

# LGA Corporate Peer Challenge – Progress Review

Watford Borough Council

02 October 2024

Feedback



**Corporate Peer Challenge**



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# 1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during 14 – 17 November 2023 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peer's reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs.
- Discuss any early impact or learning from the progress made to date.

The LGA would like to thank Watford Borough Council for their commitment to sector-led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

# 2. Summary of the approach

The Progress Review at Watford Borough Council took place onsite on 02 October 2024. The Progress Review focussed on each of the recommendations from the CPC, under the following theme headings:

- **Finance and Shared Services** (Incorporating recommendations: 2.1 a, b & c, 2.2, 2.4)
- **Brand and Engagement with our CVS Partners** (Incorporating recommendations: 2.3 and 2.6)
- **Risk Management** (Incorporating recommendation: 2.5)
- **People, Organisational Development and Skills** (Incorporating recommendation: 2.7)

For this Progress Review, the following members of the original CPC team were involved:

- Member Lead Peer: **Cllr David Tutt**, Previous Leader, Eastbourne BC / Group Leader of East Sussex County Council.
- Lead Officer Peer: **David Blake**, Managing Director, Worcester City Council
- Peer Challenge Manager: **James Mehmed**, Local Government Association

### 3. Progress Review - Feedback

The Elected Mayor, members of the Cabinet, the Chief Executive and Corporate Management Team (CMT) welcomed returning peers to Watford Borough Council. During the initial welcome session and summary of action plan progress, the council reflected to peers how the Corporate Peer Challenge (CPC) process had been a positive experience. It further enhanced positive employee and partner morale, provided timely feedback and insights and valuable peer recommendations.

In terms of the CPC outcomes, the council valued the identification of what was being done well, key strengths in delivery and importantly the areas for improvement. Peers were able to observe a strong joined-up corporate response to the CPC feedback and recommendations as evidenced by the allocation of a lead Portfolio Holder and member of CMT against each recommendation, to provide leadership and accountability for delivery.

The CPC report and action plan was promptly endorsed by the Cabinet in January 2024. Peers were informed how the CPC feedback and recommendations have been integrated into the council's refreshed 2024-2026 Delivery Plan and agreed by Cabinet in June 2024. The council has good governance arrangements in place ensuring there is member oversight and challenge to the CPC actions utilising both Overview and Scrutiny, and Audit Committees.

Watford Borough Council (WBC) have a strong focus on performance improvement and welcomed the external peer challenge; more recently the council has demonstrated continued focus on improvement through sharing with peers a self-

assessment against the statutory Best Value standards. This was seen by peers as notable good practice.

The council have progressed each of the nine CPC recommendations; the council's RAG rated Action plan reports that seven are completed / are progressed (Green) and two are work-in-progress (Amber).

WBC have progressed the recommendations within a complex and fast-moving context, striving and remaining ambitious to deliver for residents, businesses, and communities. The council are operating within a challenging financial climate; pressures remain in funding temporary accommodation which has risen over the last two years. The council has managed their budgets prudently and made difficult decisions to implement service reductions whilst reducing the workforce and mainly avoiding compulsory redundancies.

The progress review was structured around the four below themes and summarises the progress WBC has made in response to the CPC peer recommendations.

### **Finance and Shared Services**

(Incorporating recommendations: 2.1 a, b & c, 2.2, 2.4)

### **Budget Management**

In January 2024, Full Council set a balanced budget following extensive organisational wide efforts to address the revenue gap. In line with recommendations from the Peer Challenge team, a data-driven approach to service redesign has been implemented, beginning with benchmarking exercises to identify potential savings and efficiencies. Initial service redesign sprints, focussing on leveraging technology and improving processes, are set to launch in autumn 2024, with Portfolio Holders' approval. The council is planning to expand this approach over the next 18 to 24 months.

A CMT Budget Board has been established to oversee and manage budgetary concerns; Members of CMT spoke to peers positively around the new focus and how this has positively stimulated robust decision-making on all budget management and financial business. There is strong corporate ownership (members and officers) and leadership for all financial business.

