

WYRE FOREST DISTRICT COUNCIL

28 SEPTEMBER 2011

ANNUAL REPORT OF THE CHIEF EXECUTIVE

- 1 This is my second annual report to the Council, and I would like to begin by thanking members, staff and others for their continuing support. Regular reports on performance of each directorate are presented to the Cabinet and the Overview and Scrutiny Committee and therefore I draw attention only to some key aspects of performance in this report. I propose to concentrate on three areas:
 - an overview of the issues facing the district and the Council;
 - how we are performing against the priorities set in the corporate plan for 2011-14, and our financial performance;
 - the progress that we have made in transforming the council.

Overview of the issues facing the district and the Council

- 2 Last year, I said that the central issue facing the Council was how it responded to the reduction in public expenditure that was announced in the comprehensive spending review in October 2010. This continues to hold true. The council's medium term financial plan adopted in February has a balanced budget over the three years but only because we are using the remainder of our unallocated reserves. On present plans, we expect them to be exhausted in 2014. The council has started to take the tough decisions on spending in line with the priorities it adopted in February. It was able to increase spending on economic development and regeneration accordingly although, inevitably, spending reductions have had to be identified in other areas such as waste collection and revenues and benefits. Plans are in place to deliver the agreed savings and, where possible, these are achieved by making efficiencies that protect services.
- 3 The Council has built on its good track record of finding savings and reducing expenditure. The Council's staff and councillors continue to identify innovative ideas for how to deliver savings, such as the new arrangements for emergency planning between three districts in the north of Worcestershire which will be hosted by Wyre Forest and will save each of the participating councils several £000. Councillors have taken prudent decisions to allocate one-off sums to help fund the costs of transformation, including reducing our staffing numbers. So far, staffing reductions have largely been achieved through volunteers and the number of compulsory redundancies has been kept low.
- 4 In order to deliver a balanced financial position for the council by 2014 and to put services on a sustainable footing, the Council has put in place the Wyre Forest Forward programme during 2011. In essence, Wyre Forest Forward is about focusing the council on its core functions and aligning expenditure with income by 2014. It will provide the plan for the next stage of the council's transformation. Regular meetings of the Cabinet and Corporate Management Team have been held since June. Updates on progress are provided to group leaders through the Transformation Board, and several members were involved in the focus groups mentioned below. The results will feed through into the draft medium term financial

plan and budget proposals that will be published in December, and we have not therefore reached conclusions at this stage. The detailed work done on the proposals will enable effective scrutiny by all members in our committee system in the New Year and help inform any proposal for alternatives from opposition groups. The main outputs and activities undertaken under Wyre Forest Forward so far are:

- 4.1 we have confirmed the intention to use **systems thinking reviews** as a tool to drive cost down. This involves joint work with Redditch and Bromsgrove councils which are already using this approach, with part of the cost being met by Improvement and Efficiency West Midlands. We are training staff in the tools that are used for reviews, so that we have internal capacity to undertake them in future without ongoing external consultancy support. The programme of reviews will commence with revenues and benefits, in order to assist in delivering the agreed cost reductions while retaining this service in house at present. Further areas for review will be confirmed following the scoping session at the end of September. Systems thinking is not a “one off” process – services will continue to use its tools to refine what they do on an ongoing basis. Following the scoping session, we will brief members and staff more fully on the programme and potential impacts;
- 4.2 We have run a series of **focus groups** with members, public, staff and partner organisations in order to test views on “value propositions” and where the council should increase or decrease expenditure. The first exercise was not a consultation on proposed changes to services, but was designed to test people’s preferences by forcing them to chose between difficult options for change. The groups have produced valuable qualitative data which - alongside other survey results - can be taken into account in shaping the proposals that will emerge as part of the next medium term financial strategy;
- 4.3 With the Cabinet’s encouragement, the Corporate Management Team has prepared **a vision** for what the organisation might look like in 2014 and has issued it to staff for consultation and response during September. This is not about over-riding the vision for the district and priorities that Council has set in the corporate plan. We are seeking to predict for staff what impact policy decisions by councillors and other changes may have on the shape of the organisation;
- 4.4 We have also started to consider how **encouraging behaviour change** will be important in helping to reduce such things as demand for services and the number and cost of transactions with the public.
- 5 Now that central systems of inspection and scoring have been abolished, the Local Government Group has put in place arrangements for self-regulation and improvement in the sector. These include peer reviews and we have agreed to undertake such a review in November and the spring which will focus on the Wyre Forest Forward programme. This will allow us to test the work that we have done against best practice elsewhere.
- 6 It remains the case that expenditure reductions of a significant scale will not be achieved by chipping away at various budgets by small amounts. Efficiency measures through better procurement, use of IT, simpler processes etc will have

their part to play, but it would be misleading to think that they alone will close the gap. We therefore need to focus on opportunities for major reductions in a number of areas, as well as maintaining a rigorous focus on the priorities that are in the corporate plan for 2011-2014. Some of the key areas that have already been agreed by Council and Cabinet are:

