

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 5 December 2013

6.30pm to 9.20pm

Record of the meeting

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

- Present:** Councillors: Avey, Clarke (Chairman), Pat Gulvin (Vice-Chairman), Harriott, Irvine, Juby, Mackness, Maple, Murray, Price, Royle and Wildey
- Substitutes:** Councillors: Carr (Substitute for Bright)
- In Attendance:** Robin Cooper, Director of Regeneration, Community and Culture
Stephen Gaimster, Assistant Director, Housing and Regeneration
Matthew Gough, Housing Strategy Manager
Mick Hayward, Chief Finance Officer
Perry Holmes, Assistant Director Legal and Corporate Services/Monitoring Officer
Julie Keith, Head of Democratic Services
Genette Laws, Head of Category Management, Strategy and Operational Support Category
Andy McGrath, Assistant Director, Front Line Services
Barbara Peacock, Director of Children and Adult Services
Juliet Sevier, Assistant Director, Inclusion and Improvement
Nicola Smith, Democratic Services Officer
Dean Wetteland, Acting Managing Director, Medway Norse

609 Record of meeting

The record of the meeting held on 19 September 2013 was agreed and signed by the Chairman as correct.

610 Apologies for absence

Apologies were received from Councillor Bright.

611 Urgent matters by reason of special circumstances

There were none.

612 Declarations of interests and whipping

Disclosable pecuniary interests

There were none.

Other interests

There were none.

Whipping

There were no declarations of whipping.

613 Housing Strategy Annual Review

The Chairman recommended and the Committee agreed that Item 8 be brought forward to enable officers to respond to implement emergency plans due to flood warnings in Medway.

Discussion

The Head of Strategic Housing introduced the annual review of the Housing Strategy 2011-14 and outlined progress against the targets within the Housing Strategy Action Plan. The report was due to be considered by the Cabinet on 17 December 2013.

Members then raised a number of issues and questions including:

- a request for a briefing note for the Committee projecting the number of Extra Care Units required in Medway over the next ten years in response to the rapidly ageing population and how this might be achieved;
- a request for a briefing note for the Committee on the breakdown of the mix of affordable housing between rented and shared ownership units, noting that the Council had met its target of 60% rented and 40% shared ownership over the last five years. Members suggested there would be an opportunity to include an emphasis on the provision of affordable housing across Medway in the Local Plan when refreshed;
- a request for a briefing note on the number of Houses in Multiple Occupation (HMOs) visited under the Council's Inspection framework and in response to complaints and setting out performance in relation to inspection targets;
- the view that that the links between poor quality HMOs and health need to be recognised and a strategic lead taken by the Council on this;

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- a request for Ward Members in All Saints, Luton and North Gillingham wards (ie Chatham Central, Luton and Wayfield and Gillingham North wards respectively), to be advised of the work that is being undertaken in relation to addressing housing issues within these areas particularly through partnership working in the communities;
- the ongoing challenges involved in persuading Landlords to let accommodation to tenants under the Home Bond scheme noting that a new funding system for the Home Bond scheme was being piloted aimed at achieving better take-up;
- the importance of local analysis of the impact of changes to energy efficiency funding and commissioning with feedback to Central Government to assist with targeting of resources;
- the need to monitor the impact of the changes relating to under occupancy on Medway residents in the context of the Council's equalities duties. Members were assured that the housing allocations policy gives priority to those affected and that advice and assistance was on offer;
- a request for the report to the next meeting of the Committee on long term empty properties to address the impact of no longer having any empty homes officers. Members were advised that the number of empty homes in Medway was at its lowest for ten years and that the forthcoming report would describe a number of initiatives underway to further improve the position.

Decision:

- a) The Committee noted the progress against the aims of the Housing Strategy
- b) The Committee requested briefing notes on:
 - i) the number of Extra Care Units likely to be required in Medway over the next ten years in response to the rapidly ageing population and how this might be achieved
 - ii) the breakdown of the mix of affordable housing between rented and shared ownership units
 - iii) the number of Houses in Multiple Occupation (HMOs) visited under the Council's Inspection framework and in response to complaints, setting out performance in relation to inspection targets.

