

# Surrey Heath Borough Council

## Executive

21 November 2023

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### Quality Management Approach

<b>Portfolio Holder:</b>	Cllr Helen Whitcroft, Resident & Community Services Portfolio Holder
<b>Strategic Director/Head of Service</b>	Sally Kipping, Head of HR, Performance & Communications
<b>Report Author:</b>	Sarah Bainbridge, Organisational Development Manager
<b>Key Decision:</b>	No
<b>Date Portfolio Holder signed off the report</b>	23 October 2023
<b>Wards Affected:</b>	All

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#### Summary and purpose

The Council agreed a 'Short-term Plan' at the Executive in July 2023 running to December 2023. This was to ensure that the new Council term began strongly and built early positive momentum with a clear focus on immediate priorities for the new Administration.

A target in the Short-term Plan was to *“Review the approach to the use of quality management systems - Assess options to align with recognised Quality Management Systems within some or all of Council operations and publish recommendations.”*

This report sets out details of a previous review into the applicability of ISO 9001 (a recognised quality management system) and the subsequent resolution of the Council in February 2022 that *“the key principles that underpin the ISO 9001 and related quality and customer services standards, are used to inform the Council’s approach to delivering improved performance and customer focus across the organisation”*

The report detail the progress made to date, and contains proposals for extending this quality management and continuous improvement approach through a series of service reviews, based on a bespoke best-practice toolkit.

#### Recommendation

The Executive is advised to RESOLVE that

- (i) there is continued support for the resolution of the Council in February 2022 that stated *“the key principles that underpin the ISO 9001 and related quality and customer services standards, are used to inform the Council’s approach*

- to delivering improved performance and customer focus across the organisation”;*
- (ii) a series of service reviews be undertaken based on a bespoke internal toolkit based on two reviews being completed each year. These will be included in the relevant Annual Plan and four reviews will be completed in total over 2024/25 and 2025/26; and
  - (iii) the Council does not seek ISO 9001 certifications across additional functions, or the whole Council,

## **1. Background and Supporting Information**

### **Short-term Plan 2023**

- 1.1 The Council agreed a ‘Short-term Plan’ at the Executive in July 2023 running to December 2023. This was to ensure that the new Council term began strongly and built early positive momentum with a clear focus on immediate priorities for the new Administration.
- 1.2 A target in the Short-term Plan was to *“Review the approach to the use of quality management systems - Assess options to align with recognised Quality Management Systems within some or all of Council operations and publish recommendations.”* The target for this action is November 2023.

### **ISO 9001 Review 2021/22**

- 1.3 One recognised Quality Management System is ISO 9001. A review was carried out between October 2021 and February 2022 of the applicability of this standard to Surrey Heath Borough Council Services. This followed a Notice of Motion submitted to Council in October 2021. The Council resolved that it needed a quality management system which demonstrated its ability to consistently provide products and services that met customer and applicable statutory and regulatory requirements, enhancing customer satisfaction. The Chief Executive was asked to review how applicable the standards of ISO 9001 to the Surrey Heath service functions and to bring back a report to be considered.
- 1.4 Once the review was complete, the in-depth findings were considered by the Performance and Finance Scrutiny Committee in January 2022. These included the background to the ISO9001 standard and key principles, the limited take-up of the standard in Local Government and an absence of evidence to support a link between ISO accreditation and Local Government performance. There was also a review of a wide range of competing quality standards and methodology. These were considered alongside the significant resource implications of implementing the standard across the numerous different services that Surrey Heath Borough Council delivers.
- 1.5 The Performance & Finance Scrutiny Committee recommended that the Council did not consider ISO 9001 certification across all functions, as this did not represent a good use of the Council’s time and resources. However it was suggested that a ‘hybrid’ option could provide a suitable way forward

which combined using existing mechanisms for improvement including the Council's new management structure and adopting the key principles that underpin ISO 9001 and related quality frameworks to help improve performance and customer focus.

