

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 25 November 2021

6.00pm to 9.57pm

Record of the meeting

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

Present: Councillors: Buckwell (Chairman), Clarke, Etheridge, Johnson, Maple, Andy Stamp, Tejan (Vice-Chairman), Rupert Turpin, Wildey and Williams

Substitutes: Councillors:
Curry (Substitute for Khan)
Fearn (Substitute for Opara)
Prenter (Substitute for Murray)

In Attendance: Mark Breathwick, Head of Strategic Housing
Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services
Katey Durkin, Head of Finance Strategy
Celia Glynnwilliams, Head of Communications and Marketing
Michael Kelly, Head of Category Management
Anna Marie Lawrence, Corporate Head of Performance and Business Intelligence
Daniel Ratcliff, Skills and Employment Programme Manager
Michael Turner, Principal Democratic Services Officer

462 Apologies for absence

Apologies for absence were received from Councillors Khan, Murray and Opara.

463 Record of meeting

The record of the meeting of the Committee held on 21 October 2021 was agreed and signed by the Chairman as correct.

464 Urgent matters by reason of special circumstances

There were none.

465 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Other significant interests (OSIs)

Councillor Doe disclosed that he was Chairman of Medway Development Company (MDC) and he relied on a dispensation granted by the Councillor Conduct Committee to enable him to take part in the discussion of the report at agenda item 5 (Attendance of the Deputy Leader and Portfolio Holder for Housing and Community Services).

Other interests

Councillor Johnson declared that his employer, the Citizen's Advice Bureau (CAB), was mentioned in the report at agenda item 5 (Attendance of the Deputy Leader and Portfolio Holder for Housing and Community Services) but the interest was not closely aligned to the report.

Councillor Tejan declared an interest in agenda item 9 (Council Plan Performance Monitoring Report and Risk Register Quarter 2 2021/22) in so far as he had a virtual office at the Innovation Centre.

Whipping

Councillors Buckwell and Maple declared that no whipping was in place in respect of the Conservative and Labour and Co-operative Groups respectively.

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

Discussion:

Members considered a report which set out activities and progress on work areas within the Housing and Community Services Portfolio, which fell within the remit of this Committee.

The following issues were discussed:

- **Universal Credit** – whether the reduction in Universal Credit was impacting on rent arrears was queried. The Portfolio Holder commented that Universal Credit (UC) may work if administered properly but the way it currently worked could be damaging. People were now finding themselves in arrears who had never had before. The Council aimed to deal with people in this situation sensitively and did not seek to evict anyone for this reason.
- **Everybody In Scheme** – the housing team were congratulated on the success of this scheme and it was queried whether any positive lessons from it had been learned. The Portfolio Holder confirmed a lot of lessons had been learned. Outreach work was beneficial but very expensive.

Business Support Overview and Scrutiny Committee, 25 November 2021

Accommodation was available for homeless people but there were a few people who did not wish to be accommodated.

- **Importing and exporting of council housing tenants** – in terms of whether any progress had been made on reducing this, the Portfolio Holder confirmed the Council did not seek to export tenants to other areas as it was important they were in a place with the necessary support systems. As a general principle, the Council did not accept council tenants imported from other areas.
- **Supported housing** – reference was made to a case where a provider had been given a substantial sum to provide accommodation and support to vulnerable residents without providing a service. The Portfolio Holder commented supported housing was going through a transitional stage and believed people did receive value for money and any complaints would be dealt with.
- **Affordable housing** – what could be done to provide more affordable housing was questioned. The Portfolio Holder commented that more affordable housing was being built now compared to previous years. Decisions on levels of affordable housing in proposed developments were a matter for the Planning Committee.
- **Domestic abuse** – noting the increase in domestic abuse during the pandemic the Portfolio Holder was asked if he was confident cross border support was working properly. The Portfolio Holder commented this was an issue the Council took very seriously and the best solution would be decided alongside the affected individual. In terms of how many men received support for domestic abuse, it was confirmed that 13 men had requested support and were treated as seriously as women who needed support.
- **Homelessness** – whether an estimated 3000 empty properties in Medway could be used as homes or whether the Council could take more action to require owners to improve properties was questioned. The Portfolio Holder noted that many properties had been improved following intervention by the housing team. Not all empty properties were neglected and it was not always possible to intervene but as a general principle he considered empty properties were not desirable. In terms of empty army accommodation, the Portfolio Holder advised Members that the army were aware the Council was interested in acquiring these properties.

