

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 1 December 2016

6.30pm to 9.10pm

Record of the meeting

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

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

Substitutes: Councillors:
Price (Substitute for Murray)
Purdy (Substitute for Wildey)

In Attendance: Rob Dennis, Head of Property and Capital Projects
Stephanie Goad, Assistant Director Transformation
Matthew Gough, Head of Strategic Housing
Perry Holmes, Chief Legal Officer/Monitoring Officer
Tomasz Kozlowski, Assistant Director Physical and Cultural Regeneration
Susan Olney, Corporate Strategy Performance and Improvement Officer
Ian Price, Managing Director, Medway Norse
Michael Turner, Democratic Services Officer
Phil Watts, Chief Finance Officer

494 Apologies for absence

Apologies for absence were received from Councillors Clarke, Freshwater, Murray and Wildey.

495 Record of meeting

The record of the meeting held on 27 October 2016 was agreed and signed by the Chairman as correct.

496 Urgent matters by reason of special circumstances

There were none.

497 Declarations of interests and whipping

Disclosable pecuniary interests

There were none.

Other interests

Councillor Griffiths disclosed an interest in agenda item 6 (Council Plan Performance Monitoring Quarter 2 2016/17 Performance Monitoring Report) in relation to Medway Community Healthcare Trust.

498 Update on Medway Norse

Discussion:

The Managing Director, Medway Norse introduced a report which outlined the partnership's achievements and performance up to the end of the second quarter in its fourth year of trading.

Members congratulated Medway Norse on achieving ISO 9001:2008 Management System standards and noted that approval to ISO 14001 Environmental Management standard was in progress.

- **SEN transport** - following a request for more information about the SEN taxi framework contract, the Committee was advised that the new arrangements provided better value for the Council and an improved service for children and young people. There were maximum journey time limits for children transported on mini buses and journeys were arranged so that children were taken to sites adjacent to each other to minimise travel times.
- **Apprentices** – Members were informed that Medway Norse plan had been to recruit 10 apprentices and had so far recruited 17. It was hoped that at least three would be employed in the horticultural area. Medway Norse was also working with the Youth Offending Team to employ ex offenders as apprentices. The new Apprentice Levy introduced by the Government was expected to cost the wider Norse business approximately £0.5m, which meant a pressure on Medway Norse of around £25,000 pa. A Member queried the latter and the Managing Director advised that Medway Norse would have the opportunity to draw down funds from the Levy and it may be possible to draw down more than was contributed.
- **Villager Bus** – in response to a request for an update, the Managing Director commented that, after some initial problems when the service was transferred, the service was now working very well. Medway Norse was looking for other projects the bus could be used for. One older vehicle had been replaced with a newer model, although it had not been cost effective to purchase a wheelchair accessible model. In terms of

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drivers from other organisations being allowed to use the vehicles, there were still significant issues preventing this around insurance although if a driver passed an awareness test then this would be possible.

- **Pest Control** – the Managing Director advised that a proposal would be considered by Cabinet in December to transfer the pest control service to Medway Norse. The service was subsidised at present and Medway Norse would be looking to operate the service on a more commercial basis so that it ran at a profit and the subsidy was removed. Charges were low in comparison to other councils and there were a high number of aborted visits as customers did not have to pay up front and were often not at home when the pest control staff arrived. In response to a question about who would set the pricing policy, the Managing Director replied that this would be done by Medway Norse. Some Members expressed concern at this and felt it was indicative of wider issues regarding the respective responsibilities of the Council and Medway Norse in terms of blurred decision making and accountability that needed to be resolved. Whilst supportive of the principle of moving services to Medway Norse where appropriate, a Member commented that the Council still retained responsibility for the service and should not abdicate these responsibilities. It was important that Members were involved in discussions about resource allocation and prioritisation. Noting the intended move to provide services on a more commercial basis, the point was made that Members would look at this from a different perspective and would have wider issues such as social exclusion to consider when setting fees and charges. The Chief Legal Officer replied that the Council retained responsibility for services transferred to Medway Norse but acknowledged that more thought needed to be given to the concerns raised. The Assistant Director – Transformation assured Members that the Council was mindful of the wider issues in relation to the transfer of the service and the report to Cabinet would assess the impact of changing how the service was provided, together with actions to avoid or mitigate risks.
- **Grounds Maintenance** – a Member queried what was meant by the reference in the report to “grounds maintenance budgets versus revenue”. The Managing Director replied that grass cutting specifications were higher than other areas and Medway Norse was subsidising the grounds maintenance service by £200,000. However, grounds maintenance would still be delivered without any reductions in specification and Medway Norse would not be asking for extra funding from the Council. A Member queried whether this position was sustainable in the long term. The Managing Director commented that he hoped to deliver an improved service with better trained staff and equipment.
- **Future Strategy 2017/18** - referring to the changes in catering in 2016/17 which had caused some concern amongst service users and Members, a Member asked if there were any contentious service changes planned for 2017/18 which were likely to result in similar

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concerns. The Assistant Director – Transformation advised that she was not aware of any similar issues.

