

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Wednesday, 21 March 2012

6.33pm to 10.40pm

Record of the meeting

Subject to approval as an accurate record at the next meeting of this committee

- Present:** Councillors: Avey, Bowler, Bright, Carr (Chairman), Harriott, Irvine, Juby, Maple, Osborne, Royle, Tolhurst and Watson
- Substitutes:** Councillor Adrian Gulvin (Substitute for Councillor Pat Gulvin)
- In Attendance:** Councillor Alan Jarrett, Deputy Leader and Portfolio Holder for Finance
Nick Anthony, Head of Property
Marc Blowers, Head of Housing Management
Mary Butcher, Housing Improvement Board
Neil Davies, Chief Executive
Jackie Edwards, Housing Improvement Board
Stephen Gaimster, Assistant Director Housing, Development and Transport
Stephanie Goad, Assistant Director Communications, Performance and Partnerships
Perry Holmes, Monitoring Officer
Joy Kirby, Quality Assurance and Client Manager
Caroline Salisbury, Democratic Services Officer
Phil Watts, Finance Manager, Children & Adult Services
Kevin Woolmer, Finance Manager, Business Support & Regeneration, Community & Culture

904 Record of meeting

The record of the meeting held on 2 February 2012 was agreed and signed as correct by the Chairman.

905 Apologies for absence

An apology for absence was received from Councillor Pat Gulvin.

906 Urgent matters by reason of special circumstances

There were none.

907 Declarations of interest

Councillor Adrian Gulvin declared a personal interest in any reference to the Youth Offending Team as his brother managed the team.

908 Annual review from the Housing Improvement Board

Discussion:

The Head of Housing Management introduced members of the Housing Improvement Board to the Committee, advising that the Board's role was the scrutiny of the housing management service in Medway.

Two Board members, Mary Butcher and Jackie Edwards, gave a powerpoint presentation which included:

The panel was formed to:

- recommend ideas to improve services
- champion tenants and leaseholders, and to bring to the Council's attention their ideas and points of view
- gather information from the other tenant and leaseholder forums
- ensure services gave best value to tenants and leaseholders.

The work of the panel included to:

- check, read and scrutinise policies and procedures; and make recommendations for improvements of service
- shape services and work with officers to prioritise services and recommend improvements to the service.
- monitor the services provided and makes sure policies and procedures were followed; and the work of contractors, for example, when reviewing voids procedures.

What had been achieved

- the Panel had been formed, with the help of an independent mentor;
- review of policies including: Pets, Succession, Crossover, Anti-social Behaviour, Horticultural, Voids and Resident Involvement Funding;
- consulted on the Tenant Incentive Scheme;
- attended a 'Better for Less' presentation at the council offices;
- undertaken TPAS training on scrutiny;
- carried out the first review on the Voids Standards.

Future work

- develop a programme of scrutiny work for 2012;
- undertake a training programme identified by need;
- carry out two or three reviews of areas of the Housing Service according to priority
- ensure requirements of the Localism Act is met by:
checking that Housing Services is held accountable to tenants and leaseholders

Business Support Overview and Scrutiny Committee, 21 March 2012

ensure that Tenant Associations and Focus Groups are adequately supported

- working with staff to create a Complaints Panel which will consist of Tenants, Leaseholders and Councillors.

The committee thanked the Housing Improvement Board for the presentation and the time and effort the members of the Board gave to achieve its success.

Members asked various questions, including:

- was there anything the council could do to make the Board's work easier?

The Board Members advised that receiving more information would assist its work, as it was trying to give a good service.

- Had there been any recommendations from the Board that the Council had turned down?

Members were advised that one recommendation had been turned down by the Council with regard to the Pets Policy, as officers did not think the suggestion put forward was feasible.

- Had the Board talked to similar committees of other housing providers to share information?

Members of the Board had been to Kent and Sussex Residents Involvement Alliance (KASRIA) and mhs homes. They had also visited Brighton and Hove Council and were hoping to visit Dartford, Thanet and Luton as these were authorities with a similar size housing stock and issues.

- Did the Board have enough resources to do its job properly?

The committee was advised that the Board would like to have the finance available to reach tenants not wholly involved. It was suggested that by having a caravan to tour Medway promoting their work and to see and talk to people, would be a good way in which to seek people's views.

