice where individual portfolio holders are regularly briefed and should be taken formally to cabinet for collective discussion and for transparency.

As WBC is operating in a dynamic fast changing environment the peer team recommend strategic risks are taken to the Audit Committee on a more regular basis, moving away from the current practice of reviewing once a year. This will provide the Audit Committee the opportunity to further increase awareness of risks and facilitate more regular challenge and oversight. The Audit Committee could be further

improved by the appointment of an independent (external) member joining the committee.

The council has implemented robust arrangements for project and programme management through the Enterprise Project Management Office (EPMO). The EPMO has an assurance board, with Corporate Management Board (CMB) attendance and each attendee takes the lead on quality assurance and challenge of allocated projects, this is thoroughly documented in the form of a report that goes to the CMB meeting and a subsequent short report is used to brief the portfolio holders and cabinet ahead of the formal quarterly public report focussing on outcomes against the plan. The EPMO also signs off the performance measures for each project ensuring they are meaningful and demonstrate impact. This was seen by peers as notable good practice and providing good rigour and discipline on project and programme management.

Peers see the organisational culture as a significant strength and a key component to the council's good performance. The culture is recognised by staff, members and partners as 'can-do' and high energy, with a focus on delivery and ambition as evidenced by a recent survey where 90 per cent of staff understand the council's vision and objectives, 95 per cent of staff see how their role contributes to Watford's success and 92 per cent feel proud to work at Watford.

The culture development has been the combination of many factors, for example the positive senior management leadership and through many management and developmental interventions including the whole organisation being engaged in the creation of a new values and behaviour framework designed to drive a culture that is agile, dynamic and where people are empowered.

WBC recognises the ambitious trajectory it is on and has prioritised the planning and development of skills and capacity to deliver the council plan and long-term vision and mission of 'Watford 2040'. As a result, there are organisational development plans in place focussing on retaining talent, learning and development and succession planning.

An area the peer team identified to further drive performance and improvement is to further develop the new behavioural framework to extend to 360-degree feedback and recruitment practices.

4.4 Financial planning and management

WBC has a proven record of good financial stewardship and has significant reserves. Council members and non-financial managers have a good knowledge of finance, and the finance team is well regarded. WBC is ambitious and is being bold and innovative in using its financial resources to achieve its objectives. This has resulted in a relatively complex financial model including a large capital programme, joint ventures, significant commercial activities that generate commercial income, and the acceptance of calculated risks.

WBC is not complacent about its financial position or its financial management arrangements and recognises that, in common with the whole local government sector, it is entering financially challenging times. WBC wishes to build on its existing strengths to ensure that its financial management arrangements can support future challenges and continue to deliver its objectives in this challenging environment. WBC is already reshaping its financial services and medium-term financial plan to address the challenges of the 2024/25 financial year and following years.

The peer team has identified some areas for WBC to consider and have made some recommendations. These are designed to assist the council in its journey to achieving continuous improvement and excellence in financial management.

WBC has developed significant investment income streams that support front line services and enable it to develop its bold agenda. Resilience has been built by entering into shared services arrangements with neighbouring authorities. WBC has launched ambitious capital schemes including the 'Town Hall Quarter' and the 'Colosseum' that are dependent on capital receipts, take-up by external occupiers and audiences and prudential borrowing.

Expert advice is sought by WBC when appropriate, for example, Lambert Smith Hampton is engaged to advise the council of the strategic management of its investment properties and property management companies are engaged to provide operational management. However, WBC has also ensured that its own officers have sufficient expertise to act as 'intelligent clients' when engaging with these companies.

WBC has had a history of under-spending its revenue budgets. However, in 2023/24, service pressures and the external economic environment mean that an overspend is forecast. The council has responded with a package of measures to contain

expenditure in the current year and a strategy and a plan to address its financial challenges in the following years.

WBC has a clear understanding of its financial position. The financial challenges for 2024/25 and beyond have been evaluated by the finance team, and their implications have been clearly communicated to all members and staff. The financial challenges and the need to make savings in 2024/25 and 2025/26 are well understood throughout the organisation with high levels of staff engagement and supported by a comprehensive staff briefing.

