

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 25 October 2018

6.34pm to 11.20pm

Record of the meeting

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

Present: Councillors: Carr (Chairman), Etheridge, Freshwater, Mrs Josie Iles, Joy (Vice-Chairman), Khan, Maple, Murray, Royle, Stamp, Tejan, Tranter and Wildey

In Attendance: Marc Blowers, Head of Housing Management
Mark Breathwick, Head of Strategic Housing
Katey Durkin, Head of Finance Strategy
Gemma Gilley, Benefits Manager
Richard Hicks, Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive
Perry Holmes, Chief Legal Officer/Monitoring Officer
Carrie McKenzie, Assistant Director - Transformation
Michael Turner, Democratic Services Officer
Councillor Rupert Turpin, Portfolio Holder for Business Management
Phil Watts, Chief Finance Officer
Glenn Stoneman and Lauren Munson, Department of Work and Pensions

482 Apologies for absence

There were none.

483 Record of meeting

The record of the meeting held on 23 August 2018 was agreed and signed by the Chairman as correct.

484 Urgent matters by reason of special circumstances

There were none.

485 Declarations of Disclosable Pecuniary Interests and Other Significant Interests

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Other interests

There were none.

486 Attendance of Portfolio Holder for Business Management

Members received an overview of progress on the areas 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;
- Income Generation;
- Risk Management;
- Business Management; and
- Commissioning.

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

Democracy and Governance – a Member suggested that some thought should be given to the potential to expand the role of the Mayor to include building relationships with key organisations and people in Medway, noting this may require some investment. The Portfolio Holder agreed to explore this idea and commented that previous mayors could be invited to contribute ideas through a working party, which another Member suggested should be cross party.

A Member referred to the annual canvass and the elections next May and asked what was being done to get as close as possible to a 100% response rate. The Portfolio Holder provided the latest statistics for the various channels people could use to respond, noting the figures had improved in some areas and reduced in others and that also there could be significant differences between individual wards. The aim was to get to as high a figure as possible.

Customer Contact – a Member expressed concern at staffing levels in Hubs given that workloads in some areas (such as council tax billing) would soon peak, but recognised that in the longer term there was a need to reduce staffing

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levels as a result of the transformation agenda. The Portfolio Holder explained that face to face and telephone contact with customers was still in place but levels had been reduced as part of the transformation programme and the need to make savings in customer contact. A Member emphasised the need for customer contact to pass complex queries to the relevant service.

Customer Contact had recently merged with the Business Administration Support Service and he would be closely monitoring the performance of the new team. The extent to which any consultation with staff on the re-structure had taken place, what training was in place, whether there had been any redundancies and whether the number of re-organisations which were below the threshold which triggered consultation with staff was increasing. The Portfolio Holder advised the restructure had been carried out sensitively and there had been no compulsory redundancies but some redeployments. Change was inevitable and would lead to improved services. He added that the staff he had spoken to seemed to be content in their new roles.

Audit and Counter Fraud – in response to a query, it was clarified that the new post of Intelligence Officer supported the work of the multi-disciplinary team and was not the sole officer responsible for fraud investigations.

Business Rates – the long term impact of ongoing appeals was referred to. The Portfolio Holder advised that appeals could take a long time to resolve. This was a national issue which could have an adverse impact locally. He was willing to look at any cases referred to him by Members.

Risk Management – with regard to cyber security, a Member asked what conversations had taken place with other councils and whether advice from the Local Government Association had been considered. The Portfolio Holder commented that there was an opportunity for Members to suggest new corporate risks as part of the process for reviewing the register. The Council always dealt with high quality IT partners and suppliers. He would discuss the suggestion that cyber security should be a corporate risk outside the meeting.

Decision:

The Committee noted the report and thanked Councillor Turpin for his attendance.

487 Universal Credit and Welfare Reforms - Six Monthly Progress Report

Discussion:

Members considered a progress report regarding Universal Credit and welfare reforms as agreed by Cabinet in September 2014, including the work of the Welfare Reform Steering Group.

The Chairman welcomed Glenn Stoneman and Lauren Munson from the Department of Work and Pensions (DWP) to the meeting.

