

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

14 APRIL 2016

ATTENDANCE OF THE PORTFOLIO HOLDER FOR RESOURCES

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Summary

This report sets out activities and progress on work areas within the Portfolio Holder for Resources, which fall within the remit of this Committee. This information is provided in relation to the Portfolio Holder for Resources 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 Portfolio Holder for Resources are:

- Transformation
- Council Plan
- Performance and Service Improvement
- Category Management / Procurement
- Joint Ventures
- Property
- Administration Hubs

2. Transformation

Achievements for 2015/2016

- 2.1 Focus has been on infrastructure supporting the council's digital programme. We have procured a new content management system – the engine of the website that is accessible on mobile devices. Similarly we are implementing a new online payments system to replace the current offer that does not work on mobile phones. Testing is ongoing and we hope to go live for council tax and business rates payments in April.
- 2.2 The council has engaged a well established consultancy, Future Gov, to do a short piece of work to validate our plans for digital transformation, confirm our vision for a digital future, develop our technical roadmap and introduce a user led service design process to ensure digital services are designed to be easy and intuitive to use.
- 2.3 We are of course mindful of the minority of Medway's population who are not comfortable with digital technology, and using the contact centre and community hubs we will be supporting residents to increase their awareness and use of digital services.

3. Council Plan/ Performance and Service Improvement

Achievements for 2015/2016

- 3.1 2015-16 has seen positive progress for Medway Council as it strives to provide good services to the people of Medway, with good outcomes across the Council Plan priorities.
- 3.2 There are 58 Key Measures of Success in total for the 2015/16 Council Plan. In Quarter 3 we reported on 43 measures as the remainder are either data only or cannot be measured on a quarterly basis. Of these measures:
 - 69.8% (30 out of 43) were on target.
 - 7% (3 out of 43) were just below target
 - 23.2% (10 out of 43) were significantly below target
- 3.3 This is an improvement on the Q3 in 2014/15, when 65% (24 out of 37) of measures achieved their targets.
- 3.4 A new Council Plan has been developed to set the Council's vision and direction for the next five years. This plan concentrates on delivering our vision for Medway as a great place to work, live, learn and visit by transforming the way in which we deliver services to residents. We will continue to play a major role in helping improve the lives of the people of Medway by getting them into work, improving education prospects, creating fantastic leisure and cultural opportunities and to continue to encourage healthy lifestyles.

- 3.5 The 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.
- 3.6 The Corporate performance and Intelligence Hub has maintained Gold Standard for LLPG Gazetteer's Data Quality, which underpins business critical Council Tax and Customer Contact Address records.

4. Category Management/Procurement

Achievements for 2015/2016

- 4.1 The Category Management team together with colleagues from Medway Norse and Special Educational Needs (SEN) were finalists at the 2016 National Government Opportunities (GO) Awards for innovation in procurement. This related to the SEN framework successfully completed. The SEN Transport Framework has saved £1.1m per year or £4.4m over the life of the Framework and has controlled costs in this area.
- 4.2 That was not the only Framework let, as the Council also created a Construction Professional Services Consultancy which has proved popular and will speed up capital projects. The Consultancy Framework offers users a quick route to market with transparent pricing. We have opened up the Consultancy Framework for use by other Public Bodies in Kent. External users so far:
 - Maidstone Council
 - Thanet Council
 - Canterbury City Council
 - Kent Fire and Rescue

The framework also provides a rebate back to the Council based on volume of work for non-Medway Projects.

- 4.3 The Category Management team has started providing procurement support to external as well as internal clients such as:
 - Clinical Commissioning Groups (CCGs)
 - Gravesham Borough Council
 - Sevenoaks District Council

These services are provided at a competitive commercial rate and generate an income back to the Council.

- 4.4 As previously reported to this Committee, the Procurement Strategy 2013-2016 has seen the Council set out its aims to cut procurement red tape, to assist Small and Medium sized Enterprises (SMEs) to win more of our contracts, to analyse our procurement data better and manage contracts to improve services. On all those fronts we have seen success. A massive 64% of our contracts for 2014/15 were won by SMEs up from

42%. Our target of contracting 40% with Medway SMEs was almost met with us hitting 37%. We have encouraged businesses to register on the Kent Business Portal where they get notification of our future contracts. We have also slashed the time to complete procurements from 140 days to just 55. We have evidence of improving services too. A local headteacher said of the new SEN transport service: *“The new arrangement enables a single point of contact for issues and has led to the drivers and escorts communicating well with the school.”*

