

Record of Cabinet decisions

Tuesday, 17 November 2020

3.00pm to 4.50pm

Date of publication: 18 November 2020

**Subject to call-in these decisions will be effective from 26 November 2020
The record of decisions is subject to approval at the next meeting of the Cabinet**

Present:	Councillor Alan Jarrett	Leader of the Council
	Councillor Howard Doe	Deputy Leader and Portfolio Holder for Housing and Community Services
	Councillor David Brake	Portfolio Holder for Adults' Services
	Councillor Rodney Chambers, OBE	Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships
	Councillor Jane Chitty	Portfolio Holder for Planning, Economic Growth and Regulation
	Councillor Phil Filmer	Portfolio Holder for Front Line Services
	Councillor Adrian Gulvin	Portfolio Holder for Resources
	Councillor Martin Potter	Portfolio Holder for Education and Schools
	Councillor Rupert Turpin	Portfolio Holder for Business Management
	In Attendance:	Neil Davies, Chief Executive
	Perry Holmes, Chief Legal Officer/Monitoring Officer	
	Jon Pitt, Democratic Services Officer	

Leader's Announcement

During the meeting, Councillor Jarrett announced that the order of the agenda would be varied to enable agenda item 6 (Medium Term Financial Strategy 2020 - 2023) to be considered by the Cabinet before agenda item 5 (Draft Capital and Revenue Budget 2021/22). All other agenda items were considered in the order set out in the agenda.

Apologies for absence

Apologies for absence were received from Councillor Mrs Josie Iles.

Cabinet, 17 November 2020

Record of decisions

The record of the meeting held on 20 October 2020 was agreed by the Cabinet and signed by the Leader as a correct record.

Declarations of Disclosable Pecuniary Interests and Other Significant Interests

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

Councillor Howard Doe declared an OSI in agenda items 4 (Capital Strategy), 5 (Draft Capital and Revenue Budget 2021/22), 6 (Medium Term Financial Strategy 2020 – 2023), 9 (Revenue Budget Monitoring – Round 2 2020/21) and 10 (Capital Budget Monitoring – Round 2 2020/21) with regards to any reference to Medway Commercial Group Ltd (MCG) (and their subsidiaries) and Medway Development Company Ltd (MDC) because he is the Chairman of both companies and he relied on a dispensation agreed by the Councillor Conduct Committee to enable him to take part in the discussions and votes on these items.

Councillor Adrian Gulvin declared an OSI in agenda items 4 (Capital Strategy), 5 (Draft Capital and Revenue Budget 2021/22), 6 (Medium Term Financial Strategy 2020 – 2023), 9 (Revenue Budget Monitoring – Round 2 2020/21) and 10 (Capital Budget Monitoring – Round 2 2020/21) with regards to any reference to Medway Development Company Ltd (MDC) because he is a Director of MDC and he relied on a dispensation agreed by the Councillor Conduct Committee to enable him to take part in the discussions and votes on these items.

Councillor Rupert Turpin declared an OSI in agenda items 4 (Capital Strategy), 5 (Draft Capital and Revenue Budget 2021/22), 6 (Medium Term Financial Strategy 2020 – 2023), 9 (Revenue Budget Monitoring – Round 2 2020/21) and 10 (Capital Budget Monitoring – Round 2 2020/21) with regards to any reference to Medway Commercial Group Ltd (MCG) and Medway Norse Ltd because he is a Director of MCG and the Chairman of Medway Norse Ltd and he relied on a dispensation agreed by the Councillor Conduct Committee to enable him to take part in the discussions and votes on these items.

Other interests

Councillor Rupert Turpin declared an interest in agenda item 4 (Capital Strategy) as his son attends Abbey Court School.

Capital Strategy

Background:

This report introduced the Capital Strategy, which set out the Council's priorities for capital investment to deliver its strategic aims and the process for formulating the

Cabinet, 17 November 2020

capital programme. The report also presented opportunities for future funding and the capital investment required to deliver the Council's aims, as laid out in the Council Strategy.

