



**WATFORD
BOROUGH
COUNCIL**

COUNCIL MEETING

10 July 2018

7.30 pm

Town Hall, Watford

Contact

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For information about attending meetings please visit the council's website.

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2 July 2018

Councillor

You are hereby summoned to attend a meeting of the Council of the Borough of Watford to be held on Tuesday, 10 July 2018 starting at 7.30 pm at the Town Hall, Watford to take into consideration and determine upon the following subjects, namely: -

1. Apologies for Absence

2. Disclosure of Interests

3. Minutes

The [minutes](#) of the meeting held on 22 May 2018 to be submitted and signed.

4. Official Announcements

5. Mayor's Report (Pages 6 - 8)

6. Questions by Members of the Council under Council Procedure Rule 10.0

7. Questions by Members of the Public under Council Procedure Rule 11.0

8. Petitions presented under Council Procedure Rule 12.0

9. Business especially brought forward by the Chairman or the Head of Paid Service which in the opinion of the Chairman should be considered as a matter of urgency.

10. Re-allocation of seats on committees (Pages 9 - 11)

Report of Democratic Services Manager following by-election on 21 June 2018

11. Watford 2020 Programme (Pages 12 - 72)

Report of Head of Service Transformation

12. Neighbourhood Locality Funds (Pages 73 - 76)

Report of Committee and Scrutiny Officer, in accordance with the fund's protocol, including information about the overall budget and the types of projects the wards have supported during 2017/18.

13. Annual Report of Overview and Scrutiny in Watford Borough Council 2017/18 (Pages 77 - 96)

Report of Committee and Scrutiny Officer on the work of scrutiny during the preceding year

14. Motions submitted under Council Procedure Rule 13.0 (Pages 97 - 108)

1. The following motion has been proposed by Councillor Stotesbury and seconded by Councillor Hofman

"This council notes that currently stations in Watford Borough sit in Zone 7 in the case of Watford Metropolitan Line Station, Zone 8 in the case of Watford High Street and Bushey, or in Zone 'W' in the case of Watford Junction station.

This council notes that commuters in Watford, which is 16.5 miles from their main central London terminus, pay around £1000 a year more than a commuter from Epping, which is also 16.5 miles from its central London terminus but in Zone 6.

This council notes that this is deeply unfair on Watford commuters who travel from all Watford stations, who currently have to pay more to travel the same distance into central London.

This council resolves to ask the Elected Mayor to write to TfL and the Mayor of London to ask on behalf of the council for all stations in Watford Borough to be moved into Zone 6."

2. The following motion has been proposed by Councillor Williams and is seconded by Councillor Bell

"The Council opposes Hertfordshire's Police and Crime Commissioner's proposal to become the Fire and Rescue Authority for Hertfordshire and that the Fire and Rescue Service should remain under the control and democratic accountability of Hertfordshire County Council.

The Council therefore fully supports the view taken by Hertfordshire County Council in this regard, and its Leader's submission to the Home Office dated 22nd June, 2018 (attached).

The Council therefore instructs the Elected Mayor to write to the Minister of State for Policing and the Fire Service in similar vein as the Leader of Hertfordshire County Council, highlighting that this Council opposes Hertfordshire's Police and Crime Commissioner's proposal to become the Fire and Rescue Authority for Hertfordshire."

3. The following motion has been proposed by Councillor Khan and seconded by Councillor Bell

"70 Year of the NHS

The council notes that;

This July sees the 70th anniversary of the creation of our National Health Service. It is one of this country's proudest and greatest achievements.

We cherish the way it puts people first and supports us at every stage of our lives, but we need to guarantee that it serves us for generations to come.

Over the past 8 years the Tories have starved the NHS of the resources it needs, they have allowed more and more local services to be privatised and undermined staff doing their best to care for the sick.

We note that the government has pledged to increase funding by £20billion, however we need more funding to transform our NHS to make it even better.

Our A&E is overstretched, The Hospital Trust is in financial crisis as well as the Herts Valley Clinical Commissioning Group. Cuts are being made to our local NHS services, including the inspirational Nascot Lawn centre.

One in four people now wait a week or more to see a GP. Despite all this, our NHS front line staff do a fantastic job.

The council calls on the Mayor to write to the Health Secretary and Chancellor demanding that they

- *Fully fund the NHS nationally and locally so that the cuts to our services are reversed.*
- *Finance the building of a new hospital in Watford at its current site without further delay.*
- *Protect patients and staff, ensuring the long-term sustainability of our health service.*

This council will set up a **Watford NHS covenant**, open to all residents, councillors and organisations to sign, pledging their support of the ideals of the NHS and ensuring that those who work in the NHS are treated fairly and with

respect.

- *that it meet the needs of everyone*
- *that it be free at the point of delivery*
- *that it be based on clinical need, not ability to pay”*

A handwritten signature in black ink, appearing to read 'Manny Lewis'. The signature is written in a cursive style with a large, stylized 'L' at the end.

Manny Lewis, Managing Director

Agenda Item 5

Elected Mayor's Report- June 2018

It's an honour to be producing my first report as Elected Mayor of Watford. I have very much hit the ground running in terms of starting to implement the manifesto I was elected on, as well as meeting lots of our fantastic local community groups.

I've also helped over 260 residents so far with their issues and I hope to be doing more of this through my time in office.

Partnership Work

Everyone Active

I visited Woodside Leisure Centre at the beginning of June to mark the first day of the new partnership with Everyone Active as well as see some of the improvements they were starting to make on the site. I saw the new changing facilities that were being built and a new toning suite. At Central, we're offering some free gym sessions as well as free swimming on a Sunday afternoon for families.

I'm really proud of the work we are doing with Everyone Active and of the first class leisure facilities we've got in the town.

Veolia

Veolia have been working to maintain our grass verges, which has been challenging this year due to the weather we have been having in the last few months. They have brought in extra staff and machines to make sure our verges are well maintained.

I'd like to note my thanks to Veolia for the work they have been doing on our High Street making sure it is immaculate and the pond has got a beautiful display in it ahead of our Big Events.

Working with our neighbours

I have had several productive meetings with neighbouring council leaders, including Cllr David Williams, the leader of Hertfordshire County Council and Cllr Sara Bedford, leader of Three Rivers District Council. As well as this we are regularly meeting as Hertfordshire council leaders to further the idea of a new garden village. It's clear that, as a small densely populated borough, the only chance we have to reach the government's new 'supercharged' housing targets is to work collaboratively with our neighbours. I will continue to work with them in order to build new settlements outside of the town, whilst promoting us as a leisure, business, education and retail destination for the region.

Community Events

One of the best parts of my job is meeting so many of our fantastic community groups. We're lucky in Watford to have such a diverse voluntary sector, representing all sections of our community.

I have opened the Metro Bank in the High Street on 25 May, which will be a great asset to our vibrant town. They have done a fantastic job with renovating this part of the High Street and it is great to welcome them to the town.

I visited the St Anthony's Residential Care Home, a specialist in dementia care for their Royal Wedding themed open day. The whole day was a fantastic success and it was lovely to see such a well-run care facility where residents seem happy. I also visited the Alzheimer's Society Roadshow when they came to Watford to raise awareness of the condition.

I was lucky enough to meet the fantastic Electric Umbrella when they came to Watford to perform at our renovated bandstand at Cassiobury Park. Electric Umbrella are a locally based charity providing musical performing opportunities for adults in Watford and the surrounding area with disabilities and learning difficulties. They have a musical called '*I am the Dream Machine*' being performed at Watford Palace Theatre shortly.

I opened the *Imagine Watford* festival and was lucky enough to get along to a few of the events myself as well. I'm proud that Watford Borough Council continues to support this festival and that we are able to have performances of this calibre taking place for free in our town centre. I'd like to give my thanks to Watford Palace Theatre for helping put the event on, as well as our terrific officers here at Watford Borough Council for making it such a success.

I helped open the new play facilities at the Meriden Community Centre, supported by Watford Community Football Trust, Veolia and Watford Borough Council.

I attended several Iftars with our Muslim community during the Ramadan period.

I've also had some really productive meetings with New Hope about tackling rough sleeping in the town and Watford Football Club at looking at ways of supporting the club as a council.

Delivering my Manifesto

Cycle Hire Scheme

I've held meetings with both Hertfordshire County Council and Systra about having a cycle hire scheme for the town, similar to that in other major towns and cities. At the moment we

are costing the scheme and looking at different types of cycle hire scheme that we could have as a town. We're hoping to be able to have it up and running in Watford next year.

Hop on Hop off Bus

I held an excellent meeting with Arriva about the potential to introduce 'Arriva Click' in the town. This is a scheme that is currently running in Sittingbourne in Kent, where users can book a mini bus via an app, allowing them to go to their chosen destination similar to other app services. We're looking at the possibility of bringing this to Watford next year.

Making Watford a more cycle friendly town

I went on a cycle ride with Velo Watford and Spokes to see for myself the current situation for cyclists in the town. It's clear that as a council there are a number of things we could do to make Watford a better place for cyclists and pedestrians, including more cycle routes in the town.

Dementia Friendly Town

I'm passionate about making Watford a Dementia Friendly Town and have set to work trying to get this started. We're holding our first Dementia Forum with interested groups in September, along with representatives of the Alzheimer's Society. We're working with businesses and other local organisations, including staff in the Town Hall, to get more individuals trained as Dementia Friends.

Metropolitan Line Extension

I held meetings with Transport for London (TfL), officials from Hertfordshire County Council and Watford Borough Council at the TfL offices in central London a few weeks ago. During the meeting, TfL had agreed that the current tube scheme had timed out since the Mayor of London withdrew his support from it in January. They agreed to return unspent funds of around £67 million to the Department for Transport, who would then return this money to funding partners.

In the meeting, we pushed for an alternative to the scheme to be looked at, such as a light rail link or a guided bus way. We also agreed to protect the land along the old Croxley Rail Link. This was supported by TfL, and the alternative will be looked into further by the County Council and Watford Borough Council with some support from TfL.

PART A

Report to: Council
Date of meeting: 10 July 2018
Report of: Democratic Services Manager
Title: Re-allocation of seats on committees

1.0 Summary

1.1 An election in respect of a casual vacancy in Oxhey Ward took place on Thursday 21 June 2018. Imran Hamid, a member of the Liberal Democrat Group, was elected.

1.2 Article 2 of the Constitution states that the Council will comprise 36 Members and the Elected Mayor. The election of Councillor Hamid is to fill the vacancy created by Mayor Peter Taylor’s election.

1.3 The Local Government and Housing Act 1989 and the Regulations require that seats on ordinary committees are allocated in accordance with political balance. The election of an additional member to the Council therefore requires the allocation of seats on council committees and scrutiny committees to be revised.

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)
Not complying with the principles of the Local Government and Housing Act 1989 and the Regulations	Could leave the council open to challenge	Political balance was recalculated following the election and the groups advised of the subsequent change	Treat	2

3.0 **Recommendations**

- 3.1 That the Council agrees the revised allocation of seats to Council Committees and Scrutiny Committees i.e., to increase the Liberal Democrat group membership by one seat and to decrease the Labour group membership by one seat on Overview and Scrutiny Committee.
- 3.2 That the Council agrees the revised committee membership of Overview and Scrutiny Committee.

Contact Officer:

For further information on this report please contact: Caroline Harris,
Democratic Services Manager
telephone: 278372 email: caroline.harris@watford.gov.uk

Report approved by: Head of Democracy and Governance

4.0 **Detailed proposal**

- 4.1 There are 77 seats on politically balanced committees. For Annual Council in May 2018 the balance was calculated based on 35 elected members (the Elected Mayor is not included in political balance calculations). Following the election of Councillor Hamid the political balance calculation has been repeated based on 36 elected members. This has resulted in one seat more for the Liberal Democrat Group on a committee with a membership of nine and one seat less for the Labour Group.
- 4.2 The party groups were consulted by e-mail and it is proposed that Councillor Matt Turmaine will step down from Overview and Scrutiny Committee and Councillor Imran Hamid will become a member of the committee subject to agreement at Council.
- 4.3 For clarity this means that the proposed Overview and Scrutiny Committee membership will be:
Councillor Kareen Hastrick (Chair)
Councillor Jagtar Singh Dhindsa (Vice Chair)
Councillors Bashir, Cavinder, Crout, Hamid, Hofman, Martins, Stotesbury

5.0 **Implications**

5.1 **Financial**

- 5.1.1 The Shared Director of Finance comments that there are no financial implications contained within this report.

5.2 **Legal Issues** (Monitoring Officer)

5.2.1 The Head of Democracy and Governance comments that the legal implications are included within the body of the report.

5.3 **Equalities/Human Rights**

5.3.1 The allocation of seats is carried out in accordance with Local Government and Housing Act 1989 and the Regulations require that seats on ordinary Committees are allocated in accordance with political balance

5.4 **Staffing**

5.4.1 None

5.5 **Accommodation**

5.5.1 None

5.6 **Community Safety/Crime and Disorder**

5.6.1 None

5.7 **Sustainability**

5.7.1 None

Appendices

None

Background Papers

- E-mails to Group Secretaries

File Reference

- None

Agenda Item 11

Report to Council – 10 July 2018

Report of Cabinet – 4 June 2018

Cabinet met on 4 June 2018. The minutes have been circulated separately.

The following Members were present at the meeting:

Present: Mayor Taylor(Chair)
Councillor Collett (Vice Chair)
Councillors Bolton, S Johnson, Sharpe, Watkin and
Williams

Non Cabinet Members present:
Councillor Hastrick

There was one recommendation to Council:

6. Watford 2020 programme

A report of the Head of Service Transformation was received. Councillor Watkin introduced the report and praised the Watford 2020 Team for the work that had been done leading up to the report. Following the collection of a huge amount of data, work would now focus on the detail of how to deliver and schedule the programme. Councillor Watkin explained that there would be an investment of £1.92m which would result in an ongoing baseline budget reduction of £1.21m. The aim was to achieve transformation of the council and how its services were perceived by the community, it was the beginning of an exciting period for the authority.

The Mayor commended the report for its focus on improving provision for residents and not on cost reduction.

The Head of Service Transformation explained that the business case and operating model showed how the vision of Watford 2020 could be delivered. The programme was about delivering a sustainable organisation which addressed the expectations of customers, enabled the use of technology to deliver services and delivered the expected financial savings as included in the Medium Term Financial Strategy. The delivery of the transformation was ambitious and required investment. However, the savings could be delivered without cutting services and whilst maintaining and enhancing service delivery. There would be a reduction in the staffing

establishment, however, Leadership Team understood the implications and were looking to minimise redundancies. A core part of the transformation was enabling customers to self-serve but it was not about closing communication channels and customers would continue to have the choice to transact by telephone or face-to-face. From the point of view of officers, it was about agile and flexible working and making the most of the systems available.

Cabinet discussed the £300,000 revenue income referred to in the report and it was explained that a consultant commercial adviser would be appointed to help take ideas from officers and work them into business propositions. The contract for the consultant would be completed within two to three months. The Managing Director commented that a consultant was needed as there were substantial amounts of work required on the business case and risk management for the ideas and additional capacity was needed. The arrangement would follow a similar model of support provided by Lambert Smith Hampton to the Property Investment Board which was working well.

RESOLVED

That Cabinet:

1. Approves the Watford 2020 business case, future operating model and implementation plan.
2. Agrees that the above approval allows the Watford 2020 programme to progress to tranche 2, the detailed design and implementation as outlined in the implementation plan.
3. Agrees that the financial resource necessary to deliver the programme as set out in section 8 of the report is presented to Full Council for approval on 10 July 2018.

Part A

Report to: Cabinet
Date of meeting: 4 June 2018
Report of: Head of Service Transformation
Title: Watford 2020 Programme

1.0 Summary

1.1. Watford 2020 is a transformational programme which was initiated to review the internal workings and processes of the entire organisation to develop and implement a new operating model¹ for Watford Borough Council. On 9 October 2017, Cabinet approved the vision and design principles that describe the proposed future operating model of the council in 2020, specifically that:

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

1.2. Following this approval, Service Innovations were carried out across the organisation in collaboration with both staff and Leadership Team to identify opportunities and inform the future operating model.

1.3. The outline business case (see Appendix 1) identifies the benefits of making the proposed changes and the resources required for their delivery. This outline business case has been produced in collaboration with all services and represents a key gateway in the life of the programme. Approval of the business case, which includes the future operating model and implementation plan will allow the Watford 2020 programme to progress to tranche 2, the detailed design and implementation of the future operating model. The intended methodology to complete this work is included in the business case document.

2.0 Risks

2.1. As a significant transformation programme, robust risk and issue management is a fundamental process to ensure successful delivery of the programme and its constituent projects. This will continue to be completed in accordance with the

¹ An operating model is a model of the future organisation - its working practices and processes, its structure and organisation, the information it requires and the infrastructure and technology that supports its operations to deliver the vision statement.

council's risk management strategy and approach.

- 2.2. In preparation for the transition of the programme to the tranche 2 detailed design and implementation phase, a rigorous risk analysis has been conducted and the key risks are outlined below. The key mitigation to the most significant risks is the approach that has been designed for the programme where, through the detailed design work, the identified benefits will be continually checked and the business case supporting the programme justified.

Potential risk	Mitigation	L.hood	Impact	Score
Costs have been underestimated / benefits have been overestimated. The investment appraisal completed to initiate the detailed delivery phase of the programme may not be valid, therefore more budget may be required to realise the identified level of benefits, or actual benefits will be reduced for the same level of spend.	All projects to include a detailed design phase to validate costs and produce a detailed benefits profile to be agreed before any major change and cost is committed to ensure that the spend against expected benefits remains valid.	2	4	8
£300K of the £1.21m annual baseline reduction is income, which may not be delivered year on year. The baseline reduction may not be fully delivered.	Further analysis on key commercial propositions to be completed before significant further cost/spend is committed to their development.	3	4	12
Customers may not transfer to digital channels when they are developed resulting in a reduction in the level of benefit delivery.	Benefits realisation activity included in project plans. Budget included within business case for marketing /communications. Programme level benefits monitored by W2020 Board	2	4	8

3.0 Recommendations

- 3.1. That Cabinet approve the Watford 2020 business case, future operating model and implementation plan.
- 3.2. That the above approval allows the Watford 2020 programme to progress to tranche 2, the detailed design and implementation as outlined in the implementation plan.
- 3.3. That the financial resource necessary to deliver the programme as set out in section 8 below is presented to full council for approval on 10 July 2018.

Contact Officer:

For further information on this report please contact: Andrew Cox, Head of Service Transformation

Telephone extension: 01923 278124 email: andrew.cox@watford.gov.uk

4.0 Introduction to Watford 2020

- 4.1. The focus of the programme is transforming the organisation to ensure that it can truly deliver the programme vision agreed by Cabinet in 2017. Work to date has included a review of the internal workings and processes of the entire organisation through a series of “Service Innovations” in order to create a council which is ready for the challenges of the future. The programme is a key component in delivering the council’s ambition to be “bold and progressive”. It will enable delivery of all of the corporate priorities and is at the heart of delivering the priorities to:

- Deliver a digital Watford to empower our community
- Secure our own financial future

5.0 Introduction to the Watford 2020 Future Operating Model

- 5.1. Watford 2020 was initiated to develop and implement a new operating model for Watford Borough Council. An operating model is a model of the future organisation - its working practices and processes, its structure and organisation, the information it requires and the infrastructure and technology that supports its operations to deliver the vision statement.

5.2. The proposed operating model for Watford Borough Council identified how different layers of the organisation work together as efficiently as possible to provide the best possible service to customers. It is not an organisational structure but focuses on simplifying the operations of the organisation, breaking down silos between service areas and ensuring that cross-organisational working can be successfully implemented.

6.0 Introduction to the Watford 2020 programme outline business case

6.1. The notification from Central Government that the revenue support grant would be withdrawn entirely by 2020, leaving the organisation with a potential financial shortfall of £3m, made Watford 2020 not just an ambition, but absolutely necessary. The Watford 2020 programme was subsequently tasked with raising revenue or finding savings of at least £1m by 2020.

6.2. The business case successfully identifies where these savings can be made or revenue raised and the resource required to deliver them. All savings identified in the outline business case can be achieved without any reduction of existing services to residents, businesses and customers of the council.

6.3. The business case identifies that to deliver the council's transformational objectives and an on-going annual baseline budget reduction of £1.21m requires a total investment of £1.92m, which is anticipated to give a return on investment (i.e. net benefit) in 2020/21 (during year 3 post initiation of the transformational change which will be initiated following approval of this business case).

6.4. Of the £1.92m implementation costs an additional £879k of funding is required across the two year implementation period.

6.5. The analysis and review work undertaken to date confirms there is a clear business case to proceed with the next stage of Watford 2020. The outline business case, however, simultaneously demonstrates the council's commitment to service transformation, rather than a programme driven purely by the need for on-going financial sustainability. Alongside this requirement to make financial savings has been the acknowledgement that the council needs to improve its digital offer for customers (residents and businesses), both of whom often expect to access services and communicate with the organisation outside of the usual office hours. The corporate drive to further develop the council's use of digital solutions, both customer-facing and back-office, is demonstrated by the inclusion of a digital agenda in the council's corporate priorities. The organisation is subsequently in a position where it needs to offer additional channels and digital integration without increasing the level of continuous resource or annual operating expenditure. However, the two are not mutually exclusive and Watford 2020 seeks to apply the council's 'bold and progressive' approach to the programme acknowledging that both commitments are an opportunity to improve services to customers whilst introducing significant efficiency. Many of the opportunities identified within the business case rely upon

the investment in digital infrastructure and solutions not only to improve efficiency and therefore financial sustainability but also to significantly enhance the service for customers.

- 6.6. In addition to the Watford 2020 programme there will be some other complementary projects which may wish to be undertaken, which complement the vision and delivery of the programme. It is proposed that an additional budget of £150k is created for these projects, which is managed by the Programme Management Board (PMB).

7.0 Introduction to the Watford 2020 implementation plan

- 7.1. As referenced in the Introduction, the programme is transformational and intended to create a council which is ready for the challenges of the future. This is not a simple exercise and there are a number of gateways that are essential throughout the life of the programme to ensure that the programme's business case remains valid and delivery remains aligned to the realisation of the vision and objectives of the programme.

- 7.2. To provide this control and scrutiny the programme has been organised into Tranches, which group activity (projects) of a similar nature and will conclude at defined points when a formal review and authorisation to proceed will be required.

- 7.3. Tranche 1 included the Service Innovations - High-Level Design work which commenced in July 2017 and was tasked with delivering the three documents contained within Appendix A of this report:

- Design of the future operating model in accordance with the design principles (covering processes, people, commercial opportunities and technology / infrastructure) for the council across all services identifying required changes, the benefits of these changes and the technology / infrastructure required to enable the changes
- Outline Business Case demonstrating the benefits that can be delivered through implementation of the future operating model, the cost of implementation and the assumptions made
- Implementation Plan to identify when and how changes can be made and therefore when benefits can be realised

As outlined above, these three deliverables require sign-off by Cabinet prior to the initiation of Tranche 2.

