

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Wednesday, 3 April 2013

6.35pm to 10.25pm

Record of the meeting

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

Present: Councillors: Avey, Bright, Carr (Chairman), Christine Godwin, Pat Gulvin (Vice-Chairman), Harriott, Juby, Maple, Osborne and Royle

Substitutes: Councillors:
Hicks (Substitute for Tolhurst)
Iles (Substitute for Irvine)
Etheridge (Substitute for Watson)

In Attendance: Stephanie Goad, Assistant Director Communications, Performance and Partnerships
Mick Hayward, Chief Finance Officer
Perry Holmes, Assistant Director Legal and Corporate Services/Monitoring Officer
Councillor Alan Jarrett, Deputy Leader and Portfolio Holder for Finance
Julie Keith, Head of Democratic Services
Joy Kirby, Quality Assurance and Client Manager
Andy McGrath, Assistant Director, Front Line Services
Tricia Palmer, Assistant Director, Organisational Services
Ellen Wright, Democratic Services Officer

967 Record of meeting

The record of the meeting held on 7 February was agreed and signed as correct by the Chairman.

968 Apologies for absence

Apologies for absence were received from Councillors Irvine, Tolhurst and Watson.

969 Urgent matters by reason of special circumstances

There were none.

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The Chairman revised the order of business of the agenda to enable Item 12 (Six month review of Corporate Risk Register) to be considered immediately after Item 8 (Members Item – Medway Community Learning OFSTED Report)

970 Declarations of disclosable pecuniary interests

There were none.

Councillor Maple advised that although not a disclosable pecuniary interest, he wished it to be recorded that he is a member of both the Kent Savers and Medway Credit Union.

971 Call-In - Discretionary Business Rate Relief

Discussion:

The Chairman welcomed David Fraiss, Linda Hutcheon and Pauline Bingo to the meeting to speak on behalf of Chatham High Street Traders on the call in item.

The Chief Finance Officer outlined the background to the report considered by Cabinet on 12 March 2013 and explained that Clause 69 of the Localism Act 2011 had introduced a new power for local authorities to award local discretionary relief where it was in the Council Tax payers interests to do so.

He confirmed that the Cabinet at decision 61/2013 had agreed not to create a local discretionary rate relief system at this time.

The Chairman then invited the three Chatham High Street Traders to address the Committee.

David Fraiss, Linda Hutcheon and Pauline Bingo on behalf of the Chatham High Street Traders requested that the Committee refer the decision back to Cabinet for reconsideration based on the following factors:

- Many Chatham High Street Traders have been trading in the High Street up to 30 years and wished to remain trading in Chatham.
- In the past few years there have been many changes in the Chatham area that have had the affect of reducing the footfall of visitors to the Town Centre including roadworks, changes to the one way system and the development of the new bus depot.
- The national average of vacant premises within High Streets currently stands at 14.6%, however in Chatham High Street the level of vacant premises is currently 16% which exceeds the national average.
- Chatham High Street can be considered as a special case in isolation to other Medway High Streets as their vacancy rates are much lower at 4% in Rainham, 6.5% in Gillingham, 7% in Rochester and 8.8% in Strood.
- The level of vacant shops and Charity shops in Chatham High Street is off putting to customers.

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- The current one way system in Chatham has had a detrimental affect on incoming traffic from Brompton and Gillingham resulting in reduced visitors.
- A number of traders are coming to the end of their leases and are considering whether to continue running their businesses in Chatham.
- Traders are already affected by the recession and can only reduce expenditure so far, therefore a discretionary rate relief for a temporary period of two years would go some way towards helping small businesses and independent retailers.
- Medway Council has identified that it wishes Chatham to be a City Centre and yet the town is dying as more and more traders are leaving.
- Current rates and rate reviews are not in line with landlords rents.
- There is a need to make Chatham Town Centre more attractive to visitors.
- The support requested is for small and medium businesses and would therefore not apply to the larger corporate companies and banks.

The High Street Traders then answered questions put to them by the Committee.

