

Cabinet – Supplementary agenda No.3

A meeting of the Cabinet will be held on:

Date: 7 February 2023

Time: 3.00pm

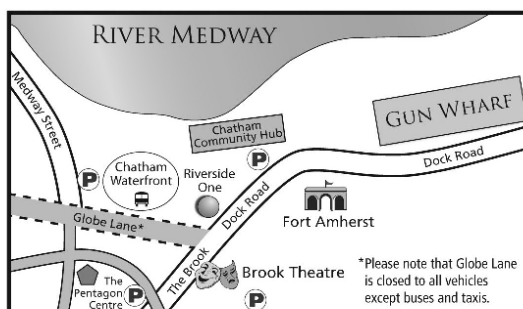
Venue: Meeting Room 9 - Level 3, Gun Wharf, Dock Road, Chatham ME4 4TR

Items

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|-----|--|------------------------|
| 4. | Council Plan Refresh 2023/24 – addendum report | (Pages 3 - 6) |
| 10. | Housing Revenue Account Capital and Revenue Budgets 2023/24 – addendum report | (Pages 7 - 12) |
| 20. | Contract Procedure Rules – addendum report | (Pages 13 - 14) |

For further information please contact Jon Pitt, Democratic Services Officer/Teri Reynolds, Democratic Services Officer on Telephone: 01634 332715/332104 or Email: democratic.services@medway.gov.uk

Date: 2 February 2023



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CABINET

7 FEBRUARY 2023

COUNCIL PLAN REFRESH 2023/24 ADDENDUM REPORT

Portfolio Holder: Councillor Adrian Gulvin, Portfolio Holder for Resources

Report coordinated by: Phil Watts, Chief Operating Officer

Contributors: Children and Adults – Directorate Management Team
Public Health
Regeneration, Culture and Environment – Directorate Management Team
Business Support

Summary

The Council Strategy Refresh 2023/24 report was considered by the Business Support Overview and Scrutiny Committee on 25 January 2023. The comments of the Committee are set out below, followed by officer responses where relevant.

1. Business Support Overview and Scrutiny Committee

1.1 The Chief Organisational Culture Officer introduced the report which presented the annual refresh of the Council Plan and proposed what measures and targets should be used to track performance against the Council's key priorities for 2023/24.

1.2 She also explained that since the report had been published, the Department for Education had discontinued one of the measures which related to the percentage achievement gap at Early Years Foundation Stage Profile between the lowest attaining 20 % of children and the mean (code CASEIEYFS Gap). Data had not been available since 2018/19 due to the pandemic and officers therefore proposed that the measure be removed. Officers confirmed that data relating to the percentage of different groups of children achieving "a good level of development", dependent on characteristics such as Identified SEN, Ethnicity, FSM, would continue and would be reports in the Council's annual schools' report.

1.3 Members then raised a number of questions and comments, which included:

1.3.1 **Excess weight in children (PH14 and PH15)** – comment was made that despite officers' focus on this target, it remained stubbornly red and that a

wider strategic approach and investment into resourcing this area of work was vital to see improvements made.

- 1.3.2 **Children Social Care** - reference was made to the suite of measures relating to children's social care and that the issues regarding staff shortages put the improvement journey at real risk of progression. ILAC7 and ILAC7(N) were also referred to as being tricky measures but essential to the overall improvement journey. In response the officer explained that ILACS7 reduction was to provide an ambitious but more realistic target for 2023/24 by changing the target from 80% to 50% and the proposed removal of ILAC7(N) provided an opportunity for the organisation to focus on the one more meaningful target, as both were measuring the same thing but in a different way, which was causing confusion.
 - 1.3.3 **Number of maintained primary schools that are good or better** – it was being proposed that this measure be removed due to so many schools no longer being maintained by the Local Authority. Concern was raised about this change and it was considered that instead it should be a measure that covered all schools, including academies, reflecting the Council's role in school improvement generally.
 - 1.3.4 **Smoking at time of delivery (PH16)** – it was suggested this target should be revisited to be more ambitious.
 - 1.3.5 **Missing areas** – comment was made that there should be measures on the following priorities which were important for Medway; Child Friendly Medway, climate change, digital enablement and health inequalities. Officers confirmed that the next look at the Council Plan, for 2024/25, would be a complete rewrite rather than a refresh, which would look at areas such as these and would include a fundamental new approach to performance monitoring which would move to a greater focus on output.
 - 1.3.6 **Average journey time (NI 167)** – it was considered this measure needed reviewing further as lived experience was that congestion was high in Medway and did not reflect current medway, particularly given the measure was established in 2011.
 - 1.3.7 **Role of Chief Organisational Culture officer in performance** – in response to a question about the role of this post in relation to performance, particular for measures that are performing poorly, it was explained that dialogue across directorates and CMT was key in ensuring targets are aspirational but achievable. The next refresh for the 2024/25 plan, would provide an opportunity to transform how performance is managed across the organisation.
- 1.4 The Chief Organisational Culture Officer undertook to feed the comments back to relevant officers and confirmed that consultation on the refresh had been conducted with officers and had been considered at Corporate Management Team.