- **External Business Target** – in response to a question, the Managing Director advised that Medway Norse had a target for bringing in just under £1m of external business for 2017/18. This would be a combination of contracts Medway Norse would bid for and opportunities with partners.
- **Refurbishment works** – referring to the refurbishment of public toilets, a Member asked that, if there were plans to refurbish the public toilets in Gillingham (the busiest in Medway), the opportunity should be taken to work with relevant parties to relocate the memorial to the only holder of the Victoria Cross from Medway, which was currently located on the wall of the toilets.
- **Household Waste Recycling Sites** – a Member queried whether Medway Norse had discussed best practice with high performing councils. The Managing Director replied that discussions about best practice had taken place within the Norse organisation where recycling rates were much higher than Medway, although he was always willing to learn from other areas.

Decision:

The Committee agreed to note the report.

499 Council Plan Performance Monitoring Quarter 2 2016/17 Performance Monitoring Report

Discussion:

Members considered a report which summarised the performance of the Council's Key Measures of Success for Quarter 2 2016/17 as set out in the Council Plan 2016/17.

The following issues were discussed:

- **Number of households living in temporary accommodation** –

In response to a question about the percentage of immigrants included in the figures and how this compared to the previous year, the Head of Housing Strategy replied that the information could be provided although it was likely the numbers were very small. Eligibility for assistance was defined by legislation and, for example, a British citizen who had been living abroad for a time may not qualify whereas EU citizens living in the UK and people deemed as habitually resident would qualify.

Although supporting the use of social housing on a temporary basis to provide temporary accommodation, a Member expressed concern about

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the possibility of destabilising existing communities in areas of greater concentrations of social housing. The Head of Housing Strategy acknowledged the concern and gave an assurance that the use of social housing for temporary accommodation was spread across the Council's social housing stock and not concentrated in one area.

- **No. of households with dependent children in B&B who have resided there for 6+ weeks at the end of the quarter** – in response to a question it was clarified that families were usually placed in B&B accommodation for a short time and typically it was not the same families re-applying.
- **Encouraging the delivery of homes through investigation of new financial models** – a Member queried the timescales for this work and it was reported that a report on this would be submitted to the Committee at its 31 January 2017 meeting as part of the report detailing progress in implementing the recommendations from the Housing Task Group.
- **Gillingham Park** – a Member expressed disappointment that the park had not been awarded green flag status and hoped the standard would be met soon.
- **Adult Social Care Strategy** - noting that the Strategy had only been in place a short time, a Member commented that it was too soon to conclude that it was a success. The Assistant Director – Transformation undertook to feed this back to the Interim Director – Children and Adult Services.
- **Citizen Panel** - referring to the figures for dissatisfaction with Council services, a Member asked what the dissatisfaction related to and what was being done to improve matters. The Assistant Director – Transformation replied that the figure came from the Citizens Panel. The reasons behind the dissatisfaction were not pursued but if levels were significantly higher then this would happen. Another Member referred to the fact that only 50% of people agreed that the Council provided value for money services and commented it would be useful to see more detail about which services were not felt to offer value for money.
- **Complaints** – referring to a complaint relating to a safeguarding adults matter which had been upheld by the Local Government Ombudsman, a Member suggested that the Health and Adult Social Care O&S Committee look at this in more detail.
- **Digital Innovation** – a Member queried the use of digital technology in relation to foster carers, commenting this was the sort of service better delivered face to face. The Assistant Director – Transformation advised that the digital changes resulted from work with foster carers who had expressed a strong preference to see the entire process mapped out on line from the outset and to be able to control their personal information online.

