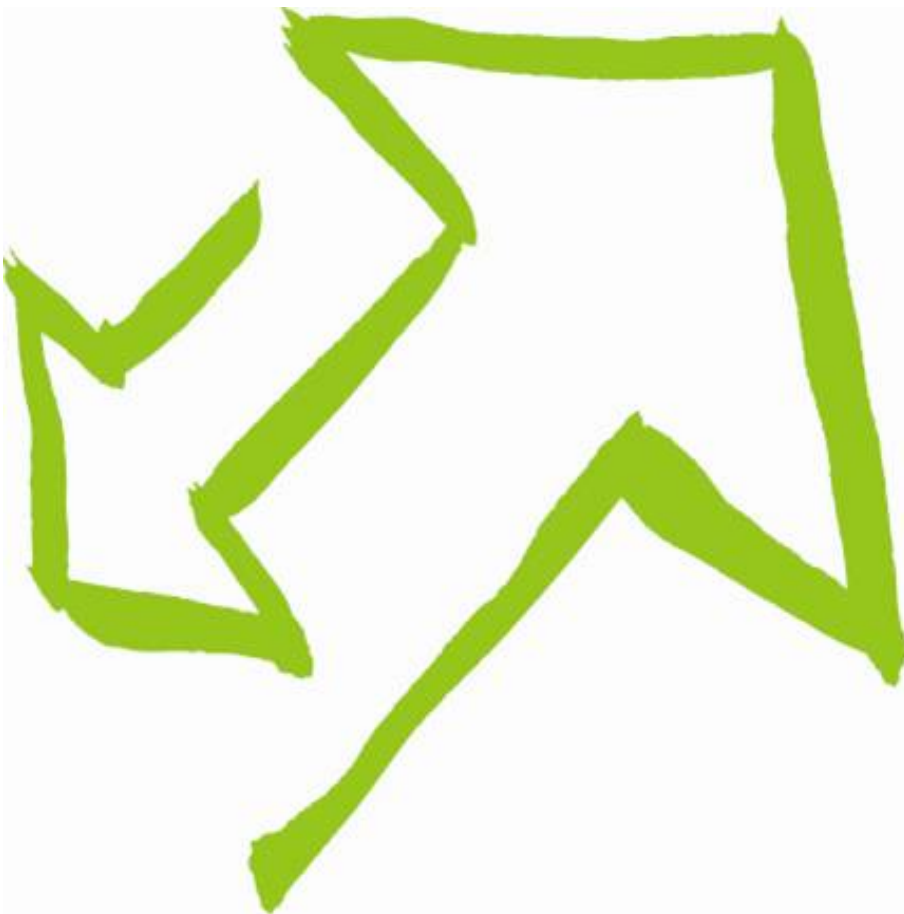


# Regeneration

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Medway Council

May 2009



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# Service Inspections

This inspection has been carried out by the Audit Commission under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. These principles embody the objectives of our Strategic Plan and Strategic Regulation. They also reflect the principles from *The Government's Policy on Inspection of Public Services (July 2003)*. Audit Commission service inspections should:

- focus on public service outcomes from a user perspective;
- act as a catalyst to help inspected bodies improve their performance;
- concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
- be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
- be, and be seen to be, independent of the inspected organisation;
- report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
- involve collaborative working with other inspectorates and external review agencies to achieve greater coordination and a more holistic approach to the assessment of performance by audited and inspected bodies;
- share learning to create a common understanding of performance that encourages rigorous self assessment and better understanding of their performance by inspected organisations;
- be carried out objectively by skilled and experienced people to high standards and using relevant evidence, transparent criteria, and open review processes; and
- enable continuous learning so that inspections can become increasingly effective and efficient.

We assess services using published key lines of enquiry (KLOE) to inform our judgements. The KLOEs can be found on the Audit Commission's web site at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk).

This report is issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.

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# Summary

- 1 The Council's work to regenerate the area is good with promising prospects for improvement. An ambitious agenda has been set to tackle the significant challenges the local area and its communities have faced following the closure of the Royal Naval dockyard and decline of manufacturing in the area. The Council's approach with its partners effectively tackles the things which matter most to local people and focuses well on delivering a balance of social, physical and economic improvements. The Council understands the sub region, its own area and local communities well and has used this to set ambitions relevant to local needs.
- 2 Following a sustained focus on regeneration, there are notable improvements which local people experience and overall residents are more satisfied with the area. Better levels of skills and educational attainments are closing the gap between attainment levels in Medway and the rest of the sub region. Success in diversifying the economy and creating new jobs has reduced the number of people who are unemployed. In addition average earnings increased from 2006 to 2008 at a faster rate than in the rest of the sub region. Many people living in some of the most deprived areas in Medway have benefited from skills and neighbourhood based initiatives. There remains more work to do with the more deprived communities and to reduce health inequalities.
- 3 Environmental improvements, such as the walkway at Rochester Riverside, Ranscombe Farm, Chatham Historic Dockyard and other cultural and heritage attractions, make the area more attractive to local people, investors and visitors. Significant physical regeneration milestones have been achieved on land assembly and clearance. The Council has a strong track record of securing significant external funding and inward investment and of using these resources well.
- 4 The Council and its partners are well placed to make continued progress. With local people better skilled they are more able to take advantage of future opportunities created through planned growth. Through efforts to diversify the economy and deliver physical improvements Medway is becoming a more attractive place for investors. Strong leadership within the Council and in partnerships is driving and facilitating progress on the ambitious agenda. The Council is a well regarded partner and objectives and plans are agreed in an atmosphere of mutual trust and respect. Partnerships, external funding and inward investment maximise capacity and effective steps are being taken to manage the effect of the economic recession on local people and future development.

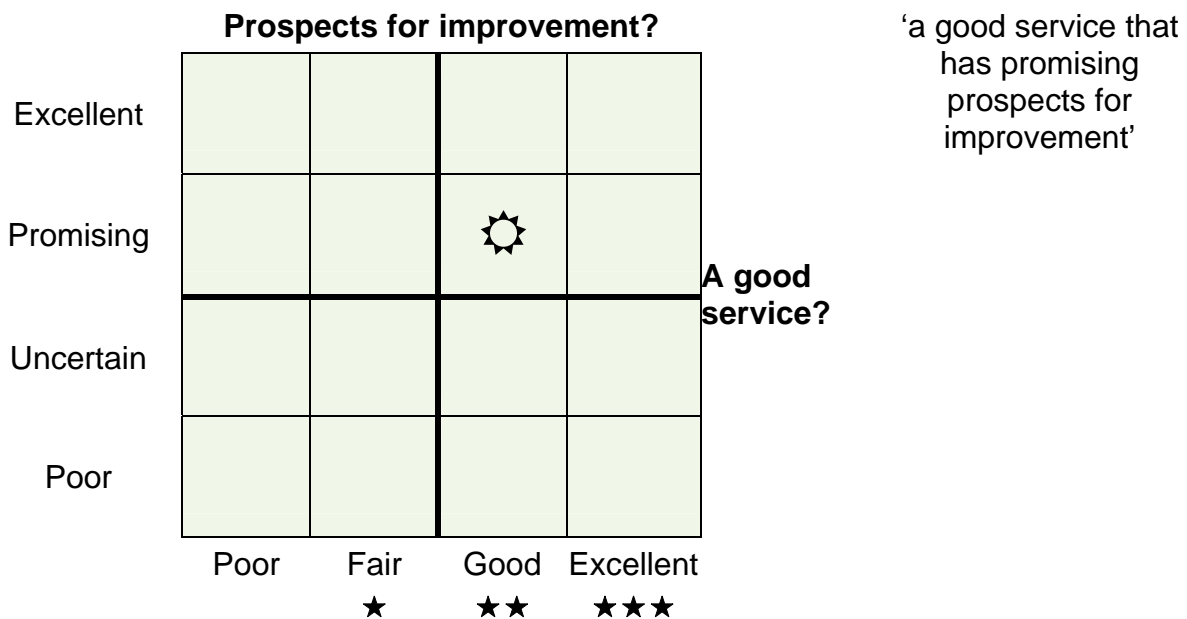
## Summary

- 5 However, there are some barriers to success. The Council has not developed outcome focused targets to help measure its success through its regeneration activity in terms of the anticipated benefits and impacts for local people and the area. Local people are not consistently engaged in informing and developing the plans for the regeneration of the area. As a result local people and key partners are not always clear about why specific approaches are taken or what the area will look like as a result of certain interventions. There is no joined up approach in place to ensure value for money is secured across regeneration activity and investment. Linkages are also not made between strategies to show interdependencies and impacts when plans are delivered. There is effective progress reporting and performance monitoring in place, but an under-developed approach to evaluating and challenging success and achievement.

