

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

14 APRIL 2016

ATTENDANCE OF THE LEADER OF THE COUNCIL

Report from: Neil Davies, Chief Executive

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Summary

This report sets out activities and progress on work areas within the Portfolio of the Leader of the Council, which all fall within the remit of this Committee. This information is provided in relation to the Leader of the Council being held to account.

1. Background

1.1 The areas within the terms of reference of this Overview and Scrutiny Committee and covered by the Leader of the Council are:

- Strategic leadership of the Council
- Communications and marketing
- Finance

2. Strategic Leadership of the Council

Achievements for 2015/2016

2.1 Our vision is for Medway to be the go-to place in the Thames Gateway, whether it be to visit, work, live or learn.

2.2 We are delivering a range of projects which will make a difference for our residents and visitors, with investment programmes scheduled for Medway Archives (£1m), Eastgate House (over £1.5m), Strood Town Centre (£9m), Chatham Town Centre (£3m), Rochester Airport (over

£4m) and Housing Maintenance (£9m).

- 2.3 We are pleased to be working with Countryside Properties, our developer for the Rochester Riverside site which will see 1,400 new homes built on the site.
- 2.4 We've seen the new £26 million Rochester Station officially opened by the Duke of Kent in February and this represents significant investment in Medway. The multi-storey car park will be open at the end of April.
- 2.5 We are working with Network Rail to ensure multimillion pound improvements to Rainham, Chatham and Strood railway stations. We have our multi-million bus station in Chatham, and this will play its part in the improvements to Chatham town centre.
- 2.6 We will be transforming Strood Town Centre, starting with the road network relieving bottlenecks around Four Elms Hill through to the Medway City Estate. The eastern part of Medway will also see improvements, and we will be working up plans for improvements in Gillingham and Rainham.
- 2.7 We will work with Redrow and Morgans Timber, to bring forward 600 homes at Temple Waterfront. We will continue to work with Peel Ports as it creates hundreds of new homes at Chatham Docks, as well as restaurants and retail opportunities.
- 2.8 We will continue to showcase Medway to big investors and developers, following the latest successful launch of Medway 1 in the City of London.
- 2.9 We have made improvements across Children's Social Care, seeing our Ofsted rating improve, and despite the challenges at Key Stage 2, our GCSE performance is above the national average.
- 2.10 We are committed to supporting older people living more independently in their own homes, through the greater use of technology and over the forthcoming period, a range of significant changes and innovations will be brought forward in Adult Social Care.
- 2.11 We are working with Dartford, Gravesham, Maidstone and Swale Councils which collectively represent some 750,000 people, half the population of Kent- to see how we might collectively benefit from the Government's devolution agenda. We are working with the Department of Business, Innovation and Skills (BIS) to press Medway's case. I attend county and regional meetings in order to influence others and build on relationship which may be of value to Medway such as the SE7; meetings of Kent MPs and Kent County Council (KCC); meeting of Kent Leaders, including KCC and Medway, and informal meetings of District councils and Medway.
- 2.12 We continue to develop our Community Hubs, bringing council services closer to their communities. We invest in sports and play, most recently with the £1.9m investment in Strood Sports Centre. We are conserving

and renovating Eastgate House. We have secured 7 Green Flags across our greenspaces, and we continue to invest in our Play Areas.

