

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 13 July 2023

7.00pm to 10.16pm

Record of the meeting

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

Present: Councillors: Tejan (Chairperson), Myton (Vice-Chairperson), Bowen, Browne, Crozer, Hackwell, Hubbard, Jones, Joy, McDonald, Louwella Prenter and Williams

Substitutes: Councillors: Barrett, Campbell

In Attendance: Samantha Beck-Farley, Chief Organisational Culture Officer
Steve Dickens, Democratic Services Officer
Katey Durkin, Chief Finance Officer
Wayne Hemingway, Head of Democratic Services

109 Chairperson's Announcement

The Chairperson welcomed Members to first meeting of the Business Support and Overview and Scrutiny Committee of the 2023-27 term. He noted that he was the first Chairperson of an Overview and Scrutiny Committee to be a member of the opposition group for some considerable time and looked forward to working together with Members from all sides to meet the challenges facing Medway.

110 Apologies for absence

Apologies were received from Councillors Lawrence and Animashaun.

111 Record of meeting

The record of the meeting held on 30 March 2023 and the record of the Joint Meeting of Committees held on 24 May 2023 were agreed and signed by the Chairman as correct.

112 Urgent matters by reason of special circumstances

There were none.

113 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests

Councillor Hackwell declared an interest in agenda item 6 (Revenue and Capital Budget Outturn and Annual Write Off Report 2022/23) because his wife is a tutor and assessor for Medway Adult Education.

Other significant interests (OSIs)

There were none.

Other interests

There were none.

114 Council Plan Performance Monitoring Report & Strategic Risk Summary Quarter 4 2022/23

The Chief Organisational Culture Officer introduced the report and highlighted performance had exceeded targets in five of the seven measures of success which fell within the remit of the Committee. Two areas where performance had not been met were Medway Adult Education retention rate, which stood at 85% against a target of 95% and number of Private Sector Properties improved as a result of Council intervention, which was at 235 with a target of 238.

The Chief Organisational Culture Officer reported there had been no change in risk scores. However, at Cabinet in June 2023, two new risks had been added, Medpay review and recruitment and retention and one risk removed, income reduction due to Covid19.

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

Medway Adult Education (MAE) - (page 30 of agenda pack refers) A Member asked if the Council measured success in getting learners on the fifty plus programme for maths and english back into work. The Chief Organisational Culture Officer explained that the measure of success was safeguarding jobs. Another Committee had recently requested a briefing note and when it was completed, she would also circulate it to this Committee.

In response to a Member question what consideration had been given to Artificial Intelligence (AI) in the development of those courses and how could the MAE impact on growth in Medway be measured and the Council be reassured that it provided value for money, the Chief Organisational and Culture Officer explained the attainment measure was through safeguarding jobs and courses were adapted to improve attainment and retention. However, the Regeneration Culture and Environment Overview and Scrutiny may wish to consider in more detail including value for money and the impact of AI.

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Priority Play Programme - (page 71 of the agenda pack refers) A Member commented that a very positive refurbishment of a play area had taken place in his ward. The £250,000 budgeted for the programme was the minimum required to ensure the playgrounds remained usable and he emphasised the importance of this work in tackling social deprivation.

In response to a Member question how much was budgeted for the Priority Play Programme in 2023/24, the Chief Finance Officer explained that in July 2020, Cabinet recommended that £250,000 should be added to each year's capital programme, subject to the availability of Section 106 contributions and/or capital receipts, for play areas. However in setting the budget for 2023/24, the Council did not project any availability of capital receipts beyond those already committed. As such, as and when suitable Section 106 contributions became available, they would be added to the capital programme to deliver play area investment in 2023/24, via a future report to Cabinet and Council.

Friends Groups (page 70 of the agenda pack refers) A Member commented the friends of groups were equivalent to a number of full-time staff and requested the management plan could be provided to Members. The Chief Organisational and Culture Officer undertook to discuss this with relevant colleagues and reply to the Member outside of the meeting.

Dogs on Leads - (page 84 of the agenda pack refers) In response to a question regarding the reason for the low number of enforcement fines for dogs the Chief Organisational and Culture Officer undertook to discuss this with relevant colleagues and reply to the Member outside of the meeting.

Vulnerable Adults - (page 56 of the agenda pack refers) In response to a question about Support for Vulnerable Adults and digital exclusion, the Chief Organisational and Culture Officer noted the Members' concerns and undertook to discuss this with colleagues and provide further information outside of the meeting.