- 7.4. Tranche 2 will be the detailed design and implementation of the changes identified in the Watford 2020 outlined business case. This is the truly transformational part of the programme and will see the high-level design being developed into detailed designs and implemented for all areas of the organisation. It is this tranche in which the benefits of the programme will be realised as commercial ideas are progressed,

digital infrastructure is utilised and efficiencies are made. Through the detailed design work, detailed cost and data analysis will enable the Outline Business Case to be developed into a Full Business Case describing the benefits that should/will be delivered.

- 7.5. The indicative implementation plan is included in Appendix A and outlines how each service will undergo a process of detailed design, build and then implementation. The plan spans the 2018/19 and 2019/20 financial years and provides a high level view of when the transformation will impact different parts of the organisation. The plan has been specifically formulated to group closely related services together so that maximum benefit can be derived from similar services impacted by corporate changes. This means that where changes impact more than one service, replication of work can be avoided and benefit can be taken as soon as possible.

8.0 Implications

8.1. Financial

- 8.1.1. The delivery of Watford 2020 will initially incur a substantial additional one-off cost of £1.40m to enable the transformation to take place. These costs are summarized in the table below:

Transformation costs (£,000)	2018/19	2019/20	Total
Resource - 2020	785	669	1,454
Resource - backfill	32	8	40
IT software	164	46	210
HR - redundancy / pension strain	101	101	203
Communications & marketing	2	3	5
Legal	2	1	3
Training	3	3	6
Total	1,088	832	1,920
Existing budgets	-520	0	-520
Additional one-off budget needed	568	832	1,400

- 8.1.2. These one-off costs will enable changes that will also lead to improvements in the Councils recurring financial position. These will mainly occur through cost savings and extra income, and achievement of these will also incur new recurring costs needed to fund the different ways of working and service delivery. These financial changes and their anticipated incidence until 2022/23 are summarized in the table below:

Budget implications (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
Total cost savings	-134	-673	-1,030	-1,105	-1,140
Extra income	-28	-163	-391	-462	-462
Recurring new costs	144	334	392	393	393
Net transformation change to 2018/19 base budget	-19	-502	-1,030	-1,174	-1,209
Transformation and one-off costs	1,088	832	0	0	0
Less existing transformation budgets and carry forward	-520	0	0	0	0
Net cost/income in year	550	330	-1,030	-1,174	-1,209
Cumulative financial impact	550	879	-150	-1,324	-2,533
Cumulative savings target	0	0	-1,000	-2,000	-3,000

8.1.3. The table shows that the programme is forecast to breakeven towards the end of 2020/21, by which time it should also have generated recurring savings of over £1m p.a.

8.1.4. The initial costs in 2018/19 and 2019/20 will need to be funded as these are not contained within existing budgets. However, the current estimates of the savings generate more than the £1m recurring savings included in the 2020/21 and future budgets.

8.1.5. As outlined earlier in the report there are risks contained in the programme in relation to both the costs of the programme and the level of savings/income which will be generated. To help mitigate these there will be a detailed business case developed for each of the ideas which will be reviewed and managed by the Watford 2020 Board. If the costs or savings change significantly from those contained in this report these will be considered by the Board.

8.1.6. It is proposed that the additional funding of £879k which is required to fund the programme is found from the Invest to Save (£550k) and Economic Impact (£329k) Reserves.

8.1.7. The funding for the additional PMB budgets (£150k 2018/19) will be funded from the Invest to Save Reserve.

8.1.8. There are some projects e.g. Unified Communications will be funded from existing budgets and are therefore not included as an additional cost to the business case.

8.2. **Legal Issues** (Monitoring Officer)

8.2.1. The Head of Democracy and Governance comments that whilst there are no legal implications in this report any legal implications will be identified during the development of detailed business cases going forward. It is the intention that some of our commercial ambitions will be delivered via Watford Commercial Services Limited. As not all of the funding required was identified when the budget was set in January the additional funding required will need to be approved by Council.

8.3. Equalities / Human Rights

- 8.3.1. Given the transformational nature of the Watford 2020 programme and, having regard to the council's obligations under s149, an Equalities Impact Assessment has been carried out and is attached to this report as Appendix B.
- 8.3.2. A full Equalities Impact Assessment of all proposed service delivery changes will be presented for each individual service change in advance of implementation.

8.4. Staffing

- 8.4.1. The specific staffing implications of the Watford 2020 programme are not yet known. It is anticipated there will be an impact on staffing once the detailed design of the future organisation has been established with a reduction of approximately 10 posts (which rises to 13 if new posts created purely to generate new income are not taken into account). Any changes to staffing will be conducted in accordance with the organisations approved change management policy and processes.

8.5. Accommodation

- 8.5.1. As outlined in Appendix A, the roll out of appropriate devices for staff enables greater opportunities for flexible working. This in turn is anticipated to allow a compression of working space, releasing capacity in the Town Hall Annexe building and providing an opportunity for the council to drive further income through the lease of another floor in the building, in addition to the ground floor, to the BBC, and the first floor, to the NHS.

8.6. Sustainability

- 8.6.1. As outlined in Appendix A, the Watford 2020 programme contributes significantly to the council's on-going financial sustainability by reducing the annual baseline budget of the organisation by £1.21m by the 2022/23 financial year.

Appendices

Appendix A – Watford 2020 Business Case (including future operating model and implementation plan)

Appendix B – Equalities Impact Assessment

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Watford 2020 Cabinet Report of 9 October 2017



Watford 2020
Blueprint, Business Case and Implementation
Plan for Watford Borough Council

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Executive Summary

Like many other councils, Watford Borough Council (WBC) is facing significant challenges in meeting changing customer expectations, modernising current working practices and maintaining financial sustainability. Watford 2020 seeks to address this by developing and implementing a new operating model which will fundamentally transform the way the council operates and deliver a range of customer and efficiency benefits.

The new operating model and Outline Business Case (OBC) has been developed over many months through consultation with Heads of Service, Section Heads and with managers / officers via a series of service innovations. Over 300 ideas were captured, benefits quantified and signed off by the relevant service leads. From this, key themes emerged on what the council of the future will be like. The future operating model will deliver the Watford 2020 vision of a more customer-focused, digitally-enabled and commercially-minded council by:

- Bringing capability together to increase service resilience, standardise processes, reduce handovers and deliver better economies of scale
- Maximising the value of professional officer time for those who really need it – separate transactional processing from decision-making and support
- Maximising self-service by providing a proactive and personalised digital experience
- Digitising key processes (and information) from front to back to make transactional workflows as integrated to Line of Business (LoB) systems as far as possible
- Generating capacity for commercial growth, income and delivery of WBC's commercial strategy
- Providing a mixed economy of service provision and regularly testing the market to ensure services are efficient and effective.

Delivering the future operating model will mean significant cultural change, with a strong focus on establishing a more strategic, commercial and performance orientated culture. Partnerships and collaboration also underpin the model. The council has some options about how transformation is delivered - the OBC recommends that only an integrated transformation programme with additional transformation resources can deliver the ambition, scale and pace of change required.

The OBC has established that an investment of £1.92m will deliver a baseline budget reduction/saving of £1.21m when the full effect of the benefits are realised. Of this approximately £900k are net cost savings and £300k is net extra income. The investment includes resources to manage and deliver the implementation, new systems and technologies, redundancy and contingency costs.

The programme is expected to “breakeven” towards the end of 2020/21 and is expected to exceed the MTFs target of £1m in 2020/21.

Of the £1.92m implementation costs an additional £879k of funding is required across the two year implementation period.

The analysis and review work undertaken to date confirms there is a clear business case to proceed with the next stage of Watford 2020. Transformation should be delivered over a two year period through a series of infrastructure, service related and commercial projects/work packages using a consistent delivery approach. All projects and activities will be formally reported to the Watford 2020 Programme Board.

1. Introduction

1.1 Background

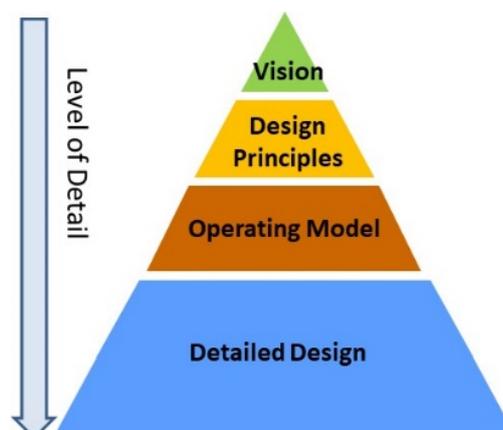
Watford 2020 was initiated to develop and implement a new operating model for Watford Borough Council (WBC). It is a transformational programme which has reviewed the internal workings and processes of the entire organisation through a series of 'Service Innovations' to create a council which is ready for the challenges of the future. To deliver the programme, Cabinet and the Watford 2020 Programme Board agreed a vision and set of design principles for WBC in 2020 which will be delivered through a series of tranches. Tranche 1 was concerned with completing a high-level design of services which was undertaken between July and December 2017.

This document sets out the main outputs from Tranche 1 with the aim of securing formal approval and funding for delivery of future tranches of the programme. It is intended to paint a comprehensive picture of the desired 'end point' of the WBC transformation programme in 2020, the rationale and plan for change.

1.2 Purpose of the document

In delivering the vision and design principles of Watford 2020 the purpose of this document is to answer the following questions:

- What will WBC look like in 2020? This is the operating model (blueprint) which provides a view of the shape of services after transformation covering processes, people, commercial opportunities and technology / infrastructure across all services identifying required operational changes. The operating model also bridges the gap between vision / design principles and detailed service design by providing the high level requirements for each service area.
- What is the case for change? This is the Outline Business Case (OBC) setting out the costs and benefits for delivering the operating model.
- How and when should change be delivered? This is the implementation plan setting out when and how changes can be made and therefore when benefits can be realised.



1.3 Programme objectives

The Programme's objectives are to:

- Develop a detailed operating model for the organisation that will deliver the vision and design principles and that enables the delivery of the expected benefits to transform the organisation
- Deliver the operating model and supporting Outline Business Case and implementation plan
- Implement the operating model to deliver the vision and realise the benefits
- Engage staff, managers and elected members in the design and implementation of new service models in order to ensure a smooth transition to new arrangements and make the change a success

- Re-model the organisational culture to enable successful implementation and embedding of the new operating model, which will require radically different ways of working

1.4 Context for change

There are a number of challenges facing WBC which the Watford 2020 operating model and business case seeks to address:

- **Delivering a corporate approach to transformation** - to deliver Watford 2020 a fundamental shift in mind-set is required across the organisation to be more commercial and to act and think in a more business-like manner. Encapsulating all of this under the umbrella of the Watford 2020 programme allows competing demands for resources to be reconciled, interdependencies to be identified and managed and the necessary change in culture to be firmly embedded across the council.
- **Meeting changing customer expectations** – the council needs to improve its digital offer for customers (residents and businesses), both of whom often expect to access services and communicate with the organisation outside of the usual office hours and using smart, interactive technology. The corporate drive to further develop the council's use of digital solutions, both customer-facing and back-office, is demonstrated by the inclusion of a digital agenda in the council's corporate priorities.
- **Modernising working practices** – the current operating model (section 3.1) does not match council ambition. There is recognition that there are several areas within the current operating model that could be improved to deliver a leaner, more agile and technology-enabled council and meet the vision of Watford 2020.
- **Financial sustainability** - notification from Central Government that the revenue support grant will be withdrawn entirely by 2020, leaving the organisation with a potential financial shortfall of £3m. The Watford 2020 programme has subsequently been tasked with raising revenue or finding savings of at least £1m by 2020.

WBC needs a new operating model which will meet the challenges identified, which can evolve as the Watford 2020 vision is implemented and which will also enable senior leadership to accommodate the shifting demands as further change is required.

2. Approach to high level design

2.1 Overall approach

The key features of the approach included:

- Working with the Watford 2020 Programme Board and Leadership Team to understand what the council will be like in 2020 supported by a deep-dive / innovation with services
- Collaborative working with staff and managers at all levels across all services to ensure they own the solutions developed and the conclusions that are made, particularly surrounding efficiencies
- Data driven so that all decisions are underpinned by robust process, financial and performance information to enable the OBC to be robust with an acceptable depth of assumption.

The steps and stage in the approach are shown in Figure 1.

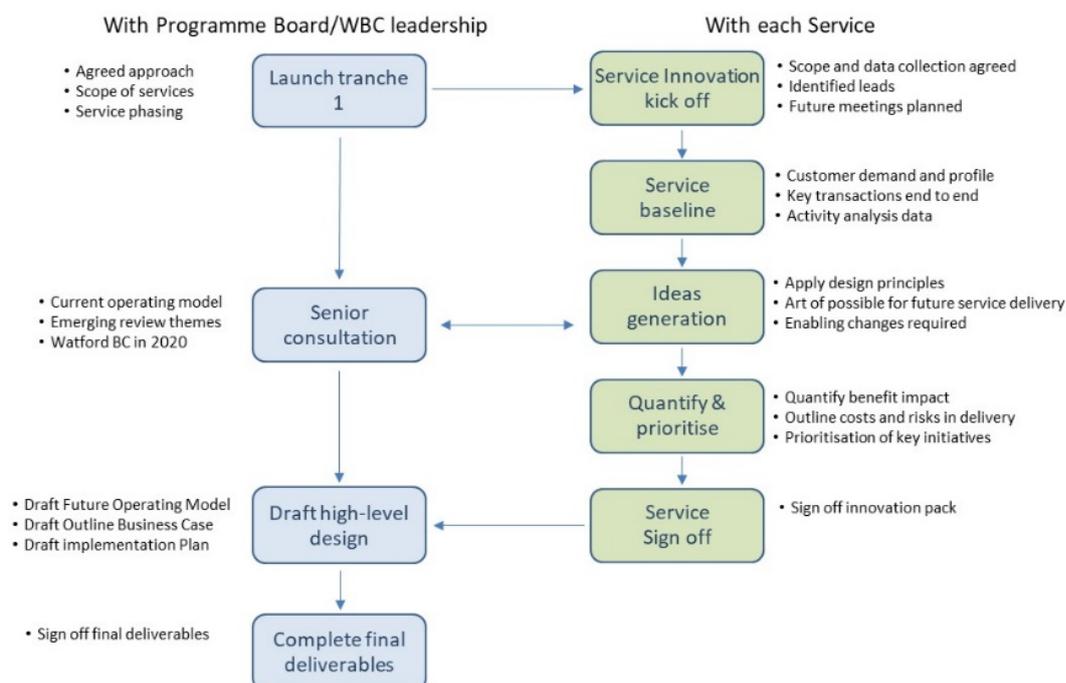


Figure 1: High level design approach

2.2 Senior Consultation

Senior consultation was undertaken with members of the WBC Leadership Team, both individually and collectively, and with the Extended Leadership Team as well as through the Managers' Forum. The consultation sought to understand views on the current operating model of the council, what operational changes should be delivered for 2020 and how change should be implemented.

2.3 Service Innovations

Service innovations were undertaken in collaboration with managers and staff to baseline, identify and model opportunities in delivering the Watford 2020 vision and design principles. Through a series of stakeholder meetings and workshops, the main objectives were to:

- Collate current financial, process, performance and productivity data
- Provide a forum to challenge the status quo and think in new ways to identify the ideas / opportunities for change and transformation of the service
- Quantify the benefits (with and without a risk factor applied) that can be delivered by the identified opportunities
- Identify main people, process and technology cost implications in delivering the opportunities
- Prioritise the opportunities and benefits that offer the highest benefit value, strategic fit and ease of achievement within the programme budget available

In total, 24 service innovations were undertaken, the list of services are in Appendix 1. Across all services over 300 ideas were captured, benefits quantified and signed off by the relevant service leads.

2.4 Business case development

In developing the business case the following stages, shown in Figure 2, were undertaken. The key point to note is that all the service innovation ideas were classified and analysed according to the emerging future operating model, bringing together the key outputs from the senior consultation and service innovation process.

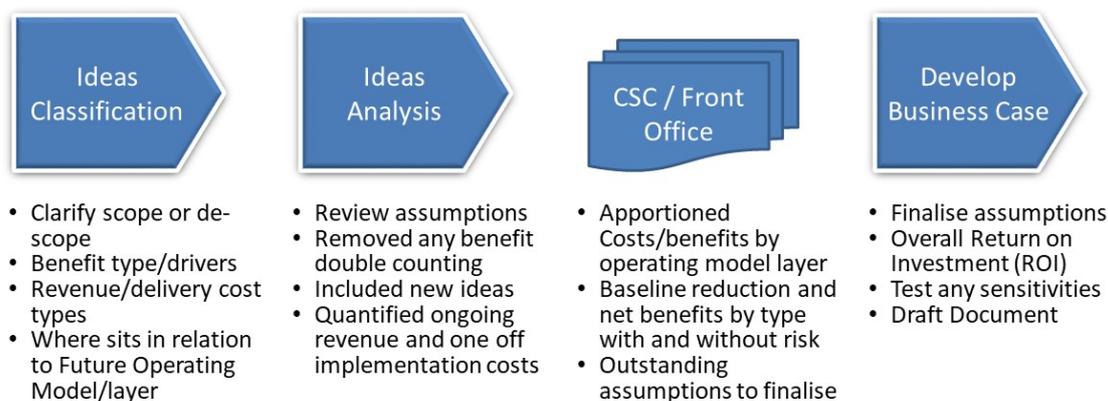


Figure 2: Approach to Business Case Development

3. Current State

3.1 Current operating model

In order to illustrate the potential impact of the future operating model on where WBC is in 2018, a diagrammatic representation of the current operating model is shown in Figure 3.¹ This identifies the current channel mix,² how services are organised, the delivery models in place and key IT systems. This was developed in consultation with members of the WBC Leadership Team and the Customer Services Centre (CSC). The main operational features identified include:

- Customers contact WBC largely through traditional contact channels with digital contact and the CRM system being under-utilised. CSC does not manage all customer contact for WBC and has multiple Line of Business (LoB) systems to work with.
- Use of a duty function to undertake additional triage/gateway to service delivery
- Most services perform well and there is a good collegiate decision-making approach within senior management. The council has a lean structure, but service resilience can be an issue as a result.
- Services are delivered and organised in a traditional way that does not clearly separate core strategic and transactional processes. This means some key skills (i.e. contract management, project management, policy development) are fragmented across the council.
- There has been a lack of investment in digitalisation and process redesign which results in a significant reliance on manual processing with little or no process automation.

¹ As at April 2018 and based on conversations to date.

² Based on estimates from CSC

- There is a positive progressive culture in WBC which helps the organisation to attract and retain good people.
- WBC has a strong vision for the town and good relationship with partners which collectively means WBC ‘can punch above its weight’ in terms of attracting levels of capital investment.
- Services are not fully exploiting commercial opportunities available.

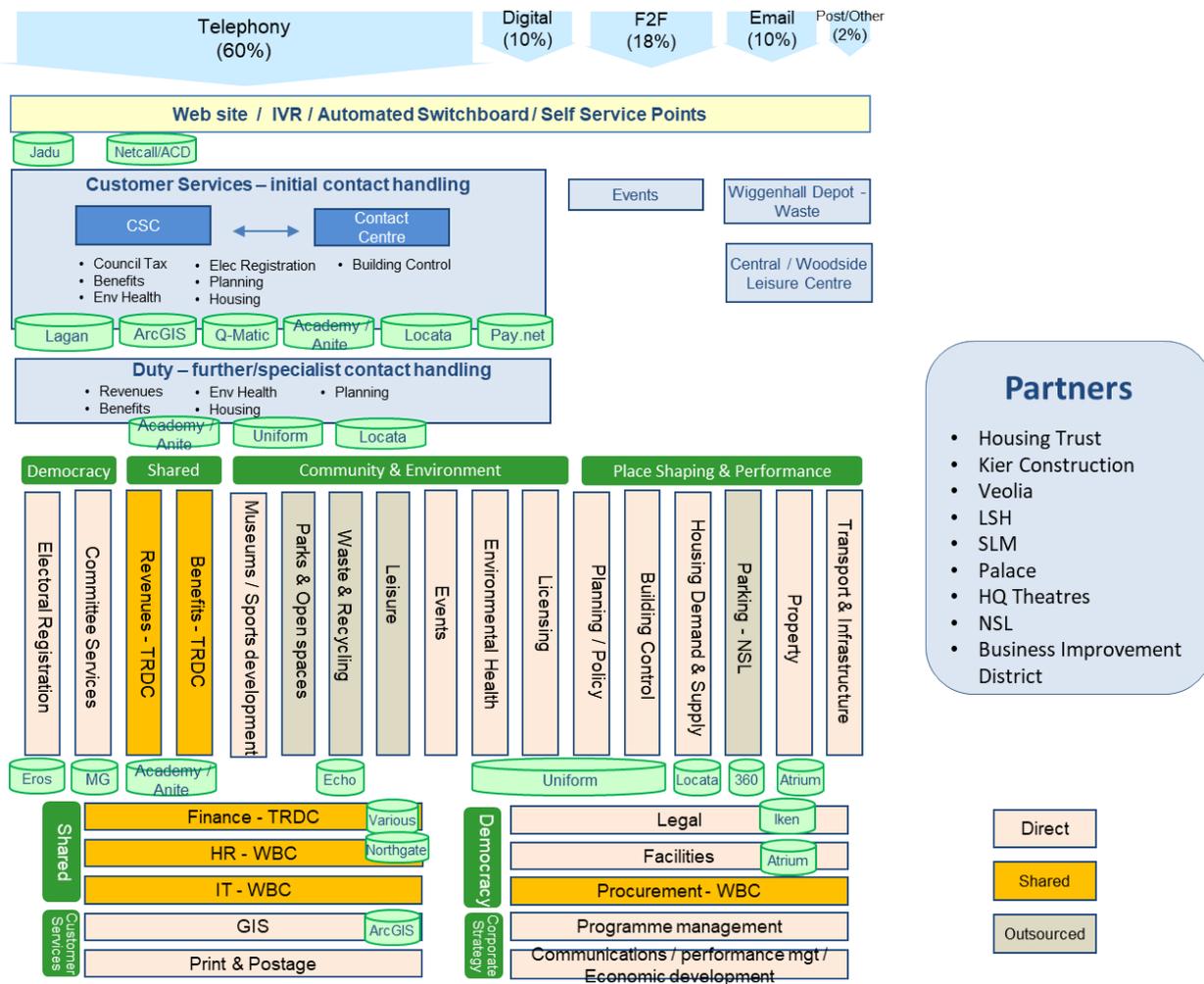


Figure 3: Current WBC Operating Model

Overall it is clear the WBC current operating model does not match future ambition and will not deliver the aspirations of Watford 2020.