With regard to the 70% successful homelessness prevention rate, the outcome for the remaining 30% of cases was queried. The Portfolio Holder responded that for that group the next step was to find temporary accommodation.

- **Capital work programme** – whether the move to a 2-year programme to attract a better calibre of contractor meant a move away from using local

Business Support Overview and Scrutiny Committee, 25 November 2021

contractors was queried. The Portfolio Holder confirmed that contracts were put out to tender and contracts were awarded on that basis. Local firms would be used if possible and where it was a national firm they were encouraged to employ local people.

- **Local Government and Social Care Ombudsman (LGSCO) referrals and decisions** – in terms of progress with the one complaint that was upheld, the Portfolio Holder commented he was happy with progress. Inter departmental working had not been as close as it should have been, but matters had now improved.
- **Community Hubs** – the Portfolio Holder commented that the numbers of people using hubs and libraries was increasing quickly since the lockdown.
- **Adult education courses** – responding to a comment that too many courses were aimed at people seeking employment, the Portfolio Holder stated that courses were kept under review but what could be offered was affected by lack of demand or ability to recruit a lecturer. Not all courses were about acquiring skills for work, and some were aimed to help with social isolation. A constraint was the courses had to essentially be self-supporting but did receive some public health funding.
- **Climate change** – with regard to his thoughts on the COP26 climate conference, the Portfolio Holder commented that in some ways it had been disappointing. Some proposals had yet to be translated into funding opportunities for the Council to bid for or laws that had to be complied with. The Council would continue with its climate change action plan. In response to comments that the pace, urgency and leadership on this matter at the Council were lacking, the Portfolio Holder assured Members climate change was seen as a real and serious problem. More needed to be done but preventative measures were very expensive. Any additional money spent on climate change meant less for services. More government funding was needed, and this was expected. The Council would continue to work with other Kent councils to bid for climate change funding.

The Portfolio Holder undertook to provide Members with information about Mears Group's climate change policy. In terms of how environmentally friendly the new council housing stock would be, the Portfolio Holder undertook to provide a written answer on the housing stock query.

- **Developments at Hoo and air pollution** – a comment was made that the loss of the Medway Curve railway link to the peninsula would significantly exacerbate air pollution. When the Council would start to properly record air pollution levels at Four Elm Hills was questioned. The Portfolio Holder stated there would be an impact on air quality due to loss of the Medway Curve railway line to the peninsula, although he

Business Support Overview and Scrutiny Committee, 25 November 2021

considered the railway would be built eventually. He was sure the monitoring work referred to would resume as soon as possible.

- **Electric vehicle charging points and solar panels** – in response to when these would be significantly increased, the Portfolio Holder commented the planners were now requiring charging points for electric vehicles in new developments. The Council was part of Kent County Council's electric vehicle scheme, and the aim was to map the location of all charging points.
- **Voluntary and Community Sector** – whether the Council would step in if a VCS organisation was struggling financially, the Portfolio Holder replied that the sector had provided vital support during the pandemic. While the Council would try to be as supportive as possible, there was not a one size fits all approach in terms of offering support to struggling organisations.
- **Medway Development Company (MDC)** – reference was made to large sites owned by the Council and how this related to MDC's development plans was queried. The Portfolio Holder responded that as each development presented a financial risk then this had to be done at a suitable pace and to also prevent a glut of properties on market. These sites would be worked through, including Strood waterfront. Demand appeared to strong and good returns were expected.

Decision:

The Committee thanked the Portfolio Holder for his attendance and agreed to note the report.