The Committee then discussed the issues raised and Members made the following points:

- The Government is encouraging local authorities to help small businesses and therefore this was recognised as a national issue that was not unique to Medway.
- Only the Chatham High Street Traders have requested that they be considered for discretionary business rate relief; no such request has been made by any other group of High Street Traders.
- Over 30 businesses co-signed the letter appended to the report, many of which employ staff who primarily reside within Medway and are therefore Council Tax payers.
- As many of the businesses in the High Street are well established, should discretionary business rate relief be provided, the Council would not be seen to be supporting poorly run businesses.
- The Council should consider how it can encourage increased footfall into the Town Centre by other means e.g. the staging of events in the High Street area.
- The Council should ensure that it submits bids for any Government funding that may be available e.g. recent schemes such as Porta's Pilots and the City Deal Scheme.
- There would be a cost involved should discretionary business rate relief be applied to small businesses in Chatham High Street.
- It would be unfair to consider applying a blanket discretionary business rate relief for small businesses and independent traders in Chatham High Street without considering other High Streets in Medway.
- If the Council wishes Chatham City Centre to be identified as a centre of excellence, it should set out to define the area to be included within this definition and then undertake work to attract major companies to the

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City Centre, but in the meantime emergency aid could be given to small businesses and independent traders to help them.

- Signage to Chatham Town Centre should be improved so that drivers do not bypass Chatham.

At the conclusion of the debate, Councillor Maple proposed that Cabinet decision 61/2013 be referred back to Cabinet for reconsideration based on the High Street Traders request for discretionary business rate relief for small businesses and independent traders for a temporary 2 year period. This proposal was supported by Councillor Christine Godwin.

On being put to the vote this motion was lost.

Decision:

The Committee agreed to take no further action on this item.

972 Portfolio Holder for Finance in attendance

Discussion:

The Portfolio Holder for Finance, Councillor Jarrett attended the meeting to be held to account for the area of his portfolio that fell within the remit of this committee. A number of Members asked questions and commented and Councillor Jarrett responded as follows: -

- **The all encompassing hotline for reporting all potential fraud building on the existing benefit fraud hotline** – It was noted that the introduction of this helpline was a welcome development.
- **Localisation of Council Tax Support** – This was an issue that affected a large number of people in Medway and imposed on the Council as part of the deficit recovery agenda for the Government. The supposed 10% reduction in funding was actually nearer 19% for the Council. The Government had offered an interim relief scheme that the Council had not been able to take up because it would have left a balance of £1.6 million to find. However, other local authorities that had introduced schemes with lower reduction in benefit, using the non-recurring interim relief would have to return to their taxpayers with revised positions at some point in the future and therefore it was considered that the way in which Medway had set its budget was considered to be more sustainable.

Whilst it was not possible to provide an estimate of the number of persons who may default on their Council Tax bills at this early stage an assurance was given that the Council would do all it could to help those in genuine hardship.

- **Contracts and tendering procedures, in particular the lateness of recent Social Fund and Health Watch contracts and the way in**

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which these contracts had been let – The new Category Management regime was now in place and this would enable the Council to employ relevant experts and specialists to ensure that contracts and the tendering processes were carried out in a timely manner.

- **The possibility of helping traders across Medway through the Business rates in 2014/15** – In response to the debate on Item 5 on the agenda (minute 971 refers), the Portfolio Holder stated that to single out Chatham High Street for possible business rate relief would not be appropriate when the Pentagon Centre had an impact on the level of vacant premises. In addition, a blanket approach of say 10% discount for all traders may not be right for every business as some might need help whilst others may not. Individual businesses could apply for rate relief in their own right and this was the method to be encouraged should any individual trader consider that they were experiencing difficulties. On this basis, had decision 61/2013 been referred back to Cabinet for consideration, it was most likely that Cabinet would have adopted its previous position.

The Portfolio Holder undertook to give further thought to a number of points raised during the debate, namely that the area of Chatham City Centre could benefit from being defined and opportunities taken to energise Chatham High Street. It was recognised that the area of Chatham High Street lacked any form of nightlife and did not have as much going on in its centre as other areas of Medway where there were strong historic traditions.

