

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

**Thursday, 22 August 2019**

**6.34pm to 10.26pm**

**Record of the meeting**

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

**Present:** Councillors: Buckwell (Chairman), Etheridge, Johnson, Maple, Murray, Opara, Tejan (Vice-Chairman), Wildey and Williams

**Substitutes:** Councillors:  
Adeoye (Substitute for Khan)  
Barrett (Substitute for Hackwell)  
Curry (Substitute for Andy Stamp)  
Thompson (Substitute for Clarke)

**In Attendance:** Mark Breathwick, Head of Housing  
Scott Elliott, Head of Health and Wellbeing Services  
Perry Holmes, Chief Legal Officer/Monitoring Officer  
Carrie McKenzie, Assistant Director - Transformation  
Michael Turner, Democratic Services Officer  
Phil Watts, Chief Finance Officer  
Christopher White, Interim Chief Executive Medway Commercial Group

For minute no. 251:  
Jane Howard, CEO of Medway Voluntary Action  
Dalia Halpern-Mathews, Independent Chair of the VCS Leaders Network  
John Morley, CEO of Age UK Medway

**247 Apologies for absence**

Apologies for absence were received from Councillors Clarke, Hackwell, Khan and Stamp.

**248 Record of meeting**

The record of the meeting held on 4 July 2019 was agreed and signed by the Chairman as correct.

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

There were none.

**250 Disclosable Pecuniary Interests or Other Significant Interests and Whipping**

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Other interests

The following Members disclosed an interest in agenda item 5 (Voluntary and Community Sector):

Councillor Johnson as a Trustee of Home-Start Medway and Medway Asthma Self Help.

Councillor Curry as a Trustee of Chatham Charities and Chair of Medway Urban Greenspaces Forum.

Councillor Maple as a Trustee of Halpern Charitable Foundation, Chair of the Medway Credit Union and a shareholder of Whoo Cares.

Councillors Williams and Etheridge as shareholders of Whoo Cares.

Councillor Opara as a Trustee of Chatham Charities and a Director of Medway Voluntary Tools.

Councillor Tejan as a Trustee of Chatham Charities.

Councillor Buckwell as a Council appointee to the Management Committee of the Medway Queen Preservation Society.

Councillor Adeoye as a member of the Parochial Church Council of the Ecclesiastical Parish of St Mark, Gillingham.

**251 Voluntary and Community Sector**

**Discussion:**

Following a range of commissioning activities from Medway Council, the Committee had requested to hear directly from the Voluntary and Community Sector (VCS) about the current state of play for organisations in Medway.

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Members considered a paper which outlined the questions that had been asked of the sector. The feedback received had been circulated in a supplementary agenda. The Head of Health and Wellbeing Services clarified that an attempt had been made to hear from a range of VCS groups but the views expressed in the supplementary paper did not necessarily reflect the whole sector.

The Committee then heard from Jane Howard (CEO of Medway Voluntary Action) Dalia Halpern-Mathews (Independent Chair of the VCS Leaders Network) and John Morley (Former Independent Chair of the VCS Leaders Network and CEO of Age UK Medway) who made the following points:

- The VCS in Medway was significant with 1,143 organisations in total covering a wide breadth of issues. It was a collection of organisations who had voluntarily started to address a need and was not just a collection of volunteers.
- The main challenges facing the sector were: income, awareness, lack of staff, volunteers and safeguarding.
- The workforce tended to be highly educated, professional and skilled
- The sector could deploy resources quickly to make a difference and was able to collaborate and share resources and expertise. Services could be delivered more cheaply than statutory services.
- Without the sector the gaps in service delivery would be greater.
- Charities were closing due to a lack of money or loss of contracts.
- The voluntary sector faced pressures to deliver more and recognised that in a time of austerity more needed to be done for less.
- Going forward the VCS needed to be a major partner of the Council.
- There was a need to think creatively and for everyone to maximise their assets to bring in extra funding.
- How the sector was funded and how commissioning worked should be looked at.
- The City of Culture Bid was an opportunity to galvanise local engagement, increase funding and improve the health and wellbeing of the area.
- Different models in other parts of the country were highlighted which had led to more responsive services, a reduction in long term costs and greater investment in the local economy and it was suggested these should be looked at to see what might work in Medway.