3.2 Key themes from service innovations

In developing the future operating model for WBC, the service innovations identified over 300 ideas from which the following common key themes emerged:

- Bring capability together to increase service resilience, standardise processes, reduce handovers and deliver better economies of scale
- Maximise value of professional officer time for those who really need it – separate transactional processing from decision-making and support

- Maximise self-service by providing a proactive and personalised digital experience (external and internal)
- Digitise key processes from front to back to make transactional workflows as lean / automated / integrated to LoB as far as possible, supported by single sets of information (i.e. customer contact record, property data) and mobile working technologies
- Generate capacity for commercial growth, income and delivery of WBC's commercial strategy
- Provide for a mixed economy of service provision and regularly test the market to ensure services are efficient and effective. Ensure robust policy development and performance management across all services.

4. Watford Borough Council in 2020

4.1 Programme Vision

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

- Our high-performing services will provide an excellent customer experience, will be designed from the customer's perspective and will be accessible for all
- Our services will be digital by design, exploiting opportunities provided by existing and emerging technology to deliver significant efficiencies
- We will be innovative, bold and entrepreneurial in continually challenging ourselves to improve performance, reduce costs and generate income.

4.2 Design Principles

To guide development of the high level design, a set of design principles have been agreed by the Watford 2020 Programme Board, Leadership Team and Cabinet and cover process, infrastructure, organisation /people, commercial and information. These are detailed below.

1. Process Principles

- All processes are end-to-end digital by design and maximise use of automation
- The web channel is the default option for customers - Customer Services only facilitate / support use of the web channel for those who can't / won't use it
- We tell customers what they should expect, keep them regularly updated of progress and either meet the expectation we have set or proactively tell them why if it won't be met
- We publish only selected telephone numbers – there is no initial transactional telephone contact with customers anywhere except within Customer Services
- Front-end services are joined-up around life events not our organisational structures adopting tell-us once principles
- Processes are simple, standardised and designed around the customer outcome and ideal customer journey
- We don't check physical things – we use the Internet of Things to alert us when we need to do something

2. Organisation and People Principles

- Our culture is creative, entrepreneurial, pro-active and can-do
- We have the skills and expertise to fully utilise digital capabilities
- Staff are rewarded for enhancing the delivery of our organisational objectives
- Management is output and outcome focused
- We are a learning organisation – we encourage balanced risk-taking and there is no blame for “failure”
- We are outward-facing and industry aware – we learn from what others are doing and we share our learning with others
- Staff are appropriately empowered and encouraged to make decisions and changes
- We have a culture of continuous improvement, always searching for opportunities to make changes that will enhance the value of what we do

3. Infrastructure Principles

- We are enabled to work wherever and whenever
- Accommodation is utilised around functional requirements delivering maximum value from the asset
- We are paper-light
- Our ICT environment is modern and fit-for-purpose
- We only use a defined set of core applications
- All signatures are digital

4. Commercial Principles

- We continually identify and develop opportunities to commercialise existing and new services
- Our partnerships (private and public) are efficient and deliver value
- We have a strategic commissioning and procurement approach that derives the maximum value from every pound spent
- We adopt the most effective delivery models to deliver best value services
- We price commercially ensuring we cover all our direct costs (except when we have made a conscious and evidenced decision to subsidise)
- We are commercially astute – we understand the market and know how to make it work for us

5. Information Principles

- We input/capture data once and use it many times
- We have accurate real-time information about customers and our business performance
- We have a knowledge culture – we are data / information rich, which is used to drive decision-making and day-to-day performance management
- We know what information we hold and we only hold that which we need in the most appropriate format
- We share information where it is appropriate to do so across the council and with our public sector partners

5. Translating the vision into Operations

5.1 Future Operating Model

Every aspect of the council’s transformation is connected and together the components form an integrated future service delivery model. This future operating model describes ‘how’ services will be delivered at a fixed point in time – by 2020 – and a definition of the changes that will need to be made to the current state. It provides a blueprint for what WBC needs to look like in order to deliver the Watford 2020 vision and design principles. The future operating model is shown in Figure 4.

The diagram identifies five layers to the future organisation:



These layers represent common activity within WBC and provide an alternative to a traditional ‘service area’ operational design. They provide a framework for delivering the Watford 2020 Programme and enabling a fundamental shift in how WBC operates.

Delivering the future operating model will mean significant cultural change, with a strong focus on establishing a more strategic, commercial and performance orientated culture. Partnerships and collaboration also underpin the model. WBC will work with its strategic partners in the Town to design and deliver services and enable common objectives / outcomes to be realised.

5.2 Key design features

The main design features and changes for each of the layers are shown in Table 1.

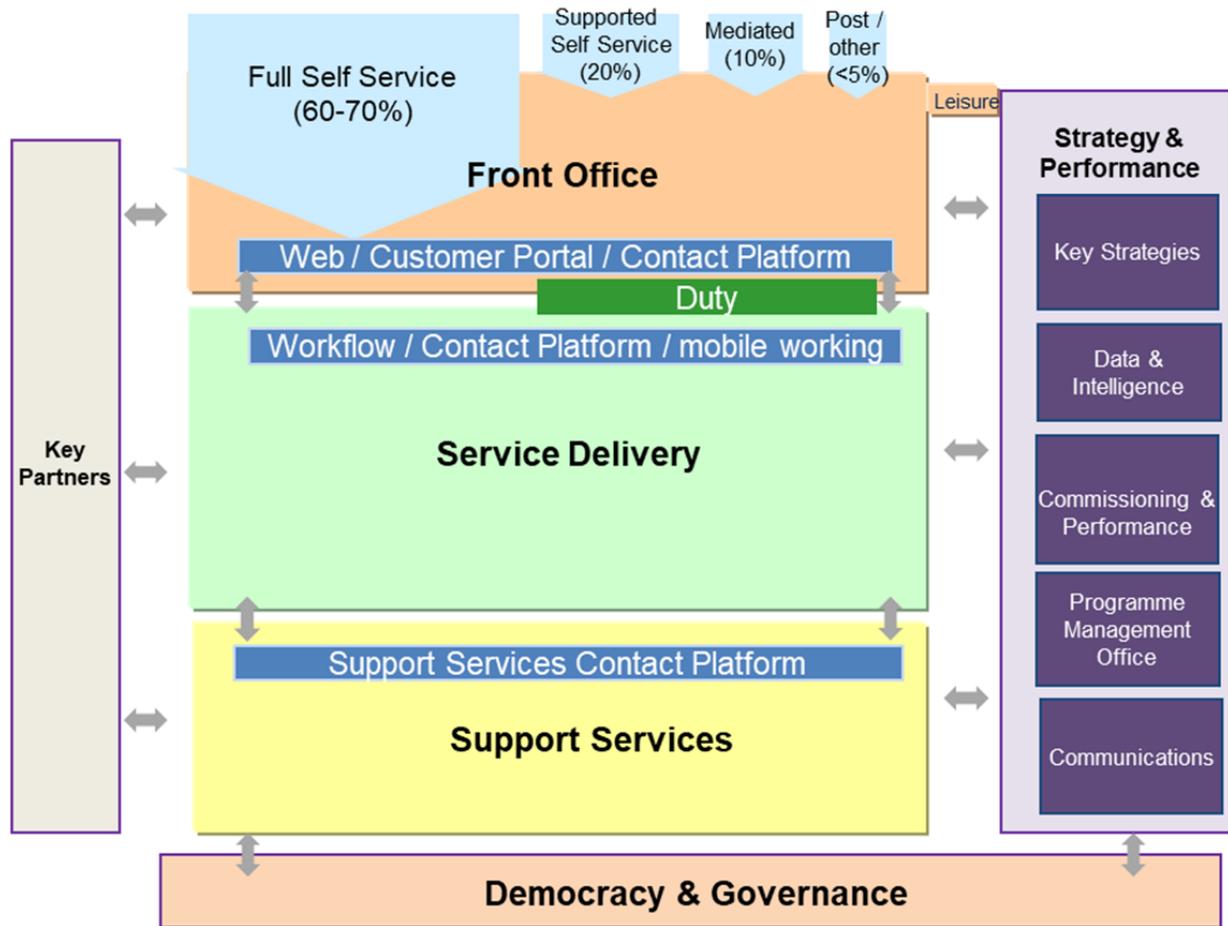


Figure 4: Future WBC Operating Model

Layer	Theme	Design features and key changes	Change rationale
Front Office	Customer contact	<ul style="list-style-type: none"> • “All” customer contact to initiate a transaction / activity through the Front-office either self-served through web / Firmstep or mediated by CSC • Full self-service (digital) predominant contact channel • General principle – if a customer can self-serve through information provided to them on the web or through an account – supported self-service or mediated access can be provided by not specifically trained CSC officers • CSC to apply consistent standards and service level agreements (SLAs) with services to manage expectations and focus activity 	<ul style="list-style-type: none"> • Drives self-service agenda • Frees up professional officer time from dealing with routine / simple queries • Consolidation provides efficiencies through economies of scale • Centralisation provides a consistent customer experience and opportunities to join-up around life events and breakdown council silos which are meaningless to customers
	Customer Account / Firmstep	<ul style="list-style-type: none"> • Firmstep to provide the council’s single portal that enables customers to create their own secure personalised account to request services, track progress and monitor their council service accounts e.g. Council Tax • Customer account to be used to communicate with customers using their preferred communications method for all communication (where legislation allows) • Firmstep to be used to proactively “push” information to customers and to integrate (two-way) into LoB systems • Fully digitise customer contact processes using Firmstep contact platform alongside development of new web content and customer journeys 	<ul style="list-style-type: none"> • Enables self-service agenda • Delivers reduction in external print and postage • Reduces re-keying and routine administrative activity • Professional, technical and service specialists freed up from routine transactions • Improved customer experience through greater access to information
	Digital Mailroom	<ul style="list-style-type: none"> • Single digital mailroom where all post will be scanned and indexed into a digital record for processing supported by technology e.g. barcoding • All outbound communication routed through the digital mailroom to be sent to the customer through their communication method of choice, integrated with the Firmstep account 	<ul style="list-style-type: none"> • Delivers reduction in external print and postage • Supports self-service and digital agenda • Frees up professional officer time from manually processing paper • Consolidation provides efficiencies through economies of scale

Layer	Theme	Design features and key changes	Change rationale
	Web and bulk communications	<ul style="list-style-type: none"> Customer Services to be responsible for authoring transactional web content (including information that could lead to general/simple enquiries) with services remaining as technical experts Content of all bulk external communications to be reviewed by Customer Services and Communications prior to sending out Customer Services to own overall customer journey and experience and digital engagement tools (i.e. web chat) Develop and implement a strategy to drive and support customers to use new digital channels and reduce printed customer letters 	<ul style="list-style-type: none"> Drives self-service agenda Reduces failure demand Reduces simple enquiries that should be self-servable Improves customer experience through enhanced web content written by “experts” Improves customer experience through receiving communications that have been specifically reviewed from their perspective
Service Delivery	Duty function	<ul style="list-style-type: none"> Services to provide a duty function for front line service specialist support (additional service triage/gateway to service delivery) for complex enquiries in order to move decision-making as close to the frontline as possible, minimise hand-offs and enhance the customer experience 	<ul style="list-style-type: none"> CSC is not of sufficient size to create highly trained deep CSC expertise across all areas of the council operation Enhances customer experience through getting the right answer at first point of contact Enables officers in the back office to focus on delivering their work through minimising interruptions as this will be handled by the duty function
	Digital enablement	<ul style="list-style-type: none"> Services fully exploit capabilities of their existing systems and the new Firmstep platform utilising workflow, document management etc. functionality Digital ways of working – no paper files etc. Two-way integration between Firmstep (where transactions will be initiated) and LoB systems Communication with customers delivered through the Firmstep platform via their account 	<ul style="list-style-type: none"> Reduction in administrative overhead and support Enables agile and mobile working efficiencies Enables accommodation rationalisation benefits Ensures we maximise the value from our investment in IT systems Enhanced customer overview of progress through regular automatic updates in their account

Layer	Theme	Design features and key changes	Change rationale
	Agile / new ways of working	<ul style="list-style-type: none"> • Use of mobile devices and new telephony / communications technology to support agile and flexible working • Access to LoB systems in the field • Off-line form functionality to enable offline capture of information and synchronisation with systems when connectivity available • SMART working in the office – functional use of space and desk rationalisation 	<ul style="list-style-type: none"> • Enables accommodation savings • Creates capacity within professional officers • Reduces re-keying and administrative overheads • Enhances customer overview of progress and information through automatic updates in their account • Supports improved work / life balance and staff satisfaction
	Property & FM	<ul style="list-style-type: none"> • Review the relationship between Facilities Management, Buildings and Projects and Property • Options Appraisal around future operating model to modernise and properly utilise the market 	<ul style="list-style-type: none"> • Opportunities for financial savings • Opportunities to enhance quality of service delivery
	Consolidation of events	<ul style="list-style-type: none"> • Bring together responsibility for all events 	<ul style="list-style-type: none"> • Enhances ability to deliver events in a joined-up customer centric fashion • Opportunities staffing efficiencies
Support Services	Effective Business Administration	<ul style="list-style-type: none"> • Consider the best way to provide business support – the administrative work that helps us deliver all our services 	<ul style="list-style-type: none"> • Enhanced resilience better placed to maintain the required service level with abstractions (annual leave, sickness, training) • Provide a more professionalised service to customers across their hours of operation
	Self-service portal	<ul style="list-style-type: none"> • Managers and staff to use fully digitised support services with all internal customer transactions via the Firmstep contact platform with integrations into LoB systems and development of a fully integrated workflow system (i.e. HR) • Streamlined/standardised processes – minimise duplication and handovers between teams • Improved data and knowledge sharing across teams • Implement new digital support tools (i.e. web chat) where appropriate 	<ul style="list-style-type: none"> • Delivers staffing efficiencies and capacity • Professional, technical and service specialists freed up from routine transactions • Improved customer access to information and progress with a transaction

Layer	Theme	Design features and key changes	Change rationale
	Customer-centric approach	<ul style="list-style-type: none"> Embed a customer focussed ethos - support services to develop SLAs to “contract” with their customers to manage expectations and focus activity and priorities 	<ul style="list-style-type: none"> Improved customer experience
	Member Training	<ul style="list-style-type: none"> Planning, commissioning and facilitation of member training to transfer to HR 	<ul style="list-style-type: none"> Enables staffing efficiency
Strategy & Performance	Strategy	<ul style="list-style-type: none"> Function to have accountability for development or commissioning of corporate strategy – Place, Organisation and Commercialism Working alongside partners to seek joined up delivery and economic / commercial opportunities Explore and implement ideas / initiatives to generate additional income and commercialise services (i.e. Contract management) 	<ul style="list-style-type: none"> Enhances ability and expertise in strategy development Consolidates strategy development to ensure consistency and join-up Strategy function to become the initiator of change / development in the organisation and town
	Data & Intelligence	<ul style="list-style-type: none"> New function to provide aggregated data, real-time dashboards, market intelligence and data analytics capability to join up resident, business and spatial information to support a single view across all service areas, deliver customer / town insights and support demand management, service improvement and commissioning Drive development of GIS Develop an electronic asset register and electronic Traffic Regulation Orders (TROs) 	<ul style="list-style-type: none"> Enables an information-rich organisation that is able to pro-actively and rapidly respond to emerging demand / concerns Enables rapid, evidence-based decision-making Enables a robust, data-driven performance management culture Enables consistent delivery of more informed communications
	Commissioning & Performance	<ul style="list-style-type: none"> SLAs to be developed with all services (internal, third-party, shared) and robustly performance managed to ensure delivery against organisational requirements / expectations Function responsible for customer needs assessment, supplier market analysis, market development, and the procurement and contract management of service suppliers (internal and external), performance management and reporting Periodic review of delivery model for all services to ensure maximum value is delivered (noting that this can also relate to social value) 	<ul style="list-style-type: none"> Enhances oversight and performance management of internally delivered services to the same standards as external (outsourced) services Consolidated expertise provides a centre of excellence organisationally to maximise the value delivered from major contracts

Layer	Theme	Design features and key changes	Change rationale
	PMO	<ul style="list-style-type: none"> Corporate programme office capability to track progress on all significant and major projects and enforce robust organisational process Provides centre of excellence to resource all council project and programme management requirements 	<ul style="list-style-type: none"> Reduces overall spend on project / programme management through use of internal resources rather than contractors / consultants and sharing across projects More robust project and programme management discipline enhancing the organisation's ability to successfully deliver projects to time, cost and quality requirements and realise benefits
Democracy & Governance	Digital enablement	<ul style="list-style-type: none"> Fully exploit capability of existing systems in Legal and Democratic Services Maximise use of technology to facilitate better working / sharing information / lean processes 	<ul style="list-style-type: none"> Provides capacity to deliver efficiencies and/or generate income and / or reduce external Legal spend Enhanced customer experience
	Single point for accessing Legal support	<ul style="list-style-type: none"> Legal to be responsible for commissioning all external Legal Support 	<ul style="list-style-type: none"> Ensures external Legal support is only sought where there is no internal capacity / capability available Ensures appropriate instruction and safeguards the organisation
	Members portal	<ul style="list-style-type: none"> Introduce a members' portal (Firmstep) through which members can transact (report faults etc.) and provides an oversight of what is going on in their ward /area of interest 	<ul style="list-style-type: none"> Reduces duplication of reporting and more efficiency dealing with issues raised by members Enhances members' access to information and ability to have an overview of their ward

Table 1: Key design features

5.3 Pen pictures

To bring the vision to life, pen pictures are included which present the experience of key stakeholders after the Watford 2020 operating model has been delivered.

Member perspective

“As someone who has a passion for my local community, the new portal has enabled me to make a real difference to residents by engaging with more people than ever before, giving me all the information I need to promote the great events going on in the town, from family activities in the holidays to the performances at the Cassiobury Park band stand in the summer.

With a full time job, having all my borough council information, from upcoming briefings and committees to notifications about works, in one location is really useful and means that I can answer queries from local residents much more quickly. Just the other day a resident contacted me to report a damaged street sign and rather than keeping them waiting whilst I reported it to officers, I was able to see from the portal that this had already been reported by another resident and was due to be fixed the next day.

By using my tablet to access committee papers, I no longer have stacks of paper to carry around and can read through reports in preparation for Overview and Scrutiny Committee whilst on the train on the way back from work.



Customer perspective



“The Watford Council website provided clear information on how to book a pest control treatment. After creating my online account, I booked an appointment online and was delighted to understand that I can get a discount because I’m receiving housing benefit. I was later sent an SMS message to remind me 24 hours before the council officer was due to attend – making sure I didn’t forget anything!

After the treatment the officer updated the details on his mobile device and confirmed the further treatments required. Once the work had been completed, I was able to provide feedback online and make the final payment from the comfort of my sofa when I got home from work. At the same time, I used my customer account to check my council tax balance and gave permission to share my details with other Council services meaning that I now receive updates about local events via notifications within my account – I’ll never miss a Big Event again!”

“I often go for a walk around Callowland Playing Fields and will always let the council know when a dog owner has not cleared up their dog’s mess. I don’t have a computer at home or a mobile phone with internet so when I first heard about the changes that the council were making to become more digital, I immediately wondered I would still be able to call. I needn’t have worried – I can still give them a ring when I need to and the only difference now is that the lady on the other end of the phone plots the location on a digital map and sends it immediately across to the correct person so that the issue can be resolved. If anything, the service is even better than before!



“I’m not really a computer-person, let alone ‘digitally-enabled’, so when I came into the Town Hall to get myself on the electoral register, the thought of having to use a computer filled me with dread. Luckily as soon as I walked into the Customer Service Centre, I was met by one of the Customer Assistants who was able to sit with me at the computers, load up the correct website and talk me through the different steps to complete the transaction. It was nowhere near as difficult I was expecting and, having someone there to provide that support made me feel much more comfortable. I am not going to go out and buy the latest tablet, but I’d definitely feel much more confident using the computer again in the future”.

Staff perspective

“Over the last 10 years, there have been some big changes in the way we do things. But one thing we have really struggled to do has been to break our reliance on hard copy paper. All our systems were set up years ago when digital transactions weren’t an option and there just hasn’t been the time to properly look at this. That’s why I was so pleased when the Service Innovations started – we all had an opportunity to make suggestions and becoming more digital was at the top of the agenda!

As a Planning Officer, I can now take my mobile device to developments and review the plans whilst on-site – no more printing on the plotter and grappling with huge plans in the wind! I can also take notes electronically and load them directly onto the system meaning that I no longer have to type up notes when I get back to the office.



In the office itself, gone are the boxes of paper plans and planning applications. Instead, the workflow is electronic with new jobs allocated by my manager and dropping into my inbox. My phone no longer rings off the hook as all calls go directly to the CSC with only the more complex queries referred to Planning Officers, giving me more time to prepare for Development Management Committee!”

Customer Service Centre perspective



“The reduction in the number of telephone calls over the last few months has been really noticeable. A lot more people seem to be using the website to self serve and if a customer appears to be struggling to find the information that they are looking for, we are automatically notified and can start a web chat to see if we can help them. When customers do contact us by phone, I am able to access the majority of information that they want using the public website and can even complete the online forms on their behalf. Some of our customers don’t know how to use computers but that’s ok - now that I spend less time on the phone I have the time to provide that supported self-service to help people complete their housing register applications on one of the public computers. You can pick up a lot of information working somewhere like the Customer Service Centre but it doesn’t mean I am a planning expert; fortunately, the Duty Officer is able to answer some of the more complex queries and the online booking system means that customers no longer just turn up and have to wait to be seen.”

Manager perspective



“With an operational service to run, the management of my team can sometimes seem like the last thing on my long ‘to do’ list. When some days are spent running from meeting to meeting, being able to catch up with contractors through video conferencing in one of the breakout rooms has been a real benefit and given me the time I need to spend with the team. Although we have less desks, staff are often out of the office or working from home so it’s not a problem. When members of the team are around, they have the technology to be able to work from any desk, using their laptops to ‘touch down’ wherever is convenient. Having all our information held electronically means that the piles of paper are gone, desks are not cluttered and the working environment is much more pleasant. It also means that I have access to performance data available at the click of a button. I am shortly due to start the procurement process for a new service provider and the ability to request the support I need from other services through the Supporting Services platform at the click of the button has saved loads of time. It has also meant that the procurement and legal support will be available when I need it meaning I can effectively plan team resourcing!”

