

Medway Council
Virtual Meeting of Business Support Overview and
Scrutiny Committee

Tuesday, 30 March 2021

6.30pm to 9.19pm

Record of the meeting

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

Present: Councillors: Buckwell (Chairman), Clarke, Khan, Murray, Opara, Andy Stamp, Tejan (Vice-Chairman) and Williams

In Attendance: Mark Breathwick, Head of Strategic Housing
Katey Durkin, Head of Finance Strategy
Perry Holmes, Chief Legal Officer/Monitoring Officer
Anna Marie Lawrence, Head of Business Intelligence
Stephen Platt, Democratic Services Officer

841 Chairman's Announcements

The Chairman and members of the Committee congratulated Wayne Hemingway on his appointment as Head of Democratic Services.

The Chairman noted that this would be the last meeting attended by Perry Holmes and he and members of the Committee conveyed their deep appreciation for his support as Chief Legal Officer, wishing him well in his new role. The Chief Legal Officer thanked Members for their kind words.

842 Apologies for absence

Apologies for absence were received from Councillors Etheridge, Hackwell, Johnson, Maple and Wildey.

(During this period, the Conservative and Labour and Co-operative political groups had informally agreed, due the Coronavirus pandemic, to run meetings with reduced number of participants. This was to reduce risk, comply with Government guidance and enable more efficient meetings. Therefore, the apologies given reflected that informal agreement of reduced participants.)

843 Record of meeting

The record of the meeting of the Committee held on 28 January 2021 was agreed and signed by the Chairman as correct.

844 Urgent matters by reason of special circumstances

There were none.

845 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Other interests

In relation to item 9 (Covid Response and Recovery) Councillor Opara declared that her business had been in receipt of grants.

846 Petitions

Discussion:

The Committee considered a report regarding two petitions received by the Council which fell within the remit of the Committee, including a summary of the response sent to the petition organisers by officers.

Regarding the petition 'Towards a Plastic Free Medway', the view was expressed that the Council should seek to do more to encourage businesses to stop using plastic bags.

The Chairman referred to the situation in Rwanda and Gambia, both of which had banned plastic bags for the past two years in favour of hessian bags.

Decision:

The Committee noted the petition responses and appropriate officer actions in paragraph 3 of the report.

In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

847 Council Plan Performance Monitoring and Risk Register Review Quarter 3 2020/21

Discussion:

The Committee considered a report presenting a summary of the Council's performance in Quarter 3 of 2020/21 on the delivery of programmes and measures which fell within the remit of the Committee; a performance summary of all services; and a summary of the discussions at the other overview and scrutiny committee meetings. The report also presented the Quarter 3 2020/21 review of strategic risks.

Members raised the following comments and questions which were responded to:

- **Digital/internet poverty** – In response to Members' concerns about the effect of internet poverty on people, a briefing note would be provided giving a breakdown of data on digital access, including the data source; take up and dropout rates; demography; and a comparison with other forms of customer interaction.
- **Risk definitions such as critical and catastrophic** – Clarification was sought on the strategic risk definitions. Members were advised that the risk definitions would be included in the risk framework review this year.
- **Electric Bus Bid** – Further information was sought on why the Council's "All Electric Bus Town" bid to DfT in Quarter 1 had been unsuccessful. A written response to Committee members would be provided, including whether any further bids were under consideration.
- **Cyber security** – Information was requested on what lessons had been learnt from the Hackney Council data breach and what was being done to protect Medway from cyber-attack. A written response to Committee members would be provided.
- **Households living in temporary accommodation** – Asked why the Quarter 2 risk was 'red' status, the Head of Strategic Housing advised that this had been due to a backlog in repairs to properties due to the suspension of works during the first Covid-19 lockdown.
- **Unlicensed HMOs** – In response to a question on the Council's approach, the Head of Strategic Housing said that the service responded to any complaints about unlicensed HMOs and worked with landlords to help them reach the required standard for licensing.
- **Rough sleepers** – To provide more clarity on the 'business as usual' approach that the team had moved back to, the Head of Strategic Housing said that much was happening to support rough sleepers,

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particularly with regard to hotel and temporary accommodation, and few people stopped using the service for negative reasons.

