

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

**Thursday, 30 March 2023**

**6.00pm to 9.07pm**

**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, Crozer, Curry, Etheridge, Khan, Maple, Murray, Rupert Turpin, Wildey and Williams

**Substitutes:** Councillors:  
Cooper (Substitute for Johnson)

**In Attendance:** Samantha Beck-Farley, Chief Organisational Culture Officer  
Mark Breathwick, Chief Housing Officer  
Wayne Hemingway, Head of Democratic Services  
David Reynolds, Head of Revenue Accounts  
Teri Reynolds, Democratic Services Officer  
Phil Watts, Chief Operating Officer

**704 Apologies for absence**

Apologies for absence were received from Councillors Johnson and Opara.

**705 Record of meeting**

The record of the meeting held on 25 January 2023 was agreed by the Committee and signed by the Chairman as correct.

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

There were none.

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

Disclosable pecuniary interests

There were none.

## **Business Support Overview and Scrutiny Committee, 30 March 2023**

### Other significant interests (OSIs)

Councillor Cooper explained that she had an OSI in relation to item 7 (Capital Budget Monitoring – Round 3 2022/23) as she was a Governor at Rivermead School. The school was not specifically discussed and therefore there was no requirement for Councillor Cooper to leave the room.

Councillor Tejan explained that he had an OSI in relation to item 5 (Council Plan Performance Monitoring Report and Risk Register Review Quarter 3 2022/23), 7 (Capital Budget Monitoring – Round 3 2022/23) and 10 (Work Programme and review of the Committee's work) as he was a Chairman of Kyndi Ltd. Kyndi Ltd was not specifically discussed and therefore there was no requirement for Councillor Tejan to leave the room.

### Other interests

There were none.

## **708 Council Plan Performance Monitoring Report and Risk Register Review Quarter 3 2022/23**

### **Discussion:**

The Chief Organisational Culture Officer introduced the report which summarised the performance within Quarter 3 of 2023/23 against the programmes and measures that fell within the remit of this Committee in particular, but also performance across all measures.

The Committee then raised a number of questions and comments, which included:

- **The Strategic Environmental Management (SEMS)** – updates were requested in relation to the marsh wardens and how they would be funded, and on the Lodge Hill SEMS work. Officers undertook to report the question back to the relevant service and request an update to be sent to the Committee.
- **Street lighting** – concern was raised regarding the faulty central management system nodes which would be replaced when stocks became available and how much of an issue that would be going forward. Officers undertook to report the question back to the relevant service and request an update to be sent to the Committee.
- **Air Quality Grant Programme** – in relation to the Four Elms Hill Air Quality Action Plan it was asked why further assessments were needed when many had already been carried out over recent years. Officers undertook to report the question back to the relevant service and request an update to be sent to the Committee.
- **Sustainable Transport Programmes** – reference was made to this which the report stated had continued to be rolled out across Medway's

## Business Support Overview and Scrutiny Committee, 30 March 2023

schools. It was suggested that this was not consistent across all of Medway and was absent in some areas. Officers undertook to report the question back to the relevant service and request that a response be sent to the Committee.

- **Private sector property improvements** – in relation to measure HC4 and the number of private sector properties that had improved as a result of Council intervention, officers explained that despite the reduced performance at Quarter 3, this measure was on target for the year and had exceeded the target for the first two quarters of that year. The discrepancy in the performance related to staff turnover and sickness and was also impacted by the time and resource spent on complex cases which although could provide good results for that property, impacted on the capacity of the team to address other cases.
- **Role of Committee** – officers explained that a number of the specific areas being questioned by the Committee were outside its remit and sat under a different Overview and Scrutiny Committee, each of which also had the Council Plan performance reported to them for the areas relevant to their remits. The Business Support Overview and Scrutiny Committee should focus on the areas within its remit and were provided with the whole range of data as part of its co-ordinating role across all scrutiny committees. A suggestion was made that the items that fell into the remit of a different committee should be included but greyed out to assist with the distinction. It was added that the Committee's role in looking at performance across the Council was important in terms of the Committee scrutinising possible resource implications that may sit behind particular issues and to recommend interventions that may address areas that were persistently underperforming.