# Scoring the service

- 6 We have assessed Medway Council as providing a 'good' two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

**Figure 1 Scoring chart<sup>1</sup>**



Source: Audit Commission

- 7 The service is a 'good', two star service because:

- through neighbourhood based work many of the most vulnerable individuals and communities in Medway experience raised skills, aspirations and confidence levels, enabling them to find employment or volunteer;
- good community initiatives have strengthened community capacity enabling communities to become more sustainable;
- the area has seen job growth and good business development and survival rates in line with corporate ambitions to be a sub regional economic hub and in response to the high levels of unemployment as a result of declining industries;
- raised skills are improving local people's life chances and enabling them to be better placed to take advantage of the opportunities regeneration creates;

<sup>1</sup> The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

## Scoring the service

- improved educational attainment levels are closing the gap between Medway's levels of attainment and the region's and the growth of the further and higher education sectors has led to an increased take up of new and better learning and skills opportunities;
- significant investment has been secured to deliver regeneration programmes;
- there is an effective approach to promoting diversity and community cohesion through good engagement with communities and their representatives;
- good progress is being made in delivering physical regeneration through site assembly, land reclamation and decontamination leading to visible improvements;
- better access to high quality natural assets and a wider cultural offer make the area more attractive to new and existing communities and visitors;
- significant milestones on physical regeneration developments have been achieved with more preparation and planning work underway;
- there are improvements in the range and quality of homes available in the area and in the range and quality of facilities and programmes to encourage healthier lifestyles;
- the Council and its partners understand well the diverse needs of the local communities and the area;
- the Council works, engages and communicates well with major partners;
- the Council is taking proactive steps to managing the impact of the recession through support and advice for local people, continuing to prepare plans and infrastructure improvements and investigating new approaches to securing improvement;
- good regeneration outcomes are secured from a relatively low spending base making good use of resources and land assets;
- value for money (VfM) is secured from different corporate approaches and good use is made of land assets to deliver regeneration plans; and
- public and private investment is well spent through effective procurement delivering VfM in major investment.

### 8 However:

- the Council lacks effective mechanisms to engage local people continually in developing plans and programmes to regenerate the area as a whole;
- there are inconsistent opportunities available in the areas of deprivation to develop skills and improve life chances;
- tackling health inequalities remains a challenge for the Council and its partners so that better health outcomes and life chances are secured;
- although public and community transport developments have improved access and mobility across the area, there is still congestion in the urban areas, especially in town centres;

- the Council lacks a joined up approach to securing VfM across regeneration investment and activity; and
- exit strategies or new sources of funding are not always in place when project based funding is coming to an end, to ensure the sustainability of improvements.

9 The service has promising prospects for improvement because:

- resident satisfaction with the area is increased;
- there is a sound track record of securing significant external public funding and inward private investment focused on delivering local ambitions for the area;
- positive progress has been made on delivering physical and environmental regeneration, making the area more attractive to residents and visitors;
- through rising educational attainment and developing better skills, local people, including those living in deprived areas, are better placed to take advantage of future employment opportunities;
- successes in diversifying the economy and helping people into employment makes Medway a more attractive place for investors;
- strong leadership and cross party political support is delivering regeneration programmes and driving forward clear ambitions;
- robust and effective partnerships are well established and delivering improvement;
- partners share objectives, and key strategies and plans are supported;
- some effective tools are in place to drive improvement, such as strategies and resourced plans and mechanisms to report and monitor performance;
- the Council is taking appropriate steps to improve its own effectiveness, such as in risk management, corporate planning and tackling skills shortages;
- the partnership approach to planning and delivery gives confidence in maintaining a focus on delivery through the economic recession, with preparations in place for the economic recovery; and
- highly skilled managers and staff enhance the Council's capacity, with additional skills being accessed through effective community capacity building and partnership working.

10 However:

- the Council has not clearly mapped out the links between its key strategies linked to anticipated social, economic and physical benefits and the impacts for the local area and its communities;
- there are no effective mechanisms in place to measure levels of success and outcomes achieved through the regeneration activity in the area;
- performance management is not fully embedded for regeneration with councillors' roles in challenging and evaluating performance and achievement under-developed; and
- benchmarking with other unitary councils in growth areas tackling the same challenges or with similar aspirations is under-developed.



# Recommendations

- 11 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the Council. In addition, we identify the approximate costs<sup>2</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council should do the following.

### Recommendation

- R1** Improve partners' and local people's understanding of what the Council is seeking to achieve through its leadership of and contribution to the regeneration of the area by:
- developing better opportunities for local people to engage with the development of the vision and ambitions for the area; and
  - clarifying the wider social, economic and physical outcomes anticipated through regeneration efforts linked to the vision.

The expected benefits of this recommendation are:

- increased confidence that the right things are being tackled;
- increased ownership and support for the regeneration programmes; and
- greater public confidence in the effectiveness of approaches taken.

The implementation of this recommendation will have high impact with low costs. This should be implemented by April 2010.

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<sup>2</sup> Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

### Recommendation

**R2** Manage regeneration performance better by:

- developing clear outcome focused measures of performance for regeneration activity as a whole;
- benchmarking the costs, processes and outcomes of regeneration activity with other similar councils; and
- extending the role of councillors in managing performance by strengthening arrangements for the scrutiny and challenge of performance.

The expected benefits of this recommendation are:

- a more robust approach to evaluating and assessing achievement and performance against regeneration targets; and
- greater confidence that resources are being used to best effect.

The implementation of this recommendation will have high impact with low costs. This should be implemented by April 2010.

### Recommendation

**R3** Adopt a more consistent and sustainable approach to regenerating deprived areas within Medway by:

- working with partners and local communities to focus efforts on needs; and
- developing clear exit strategies for time limited externally funded projects.

The expected benefits of this recommendation are:

- all communities have the opportunity to benefit from opportunities to develop skills and experience improved quality of life;
- any potential adverse impacts from projects stopping in an unplanned way will be reduced so sustaining the improved life chances some of the most vulnerable people who benefit from regeneration activities experience; and
- better sustainability of projects which deliver valuable outcomes for communities of need.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by September 2009.

# Report

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## Context

### The locality

- 12** Medway is the largest urban area in the south east of England outside of London. It covers 192 square kilometres and includes the five towns of Chatham, Rochester, Strood, Gillingham and Rainham, as well as the Hoo Peninsula and surrounding rural areas. Almost half of the area is rural. Nearly 252,200 people live in Medway with over 88 per cent living in the five Medway towns. There is a strong further and higher education presence in Medway, including the University for the Creative Arts and the Universities@Medway partnership. This includes Canterbury Christ Church University, University of Greenwich, University of Kent and Mid Kent College.
- 13** Medway's local economy was badly affected in the 1980s when the Royal Naval Dockyard in Chatham closed in 1984. Since then the area has seen gradual economic recovery and diversification. Almost half the jobs in Medway are within the retail and public sectors and generally offer low paid employment. As a result the average wage in Medway is 10 per cent below the national average. Approximately 26 per cent of the workforce commutes out of the area and many enjoy higher wages than can be secured locally. Unemployment at six per cent is above the regional average of four per cent and the national average of five per cent (November 2008).
- 14** Medway is a designated growth area and the biggest regeneration zone in the Thames Gateway growth area. The Government published a planning framework for the Thames Gateway 1995 to make the most of the opportunity of the Channel Tunnel Rail Link, and to respond to the challenges local people in the area faced in accessing homes and jobs. In 2003 the Sustainable Communities Plan created delivery bodies for regeneration work within the Thames Gateway and increased investment in it. The Thames Gateway in Kent covers the area east of the M25, bordered to the north by the River Thames and to the south by the A2 and the Downs. Each area within the Thames Gateway in Kent is developing a distinctive role. Medway is developing as a new 'city' based on its riverside developments, heritage and new university campus.
- 15** The population profile is slightly younger than regional and national averages. Older people make up only 16 per cent of the population which is lower than the regional average of 20 per cent and the national average of 19 per cent. The largest ethnic group is White British which makes up 90 per cent of the population. The second largest ethnic group is Asian or Asian British accounting for 3.5 per cent of the population. This is higher than the regional average but below the national average.