There is a shared understanding of the financial challenges that is owned by the organisation and its political and managerial leaders. Staff can influence financial savings, generating ideas for consideration. UNISON also shares this understanding and weekly meetings are held with management to discuss the impact on the workforce.

The recent appointment of the Section 151 Officer has provided WBC with increased strategic capacity since the role is no longer shared fully with Three Rivers District Council. Staff and members made reference to the finance function being much more accessible and is also held in high regard. This structural change was seen as a positive measure by peers given the increased risks and challenges associated with the financial climate and work programmes. The council now needs to convert this shared understanding and ownership of the financial matters into realistic and time-bound cost-saving measures in order to close any outstanding funding shortfalls.

Budget Monitoring Reports

The forecast overspend in 2023/24 underlines the need for effective budgetary control and the need for the cabinet to be fully engaged in budgetary control in a transparent way. Budget monitoring reports are currently reported formally to the Finance Overview Committee and informally to the cabinet members in briefings for portfolio holders. The peer team recommend WBC should consider taking the budget monitoring report to cabinet as a formal report. This would ensure that cabinet are engaged formally and transparently in monitoring the revenue budget and the capital programme.

Budget Monitoring Information

WBC currently prepares budget monitoring information quarterly. The budget monitoring report for the first quarter of 2023/24 (April to June 2023) was not reported to members until September 2023. The peer team recommend the council would benefit from the earlier availability of budget monitoring information and from more frequent monitoring.

WBC can determine how frequently budget monitoring reports should be prepared and how soon they should be available. Most authorities opt for quarterly budget monitoring reports, there is also an option of producing such reports monthly. It is considered good practice for budget monitoring reports to be available within a month or less from the end of the accounting period being reported; this can have resource implications.

Risk Management

WBC is aware of the factors that represent risks to its financial plans. Identified risks include interest rate increases, increases in temporary accommodation, investment property losing value or generating less income, and overspending in the capital programme. The recent budget briefing for portfolio holders calculates that £2m of savings will be required in the revenue budget in 2024/25 rising to £3m in 2025/26 but that a worst-case scenario may involve needing to make savings of up to £8m.

The peer team believe that the development of financial risk management, sensitivity analysis and stress testing is therefore critical; and that this should include regular and formal reporting to cabinet of the situation regarding each of the identified risks including updates on their financial impact.

Strategic risks are currently only reviewed annually by the audit committee and in light of the dynamic fast changing environment, the peer challenge team believe that they should be reviewed on a more regular basis and that reports should also be made to cabinet. The appointment of an independent (external) member to the audit committee should also be considered.

Financial Sustainability

WBC recognises the need to secure its long-term financial sustainability and will need to ensure that specific savings and / or income generation are identified and

achieved to balance the budget and restore reserves. The peer team believe that this will require a strategic approach to identifying medium and long-term savings that may involve remodelling some council services.

Continuous improvement should help the financial challenge but needs further embedding. The financial pressures may provide a risk to the capacity to deliver local priorities and a review of prioritisation will be required.

Despite the existing good awareness of financial issues among staff, finance training for non-financial staff should be considered on an ongoing basis.

Asset Management

WBC holds £162m in investment properties and keeps these under continuous review. Driven by changes in the market, divestment of some of the council's less-profitable retail assets (40% of core properties are retail) should continue to be considered.

There has been significant slippage in the capital programmes in recent years suggesting that certain capital projects are not being delivered in accordance with original targets. While the council's project management arrangements are strong, it may be appropriate to consider whether any changes could be made to prevent significant slippage in the capital programme in future.

4.5 Capacity for improvement

WBC has demonstrated in the last three years that focused effort and strong leadership on organisational development and culture change can deliver positive outcomes including increased capacity and improvement. The council has a high-level of ambition and desire to always want to deliver more.

Peers were able to speak with the council's external learning and development partner regarding the journey the Corporate Management Team (CMT) have been on to critically reflect on their leadership effectiveness, strengths and areas for improvement. The CMT has explored in depth the model of leadership required to drive the organisation forward and develop the organisational culture and conditions for continuous improvement and high-performance outcomes. CMT has used

diagnostic tools effectively, such as the Team Management System (TMS) to understand each other's preferences to support improving work relationships and team effectiveness. Peers also heard how the CMT regularly reflect on their performance and leadership effectiveness whilst looking forward at the future challenges. Horizon scanning and taking a future perspective was seen by peers as a mature leadership model where self-reflection and identification of areas for improvement was a positive and impactful discipline. This example actively role models the councils drive for continuous improvement.

