



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

<b>REPORT OF:</b>	CHIEF EXECUTIVE
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<b>TO:</b>	COUNCIL
<b>DATE:</b>	14 APRIL 2011

<b>AGENDA ITEM NO:</b>	10	<b>WARD(S) AFFECTED:</b>	ALL
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<b>SUBJECT:</b>	<b>ANNUAL PROGRESS REPORT</b>
<b>PURPOSE OF THE REPORT:</b>	TO CONSIDER THE REPORT ON THE COUNCIL'S ACHIEVEMENTS IN THE 2010/11 MUNICIPAL YEAR
<p><b>RECOMMENDATION:</b></p> <p><b>That:</b></p> <ul style="list-style-type: none"> <li>(i) the report of the Chief Executive be noted;</li> <li>(ii) the actions within the report to ensure continued progress be supported;</li> <li>(iii) the new management structure, as shown in annex 1, be approved;</li> <li>(iv) in accordance with Section 5 of the Local Government and Housing Act 1989, the Legal Services Manager, Mr Nicholas Bennett, be appointed as the Council's Monitoring Officer with immediate effect; and</li> <li>(v) in accordance with Section 151 of the Local Government Act 1972, the Finance Manager, Mr William Pallett, be appointed as the Council's Chief Finance Officer with immediate effect.</li> </ul>	
<p><b>SUMMARY</b></p> <p>This is a report of the Chief Executive and is intended to provide Members with an assessment of the Council's performance and progress in 2010/11. The report is an annual summary of the key achievements and issues.</p> <p>The report also summarises the direction of travel for the Council in 2011/12 and beyond, outlining the key challenges and aims for the Municipal Year.</p> <p>The senior management team within the organisation has been reduced and restructured and the Council is asked to appoint two statutory posts.</p>	

## INTRODUCTION

1. This is my first annual report to Council since my appointment as Chief Executive in May 2010. The aim of this report is to provide a summary of some of the Council's achievements and highlight the challenges that we face in the coming year.

2. Quarterly reports on the Council's service and financial performance are provided to the Executive and Overview & Scrutiny Committee. These reports, which are well received, provide Members with performance information and this report is in addition to this regular reporting regime.
3. Reigate and Banstead is an excellent place to live, work and visit. The Halifax quality of life survey has placed Reigate and Banstead in the top 35 districts across the country for the second year running. The Council plays a strong role in maintaining and improving the area for the benefit of our residents.

#### **CHALLENGES AND ACHIEVEMENTS IN 2010/11**

4. 2010/11 has been a tough and demanding year for Local Government, and Reigate and Banstead was not immune to these challenges.
5. The start of the Municipal Year brought a number of changes for the Council, including a new Chief Executive. Nigel Clifford retired in early May after 35 years at the Council. After an extensive recruitment process I was delighted to be appointed as the new Chief Executive of the Council. I have very much enjoyed my first nine months.
6. 2010/11 also brought changes at the national level, with a new coalition Government which set a clear priority to reduce the national deficit.

#### **Economy**

7. The Comprehensive Spending Review in December 2010 confirmed a very difficult financial settlement for Local Government. This Council saw its grant reduce from £6.130m in 2010/11 to £5.123m in 2011/12, with further reductions of £502,000 in 2012/13. This is a reduction of 16.4% and 8.9% for the two years respectively.
8. The Council had already recognised the need to make savings over time to achieve a sustainable budget and notwithstanding the challenges ahead was in a comparatively good position going forward.
9. The Strategic Management Team, working with Executive Members and Managers across the organisation identified gross savings of £2.8m. A number of growth items were needed primarily to "right size" budgets concerning investment and property. Net savings of £1.2m were delivered, allowing the Council to utilise a special government grant and freeze Council Tax for the second year running. This is a significant achievement given the difficult financial circumstances.
10. Significant work has been undertaken by managers across the organisation to ensure services are efficient and delivered within budget and all expenditure is scrutinised to deliver value for money. I am pleased to report that this activity has resulted in a significant under spend. This will provide the opportunity to tackle some of the key challenges and invest in the organisation to create a more efficient Council that is continues delivering quality services at less cost.