- 16 Population predictions estimate that the overall population is expected to grow by 5 per cent or 11,700 people over the next ten years. However, this figure does not take account of the expected growth of the student population through the expansion of the universities or development linked to the Thames Gateway. It is estimated that children aged less than four years will account for seven per cent of this growth. In line with the national picture the older population is also set to increase in Medway. Although it is starting from a lower base than the national average, it is a faster growing community than in the rest of the country.
- 17 Medway is an area of contrast with areas of deprivation and affluence. It is ranked 150 out of 354 areas nationally in terms of deprivation (IMD 2007). This position has changed since 2004 when it was ranked 160. This is due to changes in the population profile and migration in some of the most deprived wards. There are five super output areas (SOA) in the 10 per cent most deprived areas nationally. In contrast six SOA are in the least deprived 10 per cent of wards nationally.
- 18 Health outcomes are generally worse in Medway than in the rest of the south east and inequalities exist by deprivation, location and gender. Healthy eating in adults and physical activity rates in both children and adults are below the national average. There is a six year gap for men in life expectancy between the most deprived and least deprived areas. In the last ten years early deaths from heart disease and stroke have decreased but remain above the national average. Smoking rates are the highest in the south east and the death rate from smoking is above the national average. Teenage conception rates remain high.
- 19 Medway has a wide cultural and heritage offer available to local people and visitors alike. The local environment is of good quality with eight designated nature conservation areas with important estuary and marsh habitats. As a visitor destination Medway attracts mainly day visitors for local festivals and to the Historic Dockyard at Chatham. Cultural assets include the newly opened Dickens World in Chatham, Fort Amherst Heritage Park, Upnor Castle, Rochester Castle located near Rochester Cathedral, museums, sports and activity facilities, and street festivals, such as Fuse Medway.

### The Council

- 20 Medway Council is a unitary council, formed in 1998, following local government reorganisation. The Council is made up of 55 councillors representing 22 wards and has been Conservative controlled since 2003. The Conservative group has 33 seats, the Labour group has 13, the Liberal Democrats 8 and 1 independent.
- 21 The Council adopted the Cabinet style of governance in 2001. The Cabinet is made up of nine councillors from the Conservative group. The Leader of the Council includes regeneration within his portfolio and there is a portfolio holder for strategic development and economic growth. There is an Overview and Scrutiny Committee for Regeneration, Community and Culture and a separate regulatory committee for planning.

## Report

- 22 The Council's gross revenue spending for 2009/10 is £596 million, with a net budget of £344 million. It is one of the lowest funded local councils nationally. Band D council tax is below average when compared to the regional average and Medway's council tax increased by 4.88 per cent for 2009/10. The Council approved a capital programme of £160 million for 2009/10, including £31 million funding allocated to regeneration.
- 23 The Council employs over 8,183 staff, inclusive of schools. It is managed by the Chief Executive with two strategic directors. Following the reorganisation of its officer structure in 2008, a new directorate was created for Regeneration, Community and Culture.
- 24 Medway Renaissance was established in 2004 and is funded by Central Government. It delivers major physical regeneration projects in the area and is part of the Council's Regeneration, Community and Culture directorate. The Medway Renaissance Partnership, through a board of key stakeholders, oversees its work and performance.

### Regeneration

- 25 Public sector regeneration is required when private sector and individual investment no longer sustain a satisfactory quality of life. Intervention may be required because of fundamental weaknesses in the economy of an area, infrastructure constraints, or a concentration of local issues that cause a spiral of decline. The issues are likely to go beyond the boundaries of any one organisation and over a wider area than that of a single local authority. Accordingly councils have a crucial role developing partnerships and networks with business, other public sector organisations and with individuals to improve the local quality of life.
- 26 This inspection focuses on the Council's strategic approach and work to tackle local challenges and its actions to improve the lives of people living and working within Medway. It considers this within the context of what the Council wishes to achieve through its ambitions to regenerate the area and the impact it has had on the communities in Medway.

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# How good is the service?

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## What has the Council aimed to achieve?

- 27** The Council's ambitions for the regeneration of Medway are shaped by the challenges and opportunities the area has inherited from its past. The closure of the Royal Naval Dockyard in 1984 had an enormous impact on the Medway towns and the surrounding area. Significant numbers of jobs, training opportunities and apprenticeships were lost. Throughout the 1980s there was a decline in manufacturing in the area. This had a major impact on local communities, creating high unemployment, low levels of skills and poor self esteem. Social networks became fragmented with people moving away from their families to find work. When parts of the area became an Enterprise Zone<sup>3</sup> efforts were made to stimulate the local economy and create jobs. A significant turning point was in 2004 when Medway became a designated growth area within the Thames Gateway, identifying it as an area for major housing growth. This designated status resulted in £57 million being provided for the revitalisation of Chatham town centre, reclamation of the waterfront areas, and the creation of development briefs to inform future regeneration efforts. There was also a significant growth in further and higher education in the area during that time.
- 28** The Council and its partners have responded to the legacy of decline which has brought about challenges and barriers for the local communities. They have collaborated on a strategic approach to create and deliver a more sustainable future for the area. These are reflected in high level ambitions focusing mainly on housing, jobs and skills. This approach reflects the area's position within the Thames Gateway and North Kent, its location in the south east of England and also the local context of need. The main focus to date has been on the physical regeneration of the area due to the greater availability of resources for this work. However the Council has also pursued a programme of social regeneration aimed at ensuring that local communities can maximise the opportunities available for growth.
- 29** A wide range of interrelated strategies and plans, starting at the regional level, direct the complex work to regenerate Medway and set out partners' shared ambitions for the area. The development of homes and jobs is a priority for the sub region as set out in the South East Plan/Regional Spatial Strategy and the Regional Economic Strategy. The Thames Gateway Delivery Plan 2007, outlines at the strategic level, Medway as a growth area in Thames Gateway. Specifically it is a designated Housing Growth Priority Area, and part of the Parklands and Priority Places programmes. The Council's Local Plan,<sup>4</sup> adopted in 2003, supports these sub regional priorities.

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<sup>3</sup> The government introduced Enterprise Zones in 1980s to encourage industrial and commercial activity in economically depressed areas.

<sup>4</sup> The strategic document for the area which informs decision making on planning applications

## How good is the service?

- 30** At the local level, the Medway Regeneration Framework 2006/16 provides an overarching strategy for the long-term regeneration of the area. This describes the vision for Medway for 2016 as 'a city of learning, culture, tourism and enterprise'. It sets out how the Council and its partners will work to provide more and better paid jobs, improved skills and attainment levels, and reduced worklessness. Key corporate strategies sit under this framework and support the delivery of the overall vision for the area. There are strategies in place up until 2016 for the Medway waterfront renaissance, social regeneration, housing, homelessness, tourism, and wildlife, countryside and open space. Other strategies under development are the sustainable community strategy, economic development strategy and cultural strategy.
- 31** Partners in Medway have worked together to ensure that regenerating the area is reflected in their own shared strategies. Following consultation with the local community the Council and its partners developed the Community Plan 2007/10. It identifies local priorities for the area as a whole, including improving the quality of life, and increasing and improving employment opportunities through regeneration. In developing its Local Area Agreements (LAAs), the second of which covers 2008/11, the Council and its partners have maintained their focus on what needs to be tackled to ensure the sustainable regeneration of the area. The economy, skills, transport, and housing feature in the second LAA. This is now being reflected in the developing Multi Area Agreement (MAA) which the Council is leading overall with Gravesham and Swale Borough Councils. This focuses on housing, jobs and transport.
- 32** The Council's own priorities for improvement include 'everyone benefiting from regeneration'. In support of the vision for regenerating the area, the Council's new draft Council Plan 2009/12 seeks to improve the quality of life through six specific aims for regeneration. These are:
- Medway as a 21st century riverside city and destination of choice;
  - decent homes and living environment for all;
  - quality jobs for local people;
  - realising everyone's potential;
  - people travel easily and safely in Medway; and
  - culture and leisure for all.
- 33** A variety of partnerships are in place linked to regeneration in Medway. The Council is a member of the Thames Gateway North Kent partnership which links with the overarching Thames Gateway strategic partnership. The Chief Executive chairs the housing and regeneration sub group of the Kent Economic Board. The Local Strategic Partnership (LSP) executive board brings together all major public sector agencies in the area with business and the voluntary sector. The Medway Renaissance Partnership Board has similar wide ranging representation and is the lead thematic partnership for the LSP on regeneration. There are delivery boards for major projects in the area such as for Chatham and Rochester Riverside.