The report explained that the Capital Strategy had been formulated with regard to CIPFA's Prudential Code and should be viewed in conjunction with the Council's Medium Term Financial Strategy and the Council Plan, in order to integrate budget setting with service planning and ensure that priorities and funding were matched.

Decision number: **Decision:**

135/2020 The Cabinet agreed the Capital Strategy, setting out the Council's priorities for capital investment and providing a framework for formulating the capital programme, for approval by Full Council in February.

Reasons:

The Capital Strategy sets out how the Council sets its priorities for capital investment and the process for formulating the capital programme, and is therefore an important part of the framework underpinning the budget setting process.

Draft Capital and Revenue Budget 2021/22

Background:

This report presented the Council's draft capital and revenue budgets for 2021/2022. The report noted that the draft budget was based on the principles contained in the Medium Term Financial Strategy (MTFS) 2021-2023, which was due to be considered by the Cabinet elsewhere on the agenda [the Cabinet considered the MTFS and agreed its underlying aims, decision no 138/2020 refers]. Draft budget requirements for the directorates in 2021/2022 were set out in Appendices 1 – 3 to the report.

The report explained that there was a £11.710m revenue budget deficit for 2021/2022, increasing to £20.403m by 2022/2023, which would need to be addressed through the budget setting process. Officers would continue to work with Portfolio Holders to formulate savings proposals to address the projected revenue budget deficit and would discuss options with the Leader and Cabinet Members through the normal budget setting process.

The report noted that in accordance with the Constitution, this report was the first stage of the budget consultation process leading to further consideration by Cabinet on 2 February 2021 and formal budget and council tax setting by Council on 18 February 2021. Budget proposals would now be submitted to the Council's overview and scrutiny committees.

Cabinet, 17 November 2020

Decision number:

Decision:

136/2020

The Cabinet instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2021/22 and beyond.

137/2020

The Cabinet agreed to refer the draft capital and revenue budgets to overview and scrutiny committees as work in progress, inviting them to offer comments on the proposals outlined.

Reasons:

It is the responsibility of Cabinet to develop draft budget proposals for consideration by overview and scrutiny committees. These draft proposals are the first stage of the budget consultation process leading to further consideration by Cabinet on 2 February 2021 and formal council tax setting by Council on 18 February 2021.

The timetable for consideration by overview and scrutiny is as follows:

Business Support	26 November 2020
Children and Young People	1 December 2020
Regeneration, Culture and Environment	3 December 2020
Health and Adult Social Care	10 December 2020
Business Support	28 January 2021
Cabinet	2 February 2021
Council	18 February 2021

Medium Term Financial Strategy 2020 - 2023

Background:

This report introduced the Council's Medium Term Financial Strategy (MTFS) for 2020 – 2023 and made forward projections concerning the Council's budget requirement and the resources available to deliver its corporate priorities and objectives included in the Council Plan. Most importantly, the report articulated the Council's strategy for delivering a balanced budget.

The report stated that the Council faced a forecast deficit in 2021/22 of £11,710 million and it would seek to address this through the accompanying MTFS, as set out in Appendix 1 to the report. Notwithstanding the ongoing impact of Covid-19, service pressures impacting on the Council's budget requirement and the significant financial constraints imposed through Government grant reductions, the report stated that it must remain the Council's main strategic aim to achieve a sustainable budget without recourse to reserves.

The report explained that the MTFS had in previous years been presented to the Cabinet in September, with the Government having published a technical consultation paper in advance of the Provisional Local Government Finance

Cabinet, 17 November 2020

Settlement. The impact of the changes proposed in the consultation modelled for Medway were then reflected, alongside the ongoing work to deliver a balanced budget, in the Draft Budget presented to the Cabinet at its November meeting. Due to the disruption caused by the ongoing Covid-19 pandemic, the Government had not issued any consultation on the Settlement, and as such the Council's MTFS had been delayed in anticipation of an announcement around funding for local authorities for 2021/22. Since then, the Chancellor of the Exchequer had decided that a one-year Spending Review would be conducted on 25 November 2020.