6.1 looking at how we can drive down cost by working further with our private and public partners. The shared economic regeneration service for North Worcestershire and shared customer services at the Town Hall with Community Housing Group (both of which Wyre Forest hosts) have been successfully implemented. The county council provides the HR service and Redditch delivers our payroll requirements. A range of other shared services with Redditch and Bromsgrove is moving closer to implementation: building control, emergency planning and watercourses/flooding. We will continue to look for opportunities in some of our larger services, such as cross-boundary routes in waste collection. The review of leisure centres provides an opportunity to seek a reduction in costs while investing in a new facility for the district and the transfer of other leisure centres to local organisations;

6.2 increasing the income we receive from our chargeable activities. We delivered the increase in fees and charges for 2011-12, with the exception of extra income from planning fees – this has been delayed because the Government has not brought forward the necessary legislation. We have challenging targets to meet for additional income from fees and charges in later years. The Government will not fund a second year of freezing council tax, and the introduction of referenda on excessive council tax increases under the Localism Bill means that the Council will not be able to rely upon increasing council tax significantly, even if it wanted to do so;

6.3 opportunities under the Government’s “Big Society” agenda. Decisions were taken earlier this year to transfer allotments to the management of allotment associations and the community centre in Stourport-on-Severn to a private nursery (which still encourages bookings for community use). The Council is actively looking at transferring other assets and services to local organisations. The most significant project is examining the future of the Civic Hall and Civic Centre in Stourport-on-Severn, one of only five national exemplar projects being funded by the Asset Transfer Unit. The business plan is due to be considered by the Cabinet in October. The Council will need to continue to identify opportunities that would sustain local facilities and services but at lower cost to itself, through transferring them to town or parish councils, community groups, development trusts and the voluntary sector;

6.4 rationalising our assets more generally, disposing of those that are uneconomic and where the council’s continued ownership provides no public or organisational benefit. The move to our new single office in 2012 will save over £500k in building and staff running costs;

6.5 review of organisation and management structure. The approved budget expects savings to be delivered during 2012-13 and proposals will therefore come forward in due course. As I reported last year, this will look at a range of options including sharing senior management posts.

7 The economic situation facing the district continues to be challenging. While the district has a more diverse economy than in the past, the unadjusted claimant count (ONS mid-2010) shows unemployment at 3.7%, above the county average of 3.3% but below the regional and England and Wales figures of 4.9% and 3.9% respectively. The employment rate in Wyre Forest stands at 72%, the second lowest in Worcestershire (average 74.3%), although ahead of the regional average (67.5%). Despite recent improvements attainment levels in schools continue to be below the national average. In 2010, gross weekly pay was lower than average at £421.90 compared to £479.20 in Worcestershire, £469.20 regionally and £501.80 nationally. VAT registrations and de-registrations per 10,000 resident adults in Wyre Forest (35 & 27 - 2007) are lower than for the United Kingdom (42 & 30) and County (45 & 31). While the district falls roughly in mid table in the index of deprivation for 2010, this masks some intense areas of deprivation, such as the Oldington and Foley Park ward and Horsefair area in the Broadwaters ward. As with other areas, demographic changes present a challenge. Mid year estimates for 2010 show there is a higher than average older population in the area. The population aged 65 and over is expected to grow from 21% in 2010 to 26% in 2020. This demonstrates the need to help reshape the district's employment and housing offer, in order to attract and retain more young people locally.

8 The Council's response to these issues includes:

8.1 Identifying securing economic prosperity of the district as one of the council's three priorities in the corporate plan. This was backed by investment of £400k over 3 years, the only area of the council's budget to see growth. Among other things, it funds activities in the town centres, including a town centre manager post, development trusts, business start up grants and the ReWyre initiative;

8.2 playing an active role in working with two Local Enterprise Partnerships, for Worcestershire and for Greater Birmingham and Solihull. This led to the South Kidderminster business park being identified by both LEPs as a candidate for enterprise zone status. Achieving recognition of the need for further economic growth in the town and a much higher profile for it with Government was a significant achievement. We are working with the Department for Communities and Local Government and other partners to bring forward local development orders to simplify the planning process and to consider other tools to encourage new businesses to locate in the area and existing ones to invest and grow. Because Greater Birmingham and Solihull will have an enterprise zone, we will have the opportunity to bid for a share of the resources that will be created by it, to support investment in Wyre Forest;