Also, the Board had a Council officer helping them with their work but an assistant for that officer, as an alternative person to contact, would be useful.

- How did the Board consult with tenants and leaseholders and was there a difference in requirements between the two groups?

Tenants were consulted by Board members visiting other forums, through estate inspections, a status survey and the first tenant conference was held in October 2011.

Business Support Overview and Scrutiny Committee, 21 March 2012

Leaseholders had the same issues as Council tenants with many areas that overlapped, for example caretaking duties.

- How did the relationship between the Board and the Council work and was the communication adequate?

The Board advised that tenant's relationship with the Council had improved considerably over the past few years. Officers listened to the comments and requests made by tenants and responded with well-informed answers.

- What had been the Boards most significant achievement to date?

The Board's most significant achievement so far was the formation of the Board itself. Additionally, the Board was very pleased with the work it had carried out on the Voids Policy.

- Had tenants seen a noticeable improvement in their maintenance requirements?

The committee was advised that most properties were okay and met the 'decent home' standard.

- How did the Board decide which policies to review?

Members were advised that the policies were chosen by the Board, as it progressed its work. When a problem was encountered, information would be requested from officers and if found to remain problematic, the Board would decide whether or not to try and help the Council improve the situation. The Board would research work carried out at other Local Authorities and then make recommendations to officers, who then feedback whether they would, or would not, work for Medway.

- How had the Board progressed with a policy on vehicle-crossovers (where vehicles cross the highway and park on grass verges)?

The Board confirmed that a policy was in place but could only be acted upon when the vehicle was parked on housing revenue account (HRA) land. A lot of the land remained in joint ownership of highway services and HRA and it required the decision of the Council to set one owner in order to be able to act on this problem.

Decision:

The Committee thanked the Housing Improvement Board for its presentation and the work it had carried out and achieved to date.

909 Attendance of the Portfolio Holder for Finance

Discussion:

The Portfolio Holder for Finance, Councillor Jarrett, gave a presentation to the committee which included:

Procurement

- The Procurement Board had met 16 times during the past year and considered 118 contracts with a total of £230 million
- Scrutiny of contracts was becoming increasingly severe and testing to ensure value for money
- The Council was moving towards a 'Category Management' form of procurement which, once set up, would deliver better contracts and service delivery.

Asset and Property Management

- In 2010/11 the Council sold 29 properties valuing £4.1 million
In 2011/12, 26 properties were sold valuing £2.6 million and a further four properties were due to be sold with a value of £700,000. This helped to fund capital priorities with a beneficial effect on the backlog of maintenance which had reduced from £34 million to the current £16 million
- Work had commenced on Rochester Riverside
- Terms were being agreed with Tesco for a new store in Strood which would enable a new library offer in Strood with a community hub
- 26 out of 27 council-owned business start-up units were currently let and the property team had been commissioned as property advisors by Kent Fire and Rescue Service
- on-going energy savings work which included £2.7 million spent on mercury abatement work at Medway Crematorium, which would drive down utility costs.

Risk Register

- Risk was now embedded across the organisation and in service delivery and contracts.

Communications

- The Council had been awarded a 3* rating for its website which was well used, with 100,000 new visitors per month during the last quarter
- Medway Matters magazine was produced six times a year which was a vital means of communicating with residents. It was greatly enhanced with the unified events guide which would now be included in every edition
- Current campaigns included: Love Medway app and Stop the Estuary Airport.

Better for Less

- Phase 1 was underway and would deliver budget savings and an enhanced service

Business Support Overview and Scrutiny Committee, 21 March 2012

- The Council sought to minimise the number of staff leaving due to this project and to date there had been one compulsory redundancy. Affected staff had been moved to vacant posts which saved money on redundancy costs and minimised the disruption to employee's lives.

Finance

- The Council had set a balanced budget over the past few years and delivered on it, despite difficulties caused by the government's Comprehensive Spending Review, with greater challenges to face in the next few years
- The whole Council worked hard to bring in a balanced budget, and in some cases, an underspend
- budget assumptions were made on demographic growth which was a volatile measure but in spite of this, the assumptions made have been sound, as the budgets have been balanced at the end of the financial year
- There was two years remaining of the Comprehensive Spending Review (CSR) with further grant reductions and the consequences of the Council Tax freeze for 2012/2013
- There was to be a government 'Resource Distribution Review' (which included the re-distribution of business rates) but this would not happen until 2013/2014.

