

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

13 APRIL 2017

ATTENDANCE OF THE LEADER OF THE COUNCIL

Report from: Neil Davies, Chief Executive

Richard Hicks, Director Regeneration, Culture,
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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 2016/2017

- 2.1 Our vision is for Medway to be the go-to place in the Thames Gateway, whether it be to live, work, learn or visit!
- 2.2 A wonderful, diverse and vibrant waterfront city is being created in Medway, celebrating the stunning natural open spaces, our heritage as well as looking to our great future; supporting business opportunities and recognising our sporting legacy.

- 2.3 Our regeneration programme continues with pace and we are working to ensure our residents benefit from regeneration wherever they live in Medway and that regeneration reaches everyone in the community.
- 2.4 Medway has successfully secured LGF Round 3 bids for Strood Civic Centre (£3.5m) and Rochester Airport Technology Park (£3.7m; total received over 2 LGF rounds £8.1m).
- 2.5 We are delivering a range of projects which will make a difference for our residents and visitors, with investment programmes scheduled for Medway, improvements to Strood Town Centre (£9m), Placemaking in Chatham Town Centre (£4m), and Watermill Wharf development for business start-ups.
- 2.6 There are also emerging plans for a Marina at Chatham, as well as new homes at Whiffens Avenue and Queen Street in Chatham.
- 2.7 Projects being completed in early 2017 include the new Archives centre (£1m), Brook Theatre (£415K) and Eastgate House (over £2m).
- 2.8 We are working on the future by developing our Local Plan, addressing Medway's housing needs, including affordable housing and housing for temporary accommodation. Engagement and Consultation events have been undertaken to gain the views of our residents.
- 2.9 Since 1998 there has been an 11% increase in Medway's population, with over 12,000 new homes built. We have built 56 new homes using HRA headroom funding. We are currently looking at a range of options to address our housing need in Medway, including establishing a Housing Company and are in discussions with the Homes and Communities Agency about the Accelerated Delivery Programme. The Housing Minister recently attended the official opening of Centenary Gardens saying, 'Medway is leading the way in efforts to improve the housing market nationally'.
- 2.10 We are continuing to work with Countryside, our developer for our flagship regeneration site at Rochester Riverside, which will see 1,400 new homes built on the site. Works will start in Summer 2017.
- 2.11 We are continuing our improvement works in Strood Town Centre, starting with the road network, relieving bottlenecks around Four Elms Hill through to Medway City Estate. The eastern parts of Medway will also see improvements, and we will be working up plans for improvements in Gillingham and Rainham.
- 2.12 We are working with Network Rail to ensure multimillion pound improvements to train stations across Medway including Chatham, £1.4m investment with works starting Summer 2017 and Strood, £2.8m with works currently underway for a November opening.
- 2.13 We are continuing to work with Government to secure improvements to Medway's Infrastructure, including our major entrance points into

Medway as well as our Digital Broadband offer in Medway.

- 2.14 In the last 5 years the number of SMEs has increased by 16.4% to 16,510, with a 37% increase in the number of professional, scientific and technical businesses. According to the latest available Gross Value Added figures, Medway's economy was worth £4.8bn, up by 5% compared to Kent's growth of 3.2%, and ahead of the Southeast.
- 2.15 We continue to focus on skills here in Medway, supporting students and residents to extend their skill set, working with our Universities, Mid Kent College and the University Technical College. University placements have grown to 12,000- a 50% increase since 2001.
- 2.16 Maximising the benefits of Enterprise Zone status, providing incentives for businesses to relocate, we will deliver 1300 high value, high GVA jobs in advanced manufacturing and in the engineering supply chain, focused around BAE at the Rochester Airport Technology Park, adding to the vibrancy of Medway's economy.
- 2.17 We continue to develop our Community Hubs, bringing council services closer to their communities, with Rob Wilson, the Minister for Civil Society saying *"I'd like to congratulate the council on all the hard work that has gone into making these community hubs such a success."*
- 2.18 We also take pride in our sports centres, which included £1.9m being invested in Strood Sports Centre, with Sir Geoff Hurst officially opening the centre in July. We have secured 6 Green Flags across our greenspaces, and we continue to invest in our play areas.
- 2.19 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.
- 2.20 Our aim is to highlight that Medway has a Rich Heritage and a Great Future and we will be celebrating events such as the 350th anniversary of The Battle of Medway, with the finale event, Medway in Flames taking place on Saturday 17 June; an event not to be missed.
- 2.21 We will continue to showcase Medway, in particular our proposals for Chatham to big investors and developers, at the forthcoming Medway1 Launch on 11 April in London.
- 2.22 We have established a further joint venture, Medway Commercial Group, following the success of Medway Norse; more shared services; wholly-owned subsidiaries; wide-ranging investments; motivating and empowering our staff to unlock innovation and ambition.
- 2.23 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. County and regional meetings are attended in order to influence others and build relationships which may be of value to Medway, such as the SE7; meetings of Kent MPs and

Kent County Council (KCC); meetings of Kent Leaders, including KCC and Medway, and informal meetings of District Councils. We are leading these discussions to identify further shared service opportunities, offering cost reductions and efficiencies.