614 Special Educational Needs Transport Budget

Discussion:

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The Director of Regeneration, Community and Culture introduced the report which had been provided in the context of a projected overspend of £1.1 million on the Special Educational Needs (SEN) Transport budget for 2013/14. He highlighted the Council's statutory duties in respect of transport and SEN and the factors generating rising costs which included demographic pressures, the number of pupils moving into Medway and rising contractors' costs.

The Committee was advised of measures being taken to limit and bring down overall SEN Transport costs which included learning from other Councils and seeking information from all English Unitary Authorities on their SEN transport costs, changes to commissioning and procurement arrangements in Medway and a planned pilot with a group of three schools. This pilot due to be trialed in April 2014 had been the subject of a tender exercise with a target of 15% savings on current spend with prices fixed and a 25% variation in activity contingency. An exercise had also been undertaken to contact all parents in receipt of SEN home to school transport to invite them to consider moving to a personal budget. 38 families were currently in receipt of personal budgets; 72 more families had decided to move to personal budgets as a consequence of this recent exercise and 118 had asked for more information.

Members then raised a number of issues and questions including:

- Whether the move to educational health care plans for some young people up to age 25 would impact upon the SEN transport budget. Officers advised that the statutory duty to provide SEN home to school transport would continue to apply in these circumstances for some young people but not all; principally for those attending full time education establishments.
- Whether there could be an increase in SEN home to school transport appeals as a result of demographic pressures. Officers advised that the eligibility criteria in the Council's SEN home to school transport policy was very clear and consistent with statutory requirements making it unlikely that there would be a significant number of appeals.
- Whether the cost of transport to respite care would increase given the closure of Preston Skreens and expression of parental preferences. Officers advised that although some SEN children using respite care now had increased transport requirements, others had less distance to travel.
- Members debated the issues relating to personal budgets and questioned whether they were a cost-effective alternative to home to school transport provision. Officers advised that a minority of families were likely to take up personal budgets and that they could only be used if they provided value for money with no detrimental impact on the public purse. They also advised that personal budgets had to be outcomes based and kept under continuous review. Members were informed of the

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scope provided by personal budgets for innovative solutions by some families, such as providing driving lessons to enable another member of the family to help with transporting children.

- Members asked about safeguarding and whether all SEN transport drivers were subject to criminal record checks under the disclosure and barring service (DBS). Officers confirmed that all providers commissioned by the Council must only use DBS compliant drivers and that families opting for personal budgets received support from the Council's self directed support team to establish expected outcomes and ensure that any people employed to provide support/transport had complied with the appropriate checking procedures.
- Members questioned whether families who were already in receipt of disability living allowance were also entitled to SEN home to school transport and were advised that the duty to provide SEN home to school transport still applied where children met the appropriate criteria.
- Members debated potential cost savings that could be achieved through competitive procurement and asked whether ARRIVA had been approached to vary and provide more flexible bus routes in Medway. Officers confirmed that ARRIVA had indicated that SEN transport was not the type of transport they currently provide. Officers also advised they expected that competition would generate significant cost savings and that the Council was committed to supporting Small and Medium Enterprises (SME's) in Medway through the recently agreed Procurement Strategy
- Finally, the Committee asked for assurances that the level of unexpected overspend experienced in this financial year would not occur in future years. Officers advised that the 2013/14 pressures and growth had been factored into the budget assumptions for 2014/15.

Decision:

- a) The Committee noted the actions being taken to reduce the pressure on the SEN transport budget in the light of the statutory duties, demographic pressures and providers' increased running costs.
- b) The Committee requested further information on the outcome of the survey of spend on SEN Transport by other Unitary Councils and details of any cost-saving initiatives that those authorities have put in place.

615 Update On Medway Norse

Discussion:

The Head of Category Management presented an update of the work undertaken by the joint venture company Medway Norse since 1 June 2013.

