

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 31 January 2019

6.30pm to 9.12pm

Record of the meeting

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

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

Substitutes: Councillors:
Steve Iles (Substitute for Mrs Josie Iles)

In Attendance: Mark Breathwick, Head of Strategic Housing
Katey Durkin, Head of Finance Strategy
Perry Holmes, Chief Legal Officer/Monitoring Officer
Dawn Hudd, Assistant Director, Physical and Cultural Regeneration
Andrew Mann, Managing Director, Medway Norse
Michael Turner, Democratic Services Officer
Phil Watts, Chief Finance Officer

766 Chairman's Announcements

- a) The Chairman announced the sad death of Councillor Carr, who had served as Chairman of the Committee since May 2016. Councillor Carr had always taken his responsibilities seriously, carrying them out with fairness, good humour and civility. Councillors Etheridge and Murray also paid tribute to Councillor Carr, commenting on his many contributions to the Council and how important his family had always been to him.

The Committee asked that a letter of condolence be sent to Councillor Carr's family.

Everyone present then stood for a minute's silence in memory of Councillor Carr.

- b) The Chairman welcomed Dawn Hudd to her first meeting of the Committee following her appointment to the post of Assistant Director, Physical and Cultural Regeneration.
- c) The Chairman advised that, as a result of the decisions taken at the Council meeting last week to review the allocation of Committee seats, the

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seat previously allocated to the former UKIP Group had been re-designated as a vacancy. The vacancy as a result of the death of Councillor Carr had been filled by Cllr Fearn.

- d) The Chairman agreed to accept a petition from a member of the public regarding the Brook Car Park in Chatham. It was noted the petition would be dealt with in accordance with the Council's Petitions Scheme.

767 Apologies for absence

Apologies for absence were received from Councillors Fearn and Mrs Iles.

768 Record of meeting

The record of the meeting held on 29 November 2018 was agreed and signed by the Chairman as correct.

769 Urgent matters by reason of special circumstances

There were none.

770 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Other interests

There were none.

Councillor Doe advised that, in relation to agenda item, he had received a dispensation from the Councillor Conduct Committee which allowed him to participate in any discussion on Medway Development Company Limited, as Director and Chairman.

771 Attendance of the Deputy Leader and Portfolio Holder for Housing and Community Services

Discussion:

Members received an overview of progress on the area within the terms of reference of this Committee covered by Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services, i.e.

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- All Housing Services (including HRA)
- Homelessness and Housing Options
- Private sector housing
- Adult learning
- Libraries and Community Hubs
- Voluntary sector

Councillor Doe responded to Members' questions as follows:

- **Rough sleeping** – a Member queried how the reduction in rough sleepers had been achieved and what was planned for existing rough sleepers when freezing temperatures were forecast. Councillor Doe advised that the arrangements for dealing with rough sleepers had been overhauled, helped by Government funding. Over 50 rough sleepers had been supported into accommodation and the emphasis was now focused on offering assistance to a hard core of rough sleepers. Other measures to tackle the problem included Housing First (a scheme to place rough sleepers into accommodation and support them to sustain their tenancy) and an increase in hostel provision. When the Severe Weather Emergency Protocol was in place outreach workers would look out for rough sleepers and assistance could be sought from Kingsley House.

A Member commended the work of the homelessness team and asked whether Housing First represented a long term solution to tackle rough sleeping. Councillor Doe commented that Housing First had the potential to dramatically reduce homelessness but could never eradicate it as there would always be some people who did not want to be helped. The key was to work with people on a one to one basis and encourage them to turn their life around. A Member disagreed with this outlook that there would always be some people who could not be reached and argued the approach should be to offer intensive support to people, many of whom had ended up making poor choices as a result of complex and difficult experiences. There was also a need for more affordable accommodation, particularly as targets had not been met, and the Council should also look at introducing a licensing scheme. In response, Councillor Doe emphasised that everything possible was being done to help people in this situation but, ultimately, there would always be an element of free will. The affordable housing target had not been met due to the late development of two external care schemes. More affordable housing would result from developments planned in Medway. The Council did not have the resources to introduce a licensing scheme.

- **Emergency accommodation for vulnerable rough sleepers** – a Member queried how much was delivered by external organisations and Councillor Doe replied that a Charter had been agreed to ensure the Council and other agencies worked together in a co-ordinated way. Details of respective roles could be provided.