- 2.24 Representing Medway's interests, we are actively involved in the health sector discussions to formulate a sustainability and transformation plan (STP). Our aim is to ensure that this plan fully reflects the care needs of our adult and aging population.
- 2.25 Developments outside of Medway will have an impact here. London Paramount will see 33,000 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.
- 2.26 We continue to invest in our schools. In Medway 83% of schools are either good or outstanding, a huge improvement over the last few years!
- 2.27 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 how we deliver Adult Social Care.
- 2.28 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.

3. Communications and Marketing

Achievements for 2016/2017

- 3.1 The Communications and Marketing team has continued to deliver strategic, evidence-based activity that supports revenue generation and cost savings.
- 3.2 This is achieved by:
 - Working closely with corporate centre and service areas on forward planning and evaluation to ensure communications and marketing reflect council priorities and achieve SMART objectives for services.
 - Cross-cutting campaigns, along with projects, continuing to focus on the target audience and to deliver savings on marketing spend. Growing use of digital marketing - as appropriate for target audiences - achieves notable results.

3.3 Performance and evaluation of earlier work informed our levels of investment in and approach to communications and marketing for campaigns and projects such as:

3.4 **Festival of Sport**

- Extended the Festival of Sport calendar May to September from six weeks in the summer.
- Increased participants by more than 5,000 people year on year.
- Increased Big Ride target by 237 participants.
- Achieved 2,224 likes on the Medway Sport Facebook page
- Cross-promoted other service areas - Public Health's free healthy eating activities, arts events, River Festival.

3.5 **Castle Concerts**

- Two of four acts sold out; one act shy of selling out by 102.
- 333 new subscribers to the email list in five days.
- A Medway Matters emailer prompted more than 1,000 people to click through to the website within two days.
- Newsletter content received 64% of overall clicks, nearly three times the average rate.
- A Facebook video had a reach of 5,500.

3.6 **Christmas in Medway**

- Facebook page attracted 18,500 people - with a reach of 800,000.
- Marketing generated 100 stallholder enquiries.

3.7 **Deangate turns Meangate**

- Attracted 639 participants, over two events in this financial year
- Engaged with an audience of over 35,000 via Medway Sport Facebook page during January – March on Meangate-specific communications.
- Generated income of £17K over 2016/17.

3.8 **Adult education**

- 16% rise in enrolments year on year.

3.9 **Waste and recycling**

3.9.1 Campaign sought to address low levels of mixed recycling in flats:

- Increase in recycling in 45% of developments visited
- 15% increase in recycling tonnage in the week after communications - equivalent to an additional 31 x full 1100L blue recycling bins.
- £15k saving if behaviour sustained.

3.10 **Digital communications**

3.10.1 Email marketing continues to be our fastest growing channel. Since March 2016 subscriptions have increased by 120%. Activity includes twice-monthly Medway Matters emailers and a weekly internal communications emailer. Via GovDelivery we have 92,000 subscriptions across 36 topics and the engagement rate is 30%. We continue to invest in this channel, to stay abreast of emerging trends and evidence-based techniques that will further develop our subscriber base.

3.11 **Social media**

3.11.1 We have continued to grow and improve our social media presence over the year. Social media is increasingly becoming a customer service tool, and therefore it was identified that customer contact needed to be involved in the council's Twitter and Facebook accounts to improve the service we provide and give customers an additional contact channel. Customer contact officers are now trained to use social media to respond to service requests submitted via Facebook and Twitter, freeing up the media team to focus on PR and media issues.

3.11.2 We now have more than 15,700 followers on Twitter and 3,982 Facebook followers. We plan to grow our digital communications channels further over the coming year making increasing use of Instagram, SnapChat and LinkedIn to extend our reach and engagement with new audiences.

3.12 **Video**

3.12.1 We have started to make greater use of video to communicate with target audiences to support our communications campaigns. This is being used successfully for external campaigns such as fostering, explaining our [Local Plan](#) and our [Battle of Medway launch](#), as well as internal communications around digital transformation. We will continue to invest resources in this channel that continues to grow in popularity.

3.13 **Integrated approach**

3.13.1 While digital is a growing channel for many audiences and campaigns, we adopt an integrated approach to marketing also using traditional channels to ensure we reach and engage target audiences. An example of this is our significant Battle of Medway (BoM) Campaign.

3.13.2 Messages target audiences in Medway, across the UK, in Europe and internationally. These messages are promoting BoM activities in June 2017. They reflect critical Medway on the Map positioning raising awareness of the location ambition and vision of Medway as a great place to live, work, visit and learn.

3.13.3 The integrated approach embraces:

- Early digital investment in video, social media and email marketing for its advantages of speed, effect and reach.
- Above the line activity - print and digital advertising - will also allow us to track response.
- Promotions at strategic locations, such as St Pancras.
- Outdoor advertising - billboards and roadside.
- Public relations - a critical campaign component; a specialist consultancy augments our in-house expertise to deliver challenging objectives that include the MoM messaging.
- Core design and print collateral.
- A cuddly campaign icon to help us reach schools, children and families.
- Activities designed to engage and actively involve schoolchildren.
- All activity signposts audiences to find more information at medway.gov dedicated web pages or on social media.