8.3 the ambitious ReWyre strategy, looking at future regeneration of Kidderminster and surrounding areas over 20 years, focussing on key areas for development such as Churchfields, the Eastern Gateway to the town and the former British Sugar site. A board involving local business leaders and chaired by one of them oversees and guides progress. The Leader of the Council and I are members of the board. It is because of the sound preparatory work done through ReWyre and on our development framework that we were able to make

a compelling case for South Kidderminster with the local enterprise partnerships;

8.4 continued good progress with putting in place **the local development framework**. The core strategy was adopted in December, the first district in Worcestershire to reach this stage. We have consulted on most aspects of the detailed allocation policies and we are still on course for the final site allocations development plan document to emerge in 2012 and be adopted towards the end of the year. Having plans in place gives greater certainty to developers in bringing forward proposals, including for the 4,000 housing units that are required over the period to 2026 to meet identified need in our communities;

8.5 the **areas of highest need projects** in Oldington and Foley Park, Broadwaters and the Walshes. Investment of £1m by the Big Lottery fund in community development in Horsefair, Broadwaters and Greenhill is starting to flow. In Oldington and Foley Park, I chaired a project group that developed proposals for the re-design of public services, in particular more joined up support for families that would be more effective and reduce other costs down the track. The Public Services Executive Group will consider the proposals in November.

How we are performing against the priorities set in the corporate plan, and financial performance

9 It is a little too early to report significant progress against the priorities that we have been following since April, and I will cover this in next year's report. However the Council's annual review for 2010-11 noted that we made good progress against most of the four priorities in the previous corporate plan:

9.1 further affordable housing delivered with our partners: making a total of 210 unit between April 2008 and March 2011;

9.2 the revised arrangements for collecting garden waste and recycling continue to result in diversion from landfill. The green waste collection service is used by 1600 households and had already diverted over 500 tonnes. Satisfaction levels for collection of household waste and doorstep recycling both increased sharply from 70% and 73% respectively in 2009/10 to 81% and 85% in 2010/11;

9.3 master plan for Churchfields completed, development of proposals for the planning policy to guide regeneration of the Eastern Gateway and agreement to the shared economic development and regeneration service covering the three North Worcestershire districts; and

9.4 continued savings from procurement, the first stage of savings from the review of administrative support and sound progress with the implementation of the council's new HQ which will save significant revenue costs for the Council.

10 These achievements are not attributable solely to me or even the directors: it depends on the contribution and commitment of the Council's staff, to which I would like to pay tribute. It is very pleasing that staff's work has been recognised by further awards this year including:

- 10.1 One of our garden waste collection crews won the 2011 Let's Recycle Awards for Excellence Crew of the Year. The two man crew, consisting of Carl Bilboe and John Burgess, has been receiving praise for the high level of service they provide since the start of the council's Garden Waste Collection Service in April 2010. 99% of residents surveyed stated that they were happy with the level of service provided by the crew;
- 10.2 Lucy Savage, one of our sports development team, was named as Football Association Coach of the Year for Worcestershire. The FA McDonald's Community Award recognises her commitment to improving standards of community football and increasing participation in the sport. Lucy runs football sessions for children of all abilities in schools during term time, and a summer programme of sporting sessions for children during the holidays;
- 10.3 The good work of our parks team was recognised by green flag awards (again!) for Brinton Park, Kidderminster and QEII Gardens, Bewdley;
- 10.4 Wyre Forest was ranked first in the social media reputation index for councils for July 2011, run by CouncilMonitor. It praised the way Wyre Forest District Council's website and social media sites are run: "Wyre Forest District Council have small but well managed Facebook and Twitter accounts. Their website is unusual compared to our other top performers as it does not promote their social media heavily. However it is a very informative, organised site and shows that their focus on informing customers on the web is a priority".
- 11 Residents' perception was measured by the 2010/11 Viewpoint Survey. Residents were asked whether they think Wyre Forest District Council provides value for money and how satisfied or dissatisfied they are with the way the Council runs things. In the Place Survey 2008/09, 31% of residents thought the Council provided value for money and this has increased substantially to over 44% in 2010/11. An even bigger improvement can be seen when looking at satisfaction: over half (51.7%) stated they are satisfied with the way Wyre Forest District Council runs things, which is an increase of 9% from the Place Survey 2008/09. We have invested more effort in putting the Council's story across through the media team, and a twice-yearly on-line magazine for residents has been successfully introduced. As noted above, the council's presence on Facebook and twitter and our website have been recognised through an industry survey.
- 12 The Council's officers continue to be successful in attracting external grant funding to support or enhance the services that are provided for local communities, whether in leisure and arts provision or in economic regeneration. Many hundreds of thousands of pounds were attracted during 2010-11, including nearly £500k from Natural England to support investment in our nature reserves. Through prudent management of its revenue resources, the outturn for 2010-11 was over £500k less than had been budgeted which allowed the Council to strengthen its reserves.
- 13 The Council achieves more by working with partners and through its strategic leadership. I am a member of the Council's local strategic partnership, Wyre Forest Matters. At the Worcestershire level, I sit on two of the theme groups of the Worcestershire Partnership: the Place-shaping Group and the (shadow) Health and Well-Being Board. The Worcestershire Partnership has been slimming its