The report also set out the timetable for the Medium Term Financial Strategy and budget setting and it was noted that business and service planning would run concurrently. Diversity Impact Assessments would be undertaken and reported to Members as part of the budget and service planning process.

Decision number: **Decision:**

138/2020 **The Cabinet agreed the underlying aims of the Medium Term Financial Strategy (MTFS).**

The Cabinet noted the forecast level of overall funding over the medium term; and the projected budget deficit identified in the MTFS.

139/2020 **The Cabinet agreed to bring forward proposals, through the financial planning process, to address this deficit.**

Reasons:

The Medium Term Financial Strategy is important in providing the framework underpinning the budget setting process and is presented to Cabinet in accordance with the timetable set out within the Constitution.

Kent and Medway Domestic Abuse Strategy

Background:

This report requested Cabinet approval of the multi-agency Kent and Medway Domestic Abuse Strategy. The Strategy outlined five priority areas agreed by partners and consulted on with the public. The report noted that Medway would own a local action plan aligned to the Strategy that would be governed by the Medway domestic abuse sub-group that reported into the Community Safety Partnership (CSP).

The report explained that the Domestic Abuse Strategy aimed to prevent and reduce domestic abuse in Kent and Medway through collective working across partners to strengthen preventive activity, improve support for those who have suffered from abuse, and make better use of the combined resources across agencies. Many different services and providers support families and individuals affected by domestic abuse. The Strategy would drive the development of action to better connect the

Cabinet, 17 November 2020

work across partners, focussing on the same objectives, enabling the strongest response and services possible.

A Diversity Impact Assessment had been carried out on the Strategy, as set out in Appendix 3 to the report.

Decision number: **Decision:**

140/2020 The Cabinet approved the Kent and Medway Domestic Abuse Strategy, as set out at Appendix 1 to the report.

Reasons:

Reducing and preventing domestic abuse will improve outcomes for families and residents living in Medway. By approving the Strategy, Cabinet will be committing Medway Council to work alongside our key statutory partners to reduce the incidences of domestic abuse, better support victims and empower them to come forward and report in an environment where they will feel supported to take perpetrators to justice.

Establishment of a Medway Community Lottery

Background:

This report requested that the Cabinet agree the establishment of an online Medway Community Lottery to help fund discretionary support for the local voluntary and community sector and to enable such organisations to raise funds which would directly benefit local people and communities.

The report also proposed the procurement of Gatherwell as the External Lottery Manager (ELM) on the basis of their experience of running lotteries for around 80 local authorities and that their remit was to increase funding to good causes. The report noted that no quotes had been obtained from alternative lottery providers as there did not appear to be any other company that could facilitate this type of local authority lottery. As the contract could only be awarded to one economic entity, this amounted to an exceptional circumstance and therefore, the Council's Contract Procedure Rules, as set out in the Constitution at Chapter 4, Part 7, paragraph 1.8, did not apply.

The report explained that each ticket for the lottery would cost £1 with the proceeds being distributed as follows:

- 50% directly paid to the good causes specified by individual lottery players;
- 10% being paid to the 'central fund' held by the Council and to be used for lottery related costs;
- 20% in prize money paid to participants;
- 20% paid to the ELM, with the 3.33% representing VAT being able to be reclaimed by the Council, to be added to the central fund.

Cabinet, 17 November 2020

The estimated cost of setting up the lottery was around £7,300, this would be funded from within existing budgets.

A Diversity Impact Assessment had been undertaken in relation to the establishment of the Medway Community Lottery, as set out in Appendix 1 to the report.