6. Business Case

6.1 Options appraisal

The council has three broad options for delivering its vision:

1. **Option 1 – Do nothing.** This option is self-explanatory – it represents no change from the council’s current method of operation.
2. **Option 2 – Incremental change projects largely through use of current resources.** This option would entail the implementation of stand-alone initiatives on a department by department basis using spare capacity
3. **Option 3 – Integrated transformation programme with additional transformation resources.** Develop and implement an authority-wide programme of change with additional resources to deliver transformational change

These options are compared in table 2 at a high level against a range of factors.

Option	Costs to implement	Delivery Risk	Financial benefit	Customer Benefit	Overall impact	Analysis
1. Do nothing	Low £0 cost	Low	Low £0 baseline reduction	Low	Low	<p>This option represents no change from the status quo. It would provide limited change to current ways of working, and consequently limited benefits for the council.</p> <p>Whilst cost implications would be the lowest, it does not support the council’s strategic or financial objectives. It certainly would not provide the transformation that the council seeks to deliver, nor address the 2020 savings target in the MTFs.</p> <p>Furthermore, this option places the council in a reactive position when interpreting and acting upon new initiatives (i.e. further changes to service delivery models) and does not deal with current operating model frustrations. The council would fall further behind in the way it provides its services and this is likely to impact resident satisfaction levels in the medium term</p>
2. Incremental change projects largely through use of current resources	Medium ~£750k cost	High	Medium ~£500k baseline reduction	Medium	Medium	<p>This option would involve the implementation of stand-alone initiatives on a project by project basis using current staffing resources. These would include the implementation of Firmstep (but potentially utilising reduced functionality and not maximising opportunities to enhance delivery to customers and efficiency for staff), new telephony and a variety of service specific initiatives.</p> <p>This option would provide a middle ground in terms of cost and benefits. However, it is likely that benefits delivery would be patchy and that overall council wide transformational benefits will not be delivered. Delivery risk is high as it relies on existing resource capacity which is already fully utilised and under pressure. Any major new initiative of scale by diverting existing resources will jeopardise other priorities.</p> <p>This option also presents risk that the application of different approaches (or even technologies) in different parts of the council would lead to a sub-optimal overall solution and, as with option one, risks the council falling further behind in the way it provides its services with the consequent likely impact on resident satisfaction levels in the medium term</p>

Option	Costs to implement	Delivery Risk	Financial benefit	Customer Benefit	Overall impact	Analysis
3. Integrated transformation programme with additional transformation resources	High £1.92m cost	Medium	High ~£1.21m baseline reduction	High	High	<p>This option involves the development and implementation of a single programme, comprising of a number of change projects each designed to deliver aspects of the Watford 2020 operating model. This option would require significant investment in transformation capacity to ensure the programme is properly resourced and delivered. The level of detail in the process would mean that workflows, team resourcing and technology requirements would be objectively identified and provided for.</p> <p>The main advantage of this option is that it allows the council to focus its investment into areas of greatest impact, and to ensure that projects / initiatives are aligned around the operating model. Overall savings are likely to be highest from this option, providing a suitable programme and benefits management infrastructure is put in place. This option is most likely to provide the large scale ambitious transformation the council has committed to.</p> <p>This option requires careful co-ordination of change initiatives, to ensure that risks are managed across the organisation and benefits are delivered</p>

Table 2: Business Case options

By adopting option 3, an integrated transformation programme, the council will be better able to synthesise, rationalise and integrate its responses to the internal and external pressures that it faces. The structure of the programme includes a single, clear set of priorities to be achieved aligned to the future operating model. This will provide a better value for money approach than delivering separate, project-based initiatives and will ensure transformation is resourced, co-ordinated and delivered.

This is also supported by the Corporate Peer Challenge in 2017; *'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..... To be successful...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'*.³

6.2 Benefit drivers

There are a range of business drivers that impact across the operating model layers and enable delivery of benefits. The main benefit drivers and how they make up the Watford 2020 financial savings are shown below.

Drivers	Includes	Split
Centralisation and consolidation of activity or alternative delivery models	Bringing expertise together to deliver better economies of scale and increase service resilience. Implementing new ways and vehicles for delivering services that are cheaper and / or better than the current approach.	41%
Digitisation and process automation	Enabling customers to initiate and complete a range of transactions, including information provision, reporting issues, making payment etc. by themselves without council intervention. Converting information into a digital format to make it more versatile and accessible. Automating steps within a process through technology.	25%
New / expanded commercial opportunities or Increased income via fees	Developing new commercial propositions to maximise income and get the best use out of council expertise, intellectual property and assets. Increasing current charges to residents and businesses to cover the costs of providing those services.	21%
Other uses of technology and process change	Using mobile technology to provide access to core council LoB systems remotely which streamlines business processes and reduces paperwork. Connecting devices to the internet / secure network in order to transmit data and provide a targeted service response	13%

Table 3: Benefit drivers

6.3 Headline benefits

Delivery of the operating model by 2020 will deliver the following benefits (baseline is in 2017/18 unless indicated)

Aim	Benefits Measures	What good looks like
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³ Corporate Peer Challenge Watford Borough Council 12 – 14 September 2017 Feedback Report

Aim	Benefits Measures	What good looks like
Customer-focussed ⁴	<ul style="list-style-type: none"> Customer Satisfaction (across all channels and services) 	<ul style="list-style-type: none"> Increase in % of customers who rate experience of contacting the council as good: <ul style="list-style-type: none"> By Telephone (from 96%⁵ to 99%) By Face to Face (from 74% to 85%) By Web (from 42% to 90%) Improvement for non-high-performing services Maintenance for high-performing services
	<ul style="list-style-type: none"> Number of complaints 	<ul style="list-style-type: none"> Reduction in number of complaints that are upheld
	<ul style="list-style-type: none"> General support/failure demand 	<ul style="list-style-type: none"> Reduction in general enquiries that require officer support / intervention Reduction in failure demand i.e. customers following up to check what is going on Reduction in customers alerting us to physical “defects”
	<ul style="list-style-type: none"> Individual Service performance measures 	<ul style="list-style-type: none"> Improvement for non-high-performing services Maintenance for high-performing services
	<ul style="list-style-type: none"> Customer engagement and “brand” reputation 	<ul style="list-style-type: none"> Increased uptake of “choice” services Increased customer satisfaction Increased resident satisfaction Watford recognised for excellence
Digitally-enabled	<ul style="list-style-type: none"> Channel mix 	<ul style="list-style-type: none"> Increase from circa 10% to 60% of customer initial transactions completed digitally for all WBC customer contact Decrease from 78% to 30% of customer initial transactions completed by phone / face-to-face for all WBC customer contact
	<ul style="list-style-type: none"> Reduction in costs of the council 	<ul style="list-style-type: none"> See below
	<ul style="list-style-type: none"> Staff satisfaction in ICT and ways of working 	<ul style="list-style-type: none"> Increase in satisfaction
Commercially-minded	<ul style="list-style-type: none"> Income to the council and Watford Commercial Services 	<ul style="list-style-type: none"> See below
	<ul style="list-style-type: none"> Quality and use of data and information 	<ul style="list-style-type: none"> Members and senior officers have confidence they understand what is going on in the organisation and that the right initiatives are in place to deliver success

⁴ First contact resolution and hand-offs not included – successful transformation should lead to reduction in first contact resolution and increase in hand-offs (converse of what is the traditional target) as traditional channels will be used for more complex interactions.

⁵ Based on GovMetric reports. Baseline figures for Telephone, Face to Face and Web are taken from February 2018

Aim	Benefits Measures	What good looks like
	<ul style="list-style-type: none"> Contract volumes / procurement spend 	<ul style="list-style-type: none"> Fewer, larger contracts that deliver real value
	<ul style="list-style-type: none"> Delivery of projects to time, cost and quality 	<ul style="list-style-type: none"> Increase in % of those successfully delivered
	<ul style="list-style-type: none"> Staff satisfaction 	<ul style="list-style-type: none"> Increase in satisfaction
Financial savings	<ul style="list-style-type: none"> Reduction in cost of the council 	<ul style="list-style-type: none"> £1.21m net reduction in baseline budgets of which circa £300k is additional income

Table 4: Headline benefits

6.4 Transformation costs

To deliver the £1.21m net reduction in baseline budgets requires a one-off / implementation cost of £1.92m to deliver new capabilities and transformation. Of the £1.92m implementation costs an additional £879k of funding is required across the two year implementation period.

Almost all (£1.90m) of the overall funding is required to deliver the transformation of the council, deliver all of the cost savings and lower risk extra income opportunities⁶ totalling a net financial benefit of £1.14m. The remainder has been allocated to the delivery of the higher risk income generation opportunities with the assumption that any commercial adviser costs will be covered through a gainshare type arrangement, therefore reducing benefit, and only incurring minimal upfront cost to the council.

The main implementation costs cover:

- **Resource – 2020.** Project managers, consultants, business analysts and other subject matter experts who will manage and deliver the transformation working closely with operational teams
- **Resource – Backfill.** Resources required to backfill operational staff who will be seconded to the programme for a period of time
- **IT (above core Firmstep).** Supporting system and technology costs over and above what the council has already spent on the new Firmstep CRM / contact platform (this is covered in a separate business case)
- **HR – redundancy.** Average redundancy cost and pension strain for council staff based on the potential number of post reductions
- **Communications / marketing.** The cost of new campaigns and materials to drive digital take up and support new commercial opportunities
- **Legal.** Additional legal support for new commercial opportunities
- **Training.** Training to support staff in new systems and processes

A summary of the implementation costs are shown in table 5.

⁶ These are opportunities linked to existing service provision and are development / evolution of existing income generating propositions rather than new propositions and new markets, which are not the council's core business. Additionally with a number of these opportunities, if the anticipated income generation is identified to not be achievable the non-cashable capacity that has currently been left to enable the generation of this income will be able to be taken as a cashable efficiency.

Transformation costs (£,000)	2018/19	2019/20	Total
Resource - 2020	785	669	1,454
Resource - backfill	32	8	40
IT software	164	46	210
HR - redundancy / pension strain	101	101	203
Communications & marketing	2	3	5
Legal	2	1	3
Training	3	3	6
Total	1,088	832	1,920
Existing budgets	-520	0	-520
Additional one-off budget needed	568	832	1,400

Table 5: Watford 2020 Transformation costs

No contingency has been included in this budget and therefore any funding requirements in addition to this budget will need to be addressed through separate business cases and as part of the 2019/20 budget round.

6.5 Investment appraisal

6.5.1 Savings

The following tables show the expected financial benefits to be realised through Watford 2020. Table 6 shows a summary of the budget implications of the transformation and the net savings (net of new revenue costs) when compared to the 2018/19 baseline budget and excluding any transformation costs. While the transformation implementation activity will be delivered during 2018/19 and 2019/20 the full effect of the benefits will not be delivered until 2022/23.

Budget implications (£,000)	2018/19	2019/20	2020/21	2021/22	2022/23
Total cost savings	-134	-673	-1,030	-1,105	-1,140
Extra income	-28	-163	-391	-462	-462
Recurring new costs	144	334	392	393	393
Net savings from 18/19 baseline	-19	-502	-1,030	-1,174	-1,209

Table 6: Budget implications of the transformation from the 2017/18 baseline

Watford 2020 will also deliver £257k of capacity savings which will create flexibility and enable delivery of the extra income and cost savings elsewhere and enable delivery of non-financial customer benefits.

6.5.2 Affordability

In terms of overall affordability, the financing implications of the transformation, including the cost of the transformation is shown in Table 7.

Budget implications (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
Recurring new costs	144	334	392	393	393
Net transformation change to 2018/19 base budget	-19	-502	-1,030	-1,174	-1,209
Transformation and one-off costs	1,088	832	0	0	0
Less existing transformation budgets and carry forward	-520	0	0	0	0
Net cost/income in year	550	330	-1,030	-1,174	-1,209
Cumulative financial impact	550	879	-150	-1,324	-2,533
Cumulative savings target	0	0	-1,000	-2,000	-3,000

Table 7: Budget implications

6.5.3 Appraisal

The tables show that to deliver the council’s ambitious transformational objectives and a baseline budget reduction of £1.21m requires a total investment of £1.92m, which is anticipated to give a return on investment (i.e. net benefit) towards the end of 2020/21.

The analysis and review work undertaken to date confirms there is a clear business case to proceed with the next stage of Watford 2020.

6.6 Sensitivity analysis

Sensitivity analysis has been undertaken as part the service innovations when quantifying the financial impact of each idea / opportunity. For each idea, a risk factor / benefit reduction was applied to the saving to take into account confidence in the level of achievability both in terms of the transformation activity and saving. The risk factors were:

- Low risk (10%)
- Medium risk (20%)
- High risk (40%)
- Very High risk (50%)

The numbers presented in the investment appraisal are the calculations with a risk factor applied which is the likely scenario. For comparison, Table 8 shows a summary of the budget implications of the transformation and the net savings **without** a risk factor applied which is a best case scenario. This would deliver a £1.61m net reduction in baseline budgets.

Budget implications (£000)	2018/19	2019/20	2020/21	2021/22	2022/23
Total cost savings	-147	-813	-1,275	-1,368	-1,406
Extra income	-43	-230	-503	-597	-597
less recurring new costs	144	334	392	393	393
Net change to 2018/19 base budget - best case scenario	-45	-709	-1,387	-1,572	-1,610
Most likely scenario	-19	-502	-1,030	-1,174	-1,209
Difference	-27	-207	-357	-398	-402
Cumulative Difference	-27	-233	-590	-988	-1,390

Table 8: Budget implications of the transformation from the 2017/18 baseline (best case scenario)

6.7 Implications for staff

It is unavoidable with a transformation of this type, where financial savings need to be made, that there will not be reductions in the council's establishment and therefore potentially staff redundancies. The high-level design work, which has enabled the development of the business case has indicated that through the delivery of Watford 2020 there will be a reduction of approximately 10 posts⁷ across the council. It is critically important to note however that this is currently an indicative figure; the actual situation will not be known until the completion of the detailed design in each service area, through the next phase of the programme. There is therefore a possibility that the final post reduction (and any consequent redundancies) could be less than that currently indicated above, or equally could be greater; if additional opportunities to deliver efficiency are identified that can reduce the spend of public money without negatively impacting on service delivery, they will be taken. Any staffing changes as a result of the programme will be managed sensitively and in accordance with the appropriate council HR policies with robust staff consultation as required.

7. Delivery

7.1 Transformation approach

To deliver the service transformation and ensure consistency in managing and delivering the change, the Watford 2020 programme will adopt the staged transformation approach described in Figure 5. The high level design stage has been completed to enable the production of this business case. Each service / project will therefore go through the remaining stages with completion of each stage for that service / project providing the opportunity for a gateway review including update of the benefits case. The use of agile principles and processes particularly around the build and implement stages will be deployed. The strategy for delivering the whole programme is summarised as follows:

- The Watford 2020 programme will be led and driven by Heads of Service, Section Heads and managers across the council supported by programme transformation resources
- To minimise disruption, current services will be fully transformed end-to-end and in one cycle fully enabling all customer benefits and efficiency gains to be delivered. This will include design, build and implementation of all components of the new operating model associated with that service. An exception to this will be the Housing Service, which has already undergone significant service delivery change under the Watford 2020 programme in preparation for the Homelessness Reduction Act 2017. There will be a need to revisit the Housing Service to ensure that they benefit from the wider enabling projects, such as mobile working and unified communications, and that these integrate fully with their new ways of working. The other exception to the above rule is the Environmental Health and Licensing project which will have to design and build processes simultaneously because of the vast number of processes covered by the service, so a sequential process is not viable.
- Enabling infrastructure will be delivered in parallel to the service transformation activity
- Where new services and functions are being created a precursor to start the transformation is that an operational lead is in place. This includes, for example, the Data and Intelligence project.

⁷ This rises to 13 if new posts created purely to generate new income are not taken into account.

- Watford 2020 will adopt a programme management approach based on best practice guidance (Managing Successful Programmes). Individual projects will be managed using the principles of Agile and Prince 2 in a pragmatic manner
- Programme and project teams will pro-actively manage risks and issues within a consistent process for identifying risk, allocating ownership and monitoring mitigation strategies to ensure that risk is actively managed.

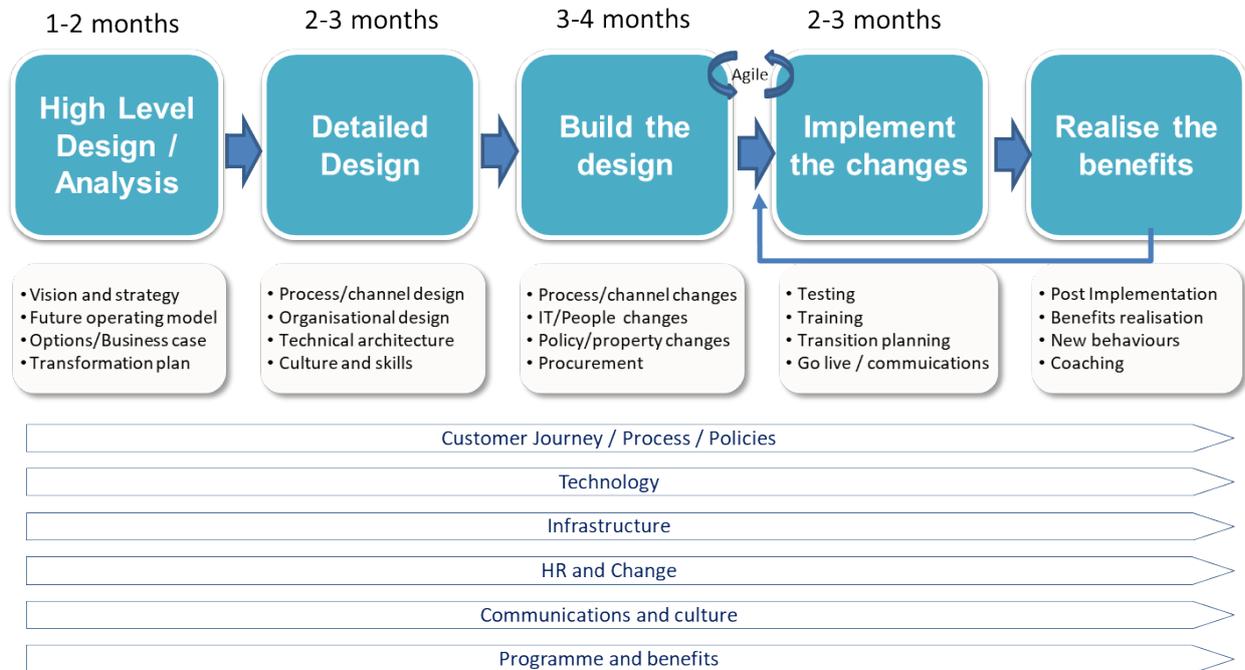


Figure 5 Transformation stage approach

7.2 Programme and project delivery

Transformation will be implemented through a single programme of interrelated projects and key activities. The timing of the work is critical; creating momentum through early success, ensuring that key infrastructure is effectively deployed across projects and ensuring that business as usual isn't compromised. Given the scale and complexity of transformation required, programme and project delivery will be delivered through four categories of work. Table 9 shows the categories, scope, and projects / activities to be delivered which will make up the overall portfolio of work. Those projects / activities shown in *italics* are already underway.

Project / Activity type	Scope	Key resource/dependencies to complete	Projects / activities started in 2018	Projects / activities started in 2019	Transformation stages to be undertaken			
					High Level design	Detailed Design	Build	Implement
Infrastructure / Enabling Based	Implement infrastructure of new operating model that enables delivery of wider change or to enable transformed services to operate in accordance with the new operating model	<ul style="list-style-type: none"> Operational lead Project / transformation support 	CRM / Firmstep	CRM Support Services platform				
			ICT infrastructure transformation	Accommodation De-Camp				
			Idox optimisation					
			Iken					
			Watford 2020 Priority 1 Plan					
			Unified Communications					
			Mobile workforce					
			CSC review					
			Digital mailroom					
			Business support					
			Commissioning & Performance					
			Data & Intelligence					
			Front Office					
People strategy								
Service Transformation Delivery	Covers full scope of ideas to be implemented for services end-to-end in accordance with new operating model	<ul style="list-style-type: none"> Project / transformation lead Key infrastructure of new operating model in place beforehand or being delivered to enable full delivery 	Housing service	Parking / T&I				
			Environmental Health & Licensing	Planning Policy				
			Democratic services	Development Management / Building control				
			Leisure & Community	Human Resources				
			Culture & Events	Finance / Procurement				
			Waste & Recycling	Housing service				

Project /	Scope	Key	Projects / activities started in	Projects / activities started in	Transformation stages to be undertaken			
			Parks & Open Spaces	Legal Service				
			Communications					
			PMO					
			Strategy					
			Revenues / Benefits					
Standalone	Further analysis is required to determine best delivery model / solution	<ul style="list-style-type: none"> Project / SME lead 	FM / Property		✓	Pending outcome of the high level design / analysis		
			Bin sensors					
Commercial	Further analysis required to identify commercial proposition	<ul style="list-style-type: none"> Operational Lead Commercial partner 	Commercial Partnership		✓	Pending outcome of the high level design / analysis		
			Small grants					
			Contract management					
			Pet Bereavement					
			CCTV options appraisal					
			TRO options appraisal					
			Website advertising					

Table 9: Programme work portfolio

7.3 Governance

Detailed governance arrangements for the programme are provided in the Programme Definition Document (PDD). How the portfolio of projects and activities will be managed is shown in Figure 6. The projects / activities shown in *italics* are already underway.

Essentially a series of Project Boards to deliver the enabling infrastructure and service based transformation will be established to oversee delivery. Other transformation activities which involve some initial high level design / options / review work will be managed as a number of standalone work packages pending the outcome of the analysis. All projects and activities will be formally reported to the Watford 2020 Programme Board and monitored to manage dependencies and risks via the Watford 2020 Programme Team. As outlined below the Programme Board will be additionally supported by a Financial Sub-Committee who will provide the assurance necessary to ensure that the business case receives on-going scrutiny and identified benefits are tracked and realised.