- **The recent marketing of the Adult Education Centre in Gillingham** – The recent outcome of the disposal of the Adult Education Centre was disappointing and had been the subject of discussion with relevant officers within the Property Team and the Monitoring Officer. Future disposals would be handled differently.
- **Following the localisation of Council Tax, the potential level of Council Tax that may not be collected** – Over a 5 year period, the Council had collected 98.6% of Council Tax due. It was therefore necessary to take into account that if an individual did not pay their Council Tax in the first year, it may be paid at a later date. As the new benefits regime had only come into effect on 1 April 2013 it was not possible to predict the level of Council Tax that would not be collected but this would be the subject of discussion with the Chief Finance Officer and information would be circulated in a Briefing Note.
- **An update on the briefing note that had been requested on the systems used for card payments and the level of compliance with the RCI DSS standards** – This would be circulated.
- **An update on Better for Less and whether it was on schedule** - Better For Less was currently on schedule and would reach a savings target of just under £6 million.

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- **Modifications to press releases to remove such terms such as 'bedroom tax'** – All Council press releases were non political and, as the term 'bedroom tax' was a political term, this would not be used in any press releases in the future.
- **The number of people, especially single women, who would be impacted by the recent changes to the Housing Benefits system and how the Council are mitigating against this** – The Council would help genuine cases by assessing each case on its merits.
- **Where Better For Less had brought 'Better' and the areas protected from savings under 'Better for Less'** – Recurring savings of £6 million had been achieved to date and service delivery maintained. Areas of success included Customer Contact, Social Workers in Adult Social Care and Category Management.

Better for Less had safeguarded jobs and whilst a severance fund had been set up there had been few redundancies and this had helped with continuity of services.

- **Possible expanded use of motion sensor lighting (currently provided in The Brook Car Park) to other external car parks** – Whilst this could be considered for introduction at other external car parks, there were capital costs of installing such equipment to be taken into account.
- **Savings to be achieved under the proposed Facilities Management arrangement with NORSE** - A member presentation was planned for the near future on the NORSE proposal which would cover the issue of liability should the joint venture fail. The background of NORSE was explained along with the potential savings anticipated to be achieved during the early years of the agreement. Whilst NORSE operated across the Country, they did not currently have a foothold in the South East and therefore the future opportunity for trading services was considerable. As a partner in the joint venture, Medway Council would be a financial recipient from the growth of the business.

Staff would transfer over to NORSE as TUPE would apply.

The Cabinet had agreed that the Business Support Overview and Scrutiny Committee should receive a quarterly report on the joint venture with NORSE.

- **The regularity of monitoring reports on the Council Plan** – This was currently under discussion and it was likely that in the future there would be an increased level of reporting on Council Plan Monitoring. Such reports reflected that Medway was a dynamic, evolving organisation. It was a matter for this Committee to develop thinking on the role and

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responsibilities of Overview and Scrutiny Committees in relation to Council Plan Monitoring

- **Whether all Councillors could have sight of papers circulated at Council so the accuracy could be checked with specific reference to the budget paper circulated on 21 February in which there had been an error** – It was confirmed that the paper referred to had been checked in advance of being circulated but the error had slipped through the net. Lessons had been learnt for the future.
- **Whether it was acceptable that Parish precepts had risen by 12%, without capping, particularly as many Parish Councillors were not elected but seconded onto Parish Councils** – It was stressed that the make up of individual Parish Councils differed and therefore it was not appropriate to comment upon whether or not the Parish Councillors were elected or not. Councillor Jarrett stated that in his opinion, local authorities should be free to set a rate of tax that they wished to and then be answerable to the electorate.
- **The potential for expanding the joint venture with NORSE to include outsourcing of other Council functions such as care homes recently mentioned at Health and Adult Services Overview and Scrutiny Committee** – It was confirmed that the timing of entering into the joint venture with NORSE did not coincide with outsourcing of care homes but once NORSE was set up and established, the Council would investigate adding other services.
- **The liabilities for the Council should NORSE fall into financial difficulties** - Legal agreements regarding NORSE were still being finalised but that it would be a Company limited by guarantee. This issue would be covered in the all member briefing.
- **The anticipated end date of works to Medway Crematorium and whether the works have gone to schedule** – It was acknowledged that there had been a delay in replacing the cremator at Medway Crematorium due to one of the contractors. However all issues had now been resolved. The Monitoring Officer would be requested to email members a briefing note advising the completion date of the contract and detailing the works undertaken and reasons for the delay. In addition, details would be circulated as to the new cremators compliance regarding mercury abatement.
- **Concerns that the Customer Contact Number had provided unhelpful pre-recorded information regarding Council Tax** – It was acknowledged that there had been an unfortunate issue regarding the message service on this line and this matter had already been referred to the Assistant Director – Customer First, Leisure, Culture, Democracy and Governance for attention. The Chief Finance Officer was requested to check that this had now been corrected.