- 4.5 A key mechanism of our Strategy is to engage with our suppliers. We held our third annual Meet the Buyer Event which saw 300 companies and nearly 500 delegates attending. Positive feedback about the benefit of the event has been received and for the first year we generated an income via sponsorship to make the event cost neutral.
- 4.6 Delegates at the event have been sent an early draft of our Procurement Strategy 2016-2021 and have been asked to comment on it. This is the approach we took three years ago and meant we could amend the strategy taking into account industry sources, the comments of Scrutiny Members (who will be consulted again), the Federation of Small Businesses (Kent & Medway), the Kent Invicta Chamber of Commerce and the University of Kent.
- 4.7 We would also like to work more closely with the charitable and voluntary sector and are scheduling a meeting with Medway CVS to inform the draft strategy. We will be proposing to hold a charitable and voluntary sector engagement event each year to publicise contracting opportunities and also working towards a target for the charitable and voluntary sector to contract with us as a sub-set of our SME target.
- 4.8 The team was set a savings target of £1.8m for the last financial year. The team has delivered to date the following:
 - Revenue: £2,093,646
 - Non-Revenue: £697,516

In fact whole life savings over the 3 year life of Category Management team now stand at £21 million.

5 Joint Ventures

Achievements for 2015/2016

[these will be separately reported in June]

6 Property

Achievements for 2015/2016

- 6.1 The project to build Abbey Court Special Educational Needs school on the old Temple School site is back on track. After terminating the contract with the originally appointed contractor who was unable to carry out the works within the agreed budget set by the Council, a second successful new tender process was completed which secured

greater value for money. An in-budget tender was received from Neilcott who are now on site with works progressing well on site. The foundations and slab are in place and “cross laminated timber” which was constructed off-site is now being assembled in situ as the framework for the building.

- 6.2 A project to design and provide a one form of entry at Hundred of Hoo school will be the first in Medway to use Building Information Modelling (BIM) and “soft landings” one of the few in the UK. This involves 3-D modelling of the building to be produced before construction to allow both the end-user (the school and children) and the builder to see what the design is like before it is built. This enables better informed decisions to be made about the design and also to ensure that there is no gap between what is expected to be delivered and what is finally built.
- 6.3 Completion of a major expansion was achieved in July 2015 at Strood Sports Centre with minimal disruption to customers. The new improved offer has been welcomed by users.
- 6.4 The Strood Community Hub project which was completed on budget and on time is now in the running for Royal Institute of Chartered Surveyors design awards 2016.
- 6.5 The Housing Revenue Account Capital Programme was successfully completed with satisfaction levels from customers at over 97%. Delivery of the Education Condition programme to improve elements of the remaining school stock has been completed to the client service satisfaction.
- 6.6 The Council handed back the Compass South building and by working in partnership with Medway Norse was able to avoid a dilapidations bill of £500,000 and saving £415,500 pa in rent alone (without outgoings like Services and NNDR.)
- 6.7 Work to two historic buildings the Guildhall façade and the Corn Exchange Prince’s Hall were completed on time and on budget and have been well received by building managers and locally.
- 6.8 The project to convert of the old Library, Bryant Street in Strood into our new Medway Archives and Family Study Centre has started. The community hall element of the works have been completed, enhancing those well used facilities.
- 6.9 The shift of services from Riverside One to Kingsley House after a £250,000 refurbishment was completed successfully. A local charity has taken up residence in Riverside One for a time limited period. This covers the period until the “Command of the Heights” project starts to reveal the ditch under Riverside One.
- 6.10 A project to provide more efficient space in the Gun Wharf basement to increase the Council’s on-site storage capacity of paper records is on-going with phases 1, 2 and 3 of a 4 phase programme now complete.

Rolling-racking has been installed greatly increasing the space available. Once the Medway Archives and Local Study Centre move is complete we intend to recycle the rolling racking currently housing our archives by moving it to the second storage area in the Gun Wharf basement.