To keep staff informed of the financial challenges, the Chief Executive has conducted three all-staff briefings. Voluntary redundancies earlier in the year have enabled a 10 per cent reduction in council headcount, avoiding the need for significant compulsory redundancies, with ongoing collaboration with UNISON throughout the process. The council's new Delivery Plan is reflective of the reduced workforce and includes revised performance indicators.

## **Budget Position**

In preparing for the CPC Progress Review, WBC shared the latest budget position; despite the challenges and many external impact factors, the council has confidence in the plans to deliver financial stability over the Medium-Term Financial Strategy period. During 2023/24, £0.9m of savings were delivered, with a further £2.1m of savings planned for 2024/25. At present there is no need to identify additional savings for 2025/26 beyond those already agreed; £0.2m is agreed for 2025/26 and £0.6m for 2026/27.

The council has identified specific financial risks with demand for services, specifically temporary accommodation which is also a national trend. WBC have a strong awareness of the temporary accommodation issues and are modelling potential actions to inform their planning; for example, increased demand is being driven by no fault evictions, there is a lack of suitable 'move on' accommodation resulting in people and families getting stuck in the system. Despite the council not being a housing provider, efforts are being made to explore a long-term lease on

property that would contribute to reducing temporary accommodation spend, as well as utilising the levers available to the council such as bringing forward council owned land for affordable housing. At the time of the CPC progress review there are 240 families in temporary accommodation, with core stock able to accommodate 100 families, therefore the council is operating 140 over capacity.

With an annual temporary accommodation cost of £1.2m (net), the council must consider how best to present this budget figure. There is a need to both highlight the impact that this demand-led cost is having on the council and to ensure that this cost is taken into full consideration when presenting any future budget shortfalls.

The market is challenged for commercial property adversely impacting income revenue; the council has a contingency budget set aside to manage the impacts. An asset review is underway to identify low value assets and options for disposal.

In addition to the above challenges, there are pressures from capital investment required in fleet and other council assets.

## **Capital Programme**

In January 2024, a comprehensive review of the council's capital programme was completed as part of the budget-setting process, employing a risk-based approach to prioritise projects with robust business cases and significant benefit potential. The Corporate Risk Register, which now includes major capital projects, is now reviewed quarterly by the Corporate Management Board and Cabinet, providing increased oversight and challenge.

A more in-depth review of the council's risk management strategy began in August 2024, incorporating insights from a recent audit to ensure the approach aligns with actual organisational challenges. The review was delayed due to the General Election.

A further review of the capital programme is underway as part of the 2025/26 budget-setting process, with findings to be presented to Full Council on 28 January 2025. Key project milestones affected by slippage are being monitored continuously. Although proactive steps taken in the current budget have reduced the scope of the capital programme, several projects, particularly those within the Town Hall Quarter, remain at risk. Peers heard how the experience and learning from the Watford Colosseum Project is being applied to the Town Hall Quarter; offering the opportunity to further mitigate associated delivery risks.

Completion of the Town Hall project is contingent on Levelling Up funding, which, whilst confirmed in March 2024 by the previous government, is yet to be reaffirmed by the new Government. This funding uncertainty has led to an amber rating for the project. The council has activated a contingency plan, focusing on delivering the museum within the Town Hall building, in response to potential funding shortfalls.

## **Financial Governance and Reporting**

Peers were informed of the new quarterly budget reporting process, which began in January 2024, with initial updates based on Period 8 of the 2023/24 budget year, culminating in a report to Cabinet on 08 July 2024.

The first full report for 2024/25 was reviewed by the Corporate Management Board (CMB) in July and Portfolio Holders in August, then advanced to the Finance Scrutiny Committee in September and is scheduled for Cabinet review in October. Additionally, the 2023/24 year-end report, presented to Cabinet and Full Council in July, highlighted key risks and emerging pressures for 2024/25, providing early insight for council members.