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- **Digital skills in the community** - it was clarified that this related to adult education classes, IT skills clinics in libraries etc.
- **Community Clear Up Days** – a Member made the point that many organisations were involved in these events, which the report did not reflect.
- **Evening Classes** – a Member asked if there was any scope for using the facilities funded for Level 4 apprenticeships in engineering and digital technologies for evening classes.
- **Childhood Obesity** – referring to the Healthy Weight Network aimed at preventing childhood obesity, a Member referred to parts of Medway where there were no footpaths, which made it impossible for children to walk safely to school.
- **Staying Connected Programme** – a Member commented that other organisations other than the Kent fire and rescue service were involved in work to reduce social isolation.
- **Key Measures of Success** – it was argued that the figures were of little value unless there was a clear understanding of what the targets were for and their achievability. The example of highways maintenance targets being reduced to meet levels of customer satisfaction was given. Also, an analysis of trends was not possible due to the targets continually changing. The Assistant Director – Transformation commented that Members would be able to scrutinise target setting and see information about trends when they considered the review of the Council Plan in January.

Decision:

The Committee:

- a) agreed to note the quarter 2 2016/17 performance against the Key Measures of Success used to monitor progress against the Council Plan 2016/17, and;
- b) referred the complaint relating to a safeguarding adults matter upheld by the Local Government Ombudsman to the Health and Adult Social Care Overview and Scrutiny Committee.

500 Capital Budget Monitoring 2016/17 Quarter 2

Discussion:

Members considered the quarter 2 capital monitoring forecasts for 2016/2017.

A Member referred to the reference to Chatham town centre and delivering public realm and accessibility improvements into a regional business centre and queried what was meant by the latter phrase. Officers undertook to provide a response.

Following a query about paying back funds from the Growing Places Fund for Rochester Riverside, the Chief Finance Officer advised that the intention was for the Council to repay the loan from capital receipts.

Decision:

The Committee agreed to note the spending forecasts summarised in Table 1 and also that Cabinet has recommended to Council the addition to the programme outlined at paragraph 4.4 of the report.

501 Revenue Budget Monitoring 2016/17 Quarter 2

Discussion:

Members considered a report which detailed the revenue budget forecasts as at the end of September 2016.

A Member asked for clarification about the impact of having to re-profile the savings anticipated from the diagnostic work carried out by Newton Europe. The Chief Finance Officer replied that Newton Europe had identified a number of proposals to reduce expenditure by £4m over two years. Officers had expected Newton Europe to work with them to help deliver these savings but this had not happened. Therefore the £4m savings would still be delivered but over a longer time frame.

With regard to the Children and Adult directorate management team overspend by around £216,000 as a result of having to cover vacancies with interim staff at assistant director level, a Member noted that part of the rationale of the interim arrangements was that extra support from the Local Government Association would be provided. Another Member made the point that it was important for staff morale and stability that permanent leaders were in place. The Chief Finance Officer advised that there were a number of interim positions at directorate management level where people had been in post longer than expected with a consequent increase in costs. In the light of uncertainties about the future approach to the mass academisation of schools it had been decided not to fill some positions on a permanent basis due to the possibility of then having to restructure.

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A Member asked what assumptions had been made about levels of savings from Integrated Youth Support Services given the Cabinet decision not to outsource this service. The Chief Finance Officer advised that savings of £1.56m had been assumed in a full year (with a quarter of that amount in 2016/17) on the basis that the service would be outsourced. The impact on the 2017/18 budget of the decision not to outsource was being assessed.

Decision:

The Committee:

- a) agreed to note the forecasts reported in the second round of revenue monitoring for 2016/2017, and;
- b) agreed to note that Cabinet has instructed officers to identify further management action to ensure a breakdown position is achieved by year end.

502 Draft Capital and Revenue Budget 2017/18

Discussion:

Members considered a report which provided an update on progress towards setting the Council's draft capital and revenue budgets for 2017/18. In accordance with the Constitution, Cabinet was required to develop 'initial budget proposals' approximately three months before finalising the budget and the Council setting council tax levels at the end of February 2017.

The draft budget was based on the principles contained in the Medium Term Financial Plan (MTFP) 2016/2020 and reflected the latest formula grant assumptions.

Some Members argued that the budget process was flawed as the Local Government Finance Settlement had not yet been announced and also due to the limited information in the draft budget proposals. In relation to the latter point, a Member suggested that it would be more meaningful to have a range of available options so that Members were able to scrutinise risks and opportunities and assist Cabinet in their work to close the budget gap by giving the views of scrutiny on prioritisation and which options were not favoured. This proposal was agreed.

Reference was made to the importance of ensuring that the public health grant remained ring fenced and that it was used to deliver public health outcomes. Regarding the latter, it was noted that the Public Health draft budget for 2017/18 was £14.026m against a Public Health Grant of £17.671m, leaving a gap of £3.645m. It was acknowledged that other Directorates used some of the grant for public health activities but there was a question about how best to deliver public health outcomes from the grant.