467 Medway Adult Education (MAE) Business Plan

Discussion:

Members considered a report regarding the Medway Adult Education (MAE) Business Plan which set out a short-term and medium-term framework for MAE, focusing on work outside of business as usual. The Plan considered challenges and opportunities, both from a commercial and holistic perspective as well as an action plan to deliver against priorities.

The following issues were discussed:

- **Developing IT Skills** – reference was made to a number of organisations which the Council worked with where people with an illness or disability who were unable to work full time and had improved their IT skills during the pandemic to a degree but now needed to improve further. Whether adult education could help them to develop the IT skills needed to start a small business was queried as it was felt what was currently offered was not suitable. Members were advised that digital skills were a key area for the adult education service and digital

Business Support Overview and Scrutiny Committee, 25 November 2021

courses had recently been expanded, although more were needed. Planning for the next academic year was due to begin and officers would look at whether the point raised about IT skills could be addressed.

- **Apprenticeships** – whether the support for apprenticeships referred to in the Plan included people over 24 years old was questioned. Members were assured apprenticeships were for all ages, with good representation in the 24 plus age range and no upper age limit.
- **Accessibility of tablets and data** – with regard to the provision of 50 tablets and data to enable learners to access learning from home, the importance of learners having the resources to get the data needed to use the equipment was emphasised. Members were advised that data was critical and if a user who had a tablet but needed data then that would be looked at.
- **Kick Start Programme** – how adult education could play a part in this programme was queried and Members were advised that the service had participated in this programme, which had worked well.
- **Social prescribing** - noting that this may be one of the motivations for accessing adult education, a suggestion that this should be strengthened in the Plan was agreed.
- **Decrease in foreign language courses** – noting the decrease in the availability of these courses, whether the service could work with the pool of interpreters that the Council had access to was suggested.
- **Holistic education for adults** - the loss of academic qualifications was regretted, particularly routes to higher education, although it was acknowledged this was due to funding conditions. In response, Members were advised that the adult education service worked closely with Mid Kent College and universities to ensure there were progression routes and guidance was given on how to reach higher educational levels.
- **Voluntary Sector** - how the sector would be engaged through the Plan was queried as well as what could be done to help those volunteers would have given up lots of time (e.g., in vaccination centres) to get into employment. Reference was also made to the contributions of people in community payback projects, and it was suggested that the adult education service could recognise their work in order to help them find employment. Members were advised that volunteers played a key role in the service, which also worked closely with the voluntary sector. There were also good links with community partners and officers would look at how the participants in community payback schemes could be accredited or recognised.
- **Measuring of outcomes** - in terms of how outcomes were measured and what percentage progressed to employment or further education,

Business Support Overview and Scrutiny Committee, 25 November 2021

Members were advised that work had started to try to capture this information, but this was challenging.

Decision:

The Committee agreed to note the Medway Adult Education Business Plan and forward its comments to Cabinet, as set out above.

468 Update on Sponsorship and Advertising Policy

Discussion:

Members considered a report on the application of the Council's Sponsorship and Advertising Policy, introduced in 2019.

The following issues were discussed:

- **Make a Difference Awards** – accepting the awards should be cost neutral to the Council, a concern was expressed that one of the sponsors provided bailiff services and whether this was appropriate was questioned. The Head of Marketing and Communications responded this would be looked at in the forthcoming review of the policy.
- **Advertising** – in response to why one proposed advertiser had been turned down, Members were advised that this was because the organisation was in competition with a council service. Reference was made to the stipulation in the policy that the Council would not enter into any advertising or sponsorship arrangements with any organisations or individuals which were expecting to enter into a procurement process with the Council in the following three months. Whether this should be changed to three months after the start of the contract was suggested. The Head of Marketing and Communications responded this would be looked at in the forthcoming review of the policy, although sometimes contracts were for a period of under 90 days.
- **Medway Matters** – whether any requests were received from council departments to advertise in Medway Matters was queried, such as responsible dog ownership. The Head of Marketing and Communications advised that some parts of the Council did advertise in the publication but issues such as responsible dog ownership were seen more as public information than advertising.

