

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 13 April 2017

6.30pm to 10.32pm

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), Freshwater, Griffiths, Hall, Maple, Murray, Opara, Royle and Wildey

Substitutes: Councillors:
Franklin (Substitute for Tejan)
Purdy (Substitute for Clarke)

In Attendance: Mark Breathwick, Head of Strategic Housing
Councillor Adrian Gulvin, Portfolio Holder for Resources
Perry Holmes, Chief Legal Officer/Monitoring Officer
Councillor Alan Jarrett, Leader of the Council
Anna Marie Lawrence-Lovell, Performance Manager
Carrie McKenzie, Chief People Officer
Michael Turner, Democratic Services Officer
Phil Watts, Chief Finance Officer

902 Apologies for absence

Apologies for absence were received from Councillors Clarke and Tejan.

903 Record of meeting

The record of the meeting held on 31 January 2017 was agreed and signed by the Chairman as correct.

904 Urgent matters by reason of special circumstances

905 Declarations of interests and whipping

Disclosable pecuniary interests

There were none.

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Other interests

Councillor Maple declared an interest as the Council's representative on the Chatham Maritime Charitable Trust in relation to agenda item no 7 (Attendance of the Portfolio Holder for Resources).

See also minute no. 912 for a later disclosure.

906 Petitions

Discussion:

Members considered a report regarding a petition referral request which fell within the remit of the Committee.

A petition had been submitted calling on the Council to provide shelter and food for homeless people. Because the petitioner organiser was dissatisfied with the response received from the Director, she had asked the Committee to review the steps the Council had taken in response to the petition. The reasons why the lead petitioner considered the response to be inadequate were set out in paragraph 3.5 of the report and the Director's response in paragraph 3.6.

Miss Surgeon, the Lead Petitioner, and Mr Surgeon were invited to address the meeting. They commented that homelessness impacted on society as a whole as well as the Council and other services. They considered that the cap on housing benefits would lead to more homelessness. They asked that the new Homelessness Strategy make provision for emergency shelters for homeless people to be available in all conditions and not just in cases of severe weather.

Some Members agreed with the premise of the petition that the Homelessness Strategy was inadequate, arguing it was focused on inputs and not the outcomes of avoiding rough sleeping and addressing the reasons for homelessness. Rough sleeping was visible to everyone, it was an issue the whole community cared about and it had a corrosive effect on society. Whilst the Council's limited resources were recognised it was argued the Council needed to do more. A number of homeless people had died recently in Medway and this was unacceptable. The fact that the Council met its statutory obligations was not enough. It was recognised that dealing with homelessness was not straightforward but it needed to be given a higher priority with best practice from other areas learned from. The severe weather protocol should be introduced earlier – although it was recognised that had happened on occasion. The possibility of a charter setting out the basic entitlements for people who were homeless was suggested. The lack of affordable housing was seen as a significant cause of homelessness.

One Member made the point that the Council was doing a lot more for homeless people than other areas of Kent. The response from the Director showed that the Council was doing a great deal and highlighted best practice.

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The Head of Strategic Housing advised that a revised Homelessness Prevention Strategy was out for consultation and Members' views would be welcomed. The draft Homelessness Strategy included a proposal to develop a Homelessness Charter. The Council was looking at how the number of shelters could be increased for next winter. £1.17m had been invested in supported accommodation for single people. The cold weather provisions were being reviewed this year. Clearer guidance on rough sleepers would be issued and a joint approach would be developed to address the needs of individuals and identify what interventions they needed.

A Member then moved that the petition be referred to Cabinet for consideration, together with the comments made by the Committee.

Decision:

The Committee agreed to refer the petition to Cabinet for consideration, together with the comments made by the Committee as set out above.

907 Attendance of the Leader of the Council

Discussion:

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 Jarrett responded to Members' questions and comments as follows:

- **Local Growth Fund (LGF) Bids** – in response to a question about investment in Gillingham, the Leader remarked that the last round of bids for LGF funds had included a bid for Gillingham town centre, which had been unsuccessful. There had been significant investment in the western areas of Medway and the Council was looking at regeneration plans for Gillingham and Rainham. The Leader had asked officers to prepare a bid for improvements in Gillingham so that when underspends occurred in respect of the LGF the Council would be in a strong position to submit a successful bid. A Member asked that any bid should recognise that times had changed and the town should be seen as a district shopping centre with the potential for some existing retail space converted to housing. The Leader agreed with this point.
- **Rochester Riverside** – a Member asked if the Leader acknowledged this development was not moving quickly enough to match the growth in population. The Leader stated that the agreement with the initial developer had been abandoned by the Council due to the developer changing its demands. The deal with the current developer was a much better one for the Council. The Development Agreement had now been

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signed and subject to obtaining planning approvals, work was expected to start in October 2017. A new primary school was part of the plan and this would be a free school funded by the developer. In response to a question, the Leader stated he was concerned about the lack of a consistent approach due to the autonomous nature of many schools.

