

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 19 September 2013

6.30pm to 8.30pm

Record of the meeting

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

Present: Councillors: Avey, Bright, Clarke (Chairman), Harriott, Mackness, Maple, Murray, Royle and Wildey

Substitutes: Councillors:
Adrian Gulvin (Substitute for Pat Gulvin)
Purdy (Substitute for Irvine)

In Attendance: Stephen Gaimster, Assistant Director, Housing and Regeneration
Stephanie Goad, Assistant Director Communications, Performance and Partnerships
Ian Hagger, HRA Development Manager
Dave Harris, Development Manager
Mick Hayward, Chief Finance Officer
Perry Holmes, Assistant Director Legal and Corporate Services/Monitoring Officer
Joy Kirby, Quality Assurance and Client Manager
Tricia Palmer, Assistant Director, Organisational Services
Teri Reynolds, Democratic Services Officer
Simon Wakeman, Marketing and Public Relations Manager

372 Record of meeting

The record of the meeting held on 13 August 2013 was agreed and signed by the Chairman as correct.

373 Apologies for absence

Apologies for absence were received from Councillors Pat Gulvin, Irvine, Juby and Price.

374 Urgent matters by reason of special circumstances

The Chairman explained that he had accepted item 9 (business case for establishing a communications shared service) as an urgent item as it enabled the committee to consider the item as pre-decision scrutiny, before the report is presented to Cabinet on 29 October 2013. He added that as there was a

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recommendation to consider this report in closed session, he would be moving it to the end of the agenda.

375 Declarations of interests and whipping

Councillor Maple declared a Disclosable Pecuniary Interest on behalf of Councillor Murray, who was out of the room, in respect of item 5 (Medway Adult and Community Learning Ofsted – update on improvements) as it referred to Councillor Murray's employer. She remained out of the room for the duration of the debate and decision on this item.

376 Medway Adult and Community Learning Ofsted - Update on Improvements

Discussion:

The Assistant Director, Organisational Services, introduced the report which updated the committee on the improvements made to the Medway Adult and Community Learning Service as a response to the Ofsted inspection of the service in March 2013, which rated the service inadequate. She was able to update the committee on a monitoring visit by Ofsted, which had taken place earlier in the week and of the seven areas Ofsted looked at, they had found that four areas had made reasonable progress and three had made significant progress.

Members then raised a number of points and questions, including: -

- **Voice of the learner** – a Member commented that the report did not comment largely on the voice of the learner. In response the Assistant Director, Organisational Services explained that this was an area that had been developed and Ofsted had felt there had been reasonable progress made. She added that a learner representative sat on the Improvement Board and the service also received good satisfaction feedback which now needed to be formalised and demonstrated in every area.
- **Sustainability of improvement** – In response to a question about how sustainable the improvement was the Assistant Director, Organisational Services explained that a full inspection of the service was expected around March 2014. In addition, she explained that there had been reorganisation at senior management level and curriculum level so that lines of responsibility and continuity were now clearer. Furthermore, a consultant had been seconded from Thurrock County Council who had transformed the service there from inadequate to good and so was working with the service to embed the necessary processes and practices in Medway. A new Head of Service would also be recruited shortly, to replace the current interim post holder.
- **Structure chart** – A Member also requested that a structure chart of the service showing each senior manager and their roles and responsibilities be shared with the committee.

Decision:

The committee noted the report and the update from the Ofsted monitoring visit reported at the meeting and requested that a further update be provided to the committee, before the next Ofsted visit takes place and that a structure chart of the service be included with the report.

377 Implementation of charges for the production of paper copies of planning applications to parish councils

Discussion:

The Development Manager introduced the report, explaining that this had been a referral from the Rural Liaison Committee, where concerns had been raised about the introduction of charges for paper copies of planning applications to parish councils. He explained that this had been put in place in March 2013 and to date no complaints had been received.

A Member raised a wider concern about broadband availability on the peninsula, where it was very patchy. The Chairman confirmed that this was the issue of a report that had been published to the Cabinet Forward Plan.

Decision:

The committee noted the report.

378 Annual review of Risk Management Strategy and six monthly review of the Council's Corporate Business Risk Register

Discussion:

The Quality Assurance and Client Manager introduced the report to the committee, explaining that the four amendments the committee had previously recommended had been accepted by the Cabinet. She also drew the committee's attention to the recommended amendments to the risk register, detailed at paragraph 3.2 of the report.

Members asked for an assurance that all possible future models of service delivery, for example joint services with other authorities or co-operative models, be adequately represented in the risk register.

Members also made the following comments:

- There were no monitoring measures provided in SR 26.04 – Implementation of the Children's Social Care Quality Audit Framework;
- No officer was listed as managing SR 30.02 – Detailed definition of the performance gains we expect the programme to deliver being developed;
- The milestones/Pis in SR 21.04 – Review of procurement processes – needed to be updated as it referred to a review scheduled for March 2013.

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The Quality Assurance and Client Manage undertook to refer all comments back to the Strategic Risk Management Group for consideration.

Decision:

The committee recommended the Cabinet to approve the Risk Management Strategy as set out at Appendix A to the report and accept the amendments proposed to the Risk Register as detailed at section 3 of the report.

379 Housing Revenue Account (HRA) Development Programme

Discussion:

The Assistant Director, Housing and Regeneration, and the HRA Development Manager introduced the report to Members explaining that currently officers were focusing on the first two work streams, developing additional housing on HRA owned garage sites and on surplus General Fund Land. In terms of garage sites officers confirmed that they were also considering the site at Davenport Road.

