

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 27 January 2011

6.05pm to 8.50pm

Record of the meeting

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

Present: Councillors: Andrews, Avey, Kenneth Bamber (Chairman), Bright, Carr, Gulvin (Vice-Chairman), Griffiths, Harriott, Jones, Juby, Royle and Stamp

In Attendance: Abigail Cooper, Research and Review Team Manager
Stephanie Goad, Assistant Director Communications
Performance and Partnerships
Mick Hayward, Chief Finance Officer
Andy Larkin, Finance Support Officer
Andy McNally-Johnson, Senior Accountant
Caroline Salisbury, Overview and Scrutiny Co-ordinator
Deborah Upton, Assistant Director, Housing and Corporate Services/Monitoring Officer

738 Record of meeting

The record of the meeting held on 15 December 2010 was agreed and signed by the Chairman as correct.

The Chairman advised that in response to minute 627 (Quarter 2 Council Plan Monitoring) the Director of Children and Adults had informed him that the committee's concern with regard to the stretched capacity of all agencies being able to attend case conferences had been reported to The Safeguarding Board. The Chairman of the Children's Trust (which is where the committee referred its concerns) is a Member of The Safeguarding Board and the board was working hard to overcome this problem.

739 Apologies for absence

There were none.

740 Urgent matters by reason of special circumstances

There were none.

741 Declarations of interest

Councillor Griffiths declared a personal interest in any reference to NHS Medway and Medway Community Healthcare as he is a non-executive director of both Trusts. He also declared a personal interest in any reference to Danefield School as his wife is a teacher there.

742 Attendance of Portfolio Holder for Housing and Community Services

Discussion:

The Portfolio Holder for Housing and Community Services addressed the committee outlining the main achievements within areas of his portfolio:

- Adult learning – the number of enrolment and new learners had increased since last year and 93% of users said they would use the service again
- The future of the adult learning service would be difficult but the Council would be raising the profile of the service with targeted marketing
- The adult learning service would endeavour to decrease the reliance on public funding and look at a diverse range of alternative funding schemes and bid for funding with other parts of the council
- Visits to libraries had increased by 3.4% during the past year and the attendance at the library events programmes had increased by 34%
- Further work has been carried out, involving teenagers, to ensure that libraries offered the relevant selection of books to young people
- The library service was continuing to branch out to include other services and aimed to become the local information centre and the community “hub”
- The housing service had delivered 425 new homes during the last year and living conditions had improved within the private sector. 200 empty properties would also have been brought back into use within the previous year
- The cost of using temporary accommodation had reduced by £80,000
- 350 special homes were soon to be built on a number of different sites to cater for wheelchair users and other specialist requirements
- The maintenance repairs programme for the council’s housing stock had greatly improved. All emergency and urgent repairs had been delivered on time. 100% of routine repairs had been completed in December 2010 and all Medway homes were now of the accepted standard
- There was now an Asset Management Strategy with a five year programme of capital works
- 92% of people who approached the council as becoming homeless were prevented from becoming homeless and 97% of applications had received a decision within 28 days
- £1.9 million had been spent on installing disabled adaptations into homes and there was no waiting list, so applications were dealt with as they were received.

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Members asked the Portfolio Holder about:

- the remaining number of empty properties and the hurdles to overcome in order to bring them back into use
- empty properties not filled quickly enough
- possible future closure of libraries
- current waiting list for housing
- voids in sheltered housing
- disabled adaptations and work with partners and future funding for this service
- bad debt provision – request to write-off old debt where there was no chance of collection
- control of rent arrears.

Decision:

The Committee thanked Councillor Doe for attending the meeting and the information and answers he had provided.

743 Attendance of the Portfolio Holder for Finance

Discussion:

The Portfolio Holder for Finance addressed the committee outlining the main achievements within areas of his portfolio:

- Legal – it had been a good year for successful enforcement prosecutions which were important to publicise so that this could act as a deterrent to others. Employment tribunal claims - approximately £200,000 of claims had been saved if they had not been successfully defended and £1 million for Special Educational Needs (SEN) tribunals
- The Procurement Board had considered 104 medium to high risk contracts totalling £56 million. There was a new robust procurement process and a new spend analysis tool in use. Through this process £150,000 had been saved in utility costs in council owned buildings and £80,000 in accommodation costs
- The council had launched a new website in the past year which was much more user friendly and helped to advertise positive and pro-active campaigns. The communications team had produced some outstanding work especially with communicating the new procedures to residents for the waste contract
- The property section had, to date, disposed of 19 surplus properties raising £3.8 million which was predicted to rise to £4.1 million by the end of the financial year. Officers had also worked with partners on a variety of projects, including the completion of the Balmoral Healthy Living Centre with the Primary Care Trust (PCT)
- Finance – the benefits team performance had improved from the previous year to 12.45 days. Treasury Management training sessions had been held for councillors and the council's annual accounts and value for money had

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been rated as satisfactory with regard to efficiency and effectiveness. The in-year budget cuts in June 2010 had been difficult but had been dealt with quickly and with the minimum impact on residents. The current budget looked encouraging and was expected to be completed with an overall under-spend, which would be a factor when setting next year's budget. The next few years would bring further budgetary challenges with further savings of 8% required for 2012/2013.