- **Court backlog of possession cases** – In response to concerns about the impact of this backlog, the Head of Strategic Housing advised that the stay on evictions had been extended until May. The service worked with landlords to encourage them to raise cases early to prevent homelessness. Good support was provided by the Revenues and Benefits Service to help those tenants who were in need to seek assistance.
- **Housing repairs and maintenance contract** – Asked for clarification on why the contract had been extended, the Head of Strategic Housing said that, on the basis of performance, value for money and resident satisfaction levels, the Procurement Board had concluded that the best option had been to exercise the extension clause in the contract.
- **Scaffolding training project and Kickstart placements** – Officers undertook to provide Members with further information on these training initiatives.
- **The Council's property portfolio** – In response to questions in relation to Gun Wharf, the Chief Legal Officer advised that the running costs of the building were £1.1m a year and its current occupancy rate was 8%. The Council was in discussions with a significant potential tenant to take some space in the building, which would require some remodelling as a result. Members were assured that appropriate space would be retained for Member meetings.

Decision:

The Committee noted the Quarter 3 2020/21 performance against the measures used to monitor progress against the Council's priorities, and noted the amended Strategic Risk Register as set out in Appendix 4 of the report.

In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

848 Capital Budget Monitoring Report Round 3 2020/21

Discussion:

Members considered a report which presented the results of the third round of the Council's capital budget monitoring process for 2020/21.

During the discussion, the following comments were made and responded to:

- **2019/20 financial accounts sign off** - Members were advised that officers were working with the External Auditor and would be informed when the accounts had been signed off. It was explained that the CIPFA

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code of practice by which the auditors undertook their work had been expanded in recent years and required them to go into greater detail.

- **Britton Farm** – Clarification was requested on the projected underspend for the residential scheme and assurance was sought that this did not reflect a compromise on quality. The Chief Legal Officer explained that ongoing discussions with the potential purchaser had led to a change in design and this had led to the need for a virement. He undertook to provide Members with a more detailed response.
- **Splashes refurbishment** – Officers confirmed that the reference to the refurbishment in the Appendix to the report was out of date and apologised for the error.
- **Innovation Park Medway Schemes** - The Chief Legal Officer agreed to provide a progress report to a future meeting of the Committee.

Decision:

The Committee:

- a) noted the results of the third round of capital budget monitoring for 2020/21; and
- b) noted that Cabinet had recommended to Council the virement of £499,000 from the Britton Farm Residential Scheme to the Medway Development Co Ltd holding scheme, to fund expenditure on future MDC schemes as set out in paragraph 7.3.3 of the report.

In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

849 Revenue Budget Monitoring Report Round 3 2020/21

Discussion:

The Committee considered a report which presented the results of the third round of the Council's revenue budget monitoring process for 2020/21.

During the discussion, the following comments were made and responded to:

- **Regeneration, Culture and Environment** – The Head of Finance Strategy confirmed that the forecast pressure of £7.125m was mainly due to a loss of income in parking, sport, leisure, and tourism during the pandemic. This had been offset by the Government's income compensation scheme for lost fees and charges. It had been confirmed that this scheme would continue through the first Quarter of 2021/22 by which time it was envisaged that income generating services would be able to resume.

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- **Adult Social Care** – In noting the worsening forecast pressure compared to Quarter 2, reference was made to previous comments by the former Director of People on positive negotiations to reduce the cost of placements. However, the view was expressed that where people were in expensive placements, bringing those costs down was a long-term aspiration that depended on Council services being reconfigured to cope with more complex situations. It was questioned whether the forecast £75,000 reduction in spend on mental health would be realised as a saving.

