

**Medway Council**  
**Meeting of Business Support Overview and Scrutiny**  
**Committee**

**Thursday, 14 April 2016**

**6.30pm to 10.13pm**

**Record of the meeting**

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

- Present:** Councillors: Avey, Carr, Clarke, Etheridge (Vice-Chairman), Freshwater, Hall, Howard, Maple, Murray, Royle and Wildey (Chairman)
- Substitutes:** Councillors:  
Osborne (Substitute for Griffiths)  
Purdy (Substitute for Tejan)
- In Attendance:** John Chance, Head of Finance Strategy  
Neil Davies, Chief Executive  
Stephanie Goad, Assistant Director Transformation  
Matthew Gough, Head of Strategic Housing  
Dave Harris, Head of Planning  
Richard Hicks, Director of Regeneration, Culture, Environment and Transformation  
Perry Holmes, Chief Legal Officer/Monitoring Officer  
Julie Keith, Head of Democratic Services  
Anna Marie Lawrence-Lovell, Performance Manager  
Ian Price, Managing Director, Medway Norse

**919 Apologies for absence**

Apologies for absence were received from Councillors Griffiths and Tejan.

**920 Record of meeting**

The record of the meeting held on 2 February 2016 was agreed and signed by the Chairman as correct.

**921 Urgent matters by reason of special circumstances**

There were none.

**922 Declarations of interests and whipping**

Disclosable pecuniary interests

There were none.

Other interests

The Assistant Director, Transformation disclosed that she was a Director of Medway Norse and would not take part in the discussion about Medway Norse at agenda item no. 7.

**923 Attendance of the Leader of the Council**

Members received an overview of progress on the areas within the terms of reference of this Committee covered by Councillor Alan Jarrett, Leader of the Council, i.e.

- Strategic leadership of the Council
- Communications and marketing
- Finance

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

- **Audit and Counter Fraud Shared Service** - In response to a question about how the Leader felt the new shared service was operating and whether this would be a model for the future, the Leader replied that he considered the shared service was working well. However, in view of the significant financial pressures facing local government he did not feel simply sharing services across two councils would be enough and he was involved in exploring options for clusters of authorities in Kent to operate more closely together by integrating services. Following on from that answer a Member asked about the Leader's views on the balance between the advantages of additional savings due to joint working arrangements and the disadvantages of the consequent diminution in sovereignty for the Council. The Leader replied that the Council's sovereignty was fundamental. He felt the Government's preoccupation with elected mayors was a distraction and one that should not be imposed on Kent. There were merits in combined authorities provided the right deal was struck in terms of what additional powers were devolved.
- **Medway Norse** - Responding to a question about progress to date with Medway Norse and the potential for further savings and income generation, the Leader commented that he felt Medway Norse had been a significant success since its inception in spite of some inevitable glitches. Whilst fully accepting people had a right to be paid at a fair rate he had some reservations about the impact of the living wage on the business and thought this policy had not been fully thought through by the Government. Medway Norse had been successful in generating

## Business Support Overview and Scrutiny Committee, 14 April 2016

revenues but there were challenges in terms of controlling costs and maintaining standards of service in the context of such significant labour pressures.

- **Business Rates** - A Member asked if the Council had made any representations to the Government about how the changes in business rates would affect Medway. The Leader commented that this appeared to be a mechanism for the Government to be able to shift funding from central government to local government. He had asked the Secretary of State if transitional arrangements would be put in place but had not received a definite answer, possibly because this detail had not been considered yet by Government. Business rates were likely to be top sliced with extra responsibilities, as yet unknown, given to councils. The Leader was not in favour of responsibilities which were unaffordable being devolved, such as health services.
- **Thames Estuary Growth Commission** - In response to whether the Chairman of the Commission, Lord Heseltine, would be visiting Medway, the Leader commented that Lord Heseltine would no doubt be visiting Kent. He was concerned at the naming of the new Commission and what this might mean for ensuing projects. There had been discussions around setting up one or more urban development corporations and the Leader cautioned against one being imposed on Kent and commented on the differences between Kent compared to the Docklands.
- **Local Plan** - The Leader agreed with a comment about the good start made in developing the new Local Plan and noted that many difficult decisions would face Members.
- **Academies** - A Member referred to what he considered to be reservations on the part of the Leader about schools being required to convert to academies and asked what representations he had made to Government on this point. The Leader noted that, overall, academies in Medway had performed 9% worse than local authority schools. His concern with current Government policy on academies was that he did not accept that a change in status to an academy would in itself improve standards and he had made that point to the Secretary of State. His biggest concern was what this policy meant for local education authorities and he did not feel sufficient thought had been given to the issue of how school improvement worked in respect of academies.
- **EU referendum** - In response to whether the Council was planning to mitigate the impacts on Medway of the outcome of the referendum, the Leader confirmed that no scenario planning on this was taking place.
- **Rochester airport** - The Leader commented, following a request for an update, that progress was on hold following a judicial review but he hoped work would continue soon with improvements to the airport and the creation of the technology park and new jobs. In terms of whether there was a strategy in place to create 1,000 jobs, the Leader stated that