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- **Homelessness** – a Member asked for details of the new Homelessness Hub and its location. Councillor Doe responded that this would be operational in a matter of weeks and would be located in Chatham. Regarding the landlord helpline aimed at preventing evictions, Councillor Doe commented that the Council supported landlords by explaining to them their responsibilities and the possible penalties they could face. The Council used a number of tools to try and prevent evictions, aiming to intervene as soon as possible. Support to tenants was also provided.
- **Social Isolation** – regarding the work of Adult Education in combating social isolation, a Member asked for an assurance that people in rural areas would also be included. Councillor Doe commented this work was a Council wide initiative and the service was trying to involve more people in adult education so they could learn new skills and interact with others.
- **Children in temporary accommodation** – in terms of what action was being taken to support the approximately 600 children living in temporary accommodation, Councillor Doe advised that the housing team would deal with any housing issues and alert other departments to other issues as appropriate. A Member queried how many of these children were known to children's services before being placed in temporary accommodation, commenting it would be a concern if this was a significant number.
- **Private rental market** – a Member expressed concern about the private rental sector in Medway, noting the poor quality of many properties and landlords, and asked if the Council had the resources to deal with this. Councillor Doe acknowledged the heavy workload of the team but considered it was coping well. He was willing to increase resources if the need was demonstrated.
- **Building Council houses** – a Member asked what representations had been made to the Government to allow the Council to be able to start to build new council homes. Councillor Doe welcomed the lifting of the borrowing cap. It was important though that each scheme was assessed to ensure borrowing was affordable. Funding was available for 3 reasonably sized schemes, with a fourth a possibility.
- **Welfare reform** – regarding how closely the landlord services welfare reform team worked with the Council's welfare team, Councillor Doe commented the teams worked well together and he was not aware of any major problems.
- **Libraries and Community Hubs** – in response for a request for clarification on the difference between the Neighbourhood Community Hub at Hempstead compared to other libraries and also whether there were plans for a Community Hub at Rainham, Councillor Doe responded that the Hempstead site was on a smaller scale, which was why it was not possible to provide as many services and why it could only offer

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limited advice to the public. It was hoped that a Community Hub in Rainham could be established as part of the development of the shopping centre.

A Member queried how Medway had been so successful in providing a library service and also asked for an update in respect of Grain Library. Councillor Doe considered that in part this was because the libraries offered more varied services which encouraged visitors and also due to the ethos of trying to make libraries relevant to their communities. He added that he did not see Grain becoming a Community Hub as that would not be sustainable. A Member disagreed with this view and considered more people would visit if a greater range of services were offered.

A Member expressed concerns about the future of libraries in Medway and asked for an assurance there would be no closures, reductions in opening hours and staffing or an increase in the use of volunteers. Councillor Doe responded that, whilst it was impossible to give absolute guarantees, there were no plans to replace paid staff with volunteers or reduce staffing levels or opening hours.

- **Developments** - Members asked what actions were in place to mitigate against speculative developments due to the lack of a Local Plan and also what was being done to lobby the Government to change the permitted developments rules to prevent developments without S.106 Agreements and which could not be influenced by the local planning process. Councillor Doe commented that little could be done until a Local Plan was in place. This had been delayed by a bid to the housing infrastructure fund which it was hoped would attract substantial additional resources. After Councillor Doe advised that the Council would be making a submission to Government on the issue of permitted developments, a Member asked if this could be shared with Members.

Decision:

The Committee thanked the Deputy Leader and Portfolio Holder for Housing and Community Services for his attendance.

772 Becoming a Single Use Plastic Free Council

Discussion:

Members considered a report on progress in becoming a single use plastic free Council.

A Member welcomed the progress that had been made and asked for an update on how long the contracts with the existing catering providers were in place for and also if the events infrastructure framework would be in place for April 2019 as planned. The Head of Category Management advised that the deadline for existing contractors becoming single use plastic free had been

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optimistic in terms of assuming how receptive they would be. Progress was now dependant on when the infrastructure framework was in place as this would now cover all catering provision and not just events catering as originally envisaged. This was expected to be in place around July/August.

A Member argued that any existing catering provider who had not yet engaged with the Council on this issue should not be considered for an extension to their contracts. The Head of Category Management replied that where there was a lack of co-operation the Council could not unilaterally alter contracts.

The view was expressed that, once the Council had become fully single use plastic free, it should then lead by example by promoting the message across businesses, partners and residents.

A Member made the point that the Council should look at this issue more broadly and consider the environmental impacts of all its activities. The Chief Legal Officer agreed to look at carrying out an environmental audit across all purchasing and see if this could be incorporated into the refreshed procurement strategy.

Decision:

The Committee agreed to:

- a) note the update on progress made to becoming a single use plastic free Council, and;
- b) welcome the suggestion that an environmental audit be carried out across all of the Council's purchasing activities with a view to incorporating this into the procurement strategy.

773 Medway Norse Update

Discussion:

Members considered a report which represented a review of the performance of the Joint Venture from the perspective of the Council client for first six months of the 2018/19 financial year. The report was accompanied by an update on the Joint Venture's achievements and financial performance prepared by the Partnership Director.

