

**Medway Council**  
**Meeting of Business Support Overview and Scrutiny**  
**Committee**

**Thursday, 29 November 2018**

**6.34pm to 9.20pm**

**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 and Tranter

**Substitutes:** Councillors:  
Purdy (Substitute for Wildey)

**In Attendance:** Mark Breathwick, Head of Strategic Housing  
Perry Holmes, Chief Legal Officer/Monitoring Officer  
Julie Keith, Head of Democratic Services  
Carrie McKenzie, Assistant Director - Transformation  
Michael Turner, Democratic Services Officer  
Phil Watts, Chief Finance Officer

**552 Apologies for absence**

There were none.

**553 Chairman's Announcement**

The Chairman announced that Marc Blowers, Head of Housing Management, would be leaving the Council next month to take up a new role with mhs Homes. Marc had been a source of invaluable support and advice to the Committee and the Council over many years and would be sorely missed. On behalf of the Committee the Chairman thanked Marc for his support and wished him all the best in his new position.

**554 Record of meeting**

The record of the meeting held on 25 October 2018 was agreed and signed by the Chairman as correct.

Referring to minute no. 493 (The Potential Impact of Brexit), a Member expressed his disappointment that the Cabinet had not agreed to compile a brief, public document which assessed the potential impacts of Brexit, as recommended by the Committee.

**555 Urgent matters by reason of special circumstances**

There were none.

**556 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.

**557 Attendance of Portfolio Holder for Resources**

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 and Digital Services
- Council Plan
- Performance and Service Improvement
- Business and Administration Support Service
- Complaints Policy and Management
- HR
- ICT
- Legal
- Property
- Category Management//Procurement
- Travellers, and;
- Joint Ventures

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

- **Travellers** – a Member asked what progress there had been in developing a policy which was sympathetic to the needs of both travellers and residents and also for an update on finding suitable sites for travellers. Councillor Gulvin commented that, although this was more of a Local Plan issue which was not part of his Portfolio, plans to identify a site in Strood had not been successful and other sites were being looked at. However, this was a very difficult area as most people objected to a proposal to locate a site in their neighbourhood. Due to the lack of a permanent site, planning permission was sometimes granted for sites

which were not ideal. The Council now responded to illegal incursions more robustly and quickly and there was better partnership working with the police and Medway Norse. A Member argued there was a need for a positive strategy towards travellers, including input from children's services to encourage more travellers to sign up to a GP and enrol children in schools. Councillor Gulvin commented that consideration had been given to deploying social workers for this purpose but pressures of work had prevented this from happening.

- **Medway Norse and Medway Commercial Group** – a Member sought the views of the Portfolio Holder on how these alternative delivery models were progressing. Councillor Gulvin commented that the grass cutting service provided by Medway Norse had deteriorated but Medway Norse had responded well even though the greenspaces contract had not experienced any financial uplift and Medway Norse had absorbed pressures such as the National Living Wage. Councillor Gulvin added it was disappointing Medway Norse had not won more external contracts but they had been very good at supporting local communities in various ways. In conclusion, there was room for improvement but the partnership had generally worked well and was maturing and Medway Norse was delivering a good, professional service.

With regard to Medway Commercial Group (MCG), Councillor Gulvin considered there had been some governance issues with MCG and there could have been more openness with Cabinet and others. There were some planned changes to the governance of MCG. The move to a greater use of alternative delivery models by local authorities was a relatively recent one. Disagreeing with that point, a Member responded that was not the case as compulsory competitive tendering had been introduced many years ago. In addition, the Council had established MCG with public money and a significant amount of Member and officer time was spent on regulating their activities and establishing what was happening. It was argued that these alternative models tended to cost the Council as much as it saved and produced little in the way of innovation or efficiencies. Councillor Gulvin disagreed with this view and felt it was vital to look at alternative models of delivering services in order to achieve value for money and the Council did not have the capacity to directly provide all services.

- **Child Care Court Proceedings** – accepting this was a challenging issue, a Member queried how Medway compared with other upper tier authorities in terms of timescales for these proceedings. Councillor Gulvin commented he did not have any comparative information but the Court was now happy with the timescales. There was more stability in the Legal Services People Team and managers had made significant efforts to make improvements, including monthly monitoring of performance information. Another Member made the point that sometimes it was better to wait a few weeks to get the right result for a child and that there were very few cases of adopted children's placements breaking down. The Chief Legal Officer advised that there was no benchmarking data

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available for child care court proceedings but an analysis of the duration of proceedings produced by officers and also data by court areas could be provided which showed the Council had performed better than the national average in the last two years.