WBC taking on many new opportunities provides a significant challenge to ensure the organisation has the right levels of capacity, as well as the skills and competence in new emerging work areas. Capacity may be further challenged by the council's financial pressures requiring CMT to undertake a review of prioritisation. The council's ambition to define its role in the area of Health and Wellbeing is an example where new skills and capabilities are required to ensure an impactful contribution can be made.

To deliver more capacity and grow new skills, the council has introduced the role of 'Strategic Initiative Officers' to directly support the delivery of the council plan. This intervention provides the opportunity for staff to continue in their substantive roles and work part-time on key strategic areas such as the emerging new health agenda. Supporting staff to build new skill sets, whilst being exposed to the council's strategic priorities was seen by peers as impactful and an example of building future capacity and skills.

WBC has moved to an agile working arrangement in response to Covid 19. This has resulted in a significant reduction in the volume of workspace required by the council reducing the office overhead and delivering a cost efficiency. The council has redesigned its work space by creating a vibrant mix of office space with informal areas used flexibly by teams when they come together to collaborate in person. The larger open spaces support face-to-face briefings from the Chief Executive and are used in a creative way to drive team unity, engagement and support effective communication.

The council's 'Reimagining Watford' project involved internal colleagues as

'pathfinders' working across teams to facilitate the development of team 'Agile Charters'. The peer team were able to review a selection of charters which detail specific team protocols, standards and behaviours required to ensure the business needs are fully met and considered. Members have agreed the agile working arrangements and there are no rigid communications processes, members are able to use discretion to contact officers.

The 'Agile Charters' are a further example of how the organisational culture is driving empowerment amongst staff, demonstrating trust and accountability to manage agile working at a team and organisational level. Approaches such as these are driving high levels of staff satisfaction and morale, whilst maintaining a lower level of staff turnover as evidenced in the latest staff survey.

Peers met with the 'Staff Ambassadors Group' (SAG) who have been a group for the past three years and implemented by the Chief Executive soon after joining. The members of SAG were very pleased to meet the peer team and share some of their experiences and reflections on the group's role and impact. The SAG was implemented to provide the Chief Executive with a staff sounding board, where ideas could be tested out, with staff providing their insight and ideas. The group has evolved over the years and interested staff are able to join as there is no restriction to attendance. The group was highly motivated and well connected with corporate messages, such as the council's financial situation and need to resolve outstanding budget gaps.

The SAG is now part of how the council operates and plays an integral role in continuing to evolve the council's organisational culture. Examples were shared with peers where cross-organisational problem solving had occurred through staff being more networked with colleagues and having an increased awareness of each other's roles and service areas. The SAG along with Service Delivery Leads have been instrumental to shaping the council's continuous improvement framework which is in early stages of being communicated and shared via workshops delivered by staff. The objective is to embed a mindset of improvement where staff can critically examine their working practices and seek to reflect and learn. Peers heard from staff how the continuous improvement mindset will support the financial challenges ahead and have already identified how feedback from customers can drive continuous

improvement in that work area.

WBC already has a number of apprentices placed around the organisation and recommends implementing an apprenticeship and graduate development programme to provide more capacity to the organisation and complement the existing succession planning and staff development initiatives.

4.6 Place Shaping and Brand Narrative

Through engagement with partners and stakeholders across Watford, a gap in how the town is telling and amplifying its story was recognised and has been identified as one of the most important areas to address in terms of Watford's offer to businesses, investors, visitors, residents and the community overall.

The 'Watford Actually' place brand belongs to Watford, not just the council and is focused on taking a longer-term perspective on place with the view of attracting inward investment and stronger economic activity. The businesses and partners that peers engaged with are aware of and have embraced 'Watford Actually'. The businesses have valued the engagement during the development phase and now want to see the brand rolled out and see early adopters and brand ambassadors critical in using the brand and demonstrating its application. Staff recognised the need to ensure there is community buy-in ensuring continued support for branding exercises during a challenging time for some communities due to increases in the cost of living.