Children Services - (pages 60 of the agenda pack refers) A Member asked given the number of measures where performance in children services was red, how Ofsted ready was the Council? The Chief Organisational and Culture Officer noted that the Council was on an improvement journey which could be evidenced and was in a stronger position than previously.

Target Setting - A member commented that many of the performance measures had been red for a long time, such as smoking cessation and direct payments and asked if more realistic achievable target setting had been considered as part of the Council Plan refresh. In response, the Chief Organisational and Culture Officer explained that some targets were aspirational, but acknowledged the Council could provide more information where milestones had been achieved in moving towards the target.

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She added that a new framework for performance measurement would be considered and that a Council Performance Plan refresh would include changes to make it more informative and realistic.

Permanent Social Care Staff - (page 43 of the agenda pack refers) There was concern expressed that 30% of posts were not filled by permanent staff and caseloads were 30% above target. This would cause stress for the workforce and was a risk in relation to Ofsted. The Chief Organisational Culture Officer explained recruitment of social workers had been a challenge nationally with social workers leaving the profession. Medway had recruited social workers, but retention had been an issue. She added that the Council had used project teams which was more lucrative for staff and had exhausted every option. The Council offered a competitive and salary retention payments and wellbeing services for officers.

A Member commented that there was previously an international recruitment drive undertaken with around 10 permanent staff appointed and asked how many remained with the Council. The Chief Organisational Culture officer stated that some staff from that recruitment drive were still in post, however some staff had left, with difficulties around a lack of family or other support in the community, especially during the pandemic.

HRA Temporary Accommodation - (page 33 of the agenda pack refers) In response to questions regarding how many families were using HRA for temporary accommodation and whether this had affected allocation housing for those on waiting lists, the Chief Organisational Culture Officer undertook to discuss this with relevant colleagues and respond outside of the meeting.

A Member questioned if there was a measure of success for properties maintained where the maintenance was outsourced. The Chief Organisational Culture Officer stated this would be an issue for the Regeneration, Culture and Environment Overview and Scrutiny Committee to consider as part of contract management.

Direct Payments - (page 57 of the agenda pack refers) In response to a Member question why the Council had not foreseen the move from direct payments to commissioned services due to the cost of VAT and resultant delay, the Chief Finance Officer explained the change arose as the VAT status of day care providers had changed, so in order for residents to continue with the same care it had been necessary for the Council to directly procure the same care on their behalf in order to reclaim the VAT. The Chief Finance Officer undertook to discuss this with relevant officers the question of delay and provide an answer outside of the meeting.

In response to a Member query whether any issues had been found with payments not being used for the purpose they were intended, the Chief Organisational and Culture Officer undertook to discuss this with relevant officers and provide an answer outside of the meeting.

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In response to a Member question regarding the social isolation programme and digital exclusion, whether the voluntary sector had the necessary experience and whether there was effective contract management of those services were queried. The Chief Organisational Culture Officer stated that she was not in a position to provide the level of detail on what was in place, and a briefing note would be required from the service to report how they met their statutory responsibilities.

Preventing Homelessness - (page 32 of the agenda pack refers) In response to a question why the Council may intervene to improve private properties, the Chief Finance Officer explained that one reason she was aware of was where the Council had completed a compulsory purchase on a dangerous property in order to bring it back into safe use.

In response to a question from a Member how often the homelessness target was refreshed and what constituted a long term deterioration, the Chief Organisational and Culture Officer explained that the long term trend was a year whilst a short term trend was measured quarterly. The performance had been affected by seasonal demand so a static target across 4 quarters would need to be reviewed. The target would be a matter for the relevant Overview and Scrutiny Committee, however she undertook to find out the previous target for preventing homelessness.

Performance Measure - In response to a request that every programme should have clear performance measures, the Chief Organisational Culture Officer undertook to review measures of success and delivery for each programme.

Littering - (page 68 of the agenda pack refers) A Member commented that targets were not realistic or understandable and that the target for littering was consistently considered to be met, however in his opinion the streets were littered and therefore the target had not been met. The Chief Organisational Officer stated that the Council Plan target refresh would be developed under a new framework.