11. Whilst the Council is facing financial challenges, it is important to remember that the economic climate is affecting our local residents and businesses too. High inflation, projected interest rate increases and job uncertainty are impacting on residents' daily lives. The Council has a key role in supporting the borough and encouraging growth to ensure Reigate and Banstead continues to be a prosperous place to live and work.
12. Unemployment may be lower in Reigate and Banstead, but we have consistently had the highest level in Surrey of young people not in employment, education or training. This is a worrying statistic for the prosperity of the borough. The Council has invested in a youth employment programme and we have also been encouraging other businesses to take this approach.
13. The reductions in public sector funding have knock on effects for local businesses and reductions in grants and funding opportunities impact on community and voluntary groups. Our community safety work is delivered in partnership with a number of public bodies as well as community and voluntary groups. However, grants are being reduced and we will need to consider how the Council will support this area of work, and others facing similar reductions, in the future.

### **Service performance**

14. Despite the financial pressures above, the Council has continued to deliver excellent levels of service. 13 out of 15 of the corporate performance targets were on track at the end of the third quarter.
15. Given the economic situation, the continued strong performance of our revenues, benefits and finance services is particularly pleasing. We are exceeding our targets for paying invoices, which supports local supplier cash flow and Council Tax collection rates (which supports our cash flow), exceeding the high performance in the previous year.
16. The Council's Benefits Service continues to provide one of the highest levels of service in the county. Application levels have increased as a result of the economic downturn, but the team have maintained a level performance level, meeting targets for the processing of applications despite this increase.
17. Although performance figures for recycling were impacted by the adverse weather in the winter and changes to the calculation basis, Reigate and Banstead provided an excellent service to residents throughout this period. Services were also maintained throughout the Christmas and New Year. This is testament to the dedication of the Council's staff to provide excellent services to our communities. Very positive feedback has been received.
18. Many Councils are facing difficult choices regarding service reductions and adopting 'less for less' strategies. In Reigate and Banstead, however, financial savings have been made through efficiencies. As a result, the Council's service levels will remain the same for 2011/12 with no cuts in service and minimal impact on staff.

### Investing in services

19. The Council has a strong ambition to provide residents with quality services and has invested appropriately in order to do this. As a result, residents are seeing improvements in the services provided to them by the Council, at a time when many authorities are withdrawing or reducing services.
20. A new leisure centre is under construction in Horley. This project is on time and under budget and will deliver first class facilities for the growing community in Horley.
21. A £3.4m refurbishment of the Donyngs leisure centre in Redhill is also underway. Utilising funding from the Council and the centre operator, this will modernise the facilities and equipment for users of our flagship facility in the centre of the borough.
22. In Banstead, the Council opened a new pavilion, which incorporated a new café and toilet facilities, and a refurbished recreation ground. With community support we are looking at further improvements to the children's playground.
23. The Council has also sought to improve its engagement with local communities. The Community Liaison team continue to provide support for community initiatives. Our community activities have not been limited to this work however:
  - recognition for community and environmental champions and young athletes through mayoral award schemes;
  - campaigns with local schools to encourage recycling and reduce litter;
  - new e-petition facility and petition processes to encourage residents to influence Council decisions;
  - greater transparency of expenditure with payments over £500 published on the website.
24. Our Help Shops and Customer Services team have seen an increase in business as some people in our community seek help in responding to difficult economic conditions. The shops and team continue to provide excellent customer service and are a credit to the Council.

### SHAPING OUR FUTURE IN 2011/12 AND BEYOND

25. We are planning ahead. The reductions in government grant outlined in paragraph 7 cover the next two years. However, the Government has given a strong indication that further reductions can be expected. Recent announcements have even referred to some Council's becoming self funding, with no funding from central government. The Council needs to plan for this situation, so that we can take decisions around services and funding in advance.
26. To this end, the Council successfully reviewed its Corporate Plan in 2010/11 and a new Plan was adopted in February. The plan sets out how we will continue to tackle the challenges and is focused around three priorities for the period 2011-15.