1.5 The Committee agreed to forward its comments to Cabinet, as set out above and noted that those Council Plan measures still awaiting a proposed target, would be further considered by the Corporate Management Team and that Full Council would be asked to delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Resources, to agree the final measures.

2. Officer response

2.1 Where possible, officers have provided a response to the points raised by the Business Support Overview and Scrutiny Committee, as follows:

2.1.1 **Excess weight in children** – in latest performance data, PH14 (excess weight in 4-5 year olds) is rated green and PH15 (excess weight in 10-11 year olds) is rated amber. New data for 2021/22 has moved Medway's performance into a much more favourable position. For example, the rate in PH14 has reduced from 31.5% in 2020/21 to 23.7% in 2021/22 and Medway's reduction for this measure is one of the highest in the South East.

2.1.2 **Children's Social Care (ILAC7 and ILAC7(N))** – In relation to ILAC7, officers would recommend that this remains at 80% to continue to work to our ambition in getting at least 80% of Children's Social Care audits to be graded good or outstanding, which is vital if Medway is to reach an Ofsted judgement of Good or better. In relation to ILAC7(N), we continue to recommend that this is removed, to enable the service to focus on its clear ambition. However, clear narrative will continue to be provided to Members to help demonstrate the direction of travel in this area.

2.1.3 **Number of maintained primary schools that are good or better** – officers are recommending the removal of this measure because there is no longer a benefit to differentiate between maintained and academy primary schools, given so many schools are now academies. However, the partnership measure SE2 OEPr (Percentage of all Primary Schools judged good or better) which can be found further down on the table, is proposed to remain.

2.1.4 **Smoking at time of delivery** – The target for this measure reflects the national plan (through to 2030 albeit it is being refreshed). Whilst we always try and exceed performance, our local work is part of a system wide effort. Specifically, the NHS is introducing Tobacco Dependency Services into Maternity Departments. We are supporting them to do this and are working with Medway NHS Foundation Trust to put additional resources in place. Performance on this target therefore is reflective of the work that is in our direct control.

2.1.5 **Average journey time (NI 167)** – Review of this indicator will take some considerable time for officers to ascertain if there is an alternative way of measuring the indicator and establishing a reviewed baseline. This will therefore be done in preparation for the fundamental rewrite of the Council Plan for 2024/25.

3. Updated recommendations

- 3.1 The Cabinet is asked to note the comments of the Business Support Overview and Scrutiny Committee, as set out in the addendum report.
- 3.2 The Cabinet is asked to recommend to Full Council the adoption of the refreshed Council Plan measures as set out at Appendix 1 to the report, subject to:
- The ILAC7 target (the percentage of Children’s Social Care Audits graded good or outstanding) remaining at 80% rather than be lowered to 50%, as recommended in Appendix 1.
- 3.3 The Cabinet is asked to note that those Council Plan measures still awaiting a proposed target, will be further considered by the Corporate Management Team and that Full Council will be asked to delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Resources, to agree the final measures.

4. Suggested reasons for decisions

- 4.1 The Council Strategy sets the high-level objectives for the Council and is underpinned by the Council Plan which includes the detailed performance measures and delivery plans explaining how the strategic objectives are to be met. Agreement of the Council Plan measures will ensure continued delivery of the objectives and effective monitoring of performance.

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Appendices

None

Background papers

None



CABINET

7 FEBRUARY 2023

HOUSING REVENUE ACCOUNT CAPITAL AND REVENUE BUDGETS 2023/24 ADDENDUM REPORT

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services

Report from: Phil Watts, Chief Operating Officer

Katey Durkin, Chief Finance Officer

Author: Mark Breathwick, Head of Strategic Housing

Summary

The report was considered by the Business Support Overview and Scrutiny Committee at its meeting on 25 January 2023 and its comments are set out below.

1. Business Support Overview and Scrutiny Committee – 25 January 2023
 - 1.1. The Committee considered a report presenting the Housing Revenue Account (HRA) capital and revenue budgets for 2023/24 which provided details of proposed rent and service charge levels for 2023/24. It also contained the latest revised forecasts of the HRA Business Plan.
 - 1.2. In introducing the report, the Head of Strategic Housing referred to the proposed 7% increase in rent; the challenges around rent arrears and void turnaround times; and the intended uplift in the repairs and maintenance contract due to inflation.
 - 1.3. Members raised a number of questions and comments which were responded to by the Head of Strategic Housing as follows:
 - **Implications of the 7% rent increase, particularly on the most vulnerable residents:** The officer said that last year the authority had set a rent level below the cap based on the low CPR rate. This year's increase of 7% was considered prudent in light of current challenges.