- **Medway 1 launch** – in response to a request for an update on the launch, the Leader commented it had successfully taken place in the City of London attracting over 80 investors. Feedback had been very positive and many of those who attended were seriously considering investing in Medway.
- **Paramount Park** – a Member questioned whether the statements in the Leader's report about this might be too optimistic and queried whether the development would actually go ahead. The Leader commented that he was not relying on Paramount Park but it would be a significant employment opportunity. He did not completely share concerns that it may not happen.
- **Housing company** – in response to a question why the Council had not set up a housing company, the Leader advised that work on this was underway and undertook to provide more information on this to the Member.
- **Medway Commercial Group (MCG)/Medway Norse** – in response to a call for MCG and other similar initiatives to be more accountable, the Leader stated that Medway Norse and MCG were held to account for service delivery and financial outcomes by the Cabinet. In response, a Member commented that holding these bodies to account needed a more systematic approach to that outlined. The Leader added that the structures of MCG were being streamlined.
- **Lower Thames Crossing** – a Member asked if the Council would continue to lobby for the additional resources needed to address the impact of the new crossing on Medway's roads. The Leader noted that the selected option made it easier to travel between Medway and Essex and enhanced the Council's ability to attract inward investment. But this also created pressure on housing and drove up prices. It was important the surrounding highways infrastructure was able to cope.
- **Satisfaction with Council services** – the Leader was asked what he would say to the 46% of people who had completed the Citizen's Panel survey who did not think the Council provided value for money services. The Leader commented that it was difficult for the public to have a good understanding of what value for money looked like and therefore he was somewhat sceptical about the value of the question.
- **Consultation on Budget** – a Member asked if the Leader was planning to consult the public on draft budget proposals as many other Councils did. The Leader commented this was a good point but he was not convinced the process added any real value, although it did raise awareness of the issues facing Councils.
- **Communications** – noting the positive news detailed in the report that had been communicated by the Council, a Member asked if the Council was as effective in communicating bad news. The Leader responded that what was meant by bad news was a matter of perspective.

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- **The Local Government Challenge** – in response to whether the Council had any plans to put forward a member of staff for this event, the Leader agreed that the Council had many excellent members of staff.
- **Social Media** – noting the Council's improved use of social media in recent years, a Member asked if the Leader was planning to communicate via Twitter. The Leader commented he was prepared to look at this.
- **Schools funding** – noting that funding for schools was reducing, a Member asked if the Council was ready to enter into a dialogue with any schools unable to meet their statutory requirements. The Leader was clear that the Council would not act as a last resort for schools. He would though welcome a fair system of funding of schools from the Government.
- **Senior Managers' Pay** – the Leader's views were sought on recent comments from the Taxpayers' Alliance that senior managers' pay in local government was too high. The Leader considered that people should be paid what they were worth. The Council would be unable to compete with surrounding County Councils or London Boroughs if levels of pay were to be reduced.
- **Possible East Kent Councils merger** – in response to a request for an update on this development, the Leader commented the proposals seem to have run into some difficulties. However, strong relationships existed between Medway and North Kent Councils and strong cross-Council working had developed, which the Leader hoped would continue

Decision:

The Committee thanked the Leader of the Council for his attendance.

908 Attendance of the Portfolio Holder for Resources

Discussion:

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
- Business and Administration Support Service
- Complaints Policy and Management
- HR
- ICT
- Legal
- Property
- Category Management / Procurement
- Joint Ventures

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

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- **Brook Theatre, Chatham** – in response to comments welcoming the recent improvements to the exterior of the building, the Portfolio Holder agreed it was much improved. The Council was now looking to see if the investment needed to improve the interior could be found.
- **Council Plan** – a Member asked that further thought be given to the introduction of sub indicators for some targets. The Portfolio Holder acknowledged this may sometimes be appropriate but noted the need to keep the Plan simple and achievable and concentrate on what the Council could influence.
- **Business and Administration Support Services (BASS)** – a Member referred to the likelihood of more jobs being automated and asked for the Portfolio Holder's views on re-skilling the workforce. The Portfolio Holder hoped that more mundane tasks could be automated to free up the time of the BASS team for more important tasks. He considered that team worked extremely flexibly and were receptive to new ideas
- **Industrial Relations** – in response to a question about the shape of industrial relations in the Council, the Portfolio Holder considered that relations between the Council and trade unions and staff were good.
- **Land Disposals** – in terms of any lessons learned on the process to date, the Portfolio Holder commented that future disposals would be better done in smaller chunks. Within the next few weeks more details would emerge publicly about the plans for the first disposal, Whiffens Avenue.
- **Riverside One** – a Member asked if a new location had been found for the charity temporarily occupying Riverside One. The Portfolio Holder remarked that it had always been clear this would be a temporary arrangement but the Council would do it all could to help find new premises.
- **Transformation Programme** – a Member asked how the Council would meet the challenge of having to do more with less and the role of the Transformation Board in achieving this. Councillor Gulvin advised that £6m had been set aside in the capital programme for digital transformation with savings of £600,000 identified so far. The transformation team had the role of enabling change and not making it happen, which was the responsibility of service managers.
- **Work Life Balance** – in response to comments about some members of staff working long hours and whether there should be a policy about staff beneath a certain level not dealing with emails outside normal working hours, Councillor Gulvin commented that technology allowed people to work more productively and there should be more of a focus on outcomes rather than the hours people worked. Senior Managers had a duty of care to employees and should lead by example.
- **Regeneration Plans** – in response to a question about plans to involve the public in the regeneration of Chatham, Councillor Gulvin commented that there had been extensive public consultation.
- **Gun Wharf** – a Member asked if the working environment in Gun Wharf could be improved. The Portfolio Holder accepted some areas were looking tired but unfortunately there was no funding for non-essential works. Overall he felt the working environment in Gun Wharf was good.