## Business Support Overview and Scrutiny Committee, 14 April 2016

it was more a case of emerging ideas being examined. The figure of 1,000 jobs was the Council's best estimate. He was confident the park would be a significant success and hoped it would create high quality technology jobs. He also wanted to see units capable of catering for small businesses who had outgrown their accommodation so that they did not move out of Medway.

- **Quarterly budget monitoring – children in care** - A Member asked why there had been such significant pressures on the revenue budget resulting from the numbers of children in the care system. The Leader replied that the Council was well aware of these issues. The new Assistant Director Children's Social Care had some very interesting ideas on how to tackle these pressures but results would not be immediate and the situation would continue to be monitored. It was not sustainable for the budget to be regularly augmented.
- **Supporting older people** - A comment was made that supporting older people to live more independently involved providing personal, professional care as well as the greater use of technology, and the Leader agreed with this sentiment. The council was looking at a range of solutions, not all of which were technology based. Whilst he was committed to driving out savings through commissioning the top priority was to ensure good standards of service.
- **Adult Social Care levy** - Regarding a question about the levy and the threshold for when people had to pay a contribution for adult social care, the Leader stated that the new levy would help and the threshold for contributions was set by the Government. The Council needed to use all available mechanisms to fund adult social care but legal charges on a person's' property were rare.
- **Charities/voluntary sector funding** - A Member referred to decisions by the Council to reduce grants to charities and voluntary sector organisations and asked if any thought had been given to the possible effects of these in causing increased levels of social isolation and whether organisations were given sufficient time to find alternative sources of funding. The Leader felt this was a very valid point and the Council needed to work with the sector to deliver the best possible services and was prepared to revisit decisions where necessary.
- **Sure Start Centres** - In response to a question about the ownership of sure start centre properties that had been extended, the Leader undertook to look into this issue. He added that the 19 sure start centres would remain open but not in their current configuration.
- **Former Civic Centre Site, Strood** - In terms of progress with this site, the Leader acknowledged that not a great deal of progress had been made but said the site would be brought forward for sale once funding was in place to deal with the flood defence works needed at the site and when the market was ready for its disposal.

## Business Support Overview and Scrutiny Committee, 14 April 2016

### Decision:

The Committee agreed to:

- a) note the report and;
- b) note the commitment from the Leader to look into the issue about the ownership of sure start centre properties.

### 924 Attendance of the Portfolio Holder for Resources

Members received an overview of progress on the areas within the terms of Reference of this Committee covered by Councillor Adrian Gulvin, Portfolio Holder for Resources, i.e.

- Transformation
- Council Plan
- Performance and Service Improvement
- Category Management / Procurement
- Joint Ventures
- Property
- Administration Hubs

Councillor Gulvin apologised that the report did not include any details about joint ventures. Noting that Medway Norse was on the agenda for the next meeting, he stated he was willing to come to that meeting to respond to any questions from Members.

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

- **Eastgate House, Rochester** - In response to a request for progress, Councillor Gulvin stated that, due to the specialist contractor going into voluntary administration, unfortunately work had been on hold. A new contractor had now been appointed and he hoped that work could re-commence soon.
- **Rochester Town Centre/Parking** - A Member commented that more people were using the town centre car parks since the opening of the new railway station and as a consequence shoppers and visitors were finding it more difficult to find a parking space. Given the effects of this on local businesses a Member asked if the Council was planning to designate parking spaces for shoppers and visitors. Councillor Gulvin acknowledged there had been some difficulties for local traders. Parking in the town would need to be looked at once the new multi storey car park at the railway station opened.
- **Café at Rochester Adult Education Centre** - Referring to the imminent closure of this café, a Member asked if the Council had considered the

## Business Support Overview and Scrutiny Committee, 14 April 2016

overarching impact of such a change for current users, particularly wheelchair users who found access better than at other cafes. Councillor Gulvin replied that not enough people had used the café for it to be viable and vending machines would be installed. There was still sufficient space for wheelchair users. The Council could potentially look to commission a new café facility nearby from Medway Norse as part of the Eastgate House development.

