

## **Record of Cabinet decisions**

**Tuesday, 17 January 2017**

**3.00pm to 4.28pm**

**Date of publication: 18 January 2017**

**Subject to call-in these decisions, with the exception of decision numbers 165-167/2017, will be effective from 26 January 2017**

**The record of decisions is subject to approval at the next meeting of the Cabinet**

<b>Present:</b>	Councillor Alan Jarrett	Leader of the Council
	Councillor Howard Doe	Deputy Leader and Portfolio Holder for Housing and Community Services
	Councillor David Brake	Portfolio Holder for Adult Services
	Councillor Rodney Chambers, OBE	Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships
	Councillor Jane Chitty	Portfolio Holder for Planning, Economic Growth and Regulation
	Councillor Phil Filmer	Portfolio Holder for Front Line Services
	Councillor Adrian Gulvin	Portfolio Holder for Resources
	Councillor Andrew Mackness	Portfolio Holder for Children's Services - Lead Member (statutory responsibility, including education)
	Councillor Martin Potter	Portfolio Holder for Educational Attainment and Improvement
	Councillor Rupert Turpin	Portfolio Holder for Business Management
<b>In Attendance:</b>	Neil Davies, Chief Executive	
	Dr Andrew Burnett, Interim Director of Public Health	
	Stephanie Goad, Assistant Director Transformation	
	Richard Hicks, Director of Regeneration, Culture, Environment and Transformation	
	Perry Holmes, Chief Legal Officer/Monitoring Officer	
	Julie Keith, Head of Democratic Services	
	Carrie McKenzie, Chief People Officer	
	Teri Reynolds, Democratic Services Officer	
	Ian Sutherland, Interim Director, Children and Adults Services	
	Phil Watts, Chief Finance Officer	

**Apologies for absence**

There were none.

**Record of decisions**

The record of the meeting held on 20 December 2016 was agreed and signed by the Leader as a correct record.

**Declarations of disclosable pecuniary interests and other interests**

Disclosable pecuniary interests

There were none.

Other interests

Councillor David Brake (Adult Services) declared an interest in agenda item 5 (Business Rate Relief) because he is the Chairman of the Medway Towns District Scouts Council which may be affected by the proposals in the report. He withdrew from the meeting for the discussion and voting thereon.

Councillor Rodney Chambers OBE (Inward Investment, Strategic Regeneration and Partnerships) declared an interest in agenda item 5 (Business Rate Relief) because he is a Trustee of the Chatham Historic Dockyard Trust which may be affected by the proposals in the report. He withdrew from the meeting for the discussion and voting thereon.

Councillor Andrew Mackness (Children's Services – Lead Member) declared an interest in agenda item 5 (Business Rate Relief) because he is the Chairman of the Chatham Maritime Trust which may be affected by the proposals in the report. He withdrew from the meeting for the discussion and voting thereon.

Councillor Mackness also declared an interest in the following agenda items because he is the Chair of the Medway Commercial Group:

- Agenda item 9 (Health and Wellbeing Traded Services)
- Agenda item 10 (Category Management Traded Services)
- Agenda item 11 (Staffing Agency Traded Services)

Councillor Mackness withdrew from the meeting for the discussion and voting thereon of these items.

**Provisional Local Government Settlement 2017/2018**

**Background:**

This report provided details of the provisional local government settlement announced by Government on 15 December 2016 together with the impact on the

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Council's proposed budget for 2017/2018 as underpinned by the Core Spending Power calculation, as set out in table 1 of the report.

In terms of the Settlement Funding Assessment (SFA), the announcement did not change the four year Revenue Support Grant allocations announced in the 2016/17 settlement and the changes to the Non Domestic Rates (NDR) Baseline were negligible. The report also provided further details of the New Homes Bonus allocations and details of the extent to which Council Tax could be increased.

It was noted that the SFA was some £8.627 million less than the figure for 2016/2017. This represented a cut of 12.0% compared to the national figure of 10.6%, reflecting Medway's higher than average council tax base relative to SFA

The Revenue Support Grant, an important component of the SFA, was set to decrease in 2017/2018 by a further £9.527 million to £18.504 million, a 34.0% cut. The report also provided details of the impact on other grants.

**Decision number:**      **Decision:**

**The Cabinet noted the implications of the provisional settlement in formulating its 2017/18 budget proposals.**

### **Reasons:**

These provisional levels of grant are a fundamental component of the 2017/18 budget, and their announcement is a further stage in the process of preparing a balanced budget.