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- **Medway Norse** – in response to how Medway Norse measured public satisfaction with its services, Councillor Gulvin said this was something Medway Norse took very seriously.
- **HR** – a Member asked what more could be done to get the workforce of the future to view local government more positively as a potential employer, what was being done to tackle the national crisis in recruiting and retaining social care staff and also what the likely effect of the decision to leave the EU would have on the workforce. Councillor Gulvin commented that a lot of work was taking place with the Council's new Leadership Academy, which would help to promote local government as a career choice; no-one knew what the impact of Brexit would be and there was a need to improve the status of social workers and care workers, but it was difficult to pay more.

Decision:

The Committee thanked the Portfolio Holder for Resources for his attendance.

909 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, together with a supplementary paper from the Interim Deputy Director Children and Adults setting out more detail in relation to the recommendation that Corporate Risk SR26 (Children's Social Care) be down graded from All to BII.

A Member asked what the reasons were behind the recommendation to escalate Corporate Risk SR23 (Data and Information). The Chief Legal Officer replied that the legislation and guidance on data and information governance was now stricter and therefore it was more difficult to meet the targets.

A Member commented that he was still concerned that a new risk on the shape of Local Government in Kent, as proposed by the Committee last year, had not been included on the Register.

A discussion then took place about the recommendation that Corporate Risk SR26 (Children's Social Care) be down graded from All to BII. Whilst recognising progress had been made, it was argued that the risk should stay as it was for the time being due to the fact that not all of the senior management posts beneath the Director of Children and Adults were filled on a permanent basis. It was recognised that the Assistant Director Social Care was filled by a permanent member of staff but this left the Deputy Director role filled on an interim basis. This was not a criticism of the staff in interim or temporary positions but rather that a lack of stability at a senior level could affect the rating the Council received if there was to be another Ofsted inspection. Should there be more stability in six months' time then it may be appropriate to downgrade the risk at that point. Other Members supported the suggestion that the risk

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should not be down graded at this point although one Member made the point that the process and direction of travel were more critical than its rating.

A Member reiterated a point made when the Committee last considered the Risk Register that a better approach to risk would be to combine risks and mitigations in one place. This would allow Members to see what was being done to mitigate a risk, what the timescales were, what progress was being made and what the residual risks were. The Chief Legal Officer advised that the Strategic Risk Management Group had previously considered a new approach to risk management but had concluded that, in the light of the amount of change facing the council, the need to train key people on a new risk framework would be an unnecessary distraction. However, the Group would look at its next meeting whether it was the right time to move to a broader approach to risk, including whether the Risk Register should include opportunities as well as risks.

Reference was made to Risk SR25 (Adult Social Care Transformation) and a concern was raised that NHS targets on bed blocking could, given the problems the Council was facing in recruiting staff, lead to a failure on the Council's part to meet its targets in relation to this risk. Officers undertook to report back on this.

Decision:

The Committee agreed to:

- a) note an officer recommendation to amend the Council's Risk Register in relation to Risk SR32 (Data and Information);
- b) recommend to Cabinet that Corporate Risk SR26 (Children's Social Care) not be down graded from All to BII at this point;
- c) note the revised Risk Register to be submitted to Cabinet on 9 May 2017 for final approval, and;
- d) note that the Strategic Risk Management Group will be looking at the possibility of reviewing the Council's approach to risk management.

910 Council Plan Quarter 3 2016/17 Performance Monitoring Report

Discussion:

Members considered a report which summarised the performance of the Council's Key Measures of Success for Quarter 3 2016/17 as set out in the Council Plan 2016/17.

A suggestion was made that the sequencing of committee meetings be looked at so that Members could consider council plan and budget monitoring information in a more timely way.