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Members then raised a number of points and questions including:

- Any lessons learnt during the partnership venture and the reasons for Norse Commercial Services (the parent company) not yet being successful in tendering for additional contracts so far. Members also asked for assurances that there would initially be a local focus in terms of new commercial opportunities for the Medway Norse. Officers advised that the Medway Norse was committed to generation of income, cutting costs and protecting local employment. It was stated that the Norse Commercial Services would be selective in terms of tendering for new contracts and that a period of embedding was required. Any further activity by the Medway Norse in the South East would only be pursued if there was a benefit to Medway.
- The views of the Acting Managing Director of Medway Norse about working with Medway Council compared with their other Joint Ventures elsewhere in the country were invited. The Acting Managing Director stated that he felt the partnership was working well, doing a good job overall with benefits starting to show. Weekly stakeholder meetings would continue until January 2014. He stated it was planned to locate a dedicated sales person in Medway.
- Levels of staff satisfaction with Medway Norse as an employer among staff who had transferred from employment by Medway and progress in recruiting a Managing Director. The Head of Category Management reported that mixed views had been expressed by staff. These had been broadly positive. Members were assured that an annual staff satisfaction survey would be undertaken and that the feedback from this would be reported to the Committee in due course. The job description for a Managing Director was currently being reviewed and the post was to be re-advertised as there had been no suitable candidate in response to the first advert.
- Availability of an executive summary of the Medway Norse business plan. Members expressed a view that initial ambitions should be realistic and consistent with getting the basics right in the first phase. Officers were asked to include a summary of the business plan in future monitoring reports to this Committee. It was noted that Norse Commercial Services was owned by Norfolk County Council and that expectations of Medway Norse in the first year had been negotiated and agreed by the Medway Norse Board of Directors.
- Response to local issues – Members reported on specific local/ward issues that had been raised individually by them and reported that these had been dealt with quickly and effectively by Medway Norse management.

Decision:

- a) The Committee noted the report.

- b) The Committee agreed that an executive summary of the Medway Norse business plan should be included in future monitoring reports to this Committee.

616 Update On Category Management

Discussion:

The Head of Category Management introduced the report, which provided an update on the creation of the category management team, its achievements so far, and plans for the future.

Members then raised a number of points and questions including:

- The timescales for a review of the Procurement Strategy and the arrangements for meeting with providers and suppliers. The Committee was advised that the Procurement Strategy had been agreed by the Cabinet in September 2013 and would be refreshed in March 2014. Mechanisms for supplier engagement varied and would include specific events and surveys.
- Ongoing learning and development needs for category management staff – Members stressed the need for staff to have ongoing training to ensure the right skills for the future and received assurances that this would be addressed particularly in relation to preserving levels of specialist knowledge within the team.
- Engagement with residents about the change and re-design of services - Officers advised that engagement with service users was the responsibility of service delivery teams.
- The funding to be allocated to Medway under the Integrated Transformation Fund (also called the Better Care Fund) was discussed and Members expressed the view that the Category Management Team should have full involvement in the process going forward.
- The Category Management staffing structure and plans for recruiting to vacant posts – Officers advised that the team was being reviewed following several unsuccessful attempts to recruit to specialist posts. It was highlighted that the budget report being considered by the Committee later on in its agenda included savings targets for Category Management.

Decision:

- a) The Committee noted the report.
- b) The Committee requested a report back providing information and assurance on the extent to which Category Management is to be

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involved in taking forward plans and commissioning of services under the Integrated Transformation Fund.

- c) The Committee formally placed on record its appreciation for the work being undertaken by the Category Management Service Managers.

617 Council Plan 2013/14 Quarter 2 Performance Monitoring

Discussion:

The Chief Finance Officer presented the report which provided quarter 2 monitoring information against the Council's Key Measures of Success as set out in the Council Plan 2013/14. The report set out performance against the relevant Council priority and values that fell within the remit of the Committee: everyone benefitting from regeneration (housing); putting our customers at the centre of everything we do; and giving value for money.

The Head of Housing and Regeneration outlined the challenges that the Council faced in terms of its housing targets; in particular, those in affordable housing and homelessness. He reminded members that there would be a report to the next meeting on the Homelessness Strategy.

Members then raised a number of issues and questions including:

- a suggestion that the authorities used as comparators for Medway should be reviewed;
- a request for a briefing note on capacity in Medway to cope with increasing demand for temporary accommodation and bed and breakfast and an overview of the average length of stay for people placed in temporary accommodation over the last year and the number of people who have been in temporary accommodation for more than a year.