Partners recognise the strength and reputation of the well-resourced Economic Development Team which has facilitated building positive networks with the chamber of commerce, voluntary sector, Local Enterprise Partnership and the Watford Business Improvement District (BID). These positive relationships have supported the development of the business charter which are supported by the business community.

WBC has excellent business engagement for example the hosting an event where over 100 local suppliers were able to meet some key buyers as a strategy to retain spending in the local economy supporting smaller businesses to grow. WBC's 'Business Connect' forum is open to all businesses in Watford including all SME's. The forum is a vehicle to engage with the business community to further understand their needs and what they need in place to thrive.

4.7 Communication Strategy

WBC's approach to communications has evolved and the 'Communication and Conversations Strategy 2023-26' is providing a refreshed framework to ensure the messages are actively building the profile of the council and ensuring residents are informed and have the basis for two-way engagement.

Through the many meetings peers attended, there was a relentless focus on understanding communities, ensuring that everyone that wants to engage with the council can do so and actively inform the services the council provides. External partners were positive regarding the community framework. There is strong evidence that WBC is focused on ensuring the communities, the voluntary sector and partners are informing the policies and priorities of the council. For example, peers heard from the voluntary sector who have been working more closely with WBC to understand how further impact can be made through more focused delivery on the council's priorities and Watford 2040. The sector has valued the increased engagement and informed peers that earlier consultation would be valued to ensure voluntary partners can be more integrated and to inform joint work programmes from the outset, ensuring their engagement with communities and expertise is maximised.

WBC has an increased focus on 'conversations' with communities, partners and the business sector; this approach is leading to strong effective working relationships and increased trust. There were many examples shared with peers highlighting how the more developed relationships had led to productive conversations and outcomes, such as responding to the budget challenges and the need to reduce contact costs.

WBC is promoting conversations and building sustainable relationships with the community and its range of partners. Peers heard first hand from partners the impact of regular conversations which are valued and provide the basis for developing positive outcomes, even if the messages are challenging.

The internal communications strategy and delivery is positively received by staff. The way WBC is engaging with staff is a key component to how the culture has been transformed. Peers were able to evidence the many ways the council and senior leaders engage with staff is driving a culture of high engagement, can-do attitude, accountability and empowerment. The Staff Ambassadors Group is an example having evolved from an initial sounding board for the then newly appointed Chief Executive to a cross-organisational networked group that are a nucleus of change agents that actively drive organisational innovation and transformation.

Staff value the range of different ways they are able to engage, for example direct conversations with the Chief Executive, where valuable perspectives are gained through teams exposing their work areas and challenges, to 'Ask Donna' an open process where staff can submit any question and responses shared with the organisation. This communication process has recently been used to engage with staff on the budget challenges, seeking ideas on income generation and savings, further demonstrating the agility the organisation has with its engagement. The 'all staff briefings' were valued with staff having the option to attend in person or remotely, a recent briefing highlighting the budget challenges was shared with peers, the content was engaging, setting out clearly the challenges, the context, the role of the organisation and staff with a timeline detailing all the key decision-making milestones.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a progress review within twelve months of the CPC, which provides space for the council's senior leadership to update peers on its progress against the recommendations from this report.

In the meantime, Rachel Litherland, Principal Adviser for the East of England Region, is the main contact between your authority and the Local Government Association.

Rachel is available to discuss any further support the council requires.

rachel.litherland@local.gov.uk, 07795 076834.



