

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 30 November 2017

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: Carr (Chairman), Clarke, Freshwater,
Mrs Josie Iles, Maple, Purdy, Royle, Stamp, Tejan and Tranter

Substitutes: Councillors:
Fearn (Substitute for Etheridge)
Steve Iles (Substitute for Hall)
Khan (Substitute for Murray)

In Attendance: Mark Breathwick, Head of Strategic Housing
Perry Holmes, Chief Legal Officer/Monitoring Officer
Carrie McKenzie, Assistant Director, Transformation
Stephen Platt, Democratic Services Officer
Phil Watts, Chief Finance Officer

533 Apologies for absence

Apologies were received from Councillors Etheridge, Hall and Murray.

534 Record of meeting

The record of the meeting held on 26 October 2017 was agreed and signed by the Chairman as correct.

535 Urgent matters by reason of special circumstances

There were none.

536 Declarations of interests and whipping

Disclosable pecuniary interests

There were none.

Other interests

There were none.

537 Attendance of the Portfolio Holder for Business Management

Discussion:

Members received an overview of progress on the area within the terms of reference of this Committee covered by Councillor Rupert Turpin, Portfolio Holder for Business Management, i.e.

- Customer Contact
- Democracy and Governance
- Audit and Counter Fraud
- Revenue and Benefits
- Risk Management
- Income Generation
- Business Management
- Commissioning

Councillor Turpin responded to Members' questions as follows:

Customer Contact

In response to a question about the underlying causes for the 6% drop in customer satisfaction against the benchmark, Councillor Turpin advised that the Council's telephone system was reaching the end of its serviceable life meaning that calls were sometimes disconnected. A new system was under consideration.

Referring to the launch of a 24 hour parking hot line, a Member asked why this was not available though the Council's general Customer Contact number, 333333, as this was a number most people were familiar with. Councillor Turpin suggested that this may be because the Customer Contact Service was not a 24 hour service. As this was a parking services initiative, he said that he would ask Councillor Filmer, Portfolio Holder for Front Line Services, why there was no facility to be put through to the parking services hotline from the Customer Contact number.

Community Interpreting Service

A Member noted the income generated by this service and asked about the costs involved. Councillor Turpin clarified the figures in the report.

Business Rates

A Member sought further information on how many charities were no longer in receipt of Discretionary Rate Relief, how many continued to receive it, and the number of appeals against the non award of the rate relief that were upheld.

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Councillor Turpin said that the exercise to revise Discretionary Rate Relief had gone well and that advice was given to charities on minimising their tax commitment. The aim was to resolve issues prior to the appeals stage. For example a change to a charity's constitution may enable it to qualify for rate relief. He added that, to date, no final demands had been necessary.

Democratic Services

Members were pleased to note the reduced expenditure on printing and postage as a result of Members and Officers opting for paperless working. A Member suggested that the initiative be extended to other areas of the Council as the technology for this was already available. Councillor Turpin agreed that there was much potential for this through the Council's Transformation Agenda. He gave the example of increased use of text messaging (SMS) by the Revenues and Benefits and Electoral Registration Services. Another Member suggested that savings could be made if Members were not sent their copy of Medway Matters through the post.

Internal Audit and Counter Fraud

A Member sought further information on investigative activity in Council Tax collection and Councillor Turpin gave examples of the type of inaccurate declarations that could be made that would result in a lower rate of Council Tax.

Transformation

A Member asked about the Council's work with Sopra Steria. Councillor Turpin advised that they were the Revenues and Benefits Services outsourced IT partner and were supporting a scoping exercise for the development of a corporate debt strategy, policy and target operating model. Councillor Turpin confirmed that the experience of other local authorities would be sought.

Decision:

The Committee thanked the Portfolio Holder for Business Management for his attendance and noted that a briefing note on Discretionary Rate Relief for charities would be provided.

538 Medway Norse Update

Discussion:

Members considered a report which outlined the partnership's achievements and performance up to the end of the second quarter in its fourth year of trading.

The following issues were raised:

- **Position of Managing Director of Medway Norse**

The Chief Legal Officer reported that the current Managing Director of Medway Norse was leaving the position.

- **Future Update Reports**

A Member expressed disappointment that no-one from Medway Norse was in attendance at the meeting and was concerned that the report contained insufficient detail to enable the Committee to scrutinise performance effectively or judge the quality of service that Medway Norse was delivering to residents. It was requested that future reports provide a greater level of detail, for example on potential new contracts and how well existing contracts were progressing. The Chief Legal Officer responded that the Council was still developing its approach to holding outsourced services to account.

- **Cuxton Household Waste and Recycling Centre**

A Member expressed concern that, due to development, the catchment area for the Cuxton household waste and recycling centre was growing to a point where additional measures needed to be considered. Flytipping was an issue in Cuxton and Halling and the Member considered that there needed to be more facilities for commercial waste. The Chief Legal Officer agreed to pass the Member's concerns on to the Managing Director of Medway Norse.