Members thanked the VCS representatives for their input and the following comments and questions were raised:

- **Issues facing smaller charities** – in response to a question, Ms Halpern-Mathews commented that, on their own, it was difficult for smaller charities to bid for contracts but by working collaboratively they could bid for larger contracts or apply for grant funding. Regarding how smaller charities could better access resources, reach more people and provide a more modern service in fit for purpose premises, the Committee was advised that one answer might be to look at having community asset transfers or for contracts to have a social value element built into them to

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lever in funds. S.106 agreements were another opportunity to bring in funds for the sector. The VCS in Medway recognised there was no extra public money to be distributed and there was a need to think creatively. The Future High Street funds presented an opportunity to make venues available for communities and the VCS. Some councils had made space available for charities in their community centres.

- **Procurement** - reference was made to how the procurement process could sometimes disadvantage smaller charities. Where a contract was coming to an end key people might leave due to the uncertainty. That and the need to also work up new bids could lead to service users falling through the gaps. In addition, a new charity taking on the contract also had to spend time re-engaging with the previous provider. The point was made there could be too much emphasis on procurement and a shared public realm approach would work better. Ms Halpern-Matthews agreed that the procurement process could put services and people's lives on hold. A Member asked if there was a legal requirement to re-procure or whether it would be possible to renew a contract if the outcomes had been delivered. The Chief Legal Officer advised the Procurement Strategy had been drawn up following consultation with the VCS. Significant savings had been made from how the Council procured as competition had increased and more bids were now received from the voluntary sector. He could look at stresses around the end of a contract and the start of a contract with a new provider. If the contract contained a provision for it to be extended then that would be legally possible but otherwise the contract would have to end.
- **Greenspaces** – a Member referred to the benefits which resulted from volunteering in this area, including giving people a sense of belonging, reducing anti-social behaviour, increasing levels of health and wellbeing and improving the local economy. Investing in volunteers was key.
- **Volunteers** – a Member referred to the financial returns which could be achieved from investing in volunteers and asked what the Council could do to help with this at minimal cost. Mr Morley highlighted how an investment in a volunteer co-ordinator had produced the equivalent of 4.5 FTE members of staff in volunteers. If the Council could help with this then the results would aggregate. Mrs Howard commented that a way forward would be to set up a Working Group to look at this and also have an agreement or compact between the Council and the VCS. Ms Halpern-Matthews commented that the Council could help by allowing volunteers to access training and also help with safeguarding checks. A Member commented that it appeared some people were not volunteering in case it affected their income from Universal Credit. Ms Halpern-Matthews was aware of one such case.
- **Help for charities** – a Member asked what plans the Council had in place if a charity was to close or be on the verge of closing. The Chief Finance Officer advised there was no emergency fund to help but where a charity had not been paid by the Council in a reasonable time he was happy to expedite this.
- **Social prescribing** – a Member referred to the increase in social prescribing where people were referred to charities but funding did not always follow. Mrs Howard commented social prescribing was a good way

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forward but some organisations could not engage due to a lack of funding, and this would cause major problems.

Going forward it was suggested that a cross party working group (including possibly representatives from the VCS) be established to take forward the suggestions made at the meeting, including a single officer point of contact for the VCS, using Medway Matters to raise awareness of the VCS and how to better use S.106 funds to help the sector. The Chief Legal Officer advised that the capacity of officers to support this work in the next few months would need to be looked at.

### **Decision:**

The Committee agreed, subject to officers identifying appropriate officer support, to set up a cross party working party to develop proposals relating to the voluntary and community sector in Medway (as outlined above) with a view to reporting to the Committee, possibly in January 2020.

## **252 Medway Commercial Group - Six Monthly Report**

### **Discussion:**

Members considered a report submitted to the Cabinet on 6 August 2019 which outlined Medway Commercial Group (MCG) Limited's achievements and performance over the past eight months, and its plans for changes to governance, future growth and development.