### **Self-reliant and thriving communities – a clean, green, safe and healthy borough**

27. Reigate and Banstead is a prosperous and healthy area, something which is highly valued by our residents. We have therefore agreed a priority that seeks to maintain and improve the environment, supported by the Council's core services.
28. Our services make a considerable contribution to the safety of the borough. Community safety, food safety and environmental health all seek to make the area a safe and healthy place for our residents to live. The Council spends over £4m each year collecting refuse, maintaining parks and cleaning the streets to make the environment clean and green.
29. However, our recycling levels are now some of the lowest in the county. An improved recycling service has been developed and work is underway on the implementation costs and timetable. A report will be presented to the Executive in the new Municipal Year.
30. There are other opportunities for waste services, as Surrey County Council are discussing the potential to combine their community recycling centre in Earlswood with the Council's adjacent depot. This offers potential to improve the service provided to residents and income opportunities for the Council.
31. We have begun discussions with the new leisure centre operator regarding opportunities to promote healthy living. Greenwich Leisure Ltd is supportive of this approach.
32. We are also looking to improve the support we provide to younger and older people within the Borough. There is considerable opportunity to do this in partnership with Surrey County Council. Relationships with our largest schools have been developed to help ensure the Council's efforts are targeted on those children in greatest need.
33. Our innovative approach to supporting NEETs will see 20 young people employed in temporary work placements from May, on 6 month programmes. These placements will provide the young people with skills and experience to give them a better chance of employment, whilst the Council benefits from flexible workers at a limited cost. This activity builds on the success of the future jobs fund scheme in summer 2010
34. Finally, the changes in the health structures in England mean that local authorities will have a stronger role in supporting, shaping and scrutinising local health services. Reigate and Banstead needs to take a leading role in overseeing and scrutinising this new area of work to help ensure our residents get the best possible care. We are actively discussing how we can position ourselves to contribute to these changes and seeking a position on the Surrey Health and Wellbeing Board.

### **Regeneration – Improving and Sustaining our Communities**

35. The Council has identified four priority areas for regeneration: Redhill, Horley, Merstham and Preston. The Council's aspirations for each of these areas are set out in the Corporate Plan. The main focus is on the delivery of projects designed to improve facilities and infrastructure.

36. We have signed a Memorandum of Understanding with Surrey County Council that secures joint agreement to prioritise these areas and work together to deliver key objectives. We will also be supporting the County Council in a property review in The Horseshoe, Banstead.
37. This will enable the joint approach to regeneration in Merstham and Preston to be moved forward. Regeneration in Preston is reliant on the sale of a key county council site to provide investment in the community and change the housing mix in the area. The Council has requested further feasibility work on options for a new leisure centre in the north of the Borough and we will need to make a clear decision on the way forward by the Autumn.
38. Regeneration in Merstham is linked to emerging plans with Raven Housing Trust and the County Council to provide a new community hub and village centre. There is considerable opportunity in the next few years for the Council to support once in a generation improvements to these communities, which suffer from significant inequalities when compared to some of our more affluent areas.
39. Redhill is a crucial regeneration area, both in terms of promoting the prosperity of the borough and realising capital receipts for the Council. Interest in development within Redhill increased significantly during 2010/11, led by the proposals for new retail stores from three national supermarkets.
40. This interest will enable the Council to move forward its regeneration plans and encourage substantial investment in our largest town. This will provide local residents with improved town centre facilities as well as employment opportunities at a time when unemployment has been increasing.

### **Our Organisation - Better for Less**

41. As stated above, the Council must respond to reductions in the financial support provided by Government. We need to continue improving services, but this must be done with fewer resources to ensure a sustainable Council and a balanced budget. The savings will not be possible through traditional efficiencies.
42. Protecting statutory services and cutting discretionary services is not how we want to make savings either, and it is not what our residents want. A smarter approach to savings will be necessary.
43. Therefore, a more fundamental review of how we provide services will form a crucial part of our work in the next year. We will need to invest in better ways of working, such as new technology to facilitate a better customer focus with streamlined processes and remote working, to enable staff to carry out their roles efficiently and effectively, but at a lower cost to the Council.
44. These changes will offer the opportunity for greater partnership and income generation as we release accommodation on the Town Hall site that can be rented to other organisations. Reigate is an excellent location to operate from and public sector organisations are considering opportunities for greater coordination through co-location.