Decision

- a) The Committee noted the Q4 2022/23 performance against the measures used to monitor progress against the Council's priorities and also noted the Strategic Risk Summary as set out in Appendix 3 to the report.
- b) The Committee noted Member comments on MAE metrics, Ofsted preparations, realistic target setting, social worker recruitment and playground budgets.
- c) The Committee requested a briefing paper on digital exclusion and social isolation.

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- d) The Committee recommended measurable performance targets should be set for all Council programmes.
- e) The Committee requested a briefing note related to how the MAE service provided value for money, to also be circulated to the Regeneration, Culture and Environment Overview and Scrutiny Committee.

115 Revenue and Capital Budget Outturn and Annual Write Off Report 2022/23

The Chief Finance Officer introduced the report which provided the final revenue and capital position for the 2022-23 financial year. The final position represented an overspend against budget of just over £6million. The budget had included a planned spend of £5million of reserves, so a total of almost £11million in reserves had been used, leaving the Council's general reserve balance at just over £10million. However, the Chief Finance Officer noted the outturn position was much improved compared to the position forecast in round three.

The Capital Programme outturn final position showed an overspend of just over £1million, however this would be funded primarily from further grant allocations. Irrecoverable debt written off in 2022-23 was £3.2million, which represented less than 1% of the total debt raised in the same period.

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

Psychology and Special Education Needs Service - In response to a question why the service had been overspent by £3.7million when much of the funding came from central government grants, the Chief Finance Officer explained that some areas such as home to school transport were not funded by the government through education grants, and there had been an increase in the volume and costs, such as fuel and this remained a feature going into the current year. The Council was trying to improve capacity to deliver more places for SEND children locally which would reduce transport costs.

A Member asked if it was only fuel and associated costs which caused the 30% overspend on school transport. The Chief Finance Officer noted the contract was renewed mid financial year, so the budget had been based on a projected increase however the contracts were let at a higher cost than anticipated.

Legal and Governance - In response to a question regarding overspend in the division, the Chief Finance Officer highlighted the majority of the pressure related to locums as staff retention was an issue and the cost of locums was significantly higher than permanent staff. There was a plan to improve retention through the Medpay review.

Reserves – In response to a question regarding Council reserves, the Chief Finance Officer explained the £10million was general reserves. In addition there were reserves which were unusable i.e. for accounting purposes, and

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other sums set aside for specific risks i.e. provisions for bad debt. Medway's minimum working balance had been set at £5million up to 2018, when the now Chief Operating Officer increased it to £10million in 2019/20. As at the end of March 2022 the Council had held £16.5m above that minimum balance but had used that room to fund 2022/23. The reserve minimum balance was not mandated by government or external auditors but set by the Council.

A Member asked what position the Council would be in if it had an unforeseen cost similar to the recent experience of other Councils. The Chief Finance Officer stated that the Councils who had to date reported to government an inability to balance their budgets had been largely due to failures of governance or poor decision making. Excessive borrowing was a feature of many instances, however Medway operated a prudent approach on treasury matters. She added that more Councils were now struggling due to the cost of statutory services outstripping available funding, so the Council was working with relevant bodies and lobbying government for greater and longer-term resources rather than the one-year settlements which had been received in the recent past.

Future Funding - A member commented that an identified risk to the Council was uncertain future funding and queried what action had been taken to mitigate this risk in terms of grant applications and reviewing how the Council provided services. The Chief Finance Officer stated the Council had looked at what grant funding it could apply for and kept under review all programmes the most economical way services may be provided. Promoting digitalisation was an example of this to reduce the cost-of-service provision.

She added the government had recognised that requiring Councils to competitively apply for grants had not worked well for the sector but whenever the Council had applied for a significant grant it had been initially considered by the Cabinet or Council. In terms of alternative funding models, the Council had a prudent strategy which provided relative stability and ensured it was able to respond to financial shocks. It would be a matter for Council and external auditors to consider whether those commercial opportunities were within the Council's prudent approach.

Medway Matters - (page 109 of the agenda pack refers) In response to a question how it could be shown how Medway Matters was regarded and that it represented value for money, the Chief Finance Officer undertook to discuss with the Communications Team and answer outside of the meeting.

Waste Facilities - (page 110 of the agenda pack refers) In response to a question regarding monies received from Kent County Council for usage of waste facilities, the Chief Finance Officer noted that Kent previously had no facility nearby for residents bordering Medway, so Kent County Council had paid Medway to enable their residents to use Medway's facilities and this was additional income. However, Kent County Council had since opened a facility so no longer required the use of Medway's facility so this income would no longer be received.