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**Is the service meeting the needs of the local community and users?**

**Understanding of the local area and community needs**

- 34** The Council's regeneration work is based on its good understanding of the local area which is shared with partners. This has been developed through a range of consultation and research resulting in good baseline data. The Council takes a balanced approach to regenerating the area reflecting its strong understanding of skills levels, weaknesses in the local economy, health inequalities, and infrastructure improvements required, as well as opportunities and threats. Its good awareness of issues ensures an effective approach is designed to deliver sustainable improvement.
- 35** The Council has a good understanding of the diversity of the communities in Medway, including of the most deprived communities. Its understanding of the needs of Black and Minority Ethnic communities, including newer communities from Eastern Europe is strengthened through its positive partnership with the Medway Ethnic Minority Forum (MEMF) and the Medway Equalities and Human Rights Council (formerly the Race Equalities Council). Medway's history means that it has traditionally experienced low levels of skill, low wages and low aspirations among the community. Levels of commuting out of the area are high for those wishing to secure better paid jobs and with higher skills levels. As a result the Council is looking to secure a more sustainable long-term solution by ensuring that the local workforce is better equipped with the skills required to take advantage of the job opportunities brought by inward investment.
- 36** There is a positive approach to sharing data with partners. The Council shares intelligence and information with the police linked to levels of crime and anti social behaviour. The Community Safety Partnership's strategic assessment uses data on antisocial behaviour and crime to target resources effectively. This enables effective collaborative working on well planned and targeted activities to tackling issues such as prostitution, and substance misuse in town centres. This benefits local communities, businesses and visitors alike.
- 37** There is a sound understanding of social disadvantage in the area. The Council understands the issues and challenges people face in areas of deprivation and the things that matter most to them. It works well with partner agencies to listen to the needs and aspirations of people traditionally regarded as hard to reach. For example the Council worked with the police on a co-ordinated programme to tackle prostitution, engaging with local residents as well as sex workers to understand the issues and concerns of all. However, its detailed understanding of some wider neighbourhood issues is under-developed. It does not have a clear understanding of how the outcomes achieved from neighbourhood activities impact, for example, on overall employment rates.



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### Consultation, engagement and communication

- 38** The Council engages and communicates well with its partners. Relationships are good with a wide range of investors, developers, local employers, education providers and public sector partners. There is shared understanding of ambitions and aspirations for the area which ensures strong contributions' to partner plans. For example the Council worked well with local bus company on investments in public transport. It has gained added value for partners through its property expertise and use of land, recently working with a housing provider and the Primary Care Trust (PCT) on a scheme to deliver housing for rent with the potential for a new headquarters for the PCT. Effective mechanisms, such as newsletters, web information, and briefings, keep partners up-to-date with developments and opportunities and these efforts help to keep investor interest in Medway buoyant. The Council works closely with Locate in Kent to negotiate with large investors, such as Peel Holdings on the Hoo Peninsula. The Council's efforts have created an environment where partners can work together to deliver joint initiatives that contribute to each other's agendas.
- 39** Local people are able to take advantage of opportunities the regeneration activity offers. In addition to targeted community development in the most deprived neighbourhoods, the Council has worked with its partners to enable local people to benefit from the significant numbers of jobs that will become available when building when work commences at major sites. Contributions from developers fund the North Kent Construction Project. This promotes construction as a career within local schools, improves the skills of existing small companies and offers training on site to unqualified members of the existing workforce. The Council makes good use of its powers to enable local people to benefit from the physical regeneration of Medway.
- 40** The Council's approach to engaging local people in developing its plans to regenerate the area is inconsistent. Consultation exercises have informed the master plans for major project developments such as Rochester Riverside, Chatham town centre and Gillingham. However, engagement tends to be mainly on a local area or initiative basis with little evidence of a joined up corporate approach with partners across Medway. As a result the Council may be missing opportunities to learn from local views and share key messages so giving reassurance to local people and partners that the right things are being tackled.
- 41** Ongoing communication with local people on the area's regeneration is adequate. Mechanisms are under-developed to keep local people up-to-date on progress on developments and on the improvements that are being planned and delivered linked to improving the quality of local life. To tackle this, the Council has recently appointed some local people as Regeneration Ambassadors. The Council sees this as an effective way of spreading key messages about regeneration work and also to maintain a dialogue with local residents. A lack of effective communication means that local people are not always clear about progress made and the Council risks cynicism and a lack of support for local regeneration efforts.

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## Regeneration achievements

42 Regeneration is a high priority for the Council. A holistic and cross cutting approach is taken to regenerating the area with a wide range of Council services actively contributing, including education, culture and tourism. Work is underway with partners to improve the area's image, enhance Medway's identity and improve perceptions of the area. The Council and its partners are making progress on maximising the benefits for local people from Medway's geography, heritage, culture and the opportunities from regeneration. There have been notable partnership successes to date in attracting new businesses, creating new jobs, developing houses, the growth of universities and better transport links. The Council with its partners is looking to exploit the area's potential to become a new sustainable and cohesive city within the Thames Gateway. Unaudited results from the recent national Place survey of residents shows that 68 per cent of local people now consider Medway a good place to live.

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## Physical regeneration

43 There are visible physical improvements in the area with an enhanced cultural offer and good access to natural assets. The redevelopment of the major Chatham Maritime site has seen the opening of the Historic Dockyard as a visitor attraction, the completion of a 90-room hotel, and the more recent opening of the Dickens World visitor attraction and cinema complex. The Council launched the area's third country park at Ranscombe Farm and is working well with partners to preserve rare plant life while improving access. Two parks have been awarded Green Flag status, the national standard for parks and open spaces managed by the Civic Trust. Local communities have been actively involved in improving their environments. Targeted work in deprived areas on redeveloping Hillyfields Community Park has helped local people contribute to improving their area. People living on the Hoo Peninsula worked with service providers to improve the green space in the centre of the village. These facilities help improve the quality of the local area for local people and visitors.

44 Significant investment has been secured to deliver the regeneration programmes in Medway. Over £200 million of government funding has been secured, with an additional £72 million for 2008 to 2011. The regeneration programme has been valued at £6 billion taking into account the potential of private sector investment, including significant investment already secured from retailers and the universities. The Council understands that it cannot rely on traditional sources of funding and has taken action to develop innovative ways of securing new sources. Such approaches increase confidence in the Council continuing to make sustainable progress in its regeneration plans.