Decision number:

Decision:

- 141/2020** **The Cabinet agreed the establishment of the Medway Community Lottery for the purpose of raising funds to support good causes, benefitting the residents of Medway, (Option 3).**
- 142/2020** **The Cabinet approved the procurement of Gatherwell as an External Lottery Manager (ELM) to run the operational side of the lottery, for an initial one year period, with the contract then continuing on a rolling basis, subject to a three month notice being required should the Council wish to end the agreement, as set out in paragraph 4.1 of the report.**
- 143/2020** **The Cabinet agreed the criteria for determining which good causes should participate in the Lottery, as defined in paragraphs 5.1 to 5.3 of the report.**
- 144/2020** **The Cabinet agreed to authorise the Chief Finance Officer to apply for any necessary licences from the Gambling Commission to enable the Lottery to operate.**
- 145/2020** **The Cabinet agreed to nominate the Chief Finance Officer as the personal licence holder for the Lottery and agreed to authorise him to apply for the personal licence.**
- 146/2020** **The Cabinet agreed to delegate authority to the Chief Finance Officer, in consultation with the Deputy Leader and Portfolio Holder for Housing and Community Services, to:**
- i) Manage and have oversight of the Lottery.**
 - ii) Approve appropriate policies and procedures associated with the Lottery.**

Reasons:

- i) To provide a self-sufficient stream of funding for local charities and other good causes, without placing a burden on the Council Tax payer.
- ii) To ensure that the Lottery is run effectively and lawfully, and without placing an unnecessary operational burden on the Executive.

Revenue Budget Monitoring Report Round 2 2020/21

Background:

This report presented the results of the second round of revenue budget monitoring 2020/21. The report explained that since the Council had set a total budget requirement of £323.365million at its meeting on 20 February 2020, the Government had announced, in response to the Covid-19 pandemic, a wide range of financial support packages. These were for individuals, businesses and public sector bodies leading the response, including emergency funding for councils. A total of £65.422million of additional grant funding had been added to the revenue budget, taking the Round 2 budget requirement to a total of £383.426million. In addition, the first claim against the Government's new income compensation scheme had been submitted, with an estimated £5.963million having been included in the revenue budget forecast in respect of that scheme.

The report set out that the forecast outturn for 2020/21 was a pressure of £2.486million.

The report explained the Council's income from Council Tax and Business Rates was held in a ringfenced collection fund account, from which authorities drew the budgeted level of income in each year, irrespective of actual income collected. Any shortfall on income collected compared to that budgeted level resulted in a collection fund deficit which was recovered by reducing the amount of income the Council could budget for in the following year. There had been no shortfall in 2019/20 on Council Tax or Business Rates, with the current budget being underpinned by collection fund surpluses from the previous year. The Government had announced their intention to allow councils to recover any deficits over three years, rather than the usual one, however this would still represent a significant pressure on the revenue budget for 2021/22 and beyond.

Decision number:

Decision:

147/2020

The Cabinet noted the results of the second round of revenue budget monitoring for 2020/21 and agreed to instruct senior management to continue to exercise tight control to reduce expenditure within their areas and to identify a range of management actions in order to reduce expenditure and increase income.

Reasons:

Cabinet has the responsibility to ensure effective budgetary control to contain expenditure within the approved limits set by Council.

Capital Budget Monitoring Report Round 2 2020/21

Background:

This report presented the results of the second round of the Council's capital budget monitoring for the financial year 2020/21. The approved capital programme for 2020/21 was £437.062million.

Decision number:

Decision:

The Cabinet noted the results of the second round of capital budget monitoring for 2020/21.

Reasons:

Cabinet has the responsibility to ensure effective budgetary control to contain expenditure within the approved limits set by Council.

Council Plan Monitoring and Risk Register Review 2020/21 - Quarter 2

Background:

This report provided details of how the Council had performed during quarter 2 in 2020/21 against the Council's three priorities and the actions being taken to improve performance.

There were 48 Council Plan measures for 2020/21, of which it was currently possible to report on 35 as one was data only and 12 were not available for the reporting quarter. In summary, 24 out of 35 measures had met or exceeded target, 1 was slightly below target and 10 were significantly below target.