Referring to the horticultural works figures, a Member noted that 32% of planned works had been completed and asked if the remaining works were in specific areas or more widely spread. The Partnership Director replied that this figure was the position at the point the report had been written. Since then the outstanding works had been completed.

A Member expressed disappointment at the amount of commercial growth achieved, queried the ability of Medway Norse to generate income from non-council services and asked what proportion of the reported £292,338 generated

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from commercial growth was external to the Council. The Partnership Director advised that £16,000 of that figure represented council contracts. The target was to grow by 10% per annum and Medway Norse was bidding for contracts within and outside Medway with an expectation that commercial growth would increase by £200,000.

During the discussion the following questions and points were made:

- **Budget pressures facing Medway Norse** – the main budgetary pressure was the increase in the National Living Wage from April which would produce a £200,000 pressure. The Chief Finance Officer clarified the £112,000 referred to in the report was the unfunded uplift for 2018/19 and the £200,000 figure was the uplift for 2019/20. The Council's draft budget for 2019/20 sought to address both pressures.
- **Medway Norse's preparedness for Brexit** – internal discussions had taken place and had identified that very few of the workforce were EU citizens and the majority of suppliers were UK based.
- **Preparation for delivering the waste contract** – options were being considered for a yard for vehicles and staff and a solution was expected to be found shortly.
- **Café at Eastgate House** – the relationship with the Adult Education Centre had improved and the number of people visiting the café had increased.
- **Handing back services to the Council** – there were no plans to hand any service back to the Council in the next 12 months.
- **Household Waste Recycling Centres (HWRCs)** – referring to the possible introduction of a charge for non-Medway residents if Kent County Council introduced a charge at their sites, a Member asked for an assessment of the impact this might have on Medway's HWRCs. The Partnership Director commented the operational implications of a charge were being discussed but there would be an impact on queues and there were concerns around security.
- **Villager bus** – Members were assured this service was still operating.
- **Sports pitches** - in response to whether there were any plans to introduce innovations, Members were advised that Medway Norse had invested in new line marking equipment and this service would be promoted to academies, football grounds etc.

Decision:

The Committee agreed to note the report.

774 Housing Revenue Account - Capital and Revenue Budgets 2019/2020

Discussion:

Members considered a report which presented the Housing Revenue Account (HRA) capital and revenue budgets for 2019/20 and provided details of proposed rent and service charge levels for 2019/20.

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With regard to how the extended five year contract with Mears would be monitored, the Head of Strategic Housing advised that performance was measured and discussed monthly with Mears. A request for information on any break clauses in the contract would be provided to Members.

A Member asked if the Government had indicated what the position would be after the final year of the rent reductions the Council had been required to make. The Head of Strategic Housing responded that his assumption, based on indications from the Government, was for rent increases of consumer price inflation plus 1%.

Clarification was requested on what contingencies were in place in the 2019/20 financial year for the impact of Universal Credit (UC) arrears on the HRA account and also council tax arrears. The Committee was advised that, as well as bad debt provision, the welfare reform team would look to mitigate any impacts of UC. However, this still presented a significant risk for the HRA account. The Council was actively working with tenants to provide support to ensure rent continued to be paid and tenancies were sustained.

A Member queried the loss of income from the 225 properties expected to be lost as a result of Right to Buy. The Head of Strategic Housing clarified this loss was over a 30 year period and details of Right to Buy discounts would be clarified. A Member queried how Right to Buy receipts could be used and was advised that the formula for determining this was quite complex but broadly, after allowances which the Council could deduct from the receipt, the Government received 70% and the Council's share was 30%.

Following a query about garage voids, the Head of Strategic Housing commented these were advertised locally and undertook to provide details of the number of voids.

A Member referred to the HRA working balances and, noting that the actual balance exceeded the recommended best practice guideline, queried whether this was appropriate given the need for more affordable housing. Officers responded that a prudent approach had been taken in the light of government policies, such as the high value asset levy) and the risk of future changes in Government policy which could impact on the HRA.

Decision:

The Committee agreed to recommend the following to the Cabinet:

- a) a proposed rent decrease of 1% for the housing stock as set out in Appendix A to the report (based upon 53 collection weeks) with effect from 1 April 2019;
- b) a proposed average rent of £82.47 per week based on a 53 week rent cycle be agreed for the six new build one bedroom bungalows at Perham Green Twydall (estimated let date Autumn 2019);

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- c) the baseline garage rent for Council tenants be increased by £1 from £8.12 to £9.12 with effect from 1 April 2019 per week;
- d) a rent increase for all garage tenure types of 5% will be applied with effect from 1 April 2019 per week;
- e) that the service charges and increases as set out in Appendix B of the report for 2019/20 be approved;
- f) that the revenue budget for the HRA Service for 2019/20 as per Appendix C to the report be approved;
- g) that the proposed capital budget of £3.3m be approved for the fourth phase of new build programme on various garage sites to be funded from borrowing and 1-4-1 capital receipts as set out in sections 8.6.4 of the report;
- h) that the provision for the repayment debt based on annuity based payment on the HRA outstanding debt to be £0.326m for 2019/20 be approved, and;
- i) that members approve the revised 30 year HRA Business Plan model as attached at Appendix D of the report.