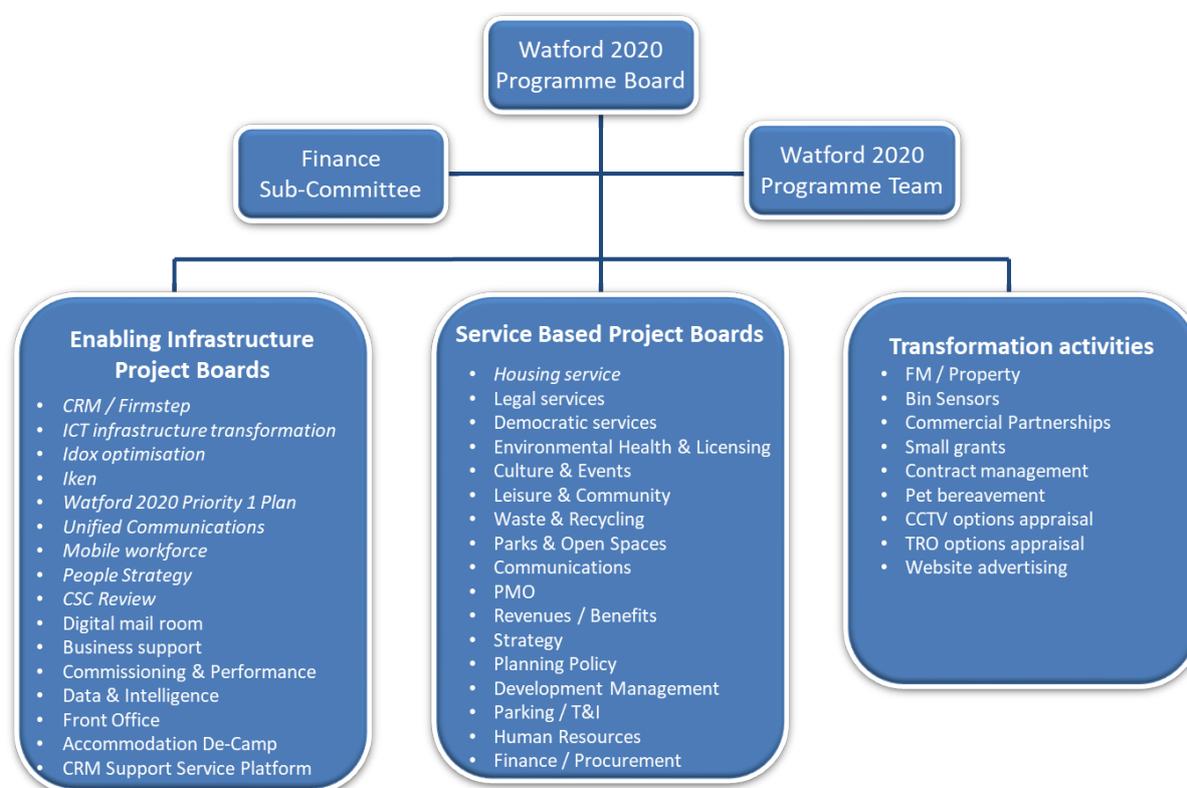


Figure 6 Programme governance arrangements

7.4 Risk

In addition to the risks already identified in the Programme Risk Log, there are several risks associated with the delivery of the future operating model and business case.

Risk	Cause	Consequence	Risk Score	Action agreed to respond / mitigate / control	Date Raised	Risk Score
The council's supporting services are not able to engage in the programme at the sufficient capacity at the required times to enable the programme to be delivered as planned	Not sufficiently resourced, support services are required by different parts of the programme at the same time	Delays to the programme	9	22.06.2017 - Support service leads are on both Watford 2020 Programme Board and Steering Group to obtain early sight of resourcing 21.02.2018 -Roadmap produced in order to allow co-ordination of support services	22.06.17	6
Existing council ICT providers will not be able to integrate with the new CRM system within the timescales outlined in the Project PID	To ensure that the CRM delivers the council's ambition for services to be end-to-end digital by design, existing back office systems must fully integrate with the new CRM. If the Project Manager does not understand these requirements, it will be difficult to accurate project plan	CRM system will not be able to provide the capability anticipated across the organisation. Lagan and Ebase will not be able to be retired when anticipated resulting in additional costs to the organisation	12	31.08.2017 - Project Manager to establish resource requirements and interactions between CRM and existing ICT suppliers. To be actioned following conclusion of procurement process. 06.12.17 - selected supplier can integrate with existing providers. Project Manager seeking confirmation on availability of APIs	10.08.17	6
Staff do not remain positive about the transformation programme as it progresses	The impact of any changes affect some staff members more than others or staff perceive themselves to be impacted by the high level design proposed operating model	Lack of engagement in the programme and a potential impact on business as usual operations	9	07.12.2017 - HR engaged to consider impact of any changes on staff. Actions to consider change management training 08.02.2018 - Cabinet report delayed until June to allow further engagement with staff. 16.03.18 - Briefing document with programme update sent out 26.04.18 – tranche 2 communications plan produced	20.11.17	9
It is not possible to recruit the appropriate calibre of resource to deliver tranche 2 of the programme	Post salary is not comparable to the market, vacancy is not advertised in relevant locations	Unable to deliver detailed design and implementation in the anticipated timescales/unable to maximise anticipated benefits	12	23.02.2018 - Job descriptions reviewed in light of requirement of new posts to focus on the design, build and implementation of projects. Posts to be advertised in relevant locations 13.03.2018 - Some key resource to be met via consultancy 19.04.2018 – Request to Vary completed and a month to be allowed for recruitment	23.02.18	8
It is not possible to deliver the programme at the pace suggested	Capacity and capability of the organisation is not sufficient to manage the large number of projects and significant changes which are required to move to the new operating model by March 2020.	Benefits will not be realised when anticipated.	12	23.02.18 - Roadmap created and to be shared with Leadership Team and Extended Leadership Team. Identified resourcing requirements to deliver programme	23.02.18	12
The benefits identified in the outline business case which rely upon the successful delivery of the ICT Infrastructure project cannot be realised	ICT Infrastructure project is not successful or does not provide the expected capability	Identified benefits cannot be realised or benefits are realised later than anticipated	8	23.02.18 - Project forms part of the Watford 2020 programme and is included on roadmap so dependencies can be identified	23.02.18	8

Risk	Cause	Consequence	Risk Score	Action agreed to respond / mitigate / control	Date Raised	Risk Score
The benefits identified in the outline business case which rely upon the successful delivery of the Unified Communications and Mobile Working project cannot be realised	Unified Communications / Mobile Working project is not successful or does not provide the expected capability	Identified benefits cannot be realised or benefits are realised later than anticipated	8	23.02.18 - Project forms part of the Watford 2020 programme and is included on roadmap so dependencies can be identified	23.02.18	8
The benefits identified in the outline business case which rely upon the successful delivery of the CRM Replacement project cannot be realised	CRM Replacement project is not successful or does not provide the expected capability	Identified benefits cannot be realised or benefits are realised later than anticipated	12	23.02.18 - Project forms part of the Watford 2020 programme and is included on roadmap so dependencies can be identified. Scope was produced alongside Service Innovation process. 23.03.18 - Detailed design template created to provide consistency and ensure managed transfer of services to CRM 18.04.2018 – Training for staff in relation to CRM complete	23.02.18	8
The benefits identified in the outline business case relating to commercial income cannot be realised	£300,000 of the identified benefits is commercial income	Financial benefits will be realised later than anticipated or will be less than anticipated, impacting the ability of the organisation to reduce the baseline budget by as much as required	12	23.02.2018 - Mitigated through the high level design approach and application of risk factors to all ideas, including those related to commercial income. 13.03.18 - LT agreed to commission a commercial advisor to manage	23.02.18	8
Implementation plan (roadmap) timescales are not maintained	Organisational and programme discipline is not present	Expected benefits will be realised later than anticipated and implementation costs will be more than expected. Impact on other parts of the programme due to resourcing pressures.	12	23.02.2018 - Roadmap to be agreed with services in advance. Projects linked to resourcing requirements in both the service area and the front office	23.02.18	8
Decisions are made and benefits based on incorrect information from the Service Innovation high level design work	Data provided by services during the high level design process was incorrect	Benefits identified may not be accurate. Benefits may be less than expected or realised later than anticipated	6	23.02.2018 - Mitigated through the high level design approach and the regular checking back and signing off by services. Where possible, collected data was based on fact than assumption 13.03.2018 - All benefits to be reviewed by Heads of Service and Head of Service Transformation 23.03.18 - Detailed design template drafted to ensure all data and information is validated through detailed design	23.02.18	3

Table 10: Business Case risks

7.5 Roadmap

The overall programme plan for transformation is shown on the next page and will provide a baseline to monitor overall progress. This identifies at a high level the main activities, deliverables and milestones. Individual Gantt charts will be developed for each project to show the detailed activities to deliver all the required outputs and key dependencies. Detailed benefits profiles will be developed to track benefit delivery.



	2017/2018			2018/2019				2019/2020			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Key Milestones				★ Leadership Team - 24 April (Business Case sign-off)				★ Programme Board - 10 April (Service project PID sign off)			
				★ Staff Briefings - 24 May	★ Cabinet - 4 June (Business Case sign-off)			★ Council Tax E-billing			
				★ M.Forum - 15 May	★ Members Briefing - 18 June			★ Self Service drive to commence			
				★ Full Council - 10 July (budget sign-off)	★ Programme Board - 17 July (Service project PID sign off)						
				★ ELT - 26 April							
Enabling Infrastructure Projects / Activities		CRM Project					Project Manager 1 Business Analyst 1 & 2	CRM Support Service Platform Project			
		ICT Infrastructure Transformation									
		Idox Optimisation Project						Project Manager 2	Accommodation De-Camp Project		
		Iken Project									
			W2020 Priority 1 Plan								
			Unified Comms Specification	Unified Comms Procure	Unified Comms Roll-Out						
			Mobile Workforce Specification	Mobile Workforce Procure	Mobile Workforce Roll-Out						
			Customer Service Centre Review	Customer Service Centre Review Short Term Recommendations	Customer Service Centre Review Medium Term Recommendations						
				Project Manager 1 Business Analyst 1 & 2	Digital Mail Room						
					Business Support Project Pre-Design			B.Support Project Design	B.Support Project Build	B.Support Project Implementation	
				Web Manager (+1)		Project Manager 2	Commissioning and Performance Project				
				Data and Intelligence Lead (+1)	Data and Intelligence Project						
		People Strategy Design	People Strategy Implementation								
			Project Manager 1 Business Analyst 1 & 2	Front Office Project							
	Service Based Transformation Projects		Service Innovation High Level Design								
		Housing Service Design	Housing Service Build	Housing Service Implementation							
			Project Manager 2	Democratic Services Design	Democratic Services Build	Democratic Services Implementation	Legal Design	Legal Build	Legal Implementation		
			Consultant 2 Business Analyst 3	Environmental Health & Licensing Design / Build					EH & L Implementation		
			Consultant 1 Business Analyst 3	Leisure & Community Design	Leisure & Community Build	Leisure & Community Implementation	Planning Policy Design	Planning Policy Build	Planning Policy Implementation		
			Consultant 1 Business Analyst 3	Waste & Recycling Design	Waste & Recycling Build	Waste & Recycling Implementation	DC / BC Design	DC / BC Build	DC / BC Implementation		
			Consultant 1 Business Analyst 3	Parks & Open Spaces Design	Parks & Open Spaces Build	Parks & Open Spaces Implementation	Parking / T&I Design	Parking / T&I Build	Parking / T&I Implementation		
			Consultant 1 Business Analyst 3	Culture & Events Design	Culture & Events Build	Culture & Events Implementation	Housing Design	Housing Build	Housing Implementation		
			Consultant 2 Business Analyst 3	Communications Design	Communications Build	Communications Implementation	Human Resources Design	Human Resources Build	Human Resources Implementation		
			Consultant 2 Business Analyst 3	PMO Design	PMO Build	PMO Implementation	Finance/Procurement Design	Finance/Procurement Build	Finance/Procurement Implementation		
					Consultant 2 Business Analyst 3	Strategy Design	Strategy Build	Strategy Implementation			
			R&B Consultant	Revenues/Benefits Design	Revenues / Benefits Build	Revenues / Benefits Implementation					
Service Based Standalone Projects		Estates Consultant Project Manager 2	FM & Property Design	FM & Property Build							
			Bin Sensor Roll Out								
Commercial Projects			Commercial Advisor	Commercial Strategy Delivery							
				Small Grants	CCTV Options Appraisal						
			Project Manager 2	Contract Management	TRO Options Appraisal						
				Pet Bereavement	Website advertising						

Appendix 1 - Services included In Service Innovations

The table below lists all the services innovations undertaken. All innovations included:

- Customer contact activity and where contact is dealt with by the CSC. In addition, a separate review of the CSC was commissioned in February 2018.
- Understanding the current provision of ICT systems and future opportunities. In addition, future provision of ICT has been examined as part of the ICT strategy 2017-20 and ICT infrastructure transformation project.

Area	Service
Place Shaping & Performance	Building Control
	Development Control
	Housing Supply ⁸
	Housing Demand ⁸
	Parking
	Transport & Infrastructure (T&I)
	Planning Policy
Community & Environment	Property & Regeneration
	Parks & Open spaces (including cemeteries)
	Culture & Events
	Leisure & Community
	Waste & Recycling
	Environmental Health
Shared Services	Licensing
	Revenues
	Benefits
	Finance
Democracy & Governance	HR
	Democratic Services
	Legal Services
	Elections
	Facilities Management
Other	Procurement
	Corporate Strategy & Communications
	Print & Postage

⁸ Service review partially completed and handed over to Housing service project

Appendix 2 – Anticipated benefits per project

The table below shows the categorised benefits and new revenue costs expected to be delivered by each project within the transformation programme. The table also explains the rationale for leaving capacity savings rather than taking this as a cashable cost savings.

Project	Cost savings £000	Extra income £000	Capacity savings (notional) £000	New costs £000	Gross benefit £000	Net FTE impact	Rationale behind non-cashable capacity
Accommodation de-camp	0.0	80.0	0.0	0.0	80.0	0.0	-
Business Support	56.0	0.0	0.0	0.0	56.0	-1.3	-
Commissioning and Performance	0.0	6.0	0.0	0.0	6.0	0.0	-
Communications	12.6	0.0	0.0	0.0	12.6	-0.3	-
Culture and Events	62.2	0.0	29.2	0.0	62.2	-1.0	Provides capacity for enhancement of events function
Community and Environmental Services	101.2	0.0	0.0	0.0	101.2	-2.0	
Data and Intelligence	84.6	0.0	0.0	-72.0	12.6	-0.5	
Democratic Services	0.0	0.0	17.7	-6.5	-6.5	0.0	Provides capacity to provide LT and corporate meeting support enabling savings elsewhere
Digital Mailroom	162.8	0.0	26.0	-14.0	148.8	0.0	Provides capacity to deliver commercial opportunities and absorb new requirements under the Digital Mailroom that aren't currently within Print
Environmental Health and Licencing	28.3	16.0	19.9	-9.0	35.3	-0.9	Enables delivery of income generation opportunities
Finance / Procurement	0.0	0.0	2.8	0.0	0.0	0.0	Not cashable and enhances capacity to provide an improved service
Front office	69.5	0.0	0.0	-111.3	-41.8	0.1	-
Housing	0.0	0.0	0.0	0.0	0.0	0.0	-
HR	40.0	11.7	26.0	0.0	51.7	0.0	Supports delivering an enhanced service and provides opportunities to generate income.
IT	12.5	0.0	0.0	0.0	12.5	0.0	-
Legal	0.0	19.8	34.4	0.0	19.8	0.0	Will enable delivery of an enhanced service to customers and/or generate external income and/or do more work in-house and therefore reduce external Legal spend
Leisure and Community	0.8	0.0	0.5	0.0	0.8	0.0	-
Parking / T&I	108.0	57.1	0.0	0.0	165.1	-2.4	-
Parks and Open Spaces	0.0	20.7	20.7	0.0	20.7	0.0	Enables delivery of income generation opportunities
Planning and Building Control	53.2	34.7	49.4	-12.0	75.9	-1.7	Enables delivery of income generation opportunities
Planning Policy	3.0	0.0	0.0	-3.0	0.0	0.0	-
PMO	0.0	0.0	2.2	-6.0	-6.0	0.0	Enhances capacity and is not viable to cash
Property and FM	162.9	0.0	24.0	-6.0	156.9	-0.2	Enables Property function to have greater capacity to deliver their core functions
Revenues and Benefits	118.9	0.0	4.0	0.0	118.9	-3.2	Enhances management capacity and is not viable to cash.
Strategy	0.0	0.0	0.0	0.0	0.0	0.0	-
Support Services platform	0.0	0.0	0.0	0.0	0.0	0.0	-
Waste and Recycling	63.7	0.0	0.0	-5.0	58.7	0.0	-
Commercial Projects	0.0	0.0	0.0	0.0	0.0	0.0	
Print & design commercialisation	0.0	55.1	0.0	-45.0	10.1	1.0	
Small Grant Commercialisation	0.0	4.1	0.0	0.0	4.1	0.0	
Sponsorship	0.0	8.5	0.0	0.0	8.5	0.0	
Contract management service commercialisation	0.0	50.0	0.0	-40.0	10.0	1.0	
Website advertising	0.0	3.0	0.0	0.0	3.0	0.0	
Pet Bereavement Services	0.0	25.0	0.0	-5.0	20.0	0.0	
HR Commercialisation	0.0	70.0	0.0	-58.4	11.7	1.0	
CCTV Options Appraisal	0.0	0.0	0.0	0.0	0.0	0.0	
TOTALS	1,140.3	461.5	0.0	-393.1	1,208.7	-10.4	

Table 11: Gross anticipated benefits per project, FTE implications and rationale behind non-cashable capacity

This table presents the profiled revenue impact of each project across the period 2018 – 2023 i.e. when savings are expected to be realised or new revenue spend is expected to be committed. Positive figures are savings (i.e. net budget reductions) and negative figures are net new cost increases.

Project	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Accommodation de-camp	0.0	0.0	80.0	80.0	80.0
Business Support	0.0	0.0	56.0	56.0	56.0
Commissioning and Performance	1.5	6.0	6.0	6.0	6.0
Communications	3.2	12.6	12.6	12.6	12.6
Culture and Events	13.0	61.7	62.2	62.2	62.2
Community and Environmental Services	11.3	45.1	101.2	101.2	101.2
Data and Intelligence	-72.0	-45.4	12.6	12.6	12.6
Democratic Services	-3.0	-6.5	-6.5	-6.5	-6.5
Digital Mailroom	17.8	73.8	98.8	148.8	148.8
Environmental Health and Licencing	10.5	29.4	36.1	35.3	35.3
Finance / Procurement	0.0	0.0	0.0	0.0	0.0
Front office	-50.4	-77.1	-41.8	-41.8	-41.8
Housing	0.0	0.0	0.0	0.0	0.0
HR	12.2	28.3	51.7	51.7	51.7
IT	6.3	12.5	12.5	12.5	12.5
Legal	2.5	8.3	19.8	19.8	19.8
Leisure and Community	0.6	0.8	0.8	0.8	0.8
Parking / T&I	67.1	82.8	145.6	165.1	165.1
Parks and Open Spaces	0.0	15.4	20.7	20.7	20.7
Planning and Building Control	0.0	27.0	71.2	75.9	75.9
Planning Policy	0.0	0.0	0.0	0.0	0.0
PMO	-3.0	-6.0	-6.0	-6.0	-6.0
Property and FM	-0.1	156.9	156.9	156.9	156.9
Revenues and Benefits	0.0	48.8	66.3	83.8	118.9
Strategy	0.0	0.0	0.0	0.0	0.0
Support Services platform	0.0	0.0	0.0	0.0	0.0
Waste and Recycling	0.7	54.2	55.9	58.7	58.7
Commercial Projects					
Print & design commercialisation	0.0	-20.0	-8.3	10.1	10.1
Small Grant Commercialisation	0.0	2.5	4.1	4.1	4.1
Sponsorship	0.0	8.5	8.5	8.5	8.5
Contract management service commercialisation	0.0	-2.5	10.0	10.0	10.0
Website advertising	0.8	3.0	3.0	3.0	3.0
Pet Bereavement Services	0.0	0.0	11.7	20.0	20.0
HR Commercialisation	0.0	-17.5	-11.7	11.7	11.7
CCTV Options Appraisal	0.0	0.0	0.0	0.0	0.0
TOTALS	18.6	502.4	1,029.8	1,173.6	1,208.7

Table 12: Profiled revenue impact of each project

Note: Some projects have a net cost increase. These are needed to realise savings and service improvements in other projects. If this is found not to be the case during the detailed design they will be deleted then.



**WATFORD
BOROUGH
COUNCIL**

Equality Impact Analysis

Title of policy, function or service	Watford 2020 Programme
Lead officer	Andrew Cox, Head of Service Transformation
Person completing the EIA	Liam Hornsby, Watford 2020 Programme Manager
Type of policy, function or service:	Existing (reviewed) <input type="checkbox"/> New/Proposed <input checked="" type="checkbox"/>
Version & Date	Version 0.2 19 April 2018

1. Background

Watford 2020 is a two year programme with the ambition to transform the council into a customer-focused, digitally-enabled and commercially-minded organisation by 2020. A series of 'Service Innovations' were carried out across the council between July and December 2017 through tranche one of the programme. The Service Innovations sought to baseline the current operation of services, generate novel ideas for future service delivery and model any changes to identify potential opportunities. This work, which was undertaken in collaboration with services and alongside Leadership Team engagement, identified a significant number of indicative benefits, both financial and non-financial, to the council which will support the delivery of the programme vision as well as the £1million baseline revenue reduction necessary to maintain the on-going financial sustainability of the organisation.

Accompanying this document is a business case and implementation plan, providing the business justification for moving to the next tranche of the programme, which will include a detailed design, build and implementation phase for each service project within the organisation. The detailed design phase will provide the opportunity for services, alongside the Transformation Team, to review in granular detail the different processes, technology and information used and relied upon. As such, further Equality Impact Analyses will be conducted in relation to each of these specific projects to ensure that the impact of any changes is appropriately managed across all areas of the programme.

This document provides the Equality Impact Analysis based on the high level vision, design principles and Service Innovation work undertaken so far.

2. Focus of the Equality Impact Analysis

This EIA, therefore, considers the potential equality related impacts, both positive and negative of the Watford 2020 Programme on the people in the groups or with the characteristics protected in the Equalities Act 2010.

These are:

1. Age
2. Disability
3. Gender Reassignment
4. Pregnancy and maternity
5. Race
6. Religion or belief
7. Sex (gender)
8. Sexual Orientation
9. Marriage and Civil Partnership.

3. Engagement and consultation

No direct engagement or consultation has been carried out with service users at the current time.

The nature of the programme means that any such consultation would be of limited use at the current time. As part of the detailed design phase, there will be an opportunity for new processes and online transactions to be tested by customers and any impact measured.

4. What we know about the Watford population

The vision of the Watford 2020 programme is for Watford Borough Council to be a customer-focused, digitally-enabled and commercially-minded organisation. The services provided by the council are intended to serve our local communities and placing our customers at the heart of everything we do is central to the programme and the change it was initiated to deliver.

Overall population

The population of Watford is 96,400 (mid-year estimate 2015). The population continues to grow and was anticipated to hit 100,000 during 2017. The current government projection for population shows Watford's population as 124,700 by 2037.