- 1.6 In February 2022, at a meeting of Full Council, Members resolved that:  
*“the key principles that underpin the ISO 9001 and related quality and customer services standards, are used to inform the Council’s approach to delivering improved performance and customer focus across the organisation”*  
and *“in line with the feedback from the Performance and Finance Scrutiny Committee option 2 in the report (that the Council seek full ISO 9001 certification across all functions) not be supported and is removed as an option.”*

## **Building Control Service ISO 9001 Accreditation**

- 1.7 Surrey Heath Borough Council Building Control service received accreditation against the ISO 9001 standard in March 2022. This was part of a national building control initiative in the wake of the Grenfell Tower Fire and aimed at ensuring consistent standards across these functions that operate in both the public and private sectors.
- 1.8 Surrey Heath Borough Council is a member of LABC (Local Authority Building Control). As part of this membership the Council has benefited from full access to all the relevant templates, guidance and audits materials for Building Control. This has strongly supported the work required for the ISO 9001 standard, although the Building Control Manager reported that significant officer time was still required. The business case for Building control was supported by accreditation being part of a national initiative and new legislative framework, and therefore much of the work, support, administration and costs are being met at a national level. It also recognises the unique role of Building Control in being required to operate on a level playing field with private sector Building Control providers.
- 1.9 Because of the support and access to templates, guidance and audit via the Council's membership of LABC there were no additional costs in securing the ISO 9001 certification for Building Control, other than significant officer time, despite the materials already available. This is not replicated across any other services or professional bodies.

## **2. Corporate Improvement - Quality Management Approach**

- 2.1 Over recent years the Council has been delivering improvement across a number of areas. Surrey Heath Borough Council has strong ambitions, positive values, talented and committed staff and a growing track record of delivery as evidenced in the Peer Challenge report. There has been an increasingly rigorous approach to governance including financial, property and human resources.

2.2 **Annex 1** maps the ISO 9001 principles with an overview of corporate improvement work that has been undertaken, is in progress or is planned. This has recently been updated to reflect some of the areas of additional focus or increased importance identified in the 'Short-term Plan to December 2023' agreed by the Executive following the council elections in May and June 2023.

2.3 The Annex demonstrates considerable delivery against the key ISO 9001 principles, and also includes information regarding other quality and customer service standards.

### **3. Sector-specific quality improvement for Local Authorities**

3.1 The Council invited the Local Government Association (LGA) to carry out a 'Corporate Peer Challenge' of Surrey Heath Borough Council in July 2023, and a report on the outcomes of this review and the resulting action plan is also being considered at this meeting of the Executive. Peer challenges provide robust, strategic and credible challenge and support to councils for continuous improvement.

3.2 This rigorous challenge exercise saw senior Members and officers from other Councils and the LGA review significant documentation, a self-assessment statement prepared by the Council and carry out extensive interviews and focus groups with Members, staff at all levels, partners and neighbouring councils. A check-in meeting to check on improvement process is planned for April 2024.

3.3 There are also other sector-specific routes for Surrey Heath Borough Council to externally review and improve its services, such as the national sector led improvement programmes an example of which was the recent operational review of the Planning Development Management service by the Planning Advisory Service (PAS). The recommendations from this review are now being implemented and will improve processes, services and customer experience.

3.4 In addition to the sector-led improvement offer from the LGA, the Department for Levelling Up, Housing and Communities (DLUHC) will be publishing statutory guidance on 'Best Value Standards and intervention'. The draft guidance published in July 2023 included principles of the Government's approach to ensuring all authorities carry out their functions in compliance with the Best Value Duty and detailed descriptions of the characteristics of a 'well-functioning authority'.

3.5 DLUHC also launched 'Oflog' (Office for Local Government) – a new performance body for Local Government who will provide data and analysis about the performance of Local Government – in July 2023.

3.6 The quality of many of Surrey Heath's individual services are already subject to statutory standards and frameworks overseen by external bodies. This includes:

- Electoral Services – The Electoral Commission
- Information Governance – the Information Commissioners Officer (ICO)
- ICT Security - Public Services Network (PSN) Compliance process
- Environmental Health – Food Standards Agency, Environment Agency
- Health and Safety – Health and Safety Executive
- Housing & Homelessness - Department for Levelling Up, Housing and Communities
- Business Grants – Dept for Business, Energy & Industrial Strategy
- Family Support Function – Surrey County Council
- Planning Function – Planning Advisory Service and the Planning Inspectorate
- Local Plans – Planning Inspectorate
- Finance function – CIPFA (Chartered Institute of Public Finance and Accountancy), IFRS (International Financial Reporting Standards), FRC (Financial Reporting Council), the DWP (Department for Work and Pensions), DHLUC and IRRV (Institute of Revenue, Rating and Valuation)
- Complaints management – Local Government and Social Care Ombudsman
- Legal - Solicitors Regulation Authority