- **Love Medway App** - A Member expressed regret that this app had been withdrawn and asked if a replacement was being considered. Councillor Gulvin replied that whilst the app itself was a digital device, information was processed within the Council on a largely paper-based system. He hoped to see it replaced with a more sophisticated system which took full potential of the benefits of working digitally from start to finish. Another Member commented that a replacement should have been ready for when the app was shut down so there was not an interim phase and hoped this was something the Council would learn from in future for its digital transformation agenda. Councillor Gulvin acknowledged the transition could have been handled better but the app had very few users and was uneconomic.
- **Former Civic Centre Site, Strood** - In response to a question whether there were any plans to improve the appearance of this site, Councillor Gulvin agreed this ideally was needed but there was no budget for it. Officers were looking at using part of the site as a coach park and if this proved to be cost effective then the site would be tidied up.
- **Solar Panels at Gun Wharf** - In response to a question about plans to extend solar panels at Gun Wharf and what the expected revenues were, Councillor Gulvin felt this had been a successful project. Revenues were approximately £20,000 pa and the set up costs would be recovered in less than ten years. The Council was also looking at the possibility of replacing the boilers in Gun Wharf with ones which could generate electricity. Regarding the possibility of generating further efficiencies through installing solar panels in schools, Councillor Gulvin replied that, given the increasing move towards academies, he did not think it advisable to allocate Council resources for this. He undertook to investigate whether funding opportunities for extending solar panels on Council buildings were being pursued.
- **Queen's Street Car Park, Chatham** - Regarding a date for when this development might start, the Committee was advised that there had been a lot of interest in this site and bids were being evaluated.
- **Youth Service** - A Member asked if any properties used by the youth service would close due to the restructuring. Councillor Gulvin commented that he did not believe this was likely but any redundant properties would be dealt with in the usual way.

## Business Support Overview and Scrutiny Committee, 14 April 2016

- **Corn Exchange, Rochester** - Regarding the future of this building, Councillor Gulvin stated that this was a key historic building currently running at a loss with the need for extensive and costly repairs. The building needed to be operated in a more entrepreneurial way, using its full potential to generate extra revenues to fund the repairs needed.
- **Brook Car Park, Chatham** - A Member referred to the poor condition of this car park and felt the current amount spent per month on security was unsustainable. Councillor Gulvin stated that the car park was reaching the end of its life and would be looked at as part of a fundamental review of car parking. It may be possible to keep the car park whilst building new homes on top, which would increase the number of people living in the town centre and improve its night time economy.
- **Freedom of Information** - A Member welcomed that the Council had met its targets in relation to this. Councillor Gulvin concurred with this.
- **Council Housing** - A Member asked if capital receipts could be used to prevent the need to sell off much needed, high value council homes under Government plans. Councillor Gulvin commented that the Council would be required to do what was set out in legislation. Many of the properties being built by the Council were not high value enough to be affected by the plans.

### Decision:

The Committee agreed to:

- a) thank the Portfolio Holder for Resources for his attendance, and
- b) ask for a report back to the Committee on the outcome of investigations into the funding opportunities for extending the use of solar panels on Council buildings.

### 925 Member's Item - Medway Norse

Councillor Maple introduced this Member's item on the issue of changes to services carried out by Medway Norse which he believed were a matter of public interest. He referred at the meeting to emails from service users about the negative impact on them as a result of the changes, particularly in relation to the closure of the café at the Rochester Adult Education Centre. He felt that overview and scrutiny committee Members needed to look at how they could scrutinise such proposals before decisions were made in order to avoid such a situation happening again. He asked for the decision to close the café at the Rochester Adult Education Centre to be reconsidered and added that the Government had said that the National Living Wage should be affordable, commenting that, if this was so, then services should not be being cut.

## **Business Support Overview and Scrutiny Committee, 14 April 2016**

In response, the Chief Legal Officer noted that the Medway Norse joint venture was a new way of working. The Council had set up a joint venture company as a commercial operation with a senior officer and Member appointed to the Board. The role of Members was not to run the business but rather to hold it to account and this happened via this Committee on a regular basis. The issue of pre decision scrutiny in respect of Medway Norse was a difficult one with no clear answer at present. In terms of the café, there had not been enough customers to make it viable. One alternative was to open a facility in a nearby building and investigations about this were at an early stage. Proposals would be brought forward if considered viable.