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The following issues were discussed:

Stop notices and payment of rent – in response to a query, it was clarified that when a claim was made for Universal Credit the Council was sent a stop notice which led to housing benefit being stopped and housing costs were then paid through Universal Credit.

Roll out of Universal Credit – a Member asked for clarification on whether the roll out of Universal Credit was on hold. DWP advised that the migration of existing benefits was on hold and managed migration was now expected to be completed by 2023.

Local Welfare Provision – a Member asked if previous concerns that the new provider would be responsible for both giving advice and making payments had been addressed in the tendering process. The Chief Legal Officer advised the contract had been awarded in 5 lots and he would investigate if this concern had been resolved.

Transition to Universal Credit – in response to a query, DWP advised that, while there was always room for improvement, the transition in Medway had been smooth. There were 4,200 people on Universal Credit and 75% of staff had been trained. DWP enjoyed a very good relationship with the Council.

Personal Independence Payment (PIP) – a Member asked how many Medway residents had been affected by a High Court ruling on PIP. DWP undertook to try and establish the figures.

Appeals – a Member referred to a number of appeals he had been involved in which were upheld immediately and expressed concern at the time (often 12 months) it took to get to appeal and the backlog of appeals. DWP undertook to look into that issue.

Employment and Support Allowance – a Member referred to the recent announcement about errors in the payment of this allowance and asked if it was known how many Medway residents had been under-paid. A Member referred to constituents with long term health issues who had applied for health assessments and referred to problems with the paperwork being lost or misdirected and also queried why people whose conditions were not going to change had to re-apply every few months. DWP commented that a person with lifelong disabilities should not have to be regularly re-assessed and the cases referred to would be looked into.

Fluctuations in Universal Credit payments – a Member referred to an increase in cases of people not on a fixed income and who were seeing fluctuations in their UC payments where extra hours were worked as the system anticipated this would continue for the following month when that was not always the case. This created a disincentive to work extra hours. DWP advised that they received real time information from HMRC. Universal Credit was designed to cope with fluctuations of income but any specific cases could be looked into.

Communications between Housing Team and DWP – in response to comments, officers advised that housing staff had access to the DWP portal but the fact that DWP were not located in the same building meant there was a need to monitor that communications were effective.

Discretionary Housing Payments – a Member asked for more information on the 50% of claims which had been refused, whether there were any trends in terms of groups affected, for a comparison with the same period last year and an assurance applications were not being refused due to a lack of funds.

Decision:

The Committee agreed to:

- a) note the progress on the various work streams referred to within the report, and;
- b) request a briefing note on discretionary housing payments.

488 Council Plan Performance Monitoring Report Quarter 1 and Start of Year 2018/19

Discussion:

Members considered a report which summarised the performance at quarter 1 2018/19 for the programmes and measures which fell within the remit of this Committee.

The summaries of the discussions which took place at the Regeneration, Culture and Environment Overview and Scrutiny Committee and the Health and Adult Social Care Overview and Scrutiny Committee were set out in a supplementary agenda.

The following issues were discussed:

Number of private sector properties improved as a result of the Council's intervention – a Member asked how many landlords had been prosecuted where properties had not been improved as a result of intervention, for details of the costs and works involved where improvements had been made, how many tenants had been made homeless after reporting complaints about their landlord and for details about the challenging blocks of accommodation referred to in the report. Members were advised that officers were not aware of any prosecutions in the last year but the Council could potentially take a more robust line when seeking improvements. Details of improvement works and the costs involved were not collected. The numbers of people made homeless would be sought. Enforcement action had been taken in respect of the challenging blocks of accommodation.

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Digital take up – noting there was no target, a Member asked if other similar unitary councils had set a target. The Assistant Director – Transformation commented that a conscious decision had been made not to set a target given Medway was one of the first to pursue this agenda. Digital take up had been very positive and officers were considering possible targets.

Percentage of adults with learning difficulties in settled accommodation – as only the percentage figure was given a Member asked how many people this involved. Officers agreed to provide this information and also include this in the Quarter 2 report.

Number of Child Protection Plans – a Member asked for the reasons behind this increase. Officers agreed to provide this information and also include this in the Quarter 2 report.