The Assistant Director – Transformation advised that the Leader of the Council had requested a review of the company and its trading. The findings of the review had led to proposed changes within the governance and board structure of the company and it was proposed that two non-executive directors should be appointed whose role would be to provide challenge, support any business development opportunities whilst acting in the interests of the shareholder, Medway Council. In addition, the Assistant Director Transformation was to be designated as client representative to improve the two way communication between the MCG Board and the Council.

The Assistant Director added that as the police were investigating allegations of potential fraud at MCG, then it might not be possible to answer some questions from Members so as not to impede the enquiries. The Chief Legal Officer added that further information would be given to Members once it was possible to do so and where the release of information would not prejudice proceedings.

Some Members commented that what had emerged was unacceptable and had severely embarrassed the Council and led to concerns amongst the public about how public money was being spent.

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Members discussed the following issues:

- **CCTV** – a Member commented on public concerns about more than half of the cameras not working. He also asked which other councils were still using MCG for its CCTV service and whose responsibility it was to replace a camera when it was faulty. The Interim Chief Executive of MCG advised that the Council managed 390 cameras, 85 were for community safety purposes and 100 in car parks. While it would always be the case that one or two would not be working, MCG dealt with any faults reported as a priority. Swale and Maidstone Borough Councils had both given notice to leave the partnership but Gravesham Borough Council was happy with the service it received.
- **Governance** – a Member commented that MCG had never been properly scrutinised by the Council and having Members on the Board was not appropriate as the Executive was effectively holding itself to account. Another Member added that the 6 monthly progress report on MCG to Cabinet did not allow for proper scrutiny as it was not possible to judge how successful MCG had been in meeting its objectives and performance information was insufficient. A briefing note was requested on the frequency of Member representation on the boards of other LATCOs, as well as how many Boards were chaired by a Member. The Chief Legal Officer commented that the membership of the Board was a matter for Cabinet and how MCG was scrutinised was ultimately a Member decision but how this could be improved would be looked at. The Council had decided to improve the levels of information about MCG that the Cabinet received so that it was easier to see whether the targets set by the Council had been met.
- **School Trading Services** – noting Governor Services was no longer provide by MCG, a Member commented that when this contract ended MCG should not be eligible to bid. Which of the 13 school catering contracts mentioned in the report which had been re-let were academies was queried as, if they were local authority schools, then this called into question the need for MCG to be involved. The Assistant Director – Transformation confirmed that some of these schools were academies. The future of governor services would be addressed as part of the new business plan for MCG. A Member asked if the business plan could come to the Committee for pre-decision scrutiny.
- **Risks and reputational damage** – a Member considered the risk implications in the Cabinet report were inadequately described given the potential for significant reputational damage as a result of the police investigations into alleged fraud. Whether there were any disciplinary proceedings with respect to current or former MCG staff was queried. Regarding the latter, the Assistant Director – Transformation advised she was unable to comment on any employee relations issues. She added that the current MCG team had worked hard to preserve the reputation of MCG but was unable to comment on whether the conclusions of the police investigation would cause any further reputational damage. A Member commented he had been re-assured by the work of the new MCG team but the changes mentioned should have been introduced earlier. The Assistant Director – Transformation

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stated she would take on board the points about the risk section of the report not being strong enough. The MCG Board was positive about the reputation of the company and its ability to provide services.

A Member commented that a failure in the telecare service would affect vulnerable people and therefore presented a further risk of reputational damage. The Assistant Director – Transformation replied that she was confident the Board was reviewing this service, and others, on a regular basis. The Interim Chief Executive added that he had reviewed the Telecare service and was confident it was an excellent and growing service.

Members asked for clarification on the numbers of staff employed by MCG, whether there were now any difficulties in recruiting staff and also in relation to the management charges totalling £811,000 charged to MCG by the Council. The Committee was advised that MCG staff provided the 4 core services plus a round the clock CCTV monitoring service. Staff numbers had reduced in the last few months as MCG had re-prioritised its activities. The management charges represented MCG's contribution to the corporate overheads of those Council services which had been transferred to MCG.