### Decision:

The Committee considered the Q3 2022/23 performance against the measures used to monitor progress against the Council's priorities and noted the Strategic Risk Summary as set out in Appendix 3.

## 709 Risk Strategy Annual Review

### Discussion:

The Chief Organisational Culture Officer introduced the report which provided the outcome of an annual review of the Risk Strategy. She explained that the report had been presented to the Audit Committee which had raised no comments.

Members then raised a number of comments and questions, which included:

- **Risk evaluation** – in response to a question, the Chief Operating Officer explained that risks were evaluated by officers and escalated up and down as appropriate. Changes to risks at the Strategic Risk Register

## Business Support Overview and Scrutiny Committee, 30 March 2023

level were those reported through Cabinet and then to overview and scrutiny committees.

- **Level of detail** – a view was expressed that there was insufficient detail for Members to fully scrutinise decisions about risks. Officers explained that they had summarised detail following comments made by Members previously that the reports had become too long. It was added that officers were carrying out a fundamental review of the framework around performance and risk monitoring which would address the concerns.
- **Consultation** – in response to a question about the breadth of the consultation, officers explained that the review had been light touch, in preparation for the forthcoming fundamental review which would include a much more extensive consultation exercise.
- **Disbandment of the Strategic Review Management Group (SRMG)** – officers explained that this group had been disbanded to allow the review of the risk register to be carried out by the Corporate Management Team in order to give the process the relevant profile and scrutiny.
- **Best practice** – in response to a question about what the Council's principles of risk management were based upon, officers explained that they have gained best practice advice from the Local Government Association and had also utilised the expertise of staff that had arrived at the Council from other local authorities who had previous experience of risk management.
- **Reporting frequencies** – in response to a concern raised about how frequently risks were reviewed, officers confirmed that underpinning the formal quarterly reporting, sat more frequent reviews at project level. It was added that the Assistant Director, Legal and Governance, was working on a project to ensure that the approach to project management was consistent across the organisation.
- **Resource risks** – the point was made that within Stage 2 "identify risks" within the Risk Management Process set out within the strategy, it should include reference to resource risk.
- **Risk ratings** – it was also suggested that within the Risk Ratings section of the strategy, the descriptions relating to the "People / Duty of Care" impact should be expanded to reference stress and mental health and the descriptions relating to the "Environment" impact should be expanded to reference climate change and biodiversity.
- **Unexpected risks** – the point was also made that the strategy did not cover the response and management of unexpected risks, examples of which included Covid-19 and more currently, the cost of living crisis and the financial pressures that was causing. It was felt that this should be encapsulated in the strategy.

## Business Support Overview and Scrutiny Committee, 30 March 2023

- **Governance** – a view was raised that projects which were high risk and difficult to manage should have very robust and transparent governance in place to enable increased early opportunities of identifying risks and challenges.

### Decision:

The Committee considered the Risk Strategy 2023/24 as set out in Appendix 1 to the report and submitted its comments to Cabinet.

## 710 Capital Budget Monitoring - Round 3 2022/23

### Discussion:

The Head of Revenue Accounts introduced the report which presented the results of the third round of capital budget monitoring for 2022/23.