### **Business Rate Relief**

#### **Background:**

This report provided details of the outcome of consultation on the options for a revised set of guidelines for the award of discretionary relief from National Non-Domestic (Business) Rates for charities and other non-profit making organisations. The report noted that Cabinet on 6 September 2016 had authorised officers to consult on three options, including the Cabinet's preferred option (option 2) (decision no. 107/2016).

The consultation took place for a period of 12 weeks between 15 September and 7 December 2016, details of which were set out in paragraph 7 and Appendix 4 to the report.

The Business Support Overview and Scrutiny Committee considered this matter on 5 January 2017 and its comments were set out in an addendum report. It was noted that representatives of charities, not for profit making organisations and community amateur sports clubs had been invited to attend the meeting to make representations about the options under consideration.

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During discussion the Portfolio Holder for Business Management highlighted that the Cabinet's preferred option (option 2) would secure the continued provision of £8 million of relief to organisations supporting vulnerable groups, whilst realising £200,000 savings. In addition, the Portfolio Holder highlighted the process that would be put in place to enable affected organisations to request a review of the determination of their Business Rate liability.

A Diversity Impact Assessment had been undertaken, as set out in Appendix 5 to the report, and as detailed in paragraph 7.4 of the report.

**Decision number:**

**The Cabinet noted the outcomes of the consultation requested by Cabinet and the analysis of the consultation as set out in paragraph 7 of the report and Appendix 4 to the report.**

**The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee and the additional information as set out in the Addendum Report.**

**163/2017      The Cabinet agreed the implementation of Option 2, as set out in paragraph 4.1.2 of the report.**

**164/2017      The Cabinet agreed to delegate authority to the Chief Legal Officer, in consultation with the Portfolio Holder for Business Management, to undertake a review of the relevant legislation and existing Council policies and processes for reviews of decisions on Discretionary Rate Relief taken by officers to ensure that suitable arrangements are in place from 1 April 2017 and, subject to the advice of the Chief Legal Officer following this piece of work, that the Discretionary Rate Relief (and other reliefs specified in paragraph 5.4 of the report) decision making arrangements should conclude with a final review by the Chief Finance Officer.**

**Reasons:**

A new scheme must be implemented from 1 April 2017.

### **Final Funding Formula for Mainstream Schools and Academies 2017-2018**

**Background:**

This report provided details of the final funding proposals for Medway's schools and academies for 2017/2018. Officers, working with the Schools Forum, had consulted with schools and academies on the 2017/2018 options and arrangements. It was noted that the Schools Forum had recommended these options and arrangements to Cabinet in October 2016, which were approved.

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Final pupil numbers and the total funding available through the Dedicated Schools Grant (DSG) had been confirmed by government in December 2016.

The Schools Forum met on 9 January 2017 and its final recommendations to Cabinet were set out in an Addendum Report.

It was noted that in line with rule 15.11 of Chapter 4, Part 5 of the Constitution, call-in could be waived where any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. In this case, the deadline for the submission of the final funding formula to the Department for Education was 20 January 2017. The Chairman of the Children and Young People Overview and Scrutiny Committee had agreed that the decisions proposed were reasonable in all the circumstances and to them being treated as a matter of urgency and to waive call-in.

<b><i>Decision number:</i></b>	<b><i>Decision:</i></b>
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|-----------------|--|
| <b>165/2017</b> | <b>The Cabinet agreed to add back the mobility funding factor into the Final Funding Formula for 2017-18 as outlined in section 2.4 of the addendum report.</b>                  |
| <b>166/2017</b> | <b>The Cabinet agreed to instruct officers to implement the Final Funding Formula for 2017-18.</b>   |
| <b>167/2017</b> | <b>The Cabinet agreed that the recommendations set out in decision numbers 165/2017 and 166/2017 above are considered urgent and therefore should not be subject to call in.</b> |

### **Reasons:**

The local authority is required to implement the funding formula changes from 2017-18 in accordance with the School and Early Years Finance (England) Regulations 2014. This is a Cabinet function.

The deadline for the submission of the final funding formula to the Department for Education is 20 January 2017

## **School Admission Arrangements 2018**

### **Background:**

This report provided details of the outcome of consultation on the co-ordinated admission schemes and arrangements for primary and secondary schools for September 2018.

The proposed changes to primary and secondary admissions were set out in paragraph 3 of the report. As at the closing date (18 November 2016), three

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responses had been received on the consultations all of which agreed with the proposed co-ordinated schemes.