This increase would impact on residents and housing officers liaised with colleagues in the Revenues and Benefits team to support residents in managing their finances. Consideration would be given to increasing that officer team to ensure the required level of resident support could be maintained. Opportunities to explore further partnerships with the voluntary and community sector would also be explored. The officer said that he would give further thought to the point raised that those on Universal Credit would be disproportionately impacted by the rent increase.

- **Why had there been such a steep increase in rent arrears?:** The officer explained that the figure of £602,000 in the report was a combination of existing and former tenant arrears, i.e. bad debt. He agreed to provide a more detailed breakdown outside the meeting.
- **Repairs and maintenance contract:** The officer said that the structure of this contract with Mears was under consideration to make sure that service delivery can be safeguarded. Work on the re-tendering of the contract, which would expiry in September 2024, had already commenced. Feedback from residents showed that satisfaction levels with repairs remained good. In response to a question on the flexibility to use local SMEs for repairs and maintenance, the officer said that the proposed new structure of the contract did allow for a range of providers particularly where specialist work was required. Feedback had showed that residents were not in favour of such work being sub-contracted by the main contractor. A contractor engagement day had attracted some local businesses.
- **What plans were in place to address the number of void properties?:** The officer advised that, due to labour shortages, the focus for repairs and maintenance needed to be focused on occupied properties. However, it had been made clear to Mears that improvements in respect of repairs to void properties needed to be made so that they could be re-let.
- **Major estate regeneration/joint ventures:** Asked where these was planned, the officer said that options were being appraised but he was not in a position to discuss these in a public forum at this stage. Members were pleased to note that the Council remained open to any opportunities for joint ventures that might arise and urged developers come forward for discussions.
- **Review of the Business Plan:** The officer advised that the Business Plan was reviewed at least annually and agreed that more regular reviews may be required where decisions were being taken around increased borrowing and development.

- **Were existing budgets sufficient to deal with mould in the Council's HRA stock? Were residents provided with advice and guidance on how to reduce mould?** The officer said that Medway's current price per property included a requirement for Mears to undertake a number of repairs including damp and mould. An analysis of the new contract was that there were sufficient funds within the contract to continue to absorb those costs. Envirovent was installed when replacing a kitchen or bathroom to improve ventilation. The Council continually looked at ventilation in properties and replaced any ventilation units that were not working properly. In addition, advice was provided to residents to increase their understanding of the need to ventilate their homes. Landlords also had a responsibility to make sure their properties were as efficient as possible. Proactive steps were being taken to identify the poorest performing properties in terms of energy efficiency.

Asked if there was a regular programme for visiting properties to check if they were up to standard, the officer said that gas safety inspections were carried out every year and the Council was working with Mears to broaden this annual inspection to cover other issues. Work was also in hand to maximise the benefits of any home visits that took place by Council officers so that they looked beyond the principal reason for their visit.

- **What percentage of the Council's HRA stock have prepayment meters?** The number of Council properties with prepayments meters would be established and provided to Members.
- **Why was the number of void properties increasing?:** The officer said that two issues which had impacted on the number of void properties were the pandemic and the lack of labour. At present much of the work on void properties was subcontracted by Mears. This was an area which needed to improve. Asked for a breakdown of the type of properties that were voids, the officer said there were currently between 65 and 70 void properties, the majority of which were flats and bedsits rather than houses. In response to a question on whether there were Key Performance Indicators (KPIs) for how long Mears should take to bring void properties up to standard, Members were advised that although KPIs were in place, one of the shortcomings of the current contract was that there were very few ways in which the authority could penalise Mears for poor performance. This would be addressed in the new contract. Mears had expressed confidence that the position with regard to voids would be improved by the end of March.
- **MHS/ Council joint tenders:** The officer said that conversations were taking pace with MHS to explore opportunities.

- **Household support grant:** Asked how many tenants had applied for this support, the officer said that he would respond outside the meeting.
- **Payment of rent direct to the landlord:** The officer confirmed that such alternative payment arrangements could be made where it was requested by residents in receipt of universal credit.

