

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 31 March 2022

6.00pm to 10.10pm

Record of the meeting

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

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

Substitutes: Councillors:
Curry (Substitute for Johnson)

In Attendance: Mark Breathwick, Head of Strategic Housing
Wayne Hemingway, Head of Democratic Services
Andrew Mann, Partnership Director, Medway Norse
Stephen Platt, Democratic Services Officer
Phil Watts, Chief Operating Officer

776 Apologies for absence

An apology for absence was received from Councillor Johnson.

777 Record of meeting

The record of the meeting of the Committee held on 25 January 2022 was agreed and signed by the Chairman as correct.

778 Urgent matters by reason of special circumstances

There were none.

779 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Business Support Overview and Scrutiny Committee, 31 March 2022

Other interests

Councillor Opara declared an interest in item 6, Council Plan Performance Monitoring and Risk Register Review, Quarter 3 2021/22, as her business had received business grants.

Councillor Maple also declared an interest in item 6 as he was a member of various organisations that had received covid grants.

780 Medway Norse Update

Discussion:

The Committee considered a report which represented a mid-year review of the performance of the Joint Venture from the perspective of the Council client for 2021/22 financial year. The report was accompanied by an update on the Joint Venture's achievements and financial performance prepared by the Partnership Director at Medway Norse.

Members raised the following issues which were discussed:

- **Update on the replacement depot at Rochester/Maidstone Road** – The Partnership Director confirmed that the provision of a new depot at Rochester/Maidstone Road was on target despite the challenge of limited building supplies. The construction stage was expected to be completed by mid-June with the move from Deangate anticipated for the Autumn.
- **Travellers on Luton Recreation Ground** – Asked what could be done to prevent future incidents of travellers accessing Luton Recreation Ground, the Partnership Director said that measures had been taken to make sites secure but on occasion travellers had removed posts to gain access. There was a limit to what could be done without restricting public access to open spaces.
- **Condition survey** – With reference to the situation which had led to the need to demolish the Splashes building, and the need to identify issues at an early stage, the Partnership Director was asked about the frequency of condition surveys. He responded that the surveys were carried out by the Council and the last one had been seven years ago. They were based on the visible condition of buildings externally and this had not picked up the issue with Splashes. Norse was working closely with the Council to consider what intrusive work should be carried out as part of the next surveys. The Chief Operating Officer advised that £750,000 had been provided for condition works in the building maintenance fund.
- **Structural condition of walls** – Asked if the heritage value and biodiversity value of walls was taken into account in the maintenance of

Business Support Overview and Scrutiny Committee, 31 March 2022

walls, the Partnership Director said that Norse was aware of the ecological considerations and carried out remedial works in a controlled manner. The Chief Operating Officer said that there was a need to survey and risk assess walls and heritage structures and to reflect the results in future iterations of the Capital Strategy.

- **Waste arisings from Council buildings** – With reference to the audit of waste arisings from Council buildings, the Partnership Director said that his team worked closely with the Council's climate response team to ensure that climate change was a fundamental consideration of the audits.
- **The extended growing season** – The Partnership Director was asked if the extended growing season was now the norm. He responded that the year before last had been a slow growing year, but last year had been more challenging. The initial Spring cutting had started early this year which would lead to an improved position in the Summer.
- **Ultra-low emissions vehicles for school transport** – The Partnership Director advised that all 40 buses had been replaced in the last year by Euro 6 stop-start buses. Charging points would be in place as the fleet transitioned to electric vehicles.
- **Promotion of recycling** – The Partnership Director said that the Council's Communications Team was responsible for this although it was promoted on the side of Norse vehicles.
- **Volunteers** – At the suggestion of a Member, the Chairman agreed to send a letter of thanks on behalf of the Committee to volunteers who helped around the parks.
- **HWRC booking system** – The Partnership Director said that there was no significant queuing on the highway which was a significant health and safety benefit. With regard to bookings that were not kept, he said that he did not believe this prevented other residents from getting a time slot when they wanted one.
- **Veolia contract** - The Partnership Director confirmed that no location to house a waste transfer station had been identified and it was therefore likely that the Veolia contract would be extended.
- **Capital depreciation of equipment** – Asked if there was a danger that all equipment would need replacing at the same time, the Partnership Director advised that most equipment had already been replaced since the start of the contract and was on a replacement cycle.
- **Rise in the price of material** - The 3.8% rise in material prices was questioned and the Partnership Director clarified that this related to December 2021 when the report was written for Cabinet. The current level of increase was around 10%.

