

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

3 APRIL 2013

ATTENDANCE OF THE DEPUTY LEADER AND PORTFOLIO HOLDER FOR FINANCE

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Summary

This report details the areas covered by the Deputy Leader and Portfolio Holder for Finance which fall within the remit of this Committee. These are listed each time a Cabinet Member is invited to attend any of the Overview and Scrutiny Committees to be held to account.

1. Background

1.1 The area within the terms of reference of this Overview and Scrutiny Committee and covered by Councillor Jarrett, the Deputy Leader and Portfolio Holder for Finance, is:

- Better for Less
- Communications and media
- Council Plan
- Council tax and business rates
- Finance
- Housing benefit
- Performance and service improvement
- Property
- Risk management
- Category management (previously Strategic procurement)

2. Achievements for 2012-13

2.1 Better for Less

2.1.1 Analysis of how Council staff spend their time carried out in 2010 showed that despite being a low spend authority we were spending more staff time on back office activity and less on frontline service delivery than other councils. Better for Less aimed to protect frontline

service delivery whilst making savings, by ensuring specialists worked in their professional areas and not on support activity. Better for Less customer contact and administration projects are delivering shared services across the Council in four phases to give efficient, effective and resilient support services.

- 2.1.2 Throughout, we have been mindful of the needs of staff who are key to the Council delivering well for its customers. Phases 1 and 2 have included consultation with over 750 staff. Of these staff 65% were matched to a role within the organisation – the remaining 35 % were placed through the recruitment and selection procedure and applied for vacancies within the re-organised teams. Staff have been supported through this with expert guidance from the Resourcing team and workshops on change and interview skills. Those who were not successful in securing a role were taken through the re-deployment process and offered additional training to uplift skills. In phase 1 there were no compulsory redundancies and 14 voluntary. In phase 2 there were 3 compulsory redundancies and 10 voluntary redundancies. 15% of people within the affected population secured a position which was a promotion.
- 2.1.3 The Better for Less programme has generated savings of £3.4 million in phase 1 and 2 with a projected £2 million additional savings in phase 3 and 4.
- 2.1.4 By ensuring the project is undertaken in line with the Better for Less principles, we have ensured that front line services which have been through the process can demonstrate savings on overall spend, with no disadvantage to customer experience.
- 2.1.5 Better for Less has also achieved the vision of a Category Management team and directorate specific Performance and Intelligence hubs. These areas are new to the council and allow us to work more efficiently and with continuous focus on business and customer need. Category management has already given service improvements and savings - notably through new home care contracts and through the innovative facilities management joint venture company agreed by Cabinet in March.

2.2 Communications and media

- 2.2.1 The Council's communications and marketing team is responsible for all Council media relations, marketing, websites and graphic design services and these services ensure people in Medway know about the Council's work, services it provides and how to access them. Research showed that during 2012/13 65% of residents are well or very well informed about Council services (compared to a national benchmark of 59%)
- 2.2.2 Since April 2012 the team has handled more than 1,100 media enquiries about council services and issues and has also issued more than 550 news releases to promote the Council's work in local media.

- 2.2.3 Medway Matters is distributed to around 115,000 residential addresses in Medway six times a year. It is read by around 67% of Medway residents and is one of the most read local publications in Medway. Research shows that people that read Medway Matters are more likely to be well informed about the Council's services.
- 2.2.5 During 2012/13 the team delivered more than 70 marketing campaigns to promote a wide range of Council services. These have included high profile campaigns for Love Medway and Celebrate Medway 2012. The latter combined previous brochures into a single events guide inside every Medway Matters - saving money against the previous individual campaigns and reaching more people. The campaign evaluation showed that 76% of residents were aware of the campaign and theatre ticket sales increased against the comparable period the previous year.
- 2.2.6 The Council's website now receives more than 150,000 visitors each month. In a national independent audit of all council websites by SOCITM the Council's website was awarded the highest possible rating of four stars and was highlighted as one of the top 20 council websites in the country. Mobile access to the website is increasing rapidly and improvements to the performance on mobile devices such is planned.
- 2.2.7 The Govmetric feedback system is used to get customer feedback from the site and was introduced on the website in November 2012. In November and December this showed that 65% of customers rated their experience as good or average. This ranks the Council's website in the top quartile of all unitary council websites using the system and provides important evidence on which website improvement is based.
- 2.2.8 The team has achieved six shortlisted entries in the national Public Sector Communications Awards 2012 - more than any other council team - and won the Insight Award for the Love Medway campaign. It also had five shortlisted entries in the Chartered Institute of Public Relations awards in February 2013. The team is nationally recognised for the quality of its communications and marketing work.
- 2.2.9 The provision of graphic design services for council clients, schools, other councils and NHS organisations generates income. Recently the Council has put in place a partnership with East Sussex County Council, which includes a shared Head of Communications post. A business case is being developed to provide communications and marketing services on a significantly expanded basis across the south east, providing additional income to Medway Council and providing a greater resilience and specialist skills than is possible as a single team.