Medway's economy as a whole – a Member noted the methodology for this measure was soon to be agreed and asked what this would look like. In addition, the recent announcement that Debenhams was to close 50 stores was a particular concern for Chatham High Street. The Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive responded that he was working on measures for the economy and commented on the changing nature and face of high streets which were no longer solely retail sites. The Council was in contact with Debenhams and was looking to see what wider actions could be taken in mitigation.

Numbers of households living in temporary accommodation - in response to a request for a breakdown showing the number of children, Members were advised this would be included in future reports. A Member also asked how many of this group had been homeless for 6 months or longer and was advised this information would be provided.

Affordable housing – a Member asked over what period the 430 units of affordable housing referred to would be delivered and was advised this would be over a 3 year period. Another Member queried how much of this would be genuinely affordable. The Head of Strategic Housing advised the units would either be social rent or capped at Local Housing Allowance level, so therefore should be affordable.

Thinking Place Project - a Member referred to the new place making boards in Chatham which, it was argued, did not sufficiently capture the spirit of Medway and the imagery did not represent people as much as it could. The Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive agreed to take on board the comment about the imagery but assured Members the people of Medway had been at the forefront of the project and a lot of positive feedback had been received.

A Member commented that the length of the Council Plan monitoring report made it difficult to decide where Members should focus attention. It was suggested that a balanced scorecard approach or similar would be better as that would make it easier to understand the top level measures and where

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improvements were being made. The Chief Finance Officer commented that he accepted the narrative in the report needed to be more succinct and focus more on areas where targets were not being met, although it was also important to report positive outcomes. In terms of using a different model for reporting performance, this could be looked at next year.

Decision:

The Committee agreed to note the quarter 4 and end of year 2017/18 Performance of the measures of success used to monitor progress against the Council's priorities.

489 The Draft Housing Strategy 2018-22

Discussion:

Members considered a report regarding the Housing Strategy 2018-22, which would replace the 2015-18 Housing Strategy approved by Cabinet in 2014. The Housing Strategy set out Medway's strategic approach for housing services and detailed how the Council would enable the delivery of these services.

In considering the draft Strategy the following points and queries were made:

- Given the changing housing market and the increasing need for affordable housing, a Member expressed concern that the targets in the revised Strategy had not changed. The target to build 204 units per year was not ambitious enough. The Council's aim that 25% of homes on large developments should be affordable was too low and often not met. Developers should be held to account and be compelled to publish their viability statements, as should Medway Development Company (MDC). Officers advised that the 25% target was a planning policy issue and dependent on the performance of the sector as a whole. Officers were confident the target of building 204 units per year would be met. The suggestion about viability statements would be discussed with the Head of Planning but for MDC it would be a matter for the Board.
- There should be more emphasis in the Strategy on MDC's plans to build housing, as the Council should be leading by example. In response the Head of Strategic Housing considered the Strategy captured the key objective of MDC to deliver 600 homes.
- The Strategy should reference the recent decision to lift the HRA borrowing cap.
- The robustness of the Landlord and Tenant Accreditation Schemes was queried. Officers advised the numbers of people who were part of these schemes was not known but feedback had been very positive.
- The steady rise in private sector rents was a factor in causing homelessness as people often struggled to make rent payments. The Council should write to the Government asking for the private rented sector to be urgently reviewed.
- Regarding a query how much social housing would be delivered, officers advised that as this term covered a variety of types of affordable housing

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the Strategy would be amended to include details of the number of social rented units.

