

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 25 August 2022

6.00pm to 10.03pm

Record of the meeting

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

Present: Councillors: Buckwell (Chairman), Tejan (Vice-Chairman), Clarke, Curry, Etheridge, Johnson, Maple, Murray, Opara, Wildey and Williams

Substitutes: Councillors:
Van Dyke (Substitute for Khan)

In Attendance: Gemma Gilley, Head of Benefits and Financial Welfare
Andy McNally-Johnson, Head of Corporate Accounts
Stephen Platt, Democratic Services Officer
Steve Randall, DWP
David Reynolds, Head of Revenue Accounts
Becky Waller, DWP
Phil Watts, Chief Operating Officer

193 Apologies for absence

Apologies for absence were received from Councillors Khan and Rupert Turpin.

194 Record of meeting

The record of the meeting of the Committee held on 7 July 2022 was agreed and signed by the Chairman as correct.

195 Urgent matters by reason of special circumstances

There were none.

196 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests

There were none.

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Other significant interests (OSIs)

There were none.

Other interests

Councillors Buckwell, Clarke, Curry, Johnson, Maple, Murray, Opara, Tejan, Van Dyke, Wildey and Williams declared an interest in item 5, Universal Credit and Welfare Reforms Annual Progress Report, as they had received the Energy Support Payments for households in Council Tax Bands A to D.

Councillor Opara declared an interest in item 5, Universal Credit and Welfare Reforms Annual Progress Report, as her business had worked with the Department of Work and Pensions (DWP).

Councillor Curry declared an interest in items 9 and 10, Council Plan Performance Monitoring Report and Risk Register, as Chair of the Green Spaces Forum.

Councillors Opara and Tejan declared an interest in items 9 and 10, Council Plan Performance Monitoring Report and Risk Register, as their businesses had offices at the Innovation Centre.

197 Universal Credit and Welfare Reforms Annual Progress Report

Discussion:

The Chairman welcomed Becky Waller and Steve Randall from the DWP.

The Committee considered an update report on the roll out of Universal Credit (UC) and other work streams associated with welfare reform.

The following issues were discussed:

- **The Government's selection of Medway for the managed migration of 250 cases to UC** – It was suggested that Medway had been chosen because it included a mix of urban and rural areas. The 250 cases that had been selected were spread across the different types of claims. Further details would be provided on transitional protection arrangements. The Housing Options team met regularly with large social landlords to discuss any challenges that may arise and there were good links between the housing and benefits team and the DWP.
- **Support for claimants in financial difficulty** – DWP work coaches and front of house staff at the Job Centre had recently received training on how to support customers who showed signs that they were struggling. Very close working relationships had been developed with the Council and other services such as Citizens Advice, the Money Advice Service and the food bank. The Council teams worked in partnership with a range of organisations and provided support to customers in a range of

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ways such as discretionary housing payments, exceptional hardship payments and also through the household support fund for same day support. The food bank was also able to refer people to the Council for same day support.

- **Two-week transition payment when a customer claimed UC and Housing Benefit payments ceased as a result** – It was clarified that the customer would not be disadvantaged during the transition as there would be no gap in benefit. The two-week payment would be in addition to other benefits.
- **Disabled customers** – Concern was expressed that the increase in energy prices would greatly impact disabled customers who had high energy usage as a result of their disability. It was explained that cases were considered on their individual circumstances. Cost of living and personal independence payments were made to provide some help to those in need.
- **The number of people being sanctioned and the impact on their ability to apply for extra hardship payments** – Sanctions were only imposed as a last resort and there was no target or data on the number of sanctions imposed. Sanctions did not prevent an application for hardship payments being made.
- **Exceptional Hardship Scheme** – It was explained that 103 claims for help were still being considered since March as each claim was considered holistically, in conjunction with the Housing Benefit team, in order to provide the best support for the customer.
- **Household Support Fund** – It was regretted that the Council had not used all of the first tranche of this funding, the reason being that the Government had given little notice that it could not be rolled over. It was anticipated that all of the second tranche would be spent. Concern was expressed that the withdrawal of the school holiday free school meal vouchers had not been adequately publicised. Officers advised that schools had been informed in May.
- **Energy support payments** – Members were advised that this had been paid to 81,913 people in Council Tax bands A to D. Anyone who had not provided bank details had their Council Tax accounts automatically credited with the £150 payment.
- **Help for small business with energy costs** – The Chief Operating Officer said that he anticipated some additional support being made available but there was no clarity on this at present.
- **Support for care leavers** – Members were advised that support was available in a number of ways. Care leavers were virtually exempt from Council Tax as a result of discretionary relief and support was available through the Household Support Fund. The Benefits Team had good links