2.3 Council Plan

Council Plan 2012-13

- 2.3.1 2012-13 has been a year of progress in addressing financial challenges and continuing to provide good services to the people of Medway, with positive progress across the Council Plan priorities.

2.3.2 This has been recognised by residents as the recent Citizen Panel results indicate that:

- **Satisfaction with the Council is up**
(Very satisfied/satisfied rating: August 2012 – 58%, compared to August 2010 – 50%)
- **Value for Money rating is up**
(Strongly agree/agree rating: August 2012 – 41%, compared to August 2010 – 32%).

Council Plan 2013-15

2.3.3 The national background to the development of the Plan remains as volatile as it has been in recent years, both in terms of funding and policy developments. The review of the Plan has provided an opportunity to pause, check on progress, look further ahead and adjust.

2.3.4 The Council Plan 2013-15 has been developed alongside the budget to ensure the financial implications of the Council Plan are considered over the life of the plan.

2.3.5 The strategic format of the Council Plan will continue, as it has provided a sharp but manageable focus on the issues that matter to residents and businesses, with monitoring. This year however, in response to members' feedback, the plan references the key change projects that the Council is taking forward to support the delivery of its priorities.

2.3.6 Monitoring of the Council Plan will continue on a quarterly basis, through Cabinet and Scrutiny evidencing the Council's commitment to be accountable. This will focus on key measures of success and update on key projects identified as supporting the delivery of the priorities.

2.4 Council tax and business rates

2.4.1 Council tax

- The Council has introduced discounts for uninhabitable and empty properties to replace national exemptions, which come to an end on 31 March 2013.
- The collection rate of Council Tax is up on last year which was the highest since 2007/08
- The Council has established a discretionary hardship fund for exceptional cases affected by the abolition of council tax benefit and its replacement with the Local Council Tax Reduction Scheme.
- Approximately 110,000 council tax bills are to be issued between 19 March and 22 March 2013, complete with notification of any entitlement to council tax reduction.

2.4.2 Business Rates

- The discretionary rate relief guidelines have been reviewed.
- All current discretionary rate relief cases are to be reviewed and recipients asked to submit new applications to take effect from 1 April 2014
- New collection fund arrangements are to be agreed following localisation of business rates which comes into effect from 1 April 2014.

2.5 **Finance**

2012-13 budget monitoring

- 2.5.1 The £1.0 million forecast overspend against the revenue budget, reported in quarter 2, has been managed down to a £224,000 underspend in the quarter 3 monitoring. This movement includes a £450,000 improvement in predicted investment returns, even against a backdrop of the Euro crisis and interest rates at an all time low.
- 2.5.2 The 2012-13 capital programme continues to report broadly an £800,000 underspend, but with around £36.0 million planned to be rolled forward and spent during 2013-14. Of 161 separate schemes, 124 report a 'happy face', with only one 'sad face', indicating that the major part of the programme is progressing on time and within budget.

2013-14 revenue and capital budget

- 2.5.3 In spite of the uncertainty surrounding the local government finance settlement, significant changes in the funding regime and a 3.65% reduction in Government grant support for Medway, the Council has again managed to set a balanced budget, without significant impact on frontline services. Furthermore careful management of reserve balances over recent years, has allowed the Council to invest £5.0 million in creating the 'South Medway Development Fund', invest additional resources in developing additional SEN capacity, and invest and build upon the sporting legacy post-Olympics.

2.6 **Housing benefit (and Council Tax benefit)**

- A new Local Council Tax Reduction Scheme was completed in January and comes into effect from 1 April 2013. Advisory letters have been sent to all claimants.
- All claimants that are considered to be subject to new under accommodation criteria have been contacted and provided with useful contact details.
- Work is ongoing with Job Centre Plus, Private Sector Housing, Customer Contact and registered accommodation providers to offer support to those who will become subject to benefit capping from July onwards. Private landlords are also being provided with regular updates.
- A revised Discretionary Housing Payment policy has been completed

2.7 Performance and service improvement

- 2.7.1 As part of the 'Better for Less programme, the Council has recognised the need to introduced a comprehensive performance management and business planning framework.
- 2.7.2 The current economic climate and changing demographic profile means that the Council is facing increasing demands for services, at the same time as a reduction in the funding to support service delivery. By understanding who our customers are, their needs, and how best we can target our resources to support them we can better support their needs.
- 2.7.3 The capacity provided by the hubs will enable the development of services, plans and strategy that deliver for Medway, and monitor progress against targets through comprehensive performance management.
- 2.7.4 Considerable strides have been made in progressing this vision, with the creation of three new performance and intelligence hubs to improve the way we manage performance and use intelligence to improve outcomes for service users and residents
- 2.7.5 These hubs should be fully populated with staff in the next few months in order to deliver effective support and insight to deliver across a range of key areas:
- Strategy
 - Performance Management and Reporting
 - Performance Improvement
 - Business Intelligence and GIS
 - Consultation and Engagement
 - Equality and Diversity
- 2.7.6 Through this support the hubs should enable the delivery of numerous positive outcomes including increased visibility of performance, value for money and accountability, which will in turn drive tangible service improvements. This should ultimately give greater clarity and confidence that members' expectations are turned into practice on behalf of the residents of Medway.