- **Men in Sheds Programme** – A Member asked where this scheme was based and it was clarified that the only location in Medway was the Sunlight Centre.
- **Direct Payments** – some Members commented on the importance of making sure individuals were fully aware of what their direct payments were purchasing.
- **Healthy Living Centres** – a Member asked where these centres were based and whether one was planned for Strood. Councillor Gulvin replied that one was planned for Hoo and others were in the pipeline.
- **Digital Transformation** – a Member commended the achievements as a result of the digital transformation programme but asked the Portfolio Holder to look at an issue raised by a resident that it was difficult to identify a person's correct ward councillor from the Council's website. Another Member commented on difficulties in uploading photographs onto the website. The Portfolio Holder undertook to look into these issues.
- **Chatham Regeneration Schemes** – in response to a request for an update, the Portfolio Holder advised that the Waterfront and Whiffens Avenue developments were both exciting schemes although the design of the latter was now not quite the same quality following objections from English Heritage. The affordable housing element of the Whiffens Avenue development would be provided at White Road and the Waterfront development element would be at the Britton Farm site in Gillingham.
- **Customer Contact Centre** – in response to a request for an assurance there would be no compulsory redundancies in the team and that face to face contact would be available in the Community Hubs, the Portfolio Holder commented there were no plans for compulsory redundancies at the moment. Some members of the team had been redeployed and he hoped that the jobs that were left were more fulfilling. The Council was on track to achieve the £5m savings from the Transformation Programme. With regard to the Hubs, an assisted digital service would be provided for as long as possible.

### Decision:

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

**558 Procurement Strategy - Six Month Update**

**Discussion:**

Members considered a report which provided the Committee with a six month update on the implementation of the recently amended Procurement Strategy.

In response to questions, the Head of Category Management undertook to provide Members with details of what percentage of Small and Medium Enterprises who had been awarded Council contracts were based in Medway and also to keep Members informed of any changes in EU procurement rules after Brexit.

A Member commented that the narrative explaining progress against the Strategy was difficult to follow and asked if it could be made clearer for the future as well as including more measurable outcomes. In response, the Head of Category Management explained that the Strategy set out overarching objectives and more measurable outcomes sat below these. More information on these could be included in the next update.

**Decision:**

The Committee:

- a) noted the progress made against the Strategic Objectives (including those amended) from the Procurement Strategy 2016-21 and support their continued implementation, and;
- b) agreed that, in future, the Strategy should be reviewed on an annual basis.

**559 The Council's Petition Scheme - E-Petitions**

**Discussion:**

Members considered a report which advised the Committee of the current position relating to the scope for enhancements to the e-petition facility hosted by the Council.

Referring to the work done by officers to explore the potential to develop the functionality of the Council's e-petition system supplied by mod.gov, a Member asked whether the other Councils who had asked for enhancements to the e-petitions facility were seeking the same improvements as Medway and whether there was scope to make a joint approach to mod.gov, given there was no desire to identify Council funding given the current financial climate. The Head of Democratic Services agreed to explore this proposal with mod.gov.

Commenting that the Council's e-petitions system was relatively basic compared to some hosted by external organisations and that it should be in the Council's interests to accept all e-petitions, a Member asked if any more

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approaches had been made to Change.Org etc. to see if they were willing to adapt their systems to provide all the information required by the Council. The Head of Democratic Services advised that no further approaches had been made but Change.Org had been very clear previously that they were not willing to change their system. Another Member commented that the Council's position not to accept e-petitions from Change.Org was correct. A Member asked if it was possible to identify whether people who had signed e-petitions on external sites were residents of Medway and was advised if the signatory had completed all the relevant fields then the Council as the decision maker would be able to see the name, town, postcode (in some cases) and country but not the full email address and full postal address as required under the Council's Scheme.

It was then proposed that the Council should continue to only accept e-petitions which fully complied with the Council's e-petition scheme and that the Cabinet be recommended to not seek to upgrade the mod.gov e-petition scheme currently in use until such time as additional funds become available. After a vote this was agreed.

### **Decision:**

The Committee agreed to:

- a) note the report;
- b) support the Council's position to continue to only accept e-petitions which fully comply with the Council's e-petition scheme, and;
- c) recommend to Cabinet that the mod.gov e-petition scheme currently in use should not be upgraded until such time as additional funds become available.

## **560 Council Plan Performance Monitoring Report Quarter 2 2018/19**

### **Discussion:**

Members considered a report is a summary of the performance at quarter 2 2018/19 for the programmes and measures which fell within the remit of this Committee.

The following issues were discussed:

- **Number of children in temporary accommodation** – a Member asked what plans were in place to minimise the disruption to schooling for those children in temporary accommodation and queried whether the figure in the report of 650 children in temporary accommodation was correct. The Head of Strategic Housing undertook to check the figure and advised that the vast majority of temporary accommodation used by the Council was self-contained flats or houses with very low usage of B&Bs or hostels.