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with the Leaving Care Team within Children's Services. It was reported that DWP staff were working at the Care Leavers Hub in the Elaine Centre in Strood, on the Be Yourself programme in partnership with the Council. This had proved to be very successful, and it was intended to continue this initiative.

- **Ukrainian refugees** – It was confirmed that Ukrainian refugees received support through the Household Support Fund.

Decision:

The Committee:

1. noted the work referenced in the report and was assured that the Member Task Group's recommendations were embedded in the Council's policies, practices and contracts and those of its partners; and
2. thanked the staff at the DWP for their work.

198 Revenue and Capital Budget Outturn 2021/22

Discussion:

The Committee considered a report which detailed the final revenue and capital outturn position for the financial year ended 31 March 2022.

The following issues were discussed:

- **Rural Liaison Grant** – It was reported that one application had been received from a Parish Council and was currently with the Leader for consideration.
- **Use of reserves** - Concern was expressed that the Council was using its reserves to balance the budget, and this would increase once Covid support grants were no longer available. The Chief Operating Officer responded that last year the Council had budgeted for the use of reserves to make up for an anticipated loss of income but had not needed to as the recovery had been more robust than expected. This year's budget has again made assumptions about the use of reserves.
- **Lobbying of Government and local MPs** – The Chief Operating Officer assured Members that Kent and Medway Chief Officers continued to lobby the Government regarding next year's Local Government settlement. A Member proposed that a letter be sent to the local MPs raising concerns about the ongoing financial pressures on Adult and Children's Services.
- **Adult social care** – The view was expressed that no further savings should be sought from this budget. The Chief Operating Officer advised

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that all services would need to identify savings. The Better Care Fund was ringfenced for Medway and discussions were ongoing on how it could be used differently.

- **Children's social care** – The view was expressed that, given the care providers market was largely unregulated, more needed to be done locally to impose some regulation. The Chief Operating Officer said that it was recognised that the solution would be to reduce the number of children in need of extensive care by intervention at an earlier age. The Children and Adults Directorate was trying to ensure that all key posts were filled.
- **Use of Section 106 (S106) developer contributions for adult and children's social care** – In response to a question on whether this would be possible the Chief Operating Officer said that it was for the NHS to determine how the S106 funds that had been ringfenced for health should be used. The Council had identified that the outstanding amount would make up the shortfall for the proposed Healthy Living Centre on the first floor of the Pentagon Centre.
- **Clarification on the management of the Dedicated Schools Grant deficit** - The Chief Operating Officer explained that the deficit had accumulated over a number of years after the Special Educational Needs and Disability reforms of 2014. The Department of Education had selected Medway for the safety valve programme which sought to clear this deficit if Medway delivered a robust deficit recovery plan.
- **Housing Revenue Account underspend** – It was confirmed that the £239,000 underspend would be ringfenced.

Decision:

1. The Committee noted that 2021/22 revenue and capital outturn position.
2. The Committee recommended that a letter be sent to the 3 local MPs raising its concern about the ongoing financial pressures facing Children and Adult Services.