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Decision:

The Portfolio Holder for Finance was thanked for his attendance and the answers that he provided to the committee.

973 Six month review of Fair Access to Credit task group review

Discussion:

The Chairman of the Fair Access to Credit Task Group introduced a report setting out an update on progress on the Committee's recommendations from the Fair Access to Credit in-depth review agreed by Cabinet on 4 September 2012

He drew attention to the letters appended to the report from the Department for Business Innovation and Skills, The Office of Fair Trading and the Department for Education.

Attention was drawn to paragraph 4.1 of the report setting out the outcome of a compliance review of the pay day lending sector undertaken by the Office of Fair Trading published on 6 March 2013.

Members expressed their appreciation to those officers that had supported the Task Group in undertaking the review.

Referring to Appendix 1, Members sought clarification on a number of points.

In response, the Assistant Director – Front Line Services provided the following information:

- The establishment of a multi-agency Social Impact Board was being led by the Medway Citizens Advice Bureau (CAB) and information was awaited as to progress. He undertook to contact CAB to establish the current position and provide a briefing note to members.
- He would also chase responses to the letters referred to at Decisions 8 and 11 and provide an update to Members
- It was hoped that an announcement could soon be made on progress in identifying a suitable High Street location for the Medway Credit Union.
- He would share with colleagues in Children and Adults Directorate the information as to the UK Youth Parliament's current campaign on curriculum for life which included financial skills so that this could be referred to the Medway Youth Parliament
- He would also circulate information on financial literacy support across all Medway Wards in a briefing note to members.

Members requested that a further update report be submitted to both the Business Support and Regeneration, Community and Culture Overview and Scrutiny Committees in 12 months time and therefore this item remain on the Committees work programme.

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Decision:

- a) that the Assistant Director – Front Line Services provide an update via a briefing note on the following:
 - The establishment of a multi-agency Social Impact Board by the Medway Citizens Advice Bureau.
 - An update on responses to letters referred to at Decisions 8 and 11 set out on Appendix 1 of the report
 - An update on progress in identifying a suitable High Street location for the Medway Credit Union.
 - Information on financial literacy support across all Medway Wards.
- b) that the Assistant Director – Front Line Services share with colleagues in Children and Adults the information as to the UK Youth Parliament's current campaign on curriculum for life which included financial skills so that this could be referred to the Medway Youth Parliament
- c) that a further update report be submitted to both the Business Support and Regeneration, Community and Culture Overview and Scrutiny Committees in 12 months time and therefore this item remain on the Committees work programme.

974 Member's Item - Medway Community Learning OFSTED Report

Discussion:

Councillor Maple thanked Officers for producing at short notice, a report on the outcome of the recent OFSTED inspection of the Medway Adult Learning. He explained the importance of this issue and his reasons for asking for this Member's item.

The Assistant Director – Organisational Services undertook a brief presentation and explained that the Medway Adult Learning Service had been inspected by OFSTED during the week commencing 4 March 2013 and a report published on 15 March 2013 had identified Level 4 (inadequate).

She drew attention to the positive comments on various elements of the service and the outcomes for learners and the quality of teaching and learning which remained at level 3 but drew attention to the fact that the service was rated at level 4 due to a lack of progress in improving the service overall.