- Given the over representation amongst the homeless of armed forces veterans, the Strategy should refer to the Armed Forces Covenant.
- HMOs were an increasing source of problems in parts of Medway and the Strategy should include reference to that. The Head of Strategic Housing accepted HMOs were an increasing challenge. The Strategy would address what actions the Council could take and how to report concerns. It was confirmed HMOs could be licensed retrospectively but the sector was diverse and not everyone was prepared to cooperate with the Council.
- The figure of 1% of people living rent free was felt to be low. Officers explained this figure was derived from census data and it was accepted there would be young people living at home who were struggling to access accommodation.
- Out of area placements were a significant problem and this was affecting parts of Medway. As there was not a requirement for other Councils to notify Medway in all cases, it was suggested the Government be lobbied to change the rules so there was a duty on councils to notify host authorities in all cases of out of area placements. The Head of Strategic Housing commented this was a complex area and the issue raised had been discussed with the Government.
- The current focus for MDC was finding sites in urban areas but the company should also look at opportunities when sites became available in rural areas. The Chief Legal Officer acknowledged the present focus was on urban sites but if rural sites came forward then options would be kept open.
- Where MDC came forward with a development and wanted to locate the affordable housing it was required to provide on a different site then, in those circumstances, it should provide additional affordable housing. Officers advised that this would have to be dealt with on a case by case basis. A Member asked that this issue be raised with the Chairman of the Planning Committee and the Opposition Spokesperson.
- In response to a query whether there was sufficient capacity across the Council to deliver the Strategy, officers were confident the resources were available to deliver the strategy.
- There was insufficient reference to the importance of infrastructure. The Head of Strategic Housing recognised the importance of infrastructure, which was reflected in the Strategy, but did not consider there was a need to include more details as this issue was dealt with more fully in other Council plans.

Decision:

Members agreed to note the draft Housing Strategy 2018-2022 and forward the following recommendations to Cabinet:

- a) that the Government be requested to consider changing the rules on out of area placements to require Councils to notify host authorities in all cases of out of area placements.

- b) that the Strategy should include reference to the Armed Forces Covenant and also the lifting of the HRA borrowing cap, and;
- c) that the Housing Minister be requested to review the private rental sector market including the possibility of tightening the regulations governing this sector, given its impact on the overall housing market.

490 Draft Tenancy Strategy 2018

Discussion:

Members considered a report seeking their comments on the new draft Tenancy Strategy 2018. The previous Tenancy Strategy had been agreed in 2012 and there had been changes in legislation which required it to be updated.

In response to a request for clarification on how introductory tenancies worked, the Head of Strategic Housing advised that all social housing tenants were offered an introductory tenancy, typically for one year, but if there were any problems with the tenancy this could be extended.

A Member made the point that there should be more flexibility for over 55s and also for people downsizing and moving to a different part of Medway. The Head of Strategic Housing advised that the issue about over 55s was more a matter for the Allocations Policy to address. A Member asked if the Tenancy Strategy could make it clearer that anyone who moved to a different property and their circumstances did not change should be able to remain in the new property. Also where someone wanted to downsize and a property was not available the Strategy should be clear that they did not need to move to a different tenure or area. The Head of Strategic Housing advised that in practice that was the position but he would see if the Strategy could be made clearer on these points.

A Member referred to the issue of families with fixed term tenancies and young children and expressed the hope that social landlords would offer a tenancy lasting more than 5 years to avoid disruption to a young person's schooling. The Head of Strategic Housing advised the Strategy was designed to provide flexibility and encourage other providers to use their discretion to offer longer tenancies. A Member proposed that the draft Strategy be amended to state that social landlords were encouraged to extend fixed term tenancies beyond five years where the households includes young children.

Decision:

The Committee agreed to:

- a) note the draft Tenancy Strategy 2018 and;
- b) recommend to Cabinet that the third sentence of paragraph 2.3 of the Strategy should be amended to read:

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“Fixed term tenancies would generally be for five years but social landlords are encouraged to extend this where the households include young children.”

491 6 Monthly Review of the Corporate Risk Register and Annual Review of the Risk Management Strategy

Discussion:

Members considered a report which presented the latest six monthly review of the Corporate Risk Register and the annual review of the Risk Management Strategy. The Committee was invited to consider the report and submit any comments to the Cabinet.

A Member commented that the risk register should include risks relating to Brexit and cybersecurity and also made the point that, with regard to the alternative service delivery models risk, the way in which operational and financial issues should be scrutinised had not yet been adequately resolved.

The Head of Finance Strategy advised that the governance arrangements of the various models was currently being reviewed. Cyber security was a risk across teams and the Risk Register included risks relating to business continuity and emergency planning. In response a Member proposed this should be a specific risk in the Register.

Decision:

Members agreed to:

- a) note the amendments proposed to the Risk Management Strategy;
- b) note the amended Corporate Risk Register
- c) note that the Risk Management Strategy and Corporate Risk Register will be submitted to Cabinet on 20 November 2018, and;
- d) recommend to Cabinet that the risk of cybersecurity be added to the Corporate Risk Register.