3.14 Future campaigns

3.14.1 We are currently developing next year's campaigns including:

- Medway on the Map – campaigns to raise awareness of Medway to a variety of target audiences.
- Transformation – a campaign to ensure our staff are all fully engaged and involved in our transformation journey. We will also support transformation projects with targeted communication to persuade people across Medway of the benefits of doing more with us online.
- Re-opening of Eastgate House.
- Environmental anti-social behaviour.
- In development - World War 1 commemoration; Medway Council 20 year anniversary.

3.15 Media and PR

3.15.1 The press office has changed the way it operates considerably in the past two years. Going from a team of five to a team of two, has called for more strategic thinking, planning and prioritising. Press releases are only issued if truly newsworthy and media enquiries are dealt with within a 48 hours window where possible. Media invite events are kept to a minimum – reporters are becoming increasingly more difficult to peel away from their desks, so only events that have a very good visual news hook are considered for media invite.

3.15.2 There is a much more of a focus on targeting trade publications including Local Government Chronicle and The Municipal Journal to raise the profile of Medway Council, and extended, in depth articles are released every few months to engage different audiences.

3.15.3 In the past year the press office has dealt with 1,020 media enquiries from a range of organisations spanning traditional, national and trade

media across broadcast and print. In the same period 134 press releases have been issued.

3.15.4 Positive items included:

Local Plan

The media team advised that a media briefing was the best way to inform journalists ahead of the start of consultation. It was an opportunity to feed out key messages to reporters and ensure they fully understood what we were trying to achieve via the Local Plan proposals. Coverage was secured across all local channels – BBC South East, BBC Radio Kent, ITV Meridian, Medway Messenger, KMTV, Kent on Sunday.

Housing Minister opens Centenary Gardens

A media invite was sent to journalists to attend the opening of one of the largest new build council housing sites in the UK, by Housing Minister Gavin Barwell. Residents were put forward for interview and filming opportunities and coverage was secured across BBC South East, ITV Meridian, Medway Messenger, KMTV, Kent on Sunday.

Shared audit and counter fraud service

A press release was issued to traditional and trade press on the considerable savings made by Medway and Gravesham councils following the merge of services. This secured coverage in the Medway Messenger, Kent on Sunday and sparked interest from the Municipal Journal. They requested a first hand account of the merging process from the service manager involved and published it as a feature.

4 Finance

Achievements for 2016/2017:

- 4.1 The Finance team has once again delivered on all of its key targets, as well as implementing a number of service improvements.
- 4.2 The 2015/16 statement of accounts was signed off by the Chief Finance Officer (CFO) almost a month earlier than ever before and in spite of receiving an objection in relation to the Council's use of Lender Offer, Borrower Offer (LOBO) loans, the accounts were signed off by the external auditor with an unqualified audit opinion.
- 4.3 Further action has been taken to again bring forward the closure of accounts process for 2016/17, with the CFO's sign-off scheduled for the end of May. The acceleration of processes within this tighter timescale will be delivered within current budget and staffing levels.
- 4.4 The quarterly budget monitoring has reported significant pressures against the revenue budget, predominantly resulting from delays in delivery of some of the major savings underpinning the budget.

However, through the early imposition of a moratorium on non-essential spend, judicious control over vacancies, robust management action and management of the Council's cash balances, 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 continue to be held with the portfolio holders of both children and adult services in attempts to manage emerging pressures in a timely and proactive way.
- 4.6 Highlighting our treasury performance, the returns we earn on our £20m of loans to other local authorities (average 2% pa) and the 4.75% per annum we earn on the £3m in the CCLA Property Fund mean that we continue to outperform our peers in terms of investment returns. The 2017/18 budget is predicated on us beating that performance still further.
- 4.7 The Council recently voted on a balanced budget for 2017/18, without recourse to reserves, but more importantly in spite of having to address a budget gap of over £15m arising from continued loss of revenue support grant, new homes bonus and the Government's decision to cap the centrally retained component of dedicated schools grant.
- 4.8 The innovative work undertaken within the Finance division has paved the way for other Council services, with more shared services planned in legal and HR, behaviour change techniques being rolled out to other services and the revenues and benefits and exchequer services teams at the vanguard of digitalisation and cashless operation.
- 4.9 Recognising the risk posed to the Council's sustainability from the increasing reliance on locally generated funds, the Finance division is leading on the creation of a corporate debt team, which ultimately will hold a single view of each customer's transactions and debt with the Council and seek to recover this debt in a more joined up way.
- 4.10 The Finance division is also one of the first in the Council to tap into the potential of the 'Medway Makers' with its very own staff engagement forum, tasked with working with management to improve staff morale and create an empowered and motivated workforce.

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Appendices

None

Background documents

None