

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

**Tuesday, 25 January 2022**

**6.03pm to 8.26pm**

**Record of the meeting**

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

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

**In Attendance:** Samantha Beck-Farley, Head of HR  
Mark Breathwick, Head of Strategic Housing  
Katey Durkin, Head of Finance Strategy  
Patrick Knight, Head of Revenues and Benefits  
Stephen Platt, Democratic Services Officer

**643 Apologies for absence**

Apologies for absence were received from Councillors Clarke, Murray, Andy Stamp, Rupert Turpin and Williams.

(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 and enable more efficient meetings. Therefore, the apologies given reflected that informal agreement of reduced participants).

**644 Record of meeting**

The record of the meeting of the Committee held on 25 November 2021 was agreed and signed by the Chairman as correct.

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

There were none.

The Chairman reminded Members that the supplementary agenda contained appendices that were not available at the time of publication of the agenda.

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

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Other interests

Councillors Opara and Tejan declared an interest in item 8, Council Strategy and Council Plan Refresh 2022/23 as it referred to the Innovation Centre where they both had offices.

**647 Housing Revenue Account Capital and Revenue Budgets 2022/23**

**Discussion:**

The Committee considered a report presenting the Housing Revenue Account capital and revenue budgets for 2022/23 which provided details of proposed rent and service charge levels. It also contained the latest revised forecasts of the HRA Business Plan.

Members raised a number of questions and comments which were responded to by the Head of Strategic Housing as follows:

- **Three-Year Capital Works Budget:** The lost opportunities referred to in the report referred to the previous arrangement whereby the capital works budget was set on an annual basis. This had prevented rationalisation and cost savings which were now possible under the current three-year programme.
- **What was the progress of the Housing Building Development Programme?:** The Council was aiming to increase its stock by 1% year on year and referred to the three sites in Twydall which were at the early stages of development.
- **What support was given to tenants in light of the reduction in Universal Credit and increase in energy prices?:** This was acknowledged as a challenge in terms of rent arrears; the Housing and Finance teams worked closely to ensure eligible tenants received the housing support grant. Investment in housing stock improvements was reducing energy costs, for example the installation of energy efficient boilers.
- **How many properties were available through right to buy:** The HRA business plan models for 15 units a year to be lost through the right to

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buy, this was increased from 10 units for more recent iterations of the plan.

- **How was the 5 year rolling Mears contract monitored?:** This had been 5 year contract with an option to extend for 5 years. There would be a retendering exercise next year and tenants' views would be sought.
- **How were residents' expectations managed when they were consulted?:** Assisted by the Estate Champions, the Council always sought to explain the detail behind decisions to residents to ensure a greater understanding of what it was seeking to achieve.
- **Were smaller social landlords encouraged not to increase rents?:** Members welcomed the decision of MHS not to increase rents and were advised that discussions had been held with smaller social landlords although the position on rent increases was mixed.
- **Greater mitigation measures were needed to address rent arrears:** Benchmarking had showed that the Council was in a positive position in this regard; it was doing all it could to ameliorate the situation.
- **What was the rationale for the Council's 3.5% increase in rent?:** The business plan modelled an increase of 2.5% each year; last year's increase was 1.5% so this year's increase brought it back in line with the planned increase.
- **What was the latest position on void properties?:** Workforce self-isolating as a result of the pandemic had restricted the amount of work that could be done to bring void properties up to standard within acceptable timescales, there were also broader national issues with materials and labour. The Council would continue to work with Mears to improve the position.

### Decision:

The Committee recommended to the Cabinet:

- a) A proposed social rent increase of 3.5% (which is below the allowed CPI of 3.1 plus 1%) for the social rent housing stock as set out in Appendix A (based on 52 collection weeks) with effect from 04 April 2022.
- b) A proposed affordable rent increase of 3.5% (which is below the allowed CPI of 3.1 plus 1%) for the affordable rent properties as set out in Appendix B (based on 52 collection weeks) with effect from 04 April 2022.
- c) A proposed rent increase of 5% to be applied to all garage tenure types with effect from 04 April 2022 as stated in section 4.

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- d) That the service charges increases/decreases as set out in Appendix C of the report for 2022/23 be approved.
- e) That to allow the service charges cap of 15%, or 10 pence, whichever is the greater.
- f) That the revenue budget for the HRA service for 2022/23 as per Appendix D be approved.
- g) That the proposed new budget of £8.2m (as set out in section 8.5.3 & 8.5.4) and a virement of £1.3m from phase 4 budget be approved for Phase 5 new build programme.
- h) That the provision for the repayment of debt based on annuity-based payment of £0.427m, on the HRA's outstanding debt for 2022/23 be approved.
- i) That Members approve the revised 30-year HRA Business Plan model as attached at Appendix E.