- **External Revenue Services**

A Member suggested that Medway Norse focus on external revenue services, both public and private. Aggressive targeting of new business opportunities would change the shape of the organisation and the Council would benefit from increased efficiency.

- **Service Delivery**

A Member reported that, over the past six months, residents had been critical of the Medway Norse's service delivery on a range of issues. It was hoped that the new Managing Director would identify new ideas and opportunities.

- **Governance**

A Member asked for clarification on the potential for a conflict of interest to arise in relation to the Council's two representatives on the Medway Norse Board, the Portfolio Holder for Front Line Services and the Assistant Director Frontline Services. The Chief Legal Officer responded that, when Medway Norse were bidding for a contract for a Council service, these Board members ought not to be present for any discussion or decision making at meetings of Cabinet.

- **Provision of Non- Profitable Services**

A Member expressed disappointment that Medway Norse did not provide a community transport service or an aluminium can collection service, because they were not profitable. It was requested that the Committee be advised before any service was discontinued. The Chief Legal Officer agreed to forward the Member's concerns to the Managing Director of Medway Norse.

Decision:

The Committee:

- a) noted the report;
- b) expressed disappointment that Medway Norse was not represented at the meeting;
- c) requested that more comprehensive update reports be provided to the Committee in future, including more detail on the quality of service delivery; and
- d) requested that the Committee be advised before any service was discontinued by Norse.

539 Council Plan Performance Monitoring Report Quarter 2 2017/18

Discussion:

Members considered a report regarding the Council Plan 2017/18 which looked at performance for Quarter 2, 2017/18.

The following issues were highlighted:

Complaints – The figures quoted in the report on the increase in the number of complaints received were queried and officers undertook to provide clarification.

Digital innovation - A Member expressed concern that the current target was too vague and that a challenging and understandable target was needed. Officers responded that one priority was an online system for Medway test results.

Working with landlords and agents to support households to sustain their accommodation and prevent homelessness – The roll out of the landlord hotline was welcomed as it was envisaged that this service would be well used when Universal Credit was introduced in Medway.

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Preventing Homelessness – It was noted that benchmarking had showed that the rate of households in temporary accommodation provided by the Council was lower than other similar sized unitary authorities.

Decision:

The Committee agreed to note the Quarter 2, 2017/18 performance against the measures of success used to monitor progress against the Council's priorities.

540 Housing Strategy Annual Review

Discussion:

Members considered a report which gave an overview of progress against the key strategic priorities of the current Housing Strategy.

A Member noted that two actions were on hold in light of the social care restructure and asked whether any interim arrangements were in place given the link between mental health and homelessness. Officers responded that there were strong links with both statutory services and charities and that residents were signposted to their support services.

A Member expressed concern about the level of affordable housing and asked for comparative data. Officers said that they would undertake a benchmarking exercise and report their findings. It was confirmed that the newly established housing company would, in the first instance, focus on enabling the development of a number of sites for profit which would comply with the Council's affordable housing target. In the longer term, discussions were being held with industrial investors who were prepared to take a longer view and this might open up an option for the housing company to consider the provision of additional affordable housing.

With reference to the ending of the rogue landlord initiative in 2015, due to the loss of Government funding, it was stressed that the best approach was for the Council to work in close partnership with landlords to help them to achieve the required standard.

Housing and Community Safety officers were commended for their work with regard to homelessness. It was agreed that more could be done to raise awareness about this work to counter any misunderstanding that may arise from other sources.

A Member asked if the mutual housing exchange speed dating events were still being held and Officers undertook to provide a response.

At the request of a Member, Officers explained that meetings were held with the Police to share information about cases of domestic abuse and ensure that victims were quickly directed to available services. A Member asked if the Council was responding to a Government consultation on housing benefit in

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respect of women's' refuges, and if so, requested that the response be shared with Committee members.

Responding to a Member's concern about overcrowding within houses of multiple occupation (HMOs) and question on whether occupants were checked against the electoral register, officers advised that there was a comprehensible land registry checking process. This established whether someone was a fit and proper person to operate a licenced HMO.

Decision:

The Committee agreed to note the progress against the aims of the Housing Strategy 2015-18 and that future plans relating to strategies would include ongoing monitoring of the impact of the actions detailed.

541 Revenue Budget Monitoring 2017/18 - Quarter 2

Discussion:

Members considered a report which presented the results of the Council's revenue budget monitoring for Quarter 2 of the 2017/18 financial year.