The Children and Young People Overview and Scrutiny Committee considered this report on 6 December 2016 and its comments were set out in paragraph 7 of the report.

A Diversity Impact Assessment had been undertaken on the proposals as set out in Appendix 2 to the report.

In addition, the report stated that it was intended that a further consultation would take place in early 2017 to ascertain views on proposals for the future administration and processing of in-year admissions.

**Decision number:**

**Decision:**

**The Cabinet noted the comments of the Children and Young People Overview and Scrutiny Committee.**

**168/2017      The Cabinet approved the proposed 2018 schools admissions arrangements and schemes as set out in Appendix 1 to the report.**

### **Reasons:**

The Council is required to undertake a detailed consultation exercise prior to the determination of its school admission arrangements and schemes. The decisions take into account the responses from consultation.

### **Shared Legal Service Between Gravesham Borough Council and Medway Council**

#### **Background:**

This report provided details of proposals for Medway Council to assume responsibility for the discharge of Gravesham Borough Council's Legal Services functions. This was permitted under the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 which provided for the Executive of one local authority to arrange for a function for which it was responsible to be discharged by the executive of another local authority.

The report stated that a project group had been established to implement the shared working arrangements, comprising officers from Legal Services, Finance, Human Resources and ICT.

A Business Case has been prepared by officers from Gravesham and Medway to provide further information regarding the work of the two separate Legal Services including current costs, staff transfers, potential savings and other benefits from establishing a shared Legal Service such as increased resilience and potential to

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provide Legal Services to external bodies and bring in an income for Medway Council.

Reports on the proposals had been submitted to Gravesham Borough Council's Cabinet on 6 June 2016 and 9 January 2017.

The Business Support Overview and Scrutiny Committee had considered this report on 5 January 2017 and its comments were set out in an addendum report.

***Decision  
number:***

**The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee as set out in the addendum report.**

- 169/2017**      **The Cabinet recommended to the Leader of the Council that option two set out in paragraph 4.2 of the report be agreed whereby Medway Council shall assume responsibility for the discharge of Gravesham Borough Council's Legal Services functions as permitted under the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 which provide for the executive of one local authority to arrange for a function for which it is responsible to be discharged by the Executive of another local authority.**
- 170/2017**      **The Cabinet recommended to Full Council to accept the delegation by Gravesham Borough Council of its Legal Services functions to Medway Council.**
- 171/2017**      **The Cabinet agreed to delegate authority to the Chief Legal Officer of Medway Council to enter into a legally binding contract between both local authorities setting out the detail of the arrangements for a fully shared Legal Services.**
- 172/2017**      **The Cabinet agreed to delegate authority to Medway's Chief Legal Officer to assume responsibility for the management and delivery of legal services for Gravesham Borough Council jointly with the services provided for Medway Council and for this to be reflected in the Council's Scheme of Delegation.**
- 173/2017**      **The Leader of the Council agreed to assume responsibility for the discharge of Gravesham Borough Council's Legal Services functions as permitted under the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 which provide for the executive of one local authority to arrange for a function for which it is responsible to be discharged by the**



**executive of another local authority.**

**Reasons:**

It is anticipated that option two will bring the following benefits:

- Cashable savings for both Authorities.
- Added resilience across the two authorities. There will be a larger pool of officers covering both authorities providing additional resilience to cover sickness absence/vacancies or increased workload should this be required.
- Availability of specialist skills across both authorities leading to increased efficiency; potential for a reduced requirement for external support from contractors, etc.
- Sharing of best practice in the delivery of Legal Services.
- Expansion of knowledge base of individuals.

**Health and Wellbeing Traded Services**

**Background:**

This report provided details of proposals to create a traded service for the delivery of health and wellbeing services. The report gave details of six potential models and recommended the establishment of a Local Authority Trading Company, specifically as a subsidiary of Medway Commercial Group (MCG), enabling the combined team to bid for upcoming health and wellbeing commissioning opportunities in Thurrock, Kent and East Sussex.

The report stated that this company would be a subsidiary of MCG and would be 100% owned by Medway Council, which provided a number of safeguards and mitigated key risks.

The report stated that given the service delivery model for Medway residents was not changing, it was not considered necessary to undertake a Diversity Impact Assessment on the proposals.

An exempt appendix set out the outline business case, options appraisal and detailed business case.