- 6.11 The Rochester Multi Storey Car Park design and procurement was successfully completed with the contractors Spencers working to a spring 2016 opening deadline. The main structure is complete. Works to install the lifts and complete the external cladding are on-going.
- 6.12 Works completed at Gun Wharf during the year have included:
- Solar Panels installed and generating electricity with the impact being displayed in the reception on a screen.
 - ICT Data Centre room fire suppression system renewed.
 - The two Flag poles (which are 40 years old) were repaired.
 - Some stairwell lighting now is LED operating on a motion sensor to reduce energy costs
 - Electricity air circuit breakers have been replaced
 - Roof guttering repairs have been undertaken with the removal of chippings and relining with polymer
 - Electrical modifications to allow for an emergency generator connection during a power cut have been completed
 - Car park modifications have been completed after staff and union consultation
- 6.13 After agreement from Cabinet, an opportunity to build on the Queen's Street car park in Chatham has been advertised to the market with significant interest being generated. At the time of writing 37 expressions of interest had been registered on the Kent Business Portal. The brief is to seek options from developers that retain the car park provision but deliver a housing development with potentially some retail and also to offer a profit share back to the Council. This is the first of a suite of innovative solutions to better manage "surplus" Council land.
- 6.14 The sale of land at Temple School to the NHS to enable the provision of a Child Development Centre was completed as was the sale of the Balfour Centre to Medway Community Healthcare. Other surplus land and buildings were also sold throughout the year.
- 6.15 The council's rented properties are achieving a return of circa 7% per annum. A £2M fund has been secured to purchase more investment properties, investment criteria have been agreed and £430,000 of this fund has been used to acquire interests in property, which will save the council circa £28,000 pa. Work is on-going to seek other suitable investment properties to add to our existing commercial portfolio.
- 6.16. Twenty transactions were completed in 2015/16 which has brought in capital receipts of over £2.25M. This includes the Balfour Centre, where the day care services will continue and the site for the new CDC at the Temple site in Strood which will provide valuable services to children and their families.

- 6.17 The Council has granted seven Academy leases and taken nine leases for operational use.
- 6.18 The property team has secured two out of three of the interests in the land at Chatham Waterfront.6.19 As part of the rolling revaluation of the council's property portfolio for accounting purposes, eighty four asset valuations have been completed and over one thousand one hundred have been reviewed.
- 6.19 The council has generated rental income of circa £1.4M.
- 6.20 The team has supported out sourcing arrangements including the CCTV contract and the Youth Centre contract.
- 6.21 The team has completed all of the property work to secure the relocation of Rochester Station.
- 6.22 The team has supported regeneration colleagues in getting to preferred bidder stage for Rochester Riverside.

7 Business and Administration Support Service – BASS

Achievements for 2015/2016

- 7.1 The Business and Administration Support Service consists of administration 'hubs' providing general and specialist business support across the council, and the Customer Relations Team (CRT) that coordinates responses to complaints, Freedom of Information (FOI) requests and Subject Access requests (SAR - the public's right to see documentation about them held by the council). CRT works for every council service; the BASS hubs serve approximately three quarters of council services.
- 7.2 The BASS hubs operate as a shared service, with staff moving around the teams to match the peaks and troughs of the council's business needs. Sometimes the work is 'moved', through access via various ICT systems; frequently the staff are physically re-located to a different hub. All staff have a 'home' hub so that clear line management and development arrangements exist. They have a high degree of competence in the various procedures of that home hub. The staff are also able to support other tasks as many business support functions are generic (e.g. minute taking; financial administration; using the council's CRM (customer relationship management system 'Lagan').
- 7.3 Over this last year (and continuing through 2016-17) there has been a major focus on expanding the staff's skills so that they can execute more functions in other hubs so that overall resilience is enhanced. In BASS the sharing of knowledge about business processes is key – one or two experts, as used to exist in some small administration teams, do not provide the continuity of service required for a modern digitally based support service, as illness and even planned leave immediately leading to a slower response to customers and professional officers. It

has been no mean feat to galvanise the staff to take on more during a period of modest pay rises, and this has been achieved through a programme of strong staff engagement and skills improvement. The recent staff survey within BASS showed very high levels of positive engagement – this has continued to increase since the initial establishment of the service in 2012.

- 7.4 Earlier transformation programmes had applied efficiencies to administration support of the order of 20%. Over the last three years further reductions have taken place equivalent to another 17%. With no reduction in service due to the enhanced training provided to staff and the flexible management of team resources, approximately 51 (full time equivalent) Range 2 administrators are doing the work previously carried out by over 62 administrators.
- 7.5 The Council's digital programme provides a further opportunity to streamline some business support processes to more self-service operation by customers (e.g. payments), and indeed to replace some manual entry of data, which is being facilitated by ICT remote working options for professional staff in the field (e.g. Community Wardens). Spend on current BASS functions is likely to decrease as the digital programme is taken forward.
- 7.6 The Customer Relations Team has worked particularly well in partnership with services across the council this year to achieve an improvement in the timely response to complaints and information requests. As at the end of February, cumulative performance against the 10 day response target is at 85%, ahead of the 75% target, and the 2014-15 performance of 74.4%. FOI performance at 91% is just ahead of a revised target for the year of 90%. It is particularly pleasing to see the previous year's performance sustained (2014-15: 92.4%) as this had previously been an area of difficulty. Overall SAR performance is less good at 47%, although this is across 59 requests, the majority relating to social care which require resource intensive activity to ensure the correct information is released. Significant support has been given to this area in recent months and the across council position is improving.

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Appendices - None

Background documents - None