Age

The largest populations by age band in Watford are:

- 25-44 (31,700)
- 45-59 (18,100)

The numbers in each successive age-band fall progressively until there are estimated to be 6,000 who are 75+. We know that around 74,000 residents are of voting age in Watford and, with an average of age of 36, Watford has a relatively young population, compared with other towns in England and Wales. Residents of this age typically feel more comfortable transacting with organisations online and, for many, this is their preferred method of contact, with the 24/7 availability of services attractive to those with busy lifestyles.

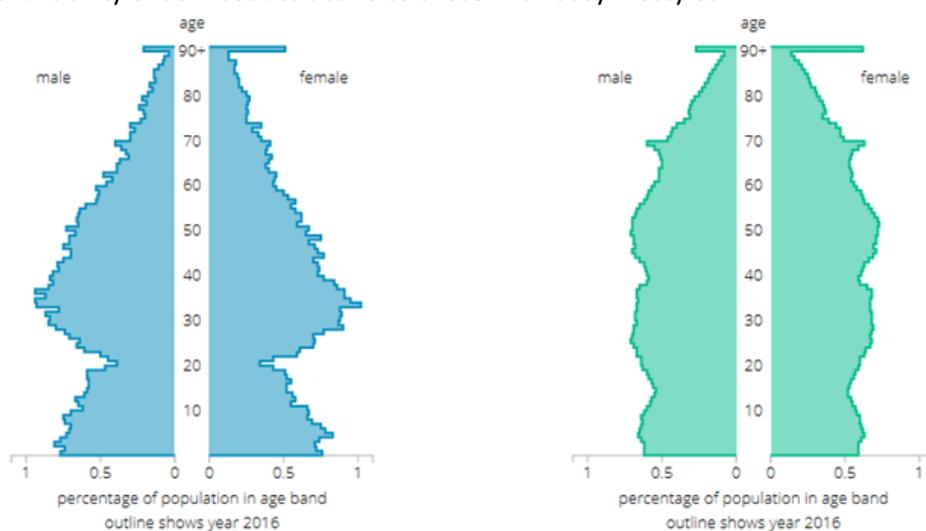


Diagram 1: Watford's population in age band (left) compared to the average in England and Wales (right)

Ethnicity

Watford has a very diverse population, more so than the rest of Hertfordshire.

For Watford overall, the Census 2011 shows the following breakdown in terms of ethnicity: White British (61.9%), White other (7.7%), Pakistani (6.7%), British Indian (5.5%) and British other Asian (4.4%).

Disability / Health

Around 85% of the population of Watford state that they have 'good health' and just under 14% record a disability. We do not have details as to what these disabilities are but they will include a wide range of physical and mental health disabilities or impairment. The 2016 NHS Health Profile's summary conclusion is that the health of people in Watford is 'varied' compared with the England average. About 14% (2,700) of children live in low income families. Life expectancy for both men and women is similar to the England average (which is an improvement on previous years when men's was lower).

Religion / belief

The religious breakdown in the Census 2011 of the main religions in Watford was: Christian (54.1%), Muslim (9.8%), Hindu (4.8%), with no religion stated at 21.4%.

Sexual orientation / Transgender

Watford has no specific data on the transgender community within the borough

Education and skills

A skilled workforce supports the economic development and employment aspirations for Watford. There has been a mostly increasing trend in Watford over the last few years; Watford's working age population has the third highest percentage (43.7%) in Hertfordshire of those with qualifications at NVQ 4 and above (St. Albans is the highest with 62% and East Herts second highest with 44.2%); this is also higher than both the 40.4% average in Hertfordshire and the England average of 34.2%. There are fewer people with no qualifications and significantly more people with Level 4/5 qualifications (degree level).

63.6% of Watford young people achieved 5 A*-C including English & Maths at the end of key stage 4. This is the better than the England average of 57.8%.

Homelessness

Whilst this is not a protected characteristic under the Equality Act 2010, the council recognises that the particular circumstances of people without their own home might be a factor in their taking an active role in our community. We currently have 24 statutory homeless (December 2017) and 188 households in temporary accommodation (December 2017).

MOSAIC profile

Our MOSAIC profiling of the borough enhances our understanding of our population and provides valuable context for our decision-making as well as underpinning our communications and engagement.

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%

Table 1: Watford's MOSAIC profile (2016)

5. How the council will ensure equality is promoted through the Watford 2020 Programme

Under the Equality Act 2010, three areas need to be considered when analysing the equality impact of the Watford 2020 Programme:

1. **Eliminate** discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
2. **Advance** equality of opportunity between people who share a relevant protected characteristic and people who do not share it
3. **Foster** good relations between people who share a relevant protected characteristic and people who do not

Part of the programme's vision to ensure all parts of the council are 'customer-focused' details the requirement for services to be 'accessible to all' and the management of changes across the organisation under one programme will mean that all projects are working towards this shared vision. The on-going alignment to this vision is critical to the programme's success and so will provide a minimum standard for services through the detailed design, build and implementation of changes.

The commitment, detailed in the outline business case and future operating model, that customers will not be forced to transact with the council digitally through closure of existing channels, provides assurance that no individual will be negatively impacted by the increase in digital capability of the organisation, which should be viewed as an enhancement of existing provision, rather than a change. Furthermore, the continuation of a duty function in our Customer Service Centre will ensure that the most vulnerable individuals, such as those accessing Housing Services or Benefits and who require specialist assistance, will receive this as quickly as possible from experienced and knowledgeable professionals. As a relatively small local authority, the council does not have the resources available to resource our Customer Service Centre with experts on every service area but this duty function ensures that customers are not adversely impacted as a result. The additional provision of Customer Service 'champions' means that the link between our front office staff and service delivery departments remains robust.

A. Positive impacts

- The Watford 2020 Programme aims to ensure that all processes are 'digital by design'. This does not mean that customers cannot still contact the council via the telephone or by coming into the Customer Service Centre. However, it means that those customers who are able and want to contact the council using the internet can do so 24 hours a day, 7 days a week. The streamlining of processes as a result of this design principle will mean that queries and transactions from all customers are dealt with more efficiently meaning that the council is able to provide an enhanced service for all customers. What we know about the Watford population, including the average ages and MOSAIC profile, would indicate that effective online solutions would be beneficial to a significant number of our population.
- The anticipated shift of transactions online as a result of the enhanced digital capability will mean that Customer Service Centre staff are more available to help customers face to face or on the telephone. It is anticipated that this will reduce current waiting times for those customers seeking to access services via this channel resulting in a better service.

- Disabled customers, including those with visual or hearing impairments, who may find it difficult to attend the Town Hall in person will also benefit from the enhanced digital capability proposed by the Watford 2020 programme. The ability to undertake transactions online from home avoids the need for those customers who find making journeys difficult to travel unnecessarily.
- The closer working relationship between Customer Services and other departments will mean that customer-facing professionals will be responsible for reviewing all bulk external communications. This is to ensure that all correspondence is clear and avoid any technical language which may not be understood by customers. It is anticipated that this will improve customer's experience; receiving communications which have been specifically reviewed from their perspective. This may be particularly beneficial for residents who do not have English as their first language.
- The retention of the duty officer function, as outlined in the attached operating model diagram, means that the most disadvantaged residents in the town will still be able to access professional officers face-to-face so that the necessary personal service, and understanding of individual circumstances, can be maintained.

B. Negative impacts

If the programme, and its constituent projects, resulted in a 'one size fits all' solution there would be a risk of negative impacts, with some parts of communities more negatively impacted than others. This would clearly include people without access to digital technology. However, as this has already been identified as a risk and the intention of the programme is not to withdraw existing access changes, the 'one size fits all' approach has been rejected and so any negative impact avoided.

However, as outlined above, this will continue to be reviewed through additional Equality Impact Assessments, attached to each Watford 2020 project, throughout the life of the programme. This will allow continuing review of the council's equality obligations as the detailed changes in each service is known.

6. Overall conclusion

Having completed an Equality Impact Assessment, it is concluded that the Watford 2020 programme will have a positive impact on local residents, businesses and customers of the council. In all instances, the intention is to enhance service delivery, providing additional and more efficient access channels for customers, whilst retaining those currently in use for those customers who are not comfortable using, or who do not wish to use, the internet. The drive towards digital will also mean that our Customer Service Centre staff will be available to help customers attending the Town Hall or using the telephone to contact the council. None of the proposed changes outlined in the Watford 2020 business case are anticipated to disproportionately impact upon people who share a protected characteristic but the provision of additional Equality Impact Assessments for each of the projects within the programme will ensure that this is maintained and considered throughout the life of Watford 2020.

Summary of potential positive impacts and ways in which they can be ensured

Positive Impact	Protected characteristics	Ways to ensure the positive impact
<p>The 'digital by design' principle within the programme means that the council can provide an enhanced service to all customers</p>	<p>All</p>	<p>Noting that not all residents have access to computers or are comfortable using digital solutions, no current access channels will be withdrawn as a result of the programme. Customers will still be able to call the council directly and to visit in person in the Customer Service Centre. The only exception to this is e-mail, which as an unstructured form of communication can lead to significant failure demand and service inefficiency. Those customers who currently use e-mail will be able to complete online forms via their customer account if they wish to transact with the council online. The procurement of a new Customer Management System means that these online transactions will be much simpler than currently but customer engagement will be maintained as processes are moved to the new system as part of individual service projects. Furthermore, the anticipated channel shift as a result of an improved online offer, will free up Customer Service Centre staff to provide supported self-serve, for those customers who want to self serve via the telephone or in the Town Hall, but who require some guidance, and mediated service for those who prefer to transact over the telephone or face-to-face. All customers will be able to transact with the council 24 hours a day, 7 days a week, as a result of the improvement in online provision</p>

Positive Impact	Protected characteristics	Ways to ensure the positive impact
Review of bulk communications by Customer Services will avoid confusion amongst customers	All (potentially)	This is to ensure that all correspondence is clear and avoid any technical language which may not be understood by customers. It is anticipated that this will improve customer's experience; receiving communications which have been specifically reviewed from their perspective. This may be particularly beneficial for residents who do not have English as their first language.
Access to specialist officers and professionals when required	All	The on-going provision of the duty function, particularly for Housing and Benefits customers, means that the most disadvantaged residents in the town will still be able to access professional officers face-to-face so that the necessary personal service, and understanding of individual circumstances, can be maintained.

Summary of potential negative impacts and ways in which they can be removed or mitigated

Negative Impact	Protected characteristics	Ways to mitigate the negative impact
Withdrawal of existing access channels and an insistence that services can only be accessed online would disadvantage customers who do not have access to a computer or who do not feel comfortable transacting in this way. Customers who require face-to-face support, particularly those who are vulnerable, would also be disadvantaged.	All	Existing access channels will not be withdrawn as a result of the programme. The only exception to this is e-mail, which as an unstructured form of communication can lead to significant failure demand and service inefficiency. Those customers who currently use e-mail will be able to complete online forms via their customer account if they wish to transact with the council online.

This EIA has been approved by:

Kathryn Robson, Head of Corporate Strategy and Communications

Date – 19 April 2018

Part A

Report to: Council
Date of meeting: 10 July 2018
Report of: Committee and Scrutiny Officer
Title: Neighbourhood Locality Funds

1.0 **Summary**

1.1 This report provides the annual report for the neighbourhood locality funds in accordance with the fund's protocol. It includes information about the overall budget and the types of projects the wards have supported during 2017/18.

1.2 Council is asked to note the report.

2.0 **Risks**

2.1 There are no identified risks as a result of this report

3.0 **Recommendations**

3.1 that the annual report be noted.

Contact Officer:

For further information on this report please contact: Sandra Hancock,
Committee and Scrutiny Officer
telephone extension: 01923 278377
email: legalanddemocratic@watford.gov.uk

Report approved by: Carol Chen

4.0 **Detailed proposal**

4.1 **Neighbourhood Forums to Neighbourhood Locality Fund**

Neighbourhood Forums were originally established at Annual Council on 21 May 2008. At that time it was agreed that each forum would comprise the three borough councillors for the local electoral wards. They gave councillors the opportunity to engage with local residents, businesses and community groups within their ward. The

councillors were able to use the funds to hold meetings and fund local projects within the community.

- 4.2 During 2016/17 a time limited scrutiny task was set up to review Neighbourhood Forums and look at the operation of the fund. The task group had been proposed by the Head of Democracy and Governance in conjunction with the Mayor.
- 4.3 The task group’s final recommendations were considered by Cabinet at two meetings. Following the first meeting the Mayor set up a small group to further review the recommendations. The group comprised the Mayor, the task group chair, Councillor Cavinder, the Portfolio Holder for Community, Councillor Collett, and the Head of Democracy and Governance. The discussions and revised recommendations were presented to the second Cabinet meeting and were agreed.
- 4.4 As a result of the task group the fund was renamed ‘Neighbourhood Locality Funds’. The funding for 2017/18 remained the same, but all councillors within the ward had to agree to the project rather than two councillors under the Neighbourhood Forum protocol.
- 4.5 Another recommendation which was agreed was that each ward would provide an evaluation for each of their projects. This was to show whether the councillors felt the project had provided value for money.

2017/18

- 4.6 In 2017/18 each ward was allocated a budget of £2,500. As before, the funds could be used to fund projects or hold meetings in the ward. Only Central ward councillors arranged specific neighbourhood meetings.
- 4.7 The wards spent a total of £28,526.00. This can be broken down as follows –

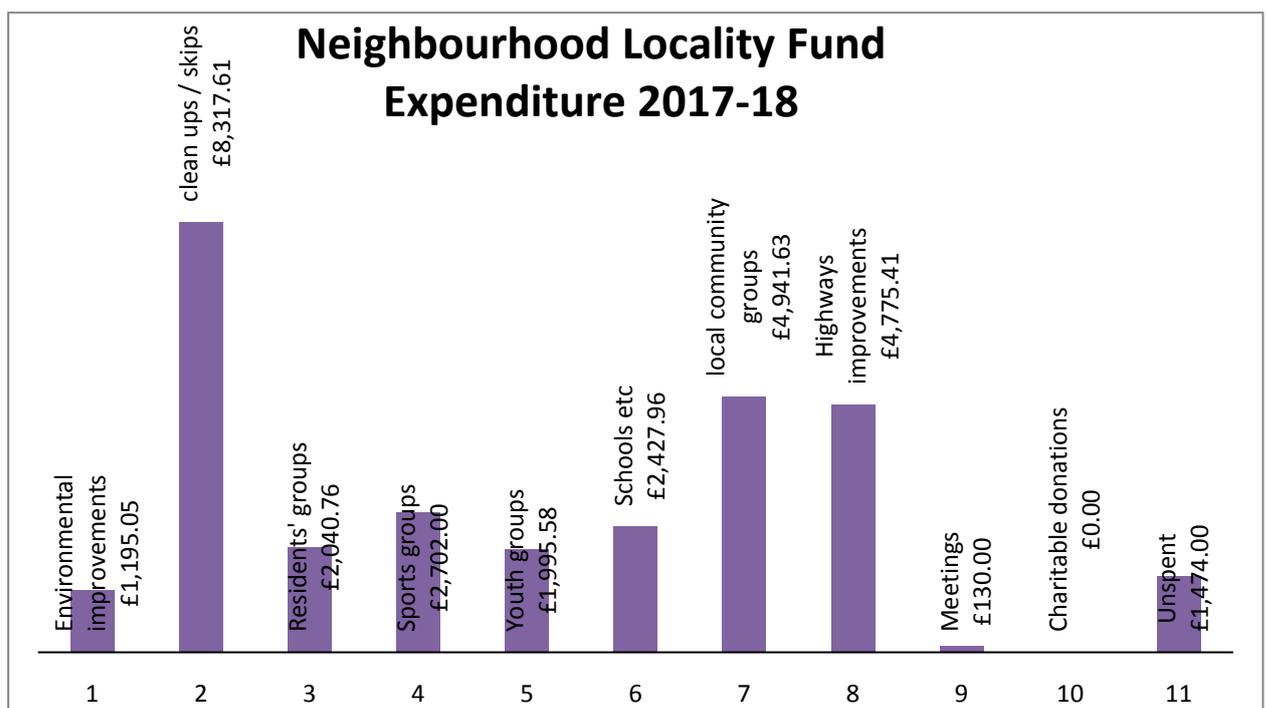
Ward	Expenditure
Callowland	£2,250.00
Central	£2,462.96
Holywell	£2,480.00
Leggatts	£2,270.00
Meriden	£2,375.00
Nascot	£2,500.00
Oxhey	£2,499.81
Park	£1,688.23
Stanborough	£2,500.00
Tudor	£2,500.00
Vicarage	£2,500.00
Woodside	£2,500.00

4.8 As mentioned earlier each ward was asked to complete evaluation forms for all projects. At the time of writing this report five wards had forwarded completed evaluation forms.

4.9 Democratic Services has reviewed the different types of expenditure and identified the most popular. These are listed below –

- Community clean up (including skip hire and printing and delivery of leaflets) (29% of the overall expenditure)
- Local community groups and organisations (17% of the overall expenditure)
- Highways improvement (includes replacement trees, installation of cycle hoops, bollards, notice boards, other street furniture and resurfacing works) (16% of the overall expenditure)
- Sports groups (includes purchasing equipment and event costs)
- Schools and play groups (includes schools, education, training, pre-schools, children’s centres and play groups)
- Residents’ groups and their community activities
- Youth groups (includes scouting and other youth groups)
- Environmental improvements (includes trees for public parks and gardens, shrub and flower planting, hedging, park benches, signage, fencing and post and rail works)
- Meetings (cost of hiring the hall)
- Charitable donations (although there has been no expenditure for this type this year, there has been considerable expenditure in the past)

4.10 The table below shows the amount spent for each type of expenditure.



5.0 Implications

5.1 Financial

5.1.1 The Shared Director of Finance comments that the financial implications are contained within the report.

5.2 Legal Issues (Monitoring Officer)

5.2.1 The Head of Democracy and Governance comments that there are no legal implications in this report

5.3 Equalities/Human Rights

5.3.1 There are no risks associated with equalities or human rights as a direct result of this report.

5.4 Staffing

5.4.1 There are no staffing implications as a direct result of this report.

5.5 Accommodation

5.5.1 There are no staffing implications as a direct result of this report.

5.6 Community Safety/Crime and Disorder

5.6.1 There are no community safety or crime and disorder implications as a direct result of this report.

5.7 Sustainability

5.7.1 There are no sustainability implications as a direct result of this report.

Appendices

None

Background Papers

- *Application forms, expenditure sheets and evaluation forms for the individual wards and projects*

File Reference

None

PART A

Report to: Council
Date of meeting: 10 July 2018
Report of: Committee and Scrutiny Officer
Title: Annual Report of Overview and Scrutiny in Watford Borough Council 2017/18

1.0 **Summary**

- 1.1 The Constitution requires that a report is presented to Council annually on the work of scrutiny during the preceding year.
- 1.2 This report introduces the Annual Report of Overview and Scrutiny in Watford Borough Council for 2017/18, attached as Appendix 1 to this report.

2.0 **Risks**

- 2.1 None identified from the report.

3.0 **Recommendations**

- 3.1 that Council notes the Annual Report of Overview and Scrutiny for Watford Borough Council 2017/18.

Contact Officer:

For further information on this report please contact: Sandra Hancock
telephone extension: 8377 email: legalanddemocratic@watford.gov.uk

Report approved by: Head of Democracy and Governance

4.0 **Detailed proposal**

- 4.1 The Annual Scrutiny Report refers to the scrutiny work carried out during 2017/18; it
- describes the work and process of the council's scrutiny committee, panels and task groups over the preceding year;

- sets out facts regarding the structure and operation of scrutiny during 2017/18;
- provides an indication of performance as measured by the scrutiny surveys.

4.2 The main details are contained within the report, attached as Appendix 1.

5.0 Implications

5.1 Financial

5.1.1 The Shared Director of Finance comments that there are no financial implications.

5.2 Legal Issues (Monitoring Officer)

5.2.1 The Head of Democracy and Governance comments that there are no implications in this report.

5.3 Community Safety/Crime and Disorder

5.3.1 The council has a statutory duty to scrutinise the local crime and disorder partnership. This is carried out by the Community Safety Partnership Task Group, which meets at least three times a year.

Appendix

Appendix 1 – Annual Report of Overview and Scrutiny, Watford Borough Council 2017/18

Background Papers

- Results of the 2017/18 scrutiny surveys
- Reports and minutes of scrutiny committees, panels and task groups

File Reference

None



Annual Report of Overview and Scrutiny Watford Borough Council 2017/18

A report of the Committee and Scrutiny Officer

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1. Introduction and overview of 2017/18

In 2017/18 the scrutiny structure comprised Overview and Scrutiny Committee as the overarching committee, Budget Panel, Outsourced Services Scrutiny Panel and the Community Safety Partnership Task Group which continued to monitor the Community Safety Partnership. (See scrutiny structure on this page.)

One task group took place during 2017/18 –

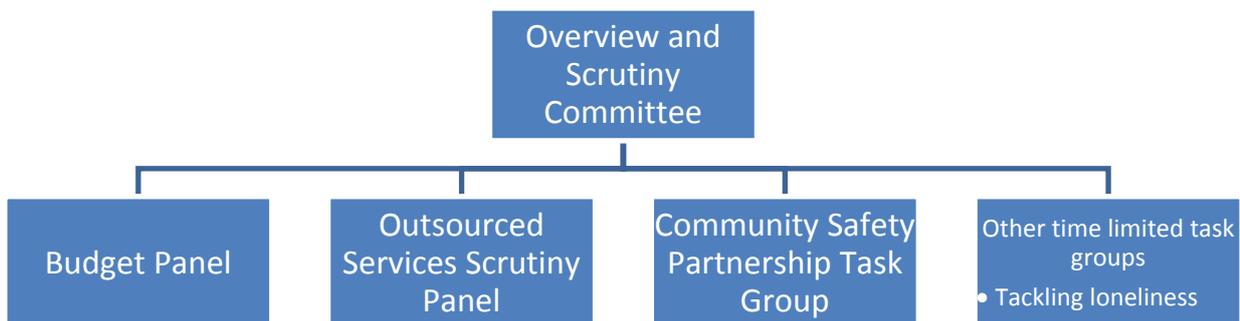
- Tackling Loneliness

The Annual Survey has been carried out and a summary of the results can be found in section 6 of this report. However the number of responses have been very disappointing this year and it is difficult to reach any meaningful conclusions.

The Committee and Scrutiny Officer has continued to attend the Hertfordshire Scrutiny Network, a network of officers from the County Council , the ten district and borough councils within Hertfordshire and neighbouring local authorities in Bedfordshire. The network provides an opportunity to share scrutiny related information and training across the councils. Further details are provided in section 7.5.