## How good is the service?

- 45 The Council has played a key role in securing the delivery of physical regeneration, including through site assembly and decontamination work. Good progress has been made on several major developments with a range of key programme milestones achieved. Examples are detailed below.
- The Rochester Riverside site has been reclaimed, through the work of the South East of England Development Agency (SEEDA), at a cost of £84 million. Significant environmental hazards have been cleared from the site linked to its former naval and military use and a riverside walkway has been opened up as a nature conservation area to allow residents to enjoy the new riverfront. As significant preparation work has been carried out, it is ready for its next stage of development when the economic upturn happens with plans for public sector investment in the interim.
  - Further work by SEEDA developed St Mary's Island at Chatham Maritime, an island community of 2,000 homes, primary school and community and health facilities.
  - The redevelopment of Chatham town centre has started following community engagement. Phase one of planned traffic and road improvements was completed in 2007/08, with work underway on road changes as the first phase of delivery.
- 46 Good use is made of brownfield land for development. Over 90 per cent of new development is on previously developed land, such as industrial and military sites, higher than the government target of 60 per cent. Government funding and approval is in place to redevelop the former Royal School of Military Engineering site in Chatham and the project went live in January 2009. A Public Private Partnership (PPP) is now in place. As the public sector partners have taken the risk by assembling, owning and decontaminating the site, the developer is in a strong position to continue with the building and marketing plans.
- 47 The Council continues to confidently facilitate and enable an ambitious programme of physical regeneration projects designed to provide jobs and homes, improve skills and enhance the local environment. It is at the early stages of many of the projects to regenerate the area with major challenges still to be tackled but key milestones have been met. Examples are detailed below.
- The Council has approved the master plan for Rochester Riverside to deliver a new community of 2000 homes, with offices, a quality hotel, school, and community facilities following planning for real and extensive consultation exercises. Developers have been selected and a start date is being negotiated.
  - Work has started on Medway Park to deliver a £11 million regional centre of sporting excellence, in advance of the 2012 Olympic and Paralympic Games.
  - There is an approved master plan for Corporation Street in Rochester and a 'Time is Now' forum of local people and stakeholders to continue community engagement in the redevelopment of the site.

- The Council has agreed a series of development briefs, published special planning guidance and a green development charter to inform future development. These include the redevelopment of Strood Riverside and Temple Waterfront for homes and jobs. Development frameworks are in place for Rochester Riverside, Chatham Waterfront and town centre, Strood Waterfront and Gillingham.
- Design principles and options for the development of Gillingham town centre have been adopted and detailed designs for improvements to landmark sites are being produced.
- Phase two of the traffic improvements planned for Chatham has been agreed. This includes a new bus station near the Pentagon Shopping centre with better access to the town centre.

These activities enable further work to be carried out and inform future developments to ensure that they conform to a coherent development plan for the area as a whole.

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### Social regeneration

- 48** The Council has made good progress in delivering and enabling social regeneration. Highly effective targeted work with partners in some of the most deprived areas in Medway, such as All Saints, has secured notable quality of life improvements, including improved skills. Over £6.25 million has been invested in recent years for community led regeneration work in the most deprived areas. Community transport improvements in rural areas have improved access and mobility for local people who would otherwise experience isolation. However, there remains more to do to ensure all areas of deprivation have equal access to opportunities to develop enhanced life chances.
- 49** There is a sound and effective approach to promoting diversity and equalities. Community representatives, councillors and officers work well together through advisory groups and engage well with a wide range of communities, for example in compiling development briefs. A programme of equality impact assessments has been carried out with the equalities groups involved in the assessment process. The Council successfully involved local people in helping to develop its approach to improving the things which matter most to them in targeted areas. A series of workshops with residents and service providers informed the social regeneration strategy. Through these, residents identified the need to enhance the quality of the urban environment and this is now reflected in neighbourhood programmes and action plans. This ensures that local communities and individuals have fair and equal access to opportunities and benefits arising from regeneration.

## How good is the service?

- 50** The Council works well to promote community cohesion and intervenes sensitively to tackle issues which may adversely affect local quality of life. Since 2006/07 there has been an increase in migrants from Eastern Europe, particularly Roma people from Slovakia and this led to increased tensions in some neighbourhoods. The Council and its partners took effective action. Funding was secured for a neighbourhood worker and a survey and workshops were carried out to identify local people's improvement priorities. A wide programme of activities has been developed in response including sports coaching, training and skills sessions, language classes, and cultural awareness sessions. This has helped defuse tensions and provided better support for local residents.
- 51** Levels of educational attainment are increasing. Education results have improved at a faster rate than the national average and there have been notable improvements at every level of attainment. Increased performance at foundation level was at 50 per cent in 2008, exceeding the national average and GCSE performance has also increased to match national levels. The Council is successfully closing the gap between its educational attainment and the regional average. Although primary school performance remains below the national average, improved performance is narrowing the gap.
- 52** Effective action has improved local skills levels. More of the working population have attained entry level qualifications. The SCORE training initiative has equipped 2,748 local people with vocational qualifications. Most of these training courses have been delivered at community venues in the heart of local neighbourhoods. Over 100 people have secured employment from community based skills projects. More students at the local universities are from Medway. There has also been a huge increase in take-up on the Train-to-Gain programme working with local employers, as well as the targeted work in deprived areas. The percentage of the working population qualified to National Vocational Qualification (NVQ) Level 2 rose from 62 per cent in 2004/05 to 67 per cent in 2007/08 and this is closing the regional gap in skills levels. Better levels of skills and educational attainment help raise aspiration and mean local people are better placed to take advantage of employment opportunities both now and in the future.
- 53** Targeted work in areas of deprivation has delivered improved skills and confidence levels. Individual projects are run through neighbourhood management providing ongoing co-ordination of local efforts in deprived neighbourhoods. In particular, project REIGNITE has been highly successful in areas of deprivation, working with people who are unemployed, economically inactive, with low levels of skills and low incomes. Many of these people face multiple barriers to employment because of their age, health, or personal circumstances. Project REIGNITE has worked with 648 vulnerable people in two years improving their skills, increasing their self confidence and raising their levels of literacy and interest in lifelong learning. This has enabled some individuals to take the first steps to leading more independent lives through volunteering and finding paid work in their local area.

- 54** Support for volunteering has increased. Through work with partners the number of volunteers registered through the volunteer bureau more than doubled between 2004/05 and 2007/08 to 644. In addition people volunteering from communities traditionally regarded as harder to reach increased from 70 to 286 over the same period. The Council and its partners now have a stronger community base to draw from, enabling sustainable improvements in targeted communities.
- 55** Highly effective community and social enterprise initiatives provide support for communities, and networking and skills development opportunities. Sure Start centres are being rolled out across Medway supporting families with young children, with the first and greatest investment in the wards identified with the highest levels of need. The Sunlight Centre is an innovative and highly successful community venue which has secured significant funding and received external recognition. The Sunlight Development Trust is a social enterprise which now funds about 90 per cent of the Sunlight Centre's running costs. A wide range of community-led services and facilities are delivered at the centre creating 25 jobs and training and skills development opportunities for local people. The centre includes a café, community radio station, recording studio, garden and health services and acts as a community hub for social groups.
- 56** The Council works well with its partners to improve community safety and promote healthy living. Each ward now has community support officers who work closely with local Council staff on a daily basis to tackle anti social behaviour, and work has been carried out clearing alleyways and installing alley gates in targeted areas. The first three of ten planned health centres have been delivered in partnership with the PCT. The centres have been set up in the most disadvantaged wards in Medway and have been built through a mixture of planning gain and innovative use of land. Targeted work is underway to tackle health inequalities in the area through healthy eating, smoking cessation and better sexual health programmes. However, there remains more for the Council working with its partners to do to contribute to tackling health inequalities in the area through raising aspirations and encouraging different lifestyle choices.
- 57** The Council is actively working with its partners on managed housing growth. It has exceeded its LAA target for 2008/09 of delivering 177 affordable homes, as 246 have been delivered so far. Over 90 per cent of Council owned homes meet the Decent Homes Standard. The strategic housing inspection in June 2008 concluded the Council is delivering comparatively high levels of affordable homes that offer a range of housing options and are well-designed and integrated into new developments. However, it was not tackling poor housing conditions in the private rented sector. The Council is now taking action to improve how it distributes grants to tackle disrepair. Improvements in housing contribute towards better health outcomes and provide better opportunities for local residents and people moving to the area.