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The Member asked if there was an analysis of the income and costs of use of the recycling facilities by people from the Kent area, as to whether this could be an opportunity to charge to generate income. The Chief Finance Officer undertook to raise this with the relevant officers in the development of the 2024/25 budget.

A Member commented that this was an example of investing to save monies in the longer term. The Chief Finance Officer agreed that investing to save monies in the future was an aspiration, but it required long term budget planning and had been very difficult when the Council received one-year settlements from central government.

Pentagon - In response to a question the Chief Finance Officer reported the Pentagon did generate income for the Council but this had been at a lower level than had been budgeted. Some spaces on the first floor were not being used whilst the Healthy Living Centre was being developed, meaning the Council was liable for rent and business rates. However on completion, the occupying service would be responsible for those costs and the area would have an important facility.

Irrecoverable Debt - A Member commented that £3.2million was a large amount of irrecoverable debt and asked for detail on the mechanism for earmarking debt as irrecoverable. The Chief Finance Officer explained that the recovery process was different for each type of debt, in some areas there was a court process, sometimes it was not financially viable to recover.

In response to a question on what action the Council had taken regarding housing benefit overpayments, the Chief Finance Officer explained that it was partly dependent on the cause for the overpayment. Where the error had been malicious, the Council had a strong fraud response, however, often people had failed to inform the Council of a change in circumstances quickly and would not be in a position to make repayments. She added that the move to Universal Credit from housing benefit had removed the simple cases, so with more complex caseloads there was a greater degree of potential error.

The Chief Finance Officer commented that in terms of recovery of Business Rates, quite often no business remained to recover the debt, or for Council Tax a judgement must be made of the costs and appropriateness of taking an individual to court to recover those debts.

In response to a question whether the move to Universal Credit had caused the large reduction in Housing Benefit overpayments written off (page 118 of the agenda pack refers) the Chief Finance Officer stated that she could not comment on what proportion related to the Department for Work and Pensions (DWP) managed migration of claimants to Universal Credit and it was too early to judge the impact of the move. However, a significant proportion of Medway's claimants had been migrated. Previously Councils operated Housing Benefit at nearly a 100% subsidy, but this was no longer the case and local authorities were responsible for a growing proportion of the cost of providing this support.

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Decision

- a) The Committee noted the 2022/23 revenue and capital outturn position.
- b) The Committee requested a briefing note and/or briefing session for members on the Council's reserves.
- c) The Committee recommended that the potential for charging residents from Kent County Council for the use of Medway HWRC facilities be explored in the development of the 2024/25 budget build.

116 Employee Survey 2022

The Chief Organisational Culture Officer gave a presentation to Members which outlined the results of the employee survey undertaken in September 2022. 58% of staff completed the survey, which was a rise from 48% in 2019.

It was highlighted that staff enjoyed working at the Council and felt supported to do their job and the Our Ways Of Working Policy had been positively received. However, 12% of staff who responded to the survey were considering leaving Medway Council in the next 12 months. Staff retention was an identified issue with 5% leaving on average per quarter and pay was one of the causes with 53% of staff unhappy with the reward and benefits package.

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

Review - A Member commented that they were disappointed with the results, and this had been exacerbated by the survey having taken place 10 months ago. It was also commented the Survey results could well be out of date since it was undertaken in September 2022. A request was made that the Committee review progress prior to the next survey. The Chief Organisational Officer agreed and had shared the disappointment during the presentation with regards to some of the results, however, she gave assurances that whilst the results were 10 months ago the Council had responded and undertaken work already, and suggested she would provide an update on progress to a future meeting of the Committee prior to the next survey in July 2024.

Pay and Retention - A Member noted that 8% of those surveyed intended to leave the Council within the next year. Since the survey was undertaken 10 months ago, those staff may have left, in addition he believed if surveyed again the figure who intended to leave within a year would be higher.

A Member commented that Council leisure centres were currently running well below capacity and a discounted membership scheme could provide additional benefits for officers without incurring additional costs to the Council.

Mental Health - A Member commented he was concerned that 43% of employees rated their mental health as moderate, poor, or preferred not to answer. Whether managers were equipped to spot early signs of mental health

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problems in hybrid working practices and whether officers were able to access staff networks was queried.

The Chief Organisational Culture Officer explained that the Care First programme supported staff wellbeing and had a range of specific packages for staff. There were mental health champions and a public health programme which included the time to talk programme.