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Support and advice was given to people in temporary accommodation and all housing staff had received safeguarding training.

- **Affordable housing target** – a Member asked how many homes would be built per annum under this target and queried whether the target should sit with the Regeneration, Culture and Environment O&S Committee. The Head of Strategic Housing advised the target was 204 per annum and this was expected to be exceeded. Which O&S Committee was responsible for scrutinising the target would be clarified. Referring to the shortage of affordable housing, another Member asked how many people classed as homeless had been so for more than 12 months. The Head of Strategic Housing advised that although he did not have that detail, there had been a national increase in the numbers of people placed in temporary accommodation in recent years. The Council now carried out significantly more preventative work and, in addition, the vast majority of people moved out of temporary accommodation fairly quickly. He would provide a breakdown of the length of time spent in temporary accommodation.
- **Measures significantly below target** – a Member referred to the large number of these measures which impacted on vulnerable people and asked if this had prompted action to make improvements. The Chief Finance Officer advised that where measures were significantly below target for more than 2 quarters then a deep dive into the issue would be commissioned.
- **Chatham Centre Public Realm Improvements** – a Member referred to the new business which would be located in the Fire Station arches and highlighted the importance of making it clear from the start that customers would not be able to park outside the property. The Chief Legal Officer advised that the new business would benefit from good public transport links and was on the main walking route from the Railway Station to the High Street.
- **Refurbishment of Charles Dickens Chalet** – in response to a query whether the bid for Heritage Lottery funding had been successful, Members were advised the Council would find out by the end of the week.
- **Chatham Railway Station** – a Member expressed disappointment with the proposals both in terms of their timeliness and the poor impression that would be left upon on exiting the station, particularly in view of the £4m that had been invested on improving the walking route from the station to the High Street. He added that the continued lack of a lift in the station was unacceptable.
- **Digital take up** – a Member commented on the challenge of quantifying this given the inevitable need for some human interaction between learners and tutors would have a negative impact on the way this was measured and suggested the Member Development Advisory Group could look at this issue. The Assistant Director -Transformation welcomed

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that suggestion and commented that, for funding reasons, there had to be some face to face contact with learners. She was looking at how to measure digital take up in a way which was not skewed by this non-digital contact. In response to comments from a Member about difficulties experienced by some people trying to enrol for adult education courses online, the Assistant Director advised that when the online facility had been launched a small number of courses were not listed but that had since been corrected.

- **Children permanently excluded from school** – in response to a query, the Chief Finance Officer agreed to request more detail from the Director of People - Children and Adults Services on what provision was made for these children.

### Decision:

The Committee agreed to:

- a) note the quarter 2 performance of the measures of success used to monitor progress against the Council's priorities, and;
- b) ask officers to clarify with the Chairmen, Vice-Chairmen and Spokespersons of the Business Support and Regeneration, Culture and Environment O&S Committees where responsibility for scrutinising affordable housing sat.

## 561 Sponsorship and Advertising Policy

### Discussion:

Members considered a report regarding a draft policy on the carrying out of sponsorship and advertising activities by the Council.

The draft policy covered:

- The Council as an advertiser or sponsor; and
- The Council as an owner of an advertising platform or sponsorship opportunity which an external individual, group or organisation may wish to take up.

There was general support from Members for the policy. A Member queried whether the policy would be mandatory in nature or whether its purpose was to provide guidance, commenting that the Council should not be bound by a policy which prevented creative and flexible decision making in the future.

The following suggestions were made which sought to improve the draft policy or add clarity:

- There should be a reference to the Purdah period.



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- In section 7, the reference to “imminently” regarding a procurement process with the Council was too vague and there should instead be a definitive timescale to provide clarity.
- Not permitting advertisements or the acceptance of sponsorship from trade unions and pressure groups was seen as problematic as there would be occasions where this would be appropriate. In addition excluding organisations with a political purpose was seen as too broad as many issues would have a political purpose but would not be party political in nature, the latter being clearly unacceptable. This could also lead to events which could be funded or partly funded by an external organisation having to be funded wholly by the Council. It was suggested that instead of ruling out organisations with a political purpose, including trade unions and pressure groups that consideration should be given on a case by case basis.
- In terms of the financial cost/value of advertising or sponsorship arrangements, the Gillingham FC sponsorship deal showed that non-financial considerations could be an important factor and it was suggested that these references in section 9 should be re-worded to refer to the “total reward of the contract”.
- Section 7 should be amended to include individuals as well as organisations, excluding any Director of a company who had been declared bankrupt or was part of group of companies which had gone bankrupt.
- The Policy should make it clear that, in the interests of transparency, any company seeking to advertise with the Council or enter into a sponsorship arrangement where a Member of the Council was involved with the company would not receive special treatment. Advice was given that the Member Code of Conduct also provided a safeguard against such a situation.