Members then raised a number of questions and comments, which included:

- **Housing Infrastructure Fund (HIF) rail element** – reference was made to the reports that the rail element of the project had been paused and it was asked whether this would mean the Council would have to return the circa £62m that was aligned with that element of the project. Officers confirmed that, as could be seen across all projects, the inflation pressures had negatively impacted on the HIF project and it would no longer be possible to deliver the original specification within the £170m budget. The initial action taken had been to approach Homes England (HE) to request the additional funding required. However, HE had rejected this and requested the Council to review its proposals to deliver the project within the £170m budget. Therefore, the rail element of the project had been paused and officers were working on alternative proposals. Criticism was made as to why it had taken so long to establish that the rail element of the project was unaffordable when this had been a concern raised by some from the beginning.
- **HIF and member oversight** – concern was raised about a lack of member oversight and public transparency which the Committee considered had been missing. Officers explained that the Cabinet had set up a Cabinet Advisory Group to monitor the project and that Cabinet had also delegated authority of some decisions in relation to HIF to officers, in consultation with Portfolio Holders, and undertook to circulate these to the Committee. It was reiterated that no decisions had been made in relation to the revised plans and that once proposals were at a point which would be acceptable to HE, they would be presented to the Cabinet for approval.
- **HIF spending deadline** – reference was made to the delays to the project due to the redesigns required and how this could impact on the deadline to spend the funding by 2025 and whether the Council would be successful in negotiating a further extension.

## Business Support Overview and Scrutiny Committee, 30 March 2023

- **HIF spend** – in response to a question about how much of the funding had been drawn down from the £170m total and how much had been spent on the scheme to date, officers reiterated the figures in the report, which stated that £11.2m had been spent up to March 2022 and a further forecast £8.2m in the 2022/23 financial year, as at Quarter 3. It was added that, as far as the officers present understood, HE had agreed claims up to the end of January 2023 and would honour those and did not anticipate clawing back any of that expenditure. Members expressed a request to see a breakdown of the monies spent so far on HIF. Officers added that everything spent and reclaimed on the project was also scrutinised by HE, who had rejected some early claims that related to management officer time on the project.
- **HIF and aspirations for a green community** – concern was raised that if the rail aspect of the project did not materialise, then extra road infrastructure would be required and the environmentally friendly community that had been envisaged would be much harder to achieve.
- **HIF and forthcoming planning applications** – reference was made that the developer consortium had agreed to not submit applications until the Local Plan reached Regulation 19 stage (Grampian agreement) but as this was now delayed it was suggested that the first consortium developer application would be submitted to the Council shortly and would therefore put Hoo at risk of unplanned large developments without the infrastructure to support it.
- **Funding for leisure centres** – in response to a question about the funding for maintenance of leisure centres, officers confirmed that spend in relation to building maintenance of leisure centre buildings was within the revenue budget for leisure centres. It was also confirmed that a historic management fee grant for Lordswood Leisure Centre was due to cease from April 2024.
- **Section 106 agreement (s106) funding** – concern was raised about the reliance given to s106 funding which was not guaranteed and on which some developers had been approaching the Council to renegotiate. Officers understood the concerns but explained that the majority of such funding's use was put towards education provision in order to fulfil the Council's statutory duty to provide sufficient school places and the Council could rarely wait for the s106 monies before creating the addition school places required. Where the funding for school project works fell short, officers confirmed that a number of projects were overspending due to inflation pressures and that from 2023/24, any gaps would initially be funded by the Basic Needs allocation.
- **Pentagon Heathy Living Centre** – in response to concerns raised about the timescales relating to this project, officers confirmed that timescales were tight but all senior officers were working on this project closely with NHS colleagues at the Integrated Care Board.

## Business Support Overview and Scrutiny Committee, 30 March 2023

- **Lordswood Community Hub** – clarification was sought regarding the appropriate approvals as the narrative sounded ambiguous as to whether or not the required approval was in place. Officers undertook to report back on this issue.
- **Innovation Park Medway (IPM)** – in response to a question about how many organisations had signed a tenancy contract with IPM, officers undertook to report back on this.
- **Splashes** – reference was made to the report which suggested work would commence in March 2023. Officers undertook to confirm if the works had begun.