#### **4. Service Reviews – pilot of Quality Management Approach**

- 4.1 Annex 1 demonstrates the council-wide approach to improvement, aligned to the ISO 9001 principles as agreed by the Council in 2022, and includes a number of areas where this approach has been strengthened or accelerated with targets contained within the short-term plan agreed at the start of the new Council term in July 2023.
- 4.2 In addition to this corporate improvement approach, it is proposed to further focus on quality management and continuous improvement with a series of ‘Service Reviews’ using a bespoke approach that uses both traditional quality management approaches such as ISO 9001, together with public sector best practice from sector-led improvement processes and the long-standing ‘Best Value’ approach. The proposal is to carry out two service reviews each year, as it is considered this can be delivered within existing resources.
- 4.3 The benefit of this approach is to enable services to deliver improved quality and continuous improvements for customers through a toolkit tailored to their needs, without the risk of significant costs or diverting critical resources away from core service delivery through the implementation of additional external audits and accreditation.

#### **Pilot of approach – Planning Enforcement**

- 4.4 The pilot for this new approach has been the Planning Enforcement function (which will also be extended to wider corporate enforcement in due course).

4.5 The Council appointed a Corporate Enforcement Team Leader in March 2023, who has led the review with support from the Corporate Enforcement Manager and Director of Environment and Community. Crucially, the whole team has been involved in every part of this review in identifying areas for improvement and actions to be taken so significant ownership is felt over the process and next steps.

4.6 The wide-reaching review has included:

- Review of planning enforcement policy
- Review of Council's constitution in relation to planning enforcement
- Significant engagement with the team on areas of challenge and improvement
- Review of the performance of the service and proposals for improving the performance measures used
- Review of processes, procedures and record-keeping
- Process mapping – including opportunities to make better use of the Council's Uniform system and standardised documents
- Training needs for the team
- Learning from best practice at other authorities
- Review of communication, information for customers and engagement – for example improving information on the website and engagement with parish councils
- Preparation, with the team, of an improvement action plan with prioritised actions over the short term (1 – 2 months), medium term (3 – 6 months) and longer term (6 – 18 months).
- Proposals for ensuring continuous improvement and review moving forward

4.7 Actions that have already been taken as a result of this review include:

- Statutory register of notices updated and published online in an accessible format to improve transparency and accountability
- Update to the scheme of delegation to ensure more efficient responses from the service
- More efficient and effective use of the Uniform system by the team, following one-to-one
- Started to introduce standardised documents which are more accessible, reflect best practice and have clearer contact details.

### **Service-reviews – next steps**

4.8 The robust approach taken within planning enforcement offers positive lessons that can be applied to other services through developing a toolkit that teams can use in whatever way best suits their service, customers and team, together with support from colleagues in Organisational Development (performance review, benchmarking, training needs, facilitating staff engagement) and ICT (process mapping and improvement, improving use of technology).

- 4.9 Once the pilot is completed, a toolkit for future reviews will be created to ensure a consistent approach, and this will be reported to the Performance and Finance Scrutiny Committee, together with proposals for upcoming reviews, in June 2024.
- 4.10 The short-term plan target detail requested that recommendations be made for areas of focus in the 2024/25 Annual plan, which is currently being prepared and will come to the Executive for approval in February 2024. Two areas already discussed are, firstly, the continuation of the Planning Enforcement service review, including the delivery of their action plan and the expansion of the review to the wider Corporate Enforcement function.
- 4.11 Secondly, the development of the bespoke service review toolkit based on the lessons learned from the Planning Enforcement review, traditional quality management approaches such as ISO 9001, together with public sector best practice from sector-led improvement processes and the long-standing 'Best Value' approach. The opportunity should also be taken to include a review against environmental standards and health & safety in the toolkit.
- 4.12 An option for the third area of focus for the 2024/25 Annual Plan may be a focus on the processes and procedures in the Council's contact centre. This will form part of a wider project necessitated by the need for a new CRM (Contact Relationship Management) system during 2024/25 and will also include the development of a new Customer Services strategy. This is currently under consideration with Portfolio Holders through the Annual Plan development process.
- 4.13 Once each review is completed, and an action plan being delivered, there would be an annual check in on progress and any further areas for improvement, and these would be reported as part of regular performance updates to the Performance & Finance Scrutiny Committee.