The Managing Director, Medway Norse stated that the Board had discussed with senior officers and Members how to accommodate budget pressures resulting from the national minimum wage without affecting front line services. Medway Norse did not have to pay rent and utilities etc. and the café was still not cost effective, although its situation on the first floor made access difficult. In response, a Member doubted whether the existence of the café had ever been sufficiently promoted.

According to the agreement with the Council, Catering services were provided on a wholly commercial basis. Whilst the café was busy at times the average spend was £1.71 per head and the vending machines would provide virtually everything currently supplied. In response to a question about whether consultation had taken place with services users (including the possibility of increasing prices to make the café viable), the Managing Director confirmed none had taken place. Neither had the possibility of increasing prices been looked at as Medway Norse had fixed pricing for menus at its catering outlets across Medway. In any event the shortfall was substantial. A Member felt that the public may well accept differential pricing and their views should be sought on this.

A Member queried why a new facility was being looked at if the present one was not considered viable. In response, the Committee was advised that the new facility may be in Eastgate House which would mean much greater visitor numbers than the current premises.

Other Members referred to the possibility of increased social isolation due to the café's closure and asked for the decision to be reconsidered noting that other services, such as the Corn Exchange, operated at a loss. In addition, it was argued that the aims of the Council should inform the decisions taken by the Board.

The possibility of the voluntary sector operating the cafe was raised. Another Member queried whether Medway Norse could cross subsidise the café so it could continue on a social needs basis. The café was serving a different purpose to other cafes on the High Street and deserved special consideration. The Chief Legal Officer replied that the Council had decided that the service would be operated by Medway Norse on a commercial basis and therefore the voluntary sector was not an option. Whilst losses could not be sustained he



## **Business Support Overview and Scrutiny Committee, 14 April 2016**

was happy to look at Members' concerns and see if there was an alternative way forward.

### **Decision:**

The Committee agreed to:

- a) note the report, and
- b) note the offer for further discussions to take place on the future of the café at the Adult Education Centre in Rochester.

## **926 6 Monthly Review of the Council's Corporate Business Risk Register**

### **Discussion:**

Members considered a report on the 6 monthly review of the Council's Corporate Business Risk Register.

A Member suggested that Cabinet consider, as a new risk, the impact on the Council of future local government structures in the area. In response, the Chief Executive assured Members that this was something the Council was closely monitoring. There was a risk that if current discussions became prolonged a model may be imposed by the Government but he felt that any changes would not happen for some time and therefore it would be best to wait and see if this became a risk in the future.

In response to a question, officers advised that the Council's approach to risk and the types of risk it measured was in line with other similar councils.

### **Decision:**

The Committee agreed to:

- a) note the Extended Management Team's recommendations on amendments to the Council's Risk Register as detailed in section 3 of the report and Appendices A and B, and
- b) recommend the revised Risk Register for final approval by Cabinet on 10 May 2016.

## **927 Housing (Demand, Supply and Affordability) Task Group**

### **Discussion:**

Members considered a paper regarding an in-depth review into the demand, supply and affordability of housing in Medway. The Committee was asked to consider the findings and recommendations of the Task Group together with

## **Business Support Overview and Scrutiny Committee, 14 April 2016**

the comments from the Regeneration, Community and Culture O&S Committee.

Members welcomed the report and the following issues were highlighted in the discussion:

- It had not been part of the scope of the Task Group to consider the infrastructure needs arising from new homes
- The need for more homes was clear
- Private developers were driven by the market when releasing new homes for sale
- There was a need to encourage development on land where permission had been granted
- The potential of Recommendation 12 (exploring the options to generate extra finance to build housing)
- The final report should be circulated to all Councillors, referred to the Health and Well Being Board and formally fed into the process for developing the new Local Plan
- The concentration of housebuilding in the top six housebuilding firms and the problems caused by large numbers of people who had left the construction industry in recent years
- The pressures facing developments in Medway as a result of the new development at Ebbsfleet Garden City, the new Thames Crossing and London Paramount
- The issue of large scale immigration and the impact on the housing situation in Medway

Members suggested a re-ordering of the recommendations to give greater priority to certain issues and this was agreed.