## Shared Services

Collaboration with Three Rivers District Council is ongoing as part of a joint initiative to conduct a cost apportionment analysis and service requirements reassessment for five shared services: Revenues and Benefits, IT, Human Resources, Finance, and Procurement. This analysis supported by commissioning Local Partnerships aims to establish fair financial arrangements, with final agreements anticipated by 1 December 2024, to explore and identify strategies to enhance service delivery, efficiency and effectiveness, focussing on optimising Service Level Agreements (SLAs), Key Performance Indicators (KPIs), and governance structures. The outcomes will support the 2025/26 budget-setting process, which will directly contribute to the £200k budget saving gap.

In parallel, the output specification in the historic shared services agreement is being reviewed to ensure performance and service standards are optimised and are delivering value for money.

Additionally, efforts are underway to expand shared Human Resources and Organisational Development services to other regional councils. St Albans City and District Council collaborates in shared Legal, Building Control, and Planning Enforcement services, reinforcing regional cooperation. These initiatives underscore the council's commitment to optimising service delivery, leveraging shared resources and driving value for money.

## Building Capacity

To meet the ongoing challenges such as growth in demand, financial strain and customer expectations, the council has launched a phase of exploring the potential opportunities available through digital technology and deployment of Artificial Intelligence (AI). WBC are working with an external partner to upskill staff and

explore how data can be used in a more strategic way. As part of this work peers heard how interviews are taking place with service areas to explore the opportunities. During October, the council will receive an outcome report detailing the council's capacity and ability to maximise the opportunities AI can provide. This approach is a further example of the council being open to innovate and strive towards improvement in service delivery and efficiency. In summary, the implementation of increased automation in data processing and workflows could reduce operational cost; the council has already monetised the implementation of a Chatbot for customer contact relating to elections, waste, recycling, and council tax.

### **Brand and Engagement with our CVS Partners**

(Incorporating recommendations: 2.3 and 2.6)

### **Communicating with Communities**

On 3 June, the council held a community roundtable with key voluntary sector partners to enhance community information and advice. This event established three working groups focused on digital inclusion, communications alignment, and spatial data sharing. Since the inception, each group has met twice, forming a foundation for ensuring accessible services, unified messaging, and shared insights. Peers heard directly from one partner how the last quarter has seen significant progression; results from a survey delivered by the partner to circa 550 residents were shared with the council and a working group set up to formulate ideas; there is now a shared understanding and established common goal. There is now a stronger recognition and increased awareness that not everyone is online or has access to digital channels. Considerable progress has been made in understanding how to engage with residents with no access to online resources.

The council's updated communications approach will be presented to the Watford Community Network by year-end. Recent digital initiatives include a website "co-

browsing" tool for real-time assistance and an AI chatbot enabling multi-language communication. The Elected Mayor, as Chair of the Hertfordshire Digital Inclusion Board, is advancing a county-wide strategy for digital accessibility, and engaging with other Local Authorities who are further advanced in this area to exchange experience and learning such as Essex County Council.

## **Branding and Communications**

A comprehensive activity plan has been developed to foster stakeholder engagement and embed the "Watford Actually" brand across the Borough. A partner toolkit is being distributed to stakeholders, with Corporate Management Team members actively promoting the brand in various forums.

The council shared how the development of the Watford Actually website is ongoing, incorporating feedback from stakeholders to enhance Borough-wide ownership and featuring a new image library. Peers reflected to officers leading this work, consideration should be given to the prioritisation of resource allocation to ensure the website is maintained, further developed and the basis for evaluation and performance metrics established. Preparations for the brand's first public campaign, targeting residents and visitors within a 45-minute radius, are underway to build recognition. The council are clear that the 'Watford Actually' brand is owned by the town, partners and stakeholders and is actively differentiating the council website from the [Watford Actually website](#).

WBC showcased the brand at the UK's Real Estate Investment & Infrastructure Forum (UKREiiF) event, where senior officers engaged with private sector partners to promote local growth. Additionally, the Place Brand Narrative was presented to the One Watford Place Board, which has endorsed governance and will champion the brand using the toolkit within their organisations and externally. Peers heard an example where partners are deploying the new branding; for example, Kier plan to

use the branding and imagery on their development hoarding, website and sales packs.