### Economic regeneration

- 58** Approaches to help people into employment and to create new jobs are showing results. Latest data (2008) showed that 18 per cent of the population are economically inactive compared with 21 per cent in 2005. Levels of unemployment have fallen from 7 per cent in 2004/05 to 6 per cent in 2007/08. Over 3,200 more jobs have been created in Medway in the last three years, which is a significant increase in the number of jobs compared to the population. Average earnings have increased by 11 per cent from 2006 to 2008 and this is at a faster rate than in the rest of the sub region.
- 59** Efforts to diversify the economy are also showing success. The Council has successfully increased the number and range of jobs available as it pursues its ambition for the area to be a sub-regional economic hub. It has achieved this through creating the space businesses need to locate in Medway, and working closely with businesses to provide business incubator units and additional space to support them to expand. Medway continues to reap the benefits from the development of Medway City Estate (business park) in the 1990s, and it has recently opened an Innovation Centre for high technology companies next to Rochester Airport. Council business loans through a 'partners for growth scheme' have created a total of 2,500 jobs since the scheme began. Survival rates of businesses after two years in Council managed work space is consistently at 97 per cent over a three year period. The positive ongoing support for business is seen in the delivery of the first stages of major new investments in Medway. Hutchison Ports plan to expand their container port on the Hoo Peninsula. The Council has not objected to planning permission to replace the existing coal-fired units at Kingsnorth Power Station with a new £2 billion power plant which will be an employment hub. This planning application is currently with the Secretary of State for a decision. As a result of the Council's and its partners' efforts, Medway benefits from high business development and survival rates.
- 60** The Council's partnership with the university sector is successfully expanding learning opportunities to raise aspirations and significantly reducing the higher education attainment gap in Medway. Council capital investment supported the development of the £50 million Medway Campus at Chatham Maritime. It now brings 10,000 students to the town to attend the universities of Greenwich, Canterbury Christ Church, Kent and the University of the Creative Arts. In the three years from 2004/05 to 2007/08 the number of local young people attending Medway universities increased from 5664 to 6260, approximately 50 per cent of undergraduates. Work is progressing on the new £86 million Mid Kent higher education campus. The Council has worked in partnership with the University of Kent to increase aspirations among primary school pupils through the Kent Children's University initiative. It has also collaborated with secondary schools on the academies programme to increase university take up. Consequently, while still below the regional average, the number of people with higher education qualifications in Medway is catching up with the rest of the region. This places local people in a stronger position to take advantage of the new economic opportunities planned.

- 61** The Council is responding proactively to managing the impact of the recession. Medway Renaissance is considering, on an ongoing basis, the recession's impact on the physical regeneration programme. The business case remains broadly sound and it has maintained its alignment with Government priorities. Housing proposals have been delayed due to nervousness in the housing market and are unlikely to be delivered until 2011. However, work linked to physical regeneration will continue during 2009/10. Major schemes will continue through the planning and development stages and public funded work, such as on traffic management in Chatham and public realm improvements, will go ahead. Medway Renaissance has continued to invest in infrastructure works and is phasing development to deliver affordable housing at an earlier stage. It has also engaged with existing partners to work up different housing solutions and contacted potential new housing partners. This means that once the private sector starts to recover from the economic downturn, the Council is well placed to secure improvements and respond quickly.
- 62** A positive approach is being taken to minimise the impact of the recession on local people. When the Woolworths stores in the area closed, the Council worked with the Citizens Advice Bureau to offer former employees personal and employment advice and support. The jobs match service has created a database of employees and town centre managers continue to work with affected employees. The new Employ Medway programme will increase capacity to give advice and support to people who have recently become unemployed. The Council is well aware of the major affects on local people, communities and businesses the current economic downturn is having and is taking appropriate steps to mitigate its impact.
- 63** Good progress is being made to make Medway a more attractive destination for visitors. Five hotels have either planning permission agreed or work started on site. This links physical regeneration to the economic ambition to make Medway an overnight destination, so increasing visitors' spend locally. Medway has attractions of national and international significance which the Council invests in and promotes. These include the Chatham Dockyard and its defences, which is on the government's tentative list of future World Heritage Sites, with a bid being prepared for submission to UNESCO in 2011/12, Dickens World, and a well established programme of street festivals. As a result visitor numbers have increased from 584,000 in 2004/05 to 802,968 in 2007/08. The Council is progressing its ambitions to promote Medway's cultural and historic heritage, increasing local economic benefits and supporting ambitions to make Medway a city.



## How good is the service?

64 Work is underway to improve access to public transport and areas of future employment growth. Traffic growth is currently at one per cent, which is below the permitted level of growth in the Council's strategic transport plans of two per cent. Bus use is increasing and satisfaction among bus passengers is good and in line with similar councils. A Quality Bus partnership with Arriva is in the early stages of increasing public transport availability, adding to subsidies for rural transport already underway. The road system in Chatham and the highway system around Gillingham have been re-engineered to ease traffic flows, with access to the Hoo Peninsula seeing improvements in preparation for the planned expansion of the energy industry and the jobs that will come with it. Rail journey times to London will reduce with the new high speed trains in December 2009, making it a more attractive business destination. However, congestion remains a constraint on ambitions for Chatham to become a sub-regional retail centre. As a result there are risks that the traffic levels will remain a constraint on development.

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## Is the service delivering value for money?

65 The Council delivers good regeneration outcomes in a challenging funding environment from a relatively low spending base. Council tax is low and central government per capita grant is less in Medway than comparable councils. The Council's externally funded regeneration partnership, Medway Renaissance, works effectively with limited resources. Its revenue costs are lower than similar organisations delivering a similar sized programme. As a result the Council overall, and its regeneration work in particular, delivers value from tight resources.

66 Effective use is made of the Council's own land assets to achieve its regeneration ambitions by working in partnership with others. For example, at Temple Waterfront in Strood, the Council assembled the site adding its open space to two private plots, resulting in an overall increase in value. A similar approach was taken at Chatham Waterfront. While the recession has reduced land values and the Council's overall capacity to negotiate development proposals, it is in the process of revaluing its asset base and bringing forward sales in areas where values are holding up. Therefore the Council ensures that maximum value is gained from its major assets in the face of the changing economic climate.

67 The Council works effectively with a wide range of partners to align resources against shared regeneration goals, reduce duplication and increase value from limited resources. Partnerships with the police, PCT, universities, SEEDA, voluntary organisations and developers all add value to the Council's regeneration efforts. For example, the Council has tackled anti social behaviour through an effective community safety partnership with the police and others, which targets joint resources at specific problems, such as criminal damage or graffiti. A positive relationship with a local housing partner has enabled the Council to receive 100 per cent of the nomination rights on developments after it gave the housing partner help with site acquisition and funding advice. As a result the Council can demonstrate that it effectively achieves joint ambitions with its partners.

- 68** External funding is sought in support of the regeneration vision. The Council has a strong approach to negotiating investment in infrastructure from private developers, with an agreed programme of required investment in Medway set out in its policies. It has raised £3.7 million since February 2007 from this source. The Council also raises significant funds from a range of external funders, including over £200 million from the Government since 2004 as part of the Thames Gateway Programme. SEEDA has also invested heavily in Medway, including £16.9 million supporting remediation of the Rochester Riverside site. The Council has successfully accelerated its pace of regeneration delivery as a result of significant external investment.
- 69** The Council is focused on delivering efficiencies in service provision in support of the regeneration vision. The Council has enhanced the value for money of its building control service as a member of the North Kent Thames Gateway Building Control Partnership. This partnership with Swale and Gravesham Borough Councils allows the Council to provide a more effective building control service. The initiative helps the Council progress regeneration efforts at a time when there is a national shortage of skilled staff.
- 70** A mostly effective approach to procurement ensures value for money in major investments. Procurement proposals are tested against corporate objectives at an early stage; and councillors assess and challenge high risk procurements. For example they have questioned the potential impact on the long-term value of the Rochester Riverside site from contingency plans to start building social housing, if private sector led development stalls as a result of the recession. However, using procurement to support wider economic development in Medway is at an early stage. The number or take up of Medway firms on the approved list of contractors for different services is not monitored. As a result the opportunity to track wider benefits from regeneration spend is not secured.
- 71** The Council does not always sufficiently plan for the end of grant funded activity. For example, funding for project REIGNITE ends in March 2009, but in February 2009 no agreed plan was in place to either close the project or to assign resources to it. As a result sustaining the improved life chances of some of the most vulnerable people who have benefited from participation in regeneration activities is put at risk from projects stopping in an unplanned way.
- 72** Benchmarking is under-developed. It has processes in place to measure value for money in physical, social and economic regeneration. Each external bid must demonstrate value for money to investors, and for major physical schemes tough central government rules are applied. However, only the early building blocks are in place within the Council to assess value for money across regeneration, through the annual budget setting process. As a result it is difficult for the Council to assess whether investment in its different regeneration activities have been most cost effective in reaching its overall regeneration ambitions.