### Decision:

- 1) The Committee noted the results of the third round of capital budget monitoring for 2022/23, and the management actions to resolve the projected overspend in Children's & Adults which would be the subject of a future report to both Cabinet and Council.
- 2) The Committee noted that on 7 February 2023, the Cabinet agreed a virement of £748k between the Abbey Court scheme and the Bradfields scheme.
- 3) The Committee noted that on 7 February 2023, the Cabinet recommended that Council approve the following changes to the capital budget:
  - The addition of £14k to the Maudene scheme to be funded by s106 contributions (MC/07/0032 Land at Hoo Road, Liberty Park), for which funds had been received.
  - The addition of £25k to the Wayfield Basic Need scheme to be funded from Basic Need Grant.
- 4) In the light of the decision to pause the rail element of the HIF scheme and concerns over the related Grampian agreement currently in place for the housing developments, the Committee sought the following:
  - a) From officers:
    - A breakdown of the £20m spent and the funding sources on the project so far;
    - A record of the conversation/agreements with Homes England and a new timetable for completion by 2025;
    - That the results of the transport assessment and environmental surveys related to the project be placed in the public domain to determine the impact of those on proposals;
  - b) From the Cabinet:
    - A commitment to revisiting the consultation process if changes are proposed;

## Business Support Overview and Scrutiny Committee, 30 March 2023

- A refreshed governance structure for the project going forward to include the relevant community groups such as councillors, parish councillors and other community groups.

### 711 Revenue Budget Monitoring - Round 3 2022/23

#### Discussion:

The Head of Revenue Accounts introduced the report which presented the results of the third round of revenue budget monitoring for 2022/23.

Members then raised a number of questions and comments, which included:

- **Use of agency staff** – in response to a question about what the local authority was doing to reduce its reliance on non-permanent staff, which had a detrimental impact to the revenue budget, officers explained that in some areas, such as social care, recruitment issues were a challenge faced nationally but there were some local issues round comparative pay. Officers were currently working on a project which looked at 10% of posts within the organisation and included departments with high locum/agency costs, such as Legal and Planning Services. The project was benchmarking against private and public sector posts and developing a career progress framework which would help to attract and retain permanent staff. An update on this work was expected to be reported to the Employment Matters Committee around June 2023 and it was suggested this Committee should also have an opportunity to scrutinise proposals.
- **Pentagon Centre** – reference was made to the £271,000 pressure and officers explained that pressures related to rising energy costs, new voids and the redevelopment of the first floor which required those units to remain closed. Officers undertook to provide a more detailed breakdown of those costs to Committee Members. In relation to address the issue of void units on the ground floor, officers explained that the unit vacancy rate was low when compared to similar shopping centres and Ellandi (the shopping centre's management company) was actively looking to encourage and support retailers to extend their tenancies and remain in the centre.
- **Commercial property transactions** – in response to a question regarding the £404,000 underspend, officers confirmed that around £115,000 related to new property commercial rental payments and the remainder were one off costs including backdated payments.
- **Social Care saving targets** – concern was raised about savings targets being placed on children and adult social care services which would be difficult to achieve in the context of high placement costs, capacity issues within the markets and the cost of living crisis. It was suggested that an investment strategy, focussing on local provision and facilities, would achieve a sustainable and financially viable service for the future.

## Business Support Overview and Scrutiny Committee, 30 March 2023

Officers acknowledged the lack of capacity in the system and explained that the service was working to ensure that clients were reviewed timely to ensure they were not in placements longer than necessary and added that a working group was underway to look at housing solutions for vulnerable people to help address the large accommodation element of the financial pressures.

- **Use of reserves** – officers clarified that the 2022/23 budget, as agreed in February 2022 was underpinned by £4.8m of reserves and based on the predicted overspend at quarter 3, the 2022/23 outturn would need to be funded by a further £12.3m from reserves.
- **Bus services savings** – in response to a question about savings relating to bus services and how those savings had been achieved and whether there had been an impact on residents, officers believed this had been the subject of a previous briefing note request and undertook to chase up and circulate that briefing note.
- **Moving traffic offences** – it was clarified this was a new power that Medway Council would be enforcing on going forward and so the budget on this would apply from 2023/24 onwards and added that the forecast revenue income that had been built in to the 2023/24 budget had been based on consultant expert modelling.