2.8 Property

Building and Design

- 2.8.1 Completion of major elements of Education's capital programme in 2012/13, including:
- Amalgamation of Napier Infants and Junior Schools, which provided a new foyer and reception, linking of the existing buildings, improvements to the main hall and new facilities for community use.
 - New block at Bradfields School, which links the existing buildings and provides additional teaching facilities and outdoor space for children with special education needs.

- Amalgamation of Oakland Infants and Junior Schools to create linked buildings, new entrance foyer, classrooms and community facilities.
- New Design, Technology and Art block at Sir Joseph Williamson's Mathematical School, which with additional refurbishment enabled the removal of all the remaining temporary buildings on the site.
- Provision of a new nursery facility at Greenvale Infants School
- New hall, additional classrooms and replacement early years facilities at All Faiths Primary School.

Regeneration

2.8.2 Supporting the Council's regeneration initiatives forms an important element of the property service, including:

- Creating a new future for Rochester Airport to provide greater public access, safeguard the airport and its heritage and release land for new jobs and private sector investment in Medway.
- Negotiations and Cabinet approval to facilitate the relocation of Rochester Railway Station to a new site on Corporation Street providing a significant investment by Network Rail in central Rochester.
- Valuation and property advice in support of the Council's successful bid for the government's Growing Places funding to assist in the regeneration of Chatham Waterfront.

Corporate Asset Management

2.8.3 Effective asset management is essential to ensuring the Council makes the best use of its property assets in the delivery of services to the public.

- Replacement of the cremators and provision of two new chapels at Medway Crematorium to provide a much enhanced and modernised facility.
- Acquisition and opening of the replacement Adult Education Centre in Gillingham and the disposal of the former dilapidated centre.
- Negotiations to secure the disposal of part of the former Temple School site to the PCT for the creation of a much needed Children's Development Centre for residents.

Energy and Sustainability

2.8.4 The Council is committed to reducing its carbon footprint and energy costs. In 2011/12 the Council, through a mixture of property rationalisation and energy saving initiatives, reduced its carbon emissions by just under 15%. Initiatives in 2012/13 include:

- New lighting at the Brook Multi-Storey car park in central Chatham where the service's Energy Team has sourced an innovative solution that includes motion sensors that allows the lighting system to drop to a level which uses just 10% of the energy overnight with saving some £40,000 a year on energy bills.

- Voltage Optimisers have been installed at Medway Park, Gun Wharf and Riverside One. These together with lighting motion sensors at Gun Wharf is estimated to save over £14,000 pa in electricity costs and over 75 tonnes of carbon per year.

2.9 Risk management

- 2.9.1 Effective risk management is a key part of an organisation's governance arrangements, as it provides a means of monitoring responses to issues that might derail delivery of key objectives, and it is a tool that supports effective decision-making, including the appropriate allocation of resources to mitigate risk.
- 2.9.2 There is a Strategic Risk Management Group (SRMG), which is chaired by the Director of Regeneration Community and Culture with representation from the other directorates. The SRMG meets quarterly to oversee the risk management processes and procedures that would enable risks to be identified and ensure appropriate mechanisms exist for dealing with these risks.
- 2.9.3 Risk Management Strategy is reviewed annually by SRMG and Members and was last reviewed in October 2012. It explains risk management in Medway Council, defines roles and responsibilities and determines actions that need to be taken to ensure processes and procedures are being adhered to.
- 2.9.4 The Corporate Risk Register is reviewed and updated every six months by risk owners, Business Support Overview and Scrutiny Committee and the Cabinet.
- 2.9.5 To improve the Council's Internal Audit opinion currently 'Satisfactory' regarding effective risk management, the SRMG are working with the Performance and Intelligence Hubs to develop directorate risk registers using Covalent, the Council's Performance Management system.

2.10 Category management (previously Strategic procurement)

What we have done

- The Procurement Board meets every 4 weeks and considers procurements over £100k as part of the £230m third party spend that the council makes each year.
- We have progressed four specific areas of spend, identified as part of the introduction to category management, Homecare, facilities management, high costs placements and agency costs..
- The Homecare procurement introduced benefits for those that receive the service by introducing choice and control as well as delivering £1.9 million of savings.
- Cabinet agreed the establishment of a joint venture company for facilities management services. This will be not only create savings for the council but also generate income.

What we are doing

- The Category Management Team now numbers 22 with 3 vacancies; one of which will form part of the council's campaign to recruit graduates.
- By Autumn of this year the two remaining areas of spend, Agency and High Cost Placements for Adults will be deliver savings in the order of £2 million.
- Further identified spend areas continue to be identified to find additional savings but also improve the quality of services in line with Better for Less

What we will do

- Maintain a strong control of third party spend.
- Continue to make savings from the category management approach.
- Ensure that we have the right set of skills across the organisation to identify, procure and monitor the delivery of goods, services and works.

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Background documents

None