199 Capital Budget Monitoring - Round 1 2022/23

Discussion:

The Committee considered a report presenting the results of the first round of the Council's capital budget monitoring process for 2022/23. It was noted that since the production of the Committee report, the Cabinet had agreed the recommendations referred to in 14.2 and 14.3 of the report.

The following issues were discussed:

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- **Temporary suspension of phase 2 of the children’s assessment unit project** – It was confirmed that this referred to Eden House and Five Rivers.
- **Funding of CCTV cameras** – It was clarified that whilst Kyndi maintained the equipment, its ownership and the cost of replacement remained with the Council.
- **Regeneration of greenspaces** – Concern was expressed that this was being heavily weighted towards specific areas. The Chief Operating Officer advised that the prioritisation of funding was a matter for the service.
- **Strood Riverside Board** – Clarification would be sought on whether this was a Cabinet Advisory Group and whether it and others had been replaced by a Town Centres Board.
- **Contingency Funding** - The Chief Operating Officer said that there was a significant risk attached to most regeneration schemes and an element of costed risk was included in each scheme. Officers were re-evaluating business cases in light of increasing costs.
- **Robert Napier bulge budget** – It was clarified that there was no budget in the current year but some additional funding was required to cater for additional pupils. This would be included in the report to Full Council in the Autumn.
- **Integrated transport budget underspend** – Clarification was sought on what the negative impact might be of the virement of £527,000 from the budget to the Medway City Estate Connectivity scheme. The Chief Operating Officer advised that it was a re-prioritisation and that he would seek more information from the service on the rationale for the virement.
- **Timescale for Housing Infrastructure Fund (HIF) schemes** - It was questioned whether these schemes would be completed by March 2025 as planned. The Chief Operating Officer responded that the funds needed to be spent by this time and the project managers were working to that timescale. He acknowledged the risk associated with tight timescales.
- **Splashes** – Asked for an update on the commencement of works, the Chief Operating Officer advised that the contract had not yet been let and so the commencement date may not be in October.
- **Future High Street Fund** – In response to a question regarding the former Debenhams building, it was reported that there had been discussions about siting a community hub on the site, but no plans had been developed as it was only one of several commercial/cultural options for the ground floor.

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- **Medway Development Company** – The Chief Operating Officer said that there had been a positive amount of interest shown in the development at Garrison Point and undertook to establish how many units had been sold to date.
- **Capital expenditure brought forward** – Asked at what point before the elections and the new municipal year in 2023, such commitments would stop, the Chief Operating Officer said that he was not aware of any others at present, but if the Government brought forward opportunities for match funding, a business case could be presented for consideration of future budget commitments.
- **New report format** – The Chairman noted the general consensus of the Committee in favour of the new report format.

Decision:

1. The Committee noted the results of the first round of capital budget monitoring for 2022/23 and the following capital additions agreed by Council on 21/07/2022, which will be incorporated into the capital monitoring process from round 2 of 2022/23:
 - £17,878,916 from short-term borrowing (to be repaid from future capital receipts generated by the site) for the redevelopment of the former Debenhams site,
 - £12million total against future capital receipts for a building (£8million) and car park (£4million) on the Southern Site of the Innovation Park Medway (IPM), and
 - £12.850million to fund the new Splashes sports centre, funded from prudential borrowing.
2. The Committee noted that on 23 August 2022, the Cabinet recommended that Council approve the following changes to the capital budget:
 - The addition £975 of basic need grant to the Halling Primary Expansion scheme to address the overspend reported, as set out in paragraph 9.1.1 of this report;
 - The addition of £155 of S106 developer contributions to the Rowans Primary Support scheme to address the overspend reported, as set out in paragraph 9.1.2 of this report;
 - The addition of £35,000 of S106 developer contributions to the Robert Napier Bulge scheme to address the overspend reported, as set out in paragraph 9.1.3 of this report;
 - The removal of the uncommitted balance of the Regeneration Investment Fund of £12.947million, as set out in paragraph 9.1.5 of this report;

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- The addition of £114,500, funded from the Council's General Reserves to the Lordswood Community Hub scheme, as set out in section 9.2 of the report.
3. The Committee noted that on 23 August 2022, the Cabinet agreed a virement of £527,000 to the Medway City Estate scheme, funded from underspends of £15,000 on the National Productivity Plan and £512,000 on the Integrated Transport LTP3, as set out in paragraph 9.1.4 of the report.