### **Decision:**

The Committee agreed to:

- a) note the report, and;
- b) request a briefing note on the membership of other Local Authority Trading Companies, in particular the extent to which elected members were appointed to the Board and how common it was for a member to chair the Board.

## **253 Medway Council Strategy**

### **Discussion:**

Members considered a report which proposed the introduction of a new overarching Council Strategy; which would be a shorter, more outcomes focused document than the current Council Plan, without all of the detailed performance measures and delivery plans explaining how the strategic objectives were to be met.

The Chief Finance Officer advised that this was a new document which included the strategic objectives of the existing Council Plan. The latter would contain the measures and targets needed to fulfil those objectives and would be agreed in February. This was part of a broader plan whereby the main strategies of the Council would be agreed in September and aligned together with an annual refresh. The detailed plans would then follow in the revenue budget, capital programme and Council Plan.

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Several Members commented that they could see little value in the document, which would be useful for marketing purposes but contained insufficient detail for scrutiny purposes and was often too vague. Therefore it was not a document which warranted being added to the Policy Framework. Another Member disagreed and felt it was a positive, helpful document.

### **Decision:**

The Committee agreed to:

- a) note the draft Council Strategy and forward the Committee's comments, as set out above, to Cabinet, prior to approval at Full Council; and
- b) note that Cabinet will be asked to recommend to Council that the Council Strategy be added as a Policy Framework document and that paragraph 4.1 of Article 4 (The Full Council) in Chapter 2 of the Constitution be amended accordingly.

## **254 Capital Budget Monitoring - Round 1 2019/20**

### **Discussion:**

Members considered a report which presented the results of the first round of the Council's capital budget monitoring for the financial year 2019/20.

A Member expressed concern about the ability to fund the maintenance of the Medway Tunnel in the future, given the Department of Transport had not confirmed whether a grant would be forthcoming. The Chief Finance Officer replied that the Council had made representations to the Government on funding. The Capital Strategy recognised this was a funding pressure which needed to be addressed.

A Member asked for clarification when the mercury abatement works to the Medway Crematorium would be completed.

### **Decision:**

The Committee agreed to:

- a) note the results of the first round of capital budget monitoring for 2019/20;
- b) note that Cabinet has recommended to Full Council that the S106 and revenue contribution identified to fund the overspend on the Family Hubs and Wellbeing Centre scheme is added to the capital programme, as set out at paragraph 3.3 of the report,
- c) note that Cabinet has recommended to Full Council that the capital programme is reduced by £1.339 million, as outlined at paragraph 3.10 of the report, and;



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- d) request a briefing note on progress in completing the mercury abatement works to the Medway Crematorium.

### 255 Revenue Budget Monitoring - Round 1 2019/20

#### Discussion:

Members considered a report which presented the results of the first round of the Council's revenue budget monitoring for 2019/20.

The following issues were discussed:

- **Forecast pressures** - a Member noted that a large proportion of the forecast pressure of £6.262m related to Children and Adults services, much of it driven by increased need. There was a tension between the need to find savings due to financial pressures and the consequent impact of savings on the vulnerable. Another Member advocated a policy of investing in services in order to make future savings. The Chief Finance Officer commented that, in principle, this was a good idea but finding funding to invest for initiatives which would identify savings in the future was often very difficult.
- **Write off of debts** – in response to a question about lessons learned, the Chief Finance Officer replied that the main lesson was to ensure that, in future, clear evidence trails existed so that bad debts could be successfully pursued.
- **Revenue savings** – concern was expressed at the effect on staff given the high number of posts being held vacant to offset pressures.
- **Deangate** – Members asked what action was planned to address the forecast pressure. The point was made this had been described as an emergency shutdown but information not made available at the time had now become apparent. It was queried whether Medway Norse were being charged for storing their vehicles on the site. The Chief Finance Officer commented the decision to close Deangate had been made by Cabinet as it was making a loss. Medway Norse were not being charged for storage as this was an interim measure.
- **Castle Concerts** – a request was made for the review of the Concerts to come to an Overview and Scrutiny Committee.
- **ICT underspend** – concern was expressed at the underspend given the pressures on the IT system.
- **Sports, Leisure, Tourism and Heritage forecast pressure** – a Member asked for a breakdown of the £511,000 pressure, including an analysis of the reduction in income and revenue across Medway. Whether the Council should cease to run gyms in view of the rise in the number of low cost gyms was questioned. The Chief Finance Officer agreed it was an appropriate time to look at this model.
- **Mental Health Services** – in response to a question, the Chief Finance Officer advised that extra mental health funding had not yet found its way to the Council.