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Decision:

The Committee:

- a) agreed to note that Cabinet has instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2017/18 and beyond;
- b) agreed to note the proposals outlined in the draft capital and revenue budgets and forward the proposals to the individual overview and scrutiny committees;
- c) recommended to Cabinet that, for future years, information be provided to Overview and Scrutiny Committees as part of the process for scrutinising the draft budget so that Members are able to review and understand the range of available options to achieve a balanced budget, and;
- d) asked for further information about the £3.645m difference between the 2017/18 Public Health Grant and 2017/18 draft Public Health Grant budget.

503 Housing Strategy Annual Review

Discussion:

Members considered a report which reviewed and assessed progress against the targets in the current Housing Strategy.

The Chairman noted that Matt Gough, Head of Strategic Housing, would be leaving the Council soon to take up a new role at East Kent Housing Association. Matt had joined Medway Council in 2003 and one of his many highlights was the key part he played in improving the Strategic Housing Service from a zero star rating following an Audit Commission inspection to a two star service - the highest rating available. On behalf of the Committee the Chairman thanked Matt for his outstanding service and wished him well for the future. Matt thanked the Chairman for his kind words and said he had enjoyed his time with Medway and commented that the successes and achievements he had been part of would not have been possible without the dedicated team he had to support him.

A Member referred to what he considered to be a systematic problem with the process whereby landlords sought possession of properties through the use of Section 21 notices. Regardless of individual circumstances, the Council could only intervene at the end of the legal process after tenants had incurred costs. He asked what the Council was doing to make representations to change this legislation. The Head of Strategic Housing replied that the Council advised tenants who had received a Section 21 Notice that they should view this as a strong indication that the landlord intended to recover the property and should therefore look to find alternative accommodation. The Council was active in

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helping people do this, although some people unrealistically expected to be allocated a council property and did not engage. The Homelessness Reduction Bill was likely to change the powers and duties of local authorities in this regard and it was hoped that the changes would result in an improvement.

A Member referred to the high number of empty properties in Medway (approximately 3,000) and asked what was being done to reduce this number and help alleviate the shortage of affordable homes. The Head of Strategic Housing advised that the number of properties empty for more than 6 months was 1% of the total stock and this figure had improved in recent years.

Referring to the problem of street homelessness and rough sleeping in Medway, a Member commented that there was more the Council could be doing. At present the Council only increased the assistance available when it was forecast that the temperature would drop below zero degrees for three nights, and it was argued this intervention should happen sooner. The Head of Strategic Housing advised that the Council's approach reflected that in the national guidance on severe weather protocol but the Council also worked, alongside other partners and mental health workers, with rough sleepers during periods when the protocol did not apply. Some rough sleepers were very entrenched in that behaviour.

In response to a question about whether further external funding might be available as a result of the Government's Autumn Budget Statement, Members were advised that it was not yet clear what funding would be available or how it would be distributed. Extra funding for affordable homes had been announced and the Council was awaiting detail of this and it would review options to access any additional funding.

A Member commented that, in his view, the Strategy was not aspirational enough and did not address the severe housing problems as identified by the recent Housing Task Group. There was the danger that the Strategy was offering false comfort and the targets identified needed to be on a much bigger scale to make a real impact.

Decision:

The Committee agreed to note the progress against the aims of the Housing Strategy.

504 Work programme

Discussion:

Members considered a report regarding the Committee's current work programme.

In response to a question, the Chief Legal Officer confirmed that guidance on interests would be issued soon in advance of the discussion on Business Rate

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relief that would take place at the Business Support Overview and Scrutiny and Cabinet meetings in January.

In relation to the new Forward Plan entry in respect of the Corn Exchange, the Chief Legal Officer advised that the property had been advertised and the Council was looking to let the property with the successful bidder taking on responsibility for the building and liabilities.

Noting that Cabinet would be considering a report on the Council Tax Reduction Scheme, a Member asked for more details in case this needed to come to scrutiny. The Chief Finance Officer advised that no changes were planned to the Scheme.

Referring to the fact that two sites for sale were out for consultation following an earlier Cabinet decision to dispose of various sites, a Member asked if there would be an opportunity to scrutinise the proposals at the April 2017 meeting. The Chief Legal Officer advised that he did not expect final decision on the sites to be made by that time so there would be an opportunity for Members to comment.

Decision:

The Committee:

- a) noted the current work programme (Appendix 1 to the report);
- b) agreed the changes to the current work programme, as set out in paragraph 3 of the report;
- c) noted the work programmes of all overview and scrutiny committees (Appendix 2 to this report).

Chairman

Date:

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