- 2.13 We know that sport and play are important to people as they strive for healthy lifestyles and with this in mind we continue to offer free swimming to under 16s and over 60s.
- 2.14 We are working on the future by developing our Local Plan, addressing Medway's housing needs, including affordable housing and housing for temporary accommodation. We are doing this by learning from and working with others.
- 2.15 Developments outside of Medway will have an impact here. London Paramount will see 27,000 jobs created, providing opportunities for Medway people, yet bringing pressures on our roads and services. The Lower Thames Crossing is an opportunity for North Kent with a value of £7bn to the regional economy, and providing 5000 jobs, and we will press for funding for local road networks.
- 2.16 We will be looking at possible joint ventures for the future, such as the successful model of Medway Norse; more shared services; wholly-owned subsidiaries; wide-ranging investments; motivating and empowering our staff to unlock innovation and ambition.
- 2.17 Maximising the benefits of Enterprise Zone status, providing incentives for businesses to relocate, we will deliver 1000 high GVA jobs in advanced manufacturing and engineering supply chain, focused around BAE, at the Rochester Airport Technology Park, adding to the vibrancy of Medway's economy.
- 2.18 Our staff are critical for our success, and securing liP Gold was a demonstration of our commitment to them. We have implemented a wide-ranging reorganisation, establishing a Transformation Division to progress our aims to ensure the Council is fit for the future and is able to bring forward innovation and new models of service delivery.
- 2.19 Our aim is to highlight that in Medway we have a Rich Heritage and a Great Future and we will be celebrating events such as the Queen's 90th birthday with beacons across Medway and the 350th anniversary of The Dutch Raid.
- 2.20 Medway is the go-to place in the Thames Gateway and our aim is to tirelessly build on our successes and make yet further improvements for the benefit of our residents and customers.

3 Communications and Marketing

Achievements for 2015/2016

- 3.1 Over the past year the Communications and Marketing team has embedded its new organisation structure and introduced a new way of working to maximise the reach of the council's communications activity.

- 3.2 The traditional approach has seen service based marketing. The new approach has introduced cross cutting campaigns focused on the target audiences rather than service units. In addition we have significantly developed the use of digital marketing techniques where this is appropriate for the target audiences. This evidence based approach has given us impressive results – for a series of campaigns including Christmas in Medway, the winter campaign and Castle Concerts the service outcomes have been delivered or exceeded, at half the costs.
- Festival of Sport
 - 11,662 participants
 - Generated 283 more “likes” on the Medway Sport Facebook page
 - Generated 576 new email subscribers
 - 26% engagement with email marketing (above industry average)
 - Exceeded Big Ride target by 573 participants
 - Exceeded Medway Mile target by 200 participants
 - The Christmas campaign achieved a reach of over 3 million views and shares on Facebook – attendance at events exceeded previous years.
 - In February, marketing for the first Deangate Meangate cross-country obstacle event was digital only – receiving over 100,000 views at less than 0.01p per view. The event was well attended and broke even. We are now planning three events per year to build on activity to reposition Deangate as a sporting centre rather just a golf complex.
- 3.3 Email marketing is now our fastest growing channel with a 57% increase in subscriptions since March 2015. Activity includes Medway Matters email (two per month) which has been relaunched following user testing of two potential designs. Using GovDelivery we now have 40,000 subscribers who can sign up for 18 topics.
- 3.4 We use our evaluations to guide future activity. Whilst digital is a growing channel for many audiences and campaigns, we continue to leverage other marketing channels to reach specific audiences and achieve objectives. For example, in July and August 2015 our Medieval Medway campaign was a six week period of Siege of Rochester Castle activity anchored by two bespoke cartoon characters. These featured on all campaign materials ranging from booklets, postcards and banners to button badges, competition prizes and the ‘find Norman’s armour’ trail that was displayed around Medway for the open top bus tour and at our heritage sites. The postcards were distributed via school bookbags, and booklets were handed out on the bus tour, at the VIC and again at our heritage sites. Fort Amherst were supportive and also displayed booklets for us.
- 3.5 Results of this approach were significant. The campaign increased Guildhall Museum footfall by 55% and castle visitors by 16% year on year. An additional 1,000 people took the open top bus tour in August.

