

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 3 December 2015

6.30pm to 9.34pm

Record of the meeting

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

Present: Councillors: Avey, Clarke, Maple, Royle, Wildey (Chairman), Murray, Carr, Etheridge (Vice-Chairman), Griffiths, Hall, Howard and Tejan

In Attendance: Neil Davies, Chief Executive
Stephanie Goad, Assistant Director Communications, Performance and Partnerships
Matthew Gough, Head of Strategic Housing
Perry Holmes, Assistant Director, Legal and Corporate Services/Monitoring Officer
Councillor Andrew Mackness, Portfolio Holder for Corporate Services
Ian Price, Managing Director, Medway Norse
Nick Anthony, Strategic Property and Energy Manager
Michael Turner, Democratic Services Officer
Phil Watts, Chief Finance Officer

515 Record of meeting

The record of the meeting held on 8 October 2015 was agreed and signed by the Chairman as correct.

516 Apologies for absence

There were no apologies for absence.

517 Urgent matters by reason of special circumstances

There were none.

518 Declarations of interests and whipping

Disclosable pecuniary interests

There were none.

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Other interests

Councillor Wildey disclosed that, with reference to the partnership with Macmillan Cancer Care referred to in agenda item no 5 (Attendance of the Portfolio Holder for Corporate Services), Macmillan nurses were involved in caring for a family member. He also advised that with regard to the same agenda item and the section on elections that he had acted as an election agent in the 2015 elections.

The Assistant Director Communications, Performance and Partnerships disclosed that, with reference to agenda item no. 6 (Update on Medway Norse), she was a Director of Medway Norse.

519 Portfolio Holder for Corporate Services in attendance

Discussion:

Members received an overview of progress on the area within the terms of reference of this Committee covered by Councillor Andrew Mackness, the Portfolio Holder for Corporate Services, i.e. Customer Contact, Democracy and governance, HR, ICT, Internal Audit and Legal.

Councillor Mackness responded to Members' questions and comments as follows:

Customer Contact

A Member asked if improvements could be made to the script based system used by customer contact to ensure that parents ringing the customer contact centre with a complex home to school transport query were passed on to the correct department for accurate advice. Councillor Mackness replied that he felt this was a good service but was happy to look at any occasions where problems had occurred and consider any suggested improvements. Following a comment that the voice recognition scheme sometimes failed to recognise some voices and transferred calls to the wrong team, Councillor Mackness undertook to discuss this with officers to see if the system needed adapting.

With regard to the ability and capacity of the staff at Kingsley House to deal with the transition to Universal Credit, officers would be looking at training needs and capacity in the team as part of the transition.

It was suggested that the new opening hours for the Rainham Community Hub could be revised to a 9am start instead of 10am as most people visited at that time and therefore the Hub could close an hour earlier without affecting the service to the public. Councillor Mackness commented that consultation on the revised hours had taken place with ward councillors but he would look into the suggestion.

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Democracy and Governance

Several Members commented on the high quality support and advice provided by the Democratic Services and Electoral and Member Services Teams and asked for their appreciation to be relayed to the teams. Councillor Mackness agreed to do so, adding that the teams added considerable value to the organisation.

A Member asked if the number of Council meetings could be increased as he felt the reduced number had affected the quality of debate due to an increased length in meetings. He also queried whether there was a need to review the Overview and Scrutiny Committee structure and whether all O&S Committees needed to meet with the same frequency. Councillor Mackness noted the need to have regard to affordability when considering the frequency of member meetings. However, the comments would be considered as part of the wide ranging constitutional review underway – which would include looking at opportunities to improve overview and scrutiny.

Councillor Mackness agreed with a comment that Task Group recommendations agreed by Cabinet could be implemented more speedily and also agreed that the induction process following the 2015 council elections had been particularly robust and effective.

In terms of whether any technical improvements were needed to the election process and also the need for more polling stations in areas where significant number of new homes were projected as part of the Local Plan, Councillor Mackness felt the time to consider changes to the election process was after the feedback from election agents etc. had been considered. However, he did feel perhaps two ballot boxes could be used for combined elections. He agreed with the point about polling stations and would look into that in more detail.

Councillor Mackness replied, in response to a question about the likely recommendations from the Independent Remuneration Panel, that he was not aware of the Panel's recommendations at the moment.

A Member asked, in respect of the 1,200 people expected to not be included on the electoral register as a result of Individual Electoral Registration (IER), if any specific trends were apparent in this group as that could help with identifying a potential solution to this issue. Councillor Mackness commented that he agreed with the policy of IER as it was an individual's responsibility to register to vote and to vote. The Council was doing all it could to manage this transition process and engage with the public so they understood the new system and about 88% of the adult population had been registered but he was always happy to consider new ideas.