Business Support Overview and Scrutiny Committee, 31 March 2022

- **Recruitment difficulties** – The Partnership Director advised that, should the pay award be approved, all staff would be on a higher rate than the living wage. The organisation was therefore in the strongest place it could be to attract new staff.
- **Death in service** – The Partnership Director and Members paid tribute to a long standing and valued member of staff at Medway Norse who had passed away praising his commitment to the organisation.
- **Unsuccessful contract bids** – The Partnership Director advised that some school cleaning contracts had been lost to lower cost providers although some schools had subsequently returned to Norse.
- **Hard FM shortage of direct labour** – The Partnership Director said that Medway Norse had to apply rates for the job set by the Norse Group. Medway Norse had a good relationship with Mid Kent College to provide work experience opportunities to electrical apprentices.
- **Cemeteries/Rights of way** – The Partnership Director acknowledged that all parties needed clarity on the rules regarding the public use and rights of way at cemeteries. On rights of way generally, in response to a Member's comment on the need for these to be cut back and adequately lit, for reasons of community safety and access, he said Norse had created a Public Rights of Way Team to deliver a better solution going forward.
- **Street cleansing** – A Member referred to concerns expressed to him by a constituent about the standard of street cleansing. He asked how this was monitored and how new roads were added to the schedule once they had been adopted. The Partnership Director acknowledged the need for a consistent standard across Medway and said that Norse worked closely with the Council's Environmental Services Team on schedules. He advised that once a resident had requested the delivery of recycling containers to an address, the address would be added to the system and collections would automatically commence once the road had been adopted.
- **Praise for Norse Staff** – Members of the committee praised Norse staff, and specific reference was made to the support given to allotment holders.

Decision:

The Committee noted the contents of the report and its Appendix and that Cabinet formally approved the transfer of the Medway Sign Shop service to Medway Norse on 11 January 2022.

781 Council Plan Performance Monitoring Report and Risk Register Quarter 3 2021/22

Discussion:

The Council Plan 2021/22 set out the Council's three priorities. Members considered a report summarising performance in Quarter 3 2021/22 on the delivery of the programmes and measures which fell under the remit of this Committee and also the Quarter 3 review of strategic risks.

The following issues were raised:

- **SR 35 Homelessness** – Members were advised that this risk had been added to the strategic risk register at a time when there had not been funding for rough sleeping. The current funding situation meant that the Council was in a much better position, and whilst it was still challenging, it was the right time to remove the risk from the register for monitoring by the directorate.
- **Increase in the number of families living in temporary accommodation** – Members were advised that this number was increasing nationally and, although it remained low compared to previous years, there had been an increase in the number of families approaching Kingsley House for homelessness support. In addition, it had been decided to keep people in temporary accommodation, and therefore within the Housing Service, for longer than previously, rather than transferring them to Children or Adult Services.
- **Monitoring of HMOs** – In response to Members' questions, officers advised that enforcement action would be considered on receipt of complaints from residents. Such action would not preclude a landlord from holding a HMO licence although banning orders could be issued in specific circumstances.
- **Affordable homes** – A written answer would be provided breaking down the 166 affordable homes between rented and shared ownership accommodation. As a standard, 60% rented and 40% shared ownership was usually requested of developers through Section 106 agreements.
- **Higher than anticipated level of rent arrears** – Officers advised that this had risen over the Christmas period but had since reduced to a more usual level. It was recognised that the cost of living challenges would lead to residents requiring a higher level of support and an additional Welfare Reform Officer was being recruited.
- **High cost of materials for house building** - Asked if this had led to a reduction in build quality, officers would consult with Registered Providers and provide a written reply.