The following issues were highlighted:

- **Unrealistic income targets** – a Member asked if lessons had been learned from previous years budget setting so that income targets were challenging but realistic. Officers agreed that income targets needed to be aggressive and advised that this had been addressed in the starting position of the Medium Term Financial Strategy. The main areas of pressure were currently within the Business Support directorate.
- **Regeneration** – a Member commented that there needed to be full understanding of the implications that increases in car parking charges had on demand. There was a danger that the level of increase could lead to a reduction in the number of people visiting town centres.
- **Staff vacancies within Safer Communities** – a Member expressed the view that no posts within Safer Communities should be deleted. Officers responded that the management of vacancies was one of the tools that could be used during periods of overspend when budgets were lean.

Decision:

The Committee agreed to note the result of the second round of revenue monitoring for 2017/18 and that Cabinet has agreed the forecast position and proposed management action.

542 Capital Budget Monitoring 2017/18 - Quarter 2

Discussion:

Members considered a report which presented the results of the Council's capital monitoring for Quarter 2 of the 2017/18 financial year, including out-turn forecasts and reference to any new schemes.

Decision:

The Committee agreed to note the spending forecasts summarised at Table 1 of the report.

543 Draft Capital and Revenue Budget 2018/2019

Discussion:

Members considered a report which provided an update on progress towards setting the Council's draft capital and revenue budgets for 2018/19. 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 2018.

The draft budget was based on the principles contained in the Medium Term Financial Strategy 2017/2022 approved by Cabinet in September and reflected the latest formula grant assumptions.

A Member expressed disappointment that there was no consultation with the public on budget proposals. In addition, he stressed the importance of realistic income targets and suggested that other Overview and Scrutiny Committees, in particular the Regeneration, Culture and Environment Overview and Scrutiny Committee, be mindful of this in their considerations of draft budgets.

A Member highlighted the need for the Committee to have greater clarity on the level of service provided by the Medway Commercial Group, as part of the budget setting process.

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 2018/19 and beyond; and
- 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 with the request that they be mindful of the need for realistic income targets.

544 Procurement Strategy

Discussion:

Members considered a report which provided an update on the progress made against the procurement strategy 2016-21.

A Member asked for a breakdown of the £1.8m of spend that had been identified that the Council could stop spending, reduce its supply chain or tender to achieve savings. It was agreed that officers would provide a briefing note.

Members noted the support that the Council gave to SMEs to win Council contracts. This had resulted in the awarding of 70% of contracts to SMEs, against a Government target of 20%. The Committee discussed the role of the Council in bringing SMEs together and also in assisting the voluntary/ community sector. This included encouraging the prompt payment of their invoices.

Decision:

The Committee agreed to note the progress made against the Procurement Strategy 2016-21.

545 Topics for In-Depth Scrutiny Reviews 2018/19

Discussion:

Members considered a report on topics that had been suggested for in-depth scrutiny reviews in 2018/19.

It was noted that a long list of six topics had been considered at a meeting of Overview and Scrutiny Chairmen, Vice-Chairmen and Opposition Spokespersons on 31 October 2017 and four had been recommended for approval by the Business Support Overview and Scrutiny Committee. Members were pleased to note the further work that had been agreed for the remaining two topics.

Decision:

- a) The Committee agreed that the programme of Task Group topics for 2018/19 should be as follows:

Review 1: The Impact of Social Isolation for the Council (Health and Adult Social Care Overview and Scrutiny Committee).

Review 2: Support for Carers (Health and Adult Social Care/Children and Young People Overview and Scrutiny Committees).

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Review 3: Physical Activity (Health and Social Care, Children and Young People, Regeneration, Culture and Environment Overview and Scrutiny Committees).

Review 4: Town Centres for the 21st Century (Regeneration, Culture and Environment and Business Support Overview and Scrutiny Committees).

- b) The Committee agreed the following action in relation to the two topics which were not selected for Task Group activity:
- Complaint Handling – regular review of learning from complaints (excluding social care complaints) at the Member User Group, a cross-party Member Level Group which meets informally on a regular basis to discuss customer experience of Council services.
 - Capacity of the Voluntary Sector in Medway – an assessment of risk through the next six monthly review of the Council's Corporate Risk Register and research to establish how other Unitary Councils manage their relationship with the voluntary sector. Further discussion to then take place with this Committee to determine the scope for further scrutiny of particular issues and to consider the option of (and format for) any direct dialogue by Overview and Scrutiny with representatives of the voluntary sector in Medway.

546 Work programme

Discussion:

Members considered a report regarding the Committee's work programme. A Member referred to the current 12-week consultation on stake reduction for fixed odds betting terminals to better protect consumers and communities. He requested that any response to the consultation by the Council be circulated to members of this Committee.

It was proposed that an item on the Council's petitions scheme in relation to e-petitions be added to the work programme for the meeting on 30 January 2018.

Decision:

The Committee agreed to:

- a) note the current work programme (Appendix 1 to the report);
- b) add an item on the Council's petitions scheme in relation to e-petitions to the work programme for the meeting on 30 January 2018; and
- c) note the work programmes of all overview and scrutiny committees (set out in Appendix 2 to the report).

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Chairman

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