Members then raised a number of points and questions, which included: -

- A request for exact data relating to garage sites in use and whether this was for vehicles or storage;
- A request for more information about the remodelling of homes for independent living to be brought to a future meeting of the committee;
- Welcomed the development of bungalows as it was considered that there was a shortage of bungalow properties within Medway;
- Further communication was needed with all Medway residents as much of this work was in Gillingham and so residents of other parts of Medway should be made aware;
- Continued liaison with relevant Ward Councillors was also requested;
- A suggestion that a garage site at Winchester Way in Rainham South Ward could be considered for a small development.

Officers explained that the project was being carried out in phases and that the remodelling of homes for independent living would be a later work stream although some option appraisals were already being carried out and officers were happy to bring back further information on this work stream when appropriate to the committee.

Officers also undertook to provide data on garage site usage, continue communication with residents and Ward Councillors and to explore the potential of using the garage site at Winchester Way for a small housing development.

Decision:

- (1) The committee recommended the Cabinet to recommend Full Council to approve the addition of a £5.5m housing development programme to the

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Council's Capital Programme funded by utilising the £5.5m borrowing Headroom available to the Housing Revenue Account.

- (2) The committee also requested that officers report back on the process of consulting with local residents and on future work streams of the programme as they are progressed, in particular, the remodelling of homes for independent living.

380 Medium Term Financial Plan 2014-17

Discussion:

The Chief Finance Officer introduced the report, which reviewed the major financial issues facing the Council during the current and next six years. He explained that the Council was facing a difficult time with a forecast deficit of £34.7 million by 2015-16.

Members then raised points and questions, which included: -

- **Compass Centre dilapidation costs** - Concern regarding the financial risk relating to dilapidation costs at the Compass Centre. In response the Assistant Director, Legal and Corporate Services explained that the figure reflected the large floor space at the building and the fact that no works have been carried out at the property. He added that the Council were continuing to attempt to find a tenant for the property who would then take on the financial risk.
- **Analysis of options** - A Member suggested that the committee should be presented with an analysis of options that could be undertaken to mitigate the financial deficit, which should include an analysis of borrowing capacity and investment capacity that could then be scrutinised and debated. In relation to borrowing the Chief Finance Officer explained that there was no restriction on borrowing but the Council needed to be able to repay debts in a sustainable manner. He added that there were some examples of prudential borrowing that had produced revenue savings, such as the purchase of Gun Wharf. Furthermore, he explained that property rationalisation was a priority area to be considered to help address the deficit.
- **Need for contingencies** – It was felt that contingencies needed to be in place. An example was given regarding social care and personal budgets as there was concern that when the local authority provided a service user with a personal budget that person was then prohibited from using that fund to buy services from the Council and was therefore concerned about the impact this would have on Council run services.

The Chief Finance Officer added that there were opportunities for the Council and that for the future there were two major funding streams supporting non-schools spending, namely Council Tax and Business Rates. He explained that the localisation of business rates meant that the Council benefited from

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receiving 50% of the income derived from every new business in Medway, therefore, schemes such as the development at Rochester Airport would provide the Council with significant additional Business Rate revenue. Equally, the South East was seeing growth in terms of housing development and new properties in Medway would result in additional Council Tax revenue.

Decision:

- (1) The Committee recommended the Cabinet to approve the underlying aims of the Medium Term Financial Plan.
- (2) The Committee recommended that the Cabinet instructs Portfolio Holders and Directors to identify savings and efficiencies to achieve a balanced budget.

381 Work Programme

Discussion:

The Democratic Services Officer introduced the report and advised the committee that there were a large number of items scheduled for the next meeting on 5 December 2013 and therefore it may wish to consider deferring some of the items. A Member suggested that this be done at the next pre-agenda meeting of the committee.

A Member also suggested that the committee request the Children and Young People Overview and Scrutiny Committee to consider how it scrutinises schools in future on their performance, especially as Ofsted had recently highlighted local authority support to academies as an area for improvement.

The Chairman also suggested that scrutiny of the Treasury Management Strategy should be undertaken by the Audit Committee, rather than this committee.

Decision:

The committee: -

- (1) Agreed the work programme as detailed at Appendix 1 of the report and that discussion about managing the business currently scheduled for 5 December 2013 meeting take place at the committee's next pre-agenda meeting;
- (2) Recommended that the Audit Committee to undertake the scrutiny of Treasury Management;
- (3) Recommended the Children and Young People Overview and Scrutiny Committee to consider at its next pre-agenda meeting how it will scrutinise schools in relation to performance;

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- (4) Noted the work undertaken by all overview and scrutiny committees.

382 Exclusion of the press and public

Decision:

That the press and public be excluded from the meeting during consideration of the agenda item 9 (business case for establishing a communications shared service) because consideration of this matters in public would disclose information falling within Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 as specified in agenda item 8a (exclusion of the press and public), and, in all the circumstances of the case, the committee considers that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

383 Business case for establishing a communications shared service

Discussion:

The Assistant Director, Communications, Performance and Partnerships and the Head of Communications introduced the report, which provided draft proposals for a shared communications service with East Sussex County Council.

Members then raised a number of points and questions relating to: -

- Member oversight of decision making on staff recruitment and new business opportunities;
- Assurances around efficiencies in travel time not being lost;
- Clarification regarding the risk ratings;
- Assurance that the partnership works in line with the Medway Council Procurement Strategy.

Decision:

- (1) The committee recommended the Cabinet to agree the proposals for a shared communications service with East Sussex County Council, subject to: -
- The partnership working in line with the Medway Council Procurement Strategy;
 - A protocol being developed to ensure that decisions of a certain level are continued to be taken by the Cabinet, for example the creation of new posts.
- (2) The committee also recommended that an update report be provided to the committee on progress with the proposals in six months.

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Chairman

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