# What are the prospects for improvement to the service?

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## What is the Council's track record in delivering improvement?

- 73** The Council is making significant improvements relevant to the local context and the challenges local communities face. A sustained focus with partners on physical development programmes has improved the local environment and made appropriate progress on site redevelopment. In areas of deprivation targeted projects aimed at stimulating skills development and growth are delivering improved outcomes for local communities. As a result good progress is evident on delivering quality of life improvements.
- 74** Resident satisfaction with the local area has improved. In 2006/07 61 per cent of local people were satisfied or very satisfied with Medway as a place to live. Unaudited data from the 2008 national Place survey shows that this has improved to 67 per cent of residents. More people feel safe. In 2004/05 66 per cent of people felt safe and this has improved to 70 per cent in 2007/08. Young people are increasingly satisfied with where they live. In 2005/06 only 18 per cent were satisfied with the range of things to do but in 2007/08 this had increased to 48 per cent. Medway is improving as a place to live with local people experiencing some improved quality of life.
- 75** Performance over time on regeneration is good as measured by performance indicators. Although performance is under target on the numbers of new homes delivered, the Council has delivered increasing numbers of homes in the last three years. In 2007/08 761 new homes were delivered, just 19 short of the target for that year. Improvements continue to be made in the quality of social housing and targets have been exceeded for the number of affordable homes delivered during 2007/08. The Council has achieved 5 out of 7 PSA<sup>5</sup>1 targets which relate to regeneration, such as on supporting lone parents into employment, and for PSA2 19 out of 25 targets are on track with a further three partially achieved. The Council's track record on national performance indicators linked to regeneration show that 71 per cent have improved from 2005/06 to 2007/08. The Council and its partners are delivering on their priorities for regeneration.
- 76** The Council has a strong track record of securing external funding for regeneration and attracting investment. In recent years the Council has assembled significant public and private sector resources to fund the 15 year physical regeneration programme. Over £200 million of Government funding has been invested. Much of this has helped attract inward investment on a large scale from a variety of sectors, including universities, hotels, retail, culture and energy.

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<sup>5</sup> Public Service Agreements are based on shared agreed local priorities between contributing partners, including central government

## What are the prospects for improvement to the service?

- 77** Positive progress has been made on delivering physical improvements and providing better access to natural assets. Street cleanliness is improving but local dissatisfaction is higher than the national average. The completion of a walkway at the Rochester Riverside site has opened up access to the River Medway at that location for the first time. New developments at Chatham Maritime enhance the area. More people are now visiting Medway with a 27 per cent increase in visitor figures in four years. Physical and environmental improvements increase the attractiveness of the area to residents and investors and make Medway a more interesting destination for visitors.
- 78** The Council and its partners have delivered a range of project milestones in a complex programme which runs to 2017. These include securing funding, awarding planning permission, site acquisition and master planning. Appropriate stages have been reached on major projects, given the scale of the work planned, such as on the redevelopment of Chatham, Rochester and Strood. The Rochester Riverside and Chatham town centre programmes are the most advanced. Local people are yet to experience tangible benefits from the work as much of the completed work is linked to planning and infrastructure development. However, there is a notable track record of progress.
- 79** Positive work, especially in deprived communities, is securing improved prospects and helping communities become more sustainable. Through community based skills projects, local people are developing better skills and confidence levels and so are being supported into employment. For many people their involvement in these projects has enabled them to break a cycle of disadvantage and improve their life chances. As a result local people living in deprived neighbourhoods are better placed to take advantage of future opportunities to get into employment and secure a better job.
- 80** The Council and its partners are making Medway a more attractive place for business growth. The Council's record on providing support for businesses is good. Approaches to help people into employment and diversify the economy are also showing results. As a result of these efforts Medway is becoming a more attractive place for employers to invest in and this supports the Council's ambitions for the area to become a sub regional centre for retail and business.
- 81** Improving levels of skills and educational attainment mean local people are well placed to take advantage of the future planned growth in the local economy. There has been a significant increase in higher education opportunities in the area and the Council has worked well to support the universities attracted to the area, for example, on site development. This supports raising local aspirations and pride and improves local people's chances of better access to work.

## What are the prospects for improvement to the service?

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### How well does the Council manage performance?

- 82** The Council demonstrates highly effective leadership. There is a well established corporate focus on the regeneration of the area to ensure everyone benefits. Leading politicians and senior managers are ambitious for the area and show strong community leadership in using their influence to advocate and negotiate for development and investment. The Council has appointed a world renowned architect as the design champion for Medway. He is developing the 'five towns make a city' concept to turn Medway into a sustainable cohesive city within the Thames Gateway. The Council's proactive management of the impact of the recession is focused on ensuring the viability of future development and supporting local people. During 2008 the Council provided gap funding for Medway Renaissance to the value of £1.8 million while it was waiting for Government contracts to be signed. This demonstrates the Council's commitment to ensuring that major private and public sector investment is secured for the area and gives partners confidence that the organisation is committed to regeneration.
- 83** The Council takes hard decisions to ensure the delivery of its regeneration ambitions. It is not objecting to the new power station on the Hoo Peninsula because of national energy policies and the new jobs this will create while recognising the potential environmental impact and seeking to mitigate it. In recognition of the need for a sustained focus on improving attainment in the area, work is underway to tackle under-performing secondary schools. The first planned new academy is due to open in 2009 and the University for the Creative Arts is to sponsor the academy in Strood. The decision to develop academies in Medway has created some local opposition and consultation is still underway on two more. However, making difficult decisions enables the Council to focus on ensuring the further delivery of its plans to improve the quality of life and tackle local challenges local communities face.
- 84** Political cross party support for the Council's strategic approach to regeneration is good. Local and national politicians agree on an appropriate vision for Medway and this leads to a focus on developing the right things which should deliver improvements for local people. This level of consensus helpfully gives some certainty to partners over the medium to long-term that there is consistency and commitment to the approach to secure benefits, even if views may differ on ways of achieving ambitions.
- 85** Partnership working is strong. The Council plays a major enabling role in the redevelopment of the area, and so has built positive relationships with many key agencies and partners within the sub region and Thames Gateway. It is recognised as a major player and facilitator by, for example, the universities, businesses, police and health providers. Stakeholders generally consider that the scale and pace of improvement within the area is appropriate with the Council focusing well on tackling the right things. Partners are involved at the early stages of projects and they welcome the Council's proactive encouragement of creative thinking. The Council seeks opportunities to improve relationships, and levels of trust and confidence are good. Partners generally agree that the Council plays an appropriate role well, which results in an effective contribution.