The level 4 score related to concerns around management of the service and, in particular, the level and breadth of information provided to senior leaders to enable them to challenge and scrutinise performance.

It was also pointed out that the inspection was carried out under a new OFSTED regime which placed greater emphasis on leadership and management and that regardless of scores received in other elements of the

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inspection, a level 4 in the leadership and management section could only lead to an inadequate outcome.

The service was now required to provide a clear improvement plan to the Skills Funding Agency within 6 weeks of the inspection and a number of actions were outlined as follows:

- Following the departure of the Service Manager, a very experienced Interim Manager has been appointed to move the service forward and manage the improvement plan;
- An Improvement Board had been established, chaired by the Portfolio Holder and attended by the AD, Organisational services and MALS Senior Management Team to monitor progress on the improvement plan and review statistical data to ensure that retention and performance on outcomes improves and is bench-marked against national and local trends
- An improvement plan had been drafted and would be reviewed by an external professional to ensure that it is robust
- Additional resources would be transferred from the Council's learning and development team to support the improvement plan
- External support will be provided from the Learning and Skills Improvement Services
- Self-assessment panels have been reinstated with the curriculum managers and will be collated into an overall self assessment for the service. This in turn will feed into a cohesive approach to improvement planning
- Regular monitoring meetings have been agreed with the Skills Funding Agency to update on progress
- Curriculum Managers would receive immediate training to ensure that they are aware of the need for a robust approach to lesson observation, use of technology and individual learner plans
- The senior management structure would be reviewed to ensure that there is sufficient capacity to meet the improvement agenda with a view to adding resource (from within the current budget) to quality improvement support

Decision:

- a) That the report be noted and the actions taken to far to improve the service be supported; and
- b) That a further report on progress against the improvement plan be brought back to the committee in September 2013

975 Council Plan monitoring 2012/2013 - quarter 3

Discussion:

The Assistant Director Communications, Performance and Partnerships reported upon performance against the Council's Key Measures of Success for the third quarter of 2012/13 drawing attention to the following areas:

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- Citizens Panel 2012 results
- Adults maintain their independence and live healthy lives
- Children and young people having the best start in life
- Everybody travelling easily around Medway.
- Everyone benefiting from the areas regeneration
- Safe, Clean and Green Medway
- Better for Less

The Committee discussed the report and the Assistant Director responded to the various points raised.

Decision:

The third quarter performance against the Key Measures of Success used to monitor progress against the Council Plan 2012/13 be noted along with the actions to be undertaken as follows:

- a) The Assistant Director Communications, Performance and Partnerships make the necessary changes to those sections of the report at pages 110 and 111 to clarify terminology 'Schools in Medway' and 'Medway Schools'
- b) The Assistant Director Communications, Performance and Partnerships refer the information on page 111 to the relevant officer pointing out that the information supplied does not indicate how the local authority's support is making a difference.
- c) It be noted that the Assistant Director Communications, Performance and Partnerships will provide a briefing note on the following;
 - 1) The suggestion that the Council should ensure that care leavers have opportunities to take up apprenticeships with the Council.
 - 2) Information as to the content of the Citizen's Panel Survey and the reasons why only 50% of surveys had been returned.
- d) That stat F4 will be expanded to provide details of the wider impact of events e.g. economic impact.
- e) That it be noted that a team of Officers were are currently investigating the feasibility of increasing use of electronic technology and that a pilot scheme may be introduce in the near future.

976 Revenue budget monitoring 2012/2013 - quarter 3

Discussion;

The Chief Finance Officer introduced a report detailing the revenue budget forecasts as at the end of Quarter 3 (April – December 2012) and highlighting the major financial risks remaining in respect of the 2012/13 General Fund revenue budget.

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He drew attention to the continuing inclement weather and stressed that this would likely create further pressures on the winter maintenance budget.

A member requested information as to the actual cost to the Council of one day's inclement weather.

Attention was also drawn to a correction in paragraph 61 of the report in that the figure of £385,000 required correction to £365,000 to accord with the figures detailed in Table 1.