***Decision number:***      ***Decision:***

**174/2017**      **The Cabinet approved the establishment of a subsidiary of Medway Commercial Group to be called MCG Health and Wellbeing, or a suitable alternative, to commission and deliver public health services as set out in this report, from 1 April 2017.**

**175/2017**      **The Cabinet agreed to delegate authority to the Chief Legal Officer, in consultation with the Leader, the relevant Portfolio Holder(s) and Chair of the MCG Ltd Board to**



**finalise the governance arrangements for the new company and complete any necessary legal requirements and any other arrangements as necessary.**

**The Cabinet noted that the Chief Executive will make the necessary appointments to the new subsidiary board for Health and Wellbeing Services and any other MCG Subsidiary Boards subsequently established under his delegation from Full Council in consultation with Group Whips and having taken into account the views of the Leader and the Chair of MCG Ltd Board.**

**Reasons:**

With local government funding restrictions continuing to reduce overall budgets and the ring fence coming off the Public Health Grant in 2020, trading services provides an opportunity to generate income and deliver more efficient services in Medway.

Medway Commercial Group is an established Medway Council owned trading company that will provide the most efficient way of delivering traded public health services.

**Category Management Traded Services**

**Background:**

This report provided details of proposals to create a traded service for the delivery of category management services. The report gave details of six potential models and recommended the establishment of a Local Authority Trading Company as a subsidiary of Medway Commercial Group (MCG).

This would enable the combined team to attract external customers across the region. It was stated that MCG already had financial accounts, governance arrangements, policies, procedures and systems to meet commissioners' requirements for compliance, governance and deliverability.

The report stated that a Diversity Impact Assessment (DIA) screening would not be undertaken as part of the implementation process as the service did not affect front line services.

An exempt appendix set out the outline business case, options appraisal and detailed business case.

**Decision number:**

**176/2017      The Cabinet approved the creation of a new subsidiary for Category Management under the MCG parent/holding company.**

**177/2017**      **The Cabinet agreed to delegate authority to the Chief Legal Officer, in consultation with the, Leader, the relevant Portfolio Holder(s) and Chair of the MCG Ltd Board to finalise the governance arrangements for the new company and complete any necessary legal requirements and any other arrangements as necessary.**

**The Cabinet noted that the Chief Executive will make the necessary appointments to this and any MCG Subsidiary Boards subsequently established under his delegation from full Council in consultation with Group Whips and having taken into account the views of the Leader and the Chair of MCG Ltd Board.**

**Reasons:**

As the council moves into future years, the budgets for services are becoming increasingly difficult to maintain for statutory services. The opportunity to allow the Category Management team to trade externally and deliver its primary pipeline internally, will allow for the team costs to become neutral over time, and an income being brought back to the council that it did not have before.

Medway Commercial Group is an established Medway Council owned trading company that will provide the most efficient way of delivering traded procurement services.

This ownership model allows for any surplus or dividend arising from its success to be paid back to a Council for further investment in services or to facilitate savings. This dual element of control (through contract and through governance) allows flexibility, but lowers risk in terms of strategic alignment.

**Staffing Agency Traded Services**

**Background:**

This report provided details of proposals to create a traded service for the delivery of a staffing agency. The report gave details of six potential models and recommended the establishment of a Local Authority Trading Company as a subsidiary of Medway Commercial Group (MCG) as the sole arm for recruiting temporary staff within the Council. In addition to this it would be beneficial for this company to be in a position to provide a recruitment service to other organisations such as Employ Medway, Schools, Academies and the NHS at a cost.

An exempt appendix set out the outline business case, options appraisal and detailed business case.

**Decision number:**      **Decision:**

**178/2017**      **The Cabinet approved the establishment of a subsidiary of**

**Medway Commercial Group to be called Medway Staffing Agency or an appropriate alternative.**

**179/2017**      The Cabinet agreed to delegate authority to the Chief Legal Officer, in consultation with the Leader, the relevant Portfolio Holder(s) and Chair of the MCG Ltd Board to finalise the governance arrangements for the new company and complete any necessary legal requirements and any other arrangements as necessary.

The Cabinet noted that the Chief Executive will make the necessary appointments to this and any MCG Subsidiary Boards subsequently established, under his delegation from Full Council in consultation with Group Whips and having taken into account the views of the Leader and the Chair of the MCG Ltd Board.

**Reasons:**

The cost of recruiting staff through external agencies is placing a huge burden on the Council's budget. Establishing an agency will significantly reduce these costs.