The committee made various comments and asked questions, including:

- with reference to an open letter sent by North Kent businesses to the Council, Members commented on people objecting to Medway's stand over the possible airport in the Thames estuary when they did not live in Medway

Councillor Jarrett agreed and advised that he was discussing with officers how to respond to this letter.

- changes to housing benefit might see landlords having problems getting their rents

Councillor Jarrett advised Members that the change to housing benefit would inform the current review of the Supporting People service which the Council was looking to reduce from £4.6 million by £2 million.

- a Member had received information that there had been problems accessing the e-petition facility on the Council's website.

Councillor Jarrett advised that he would ask officers to investigate this.

- The information given by Councillor Jarrett about the procurement process had demonstrated what a huge part of the Council's finances it controlled and how complex the process was. It was suggested that Members were offered training about the Procurement process at a time when the Category Management system would be going live

Business Support Overview and Scrutiny Committee, 21 March 2012

The Portfolio Holder agreed that he would ask officers to offer training on this at the appropriate time.

- The government's budget for 2012/2013, announced earlier today, included Council Tax benefit for service personnel to be increased from 50% to 100%. Would the Council be compensated for providing that additional benefit?

Councillor Jarrett responded that he understood that the Council would fund the cost of this additional Council Tax benefit.

- How had the Council achieved the turn-around of £5 million forecast overspend in quarter 2 monitoring reports to a forecast balanced budget in quarter three?

Councillor Jarrett reminded the Committee that social care services remained the main area of volatility as far as the budget was concerned. For 2011/2012 there had been over-provision in the budget which meant that those in need were provided for but this demand had not materialised in every case yielding a beneficial budget position. This had also been achieved by senior officers managing their budgets sensibly and a moratorium on all spending had yielded savings but with no diminution of service.

- The government's consultation date for the proposed airport in the Thames estuary had changed from 13 March to be scheduled during summer 2012. Was this delay welcomed?

Councillor Jarrett responded that it was good in some ways but certainly not for lengthening the uncertainty for residents in the area. He advised that he had written to the Head of the Civil Service about launching a consultation during the purdah period for the elections for the Mayor of London and this seemed to be a reason for delaying the consultation.

- What had the Cabinet learnt from the experience surrounding the delay and extra costs of the dynamic bus facility in Chatham?

Councillor Jarrett responded that he had already given a commitment to publish the full spending costs for the bus facility. He added that in the Medway Renaissance Legacy Pack, dated 25 February 2011, it stated that the dynamic bus facility and the changes to various roads were on programme and on budget. The Cabinet had learnt a lot from this matter and he had referred to this in his presentation about Procurement contracts – that they were now let in a more robust way and were better managed.

- What preparations were in place for the national changes to universal credit and Council Tax, where it was expected that a number of families who were unable to continue to afford to live in their current homes (particularly in London) would look for a cheaper area to live in?

Business Support Overview and Scrutiny Committee, 21 March 2012

Councillor Jarrett replied that there had been a large increase in the numbers requiring the Council's statutory obligations around Special Educational Needs (SEN) and this was being addressed in the emerging strategy. The increase in demand had been caused through inward migration, with many families moving to Medway from London. This did have to be addressed and the Council would review the criteria more frequently and robustly and may have to adopt a more stringent policy.

- Following a recommendation from the Audit Committee in 2011, was the Council working towards setting up a one-stop shop fraud hotline?

Councillor Jarrett responded that PKF (the Council's auditors) had produced a report which led the Cabinet to believe that some of the Council's systems were not as robust as had previously been believed. He accepted that work was required to rectify this and he assured Members that the problem was recognised and he was working on this issue.

- The government had announced it was going ahead with National Planning Policy Framework (NPPF), which may put Capstone Valley under threat as a greenspace facility. What was the Portfolio Holder's view on this?

Councillor Jarrett responded that this was a great worry. The Localism Act gave general powers to local neighbourhoods but most neighbourhoods did not want large developments and the Council had to be robust in fighting any proposals to develop the Capstone Valley and also the peninsula. He wanted to communicate the possibilities and full consequences to the wider public and one way to do this was to explain the threat of housing and loss of greenspace.