With regard to providing assistance and information to parties requiring it in respect of the Boundary Commission review, Councillor Mackness replied that the Council would provide as much support as was required.

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HR

A Member asked if there was further scope to expand HR services to external customers. Councillor Mackness replied that opportunities to expand the business would be looked at where there was a business case and capacity without compromising the Council's business. Payroll services and disclosure and barring service checking were good examples of services the Council could provide externally.

Reference was made to the pressure to protect front line services at the expense of back office services such as HR given the financial difficulties facing the Council. As front line services could not operate effectively without good HR support a Member queried whether HR had the ability to support the organisation. Councillor Mackness replied that HR provided a good service to service managers but there was a need for an organisational and cultural shift so that service managers became more self sufficient and less reliant on HR support.

With regard to relations with the Trade Unions, some Members regretted that there was no mention of the trade unions in the report and asked how relations were between the Council and the unions. Councillor Mackness commented that he had little personal contact with the Trade Unions but understood the Council had a good relationship with them.

A Member regretted the omission of "community" from the proposed new Regeneration, Culture and Transformation Directorate. Councillor Mackness commented that the new structure had not yet been finalised and this point could still be taken into account.

ICT

Councillor Mackness gave an assurance that Medway Council's services would be given priority over other organisations that used the data centre.

A Member asked if the regional data centre still provided a service to the Kent Fire and Rescue Service. Councillor Mackness replied that the contract for this service was still in place.

Internal Audit

Regarding the potential to expand the shared internal audit and fraud service. Councillor Mackness replied that the shared service with Gravesham Borough Council had just commenced. Once it had bedded in he was happy to look at opportunities to expand the service if there was a business case.

Legal

A Member asked if there was sufficient capacity within Legal Services to defend legal challenges given the potential for significant costs to be awarded against the Council as the result of a successful challenge. Councillor Mackness replied

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that he was confident the team had the skills and capacity needed. The team was facing significant pressures due to the increase in child social care cases. Whilst lead times for child care court proceedings had improved, further improvements were needed.

Decision:

The Committee agreed to note the report.

520 Update on Medway NORSE

Discussion:

The Strategic Property and Energy Manager introduced this report which outlined the partnership's achievements and performance up to the second quarter in its third year of trading and its plans for future growth and development.

The Committee were advised that Medway Norse were unlikely to make the targeted surplus of £526,000 which was under pressure due to increased wage costs from the phased implementation of the national living wage, now running at pressures of £12,000 per month. It was expected that a surplus of between £300,000 and £400,000 was likely.

With reference to the Villager bus service used by community groups in Strood, Members were advised that Medway Norse were looking into providing this service. No contract was in place yet due to uncertainties about whether the existing grant would continue. Medway Norse recognised this was a valuable service but it had to be financially viable.

Some difficulties with the grounds maintenance service were being experienced owing to the loss of personnel. Medway Norse were due to meet with the Trade Unions to discuss how best to retain staff.

A Member asked if the opportunities for using school mini buses during the school day to generate income were being explored. The Managing Director of Medway Norse replied that this was something he was keen to explore although the mini buses could not be used for self drive hire. In response to a question about the co-location of mini buses with schools, the Managing Director advised that this was not something he was actively promoting at the moment but individual requests could be looked at. It would have the additional advantage of freeing up the limited parking spaces available for mini buses.

A Member referred to the catering at Riverside and Capstone country parks which had been taken over by the joint venture and asked what had happened to the staff. The Committee were advised that all of the staff had been transferred to Medway Norse.

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Decision:

The Committee noted the report.

521 Council Plan Performance Monitoring Quarter 2 2015/16

Discussion:

The Assistant Director Communications and Partnerships introduced this report which summarised the performance of the Council's Key Measures of Success for Quarter 2 2015/16 as set out in the Council Plan 2015/16.

A Member referred to the increased level of households applying as homeless and asked if the Council was looking elsewhere to find good practice which could be used to help with this problem. The Committee was advised that this was a difficult issue to address but the Council was working with a number of other councils and organisations and was learning from them.

Another Member expressed concern at what he considered to be the inadequacy of the indicators and targets used to measure how the Council supported the provision of new homes and improve existing homes as he felt they did not reflect the real scale of the housing problems in Medway. He urged the Council to consider whether these were the correct indicators and targets and, if not, agree more appropriate ones.

Reference was made to the cancellation of one of the concerts at the Castle Concerts in Rochester and the decrease in the number of complaints compared to a cancelled concert in 2014. The Director of Regeneration, Community and Culture replied that lessons had been learned from the 2014 incident and the Council had acted proactively this year, although the circumstances were different to 2014.