### 648 Draft Capital and Revenue Budgets 2022/23

#### Discussion:

The Committee considered a report presenting the Council's draft capital and revenue budgets for 2022/23 noting that it was based on the principles set out in the Financial Outlook 2022/23 reported to Cabinet on 28 September 2021.

Members raised the following questions and comments:

- **Clarification on the Council tax base:** With reference to new housing development, clarification was sought on the reduction in the Council's tax base due to the pandemic. The Head of Finance Strategy explained that the number of properties was not the only factor in calculating the tax base. For example, it would be reduced by the number of people claiming under the Council Tax Reduction Scheme. Colleagues in Planning Services had assisted in reaching a prudent assumption about the number of dwellings that would be completed and occupied over the course of the year, and therefore liable to Council Tax, based on the number of outstanding planning consents.

The Head of Finance Strategy added that, although there were impacts of Covid that would reduce the Council's tax base, there were also significant residential development opportunities which would increase the tax base.

The projected increased cost of adult and children's social care as a result of the pandemic was also highlighted by Members and it was requested that this, as well as the housing development issue, be included in a briefing note on the impact of the pandemic on the Council

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tax base. The Head of Finance Strategy advised that the adult social care precept was an additional 1% on a resident's council tax bill.

- **Shortfall in income from the Pentagon Centre:** The Head of Finance Strategy advised that the draft budget represented a set of assumptions made in November that had now been reviewed. Over the next two years, the shortfall in income from the Pentagon Centre would be in relation to improvement works for its better future use. It was therefore anticipated that this shortfall would be reduced for 2023/24.
- **Reduction in Business Rate retention:** The Head of Finance Strategy said that Medway not benefiting from 100% business rate retention, as a result of a recent Secretary of State announcement in relation to levelling up, would hopefully be offset by increased national grant allocation due to Medway's higher position on the indices of deprivation than previously.
- **Concerns regarding the Health and Social Care Levy:** Concern was expressed that residents might conclude that they were paying twice for adult social care and might still have to sell their homes to contribute towards their care. However, the Council would not receive the extra funding collected through this levy. The Head of Finance Strategy responded that every individual would be paying an extra 1.25% from April as a result of this levy and the allocations from it would be ringfenced for the NHS for the first three years. Separately, the Government had announced a series of relatively small funding pots for local authorities with Medway's allocation amounting to around £630,000. The Council was modelling the impact of these changes but the presumption within the budget was that the impact would be contained within this year's grant funding.
- **Income from Local Taxation – The Collection Fund:** In response to a question on whether the Council was losing support for the collection fund, the Head of Finance Strategy, said that this was in part a timing issue. Some Covid funding allocations had been provided up front with two years funding received in the same year. Conversely, the impact from other funding allocations might not be seen until the following year. This complication meant that there were occasions when funding had been passed on the residents before it could be reflected in the Council's collection fund accounts.
- **Schools Grants:** Asked if the situation on these allocations was still uncertain, the Head of Finance Strategy said that they had now been confirmed and at its meeting on 8 February, Cabinet would receive the final schools funding report.
- **Funding pressure on SEND transport:** It was noted that the Council Strategy report which would be considered later in the meeting, mentioned significant funding pressure on SEND transport and further information on this was requested. The Head of Finance Strategy

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advised that the dedicated schools grant did not cover school transport costs which therefore became a pressure on the general fund and this pressure was growing as the SEND cohort increased. Although routes had been rationalised to reduce the number of vehicles needed for school transport, social distancing requirements during the pandemic had meant that this rationalisation could not be sustained. SEND Transport was included as a line within the Children and Adults Directorate budget summary at Appendix 2A of the report.

- **Reduction in funding allocation for homelessness:** The Head of Housing Strategy advised that Government funding for the rough sleeping initiative would be reduced by 25% for quarter 1 of 2022/23. The current level of service would be maintained during this time from reserves, and any rolled forward money from the second phase of the Everyone In fund. Discussions with the Ministry were continuing on what the level of funding might be beyond quarter 1. This information had been received after the draft budget had been prepared but it would be reflected in the final budget.