Business Support Overview and Scrutiny Committee, 31 March 2022

- **SR37 Cyber Security** - Noting recent cyber security attacks, officers were asked what was being done to prevent these. Members were advised that the risk had been escalated on the risk register and that the ICT Team were constantly guarding against cyber-attacks. Members were reminded to use their Medway email address rather than their personal email address for increased protection. Officers would consider whether Member training on this issue could be provided.
- **LGSCO upheld complaint** – A written response would be provided.
- **Pilot for new kitchens** – Asked whether a better product would be provided for residents, officers confirmed that delays had been experienced with the current supplier so the contactor had been encouraged to find a new supplier and, if this represented an improvement in quality, there would be a move to the new supplier.
- **Building Design Services** – Questioned about the decision of Building Design Services to hand back maintenance work, officers advised that it was an internal decision to bring this work back into the HRA so that the service could be delivered in a different way.
- **Suspension of the domestic rewire programme** – Clarification was sought on why a property needed to be isolated for this work to be carried out. Officers explained that Mears' corporate health and safety team had decided that pulling through the main fuse should be done via the utility companies.
- **Additional Energy Performance Certificates (EPC)** – Asked about the cost of achieving EPC C or above by 2030, officers advised that £860,000 had been built into the budget for this purpose. The challenge after that was to achieve zero carbon and the costs associated with that was significantly greater.
- **Innovation Park Medway (IPM)** – A Member requested an updated list of businesses who had expressed an interest in locating onto IPM and also copies of the IPM Member Board minutes. A written response would be provided.
- **Presentation of the information within the report** – With reference to the discussion at the Regeneration, Culture and Environment O&S Committee on 22 March, as set out in Supplementary Agenda no.1, concern was expressed that performance and risk reports did not always adequately reflect the reality of the situation. Referring to the delays in the Local Plan process and recent planning appeal decisions that had gone against the Council, Members considered that the consequences of these should be clearly referenced the report. It was noted that the new academy in Strood was not included on the strategic risk register, and this was questioned. It was suggested that there needed to be more focus on the performance targets that were not being met and the red risks. The Chief Operating Officer acknowledged

Business Support Overview and Scrutiny Committee, 31 March 2022

these concerns and said that he was considering the performance framework.

Decision:

The Committee considered the Quarter 3 2021/22 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.

782 Capital Budget Monitoring Report Round 3 2021/22

Discussion:

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

The following issues were discussed:

- **Four Elms Hill** – The Chief Operating Officer undertook to provide a written answer to a question about the impact on capital works of moving Section 106 funding from the Four Elms Hill project to the Berwick Way scheme.
- **Borrowing in lieu of future Section 106 contributions** – Asked what risks were involved in this process if a development did not take place, the Chief Operating Officer said that infrastructure associated with significant developments often needed to be put in place before Section 106 contributions were payable. Therefore, projects had to be taken forward at risk.
- **Borrowing in lieu of future business rates** – Asked about this issue in relation to Innovation Park Medway, the Chief Operating Officer said that when businesses located on the site, the Council would receive 100% of the business rates for the 25 year period of the enterprise zone.
- **The Council's policy on contingencies to mitigate risk** – The Chief Operating Officer advised that the view of the administration was that the final cost of a scheme was likely to be higher if too much contingency was built into it, and it was left unchecked. Realistic contingencies were built into programmes and were identified as costed risks and project managed. On a related point concerning the risk of cuts to a scheme due to escalating costs, the Chief Operating Officer said that in such circumstances, either more funding would have to be found or the scheme would need to be value engineered or choices made about specification. He agreed to discuss with project managers whether the reporting of such decisions could be improved.
- **Capital schemes with payback** – A briefing note would be provided on capital schemes with payback, detailing when payback was due and any differential on what was originally agreed.

Business Support Overview and Scrutiny Committee, 31 March 2022

- **Innovation Park Medway (IPM)** – Officers agreed to establish if Committee members could receive copies of the IPM Member Board minutes.

Decision:

The Committee agreed to note the results of the third round of capital budget monitoring for 2021/22 and requested sight of the Innovation Park Medway Member Board minutes.

783 Revenue Budget Monitoring 2021/22 Round 3

Discussion:

Members considered a report which presented the result of the third round of the Council's revenue budget monitoring process for 2021/22. In introducing this item, the Chief Operating Officer explained that the £10.7 million improvement in the forecast position between the second and third rounds had been due to a change in the policy for funding SEN placements with a reduced contribution coming from the general fund; an improvement in Regeneration, Culture and Environment income projections as a result of recovery from the pandemic; and an overprovision for the repayment of the Council's debt which has been transferred into general reserves.

The following issues were discussed:

- **2022/23 Budget** – In welcoming the current revenue position, a Member expressed concern that it might not be sustained given the cost of living crisis, and that basing the 2022/23 budget on current assumptions might cause issues. In response the Chief Operating Officer said that the ongoing pressure on Children and Adults Services and the improved income projections had been reflected in the budget build. Assumptions had been made around savings targets and management actions that would be taken to reduce the impact of high-cost placements and other projected pressures. There had been no assumption that the circumstances of last year, when the Council was in receipt of Covid grants, would continue.
- **Mainstream home to school transport** – A Member asked if the financing of home to school transport included the potential four additional buses that would be required to transport children from Chatham, Strood and Rochester to the new school in Stoke. A written response would be provided.
- **Regeneration delivery forecast** – With reference to a comment in the report that a range of small savings had been added to the HIF budget, a Member asked if there were other examples as he believed that everything related to the HIF got charged to the HIF. The Chief Operating Officer explained that this related to elements of a HIF claim

Business Support Overview and Scrutiny Committee, 31 March 2022

submitted to Homes England that they had rejected, which had meant that those costs were a call on the general fund. He would provide further details in writing about these costs and their funding.