membership and structures down and I have been co-ordinating work on a similar process within Wyre Forest Matters, which will be considered again at its next meeting in October. The role of the Council in providing strategic leadership for the district, its residents and businesses has been reflected in the Leader becoming chairman of Wyre Forest Matters and representing Wyre Forest on the Worcestershire Partnership Board. I play an active role in meetings of the Worcestershire Chief Executives' Panel and the Worcestershire Leaders' Board – they are key bodies in coordinating local government activity in the county and in sharing good practice.

The progress that we have made in transforming the council

- 14 No organisation can afford to stagnate, and I remain positive about the Council's ability to continue its transformation journey. There has been significant and positive progress on major projects. The new cemetery and crematorium, being developed by Dignity plc, has been completed. The timing of works on access from the main road has delayed its formal opening until the winter. Our single largest project is the construction of the new HQ for the Council at the Finepoint site between Stourport-on-Severn and Kidderminster – this will allow us to save over £0.5m a year in running costs and remove inefficiencies that come from operating out of four main offices. Since my last annual report, planning permission for the development was granted and the construction contract awarded to a local company, Thomas Vale. The competition for the contract was intense and we secured a significantly lower price for this element of the project. Construction work commenced in June and is well under way, with handover to the Council due in mid June 2012. I hope it will be possible to hold the Council's late July meeting in the new chamber. I chair the project group that drives the detailed work, and regular reports are provided to the Transformation Board and the Overview and Scrutiny Committee.
- 15 Work on the three main transformation projects has been led by three directors: making information manageable (Caroline Newlands), mobile and flexible working (Mike Parker) and the administration review (Linda Collis). Progress has been good. Over 60 staff are now working wholly or mainly from home and mobile technologies being piloted with other groups of staff. This has been underpinned by work on managing records electronically. The administration review has concluded its second phase, and changes that will further reduce staffing and costs will be implemented before April. The work streams connected with mobile and flexible working and managing information have recently been brought together in a single group, chaired by Caroline Newlands, which is also looking at other practical aspects of the move to the new HQ. Underpinning all our transformation efforts is the ICT strategy, overseen by David Buckland. Implementation has continued to progress satisfactorily, and we have a more resilient and cost-effective infrastructure. At the beginning of this month, the new Shoretel telephony system was successfully implemented across all our sites, following a joint procurement with Redditch and Bromsgrove that was led by Dave Johnson and his team.
- 16 The Leader and I have continued to undertake regular corporate briefings for staff. We have completed four rounds with the next due in November. We have seen more readiness by staff to talk to us about the issues that are concerning them, and we find the briefing sessions very useful. Staff and union representatives have been involved in the working groups for the various transformation projects and in focus

groups, such as on the new HQ. Strong links have been forged with senior managers in WF20 and with all managers through the Management Forum. The Corporate Management Team continues to develop positively and I feel that we are operating well as a cohesive unit.

- 17 On a personal level, I am very grateful to members who have taken time to accompany me on visits to their wards. Since my last annual report, I have undertaken 5 visits with a total of 6 councillors. They are very helpful to me in deepening my knowledge of the district and in seeing or hearing about the issues that members deal with in their representational role.

Conclusion

- 18 I am very proud to be Wyre Forest's Chief Executive and, whilst we may face many challenges, I know that with the support of Councillors and our staff we can strive to meet them head on together. The role continues to be exceptionally interesting, enjoyable and challenging. I feel that I have deepened my knowledge of the area and its strengths and opportunities, and I would like to thank members and others for the support that I have received. The Council faces significant challenges over the coming period and I continue to feel confident that it will rise to meet them, demonstrating its ability to provide effective community leadership.

Ian Miller
September 2011