In response, the Head of Finance Strategy said that unit costs were decreasing, and it was hoped that this would continue into the new financial year. She added that the forecast reduction in Quarter 3 spend on mental health had not been based on reduced numbers but rather on the type of care that those placements were currently receiving, based on their need. Colleagues in Business Change were assisting in driving out any remaining inefficiencies to ensure the right support was provided at the right time and at the right costs.

Decision:

The Committee noted the results of the third round of revenue budget monitoring for 2020/21.

In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

850 Covid-19 Response and Recovery

Discussion:

The Committee considered a report providing further information on the Council's response to the Covid-19 global pandemic. The report also outlined the approach to be taken in the coming weeks to reflect the partial lifting of the lockdown.

The Chief Legal Officer outlined the exceptional efforts of staff in responding to the pandemic, particularly those who had been redeployed to other areas of work. In terms of recovery, this would focus on restarting Council services that had stopped during the periods of lockdown and also on tapping into the work of the Kent Resilience Forum sub-sets. The recovery plan would be led by the Assistant Director, Community and Culture.

Members praised the way in which staff had responded to the need to maintain support for communities, particularly the Director of Public Health and his team. Some Members expressed disappointment that the report did not focus more on recovery as they were keen to explore how the data that had been collected during the pandemic could be used to work towards

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reducing health and economic inequality. There was an opportunity for the Council to support businesses by providing advice and guidance on recovery and securing additional investment for job creation and economic development.

The Chief Legal Officer said that the Council was committed to understanding the impact of the pandemic on all of Medway's communities, but particularly those that had been hardest hit. He suggested that a report on recovery be presented to a future meeting of the Committee.

The Chief Legal Officer advised that Kyndi had provided 150 people in a week to manage Covid testing sites and form mobile testing teams.

With regard to grants available to businesses, the Head of Strategic Housing advised that clear guidance was available on the Council's website. Anyone who was unsuccessful in obtaining a mandatory grant was automatically directed to the available discretionary grants.

A Member expressed disappointment that the Government had not extended the temporary regulations that had permitted formal meetings to be held virtually as these had been helpful in terms of achieving a good work/life balance. It was noted that there was a legal challenge in the High Court to test if the legislation permitting virtual meetings remained.

Decision:

The Committee noted the Council's response to the Covid-19 pandemic.

In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

851 Work programme

Discussion:

Members received a report on the Committee's current work programme.

Decision:

The Committee:

- a) agreed the proposed change to the Committee's work programme (Appendix 1) as set out in paragraph 3.2 of the report; and
- b) noted the work programmes of the other overview and scrutiny committees (Appendix 2).

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In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

852 Pentagon Centre - Update

Discussion:

The Committee considered a report which provided an update on the proposed re-development of the Pentagon Centre. The Chief Legal Officer advised the Committee that earlier in the day the Cabinet had approved the progressing of the re-development proposal outlined in the Exempt Appendix to the report, including the RIBA stage 2 design works. The Council was in advanced discussions with a public sector organisation to reconfigure and occupy an area of the centre.

Members discussed the report, and it was suggested that part of the centre could become a public sector driven hub where a number of public services were available. It was further suggested that this approach might attract specialist retailers to take up space in the centre. In addition, it was hoped that the existing tenants of the centre could continue to be accommodated within it.

With regard to the risk of the proposal not progressing, the Chief Legal Officer explained that, although there was limited scope to mitigate the financial risk for the element that had been approved by Cabinet, the Council would be entitled to recover any expenditure after this stage by entering into an agreement to lease.

Clarification was sought on the financial projection for the scheme in view of the comment within the report that additional funding was available from the Capital Programme should it be required. The Chief Legal Officer said that he was confident that the RIBA stage 2 works could be delivered through underspends.

Decision:

The Committee noted that Cabinet had approved the progressing of the re-development proposal outlined in Exempt Appendix 1, including the RIBA stage 2 design works.

In accordance with Council Rule 12.6, Councillors Khan, Murray and Andy Stamp asked that their votes in favour be recorded.

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Chairman

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