The report explained that during quarter 1 2020/21, a fundamental review of the Strategic Risk Register had taken place in view of the Covid-19 response and recovery. As a result of this review, the Quarter 2 review had been more light touch. Risk owners had reviewed and updated their risks, which had subsequently been reviewed and agreed by the Strategic Risk Management Group on 1 October 2020, with there having been no changes to current residual risk scores. The report explained that it was agreed at this meeting that Employment Skills should not be a separate risk as the Economic Recovery risk (SR46), which was already on the Strategic Risk Register, incorporated skills and employability. It was also agreed that a separate risk for Commercial Income should be added to the Register at Quarter 3 monitoring and that a Climate Change indicator should be added to the Register.

The report noted that the report would be considered by the Overview and Scrutiny Committees during November and December 2020.

Cabinet, 17 November 2020

Decision number:

Decision:

The Cabinet noted the Q2 2020/21 performance against the measures used to monitor progress against the Council's priorities.

The Cabinet noted the Strategic Risk Register, as set out at Appendix 5 to the report.

The Cabinet noted that a separate Employment Skills risk would not be added to the register since the Economic Recovery risk (SR46), already on the Strategic Risk Register, incorporated skills and employability. Therefore, mitigation was already being addressed through this risk.

148/2020

The Cabinet agreed the proposal to add risk SR47: Climate Change to the Strategic Risk Register.

The Cabinet noted that a separate risk for Commercial Income would be added to the Strategic Risk Register at Q3 monitoring.

Reasons:

Regular monitoring of performance and risks by management and Members is best practice and ensures achievement of corporate objectives.

Gateway 1 Procurement Commencement: Recommissioning Older People and Working Age Adults Residential and Nursing Care

Background:

This report advised that the Council has a statutory duty to provide and support vulnerable individuals, should they require residential or nursing care services. Residential care services supported a person's health, wellbeing and safety, assisting individuals with everyday tasks such as personal care.

The report explained that Medway Council currently had 29 Residential and 12 Nursing homes Care Quality Commission (CQC) registered for people over the age of 65 years. For working aged adults there were 32 learning disability care homes and 8 mental health care homes registered with the CQC, for people between the ages of 18-64 years.

The report set out the proposal for Medway Council to jointly procure these services with NHS Kent and Medway Clinical Commissioning Group (CCG), to provide residential and nursing care across Medway. The report explained that this option was preferred to the Council undertaking the procurement on its own as this would support the integration of health and social care services and enable the Council and CCG to deliver the services in parallel in terms of price and practice.

Cabinet, 17 November 2020

Subject to approval by the Cabinet, a procurement process would commence. It was anticipated that the outcome of this would be presented to Cabinet in May / June 2021 for the Cabinet to approve the award of the contract to the successful bidder, with the service expected to go live in Summer 2021.

The Procurement Board considered the report on 21 October 2020 and supported the recommendation to commence a procurement process, as set out in paragraph 26 of the Cabinet report.

An Exempt Appendix contained information in relation to comparative prices for residential and nursing care services.

A Diversity Impact Assessment had been undertaken in relation to the proposed procurement process, as set out in Appendix 1 to the report.

Decision number: ***Decision:***

149/2020 The Cabinet approved the commencement of a procurement process (as outlined in Option 3 at paragraph 18.3 of the report) to commission Working Age Adults' residential and nursing care through a Dynamic Purchasing System (DPS) and through a Framework Agreement for Older People's residential and nursing care services.

Reasons:

The procurement of residential and nursing care services will deliver a service that will enable the following:

- i) Achievement of strategic objectives by updating the terms and conditions of residential and nursing care contracts.
- ii) Improvement to residential care by developing a specification that focuses on health prevention and individual service user needs.
- iii) Meeting the demand of the local population by working with care providers in recognising the changing needs of the local population, i.e. by increasing the number of specialist complex and challenging behaviour beds.
- iv) Provision of sustainable services by increasing capacity and improving quality of care within a price point that is sustainable for providers.

Cabinet, 17 November 2020

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Leader of the Council

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Date

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