- Recently Medway had not achieved City Status, what did the Portfolio Holder think had damaged the bid and had there been any positive points from the campaign to help the council in the future?

The Portfolio Holder responded that the council had run a high-profile campaign at a cost of £13,000, whereas a full marketing campaign would have been extremely expensive. The positive outcomes from the campaign included that Medway was now more widely identified as a place in its own right (rather than five towns), it was much more recognised in central government and through the regeneration projects even more widely recognised. This will help the council's on-going work to lever investment and encourage businesses into Medway.

Decision:

The Portfolio Holder was thanked for his presentation and the responses he had given.

910 Operational properties maintenance programme

Discussion:

The Head of Asset and Property Services introduced the report which detailed the council's significant portfolio of operational properties. He advised that the maintenance of these properties was important to ensure they remained fit for purpose to meet service needs. Members were also advised that there was an on-going property rationalisation programme, which resulted in reducing the repair liabilities for the council. A recent condition survey had been carried out and this informed the priority list for the repair programme, as set out in appendix 1. The current repair programme totalled just over £16 million.

The committee commented on the information provided within appendix 1 and made the following comments and requests to officers:

- it was difficult to quantify the works required on each property, brief information should be included in future
- what was the priority order of works within Priority 1?
- properties due to be disposed of should be listed separately, so they did not affect the overall figure for this budget
- it would be useful to include timescales for the rationalisation programme
- a further column was requested detailing the properties that received a grant from other organisations, for example English Heritage
- it appeared that maintenance works were considered on a project by project basis. The same type of maintenance work should be bundled together through the procurement process to ensure value for money
- were the heritage assets within the council's ownership getting a full financial return, for example Rochester Castle? Had a study been undertaken to demonstrate this?
- in the future, could officers bring more information to the meeting for all properties with maintenance works over £100,000, in order to answer specific questions from Members
- clarification as to whether the Balfour Centre was due for disposal, as it had previously been understood that it was the service provided at the centre that was to be disposed of, not the centre itself, as other services were still located there?

Officers advised that they were currently working on prioritising the order of works within Priority 1 and that additional information on the lists requested by Members would be provided in future reports. Members were assured that, where possible, maintenance works were bundled together through the procurement process to ensure value for money.

In response to various questions about the council's heritage assets, officers advised that the purpose of the maintenance programme was to list the properties principally in the council's ownership and the condition of those properties. The report did not include what the service challenges were for each property but the property team tasked the service with appropriate questions about this. There was a Local Management Agreement with English Heritage

Business Support Overview and Scrutiny Committee, 21 March 2012

but this had limited funding and the scale of refurbishment for any heritage asset was enormous. For example, the council had previously investigated the cost of installing a roof on Rochester Castle to give it commercial viability, which was estimated to be £5 million, whereas English Heritage wanted to let the castle decline gracefully.

The Chief Executive advised the committee that Medway Community Healthcare had expressed an interest in taking over the provision of the council's service currently provided at the Balfour Centre but his understanding was that it remained the intention that the building was to be declared surplus to requirements, as the other services located there would also be provided at alternative locations.

Following further questions about maintenance works required within Priority 1, officers agreed to hold a briefing session giving information on works required over £100,000.

Decision:

The committee agreed to:

- (a) note the report;
- (b) provide information on the 'Playleadership Hut' listed on page 25 of the agenda;
- (c) list properties due for disposal in a separate column on the main list of maintenance works in future reports;
- (d) request that a briefing session is held for Members giving further information on all property maintenance over £100,000 within Priority 1 and where each project is placed within the priority list, together with an update on works taking place at Medway Crematorium.

911 Six monthly review of the Corporate Business Risk Register

Discussion:

The Quality Assurance and Client Manager introduced the report advising that this was the six month review of the council's Corporate Business Risk Register, with three recommendations on amendments to the register.

Members discussed the proposed risk rating reduction for SR27 (Government changes to Local Authority's responsibility for schools) and SR30 (Delivering Better for Less transformation), together with the deletion of SR29 (transition to a new provider for mental health social care services), as this was completed on 1 February 2012.