A Member referred to the annual jobs fair which took place in Chatham on 3 September and asked if any major employers had attended, how they were selected and how residents, specifically those on the Hoo peninsula, had been made aware of the fair. Officers undertook to provide a written response on this.

Decision:

The Committee noted the Quarter 2 2015/16 performance against the Key Measures of Success used to monitor progress against the Council Plan 2015/16.

522 Revenue Budget Monitoring 2015/2016

Discussion:

The Chief Finance Officer introduced this report which detailed the revenue budget forecasts as at the end of September 2015 and drew Members' attention to the forecast overspend for 2015/16 which was estimated at £5.9m and represented a £1.2m adverse movement relative to the position reported to Cabinet on 25 August. This was primarily due to increasing pressures in relation to the number of 'Looked After Children'. A Member asked if the situation had improved or worsened in October and November. The Chief Finance Officer replied that Quarter 3 monitoring had not been completed.

Some Members felt that the financial management of budgets in children's social care required much greater scrutiny, acknowledging that all Members would want to see this vital service given adequate resources. In particular the repeated overspends on approved budgets was a real concern and undermined the important role Full Council had in setting the budget. In response the Chief Finance Officer and the Chief Executive replied that management actions were in place aimed at stopping children being taken into care in the first place and reducing unit costs when this did happen. An assurance was given that budgets in this area received the same level of scrutiny and challenge as elsewhere in the Council, but this had to be seen in the context of children's services being a very challenging service to provide within approved budgets and many other councils were experiencing similar problems. As an example of the difficulties involved, one young person accommodated in a secure unit would cost approximately £200,000 pa. Also, it was difficult to recruit and retain social workers and in spite of building into draft budgets estimated levels of vacancies it was difficult to be completely accurate and the subsequent high costs of employing agency workers exacerbated the situation.

The Chief Finance Officer and the Chief Executive added that the Council set its budget based on realistic and accurate assumptions but did not build in a contingency for overspends as this would impact on other services. It was a matter for Council to set the budget and it was the responsibility of Cabinet to manage budgets within approved limits. A Member replied that it was possible the consequences of management actions to address the overspends could be leading to further costs being incurred later. Another Member felt that officers could only be expected to manage the budgets approved by Members as best they could and to take action if there were any overspends. It was suggested that the Director of Children and Adult Services or an Assistant Director could attend the next meeting to discuss in detail the assumptions made when setting budgets. It was agreed that for the 2016/2017 draft budget more detail would be included about the assumptions underpinning draft budgets.

A Member regretted the £1m reduction in the public health grant and commented that this was a service which could help reduce the number of children going into care.

Decision:

The Committee:

- (a) noted the forecast outturn position and proposed management actions following round 2 of the revenue budget monitoring for 2015/16
- (b) requested that for the 2016/2017 budget more detail be included about the assumptions underpinning draft budgets.

523 Capital Budget Monitoring 2015/16 – Quarter 2

Discussion:

The Chief Finance Officer introduced this report which detailed the capital monitoring forecasts as at the end of September 2015.

A Member referred to the Horsted gyratory scheme which was classed as on target and on time when in fact there had been significant delays in implementing the scheme. It was agreed more narrative would be supplied in future in similar cases.

Decision:

The Committee:

- a) noted the forecast outturn position and proposed management actions following round 2 of the quarterly capital monitoring report for 2015/16
- b) asked that more narrative be supplied in future when capital schemes which have slipped are reported.

524 Draft Capital and Revenue Budget 2016/2017

Discussion:

The Chief Finance Officer introduced this report which provided an update on progress towards setting the Council's draft capital and revenue budgets for 2016/17. In accordance with the Constitution, Cabinet was required to develop 'initial budget proposals' approximately three months before finalising the budget and setting council tax levels at the end of February 2016. The draft budget was based on the principles contained in the Medium Term Financial Plan (MTFP) 2016/20 approved by Cabinet in September and reflected the latest formula grant assumptions.

The Chief Finance Officer advised that it was still not possible to refine funding assumptions following the Chancellor's Autumn Statement on 25 November

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2015. He did not think the position would be any better or worse than the overall situation set out in the Medium Term Financial Plan.

A Member asked for clarification about the change whereby Councils would be allowed to keep 100% of business rates. The Chief Finance Officer replied that at face value an assumption could be made on what this would mean based on current business rate income. However, it was probable that other grant streams included in the Medium Term Financial Plan would be lost and more responsibilities given to local government.

A Member asked if the announcement in the Autumn statement that councils could increase council tax by up to 2 per cent, which must be spent on adult social care, would be presented as an option to Members when considering the draft budget. The Chief Finance Officer confirmed it would be but there was a significant lack of clarity still about this important announcement.