LGA Peer Challenge 2023 - Action Plan

Recommendations	Watford Borough Council Actions	Timescales	Lead	Portfolio
<p>Recommendation 1a</p> <p>The council has identified significant revenue savings for 2024-25, however there still remains a revenue gap for 2024-25 and further savings are required in 2025-26. The council should continue at pace to agree all required 2024-25 savings before the end of 2023-24 and during 2024-25, identify the savings opportunities for 2025-26. Implementation of 2025-26 savings during 2024-25 would further reduce revenue pressures and provide a contingency against unforeseen budget issues.</p>	<p>The council will:</p> <ul style="list-style-type: none"> • Set a balanced budget for 2024/25, with the identified revenue gap met through the development and implementation of a detailed savings plan, income generation opportunities and the prudent use of reserves • Continue work commenced in mid-2023 to scenario plan for 2025/26 and 2026/27, building on an understanding of the extent of further savings required to address the budget gap in future years and implementing identified in-year savings in 2024/25 • Continue work commenced in mid-2023 to embed its approach to developing its budget for 2024/25 and for 2025/26 and 2026/27 that ensures there is appropriate governance, engagement, scrutiny and challenge, including: 	<p>Complete, subject to Full Council approval in January 2024</p> <p>Budget setting for 2025/26 by January 2025</p> <p>Budget setting for 2024/25 complete, subject to Full Council approval in January 2024</p> <p>Budget setting for 2025/26 by January 2025</p>	<p>Chief Finance Officer CMT</p> <p>Chief Finance Officer CMT</p> <p>Chief Finance Officer CMT</p>	<p>Resources Cabinet</p> <p>Resources Cabinet</p> <p>Cabinet</p>

Recommendations	Watford Borough Council Actions	Timescales	Lead	Portfolio
	<ul style="list-style-type: none"> ○ Retaining the dedicated Budget Planning Programme Board set up in 2023 to lead on implementing and monitoring budget proposals, reporting into CMT to agree recommendations for reporting to Cabinet and Finance Scrutiny ○ Regular communications and engagement with staff, UNISON and members, led by the Chief Executive ○ Testing budget planning and setting, through scenario planning, consistently reviewing and updating assumptions as pressures and opportunities are identified 	<p>Ongoing regular Board meetings</p> <p>Ongoing</p> <p>Ongoing reporting to CMT, Cabinet and Finance Scrutiny</p>	<p>Director of Place Chief Finance Officer CMT</p> <p>Chief Executive</p> <p>Chief Finance Officer CMT</p>	<p>Resources Cabinet</p> <p>Elected Mayor</p> <p>Resources Cabinet</p>
<p>Recommendation 1b</p> <p>The council has a relatively large capital programme that is subject to inherent risks associated with external factors such as interest rate changes, construction cost inflation, demand for residential and commercial premises and the cost of living. The council must continue to monitor these external factors, manage these risks and implement appropriate mitigating actions in order to ensure that the council is not overly exposed to new financial pressures.</p>	<p>The council will:</p> <ul style="list-style-type: none"> ● Continue work commenced in mid-2023 to review its capital budget as part of budget setting for 2024/25, including a risk assessment of the programme and prioritising the delivery of programmes and projects, in light of budget pressures ● Undertake a review of its risk register to ensure that all risks identified with the capital programme are fully reflected and are part of the regular reporting of 	<p>Complete, subject to Full Council approval in January 2024</p> <p>By January 2024</p>	<p>Chief Finance Officer CMT</p> <p>Group Head of Democracy & Governance Associate Director Customer &</p>	<p>Resources Cabinet</p> <p>Resources</p>

Recommendations	Watford Borough Council Actions	Timescales	Lead	Portfolio
	risks to Cabinet and Audit Committee (also see Recommendation 2)		Corporate Services CMT	Cabinet
<p>Recommendation 1c</p> <p>Portfolio holders are briefed on the council's financial position and the quarterly budget monitoring report is provided to the Finance Scrutiny Committee. In order to improve transparency and provide a more robust management process, the quarterly report should also be provided to cabinet and timeliness of reporting should be improved (the 2023-24 Q1 report was presented to committee in September 2023).</p>	<p>The council will:</p> <ul style="list-style-type: none"> • Present the quarterly budget report to Cabinet • Review the timetable of reporting against the council’s annual meeting cycle for the next municipal year 	<p>From January 2024 (starting with Period 8 2023/24)</p> <p>By April 2024</p>	<p>Chief Finance Officer CMT</p> <p>Group Head of Democracy & Governance CMT</p>	<p>Resources Cabinet</p> <p>Cabinet</p>
<p>Recommendation 2</p> <p>A significant slippage of capital expenditure during 2023-24 indicates that the risks referred to above have already impacted upon project delivery. In order to manage expectations both externally and internally and ensure that objectives remain realistic and time-bound, a review of project milestones and risk mitigation actions should be undertaken. The results of this review should be published both internally and externally by the council.</p>	<p>The council will:</p> <ul style="list-style-type: none"> • Review its capital programme, continuing the approach implemented in 2023, to test and build assurance of: <ul style="list-style-type: none"> ○ Objectives ○ Delivery timescales ○ Project milestones ○ Risk mitigation (also see Recommendation 1c) 	<p>Include in the regular review of the budget and reporting to Cabinet from January 2024</p>	<p>Chief Finance Officer CMT</p>	<p>Cabinet</p>