492 Corporate Peer Challenge 6 Month Review

Discussion:

Members considered a report which set out a series of updates following the Corporate Peer Challenge in November 2017. At the meeting of the Business Support Overview and Scrutiny Committee held on 12 April 2018, it had been agreed officers would conduct a 6 month review against the actions for this Committee.

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Members paid tribute to the dedication and hard work of Council staff which had been such a contribution to the successful outcomes of the Peer Review.

In response to a question whether there would be a follow up review, Members were advised that an offer had been made but the benefits of this this were being weighed up against the additional work it would entail.

Decision:

The Committee agreed to note the updates from officers regarding action in implementing the recommendations of the Corporate Peer Challenge.

493 The Potential Impact of Brexit

Discussion:

Members considered a report which drew on the sectoral analysis undertaken by the Government to assist Members to understand the potential impact of Brexit on the Council and the people of Medway.

With regard to whether the Council should assess the possible impacts of Brexit on Medway, there were differing views amongst Members. Some Members made the point that, in view of the uncertainty about Brexit at a national level, it would be better to wait and see what emerged before attempting to assess the potential impacts on Medway. A Member commented that officer time on assessing risks would be wasted unless the risks were specific to Medway but NHS organisations and businesses in Medway should be asked for their views on the possible impacts.

Other Members argued that, as the United Kingdom would be leaving the EU on 29 March 2019, there were many practical issues the Council could and should prepare for. The decision to leave the EU was hugely significant for the country and, accepting the uncertainty surrounding it, the Council should be preparing for it. The possible impacts on Council employees, suppliers reliant on the EU, trade, agriculture and infrastructure providers could be significant and the affected sectors would be looking for some assurance from the Council. The risks to Medway were known and the Council should be showing some leadership. The point was made that there was no organisational memory of a world where the UK functioned outside of the EU.

A Member commented it would be a concern if officers had not started to look at the possible impact on Medway. Members were advised that officers were keeping a watching brief on the possible impacts of Brexit, which included reviewing other organisations' assessments and their scenario planning as well as discussing specific issues in professional networks. Some Members commented that this offered a degree of reassurance but it would be preferable if all of this internal work was brought together in order to give some confidence to the public. A Member made the point that anything published should not be scaremongering in nature. A Member argued that the watching brief position

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taken by officers was as much as could be undertaken in the circumstances and it was impossible to cover all eventualities.

Referring to the “call for information” from the Local Government Association, officers clarified, in response to a question, that the Council had not made a submission.

In response to whether anyone from the Council would be attending the meeting of the Key Cities Group in November to discuss Brexit, officers undertook to establish if anyone was attending.

Decision:

The Committee agreed to:

- a) note the advice and guidance issued by the Government in preparation for the conclusion of the Brexit negotiations, and noting that officers are keeping a watching brief on issues in relation to Brexit, recommend that Cabinet:
 - i) ask officers to compile a brief, public document which assesses the potential impacts of Brexit on those sectors relevant to Medway’s economic, social and educational priorities, recognising that much of this information will already exist in current Council policies and strategies, and also;
 - ii) seek the views of the Council’s suppliers on what they consider to be the potential impacts of Brexit on them.

494 Work programme

Discussion:

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

A Member referred to the high volume of business scheduled in the work programmes of the Overview and Scrutiny (O&S) Committees and it was agreed this matter be discussed at the next agenda planning meeting.

It was noted that the Portfolio Holder for Planning, Economic Growth and Regulation had been unable to attend the last meeting of the Regeneration, Culture and Environment O&S Committee to be held to account due to a bereavement and this would probably be rescheduled for the March 2019 meeting.

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Decision:

The Committee agreed to:

- (a) note and identify items for inclusion in the work programme as set out in Appendix 1 to the report;
- (b) amend the work programme by agreeing that the report on the Council's e-petition platform be submitted to the November meeting of the Committee, and;
- (c) note the work programmes of the other overview and scrutiny Committees, as set out in Appendix 2 to the report.

Chairman

Date:

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