45. This programme of investment will be a key priority for the Strategic Management Team as it seeks to deliver better ways of working within the organisation. Through this programme we will improve our processes and realise the full potential of our staff. Members are asked to note that the Council will take forward 'invest to save' initiatives as part of this programme of work, which will be funded primarily via the Corporate Plan Delivery Fund and capital programme.
46. This will require a cultural change from both staff and Members. Therefore, if we are to be successful in delivering this change, it is vital that we invest in our staff. As we reduce the management cost within the organisation, we will need to motivate and develop our staff to work to their full potential, driving efficiencies and innovation across the organisation.
47. We also need to review how we pay and reward our people to help maximise individual and organisational performance. The economic situation has created challenges for the Council, but it also creates challenges for our staff, where the cost of everyday items have been rising rapidly. As part of our journey, therefore, we should seek to provide cost of living pay awards in recognition of the challenging economic circumstances.
48. A new talent management programme has been implemented to support the development of our managers. This includes elements of performance appraisal, to ensure managers are performing to the expected level and responding accordingly. Succession planning has also been developed through this approach, to identify where our next generation of skilled professionals and managers will come from, and importantly identify skills gaps within the organisation that need to be filled. We expect to expand the programme over time to include more officers.
49. It will not be possible to continue chipping savings from budgets in an ad hoc approach. The importance of partnership working and the need to engage and communicate more effectively with our communities to create a more visible Council will be priorities.
50. Our approach to collaboration seeks to place the Council on a more sustainable footing with regards to budgets and savings requirements. The Alternative Service Delivery programme includes work to share services through partnerships and deliver services on behalf of other authorities. Each of these approaches will provide the Council with efficiency savings through economies of scale.
51. Reigate and Banstead has a strong reputation for its level of service quality, particularly in revenues, benefits and customer services. We will seek to build on these strengths in our collaborative working and have had strong interest from a number of authorities to share services, or for us to operate services on a contract basis. As a consequence, some of our businesses will grow significantly over the coming years. In order to generate worthwhile savings and protect our brand we will need to select potential partners with care.

### **Strategic Management Team**

52. The Corporate Plan report to the Executive in January noted that part of our approach to ensure that the Council is financially sustainable was to ensure the Officer organisation was fit for purpose and aligned to deliver the Council's priorities.
53. During 2010/11, the senior management team structure has been reduced from 15 posts to seven. The removal of these posts, and two associated support posts, has delivered savings of over £750,000 per annum, which is a significant contribution to our overall savings target.
54. A key factor in the decision to make these savings has been the excellent progress made to make the best use of the many talents in the organisation and give more junior officers and front line staff greater empowerment.
55. The revised management structure is set out in annex 1 for Council adoption in accordance with Article 4 of the Constitution. The strategic management structure now comprises the Chief Executive, Director and six Service Heads. It is proposed that the Director post be re-designated as the Deputy Chief Executive, with a strategic role in driving forward corporate and cross cutting priorities.
56. The six Heads of Service will report directly to the Chief Executive, with responsibility for a number of services areas. These services will be managed by Operational Managers, who will have day to day responsibility for the delivery of the Council's service to the required standard and within the agreed budget.
57. An Operational Management forum has been established to provide support for this group of managers, which will drive forward the Council's ambitions to deliver better for less throughout all levels of the organisation.

### **Statutory Posts**

58. As a result of the above management changes, a number of statutory posts must be appointed by Council. The duties and responsibilities of each post are set out in the Officers Article in the Council's Constitution.
59. Section 151 of the Local Government Act 1972 requires the Council to appoint a Chief Finance Officer, responsible for the administration of the financial affairs of the Council. It is recommended that the Finance Manager, Mr William Pallett, be appointed as the Council's Chief Finance Officer.
60. Section 5 of the Local Government and Housing Act 1989 requires the Council to appoint a Monitoring Officer, responsible for ensuring lawfulness and fairness in the Council's decision making. It is recommended that the Legal Services Manager, Mr Nicholas Bennett, be appointed as the Council's Monitoring Officer.