Decision:

The Committee agreed to note the report.

469 Procurement Strategy 2021-2025, 2021 Update Report

Discussion:

Members considered a report regarding progress made against the 2021-2025 Procurement Strategy and proposed additional objectives to take forward into 2022.

The following issues were discussed:

- **Climate change and social value** – a request was made that the next progress report to the Committee include tangible examples of what the procurement strategy was doing to address these issues. The Head of Category Management advised the Social Value policy operated in parallel with the Procurement Strategy and accepted there was a need to demonstrate practical social value benefits.

Whether contractors were asked as a matter of course about their climate change policies and whether there was an expectation their policies aligned with the Council's were queried.

- **Voluntary and Community Sector** – a point was made that the Strategy should encourage and support the sector to procure with the Council in a way which would neither advantage or disadvantage them. The Head of Category Management responded that a proportionate approach was needed. The team had a good partnership with the sector but there was a need to build on this through contract management.
- **Single entity bidders** – reference was made to an outside body which often needed to contract where there was only one specialist bidder but experienced difficulties with the Council's procurement processes. The Head of Category Management advised that in some markets there was a perceived single supplier, but the Council had a responsibility to broaden and expand the market.

Decision:

The Committee:

- a) noted the achievements of the first year of the first year of the 2021-2025 Procurement Strategy as outlined in in Appendix 1 to the report;
- b) noted the delivery of the objectives within Appendix 2 of the report.

**470 Council Plan Performance Management Report and Risk Register Review
Quarter 2 2021/22**

Discussion:

The Council Plan 2021/22 set out the Council's three priorities. Members considered a report summarising performance in Quarter 2 2021/22 on the delivery of the programmes and measures which fell under the remit of this Committee:

- Priority: Growth
- Values: 1: financial resilience, 2: digital enablement, 3: working together to empower communities, 4: creativity and innovation, 5: tackle climate change, and 6: child friendly

The following issues were raised:

- **New strategic risk (Pandemic)** - the point was made that it seemed late in the day to add this as a new risk and the mitigation measures seemed vague. The point was made that the current pandemic should not be seen as a one in a century occurrence and how the risk related to national emergency plans and the Council's emergency plan was queried. Members were advised that the Council's pandemic plan was separate from the emergency plan and pre-dated the addition of the risk on the register. The risk of a pandemic was also covered in the individual service business continuity plans. The risk had been added to the Strategic Register at Members' request, and an assurance was given that it was an issue the Council had always considered.
- **Data and information risk** – whether the Council was confident it was as compliant as possible with the GDPR rules given the pandemic pressures and turnover of staff was queried. Members were advised there was always room for improvement, but officers were confident the Council had plans in place to comply with GDPR. Discussions had taken place with Council owned companies to ensure any contracts included information governance procedures.
- **Cyber security risk** – a request was made for a briefing paper on the lessons learned from a cyber security incident affecting a London Borough council.
- **Complaints** – the reasons why fewer complaints were meeting their target response times, particularly with Stage 1 complaints, and why there had been a significant increase in Stage 1 complaints in Quarter 2 compared to last year were queried. A written answer would be provided.
- **Press releases** – the point was made that more could be done to publicise prosecutions and sanctions secured by the Council.

Business Support Overview and Scrutiny Committee, 25 November 2021

- **Meeting the needs of older people risk** – a reassurance was sought regarding the trigger of reduced provider capacity given how quickly providers could go out of business and the crisis in the adult social care system. Members were advised the trigger related to what the service was measuring to see if the risk might happen and the query would be passed on to the Assistant Director – Adult Social Care.
- **Universal Credit and rent arrears** - the importance of the Committee keeping a watching brief on this issue was emphasised.
- **Medway Champions Programme** – the relationship between any of the various ambassador programmes and this Programme was queried and further information was requested. A briefing paper would be provided on current schemes and any that had stopped.
- **Local plan** – whether the Local Plan should be classed as a strategic risk was queried. Officers were advised this was a Directorate level risk, but the Strategic Risk Officer group could look at whether it should be included in the Strategic Risk register.