- 3.6 Other campaigns ongoing include Get Medway Learning to support community wide participation in learning in schools and beyond; and One You – the Public Health England campaign which we have rolled out locally linking to support available through Public Health.
- 3.7 We are currently planning for next year's campaigns including Rio, to capitalise on all things Olympics, and the Dutch Raid commemorations in 2017.
- 3.8 Medway on the Map continues to be a key priority, now recognised in the council plan. We continue to monitor potential Thames Estuary developments, particularly in the light of new proposals published by the Mayor of London's office.
- 3.9 The press office remains busy, now running on a team of two. We average 30 media enquiries a week, ranging from information requests to potential reputation damaging issues. Media relations supports our cross-cutting campaign agenda and media strategies are an integral part of activity plans.

4 Finance

Achievements for 2015/2016

- 4.1 Since the election in May 2015, the Finance team has delivered on all of its key targets, as well as implementing a number of service improvements.
- 4.2 The draft 2014/15 statement of accounts was signed off by the Chief Finance Officer and delivered on time. Then at the Audit Committee on 24 September 2015 BDO reported an unqualified audit opinion.
- 4.3 Action has been taken to bring forward the closure of accounts process for 2015/16, two years earlier than the Government's timescales, in order to ensure that the organisation is ready when this becomes a requirement. The tighter timetable and implicit acceleration of processes towards meeting the tighter deadlines, will be delivered within current budget and staffing levels.
- 4.4 The quarterly budget monitoring has been reporting significant pressures against the revenue budget, predominantly resulting from the numbers of children in the care system. However, through the early imposition of a moratorium on non-essential spend, judicious control over vacancies, excellent management of the Council's cash balances and the decision to revise the minimum revenue provision for repayment of long term debt, I am confident that the Council will deliver something close to a breakeven position at the end of this financial year.
- 4.5 Monthly 'dashboard' budget monitoring meetings are held with the portfolio holders of both children and adult services in attempts to identify any pressure movements within the volatile service area of social care. In this way members and senior management are alerted

to emerging changes and movement on client numbers as they impact on budgets.

- 4.6 Highlighting our treasury performance in more detail, the full year effect of the higher returns we earn on our £20m of loans to other local authorities (average 2% pa), the half year effect of the 4.6% pa we earn on the £3m in the CCLA Property Fund and the decision to use cash balances rather than take out the £4m PWLB loan for Strood Riverside have all contributed to the significant underspend against the Interest and Financing budget.
- 4.7 The Council recently voted on a balanced budget for 2016/17, albeit with modest recourse to reserves, but more importantly in spite of a 30% reduction in revenue support grant, the impact of significant appeals against business rate valuations and considerable increases in the number of children in care and the number of younger adults with complex disabilities.
- 4.8 Renewal of the Council's Insurance programme for the coming year with no increase in renewal terms
- 4.9 Work with Behavioural Insights Team in respect of Council Tax reminders was carried out and demonstrated changes to reminder letters could have significant on collection rates. Further work will be undertaken in Q1 2016/17
- 4.10 The upgrade of IWorld, Civica Dip and Gov Tech was successfully carried so that the Council is complying with the latest legislation and can continue to collect its Council Tax and pay out for Benefits.
- 4.11 Hot on the heels of replacing the old spreadsheet based budget monitoring system with a new module within the Council's financial management system, the Finance Operations team have just implemented a major upgrade to Integra 2 and the team quietly and efficiently continue to introduce process improvements. Through more automated processes, the team has been able to improve the service to both internal and external customers, whilst reducing in size. Examples include:
 - removing the need for paper invoices from BT, each of which attracted a charge;
 - starting the process of writing a suite of reports in Integra to reduce the amount of manual involvement in preparing the statement of accounts and statutory returns;
 - electronic provision of VAT data to HMRC;
 - reducing the number of payments made by uploading spreadsheets for Adult Social Care and increasing the payment that are now made via an interface from Frameworki. This work will continue into 2016/17 as the development of Frameworki continues.
- 4.12 The Finance Division has achieved all of this in spite of savings of £400,000 when it restructured in 2014 and a further £413,000 in 2015/16.

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Appendices

None

Background documents

None