## COMMUNICATIONS

### Corporate Communications

61. The Council is in the process of redesigning its communications activities. Improvements can already be seen through the use of wider channels, such as social media sites Facebook and Twitter. We have significantly improved the level of proactive communications.
62. In 2010/11 we launched a new visual identity to support our communications activities. The new corporate design will strengthen the Council's image and recognition within the community as our external communications activities are improved.
63. A new campaigns strategy has also been developed to support the Council's communications objectives. This strategy coordinates the Council's communications activities into campaigns aligned to the priorities within the Corporate Plan.
64. These consistent campaigns and branding will increase awareness of the Council's activities. It is hoped that this will, in turn, lead to greater satisfaction with the Council's services and the role the Council plays in making Reigate and Banstead a prosperous place to live and work.

### Community Engagement

65. We will also be seeking to build on our engagement activities with the community and stakeholders. The Council has been increasing its engagement with residents associations, particularly around planning policies and development management.
66. With decisions regarding ambitions and capital projects to be taken, improved engagement and research will provide the Council with a better understanding of the community priorities and needs.
67. Councillors are a crucial, and under used, resource in the Council's engagement work. As we seek to take forward the Coalition Government's aims for a 'big society' and empowered communities, Councillors will play a crucial role in ensuring that we identify and communicate effectively with our communities. We will need to consider the resources and skills that Members require to unlock the community capacity within the borough.

### Councillor Communications

68. Key issues are always discussed with Portfolio Holders and they are fully briefed and kept up to date on all aspects of their portfolio. In addition to this, the Leader and I have both sought to increase the level of communications between Officers and all 51 Councillors, with regular updates circulated.
69. We will continue to look at improving our communications with Members. A review has been undertaken and we will be seeking to implement some of the suggestions in the new Municipal Year.
70. Improved arrangements have also been introduced for communicating with our 9 County Councillors and 3 MP's.

## FINANCIAL ISSUES

71. The Council will need to review its use of resources for the Corporate Plan period. Members have a high level of ambition for the Council and the improvements they wish to see in the community. This is a positive ambition and is supported. However, Members need to recognise the resources available and the options for funding these ambitions.
72. The review of the Capital programme and use of resources needs to result in a consensus on both the content and funding of the programme.
73. The Localism Bill and the Criminal Justice and Licensing Bill, as currently drafted, will provide the Council with the opportunity to set its own fees for Development Management and Licensing services. This will allow the Council to charge fees that reflect the cost of providing the service, rather than public money subsidising the services as at present.
74. In order to use some of the efficiencies and fee income to drive change and service improvements within the organisation, it is anticipated that Council Tax increases of 2.5% - 3.5% will be required in each year of the Corporate Plan.

## LEGAL IMPLICATIONS

75. The legal implications are as set out in the body of the report.

## CONCLUSIONS

76. I am proud to be the Chief Executive at Reigate and Banstead Borough Council and the achievements we have made in the last year. The Council's success depends upon the skills and enthusiasm of its staff and the clear direction of Councillors.
77. I place on record here my thanks to all those staff and Councillors who have enabled the Council to deliver the progress I have outlined in this report.
78. The last 12 months have been a challenging time for the Council. These challenges will continue through the 2011/12 municipal year and the Council has a significant level of savings to achieve in the next 4 years.
79. The support of Members and staff to overcome these challenges is very important. The strategic management team will continue to work with the Executive to identify and implement the necessary savings in order to ensure a sustainable approach to our services.
80. We will seek to invest in new technology and new ways of working to enable the Council to make the required savings and maintain services to residents.
81. I am confident that the priorities and actions outlined within this report will lead to Reigate and Banstead Borough Council becoming a more sustainable Council, overcoming the financial challenges that we face in the next few years.

**Background Papers:** None