200 Revenue Budget Monitoring - Round 1 2022/23

Discussion:

The Committee considered a report presenting the results of the first round of the Council's revenue budget monitoring process for 2022/23.

The following issues were discussed:

- **Pentagon Centre** – Clarity was sought on the £275,000 pressure and officers advised that this was due to a reduction in income while units on the first floor were being redeveloped.
- **Reliance of Legal Services on agency staff/locums** – Members were advised that the situation may improve in future monitoring rounds, but workforce recruitment was a challenge generally and in particular in Legal Services.
- **Funding for the processing of Government grants to individuals and businesses** – Members were advised that additional new burdens funding was on occasion received to cover the additional administrative costs associated with distributing such grants.
- **Funding pressure on leisure centres** – The Chief Operating Officer considered that a subsidy from the revenue budget would be required due to the cost and availability of materials and labour and increased energy costs. There was also a risk that income projections would not be met due to the cost-of-living pressures. The business case had not been refreshed recently.
- **Children's Services shortfall against savings programmes** – Members were reminded that this was a first-round forecast which may prove to be over cautious. However, discussions with Children and Adults Services on how required outcomes could be achieved for less spend were continuing.

Decision:

The Committee noted the results of the first round of revenue budget monitoring for 2022/23.

201 Council Plan Performance Monitoring Report & Risk Register Quarter 4 2021/22

The Committee considered the reports at items 9 and 10 of the agenda together. These summarised performance during Quarter 4 of 2021/22 and Quarter 1 of 2022/23. The reports also presented a review of strategic risks.

The following issues were discussed:

- **MEA 2 – Medway Adult Education % retention rate** – The Chief Operating Officer said that he would find out if an exit interview was conducted when someone left a course.
- **PH14 and 15 – Excess weight in children** – Members were advised that the Public Health team had started to prescribe healthy activities and that leisure centres were subsidised by the public health grant.
- **PH17 – Breast feeding initiation** – The Chief Operating Officer said that he would ask colleagues in Public Health why this measure was significantly below target.
- **EDU3(b) – Percentage of children persistently absent from school** – The Chief Operating Officer said that he would ask colleagues in Education why this measure was significantly below target, beyond reasons related to Covid-19.
- **Removal of SR52 – A new severe pandemic from the risk register** – Considerable concern was expressed about the removal of this risk from the register, and it was considered that the absence of a risk associated with pandemics from a public risk register would look odd given what had happened over the last two and a half years. It was suggested that there be a review of the risk to see if it could be reinstated. The Chief Operating Officer said that the steer from the Director of Public Health was that the response to a pandemic would be business as usual as staff were in place to respond should the need arise. This approach had been accepted by Corporate Management Team. A Member suggested that sight of departmental risk registers might give reassurance to Members.

The Committee was advised that the most appropriate forum for a discussion on this issue was the Health and Adult Social Care Overview and Scrutiny Committee. The Chief Operating Officer advised the Committee that it would be preferable for it to focus its discussions on the matters within its terms of reference and that some of the issues raised under this item would be better dealt with by the relevant Overview and Scrutiny Committee where the appropriate officers would be in attendance and could provide full responses to Members.