### **Decision:**

The Committee agreed to:

- a) note the comments from the Regeneration, Community and Culture O&S Committee on the report from the Task Group;
- b) approve the report from the Task Group and refer it for consideration to Cabinet on 10 May and also, in respect of recommendations 3 and 9, the Director of Regeneration, Culture, Environment and Transformation;
- c) refer the report to the Health and Well Being Board and ask that it be circulated to all Councillors following the Cabinet meeting on 10 May;
- d) ask that the report be formally considered as part of the process for developing the new Local Plan;
- e) re-order the recommendations in the Task Group's report as follows:
  - Move recommendation no 13 to be the first recommendation

## **Business Support Overview and Scrutiny Committee, 14 April 2016**

- Move recommendation no 8 to no 4

### **928 Review of the Council's Constitution - Proposed revisions to the Overview and Scrutiny Rules**

#### **Discussion:**

Members considered a report regarding proposed changes to the Overview and Scrutiny Rules following a review of the whole Constitution, commissioned by the Portfolio Holder for Corporate Services. The Committee was asked to consider the proposed revisions which would be recommended to full Council for approval at its meeting on 28 April 2016.

During the debate on this report the Committee welcomed the inclusion of a paragraph in the rules on the role of the Business Support Overview and Scrutiny Committee in prioritising the topics for Scrutiny Task Group work. The roles of Overview and Scrutiny and the Regional Schools Commissioner were also discussed in relation to school effectiveness and improvement with specific reference to the prospect of all schools becoming Academies.

In response to a question about why a Cabinet Member could sit on the Health and Wellbeing Board whilst a member of the Health and Adult Social Care O&S Committee could not, the Committee was advised that the latter Committee had a role in scrutinising the Board and therefore it would be inappropriate for a Member to scrutinise decisions they had been involved in making.

#### **Decision:**

The Committee agreed to:

- a) note the proposed revisions to Article 6 and the Chapter on Overview and Scrutiny Rules attached at Appendix A and forward these to full Council on 28 April for approval with other revisions to the Constitution.
- b) note that proposed changes to the Terms of Reference of the Joint Kent and Medway Health Overview and Scrutiny will be subject to approval by Kent County Council (KCC) as well and that Full Council will be asked to authorise the Monitoring Officer to finalise the wording in consultation with KCC and the Chairman and Opposition Spokespersons of the Council's Health and Adult Social Care Overview and Scrutiny Committee.

### **929 Council Plan Quarter 3 2015/16 Performance Monitoring Report**

#### **Discussion:**

Members considered a report which summarised the performance of the Council's Key Measures of Success for Quarter 3 2015/16 as set out in the Council Plan 2015/16.

## **Business Support Overview and Scrutiny Committee, 14 April 2016**

Referring to waste services, a Member asked what was being done to ensure that some of the difficulties with waste collection experienced over the Christmas period were not repeated. The Director advised that lessons had been learned and changes to collection dates would be better communicated in future. The Committee was advised the issues experienced would be taken on board when planning for the future.

### **Decision:**

The Committee agreed to:

- a) note the Q3 2015/16 performance against the Key Measures of Success used to monitor progress against the Council Plan 2015/16, and;
- b) endorse the recommendation from the Regeneration, Community and Culture O&S Committee that Cabinet should reconsider Target NI 154 (Net Additional Homes Provided) for 2017/18.

### **930 Capital Budget Monitoring 2015/16 - Quarter 3**

#### **Discussion:**

Members considered a report which presented the capital monitoring for the third quarter of the financial year, including out-turn forecasts and reference to any new schemes for approval.

A Member referred to the Growing Places Fund and asked if the Council was confident repayments would be made on time. The Chief Executive advised that the Council was clear about repayments and this was factored into the Council's planning.

#### **Decision:**

The Committee agreed to:

- a) note the decisions of Cabinet to approve the budget virement proposal in paragraph 4.1.1 of the report and note the three new additions to the programme in paragraphs 4.1.2, 4.1.3 and 4.1.4, which are covered under the Chief Finance Officer's delegated authority on capital spending, and;
- b) note the forecast outturn position and new additions to the programme following round 3 of the quarterly capital monitoring report for 2015/16.

### **931 Revenue Budget Monitoring 2015/16**

#### **Discussion:**

Members considered a report which detailed the revenue budget monitoring forecasts at Round 3 considering expenditure as at the end of December 2015.

## **Business Support Overview and Scrutiny Committee, 14 April 2016**

### **Decision:**

The Committee agreed to note the forecast outturn position and proposed management actions following round 3 of the revenue budget monitoring for 2015/16.

### **932 Work Programme**

#### **Discussion:**

Members considered a report advising the Committee of the current work programme.

#### **Decision:**

The Committee agreed to note the work programme (set out in appendix 1 to the report) and also the work programmes of all overview and scrutiny committees (set out in appendix 2 to the report).

**Chairman**

**Date:**

**Michael Turner, Democratic Services Officer**

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