### Decision:

- 1) The Committee noted the results of the third round of revenue budget monitoring for 2022/23 and noted that on 7 February 2023, Cabinet instructed senior management to continue to exercise tight control to reduce expenditure within their areas and to identify a range of management actions in order to reduce expenditure or increase income.
- 2) The Committee also requested that it receives an update on the ongoing work to reduce the use of non-permanent staff (locums/agency), in order to scrutinise this from a finance perspective.

## 712 Annual Review of the Council's Petitions Scheme

### Discussion:

The Head of Democratic Services introduced the report which provided an annual review of the Council's petition scheme.

Members then raised a number of questions and comments, which included:

- **External e-petition sites** – reference was made to the Council's current position not to accept petitions generated from external (non-Council) e-petition sites and how this compared with other local authorities. Officers confirmed this was not something that was monitored but undertook to investigate this to enable some comparison on this aspect.

## **Business Support Overview and Scrutiny Committee, 30 March 2023**

- **Free school meals** – reference was made to a previous petition regarding reinstatement of Holiday Free School Meal vouchers and the importance of learning lessons regarding that issue.

### **Decision:**

The Committee noted the 2022 annual review of the Council's Petitions Scheme.

## **713 Work programme and review of the Committee's work, 2019/23**

### **Discussion:**

The Democratic Services Officer introduced the report which provided the Committee with its latest work programme and also provided an overview of the Committee's work over the last four years.

She reported that in relation to the list of outstanding actions at Appendix 3, a briefing note on children persistently absent from school had been circulated that day and would be published shortly. In relation to the breastfeeding initiation, she read out a short update from colleagues in Public Health which explained the detrimental impact the Covid-19 pandemic had had on this measure and the partnership work that was underway to address performance. A refreshed Infant Feeding Strategy was being worked on and it was anticipated this would be ready to present to the relevant Overview and Scrutiny Committee in the summer, should they request to scrutinise it.

Members then raised a number of questions and comments, which included:

- **Voluntary Sector Task Group** – reference was made to this work and its importance, particularly in relation to the role of the community and voluntary sector in response to the Covid-19 pandemic. Concerns were raised about the vulnerability of some charities in light of the cost of living crisis and the role of the local authority in supporting CVS organisations.
- **Scrutiny of the Local Plan** – A Member explained that the Regeneration, Culture and Environment Overview and Scrutiny Committee had requested to review each document that would be used to support the forthcoming Local Plan. It was added that, as previously suggested by the Business Support Overview and Scrutiny Committee, each of the scrutiny committees should scrutinise the Local Plan for the areas that cover their remit, given that its impact was widespread and not just about housing development.
- **Medway Commercial Group** – reference was made to the criminal investigation currently underway regarding Medway Commercial Group (now Kyndi) and the importance of the Committee having an opportunity to scrutinise what went wrong and lessons learned at the appropriate time once the investigation was concluded.

## **Business Support Overview and Scrutiny Committee, 30 March 2023**

### **Decision:**

- 1) The Committee agreed the Committee's provisional work programme at Appendix 1, subject to the following and the views of members of the 2023/24 Committee:
  - a) The attendance of Portfolio Holders be provisionally scheduled for the meetings of 26 October, 30 November, 1 February and 4 April, subject to their availability and the number of other items scheduled for those meetings, with the Portfolio Holder for Resources being invited to attend the 4 April 2024 meeting, after the Council's budget for 2024/25 had been set.
  - b) The deletion of the item on Complaints Handling from the Date to be Determined section.
- 2) The Committee noted the work programmes of the other Overview and Scrutiny committees at Appendix 2; and
- 3) The Committee noted and commented on the review of the Committee's work from 2019 to 2023 summarised at Appendix 3.

**Chairman**

**Date:**

**Teri Reynolds, Democratic Services Officer**

Telephone: 01634 332104

Email: [democratic.services@medway.gov.uk](mailto:democratic.services@medway.gov.uk)