With regard to risk SR27, Members discussed the possibility of the creation of academies for primary schools and the Chairman of the Children and Young

Business Support Overview and Scrutiny Committee, 21 March 2012

People Overview and Scrutiny Committee also clarified that schools deemed to be 'coasting' because they had received two "satisfactory" or less OfSTED inspections were at risk of being compulsorily converted to academies. The committee raised concern at this and how it might affect this risk rating in the future.

Members also commented:

- that there was no specific reference within SR28 (Changes to the Health System) to the Medway Maritime hospital consultation and potential merger with another hospital
- SR02 (Business continuity and emergency planning) contained no reference to the pending Olympic Games and its potential impact on infrastructure links. Members requested a detailed breakdown of the risks identified due to the Olympic Games, as part of the Kent resilience approach
- there was also no reference within the register to the future changes in housing benefit, Council Tax and universal credit. Members acknowledged that the timescale for implementation kept slipping but it was worthy of having its own submission on the Corporate Business Risk Register.

Officers responded that the register contains information of the council's risks and not those of its partners, which was why there was no information on the hospital consultation process.

With reference to business continuity, the committee would be sent information on the risks identified for the forthcoming games and all Members of the council would also receive information on the torch relay through Medway prior to the start of the Olympic Games.

Officers also advised that the changes to the benefit system should be categorised in SR03b (Finances – longer term) and would be added as part of the sub-text to this risk.

Decision:

The committee agreed to:

- (a) note the Management Team's recommendations on amendments to the Council's Risk register;
- (b) request a Briefing Note on the risks associated in and around Medway before and during the Olympic Games.

912 Council Plan - third quarter monitoring report 2011/2012

Discussion:

The Assistant Director, Communications, Performance and Partnerships introduced the report that included performance highlights and an update on the six Cabinet priority areas for quarter three (October to December 2011).

Business Support Overview and Scrutiny Committee, 21 March 2012

The committee commented on the performance information within the report, including:

- a request to remove all acronyms within the notes section of the appendix
- it was difficult to achieve the target for 'Looked After Children participation in reviews' if the child was reluctant to take part, particularly teenagers attending health assessments (page 69 of the agenda)
- as part of increasing public awareness and satisfaction of the work of the council's Community Officers (page 79 of the agenda), ward councillors could help this by organising more community events held with these officers
- Love Medway app – the limited number of phones that could use this app
- disappointment that a Christmas market would not be held in 2012, after high visitor numbers for 2011
- concern for the final quarter of 2011/2012 as performance for NI 132 and NI 133 (pages 56 and 57 of the agenda) was erratic
- NI 146 – Adults with learning disabilities in employment (page 57 of the agenda), Members requested further information on the new 'Jobs First' programme
- disappointment at the recent news that the SOS bus may potentially no longer serve in Medway and Members' hope that the council could rectify this to allow the service to continue its work in the area
- Congratulations to officers for the positive results in 'We will promote Medway as a destination for culture, heritage, sport and tourism'.

Decision:

The committee agreed to:

- (a) note the outcomes achieved against priorities;
- (b) request that all acronyms are removed and the full words given in the information provided in the table;
- (c) refer NI 133 (timeliness of services commencing post-assessment) to the next available Health and Adult Social Care Overview and Scrutiny Committee, as agreed by its Chairman.

913 Revenue budget monitoring 2011/2012 - third quarter

Discussion:

The Finance Manager introduced the report advising that at the end of quarter two the council had forecast a potential overspend of £5.1 million. Budget managers had worked hard to reduce this to a forecast breakeven position by the end of quarter three of 2011/2012. This improvement had arisen from management action, less demand than forecast and an increase in receipts (income to the council). Paragraphs 4, 5 and 6 of the report set out the details within each directorate.

Business Support Overview and Scrutiny Committee, 21 March 2012

The committee was concerned at the erratic nature of the monitoring reports with a forecast overspend of £5 million last quarter and a breakeven forecast in the following quarter and asked if this involved changes to frontline services. Members referred to the £500,000 reduction in Early Years expenditure and the reduction in requirement on concessionary fares resulting in £522,000 savings and asked whether the original forecast in demand for these services had been inaccurate or artificially inflated?