Decision:

- a) The Committee noted the report.
- b) The Committee requested a briefing note on the use of temporary accommodation, to include:
 - i) the capacity for Medway to cope with increasing demand for temporary accommodation/bed and breakfast accommodation and an overview of the average length of time spent in temporary accommodation over the last year; and
 - ii) the numbers of people who have been in temporary accommodation for more than a year.

618 Capital Budget Monitoring 2013/2014

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Discussion:

The Chief Finance Officer introduced the report monitoring the capital budget for the period ending September 2013 (quarter 2), with an outturn forecast for 2013/14.

Members commented on the progress of the capital projects.

Decision:

- a) The Committee noted the spending forecasts summarised at Table 1 of the report.
- b) The Committee noted the new approvals and virements outlined at paragraphs 4.2.3 and 4.3.1 of the report and authorised under Chief Officer delegations.
- c) The Committee noted the recommendation to Council for the addition to the capital programme outlined at paragraph 4.2.2 of the report.

619 Revenue Budget Monitoring 2013/2014

Discussion:

The Chief Finance Officer introduced the report detailing the revenue budget forecasts as at the end of Quarter 2 (April to September 2013) and highlighting the major financial risks remaining in respect of the 2013/2014 General Fund revenue budget. He advised that current pressures had been taken into account, in particular those within Children's Social Care and that a moratorium on spending had been put in place.

Members asked whether, as reported in Inside Housing magazine, the Council had been requested by the Government for information about the urgent Council decision to transfer £2 million from HRA reserves to the General Fund. The Assistant Director, Legal and Corporate Services stated that a letter from central government had been received seeking information about the decision taken and that he was confident there was a sound legal basis and good reasons for the urgent Council decision.

Decision:

- 1) The Committee noted the forecast outturn position for 2013/14 and the proposed management action to reduce the potential deficit.
- 2) The Committee asked to be supplied with a copy of the Council's response to the enquiry from the Government about the decision to transfer £2m from HRA reserves to the General Fund.

620 Capital and Revenue Budget 2014/15

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Discussion:

The Chief Finance Officer introduced the report that set out the Council's draft capital and revenue budgets for 2014/15.

He advised the Committee of the content of the Chancellor's Autumn Statement, which had been announced earlier in the day in terms of impact on the Council's financial planning.

Members then raised a number of issues and questions including:

- A suggestion that the Chief Finance Officer should write to Medway's three MPs asking them to question the low level of Medway's baseline funding from Central Government compared to comparator authorities and seeking an improved position for Medway.
- The importance of robust Diversity Impact Assessments during the next phase of the development of the draft budget for 2014/15 to ensure that these are taken into account by the Cabinet and Council when deciding on any changes to services as a consequence of budget reductions in 2014/15.

Decision:

- 1) The Committee noted the draft capital and revenue budget for 2014/2015 and forwarded the programme to individual Overview and Scrutiny Committees.
- 2) The Committee asked the Chief Finance Officer to write to Medway's three MPs asking them to question the low level of Medway's baseline funding from Central Government compared to comparator authorities and seeking an improved position for Medway.

621 Work Programme

Discussion:

The Head of Democratic Services introduced the report highlighting the items on the current Cabinet Forward Plan within the remit of the Committee, the timetable for the current round of in-depth reviews and the work of the other Overview and Scrutiny Committees. She also advised that a briefing note would be distributed regarding consultation on future work streams of the HRA Development programme and the future potential of using the garage site at Winchester Way.

Members discussed the report and in particular requested that the full suite of proposed revisions to key performance indicators for inclusion in the Council Plan be presented to this Committee for comment before agreement by Cabinet.

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The Committee also noted that the Audit Committee was supportive of taking on the role of scrutinising Treasury Management in future, subject to any required changes to the Constitution.

Decision:

- a) The Committee noted the report.
- b) The Committee agreed the changes to the work programme as detailed at section 3 of the report.
- c) The Committee noted the work undertaken by all overview and scrutiny committees set out at appendices 2 and 3 to the report.

Chairman

Date:

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