Decision:

- a) That the report on the forecast outturn position for the revenue budget 2012/13 and any proposed management action to reduce the potential deficit be noted; and
- b) The Assistant Director – Front Line Services be requested to provide a briefing note on the actual cost to the Council of one day's inclement weather.

977 Capital budget monitoring 2012/2013 - quarter 3

Discussion:

The Chief Finance Officer introduced a report setting out capital budget monitoring for the period ending December 2012 with an outturn forecast for 2012/13.

A member, referring to Appendix 5 (Members Priorities) requested that future reports include a brief summary of those schemes where expenditure is over £50,000.

Decision:

- a) The spending forecasts summarised at Table 1 be noted;
- b) The budget virements and additions to the capital programme as detailed in paragraphs 4.2.2, 4.2.3 and 4.3.1 be noted; and
- c) Future reports include a brief commentary on Member Priority Schemes where expenditure is over £50,000.

978 Six month review of Corporate Risk Register

Discussion

The Quality Assurance and Client Manager reported upon the 6 monthly review of the Council's Corporate Risk Register and drew attention to a number of proposed amendments proposed by risk owners as set out at paragraph 3 of the report.

The Committee discussed the report and suggested a number of additional changes.

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Decision:

The Management Team's recommendations on amendments to the Council's Risk Register as detailed in Section 3 of the report be supported along with the following additional suggested changes:

- Officers investigate the addition of a risk section relating to welfare reform either as a separate risk or by being more explicit in current risks.
- SR21 Procurement be changed to 'Procurement and Tendering'.
- SR17 Delivering Regeneration be amended or a new risk be created to reflect the impact on the Council's regeneration programme should development not proceed.
- Officers consider a change to Risk 32 (Outsourcing) from C2 to B2.

979 Topics for In-depth Scrutiny Reviews - Priorities and Timetables

Discussion:

The Head of Democratic Services introduced a report setting out a programme of in-depth scrutiny reviews for 2013/14 with indicative timescales.

Decision:

- a) The following reviews be included in the scrutiny in-depth review work programme as follows:
- Health Inequalities across Medway wards and how to direct investment where it is most needed
 - Impact of Welfare Reforms
 - Preventing Looked After Children from becoming criminalised
 - Housing in Medway – demand, supply and affordability
- b) The additional items to be added to the Overview and Scrutiny work programme arising from discussion about potential in-depth review topics as set out in paragraph 4.3 of the report be approved

980 Work Programme

Discussion:

The Democratic Services Officer introduced the report and drew attention to the publication of the latest Forward Plan on 18 March which included three new items in the remit of this committee set out at paragraph 4.2 of the report.

In addition, referring to paragraph 4.3 of the report she requested that the Committee consider the request of the Rural Liaison Committee on 19 March for a report to be submitted to this committee on the implementation of charges

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for the production of paper copies of planning applications to Parish Councils. The Chairman of the Rural Liaison Committee was in attendance at the meeting and suggested that ideally this report should be submitted for consideration before September 2013.

Attention was also drawn to paragraph 7 of the report setting out a number of actions aimed at improving and developing overview and scrutiny arrangements in Medway.

A member suggested that the following items also be included on this Committee's work programme:

- IT in Medway
- Participatory Budgeting

In addition, the Committee was reminded that in accordance with the decision of the committee at 973 above, a report on Fair Access to Credit was required to be added to the Work Programme.

Decision:

- a) The committee note its work programme as attached at Appendix 1.
- b) The Committee agree that the new items referred to at paragraph 4.2 of the report be added to its work programme
- c) In line with the request of the Rural Liaison Committee, referred to at paragraph 4.3 of the report, a report be added to the committee's work programme to be submitted by September 2013 at the latest
- d) The following items also be added to the committee's work programme:
 - IT in Medway
 - Participatory Budgeting
- e) A further 12 month review report on the Fair Access to Credit be included on both this committees work programme and that of the Regeneration, Community and Culture Overview and Scrutiny Committee
- f) The work programmes of all other overview and scrutiny committee's be updated as set out in appendices 2 and 3 of the report be noted.

Chairman

Date:

Ellen Wright, Democratic Services Officer

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