1.4. The Committee recommend the following to the Cabinet:

- a) A proposed social rent increase of 7% as per the cap set by the Government for year 2023/24 (which is below the allowed CPI of 10.1 plus 1%) for the social rent housing stock as set out in Appendix A (based on 52 collection weeks) with effect from 03 April 2023. All new tenancies issued during 2023/24, to be set at either the formula rent or rent cap for social rent dwellings, whichever is lower.
- b) A proposed affordable rent increase of lower of LHA rate or 7% (which is below the allowed CPI of 10.1 plus 1%) for the affordable rent properties as set out in Appendix B (based on 52 collection weeks) with effect from 03 April 2023. All new tenancies during 2023/24 to be set at either 80% of market rent or the LHA rate for affordable rent dwellings, whichever is lower.
- c) A proposed rent increase of 10% to be applied to all garage tenure types with effect from 03 April 2023 as stated in section 4.
- d) That the service charges increases/decreases as set out in Appendix C of the report for 2024/23 be approved.
- e) That a 50% rebate on the increase from 2022/23 electricity and gas service charges to be issued to the tenants affected by those increases set out in recommendation D.
- f) That the revenue budget for the HRA service for 2023/24 as per Appendix D be approved.
- g) That the proposed new budget of £8.25m (as set out in section 8.5.3 & 8.5.4 which is £2.5m for new purchases, £0.5m for Phase 4 and £5.25m for Phase 6 budgets).
- h) A virement of remaining budget (approximately £0.3m) from Phase 4 to Phase 5 new build programme budget be approved.
- i) That the provision for the estimated repayment of debt based on annuity-based payment of £0.358m, on the HRA's outstanding debt for 2023/24 be approved.

- j) That an estimated repayment of £0.5m of debt from 1-4-1 RTB receipts capital (as explained in section 11.1) on the HRA's outstanding debt for 2023/24 be approved.
- k) To delegate authority to the Director of Place and Deputy Chief Executive to agree weekly rental values presented by the Head of Housing for any in-year completed HRA acquisitions and/or new builds during 23/24.
- l) That Members approve the revised 30-year HRA Business Plan model as attached at Appendix E.

1.5. The Committee also agreed to scrutinise the HRA Business Plan on a six-monthly basis, rather than annually.

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Appendices

None

Background papers

None

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CABINET

7 FEBRUARY 2023

**CONTRACT PROCEDURE RULES
ADDENDUM REPORT**

Report from: Bhupinder Gill, Assistant Director, Legal and Governance

Author: Michael Kelly, Head of Category Management

Summary

The Business Support Overview and Scrutiny Committee considered the report at its meeting on 25 January and its comments are set out in this Addendum Report, along with officer responses where required.

1. Business Support Overview and Scrutiny Committee

1.1. The Head of Category Management introduced the report which set out a proposed updated set of Contract Procedure Rules to replace those set out at Chapter 4, Part 7 of Medway Council's Constitution. The revised suite simplified terminology used for better end user engagement, improved accountability across the various layers of the organisation and updated thresholds at which procurement board level governance would apply to procurement activity, which would only apply to projects valued equal to or greater than activities that would be subject to the Public Contracts Regulations 2015 for Goods/Services and the Light Touch Regime, or £500k for works projects.

1.2. Members then raised a number of questions and comments, which included:

- **Information governance issues** – reference was made to two cases where there had been issues with information governance and officers were looking into these incidents to identify any learning that could be made. It was suggested that an update on this work be provided to the next meeting of this Committee.
- **Recurring contract transactions** – in response to a question about how the Council safeguard against tenderers who repeatedly fall just under the threshold for contract value limit with multiple contracts, it was confirmed that the Category Management team approve all new suppliers onto the Finance Management system and periodically ask for a report detailing if any officers have breached their original request.

- **Climate change** – reference was made to section 4.2 of the report, which did not include climate change as a listed benefit from the rules. In response officers confirmed that social value was referred to at that part of the report, which included climate change as one of the five elements that underpinned social value, however, undertook to review the section to ensure a more explicit reference to climate change.
- **Criminal Records Bureau checks (Disclosure Barring Services – DBS)** – in relation to the DBS check reference within the Contract Procedure Rules at Appendix 1, a suggestion was made that all elected Members should be subject to DBS checks, particularly given their role as Corporate Parents. Officers explained that previous rule changes had removed the legal requirement for all Councillors to be automatically subjected to DBS checks but could investigate the legalities and practicalities of introducing DBS checks for all Members following the next local elections in May 2023.

1.3. The Committee:

- a) noted the comments of the Audit Committee on the draft revised Contract Procedure Rules set out in Appendix 2 to the report;
- b) reviewed and provided comments on the draft revised Contract Procedure Rules, and recommended their approval to Full Council, after consideration by Cabinet; and
- c) recommended Cabinet to instruct officers to explore the benefits and requirements of Elected Members having a DBS check, given their role as Corporate Parents and that this be considered for all Members in the next municipal year.

2. Director comments

- 2.1. In relation to the recommendation to Cabinet regarding DBS checks for Elected Members, with Cabinet's agreement, officers will explore the requirement as a separate stream of work and will implement any changes if required. It is noted this recommendation is separate to the Contract Procedure Rules, which were supported by the Business Support Overview and Scrutiny Committee and forwarded to the Cabinet for approval.

Lead officer contact

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Appendices

None

Background papers

None