## What are the prospects for improvement to the service?

- 86** Local objectives on regeneration clearly align within the Council and across partners. The Council's strategic approach to Medway's regeneration is based on a robust understanding of the challenges facing the local area. Its consultation with local residents and its research and analysis into the local challenges are articulated clearly into a high level vision for the area. Priorities and plans are focused on a shared understanding of what is most important for local people and the area. However, tackling health inequalities with partners does not feature clearly in the Council's own priorities for regeneration.
- 87** Key strategies and well-developed plans are mostly in place and of good quality. The Council asked the Secretary of State to withdraw the original LDF Core Strategy following advice from the Planning Inspectorate as it was deemed unlikely to be approved. However there is an adequate delivery framework in place until 2011 through its adopted Local Plan. Significant public and private sector funding has been secured, major site acquisition and clearance is completed and key sites are ready for construction. Master planning for major developments such as Rochester Riverside, Chatham Waterfront and Strood Waterfront are well developed. Major projects are well managed and all partners are clear about progress to secure desired benefits. However, detailed links and interdependencies between key strategies on economic development and social regeneration and the Medway regeneration framework are not mapped out to show how changes through the implementation of one strategy will impact on another.
- 88** Effective progress is being made on developing corporate strategic planning. In recent years the main corporate planning mechanism has been an annual Performance Plan linked to the Community Plan. The Council has been developing a new approach to strategic planning during 2008/09. The new draft Council Plan is based on a sound framework linked to delivering the second LAA and corporate priorities including on regeneration. Outcomes focused actions and targets are included to assist delivering six clear aims for regeneration. These aims are now informing the development of a new directorate plan for regeneration, community and culture. Improved strategic planning helps the Council provide an effective framework for managing performance in meeting regeneration objectives.
- 89** Performance monitoring is effective. Councillors and managers regularly scrutinise and monitor regeneration progress and performance, including performance indicators, with regular updates shared with staff and partners. The Council is developing its approach through a new ICT system for performance management to improve its collection, recording and reporting high level performance information, although this is in the early stages of implementation. Currently performance reports are good quality, with some links to financial reporting. Accessible performance data helps the Council understand and share its progress on delivering regeneration programmes.

## What are the prospects for improvement to the service?

- 90 However, the Council has yet to develop specific measurements of success for regeneration. Although its vision and ambitions are clearly set out in key strategies and plans, these lack specific outcomes focuses measures of success and targets. For example links are not made between the Council's efforts on business support and advice and developing skills and their impact on employment rates and skills levels. As a result the Council's vision and ambitions for the area do not explain clearly enough to major stakeholders what it is specifically trying to achieve in terms of tackling deprivation, creating sustainable community developments and stimulating the economy.
- 91 The Council lacks a consistent and open approach to managing its performance in regeneration. The current lack of outcome focused measures of success and inadequate linkages between physical, social and economic strategies hinders the Council's evaluation and assessment of success in terms of key achievements and secured quality of life improvements. The Council understands the improved outputs from its regeneration work, in terms of project milestones met, new jobs secured, levels of investment and better levels of educational attainment. However, it does not then evaluate the impact of these improvements on local people's lives. As a result it is unable to keep local people informed of its performance and link benefits and actions.
- 92 Councillors' role in performance management is not fully effective. Cabinet and the Overview and Scrutiny committee for Regeneration, Community and Culture receive good quality progress reports for regular monitoring. Although this enables them to challenge performance and identify poor performance, the level of challenge is not fully effective and lacks evaluation. The Overview and Scrutiny committee has contributed to regeneration policy development on the Chatham Road scheme and to development briefs. But it has not carried out planned in-depth review work linked to regeneration to assess outcomes, major projects or initiatives. As a result the Council is not making best use of its performance management mechanisms to assess progress.
- 93 Some key strategies and plans are not yet in place or under-developed. The Council understands well the importance of culture and its cultural assets in the area's regeneration and in helping improve the quality of life for existing and new communities. It is currently developing a new cultural strategy with partners to ensure a strong cultural offer is embedded within development in the area. Current service plans are not robust. The quality is variable, they are inconsistent, and many are not SMART and outcome focused. As part of the new strategic planning framework the Council is tackling this and developing more robust plans for implementation in 2009/10.
- 94 Benchmarking performance is limited, although increasing. There are examples, particularly linked to social regeneration, where the Council is comparing its performance and achievement with others. However, it has very ambitious plans for the area and has yet to compare itself with other unitary councils in growth areas tackling similar challenges or with similar aspirations. Cost benchmarking is at an early stage. As a result the Council is unable to assess the speed of progress and efficient use of resources compared with others.

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### Does the Council have the capacity to improve?

- 95** Highly skilled, able and committed managers and staff lead the Council's work on regeneration. Medway Renaissance makes a strong contribution to the regeneration of the area through a team of highly able and well regarded people. Morale is good among key staff who are enthusiastic about the Council and its partners' ambitious agenda to develop the local area and improve outcomes for local people. They have pride in the area and generally understand their contribution to delivering the complex regeneration programmes in the area.
- 96** The Council uses creative ways of extending its capacity. It understands well its own limited capacity and has taken effective action to maximise this. A recent corporate restructuring has provided enhanced leadership within the Council, enabling a strong focus on corporate priorities and increased importance being given to managing performance. Skills needed to support its regeneration work are brought together in the Regeneration, Community and Culture directorate. This provides a valuable concentration of resources on regeneration and securing quality of life improvements.
- 97** The Council is taking appropriate steps to ensure it has adequate processes and expertise to deliver its regeneration plans. It is a relatively 'lean' organisation when compared with other unitary councils with similar population numbers and is highly ambitious. It is implementing a stronger approach to risk management corporately but this is at too early a stage to demonstrate benefits. Capacity issues in highways, building control and planning services have led to the Council is developing its own staff to tackle skills shortages and work underway on succession planning in services with an ageing workforce. These approaches allow flexible use of resources and a focus on improving performance, for example in planning where skills shortages may have contributed to poorer performance.
- 98** Capacity at the neighbourhood level is enhanced through work with community and voluntary sector partners and a sound neighbourhood management approach. Partners lead social and community regeneration programmes with the Council's direct involvement focusing on, for example, providing land or start up funding, and enabling access to alternative funding. Effective community capacity building, such as through the Regeneration Ambassadors, enables more to be delivered than the Council could alone and stimulates local skills. In addition it increases sustainability, ownership and achievement at the local level.
- 99** Additional high quality skills and expertise are available through effective partnership working. The Council is clear that it does not have the capacity to drive the ambitious regeneration programmes for Medway alone and neither would it be appropriate for it to do so. Through its effective leadership it has developed strong relationships with key partners. This enables good collaborative work on key strategies and plans and wider access to necessary skills and knowledge.



## What are the prospects for improvement to the service?

- 100** Sustained lobbying and good focus has secured significant inward investment. The designation of the area as a significant growth area and largest regeneration zone within the Thames Gateway has secured significant Government funding. This includes £72 million allocated mainly for infrastructure and land acquisition over the next three years so that Medway is well placed to take advantage of the upturn in the economy once it occurs. The Thames Gateway has initiated the Parklands programme focused on green spaces and Medway has been successful in securing funding in the first round of grants as part of a Thames Gateway North Kent Partnership submission. The Council has a strong track record of identifying funding necessary to deliver improvements with, for example, SEEDA and private developers. There is the potential for a further £6 billion private sector investment, although some of this is less certain due to the economic downturn. Inward investment in the area remains strong, especially through the public sector. Development is progressing on health facilities, transport improvements and retail improvements. Through the major PPP with the Ministry of Defence work is underway on master planning to redevelop a former barracks site with 5,000 new homes and community facilities. The PCT has committed significant resources to tackling health inequalities in partnership with the Council. Each partner has invested heavily in terms of finances, skills, assets and capacity.
- 101** The allocation and management of corporate financial resources is appropriate to support the regeneration the area. The Council makes good use of its limited financial resources and shifts resources to achieve its priorities, including regeneration. Improved prioritisation allows a sustained focus on what matters most to local people and allocations within the Medium Term Financial Strategy and capital programme reflect this. However, the Council lacks a sufficiently robust approach to developing appropriate exist strategies when project funding is coming to an end or to identifying alternative sources of funding.
- 102** The Council is at the early stages of managing risks from diminishing external funding and has long-term plans to trade its way out of dependency on grants for physical led regeneration. It has agreed with a developer a 15 year joint venture in which both would have an equal stake. The Council agreed to contribute development sites with the developer providing matching funding. The profits from subsequent development would then be shared between the partners. This joint venture has not been launched due to the recession reducing land values and available credit, but the agreement remains and the Council expects to revive it once the land values grow. In the interim Medway Renaissance has funding agreed by central Government until 2011 with expectations of further investment. The Council is also looking at developing partnership arrangements with registered social landlords (RSLs) where small schemes will develop affordable housing for rental and selling on the open market. These approaches are enabling development to continue even in the recession, although at a slower pace, and as a result the long term prospects for redevelopment in Medway are more secure.

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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

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