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A discussion took place about the preventing homelessness outcome (NI156 and HC3) and the following points were made:

- It was argued that comparing increases in the number of households in temporary accommodation with levels in London was not helpful. An undertaking was given to examine whether comparisons with more similar councils could be included.
- The reasons for the 29% reduction in the number of social housing units becoming available for let was queried. In response, it was not clear why this had happened and officers would investigate this further and provide a briefing note.
- Clarification was sought as to how the number of households with dependant children in B&B who had resided there for 6 or more weeks at the end of the quarter was measured. Officers advised the figure reflected a snapshot at the end of the quarter and showed that no households with dependant children had resided in a B&B for more than 6 weeks in that quarter.

A Member asked if the Council followed up what services people were dissatisfied with following Citizen's Panel surveys. Officers advised the questions related to a range of services but the information requested would be provided.

In relation to the delivery of new homes target, a discussion took place about the lack of affordable housing and whether the consequences for the Council of developers not building the required number of new homes should be a corporate risk. Officers advised that a new Local Plan was being consulted on which set out a strategic direction for new housing. The Council was also looking to bring forward a number of its own sites for housing, primarily delivered through the private sector. The risk referred to was referenced in the Corporate Risk Register.

Decision:

The Committee agreed to note the quarter 3 2016/17 performance against the key measures of success used to monitor progress against the Council Plan 2016/17.

911 Revenue Budget Monitoring 2016/17 - Quarter 3

Discussion:

Members considered a report which detailed the revenue budget monitoring forecasts at Round 3 based on expenditure as at the end of December 2016.

The Chief Finance Officer advised that, as at February, the forecast overspend was £1.8m. Following further management action the gap had been almost closed and he was confident there would be a balanced budget.

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A discussion took place about how the Committee could receive timelier budget monitoring information. The possibility of more information in the quarterly reports being provided, access to real time information or adjusting the meetings schedule were all raised.

Decision:

The Committee agreed to:

- a) note the forecast outturn position and proposed management actions following round 3 of the revenue budget monitoring for 2016/17, and:
- b) note that Cabinet has instructed officers to identify further management action to ensure a breakdown position is achieved by year end.

912 Capital Monitoring 2016/17 - Quarter 3

Discussion:

Councillor Griffiths disclosed an interest in this item as a member of the Danecourt School Trust due to a reference in the report to an expansion of the school.

Members considered a report which presented the quarter 3 capital monitoring forecasts for 2016/2017 based on expenditure to the end of November 2016.

A Member questioned why one project (Rainham Mark Precinct Toilet) was 9% over budget and yet the report showed it as being delivered on budget. The Chief Finance Officer advised the report was produced based on an algorithm. In this case part of the increased cost was met from revenue but as the algorithm was not designed to recognise that the conclusion reached was misleading. This would be looked at to see if this situation could be avoided in future.

Decision:

The Committee agreed to note the spending forecasts summarised in Table 1 of the report and also the additions to the programme outlined at paragraphs 4.1 and 4.2 of the report.

913 Universal Credit and Welfare Reforms Six Monthly Progress Report

Discussion:

Members considered a progress report regarding Universal Credit and welfare reforms, including the work of the Welfare Reform Steering Group. Members also consider an additional report which provided further information. The latter had been embargoed by the Department of Works and Pensions until HMRC had launched their packages of communications on 6 April 2017.

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In discussing the report Members asked for the following:

- The next report to include more recent details of levels of all benefits claimed.
- The numbers impacted by the changes detailed in the additional report (i.e. two child limit, bereavement support payment, Employment and Support Allowance and Work Related Activity Component).
- A representative from the DWP to attend future meetings when this progress report was considered.
- The number of households in Medway HRA stock earning over £60,000.

Decision:

The Committee agreed to note the outcomes delivered to date, as summarised in section 4.1 of the report, and the refocusing of activity into three work streams described in sections 4.2 to 4.5.

914 Work Programme

Discussion:

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

The Committee thanked the Head of Democratic Services for the excellent submission to the Communities and Local Government Select Committee inquiry into overview and scrutiny arrangements in England.

A Member suggested the following possible additions to work programmes:

- Business Support O&S– a regular update on the future of the Budgens site in Gillingham
- Health and Adult Social Care O&S – the decision by the Clinical Commissioning Group to close the minor ailments service.
- Children and Young People O&S – a briefing from Mid Kent College on the recent Ofsted report.

Decision:

The Committee agreed to:

- a) note the current work programme (Appendix 1);
- b) agree the changes to the current work programme as set out in paragraph 3;
- c) note the work programmes of all overview and scrutiny committees (set out in Appendix 2 to this report), and;
- d) note the Council's submission to the Communities and Local

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Government Select Committee inquiry into overview and scrutiny arrangements in England (Appendix 3).

Chairman

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