### **Decision:**

- a) The Committee 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) The Committee commented on the proposals outlined in the draft capital and revenue budgets in so far as they relate to the services within the remit of this committee. It considered the comments from the individual Overview and Scrutiny Committees, as set out in Appendix 5, and forwards them to Cabinet, contributing to the overall comments that the Committee feeds back to Cabinet on behalf of the other O&S Committees.

## **649 Council Tax Reduction Scheme 2022-2023.**

### **Discussion:**

The Committee considered a report informing Members on the results of the public consultation concerning the proposed changes to the Council Tax Reduction Scheme for 2022-2023. The Committee's comments were sought before Cabinet was asked to recommend to Council a Council Tax Reduction Scheme for 2022-2023.

The Head of Revenues and Benefits reported that there had been 819 responses to the consultation and, although 38.3% initially supported the retention of the current council tax scheme, once respondents had considered the income-grid scheme that was being proposed, 67% agreed with its introduction. The majority were in favour of each of the 12 proposed changes to the scheme.

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Members raised the following questions and comments:

- **Personal Independence Payments (PIP):** Clarification was sought on whether people applying for a PIP, who may have to wait up to two years for a decision, were excluded from the new scheme. The Head of Revenues and Benefits advised that PIP was not means tested whereas the new scheme was income based. If there was a delay in a PIP application, it would not prevent people from applying for universal credit. One of the benefits of the new scheme was that people would not have to make separate applications for universal credit and council tax reduction so it would avoid them missing out on a benefit they were entitled to.

Asked how an applicant for PIP was made aware that they should be applying for universal credit, the Head of Revenues and Benefits said that his teams worked closely with the DWP to sign post people to the benefits they were entitled to.

It was requested that a Member briefing be arranged so that Members were better placed to assist their residents. This should include some worked examples to demonstrate the financial impact for individuals.

- **Maximum discount of 65%:** It was suggested that the consultation should have asked residents views on this maximum as it had previously been 100%. Although the proposed scheme was better than the current one, it was still pernicious for many residents. The Head of Revenues and Benefits referred to a proposed £200,000 hardship fund to assist in cases where residents have been adversely affected.
- **Council Tax Discretionary Relief Scheme:** Reference was made to the minimal amounts paid under this scheme and a briefing note was requested on its criteria; what payments have been made; and in what circumstances. The Head of Revenues and Benefits acknowledged that historically, this fund had not been spent. There had been an increase in applications for assistance under the scheme over the past two years and these were considered on the basis of whether Council Tax specifically was causing the financial hardship.

The Head of Revenues and Benefits said that the new scheme would enable the Council to be more proactive and encourage applications by targeting specific cases using the financial modelling that had been developed.

### Decision:

- a) The Committee commented on the Council Tax Reduction Scheme 2022/23 (Appendix 5) for Cabinet's consideration on 8 February 2022 when it will be asked to recommend the scheme to Council for adoption on 24 February 2022 based on the twelve proposed changes to the existing scheme.

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- b) The Committee commented on the proposal to cease the risk-based verification policy from 1 April 2022 (paragraphs 1.5 and 2.1.8) which will be for Cabinet's consideration on 8 February 2022.
- c) Members requested that a briefing note and presentation be provided to assist their understanding of the new Council Tax Reduction scheme, including Council Tax Discretionary Relief.

### 650 Council Strategy and Council Plan Refresh 2022 - 2023

#### Discussion:

The Committee considered a report on the Council Strategy, which set out the Council's key priorities, the outcomes the Council expected to achieve and the programmes that would be delivered, and the Council Plan, which was the delivery plan which set out the measures that would be used to track performance against the Council's key priorities.

Members were asked to consider these proposals and forward any comments to Cabinet on 8 February 2022, prior to consideration by Full Council on 24 February 2022, for implementation from April 2022.

Members raised the following questions and comments on the Council Strategy Refresh:

- **What was the Council doing to be a leading Smart City in the South East by 2035 and what were the challenges that might prevent this being achieved?:** It was agreed that an update would be provided to Members.
- **Local Transport Plan and Infrastructure Delivery Plan:** The links to these documents on the Council's website would be sent to Members.
- **Sites identified for Development:** Noting that 12 sites had been identified for development, clarification was sought on the two further sites that MDC had been commissioned to consider. A response would be provided outside the meeting.
- **Could a breakdown of the delivery of new homes to meet the needs of residents, and also the delivery by MDC, be reported on a quarterly basis?:** Members were advised that, as the delivery of new homes changed so much throughout the year, it would not be a useful quarterly indicator. Clarification would be sought on the reporting of MDC.