### **Decision:**

The Committee agreed to forward all of the above comments and suggested changes in wording to the draft advertising and sponsorship policy to Cabinet for consideration.

## **562 Revenue Budget Monitoring 2018/19 - Quarter 2**

### **Discussion:**

Members considered a report which presented the results of the Council’s revenue budget monitoring for Quarter 2 of the 2018/19 financial year.

A Member queried the reference to Medway Norse being expected to deliver the budgeted profit share given the Council had paid Medway Norse £112,000 as an uplift in the contract payment. The Chief Finance Officer explained that each year an uplift to the contract was negotiated with Medway Norse to partly mitigate pressures such as the National Living Wage increase. The agreed amount would be less than the original amount requested as the Council

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expected Medway Norse to absorb an element of these pressures. Some Members questioned the value of this contract to the Council.

A Member asked for more detail on the overspend in Medway Matters.

A Member commented on the importance of ensuring the benefits to a public body as a result of investment decisions by the Council did not become a pressure for the Council. It was argued this issue had been made more difficult by the recent changes to partnership commissioning at officer level. The Chief Finance Officer advised that discussions were taking place with the Clinical Commissioning Group to map all of the contributions they made to the Council and identify those areas where the Council considered this contribution did not match the funding provided by the Council. He agreed it was important to ensure that the Council received good value on its investments where they benefited others. With regard to partnership commissioning, this area had been restructured due to the duplication on commissioning that existed.

In response to a query about the likely budget pressures due to the reduction in business rates for small businesses, the Chief Finance Officer commented he anticipated these pressures would be offset by the S.31 grant.

A Member asked what percentage of Medway Norse's income was generated from outside of the Council and what amount of this went into the share of the surplus the Council received and therefore balanced some of the uplift given to Medway Norse.

### **Decision:**

The Committee agreed to:

- a) note the result of the second quarter of revenue Monitoring for 2018/19 and also that Cabinet has instructed officers to identify further management action to ensure a breakdown position is achieved by year end, and;
- b) request a briefing note on what percentage of Medway Norse's income was generated from non-Council business.

## **563 Capital Budget Monitoring 2018/19 - Quarter 2**

### **Discussion:**

Members considered a report which presented the results of the Council's capital monitoring for Q2 of the 2018/19 financial year, including outturn forecasts and reference to any new schemes for approval.

In response to a query about capital funding for the Medway Tunnel, the Chief Finance Officer advised that provision for the tunnel had been made in the revenue budget. When the Capital Strategy was refreshed, capital funding for the tunnel would be looked at.

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A Member referred to the Medway City Estate Connectivity project and asked why only £17,000 of the £2m approved budget had been spent to address the long standing and significant issues which affected people traveling in and out of the estate. In response, officers agreed to provide a briefing note.

A Member commented on the unusual nature of the proposal to fund the purchase of mobile devices from the Capital Programme by prudential borrowing. The Chief Finance Officer explained this was revenue expenditure which was funded by capital resources under statutory requirements.

### **Decision:**

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

## **564 Draft Capital and Revenue Budget 2019/2020**

### **Discussion:**

Members considered a report which provided an update on progress towards setting the Council's draft capital and revenue budgets for 2019/20. In accordance with the Constitution, the Cabinet was required to develop 'initial budget proposals' approximately three months before finalising the budget and setting council tax levels at the end of February 2019.

The draft budget was based on the principles contained in the Medium Term Financial Strategy (MTFS) 2018-2023 approved by Cabinet in September and reflected the latest formula grant assumptions.

In response to a query about Medway Norse, the Chief Finance Officer advised that as a Teckal company Medway Norse could only generate a small percentage of its business from outside the Council. Also the areas of work it specialised in tended not to generate significant profits due to the small margins. The main driver for Medway Norse had always been about generating efficiencies.

A Member criticised the lack of any consultation with the public on the draft budget; asked if the business rate pilot retention scheme was likely to continue for a second year and expressed frustration at the fluidity of the date of the local government finance settlement. In response the Chief Finance Officer advised that the finance settlement date had been expected on 6 December but this may happen later in December and it was expected to include a decision about the extension of the pilot.

### **Decision:**

The Committee agreed to:

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- a) note that Cabinet has instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2019/20 and beyond, and;
- b) note the proposals outlined in the draft capital and revenue budgets and forward the proposals to the individual overview and scrutiny committees

### **565 Work programme**

#### **Discussion:**

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

#### **Decision:**

The Committee agreed to:

- (a) note the Committee's work programme as set out in Appendix 1 to the report, and;
- (b) 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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