Medway Commercial Group is an established Medway Council owned trading company that will provide the most efficient way of employing agency staff whilst maintaining quality standards and driving down costs

**A289 Four Elms to Medway Tunnel Highway Project: Acquisition of Land and CPO**

**Background:**

This report provided details of proposals for the acquisition of the required land and for preparatory works to be carried out with a view to the use of Compulsory Purchase Order (CPO) powers should acquisition by agreement not be possible, for the A289 Four Elms to Medway Tunnel Highway Project.

The report stated that the specific proposals related to three roundabouts on the A289 which presently experienced queuing and delays resulting in unreliable journey times and operational delays to businesses on the Medway City Estate. Without intervention, strategic transport modelling demonstrated this link will become more congested in future years which would have a further negative impact on existing and planned housing and employment sites.

An exempt appendix provided details of land ownership which indicated that the land required was held under 8 freeholds and 2 leaseholds.

**Decision number:**      **Decision:**

**180/2017**      The Cabinet agreed to delegate authority to the Chief Legal Officer, in consultation with the Portfolio Holders for Front

Line Services and Inward Investment, Strategic Regeneration and Partnerships, to acquire interests in land needed for the A289 Four Elms to Medway Tunnel scheme by agreement and to pay any subsequent compensation.

- 181/2017**      The Cabinet agreed to delegate authority to the Chief Legal officer, in consultation with the Portfolio Holders for Front Line Services and Inward Investment, Strategic Regeneration and Partnerships, to carry out preparatory works for use of Compulsory Purchase Order (CPO) powers to include land referencing (including service of formal requisitions for information), and preparation of drafts of the Statement of Reasons, Order Map and Schedule.
- 182/2017**      The Cabinet agreed to delegate to the Chief Legal Officer, in principle, the decision to use its CPO powers to facilitate delivery of the scheme in the event that acquisition by agreement is not reasonably practicable.
- 183/2017**      The Cabinet agreed that officers be instructed to submit a report back to Cabinet to report on the use of any formal CPO powers delegated to the Chief Legal Officer in the event that all the land cannot be secured by agreement.

**Reasons:**

To facilitate the delivery of this important highways scheme to meet the objective outlined in the approved business case.

**Referrals from Health and Adult Social Care Overview and Scrutiny Committee**

**Background:**

This report provided details of a referral from the Health and Adult Social Care Overview and Scrutiny (O&S) Committee with regard to two of the agenda items considered at the Committee meeting held on 15 November 2016, namely the Development of GP Services in Medway and the KMPT Mental Health update.

Specific details of the referrals were set out in the report and the original reports to the Health and Adult Social Care Overview and Scrutiny Committee were provided at Appendices A and B to the report.

**Decision number:**      **Decision:**

The Cabinet noted the recommendations from the Health and Adult Social Care Overview and Scrutiny Committee, as outlined in the report.

**The Cabinet noted the risks that falling GP numbers will present to Medway residents and the implications for Adult Social Care**

**184/2017      The Cabinet agreed to emphasise to the Kent Police and Crime Commissioner the importance of street triage.**

**185/2017      The Cabinet agreed to refer both these matters to the Health and Wellbeing Board for further consideration.**

**Reasons:**

The Health and Adult Social Care Overview and Scrutiny Committee has made these recommendations to Cabinet in accordance with its entitlement, under the Council's Constitution, to make recommendations to Cabinet arising from the outcome of the scrutiny process (Constitution – Articles of the Constitution - Chapter 2, Article 6, Paragraph 6.4). Cabinet is, therefore, required to consider its response.

**Recruitment Freeze**

**Background:**

This report presented information on a number of vacancies that officers had requested approval to commence recruitment for, following the process agreed by Cabinet on 7 January 2003 (decision number 9/2003).

Details of the posts were set out within Appendix 1 to the report.

***Decision number:    Decision:***

**186/2016              The Cabinet agreed to unfreeze the following posts, as detailed in Appendix 1 to the report:**

**Business Support**

**a) Civic and Ceremonial Officer**

**Children and Adults Services**

**b) Housekeeper**

**c) Partnership Commissioning Programme  
Lead – Access to Resources**

**d) Partnership Commissioner**

**e) Partnership Commissioner**

**f) Business and Systems Information Officer**

**g) Admin Support Officer**

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**h) Head of Service – Integrated SEN and Disability**

**Regeneration, Culture, Environment and Transformation**

**i) Guardians of the Deep – Project Officer.**

**Reasons:**

The posts presented to Cabinet will support the efficient running of the Council.

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**Leader of the Council**

.....  
**Date**

**Wayne Hemingway, Democratic Services Officer**

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