In 2017/18, 30 out of 36 councillors attended at least one scrutiny meeting; this was three fewer than in 2016/17. 24 councillors have participated in a scrutiny meeting as either a member or a substitute. Five portfolio holders attended scrutiny meetings to respond to questions on behalf of the Executive. One councillor attended a meeting solely as an observer and participated when permitted by the scrutiny committee.

Scrutiny structure 2017/18



2. Overview and Scrutiny Committee

Membership:

Councillor Kareen Hastrick (Chair)

Councillor Ahsan Khan (Vice Chair)

Councillors Jagtar Singh Dhindsa, Aga Dychton, Amanda Grimston, Asif Khan, Rabi Martins, Darren Walford and Tim Williams

The following councillors also participated in Overview and Scrutiny Committee during the year: Councillors Bilqees Mauthoor (Chair of the Tackling Loneliness Task Group), and Peter Jeffree (observer and proposer of a scrutiny topic)

The following Portfolio Holders attended Overview and Scrutiny Committee during the year: Councillors Karen Collett (Portfolio Holder for Communities), Stephen Johnson (Portfolio Holder for Housing and Property) and Councillor Mark Watkin (Portfolio Holder for Resources and Customer Service).

2.1 The Committee's work programme for 2017/18

Overview and Scrutiny Committee met on six occasions this year. The scrutiny committee received reports and discussed the following subjects –

- **Performance updates** were presented on a quarterly basis. At the meetings councillors discussed the performance indicators and sought clarification in certain areas. The scrutiny committee also received a report which outlined the council's approach to the setting, reporting and monitoring of performance information.
- **Small Grants Fund Review 2016-17** gave the scrutiny committee a chance to receive the annual review of the Small Grants Fund. Officers provided highlights of their review and key findings.
- **Commissioning Framework – Community Centres** gave an opportunity for the scrutiny committee to receive presentations from the different organisations who operated the community centres within Watford. Each organisation gave a presentation and responded to councillors' questions.
- **Commissioning Framework 2016/17 – year 1 review** provided the scrutiny committee with the annual report of the Commissioning Framework for the previous year. The scrutiny committee agreed to a proposal for a task group review of the framework during 2018/19.
- **Previous review update: Management of Conservation Areas** was presented at two meetings during the year as the scrutiny committee was not satisfied with the initial update.
- **Previous review update: Parking Strategy (Year 1 recommendations)** was also presented at two meetings during in the year due to the scrutiny committee's concerns following the first update.

- **Watford 2020 Programme and updates** were presented to the scrutiny committee providing councillors up to date progress on this important transformation programme for the council. This will continue to be regularly reported during the programme's progress.
- **Customer Service Centre Refurbishment** report and presentation provided councillors with an overview of the changes to the area and staff and customers' experiences with the new arrangements.
- **Executive Decision Progress report** included details of all proposed key decisions and those key decisions taken by the Executive and officers. It also included information about any consultation with the Chair of Overview and Scrutiny Committee. The report included links to the relevant reports and minutes.
- **Hertfordshire County Council's Health Scrutiny Committee** updates were provided by Councillor Karen Hastrick, who provided information on the work carried out by the Health Scrutiny Committee. Full details of the Health Scrutiny Committee are available on the [County Council's website](#).
- **Updates from Budget Panel, Outsourced Services Scrutiny Panel and Community Safety Partnership Task Group** were given by the relevant chairs. The updates enabled Overview and Scrutiny Committee to be aware of the work being undertaken by the other scrutiny panels and task groups.
- **New scrutiny task groups** were presented for discussion by the scrutiny committee. The scrutiny committee agreed one task group which took place during the year and two suggestions for 2018. The task group chair provided an update and presented the final report. A further proposal, submitted following the tragic fire at Grenfell, was put on hold whilst reviews, set up by the Government, were being carried out. The task groups are set out in more detail below and in section 5.
- **Task Group –**

Tackling Loneliness was proposed by Councillor Mauthoor following a discussion at Council. The task group's final report and recommendations were agreed by Cabinet.

Further information about task groups can be found in Section 5.

2.2 Call-in

No Executive decisions were called in during 2017/18.

The reports and minutes for Overview and Scrutiny Committee can be found on the council's website – [Overview and Scrutiny Committee](#)

2.3 Chair's commentary

The Overview and Scrutiny Committee (OSC) has continued to review services; it has scrutinised policy, performance and progress throughout the year. The committee continues to monitor the ongoing pressures that make demands on services.

Taken from the description on the WBC website, the OSC role includes:

- monitoring all scrutiny taking place in Watford
- setting up task groups and monitoring their progress
- reviewing the progress of agreed task group recommendations
- reviewing the Executive decisions taken by cabinet, portfolio holders and officers
- monitoring the performance of services provided directly by the council
- hearing any called in decisions or councillor calls for action
- contributing to the annual scrutiny report

The OSC continues to play the role as 'critical friend' to the council and as such it is crucial for the committee to be involved with decisions at an early stage in order to apply real influence.

It is important to underline the fact that Watford Borough's officers are to be highly commended, not only those that attended meetings, for their team work with other departments and agencies to assist with the task group investigations.

The committee continues to receive reports from Outsourced Services Scrutiny Panel, Budget Panel, the Community Safety Partnership Task Group and the county's Health Scrutiny Committee. This is so all members are updated on the work of the Scrutiny Committees, particularly PIs, topics and policies.

I would like to take this opportunity to thank the Vice Chair, Cllr Ahsan Khan, all members of the OSC and the other scrutiny committees for all their hard work and support over the year. Moreover, my thanks to all the officers at WBC especially the Scrutiny Officers and members of Democratic Services, all the outside agencies, stakeholders and members of the public and last but not least, all those Councillors who found time to participate in the task groups.

Special mention should be made regarding the Task Group on Tackling Loneliness, very enthusiastically and ably chaired by Cllr Mauthoor. Cllr Mauthoor raised the issue at full Council receiving support from all the members. As part of their investigations the Task Group held a day of interviews with relevant bodies which in effect had all the organisations networking and promoted the importance the issue was held in by ALL Council Members. This united front continues. You may have noticed there has been a lot of interest across the board in the period since the Task Group looked into the resources available – not purely a co-incidence I feel. In addition the Task Group has not given up following submission of their recommendations and has held an informal meeting with more to follow to monitor the results of the recommendations. A great success for which Cllr Mauthoor should be commended and the Task Group Members thanked

Councillor Kareen Hastrick
Chair Overview and Scrutiny Committee 2017/18

3. Budget Panel

Membership:

Councillor Asif Khan (Chair)

Councillor Mark Hofman (Vice Chair)

Councillors Nigel Bell, Aga Dychton, Joe Fahmy, Rabi Martins, Maggie Parker, Glen Saffery and Nasreen Shah

The following Councillors also participated in Budget Panel during the year: Councillors Tim Williams (substitute) and Stephen Bolton (substitute).

The following Portfolio Holder attended Budget Panel during the year: Councillor Mark Watkin (Portfolio Holder for Resources and Customer Service.)

3.1 Budget Panel's work programme for 2017/18

Budget Panel met on five occasions during the year. The panel received reports and discussed the following subjects –

- **The final outturn for 2016/17** (quarter 4) was reviewed prior to it being presented to Cabinet. Budget Panel considered in particular: the net revenue outturn, carry forwards for projects not yet completed in 2016/17, revisions to the capital budget, the management of projects by officers and the impact of temporary accommodation costs on the council's finances. Budget Panel's recommendations to Cabinet were agreed.
- **Use of capital receipts for revenue purposes.** At the request of members, the flexible use of capital receipts for revenue expenditure was considered by the panel. It was noted that, in order to use capital receipts in this way, the council would be required to prepare at least one Flexible Use of Capital Receipts (FCR) Strategy for each financial year. The strategy would need to be approved by full council.
- **Commercialisation.** Following previous consideration of this issue, the panel reviewed progress of the council's commercialisation programme. This was based on four key strands: maximising value from the council's assets, charging for the council's services, generating novel income and being more business-like in the council's undertakings.
- **The Finance Digest Budget Monitor** was reviewed regularly by Budget Panel. Members monitored the expenditure, income and pressures on services.
- **Budget report 2018/21.** The Panel considered the budget report, which included the revenue budgets for 2018-21 and revised 2017/18 budget, capital programme for 2018-21, Council's income charging policy (including fees and charges) and the Treasury Management Strategy 2018/19. The minutes of the discussion were forwarded to Cabinet.

3.2 Training

Training was provided in September and November to give members an understanding of the role of Budget Panel in reviewing Watford Borough Council's finances.

The reports and minutes for Budget Panel are available on the council's website – <http://watford.moderngov.co.uk/ieListMeetings.aspx?CommitteId=120>

3.3 Chair's commentary

With the national government's continued pursuit of austerity and the uncertainty of BREXIT, local government finances are continually going to be squeezed. It is more important than ever that there remains a constant scrutiny of finance and the plans of Watford Borough Council to provide services for residents, ensure the most vulnerable are protected and have a balanced budget.

The previous year, the level of discussion and scrutiny was excellent. The Budget Panel members early on recognised the need for a municipal entrepreneurial approach to ensure revenue streams for the council, there was scrutiny of fees and fines giving suggestions to the cabinet for changes to burial fees as an example. The continued questioning of the Medium Term Financial Strategy ensured members were updated on the council's financial position.

The members of the panel worked very well together. Disagreements were debated in an honest and respectful way. It is important that this continues in forthcoming years.

Councillor Asif Khan
Chair Budget Panel 2017/18

4. Outsourced Services Scrutiny Panel 2017/18

Membership

Councillor Tim Williams (Chair)

Councillor Stephen Cavinder (Vice Chair)

Councillors Jagtar Singh Dhindsa, Kareen Hastrick, Mark Hofman, Paddy Kent and Bilqees Mauthoor

The following councillor also attended Outsourced Services Scrutiny Panel during the year:
Councillor Rabi Martins (observer)

The following executive councillors also attended the Outsourced Services Scrutiny Panel during the year: Councillors Iain Sharpe (Portfolio Holder for Regeneration and Development), Councillor Peter Taylor (Portfolio Holder for Client Services), Councillor Mark Watkin (Portfolio Holder for Resources and Customer Service).

4.1 The panel's Work programme for 2017/18

Outsourced Services Scrutiny Panel met on six occasions this year. The panel received reports and discussed the following subjects –

- **Understanding performance indicators** provided the panel with the opportunity to consider performance indicators in the wider context of the council's performance management toolkit.
- **Quarterly performance indicators** were provided by the Head of Corporate Strategy and Communications. Over the course of the year, the target-setting process was discussed and members challenged any targets which they did not feel were sufficiently robust. Further explanation was requested for areas of under-performance.
- **The leisure centres – managed by SLM** started with a tour of Watford Leisure Centre Woodside, which was followed by the panel meeting representatives of SLM. Among the topics discussed were attendance figures, health and safety, and the quality accreditations received by the centres.
- **The Colosseum – managed by HQ Theatres** also started with the panel being given a tour of the Colosseum. Representatives from HQ Theatres provided an overview of the year including some of the highlights. Councillors raised issues including customer satisfaction, community events and the structure of the contract.
- **Parks and Open Spaces – managed by Veolia** saw the panel receiving a presentation with an overview of recent activities, the parks, allotments and play improvement programmes and the Green Flag programme.
- **The ICT service** provided the panel with an update on the latest position of the ICT service and how it was structured. Also discussed were the IT Strategy, the improvement programme and the performance against targets.

- **New Watford Market – managed by Town and Country Markets (TCM)** enabled the panel to receive a presentation followed by a discussion on the recent history of the market as well as occupancy levels, marketing and special events with representatives from TCM.
- **Revenues and Benefits** gave the panel an opportunity to consider housing benefit overpayments, council tax collections, debtors and the performance of the service.

4.2 Chair's Commentary

During the course of the year the panel looked in detail at a number of the council's outsourced services, how these were being managed, and how they were performing against the council's expectations and agreed performance indicators.

Further to reports provided, presentations given and visits the panel recognised that overall the Veolia (Parks & Open Spaces), SLM, New Watford Market and HQ Theatres contracts were being well-managed.

The panel also looked in detail at the ICT and the Revenues & Benefits shared services with Three Rivers District Council - both services were deemed to be performing well.

On a quarterly basis we reviewed the performance indicators and challenged/questioned the performance and targets that we felt were not being met, required further explanation or were now inappropriate. Over the course of the year there was a consensus that the performance indicators needed to be reviewed to ensure that they meet the council's expectations particularly as a number had not been reviewed or changed for fifteen years or more.

I would like to thank the members of the panel for their scrutiny of the council's outsourced services, for their questioning and for their due diligence.

On behalf of the panel I would like to thank all the officers involved for their hard work and support which has ensured that the panel has had a successful year.

Also thanks to our outsourced service providers for facilitating visits and for attending our meetings.

Finally, I'd like to thank the Portfolio Holders who attended our meetings and for responding to our points and answering our questions.

Councillor Tim Williams
Chair of Outsourced Services Scrutiny Panel
2017-2018

5. Task Groups

5.1 Community Safety Partnership Task Group

5.1.1 Membership

Councillor Amanda Grimston (Chair)

Councillors Stephen Bolton, Stephen Cavinder, Jagtar Singh Dhindsa, Mo Mills, Glen Saffery and Richard Smith

The Community Safety Partnership Task Group is a statutory forum established to scrutinise the work of the local Community Safety Partnership.

5.1.2 Work programme

The task group met on four occasions. The following topics were considered at meetings –

- **The Community Safety Partnership's response to hate crime**
The Community Safety Coordinator outlined the partnership's response to hate crime and explained that the local profile was now more clearly understood - with reporting mechanisms helping to develop the picture and indicate causes.
- **Mental health and drugs misuse** was discussed in depth at two meetings of the task group. At the first, the Community Safety Coordinator explained the partnership's structure for dealing with the issues, how cases were progressed and how Watford was regarded as adopting best practice. At the second meeting, representatives from the Hertfordshire Partnership Foundation Trust and New Hope outlined how their organisations supported individuals with these problems.
- **Progress with the CSP Protection our Communities and Managing Crime Plan 2016/17**
At all meetings, the Community Safety Coordinator updated the task group on progress with the annual CSP plan; focussing on six key elements.
- **Community Safety Partnership risk register presentation** informed members as to how the risk register helped determine partnership priorities for the 2018/19 year.

5.2 Tackling Loneliness task Group

5.2.1 Membership:

Councillor Bilqees Mauthoor (Chair)

Councillors Stephen Bolton, Stephen Cavinder, Kareen Hastrick, Rabi Martins

5.2.2 This task group was agreed by Overview and Scrutiny Committee at its meeting on 22 June 2017 following a proposal from Councillor Bilqees Mauthoor within a motion to Council in March.

The task group had its first meeting on 22 September 2017. It held an all day scrutiny session in December, inviting relevant organisations to discuss the work they carried out on this subject. The final report was presented to Overview and Scrutiny at its meeting on 18 January 2018 when it was agreed the report would be forwarded to Cabinet. Cabinet discussed the report on 5 March 2018. Cabinet's response was reported to Overview and Scrutiny at its meeting on 18 March 2018.

The reports and minutes of all scrutiny meetings and completed Task Groups are available on the Council's website -

<http://watford.moderngov.co.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>

Task Groups' final reports are available in the online [Library](#).

5.3 Suggestions for future task groups

Tall Buildings and Watford Borough Council's Emergency Plan

A suggestion was submitted following the tragic incident at Grenfell Tower in West London. The proposal was put forward by Councillors Nigel Bell and Peter Jeffree. Following a discussion at Overview and Scrutiny Committee in September 2017 it was agreed that a members' briefing would be arranged to inform councillors about the council's emergency planning arrangements. It was also considered that due to the current inquiries being undertaken into the tragedy the task group would be delayed until the reports had been produced.

Commissioning Framework Review

This proposal was included within the end of year report on the Commissioning Framework, presented by the Leisure and Community Section Head. Overview and Scrutiny Committee agreed to set up a new task group to review the current commissioned organisations, whether other organisations should be commissioned and if the funding cycle should be changed. This task group will take place during 2018/19.

Watford Community Housing

Councillors Asif Khan and Kareen Hastrick submitted a suggestion following contact from a local resident. The resident is a tenant of Watford Community Housing and was dissatisfied with the services provided by the Trust's contractors. He also felt tenants did not receive value for money from the service charge they paid to the Trust. This task group will take place during 2018/19

For further information please contact the Committee and Scrutiny Officer.

6. 2017/18 Scrutiny Survey Results

An annual scrutiny survey is carried out and councillors and those officers who have been involved with scrutiny during the preceding year are asked to participate.

6.1 Councillors' survey

Of the 36 councillors in Watford Borough Council, five have completed the survey; this is a big reduction compared to the 2016/17 results, when 17 participated in the survey. One out of the 24 councillors who were permanent or substitute members of a scrutiny committee or task group during 2017/18 completed the survey. The results of the 2017/18 survey showed that:

- One indicated they had been a member of scrutiny or a task group
- Two were Executive councillors
- Two had been members of scrutiny committees or task groups but not during 2017/18

Due to the number of responses it is difficult to carry out any meaningful comparisons with previous years.

Members were asked to rate how effective they felt different aspects of the scrutiny work were in the five key areas identified by the Centre for Public Scrutiny.

- Making an impact on the delivery of public services
- Leading and owning the scrutiny process on behalf of the public
- Reflecting the voice and concerns of the public and its communities
- Providing a 'critical friend' challenge to external authorities and agencies
- Providing a 'critical friend' challenge to the executive

All five respondents completed the questions about scrutiny's roles in policy development, performance management, budget and finance and task groups. The scores were out of five with 1 being the lowest and 5 being the highest. Most roles received an average rating of 3.2 or higher. However, the rating for budget and finance scrutiny was between 2 and 3.

Councillors were asked to add any comments about the different aspects of scrutiny's role, including policy development, performance management, budget/finance role and task groups.

Policy Development

Three councillors provided the following comments –

- "It needs to be stronger and the executive to be prepared to take note more."
- "Needs to reflect the feelings of the public – the public need to be brought back into the process. Topics that are dear to them or where there is an interest."
- "The vast majority of Watford residents are unaware that we have a scrutiny process and, as far as I know, the committee has done little to promote itself as the voice of the community. The lack of task groups this year underlines this point vividly. When

task groups have run they have generally been very effective. This lack of more in depth scrutiny means that policy decisions are less well-informed than they might be, Disappointing.”

Performance Management

One councillor provided the following comment –

- “As an Executive member responsible for a number of outsourced services, it is useful to have these services reviewed critically on a regular basis which is generally well done. But as for scrutinising on behalf of the public, I have no idea as the Committee has never engaged with the public to find out.”

Budget/finance

Two councillors provided the following comments –

- “Budget Panel needs to be more robust- not everyone is clear and so they need to be more knowledgeable in terms of the process.”
- “To improve the effectiveness of this committee would be need to have a more informed Chair. One has a feeling that the Committee's approach is somewhat random and scatter gun. When members challenge, they do so effectively. It is not its role to challenge outside agencies hence the low score. It also fails to engage with the public.”

Task Groups

Three councillors provided the following comments –

- “They need to attract as many backbench cllrs as possible to be able to think 'out of the box”
- “An important piece of work- this is exactly the type of task group we need.”
- “This was an effective and useful piece of work which may well stimulate more like it. Its a shame it was the only one.”

All five councillors gave their views about how scrutiny could be improved in the future. Shown below are the comments received. Democratic Services’ responses are shown in italics.

- “cllrs need to be encouraged to come forward by thinking that their views will be taken on board by the executive.”

The recent scrutiny training encouraged councillors to consider where they may find ideas for the scrutiny work programmes. Several examples were provided, including the Council’s Corporate Plan. The Committee and Scrutiny Officer is happy to meet councillors to discuss their ideas and consider whether they would be suitable for one of the scrutiny committees and panels or a new task group.

- “More public involvement.
Look at various ways to advertise what tasks groups are held- to make the public more

aware as to what Scrutiny does- what's its function.”

- “There needs to be a greater attempt to look outwards and seek the views of the community. The Council is setting off in a radical direction and faces more challenges than ever before so the risk of losing touch with its community is very real. OSC is the one area who should be focussing on this.”

Democratic Services publishes dates of all committees, including task groups, on the council’s website and on the town hall noticeboards. When task groups have a direct public connection officers have ensured the meetings are publicised wider. Examples include flyers being delivered to the relevant households, social media and notices on community notice boards. Councillors have been encouraged to contact their local resident groups to spread the message further.

The council’s website includes information about [scrutiny](#) and [how the public can get involved](#).

- “The structure works well in general, having been developed over a period of several years. However the Budget Panel remains ineffective.”

Democratic Services has noted the comments about Budget Panel. There is a new chair for 2018/19 and the team will work with him to encourage scrutiny in this important area.

- “Perhaps we should have a formalised scrutiny of the strategic plan.”

The Committee and Scrutiny Officer will discuss this suggestion with the chair of Overview and Scrutiny Committee and see if there are areas that could be scrutinised by that committee.

6.2 Officers’ survey

This survey, similar to the councillors’ survey, was completed by 6 officers from three services; all had been involved with scrutiny during 2017/18. The survey showed they all felt that they understood their role.

Five officers stated that they had been appropriately briefed by the committee and scrutiny team. One replied ‘partially’ and commented “having dates in the diary as early as possible”. The committee and scrutiny team will ensure that all officers are aware of the scrutiny committee and panel dates which are available on the council’s website and intranet.

Three suggestions have been received for future reviews. The Committee and Scrutiny Officer is aware of the suggestion to review the Voluntary Sector Commissioning Framework, which is due to start in July 2018. The Head of Service Transformation has proposed more in depth scrutiny of aspects of the Watford 2020 programme. Overview and Scrutiny Committee already receives regular updates on the programme, but the Committee and Scrutiny Officer will discuss the idea with the head of service and ensure the proposal form is completed. The final suggestion was ‘green initiatives’.

When asked how scrutiny could be improved one comment was received (response is shown in italics):

- “Would be better for me if IT went to Overview and Scrutiny rather than outsourced services as it is now an in-house service.”

The terms of reference for Outsourced Services Scrutiny Panel include those services shared with Three Rivers District Council, together with those where Watford Borough Council is the lead authority. The Committee and Scrutiny Officer will explain this to the head of service.

7. Other Scrutiny work

7.1 Scrutiny Training

An introduction to scrutiny at Watford Borough Council is covered in Democratic Services’ presentation to new councillors at their induction. In addition the Committee and Scrutiny Officer provided an overview and scrutiny foundation training session which was open to all councillors. Councillor Hastrick the chair of Overview and Scrutiny Committee during 2017/18 attended the training and was able to add to the discussion, by explaining her experience of scrutiny and the important role non-executive councillors had in the decision-making process.

There were two training sessions at Budget Panel in 2017/18; all councillors were notified of the sessions. The training sessions covered an overview of local government finance and how the council is funded and the process of budget setting.