## **Risk Management**

(Incorporating recommendation: 2.5)

Peers discussed with members and officers how a structured risk management reporting cycle is now established, with quarterly reports to Cabinet and biannual reports to the Audit Committee. An independent audit member has joined the Audit Committee, providing enhanced scrutiny. Peers heard how the new independent audit member has helped to raise the performance and professionalism of the committee. A review of risk management arrangements has recently been conducted to refine oversight by the Audit Committee, incorporating feedback from stakeholders and an internal audit, though progress was delayed due to the General Election.

The Audit Committee receive regular face-to-face training from the S151 officer. Training is delivered at the start of the Audit Committee meetings, ensuring maximum attendance and engagement. All Portfolio Holders receive regular training and briefings to ensure they are appraised of risks, supporting them to take a cross-organisational perspective.

Peers questioned the 'risk appetite' of the council. To illustrate the impact of risk assessment and related decision-making, peers were given an example of a potential new sports village, which has been delayed given uncertainty around the affordability and the current interest rate environment. The council are focused on ensuring the financial risks are fully understood and in their own words have "applied the brakes" on some of the capital projects. WBC are focused on maintaining a stable hold on the finances, with significant projects being reviewed in detail and with comprehensive briefings for members and officers.

The council remains very ambitious, and in pursuing delivery with increased control over risk with robust governance in place. WBC informed peers they “talk about risk a lot” and are seeking to embed assurance in all work areas, whilst working closely with audit to ensure they get things right. The council recognise they have more to do in strengthening risk management and seek to refine processes, conduct further member engagement, and complete assurance mapping over the next 12-months.

The Statutory Officer Group has evolved into a Governance and Risk Group to enhance strategic risk oversight. A comprehensive review of strategic preparedness for civil emergencies, including cyber-attacks, has led to stronger governance. The Governance and Risk Group now oversees the council's readiness, with the One Watford Place Board supporting broader borough-wide preparedness, especially for humanitarian assistance and recovery.

### **People, Organisational Development and Skills**

(Incorporating Recommendation 2.7)

The [People Strategy](#), approved by Cabinet in June 2024, is now being implemented with several key initiatives underway. These include:

- A revised Values Communication and Engagement Plan to embed core values across the organisation.
- A Staff Behaviour Framework, aligning expected behaviours with performance management.
- The integration of an Equality Statement in recruitment advertisements to enhance diversity and inclusion.
- An updated Leadership Development Program, incorporating public and private sector best practices to support strategic leadership.

- Collaboration with the Corporate Management Team and Service Delivery Leads to ensure values are reflected in leadership practices and decision-making.

Quarterly updates on the People Strategy are included in the council's Performance and Progress reports, with the first review for 2024/25 completed in September. Leadership development programmes continue to strengthen alignment among political and officer leadership teams, focusing on strategic capabilities, contextual awareness, and succession planning to support Watford's ambitious goals.

The new People Strategy will actively support the workforce to increase resilience. Peers heard directly from the officers leading specific health and wellbeing actions, for example lunch and learn topics focused on staying well through winter. Other areas in focus are menopause awareness and neurodiversity. Peers heard how large numbers of the workforce attended the menopause sessions, which has actively created awareness across the organisation and upskilled managers to be better equipped to manage related support conversations.

Peers were able to engage with officers leading a broad range of workforce improvement actions from learning and development, leadership development activity, early thinking on 360 feedback assessment, embedding of organisational values in the PDR framework, reviewing values with the workforce, integration of values in team charters and specific business skills to further improve customer service. Matching the pace and ambition for supporting improvement in the workforce, all members are supported through a programme of member development; for example, training on cyber security and risk, group away days and using LGA programmes such as risk management. Only statutory training is mandatory, for example safeguarding; other development is classified as 'highly recommended' and often completed before full council to maximise attendance.

## 4. Final thoughts and next steps

The LGA would like to thank Watford Borough Council for undertaking an LGA CPC Progress Review.

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

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

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