Decision:

The Committee agreed to:

- a) note the Q2 2021/22 performance against the measures used to monitor progress against the Council's priorities and to note the amended Strategic Risk Register.
- b) request briefing papers on a cyber security incident at a London council and also on current ambassador schemes and that had stopped.
- c) request that officers examine whether the Local Plan should be included in the Strategic Risk Register.

471 Capital Budget Monitoring Round 2 2021/22

Discussion:

Members considered a report regarding the results of the second round of the Council's capital budget monitoring process for 2021/22.

The following issues were discussed:

- **Horsted gyratory system** – an undertaking was given to provide a breakdown of spend on this scheme.
- **Community schemes** – the good liaison with ward councillors on the community schemes in the capital programme was recognised.

Business Support Overview and Scrutiny Committee, 25 November 2021

- **Contingency levels** - concern was expressed whether the level of contingency built into the programme reflected the recent significant increases in the cost of supplies and labour. Members were advised that the capital programme contained some level of contingencies to absorb costs, although the programme was as lean as possible. For some schemes in the programme contracts had already been let and were tied to historic prices. Officers were looking at how the monitoring of the programme could be improved.
- **Maritime academy** - how any emergency bulge work would be funded was queried given low levels of reserves. The Head of Finance Strategy advised the government had not awarded any further basic needs grants for schools and projections for pupil numbers exceeded current capacity. As the Council had a duty to deliver school places then it would borrow to fund this if necessary but at a strategic level was lobbying the government for more funding.
- **SEN strategy** – concern was expressed that the basic needs programme was overspent given the pressures on school places. The Council's contribution to Cornwallis Send school project was queried, as was when work would start. A question was asked whether capital funding devolved to schools was solely a matter for a school to decide on. The Head of Finance Strategy advised the basic needs grant was overspent and the Council was looking at opportunities to use S106 contributions from developers that related to education provision to free up some basic need grant and mitigate the overspend. In response to a request, an update would be sought on the Rowans Primary Support scheme and the issue of devolved capital to schools.
- **S106 contributions** - further detail was requested on schemes which relied on time limited S106 contributions due to the risks involved. The Head of Finance Strategy advised that the completion dates of any S106 contributions in the capital programme had been checked to ensure they were within the timeframe of the scheme.
- **Innovation Park Medway** – as the runway was no longer going to be paved and the project had gone over time, why it was classed as being on time and budget was queried. Concern was expressed that to qualify for five years reduced business rates at Innovation Park, applications had to be submitted by March 2022, but no-one had yet signed up. The Head of Finance Strategy advised the scheme would be revisited to ensure its status had not changed. The position on business rates at Innovation Park would be looked into.

Decision:

The Committee agreed to note the results of the second round of capital budget monitoring for 2021/22.

472 Revenue Budget Monitoring Round 2 2021/22

Discussion:

Members considered a report which presented the result of the second round of the Council's revenue budget monitoring process for 2021/22.

The following issues were discussed:

- **Leasehold buildings** - the Council's total financial contribution to its leasehold buildings was queried. The Head of Finance Strategy advised that the Council was carrying out a review to rationalise its operational property that may result in leasehold buildings being disposed of. It was difficult though the capital programme to identify what was spent on works to leasehold properties, but the costs could be established with the property team.
- **Budget pressures in children's and adult services** – in response to whether the Council was lobbying the Government for extra funding for children's and adults' services in light of significant and unsustainable pressures, the Head of Finance Strategy confirmed the government was being lobbied through all available channels and it appeared that the Government's tone on this matter had changed.
- **Supported living market in Medway** - whether the Council was securing value for money for residents was queried and an undertaking was given to seek the views of the Director of People.
- **Children's Services Placements financial pressure** – in response to whether Medway was an outlier in relation to other unitary councils, the Head of Finance Strategy did not consider this was the case based on benchmarking information.
- **Underspend on staff progression** – referring to a £1.4m underspend in this area, the point was made that staff needed to be supported in improving services. The Head of Finance Strategy advised that after the Ofsted inspections staffing structures had been reviewed and a package of support provided for social work staff for pay progression. The budget had been built on the basis that every member reached the top of their pay range when in practice that was not the case. The draft budget included the removal of this underspend, with a recognition that the cost of that progression would be reflected in future years' budget builds.