The Council had promoted a number of non work related events to encourage staff to come into the office and socialise. The canteen appeared to be much busier, so colleagues were attending more than they did.

Staff networks continued and each network had access to the Equality Board and a small budget. Those networks were configured around protected characteristics but there appeared to be other groups which officers would want to access. The Council would consider this further.

A Member expressed concern at 50% of staff who had felt loneliness and asked what work had been undertaken to ensure officers who worked at home were doing so in a good environment. The Chief Organisational Culture Officer explained as well as the initiatives the health and wellbeing group had been promoting, leaders were encouraged to make office visits meaningful and gave examples of how this has been achieved. The Chief Organisational Officer also explained that a remote VDU assessment was undertaken for officers to ensure their home work environment met health and safety guidance and discounts for standing desks was under consideration to encourage officers from sitting for prolonged periods. There was also adequate space for people to attend the office if the home environment was unsuitable.

Bullying – In response to a question about what action had been taken to support those who had felt bullied, the Chief Organisational Culture Officer stated the Council had put plans in place, which included deep dives into specific areas of concern and further work with officers regarding the Speak Up Policy. Further work has taken place with Trade Union colleagues to promote and speak to their members as well.

A Member commented that the Council recruitment policies should seek to promote a diverse workplace, not only in junior positions. The Chief Organisation Culture Officer explained the Council published data such as the gender pay gap and had an Inclusion and Diversity Strategy in place to ensure further considerations across a number of areas.

Response Rate – In response to a Member question what actions had taken place to address the low response rate in the Regeneration, Culture and Environment Department of 43%, the Chief Organisational Culture Officer noted that there was a lower response from staff who worked at remote sites such as leisure centres and libraries and those who would not regularly use computers in their day to day work. Whilst paper copies of the survey had been made available, not many were returned and feedback suggested this was due to its length.

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The Chief Organisational Officer explained that she had wanted a response rate of 70%, so the response of 58% was below what she had hoped, however the survey was very long, and a number of surveys had been started but not completed. Through discussion with the Medway Makers a request had been made to hold the next survey in May 2024 focussed on the key themes within the Employee Voice Strategy.

Impact - In response to a question how staff could feel empowered and how the impact of Council policies had been measured, the Chief Organisational Culture Officer explained she had worked with the Business Change team on an onboarding project to further explore why staff left after a year. The exploratory work started at post advert and reviewed new employees' experience at various points through the first 12 months. She added the practical impact of the work which had been undertaken could be developed further, further work would be required, potentially at a team level.

Workplace Footprint - In response to a question about whether there had been an assessment of the desk space and footprint of Gun Wharf following the move to hybrid working, the Chief Organisational Culture Officer explained the Our Ways of Working Policy gave the Council a required footprint to meet the needs of each service. In addition, there were drop down zones for officers who wished to hot desk and shared office space with other local authorities such as Kent County Council.

Performance – In response to a question how productivity was measured between officers who worked at home and those in the office, the Chief Organisational Culture Officer agreed that it was difficult to measure in all instances, however, there was a service plan in place with measurable objectives and performance was managed by Serve Managers.

Decision

- a) The Committee noted the contents of the report.
- b) The Committee requested an update on the Employee Survey prior to the next survey in July 2024 on a date to be determined.

117 Work programme

The Democratic Services Officer highlighted that Full Council would consider amendments to the Committee's terms of reference on 20 July. If agreed, items on the future work programme related to Housing and some other areas would be considered by the Regeneration Culture and Environment Overview and Scrutiny Committee.

The Head of Democratic Services noted that the GP Access Task Group had been completed in June 2023. The Committee had previously recommended three further topics for task groups, however, given these topics had been recommended in 2019, it was proposed each of the Overview and Scrutiny

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Committee were provided with an opportunity to consider new topics and a shortlist provided for this Committee to make a final decision.

Decision

- a) The Committee agreed the Committee's provisional work programme at Appendix 1 to the report.
- b) The Committee noted the work programmes of the other Overview and Scrutiny Committees at Appendix 2 to the report.
- c) The Committee requested that each Overview and Scrutiny Committee recommends no more than two topics for future task groups, to be considered at a meeting of Overview and Scrutiny Committee Chairpersons, Vice chairperson and opposition spokesperson where a shortlist of 4 topics and their priority order will be recommended to this Committee for a final decision.

Chairman

Date:

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