Recommendations	Watford Borough Council Actions	Timescales	Lead	Portfolio
<p>Recommendation 5</p> <p>In view of the fact that the council is operating in a dynamic and fast-changing environment, strategic risks should be reported more frequently than the current annual report to the Audit Committee and a separate report should be provided to cabinet on a regular basis.</p>	<p>The council will:</p> <ul style="list-style-type: none"> • Take the corporate risk register to Cabinet quarterly and to Audit Committee twice a year – with the risk register going to Audit Committee initially then to Cabinet • Develop a proposal for Audit Committee setting out a programme of in depth reviews for particular risk areas to start in the new municipal year • Appoint an independent member to the Audit Committee 	<p>Audit Committee by March 2024 Cabinet by June 2024</p> <p>By April 2024</p> <p>By May 2024</p>	<p>Group Head of Democracy & Governance Associate Director Customer & Corporate Services</p> <p>Group Head of Democracy & Governance Associate Director Customer & Corporate Services</p> <p>Group Head of Democracy & Governance Associate Director Customer & Corporate Services</p>	<p>Resources</p> <p>Resources</p> <p>Resources</p>
<p>Recommendation 6</p> <p>Significant work has already been undertaken in the development of the strong "Watford Actually" brand. Whilst being cognisant of the current economic challenges, work should now continue to identify and work with external brand ambassadors and roll out the branding strategy.</p>	<p>The council will:</p> <ul style="list-style-type: none"> • Develop an implementation plan with clear delivery milestones and associated actions, including developing relationships with key sectors to effectively embed the brand • Identify key external brand ambassadors to champion the "Watford Actually" brand 	<p>By February 2024</p> <p>By March 2024</p>	<p>CMT Communications & Engagement Lead</p> <p>CMT</p>	<p>Elected Mayor</p> <p>Elected Mayor</p>

Recommendations	Watford Borough Council Actions	Timescales	Lead	Portfolio
	<ul style="list-style-type: none"> • Develop the brand assets into a toolkit that enables the ambassadors and other key businesses and organisations to use and adapt the brand alongside their own brand and marketing strategies • Embed the brand within the scope of the One Watford Place Board so that it is understood and championed across the borough’s key partner organisations 	<p>By March 2024</p> <p>Ongoing</p>	<p>CMT Communications & Engagement Lead</p> <p>Chief Executive</p>	<p>Elected Mayor</p> <p>Elected Mayor</p>
<p>Recommendation 7</p> <p>The council is to be commended on its plans to deliver an ambitious and far-reaching programme of activities. It will be essential that the council's plans for organisational development ensure that the skills of the workforce and internal capacity continue to be aligned to these growing aims and ambitions.</p>	<p>The council will:</p> <ul style="list-style-type: none"> • Launch our People Strategy that was in draft in November 2023 to support the growth and development of our people so that they align with our council’s aims and ambitions <ul style="list-style-type: none"> ○ Approval by Cabinet ○ Launch with staff • Provide quarterly updates on progress against the Strategy to Cabinet and Overview and Scrutiny Committee 	<p>By March 2024</p> <p>By April 2024</p> <p>Starting from June 2024</p>	<p>CMT</p> <p>Executive Head of HR & OD CMT</p>	<p>Resources</p> <p>Cabinet</p>



**WATFORD
BOROUGH
COUNCIL**

FINANCE SCRUTINY COMMITTEE

10 January 2024

7.00 pm

Annexe, Town Hall, Watford

Contact

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For information about attending meetings please visit the [council's website](#).

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Committee Membership

Councillor A Khan (Chair)

Councillor P Kloss (Vice-Chair)

Councillors K Clarke-Taylor, S Johnson, R Martins, L Nembhard, D Walford, D Watling and R Wenham

Agenda

Part A - Open to the Public

5. Financial Planning 2024/25 to 2026/27 (Pages 3 - 6)

Report of the Chief Finance Officer