Decision:

The Committee agreed to note the results of the second round of revenue budget monitoring for 2021/2.

473 Draft Capital and Revenue Budget 2022/23

Discussion:

Members considered a report regarding the Council's draft capital and revenue budgets for 2022/23.

The following issues were raised:

- **Transfer of £2m children's social care pressure to adult social care** – in response to a query, Members were advised that historically most of the growth in learning disabilities placements in adult social care came from transitions from children's social care. Having looked at the expected cohort transitioning from children's social care the needs were now known and were lower than originally forecast. There would be no impact on services from this transfer.
- **2022/23 budget gap** – noting that the projected budget gap of £18.176m at this stage was unprecedented the point was made that difficult decisions would be needed at the February budget Council meeting.
- **New homes bonus** – the point was made that the Government were instructing councils to build more houses but this scheme which helped councils encourage housing growth was being wound down. The Head of Finance Strategy advised that the government may be moving from decentralised schemes like this to schemes which better reflected local needs.
- **Health and Social Care Levy** – a point was made that this was unlikely to benefit the Council. The Head of Finance Strategy agreed this was unlikely to have a significant positive impact on the Council's budget and there was a concern that providers would charge councils more.
- **Charging revenue costs to capital schemes** - referring to a comment that this is something that the Council should not do, the Head of Finance Strategy commented this was also something the Council's external auditors focussed on. There could be some confusion in terms of what matters the government classed as capital (i.e. potholes capital grant) and it could sometimes be possible to spend capital receipts on what were revenue items under temporary flexibilities in place. The Council would seek to charge appropriate items to capital where possible. A point was also made that care should be exercised in how S106 contributions were used.
- **Pay award** – noting that 1% had been set aside for pay, the point was made that due to inflation running at more than 4% this meant a pay cut in real terms. The Head of Finance Strategy commented this was still subject to negotiations with the Trade Unions.

Business Support Overview and Scrutiny Committee, 25 November 2021

- **Financial Settlement** – in terms of the impact on the Council of the Government's levelling up agenda and also the timing of the settlement, the Head of Finance Strategy was hopeful that some of the grant announcements had been underplayed. The Council's senior leadership were focused on reducing the gap further.
- **Personal care costs cap** – referring to the cap of £86k, whether this would lead to a cultural shift where people started to release equity from their homes or move to cheaper properties was queried and what the impact might be for the Council. The Head of Finance Strategy commented this sort of shift might be possible and the impact of the cap was still being modelled.

Decision:

The Committee:

- a) noted that Cabinet has instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2022/23 and beyond.
- b) noted the proposals outlined in the draft capital and revenue budgets and agreed to forward the proposals to the individual overview and scrutiny committees.

474 Work programme

Discussion:

Members considered a report about the Committee's work programme, including the current Task Group programme.

Differing views were expressed on what the next Task Group review should be and whether the current programme should be amended. There was a suggestion the Town Centres review be brought forward in place of physical activity. It was also suggested that support for carers be given greater priority and physical activity should not be delayed and that an additional review on post pandemic Medway be added.

Comments were also made that all the O&S Committee should scrutinise the Local Plan.

Decision:

The Committee:

- a) agreed to move the Medway Norse Update report from the meeting scheduled for 27 January 2022 to the meeting scheduled for 31 March 2022;

Business Support Overview and Scrutiny Committee, 25 November 2021

- b) agreed the Committee's work programme at Appendix 1 to the report;
- c) noted the work programmes of the other overview and scrutiny committees at Appendix 2; and
- d) agreed that the current programme of Task Group reviews and also the issue of the length of O&S meetings be discussed at a meeting of O&S Chairmen, Vice-Chairmen and Opposition Spokespersons with recommendations being made to this Committee.

Chairman

Date:

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