Members raised the following questions and comments on the Council Plan refresh:



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- **4.2 Digital Enablement:** Concern was expressed that DIGI TU 01 – Digital Take Up was being moved from the Council Plan to Directorate monitoring, given that it was such an important issue for residents.
- **1.2.1 Programme. Together We Can – Children’s Services Improvement Plan:** The new Goldilocks measure for Children’s Services was welcomed. However, concern was expressed that ILAC7 - The percentage of CSC audits graded good or outstanding was being replaced by a new target of the number of audits graded requires improvement or higher. This was not considered to be a positive move and had not been discussed at the Children and Young People’s O&S Committee.
- **1.2.2 Programme. The best start in life:** It had been requested at both this committee and at Children and Young People’s O&S Committee that PH16 Smoking at the time of delivery be made more challenging. However, this was not being proposed in the Plan.
- **The Process for Changing Targets:** In view of the two previous points, clarification was sought on the process for changing targets. Members were advised that Officers start the refresh process each year and the comments from this meeting would be reported to Cabinet.

### Decision:

Members commented on the refreshed Council Strategy as shown in Appendix 1, and on the refreshed Council Plan measures as shown in Appendix 2.

## 651 Risk Strategy Annual Review

### Discussion:

The Committee considered a report which presented the annual review of the Risk Strategy, in accordance with the Council’s Risk Management Strategy.

Members raised the following questions and comments:

- **Risk Register:** Clarification was sought on whether local risk registers were compatible with the national register. A response would be provided outside the meeting.
- **Emergency Planning Briefing:** An update was sought on arrangements for a briefing for Members on Emergency Planning, to clarify the relationship between the risk register and Emergency Planning.

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### **Decision:**

- a) The Committee noted and commented on the 2022/23 Risk Strategy at Appendix 1 setting out the Council's approach to risk management.
- b) The Committee requested an update on arrangements for a Member briefing on Emergency Planning.

### **652 Work programme**

#### **Discussion:**

The Committee considered its work programme and also proposals for future overview and scrutiny meetings and the schedule of Task Groups.

The Chairman reminded Members that they had previously supported the concept of the Local Plan being considered by each of the four overview and scrutiny committees at the appropriate time.

Members agreed that the informal meeting of overview and scrutiny Chairmen/Vice-Chairmen and Opposition Spokespersons held on 5 January had been positive and useful, and it was suggested that future such meetings be held. The view was expressed that, although the action points set out in the report were a useful basis for further discussions on the efficiency of overview and scrutiny meetings, they did not represent a consensus of the views expressed at the meeting. It was suggested that further consideration on the way forward was needed, recognising that different approaches might be appropriate for the different committees. As such, any agreement would need to incorporate the flexibility to facilitate these different approaches, for example in relation to the number of agenda items considered at meetings.

Members noted that, at the informal meeting held on 5 January, it had been proposed that GP appointments and access to services should be the next Task Group. An assessment of this proposal was appended to the report and Members noted the reasons why the Director of Public Health considered that this review should be deferred at the present time. Whilst there was some support for the Director's view, and that it would be timely to start a review on physical activity as scheduled, other Members considered that, given the importance of this issue to the people of Medway, it should be the topic of the next Task Group, even if this meant the review would take longer than usual.

The matter of which topic would be the next Task Group was put to the vote with two members of the Committee voting for physical activity and six voting for GP appointments and access to services.

Members also discussed the possibility of a review of town centres being conducted as a standing item within scheduled meetings of the Regeneration, Culture and Environment Overview and Scrutiny Committee. It was proposed that this be discussed at that committee's next agenda planning meeting.

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With regard to the Local Plan, Members discussed this being the subject of a single item agenda for meetings of each of the four overview and scrutiny committees.

### **Decision:**

The Committee:

- a) agreed the Committee's work programme at Appendix 1 of the report;
- b) noted the work programmes of the other overview and scrutiny committees at Appendix 2 of the report;
- c) agreed that there be further discussion between Chairmen, Vice-Chairmen and Opposition Spokespersons on measures for future overview and scrutiny committee meetings;
- d) noted the Director of Public Health's advice in relation to undertaking a Task Group on GP appointments and access to services at the present time;
- e) agreed the schedule for the remaining Task Groups as: 1. GP appointments and access to services; 2. physical activity; 3. town centres; and 4. support for carers (as a themed meeting); and
- f) agreed that the Local Plan be considered by each of the overview and scrutiny committees at the appropriate time.

**Chairman**

**Date:**

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