Officers responded that by quarter three, the outturn could be predicted with greater certainty, whereas in quarter two the degree of uncertainty, particularly in areas such as social care where activity could be volatile, resulted in far more cautious and prudent forecasting. The £500,000 reduction in the Early Years forecasts included a £280,000 reduction in relation to nursery provision for three year olds, where the take up of funded places had been lower than anticipated. In addition to this, Children's Centre forecasts reduced by £186,000 during quarter 3. With regard to concessionary fares, it was prudent of the council to provide for a greater uptake in the scheme. The savings figure was only 10% of the total budget and this could either be a continuing trend or it could be a variation which happened year on year. Any unspent monies for the scheme, which was met from baseline funding, would be returned to reserves.

The committee also asked for further information on the reported underspend in Greenspaces and Country Parks of £163,000, principally due to staff vacancies. The Chief Executive advised that all approvals for recruiting to frontline posts were reported through the Cabinet and that there was a presumption, due to the spending moratorium, that other staff vacancies were not filled. Members requested that all vacant posts were reported to them through the appropriate committee, including how many posts and for how long had those posts been vacant, how many vacancies had not been allowed to go through the process of being reported to Cabinet and had any vacant posts been deleted?

Decision:

The committee agreed to:

- (a) note the forecast outturn position for 2011-2012 and underlying management action;
- (b) request further information via a Briefing Note on the £500,000 underspend within the Early Years service;
- (c) request further information via a Briefing Note on the £522,000 underspend in concessionary fares;
- (d) request a report to the appropriate committee on unfilled vacant posts within the council, including the underspend of £163,000 in Greenspaces and Country Parks.

914 Capital budget monitoring 2011/2012 - third quarter

Discussion:

The Finance Manager introduced the report advising that the current capital programme for 2011/2012 was £154.5 million. He highlighted Table 1 of the report, which detailed that the council was forecast to spend £81million during 2011/2012 and £72 million would be rolled forward to future years. He also advised that the Portfolio Holder for Finance had delayed some programmes where the budget had not been committed, so that the council did not have to exercise £3.5 million of borrowing approvals.

Members requested a Briefing Note regarding the current situation on the Stoke Crossing scheme and the £1.2 million budget variance.

Members raised concern at capital monies spent on schools, which then converted to become an academy, as this money could have been spent on a school the authority retained responsibility for. Officers advised that it was the council's responsibility to provide enough school places for children in Medway and if they were needed in an area served by an academy, the academies had certain devolved capital funding to provide them. The maintenance costs would then be passed directly to the academy.

Members also asked if the Local Authority would be liable if an academy overspent its budget? Officers responded that programmes were managed by transferring the risk to the contractor of the project but where a project was managed directly by the Local Education Authority, the risk would sit with the council. Officers were aware of schools that were currently considering converting to academy status, except those that may be compulsorily converted due to lack of improvement in performance, and would consider this as part of the overall capital budget spend.

Decision:

The committee agreed to:

- (a) note the additions and amendments to the programme outlined in the report and the spending and funding forecasts summarised in Tables 1 and 3;
- (b) request a Briefing Note on the current situation with regard to the Stoke Crossing and the £1.2 million budget variance.

915 Work Programme

Discussion:

The Democratic Services Officer introduced the report highlighting that the responsibility for housing services would transfer to the Regeneration, Community and Culture Overview and Scrutiny Committee from 1 April 2012

Business Support Overview and Scrutiny Committee, 21 March 2012

and that the Fair Access to Credit Task Group had met and was progressing its review with a series of meetings arranged for March and April 2012.

The Chairman of the Children and Young People Overview and Scrutiny Committee updated Members with an additional item that had been reported to the committee on 21 March 2012. This considered the proposed closure of Preston Skreens and a review of overnight short break provision for children with severe and complex disabilities, currently provided by the health service. The committee was anxious about these proposals and considered this to be a substantial variation to current provision.

Decision:

The Committee agreed to:

- (a) note the work undertaken by all overview and scrutiny committees (set out in appendices 2 and 3 of the report);
- (b) note the transfer of housing services to the remit of the Regeneration, Community and Culture Overview and Scrutiny Committee from 1 April 2012;
- (c) note the transfer of the remaining housing reports (set out in paragraph 6.4 of the report) to the Regeneration, Community and Culture Overview and Scrutiny Committee's work programme;
- (d) note the commencement of the Fair Access to Credit Task group.

Chairman

Date:

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