- **Housing benefit subsidy scheme** – The Chief Operating Officer clarified that the types of claims that did not attract 100% subsidy included the more complex claims, such as exempt accommodation, which remained under the housing benefit rules rather than universal credit.
- **Local Plan and Public Planning Inquiries** – Asked how the cost of consultants employed in the production of the Local Plan, and also the cost of public planning inquiries, were built into the budget, the Chief Operating Officer said that sums had been set aside in reserves for these matters.
- **In-house fostering** – Clarification was sought on in-house foster carers which were not referenced in the report. The Chief Operating Officer responded that all would agree it was better for children to be placed in a home setting rather than a residential setting. However, the Council was losing some of its long- term foster carers which had led to an increased use of independent fostering agencies. There was a drive to increase the number of in-house foster carers and improve their skills sets so they could foster children with more complex needs.

Decision:

The Committee noted the results of the third round of revenue budget monitoring for 2021/22.

784 Annual Review of the Council's Petitions Scheme

Discussion:

The Committee considered a report on the annual review of the Council's petitions scheme.

Clarification was sought on whether the Council would pass petitions on to partner organisations if they were better placed to deal with the subject of a petition and it was confirmed that officers could assist in this way and would always seek to help lead petitioners with their petitions.

Decision:

The Committee noted the 2021 annual review of the Council's Petitions Scheme.

785 Work programme

Discussion:

The Committee considered a request from the Health and Adult Social Care Overview and Scrutiny Committee to reconsider its decision of 25 January that GP appointments and access to services should be the next Task Group topic and re-instate Physical Activity as the next topic.

Some Members expressed concern about delaying a review of GP appointments and services and highlighted that the shortage of GP's was one of the main issues local residents contacted them about. It was pointed out that plans to tackle GP shortages by the Clinical Commissioning Group (CCG), soon to be replaced by the Integrated Care Board (ICB), had recently been reported in the local media. Therefore, if the Council delayed its review until later in the year, it may be too late to secure ICB engagement in the review or influence the outcomes of the CCG/ICB work which might be well advanced by that time.

A Member spoke in favour of re-instating Physical Activity as the next Task Group as an implication of lockdowns during the pandemic had been a decline in the amount of physical activity people were taking. He noted that the ICB would not formally be in place until 1 July 2022 and questioned whether the CCG would engage with a Task Group on GP appointments and access to services before then.

Noting that there was currently a shadow Integrated Care Board, the Chairman questioned whether it would be permitted to engage in a review by the Council before it had any legal status or powers, which would not be before 1 July.

It was suggested that, should the Committee decide to re-instate GP appointments and access to services as the next Task Group, officers should write to officers of the CCG and officers designate of the ICB about the review.

Decision:

The Committee:

- a) agreed the Committee's work programme at Appendix 1 to the report;
- b) noted the work programmes of the other overview and scrutiny committees at Appendix 2 to the report;
- c) agreed to have regard to the measures set out in paragraph 3.2 of the report in considering the Committee's work programme, whilst recognising the need for a flexible approach as reflected in paragraph 3.3 of the report, and to keep this matter under review.

Business Support Overview and Scrutiny Committee, 31 March 2022

A proposal:

- i) to re-instate Physical Activity as the next Task Group followed by GP appointments and access to services, and agree the timetable attached at Appendix 3 to the report to enable both the Physical Activity (first) and GP appointments and access to services (second) Task Groups to be completed before the Cabinet meeting of 7 March 2023; and
- ii) to instruct officers to engage in correspondence with officers of the CCG and officers designate of its successor bodies in relation to the Task Group on GP appointments and access to services,

upon being put to the vote was lost.

The Committee further agreed to re-affirm its decision of 25 January 2022 that the schedule for the remaining Task Groups be: 1. GP appointments and access to services; 2. physical activity; 3. town centres; and 4. support for carers (as a themed meeting).

Chairman

Date:

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