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- **Risk of income reduction due to cost of living pressures** – The Chief Operating Officer agreed to give consideration to the inclusion of this as a risk on the register.
- **GH6 - Satisfaction with parks and green spaces** – Concern was expressed about significant problems within Medway's parks, and it was questioned why this measure was considered to be on target, given that this was based on such a statistically small sample. It was considered that an increase in the green spaces budget was required to improve the situation and achieve health and social wellbeing benefits.
- **Improving air quality in air quality management areas in Medway** - It was suggested that this should have its own risk or be included within the HIF risk (SR50) because it was not considered that the Four Elms Hill Air Quality Action Plan would result in improvements in air quality until there was an increase in the use of electric vehicles and forthcoming roadworks would result in significant congestion.
- **NI 154 – Net additional homes provided** – The view was expressed that this measure was not meeting its target in terms of the provision of affordable housing.
- **Energy supply** – It was asked whether business continuity and emergency planning plans included the issue of energy supply.
- **Local Government and Social Care Ombudsman referrals and decisions** – Details were requested of the three upheld complaints referred to in the report and of any lessons that the Council had learnt as a result.
- **Cyber security refresh training** – Given that Members and officers were being asked to agree to a new cyber security policy, an update on the previously requested training was sought. The Chief Operating Officer advised that this request was with the Head of Elections and Member Services, and he would find out the latest position.

Decision (item 9):

The Committee:

1. considered the Q4 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;
2. referred the removal of SR52 - A new severe pandemic, e.g. flu, Covid-xx, MERS or other, more serious than Covid-19, from the risk register to the Health and Adult Social Care Overview and Scrutiny Committee for further discussion; and

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3. referred SR50 - Delivering £170m Housing Infrastructure Fund (HIF) programme to the Regeneration, Culture and Environment Overview and Scrutiny Committee to discuss a proposal that it should include improving air quality, particularly around Four Elms Hill.

202 Council Plan Performance Monitoring Report & Risk Summary Quarter 1 2022/23

The Committee considered the reports at items 9 and 10 of the agenda together and the record of the discussion can be found under the previous minute.

Decision (item 10):

The Committee:

1. considered the Q1 2022/23 performance against the measures used to monitor progress against the Council's priorities and noted the amended Strategic Risk Summary as set out in Appendix 3;
2. noted the new style report; and
3. requested that the Chief Operating Officer and the Corporate Management Team consider the impact of wider cost of living and energy risks on the corporate risk register.

203 Council Strategy Refresh 2023/24

Discussion:

The Committee considered a report setting out the proposals for the Council Strategy 2023/24. Members were advised that this had been a light touch review and that a more fundamental refresh of the Council Strategy and Plan was planned for 2023 following the local elections.

Reference was made to the commentary under the heading 'Why this is important' after each programme outcome, which it was considered did not always relate to the heading. The Chief Operating Officer agreed to consider whether any amendments were required as part of the 2023 refresh.

Decision:

The Committee noted and commented on the refreshed Council Strategy as shown in Appendix 1 to the report.

204 Work programme

Discussion:

The Committee received a report on its current work programme and discussed the future scrutiny of Medway Norse. Members were supportive of the proposal for the Committee to receive an annual strategic report, with the Regeneration, Culture and Environment Overview and Scrutiny Committee being asked to consider an annual operational report.

It was suggested that the Members of both Committees have sight of the latest Service Level Agreement between the Council and Medway Norse, prior to the next reports.

Decision:

The Committee:

1. agreed the Committee's work programme at Appendix 1, subject to the following amendments:
 - (ii) the addition of an item on document retention under the date to be determined section;
 - (iii) the addition of a provisional item on the annual staff survey under the date to be determined section, subject to Members' consideration of the results of the most recent staff survey on hybrid working;
 - (iv) the programming of an annual strategic report on Medway Norse at the most appropriate meeting and the recommendation to the Regeneration, Culture and Environment Overview and Scrutiny Committee that it programmes an annual operational Medway Norse report, subject to any necessary amendments to its terms of reference.
2. noted the work programmes of the other overview and scrutiny committees at Appendix 2.

Chairman

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