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- **Services for older persons** – referring to the deep dive aimed at understanding the drivers for the increase in demand, a Member asked for more information on this once it was completed.
- **Looked after children data** – a Member asked for more information about trends and historic spending on Looked After Children.

### **Decision:**

The Committee agreed to note:

- a) the results of the first round of revenue budget monitoring for 2019/20;
- b) the proposed variation and addition to the charges for Private Sector Housing enforcement set out at paragraph 5.3.7 of the report, and;
- c) that the Cabinet has approved the write-off of the three irrecoverable sums against the corporate bad debt provision of £145,729.98; £115,223.47 and £106,932.13, as detailed in sections 4.2.7, 5.3.6 and 5.3.9 of the report.

## **256 Council Plan Performance Monitoring Report - Quarter 4 End of Year**

### **Discussion:**

The Committee considered a report which summarised the performance at quarter 4 end of year 2018/19 for the Council Plan programmes and measures which fell within the remit of this Committee.

A Member noted that Adult Education continued to perform well, which was welcome given its poor performance in the recent past.

Referring to the digital take up target, a Member wondered if this could be broadened to include, for example, take up of the RingGo parking app to pay for car parking.

A Member asked if the 3 Local Government Ombudsman complaints upheld in Quarter 4 was higher than usual. The Chief Legal Officer undertook to provide information about numbers in previous years.

### **Decision:**

The Committee agreed to note quarter 4 end of year 2018/19 performance of the measures of success used to monitor progress against the Council's priorities.

## **257 Draft Allocations Policy 2019**

### **Discussion:**

Members considered a report which set out proposed changes to the Allocations Policy.

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A Member referred to the proposed change in the age for sheltered housing. Recognising this was a difficult issue, the point was made that some people at 55 might be ready for sheltered housing whilst some much older people would not be. It was hoped that housing providers would exercise some discretion on this. The Head of Housing advised that an age limit had to be set regarding social housing and 55 represented where the sector was as a whole. There would be some discretion involved.

In relation to refusals of an offer of accommodation, a Member noted that the Council could consider a property suitable if it was in an area that the Council determined was reasonable and queried whether an offer to move someone to an unfamiliar location could be classed as a reasonable offer. The Head of Housing advised that this was a complex issue and the reasonableness test was different to what applied in homeless cases.

In response to whether there were any other likely changes in Government policy or national guidance which might impact on the policy, the Head of Housing stated he was not aware of any other national changes.

A Member asked why the policy was being changed so that two Medway care leavers would be able to apply for a two bedroom property together. The Head of Housing commented that usually it was two friends who applied together so they could support each other and in these case had often formed bonds while in care.

Referring to the section on domestic abuse in the draft policy, a Member suggested that there should also be a reference to another local authority in the list of organisations the Panel would seek information from, given that a victim of domestic abuse might have been placed in Medway by another council. The Head of Housing agreed to take that point on board.

### **Decision:**

The Committee agreed to note the proposed Allocations Policy.

## **258 Work programme**

### **Discussion:**

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

### **Decision:**

The Committee:

- a) agreed the proposed changes to the current work programme (Appendix 1 to the report) as set out in paragraph 3.2, and;

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- b) noted the work programmes of the other overview and scrutiny committees (set out in Appendix 2 to the report).

**Chairman**

**Date:**

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