Some Members criticised the information presented as being inadequate to allow the Committee to scrutinise the draft budgets as it was required to do. Even if the information was up to date the uncertainties surrounding the Autumn Statement and the lack of a provisional finance settlement meant the process was fundamentally flawed. It was suggested that representations should be made to the Department of Communities and Local Government (DCLG) about these issues and in particular how it affected the ability of overview and scrutiny committee to scrutinise draft budgets. Following a discussion about whether representations should be sent to DCLG it was proposed and agreed that a letter be sent asking for the provisional local government finance settlement to be brought forward to allow councils to properly plan and prepare budgets, particularly given the significant budget reductions faced by councils each year.

It was argued by some Members that Cabinet repeatedly proposed draft budgets based on unrealistic assumptions. An example was given of the Looked After Children and proceedings budget which was forecast to be £27.4m in 2015/2016 in the revenue monitoring report whilst a draft budget of £24m was proposed for 2016/2017. In response to the latter point the Chief Finance Officer advised that in addition to excluding approximately £1m of support service recharges, the Medium Term Financial Plan figures were based upon known activity at the beginning of the financial year and assumptions about management action at that time and so did not reflect the continued escalation in the number of looked after children now reflected in the latest revenue monitoring.

Decision:

The Committee agreed to:

- (a) note the draft capital and revenue budget for 2016/17, proposed by Cabinet on 24 November 2015, insofar as they affected this committee

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- (b) write to the Department for Communities and Local Government regarding the difficulties facing the Council as a result of the lateness of the provisional finance settlement.

525 Housing Strategy Annual Review

Discussion:

The Head of Strategic Housing introduced this report which advised that the Housing Strategy 2015 contained a commitment to annually review and assess progress against the targets.

A Member referred to the Action Plan which showed that the majority of targets were on target to be delivered or had been delivered. He felt that this misrepresented the serious housing situation in Medway in terms of levels of homelessness, affordability and the lack of affordable homes. Another Member felt that there should be more milestones as most target dates were monitored annually or quarterly.

Decision:

The Committee noted the progress against the aims of the Housing Strategy.

526 Update on Responsible Gambling

Discussion:

The Assistant Director Legal and Corporate Services introduced this report which updated Members on the voluntary partnership relating to the promotion of responsible gambling in Medway through the Medway Responsible Gambling Partnership.

The Assistant Director reported that a reply had recently been received from Tracey Crouch MP to a letter sent to her on behalf of the Committee regarding fixed odds betting terminals (see minute no 408). This response would be circulated to Members.

As the Medway self exclusion scheme was due to finish, a Member asked if the Council would still play a similar role in the future. The Assistant Director replied that a new national scheme was due to start in April 2016 and Medway was likely to become an early adopter of this scheme.

In response to a question about the Council learning from the experiences of those who had self excluded themselves, the Committee were advised that the gambling industry had not agreed in the past to give details of customers to the Council but another request would be made.

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Decision:

The Committee:

- (a) noted the work undertaken in Medway at the request of the Business Support Overview & Scrutiny Committee that culminated in the signing of a voluntary partnership agreement between the members of the Medway Responsible Gambling Partnership.
- (b) noted the outcomes of a multi operator self-exclusion pilot scheme in Medway
- (c) asked for further updates to be provided to the Committee on the work of the Medway Responsible Gambling Partnership and the self-exclusion scheme.

527 Topics for in depth scrutiny reviews - 2016

Discussion:

The Democratic Services Officer introduced this report which invited the Committee to consider and approve the topics suggested for in-depth scrutiny reviews in 2016.

Decision:

The Committee agreed that the programme of Task Group topics for 2016 should be as follows:

- (a) Review two (to follow the Task Group on Housing) to be led by the Health and Adult Social Care Overview and Scrutiny Committee:

How far has Medway gone in developing a dementia friendly community?

- (b) Review three to be cross-cutting with membership drawn from the Children and Young People and Regeneration, Community and Culture Overview and Scrutiny Committees:

Employment Opportunities for 18-21 year olds (including apprenticeships)

528 Petitions

Discussion:

The Democratic Services Officer introduced this report which advised the Committee of a petition received by the Council which fell within the remit of this Committee including a summary of the response sent to the lead petitioner

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by officers. The subject of the petition was “request to block changes to public questions at Council meetings”.

Decision:

The Committee noted the petition response and appropriate officer actions set out in paragraph 3 of the report.

529 Work Programme

Discussion:

Members considered a report advising the Committee of the current work programme. The report gave details of the items listed on the Cabinet Forward Plan that fell within the remit of this Committee and Appendix 2 to the report set out the work programmes of the other three Overview and Scrutiny Committees

Decision:

The Committee agreed to:

- (a) note the work programme (set out in appendix 1 to the report).
- (b) note the work programmes of all overview and scrutiny committees (set out in appendix 2 to the report).

Chairman

Date:

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