#### **Criteria selecting services for future reviews**

- 4.14 The below sets out a suggested criteria for selecting services for future reviews in 2025/26 and beyond:

##### **Reasons for selecting a service**

- Priority given to services that are front-line / deliver services directly to the customer
- Priority given to statutory services

##### **Reasons for not selecting a service**

- Services delivered primarily by a single member of staff (e.g. street naming and numbering)
- Services with significant resourcing and capacity challenges (e.g. currently finance service)
- Services that are delivered through temporary funding sources (e.g. Homes for Ukraine)
- Services that are transformational or focused on innovation (e.g. ICT digital / Organisational Development)

- 4.15 Proposals for the next round of service reviews in 2025/26 and beyond would be developed during the year, in consultation with Portfolio Holders.
- 4.16 Based on the criteria above, higher priority services could include Environmental Health & Licensing, wider Corporate Enforcement (in addition to Planning Enforcement), Development Management (Planning Services), Revenues and Benefits, Land Charges and Housing. Members views are sought on the relative priority of these services, and any others they would wish to see considered.

## **5. Reasons for Recommendation**

- 5.1 The cost of all Council functions working towards a formal accreditation of ISO 9001 was estimated during the 2022 review as up to £225,000 - £265,000 (in additional staffing, training, consultants, documentation and external accreditation/audit costs), not including the cost of time from existing staff. Resourcing requirements of this scales would have a detrimental impact on both the Council's current target to deliver a balanced budget, and also the uninterrupted delivery of key front-line and statutory services to customers.
- 5.2 The Council can demonstrate significant improvement that has been delivered by adopting the approach approved by Full Council in February 2022 of using *"the key principles that underpin the ISO 9001 and related quality and customer services standards"* .. *"to inform the Council's approach to delivering improved performance and customer focus across the organisation"*. This has been recognised most recently in the LGA's Corporate Peer Challenge report following an extensive review that took place in July 2023, and is also included on this agenda.
- 5.3 The introduction of service reviews extends the Council's quality management approach. By using a bespoke toolkit based on best practice, the Council can ensure that the best outcome for customers is achieved, staff across the council are involved and engaged in delivering continuous improvement and any unintended impact on the delivery of services can be avoided. Officers consider that the proposal of two services reviews in 2024/25 and 2025/26 (and potentially beyond) can be delivered within existing staffing resources.

## **6. Alternative Options**

- 6.1 The Council could maintain the existing approach without introducing additional service reviews.
- 6.2 The Council could reconsider the proposal to seek a formal quality accreditation, such as ISO 9001, across all functions and include the necessary growth in the budget for 2024/25 and beyond.

## **7. Contribution to the Council's Five Year Strategy**

- 7.1 The recommendations within this report support the Five Year Strategy theme of 'Effective and Responsive Council'.

## **8. Resource Implications**

- 8.1 The cost of all Council functions working towards a formal accreditation of ISO 9001 was estimated during the 2022 review as up to £225,000 - £265,000 (in additional staffing, training, consultants, documentation and external accreditation/audit costs), not including the cost of time from existing staff. In addition, while this approach could potentially contribute towards improved customer service, it would not in itself generate cost savings or increased income.
- 8.2 The recommended proposal of continuing the Council-wide improvement work set out at **Annex 1**, linked to the principles of ISO 9001, supplemented with two additional service reviews per year for 2024/25 (planning/corporate enforcement and potentially contact centre/new CRM) and 2025/26 (to be agreed with Portfolio Holders) can be delivered within existing budgets and staffing resources. More than two reviews each year would likely require additional staffing resources to support this work.

## **9. Section 151 Officer Comments:**

- 9.1 The Section 151 Officer has reviewed the report and resource implications.

## **10. Legal and Governance Issues**

- 10.1 No specific legal or governance issues arising from this report. Improvements to governance are likely to be achieved by including a review of statutory requirements, policies, constitutional issues and performance in the Service Review toolkit.

## **11. Monitoring Officer Comments:**

- 11.1 The Monitoring Officer has reviewed the report and legal and governance issues.

## **12. Other Considerations and Impacts**

### **Environment and Climate Change**

- 12.1 No specific environmental or climate change implications.

### **Equalities and Human Rights**

- 12.2 No specific equalities or human rights implications.

## **Risk Management**

12.3 No specific implications. Improvements to risk management are likely to be achieved by including a review of statutory requirements, policies, constitutional issues and performance in the Service Review toolkit.

## **Community Engagement**

12.4 The proposed approach should deliver improved customer service and experience.

## **Annexes**

Annex 1 - Organisational Improvement Programme – updated October 2023

## **Background Papers**

Surrey Heath Borough Council Short-term Plan 2023

Report to Full Council, 23 February 2022, ISO 9001

Report to Performance & Finance Scrutiny Committee, 19 January 2022, ISO 9001