7.2 Scrutiny Handbook – An Introduction to Scrutiny

The Committee and Scrutiny Officer updated the Scrutiny Handbook, which has been placed on the intranet, ensuring it is available for councillors throughout the year. The handbook provides an introduction to scrutiny and its role at Watford Borough Council. It has a section on questioning skills and the different types of questions that could be used with their advantages and disadvantages. It also includes a list of previous scrutiny reviews and the list of documents available from the scrutiny library. The handbook will continue to be reviewed and adapted as required.

7.3 Scrutiny Library

The scrutiny library has been included in the scrutiny handbook ‘An Introduction to Scrutiny’, which is given to newly elected members and is available on the council’s intranet for members’ reference. The Committee and Scrutiny Officer regularly monitors the information and updates it accordingly.

7.4 Hertfordshire Scrutiny Network

The Scrutiny Network has continued to hold meetings throughout 2017/18. The network comprises officers from Hertfordshire County Council, the districts and borough councils within Hertfordshire and representatives from local authorities in Bedfordshire. Each authority's work programmes are circulated to the other councils, enabling officers to see what else is being scrutinised around the county. The network enables officers to share experiences and feedback from any training they have participated in.

The Committee and Scrutiny Officer informs the Managing Director, Heads of Service, the Mayor and relevant Portfolio Holders of scrutiny topic groups arranged by Hertfordshire County Council. This allows officers and the Executive to consider whether they wish to be involved in the review, either by submitting a statement to the topic group or attending as a witness. Final reports from topic groups are circulated to relevant officers and councillors within the authority, enabling them to identify any recommendations related to the district and borough councils.

For further information on this report or copies of the final reports produced by the Task Groups, please contact -

Sandra Hancock, Committee and Scrutiny Officer
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Email: legalanddemocratic@watford.gov.uk

Overview and Scrutiny Annual Report – 2017/18

Leader of the Council



Via Email: MinisterforPolicingandFire@homeoffice.gsi.gov.uk

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22 June 2018

Dear Nick

I am writing to provide you with Hertfordshire County Council's representation on the Police and Crime Commissioner's (PCC's) local business case addendum, as requested in Scott McPherson's letter to me of 15 June 2018.

In addition to this letter, I also attach a summary of our analysis, along with a copy of the report considered by Cabinet at its meeting of 18 June 2018.

In our view the PCC's proposition, now including the addendum, remains flawed and therefore offers no sound basis for supporting a potential decision to implement a complex and highly disruptive change in governance for a highly performing and well-regarded Fire & Rescue service. It would also be costly – we estimate that transition costs will be at least £1.3m, including the need to establish separate systems for the new entity.

It is flawed financially, as the basis of proposed back office savings remains to compare current costs to an incomparable benchmark with no assessment of the potential achievability of this benchmark. In addition, the estimates of capital savings remain high level, with no evidence of whether the claimed net capital receipts are realistic or achievable.

It is flawed operationally, as it proposes the re-configuration and closure of fire stations, driven purely by potential financial savings. The Local Business Case (LBC) and its addendum do not provide sufficient recognition that operational locations can only be considered as part of an overall assessment of fire and public safety risks rather than mainly focusing on proximity to existing police assets.

It is flawed democratically, as it suggests that local consultation on such significant changes as set out in the addendum could happen in the future, but only after a decision on the business case and its addendum have been made.

Therefore, the Council remains of the view that the LBC and its addendum do not meet the statutory tests regarding economy, efficiency and effectiveness or public safety. The flawed nature of the information included in both the original business case and the new addendum, means this cannot be a sound basis on which to make such a significant decision.

However, the Council is also very concerned about the impact on the Fire Service of the prolonged uncertainty caused by this process. We would therefore be keen to see a rapid resolution. The Council is deeply committed to building on the existing strong relationships between the Fire & Rescue Service and the Hertfordshire PCC and constabulary. We would like to press ahead with planning for a new Integrated Risk Management Plan – which has to be the operational driver of all decisions about Fire and Rescue assets and operations. To this end, Members on our Cabinet Panel responsible for Fire have, this week, formally asked the Chief Fire Officer to begin the work to achieve this.

As an integral part of this work, we remain committed to working closely with the Police and Crime Commissioner to identify and implement opportunities to achieve ever greater levels of blue light collaboration in Hertfordshire, without incurring the disruptive, complex and costly work that extracting the Fire and Rescue Service from within the County Council would necessitate.

We believe this would provide the best, and most cost effective, solution that also continues to prioritise the safety of all Hertfordshire residents.

In addition, we will of course co-operate fully with the representatives of CIPFA to support their proposed assessment of the LBC addendum, and I understand these meetings will happen in the next few days.

Yours sincerely



David Williams
Leader of the Council

cc:

Scott McPherson, Director General Crime, Policing and Fire Group, Home Office
Matthew Watts, Home Office
David Lloyd, Police & Crime Commissioner for Hertfordshire
Hertfordshire MPs
Cllr Terry Hone, Executive Member for Community Protection, Hertfordshire County Council

SUMMARY ANALYSIS OF THE LBC ADDENDUM

1. Summary of Flaws in the LBC Addendum

- 1.1 County Council officers have co-operated fully and provided all information requested to the PCC's officers. Whilst there has been a high level of co-operation in this regard, it should be made clear that HCC officers have not been invited to contribute to the addendum and this joint working should not be construed as support for its contents.
- 1.2 HCC's response to the LBC last summer highlighted our concern that the claimed savings are mainly high-level estimates, with little detail on how they would be achieved. The addendum does nothing to review or revisit this approach or the methodology used to estimate savings; it simply replaces previous calculations with the latest data. As a result, these fundamental inaccuracies remain.

Claimed Savings from Back Office Services

- 1.3 The benchmarking approach in the LBC is flawed in that it fails to include all the back-office services utilised by HFRS. The addendum suggests an average benchmark of £2.045m for the cost of HR, finance and IT services and claims that this would represent a saving of £0.679m against the cost of the existing provision. However, in addition to HR, Finance and IT services, the HCC cost also includes charges for services such as insurance, legal, property management and related fees, internal audit and communications. By omitting these services from the benchmark comparison, it is not surprising that the cost appears lower.
- 1.4 Even if the basis was comparable, these savings remain theoretical and there is no assessment of whether such aspirational "top quartile" performance would be achievable within a small organisation. Indeed, in other back office areas it is clear that PCC costs are higher. Savings are included in the business case for pensions administration. Currently, police administration costs £33.75 per member, whereas fire costs £19.38 per member. The business case assumes that transferring fire will enable police administration costs to be reduced, but it is not clear how this would be achievable.

Claimed Capital Receipts from Estates Consolidation

- 1.5 The addendum includes estimates of potential build/merge costs and forecast capital receipts from the four assets initially identified in the addendum as being suitable for consolidation. The addendum recognises that the forecast receipts are high level assessments that require further validation, but there is no evidence provided to justify these valuations.
- 1.6 None of the proposed estate changes require governance change to achieve them and the high-level analysis and assumptions do not recognise the extensive work already undertaken to assess the potential for change. For example, Council officers have assessed 18 potential sites for a new fire station

to serve Hertford and have not yet identified a suitable location. All have been rejected because they would have an unacceptable impact on response times.

- 1.7 As such, it is not clear if the proposal in the addendum would require the identification of a location away from the current site – which would see the impact on response times, or re-provision on the existing site, which would suggest that a receipt of £6m seems highly optimistic

Council Tax

- 1.8 Council officers have worked closely with KPMG and the PCC's office and provided full details on the level of grants and overall approach to the calculation of the council tax precept (there are no grant notifications from Government to councils, police or fire authorities beyond 2019/20). Much of this approach is included in the addendum. There are however two key issues to note:

- The starting point for the precept calculation remains the budget figure. This is not agreed by HCC as it stands, and it will require finalisation following all decisions taken in any negotiation
- The 2018/19 council tax levels for Fire and residual County Council amounts should have been included as these will determine the alternative notional amounts that form the baseline for referenda purposes. This would also have indicated that the budget plans proposed by the PCC currently appear to break the current referendum limits, and would require a 6% council tax increase.

Reserves

- 1.9 The addendum proposes that reserves equal to 6% of spend (£2.2m) would need to transfer to the PCC. This is unreasonable and unnecessary for the following reasons:

- The County Council holds 4% in its general fund balance. It can do this because of the scale of the organisation;
- The 2017/18 accounts for the PCC outlined police fund reserves of £6m for a budget of £184m – equivalent to 3%, indicating that the PCC does not consider 6% is required; and
- Reserves are held to cover financial risk – in a county council these are principally in the demand led budgets including Adults and Children's social care. There are not similar risks within the fire service.

- 1.10 The proforma balance sheet also outlines a need to transfer a further cash amount, including cover for liabilities and the following:

'Initial working capital that would transfer has also been estimated at 1 month of net expenditure requirement for 2018/19 assumed to be funded by cash to be also transferred'

- 1.11 There is no clear basis on why this would be reasonable or necessary as a transferred fire service would have its own funding.

1.12 Taken together, these elements seem to suggest that the PCC requires nearly £6m to effect the transfer.

2. Legitimacy of the basis for proposed estates consolidation and links to the Integrated Risk Management Plan

2.1 The production of a new Hertfordshire IRMP requires extensive risk profiling and research work to provide a comprehensive understanding of the key risks facing Hertfordshire in not only the 4 year timeframe of a single IRMP, but over the course of the next 30 years. By necessity this includes assessment of developing strategic transport and infrastructure plans, proposed housing growth and the demographic challenges posed by a growing and an ageing population.

2.2 It is only by considering these strategic drivers that options for the potential location and configuration of operational sites, property assets, people and working practices can be identified and assessed, to ensure they can deliver the priorities identified by the IRMP.

2.3 The Addendum proposes changes to specific operational HFRS assets (such as the closure of Welwyn Garden City and Hatfield Fire Stations; with a replacement in a single new fire station at Police HQ) without any indication of whether such changes would be consistent with whatever the refreshed IRMP may require.

2.4 The Addendum also omits any proper consideration of the East of England Ambulance Service (EEAS) as part of this broader public service delivery. The current widespread occupation of the EEAS across the HFRS property estate is intrinsic to any decisions relating to the estate.

3. Conclusion

3.1 The Cabinet of Hertfordshire County Council, with unanimous cross party support, is clear that the LBC addendum does not meet the statutory tests of economy, efficiency and effectiveness or public safety, and as such must be opposed.

3.2 The Council has not seen the report prepared by CIPFA following their independent assessment. However, the fact that further work was requested after this assessment suggests the original business case did not meet these statutory tests. Our view is that little has changed, and the flaws inherent in the original LBC remain the basis of the addendum.

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY 18 JUNE 2018 AT 2.00PM**

Agenda Item No.

12

THE POTENTIAL TRANSFER OF HERTFORDSHIRE FIRE & RESCUE SERVICE FROM HERTFORDSHIRE COUNTY COUNCIL TO THE POLICE & CRIME COMMISSIONER – CONSIDERATION OF LOCAL BUSINESS CASE ADDENDUM

Author: Owen Mapley, Director of Resources

Executive Member: Terry Hone, Community Safety & Waste Management

1. Purpose of report

- 1.1. To provide Cabinet with the material to help inform their consideration of, and the County Council’s potential response to, the Hertfordshire Police and Crime Commissioner’s (PCC) recently submitted local business case addendum (the “addendum”). The addendum supplements the PCC’s proposal made last summer to transfer the governance of Hertfordshire Fire and Rescue Service (HFRS) from Hertfordshire County Council to the PCC.

2. Summary

- 2.1. The Hertfordshire PCC submitted a ‘Local Business Case’ (LBC) to the Home Office in August 2017 that proposed that the PCC should become the Fire and Rescue Authority for Hertfordshire. This submission followed a public consultation during which Cabinet, drawing on the unanimous position of all 78 County Councillors, made clear its strong objection to this proposal.
- 2.2. The Home Office subsequently commissioned CIPFA¹ to perform an independent analysis of the LBC. Whilst the Council has not been given sight of CIPFA’s analysis, the Minister of State for Policing and the Fire Service wrote to the Hertfordshire PCC in mid-April seeking further information, including greater clarity on the savings proposed in the LBC, in order to make a proper assessment of the proposal. The Minister also wrote to the Leader of the Council asking the Council to work with the PCC and provide appropriate information as requested by the PCC.
- 2.3. The PCC submitted an addendum to the LBC to the Policing and Fire Minister on 8 June. It is not yet clear what process the Home Office may follow to consider the information provided in the addendum. The Minister’s letter to the

¹ The Chartered Institute of Public Finance & Accountancy

PCC indicated that the Minister would take a view on the potential need for further independent assessment on receipt of the revised proposal.

- 2.4. **Summary of Addendum:** The addendum, which is attached as Appendix A to this Report, provides further information about the forecast savings included in the LBC, including the first indication of the potential assets that may be sold as part of the consolidation of the combined Police and Fire operational estate that would be necessary to deliver the savings in the LBC.
- 2.5. These include the closure of the two separate fire stations in Welwyn Garden City and Hatfield and their replacement with a new fire station on the Police HQ site in Welwyn Garden City.
- 2.6. **Summary of Council Officers' Analysis:** County Council officers have reviewed the information included in the addendum. This analysis suggests:
 - 2.6.1. **Meeting the Minister's tests re demonstrating economy, efficiency and effectiveness:** some additional information is included in the addendum, but it retains the same underlying principle used in the original LBC that claims a material saving in back office support costs could be achieved by reference to a KPMG supplied benchmark figure. As with the LBC, Council officers do not agree that this is a legitimate comparable benchmark as it appears to be composed of different core elements of corporate services. There is no evidence provided to indicate if savings of this scale are deliverable by the Office of the PCC. Estimates of potential net capital receipts from estates consolidation remain high level and subject to significant further validation;
 - 2.6.2. **Legitimacy of the basis for proposed estates consolidation:** To provide more detail behind the proposed capital receipts included in the LBC as a proposed benefit from estates consolidation, several sites are listed in the addendum as potential sites that could generate these savings. However, there is no reference to the need to assess such sites from an operational risk perspective. The addendum recognises that the lack of clarity over future governance has delayed work on refreshing the Integrated Risk Management Plan (IRMP) for HFRS. It is not clear how the PCC has concluded that the assets listed in the addendum are suitable operationally for such changes without assessing them through the lens of a refreshed IRMP.
 - 2.6.3. **Complexity, cost and ongoing uncertainty:** The minister's letter acknowledges that the extraction of a fire and rescue service from a county council is complex. Council officers have reviewed and increased their estimate of the cost and officer time that would be incurred if governance were to transfer to £1.3m, principally due to the potential change in systems. As there is no transition plan, these figures remain uncertain. The ongoing problems caused by the extended period of uncertainty are also challenging.

As well as transition costs, the County Council is likely to face on-going costs from the transfer. The Business Case assumes that the PCC can save £130k per year through using the fire service discretionary capacity, and that the safe

and well visits currently undertaken would be covered by volunteers. It is not considered realistic that the current level could simply be provided by volunteers. If the Council used third parties to cover the current level of safe and well visits, officers estimate that it would cost in excess of an extra £350k per year.

- 2.6.4. **Potential to achieve benefits without the cost and complexity of governance change:** It remains the case that should concerns about the deliverability and legitimacy of the benefits proposed, or the cost and complexity of securing governance change mean that the proposals are not approved, the Council remains committed to identifying and delivering additional ways to build on the collaboration already achieved with the police in Hertfordshire.

3. Recommendations

- 3.1 That Cabinet considers and comments upon this report and identifies any additional considerations or matters that it wishes to be emphasised in the County Council's submission to the Home Office regarding the PCC's LBC addendum;

- 3.2 That Cabinet:

- (i) Agrees that the County Council should not change the previously stated position of the Council in opposing the PCC's Local Business Case; and
- (ii) Delegates to the Director of Resources, in consultation with the Leader of the Council and the Executive Member for Community Safety and Waste Management, authority to finalise a submission to the Home Office in response to the addendum.

4. Meeting the Minister's tests re demonstrating economy, efficiency and effectiveness

Claimed Savings from Back Office Services

- 4.1. The Council's response to the LBC last summer highlighted the claimed savings are mainly high-level estimates, with little detail on how they would be achieved. The addendum does nothing to review or revisit the existing approach or methodology used to estimate these savings, it simply replicates these with more up to date data.
- 4.2. As a result these fundamental inaccuracies remain. Critically the benchmarking approach is fundamentally flawed in that it fails to include all the back-office services utilised by HFRS. The addendum suggests an average benchmark of £2.045m for the cost of HR, finance and IT services, which would represent a saving of £0.679m against the cost of the existing provision. However, in

addition to HR, Finance and IT services, the Council's cost also includes charges for services such as insurance, legal, property management and related fees, internal audit and communications.

- 4.3. By omitting these services from the benchmark comparison, it is not surprising that the cost appears lower.
- 4.4. Even if the basis was comparable, these savings remain theoretical and there is no assessment of whether such aspirational "top quartile" performance would be achievable as a small organisation. Indeed in other back office areas it is clear that the PCC's proposed benchmark costs are higher. Savings are also included for pensions administration. Currently police administration costs £33.75 per member, whereas fire costs £19.38 per member. The business case assumes that transferring fire will enable police administration costs to be reduced.
- 4.5. There is also no recognition of whether, and if so by how much, the Council may be able to reduce its back-office costs should HFRS be removed from the County Council. It is not certain that the Council could reduce these costs at a pro-rata level which could easily result in Hertfordshire residents in effect double paying if the PCC procures these services elsewhere, but the Council's costs do not fall by as much as the funding that is transferred.

Claimed Capital Receipts from Estates Consolidation

- 4.6. The addendum includes estimates of potential build/merge costs and forecast capital receipts from the four assets initially identified in the addendum as being suitable for consolidation. The addendum recognises that the forecast receipts are high level assessments that require further validation, but there is no evidence provided to justify these valuations.
- 4.7. None of the proposed estate changes require governance change to achieve them and the high level analysis and assumptions do not recognise the extensive work already undertaken to assess the potential for change. For example, Council officers have assessed over 30 potential sites for a new fire station to serve Hertford and have not yet identified a suitable location. Without more detailed analysis it is therefore not clear whether a net capital receipt of £2m from a disposal and re-provision of the existing Hertford fire station is realistic or achievable.

5. Legitimacy of the basis for proposed estates consolidation and links to the Integrated Risk Management Plan

- 5.1. The Fire and Rescue National Framework (2018) requires each fire and rescue authority to produce an Integrated Risk Management Plan (IRMP) which reflects the foreseeable fire and rescue related risks that could affect their respective local area. The fire authority must then demonstrate how prevention, protection and response activities will be used to mitigate those risks.

- 5.2. The current IRMP (2014-2018) for Hertfordshire will need to be refreshed by March 2019. Whilst preparatory work to inform a new IRMP has been undertaken, the prolonged uncertainty caused by the ongoing consideration of potentially significant governance change has hampered the progression of this work.
- 5.3. The production of a new Hertfordshire IRMP requires extensive risk profiling and research work to provide a comprehensive understanding of the key risks facing Hertfordshire in not only the 4 year timeframe of a single IRMP, but over the course of the next 30 years. By necessity this includes assessment of developing strategic transport and infrastructure plans, proposed housing growth and the demographic challenges posed by a growing and an ageing population.
- 5.4. It is only by considering these strategic drivers that options for the potential location and configuration of operational sites, property assets, people and working practices can be identified and assessed, to ensure they can deliver the priorities identified by the IRMP.
- 5.5. The Addendum proposes changes to specific operational HFRS assets without any indication of whether such changes may be consistent with whatever the refreshed IRMP may require.
- 5.6. The 'Rationalisation of estate savings' section of the LBC Addendum states:

*'...that a joint estates strategy would increase the number of co-occupied police and fire 'Community Safety Hubs', whilst reducing the overall size of the estate. This would raise capital receipts to invest in the development and modernisation of the estate. This could also have the benefit of improving working conditions and provide the opportunity to make community facilities available. Maintenance costs are also expected to reduce as a result of the reduced estate size.'*²

However, any potential rationalisation of the HFRS estate and operational assets can only be done in conjunction with the analysis that will form part of a revised IRMP and it is therefore not appropriate to only consider tactical opportunities for potential financial savings due to the potential proximity of current Police and Fire properties.

- 5.7. The Addendum also omits any proper consideration of the East of England Ambulance Service (EEAS) as part of this broader public service delivery. The current widespread occupation of the EEAS across the HFRS property estate is intrinsic to any decisions relating to the estate.
- 5.8. The Policing and Fire Minister's letter to the PCC made clear it was for the PCC to determine, according to legislative requirements, whether any re-consultation on his revised proposals would be needed. In the covering letter to the addendum, the PCC states that:

² Addendum paragraph 2.2

5.9. *‘...the intent and nature of the proposal has not changed and so I do not consider further consultation to be necessary.’*

5.10. In the addendum, with regard to the proposed consolidation of Welwyn Garden City and Hatfield fire stations into a single new station, it recognises that:

‘...The local community would need to be factored into the decisions to operate in a single collocated estate.’

5.11. In addition to needing to consider operational risk through the IRMP process, it is concerning that no public engagement or consultation on such a significant change is considered necessary in advance of a decision on the business case and its addendum.

6. Commitment to continued collaboration

6.1. As with the LBC last Summer, the Council remains committed to working closely with the PCC and the Hertfordshire police to pursue additional opportunities for collaboration without changing the governance of the fire service.

6.2. Building on the extensive collaboration that already exists, the areas set out in the council’s previous responses to the PCC’s proposals remain potential areas for further joint working. The established police and fire collaboration working group is continuing to look at a number of workstreams including:

- a joint estate strategy, informed by the requisite Integrated Risk Management Plan and local engagement;
- rationalising emergency response to a range of call types such as concern for welfare of persons;
- effecting entry into premises
- attendance at suspected cannabis factories;
- use of specialist capabilities such as water rescue, drone and working at height; and
- revised joint protocols for the investigation of fires.

7. Equalities Implications

7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making.

7.2 Rigorous consideration will ensure that there is a proper appreciation of any potential impact of that decision on the county council’s statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equality Impact Assessment (EqIA) produced by officers.

- 7.3 The Equality Act 2010 requires the county council when exercising its functions to have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 No Equalities Impact Assessment (EqIA) was undertaken in relation to this matter as decisions have not yet been taken in relation to a change in governance for HFRS. However, any future decision will require significant stakeholder engagement and a full EqIA process.

Background Documents

[Cabinet Documents 15 July 2017](#)

Local Business Case for Change of Governance of Hertfordshire Fire & Rescue Service to the Police & Crime Commissioner

<http://www.hertscommissioner.org/fluidcms/files/files/Hertfordshire-PCC-Fire-Governance-Local-Business-Case%281%29.pdf>