775 Draft Capital and Revenue Budgets 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, 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.

A Member queried the reasons for the extra addition of Medway Matters given the overspend reported and asked for an update following the recent Government announcements of a reduction in Public Health funding and additional local authority funding to prepare for Brexit. The Chief Finance Officer advised that the extra edition of Medway Matters was a result of a request from the Administration; that the Public Health Grant adjustment represented a £7,500 reduction and no conditions had been imposed on how the Brexit funding could be used.

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Decision:

The Committee agreed to:

- 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 in so far as they relate to the services within the remit of this Committee.

776 Draft Capital and Revenue Budget Proposals 2019/2020 (Report back from other Overview & Scrutiny Committees)

Discussion:

Members considered a report which set out the comments of all Overview and Scrutiny Committees on the provisional draft budget for 2019/20 proposed by Cabinet on 20 November 2018. These would be considered at the Council budget meeting on 21 February 2019 together with the Cabinet's budget proposals.

Decision:

The Committee agreed:

- a) that all the comments of the Overview and Scrutiny committees, as set out in Section 3 of the report, together with this Committee's comments under agenda item 9, be forwarded to Cabinet on 5 February 2018, and;
- b) to recommend to Cabinet that the Council's mod.gov e-petition scheme not be upgraded until such time as additional funds become available.

777 Council Plan Refresh 2019/20

Discussion:

Members considered a report which presented a summary of the proposed measures to be used for monitoring the Council Plan 2019/20. The Committee also considered an addendum report which set out details of changes to two of the Council Plan measures. The latter report explained that national data had been received in respect of two of the measures (i.e. *ASCOF 2A (2) (Permanent admissions to care homes) and EDU3 (b) (The percentage of children who were persistently absent from school)*). As a result, the targets relating to these two measures had been amended to bring them in line with national performance.

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The following measures were discussed:

PH14 (Excess weight in 4-5 year olds) – in response to a query, officers clarified that although the proposed target percentage figure had increased in relation to the existing target, this did in fact represent a reduced target. In this case the aim was to minimise and therefore a higher target value was a reduced target (i.e. less challenging).

FIN (Unmodified/positive value for money conclusion from the Council's external auditors) – a Member made the point that it was possible that a non-value for money issue, such as an adverse Ofsted report, could also lead to a qualified opinion from the external auditor.

DIGI TU 01 (Digital take up) – a Member asked if more thought could be given to this target to ensure it was meaningful.

HC3 (No. of households with dependent children in B&B who have resided there for 6+ weeks at the end of the quarter) - a Member proposed that there should be an additional measure so that the overall direction of travel regarding children in temporary accommodation was reflected, with a possible target of the number of children in temporary accommodation in Medway.

Decision:

The Committee agreed to:

- a) note the revised measures as set out in paragraph 1.2 above;
- b) note the proposed changes to programmes and measures of success as listed above and in Appendix 1 to the report at agenda item no. 11 and recommend to Cabinet that an additional measure is added to the Council Plan aimed at reflecting the overall direction of travel regarding children in temporary accommodation, and;
- c) note that, with regard to those Council Plan measures still awaiting a proposed target that Full Council will be asked to delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Resources, to agree the final measures.

778 Work Programme

Discussion:

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

It was proposed that the capacity of the voluntary sector in Medway item in the date to be determined section of the work programme be considered at the July meeting.

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A Member referred to the bid to the future high streets fund and suggested that the Chairmen and Opposition Spokespersons on the Business Support and Regeneration, Culture and Environment O&S Committees be invited to a meeting to discuss the bid.

Decision:

The Committee agreed to:

- a) note the work programme set out in Appendix 1 to the report and also to move the capacity of the voluntary sector in Medway item in the date to be determined section of the work programme to the July meeting.
- b) note the work programmes of the other overview and scrutiny committees set out in Appendix 2 to the report;
- c) add to the work programme for the July meeting a report setting out all Council services which have been transferred to Medway Commercial Group and Medway Norse which have come back to the Council, together with details of what action the Council subsequently took;
- d) agree to start the next Task Group in the Summer and note that, at the July meeting, Members will be asked to select a topic for the next Task Group from the three listed in paragraph 3.4.1 of the report and to also launch the process for selecting the next round of review topics, and;
- e) request that the Chairmen and Opposition Spokespersons on the Business Support and Regeneration, Culture and Environment O&S Committees be invited to a meeting to discuss the future high streets fund bid.

Chairman

Date:

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