Members asked the Portfolio Holder about:

- Balmoral Garden Healthy Living Centre – replacement of missing signs
- Request to lobby local MPs and the government about Housing Associations, banks and other organisations not having to pay council tax after they re-possess a property
- The reduction of capital funding for schools and the annual out-of-area SEN placement costs of £8 million
- The principal difficulties to be overcome when setting the budget for 2011/2012
- City status bid
- Inclusion of outline planning permission being available on council owned properties to enhance the value of the property when sold
- Members allowances and Special Responsibility Allowances (SRAs) – had a cut in these been considered for the forthcoming budget?

Decision:

The Committee thanked Councillor Jarrett for attending the meeting and the information and answers he had provided.

744 Work Programme

Discussion:

The Overview and Scrutiny Co-ordinator introduced the report highlighting the addition of two reports to the work programme.

Decision:

The committee noted:

- (a) the addition of the following items to the work programme:
 - (i) resident involvement review and Local Housing Offers (later on this agenda);
 - (ii) six monthly review of the Risk Register;
- (b) the work undertaken by all overview and scrutiny committees in the last cycle and to be considered at the next cycle of meetings.

745 Resident involvement review and local housing offers

Discussion:

The Assistant Director of Housing and Corporate Services introduced the report highlighting the introduction of the Tenant Services Authority (TSA) in April 2010 which was the new regulator for all social housing landlords. The regulator required landlords to work in partnership with their tenants and that tenants drove the development of services. The council was currently recruiting to the new strategic Housing Scrutiny panel (Housing Improvement Board) which would hold officers to account on aspects of performance and assist with influencing policy development and budget setting.

The committee was advised that the report also detailed Local Offers which had to be in place by April 2011. The council had to demonstrate how customers had been involved in shaping the offers and this was set out in the report. However, officers wished to hold further consultation and develop the Local Offers further during 2011.

Members commented that the initial consultation had been a good foundation for this new process but that it would need to be stronger in future years, especially with regard to demonstrating that the responses were adequate in number and reflective of the community, rather than that of a few individuals.

Members also suggested:

- that the structure plan on page 9 of the agenda included the overarching TSA with an arrow to the box "Council Cabinet"
- that all residents were asked if they would prefer garages or parking spaces, due to the under-utilisation of garages, together with the installation of solar panels on properties
- that officers were sympathetic to the fact that not all "Sheltered Housing" units wanted to re-brand themselves and that each unit should be allowed to be left to name itself as it wanted.

Decision:

The committee agreed to:

- (a) note the outcome of the Resident Involvement Review and new structure;
- (b) endorse the local offers as set out in the report, subject to further consultation;
- (c) invite the Chair of the Housing Improvement Board to attend the committee on an annual basis to provide a review of the board's work;
- (d) send thanks to the previous residents group (MeRGE) for its contributions to the housing service over many years.

746 Housing Revenue Account capital and revenue budget 2011/2012

Discussion:

The Assistant Director, Housing and Corporate Services introduced the report reminding the committee that it was asked to recommend to Cabinet its preferred rent increase for 2011/2012 from the three options detailed in paragraph 3.3 of the report, together with the increase in service charges from 2011/2012 to 2014/2015 inclusive.

Officers advised that there was now a Housing Asset Management Strategy and Business Plan. This was the first time a strategy had been collated which included the condition of all the housing stock giving a clear understanding of the remaining life of all assets and that this meant that housing maintenance could be more planned and structured.

The Chairman invited Mary Butcher, a member of the new Residents Forum, to address the committee to comment on the housing budget. Mrs Butcher advised that a meeting had been held between the Sheltered Forum and the Repairs Forum and Caretaking Forum where it was agreed that rents would have to increase recognising that Medway had some of the cheapest rents in the south east of England. It was also agreed that service charges should increase to make up the shortfall that was required to pay for the service. She added that most tenants were very pleased with the service they received and that she hoped that this would continue to improve.

Members asked for clarification as to whether the Supporting People Grant remained ring-fenced and the Chief Finance Officer responded that this specific grant no longer existed and had been consolidated into the general funding. Members also asked how many residents would be affected by an above average rent increase in order to judge the scale of the impact of the rise. The Chief Finance Officer replied by clarifying the information detailed in Appendix D (page 115 of the supplementary agenda) and confirming that the vast number of properties would receive an increase of between 5 – 5.99% which equated to a £3.01 - £4.00 per week increase.

The committee raised concerns about costs for refurbishment works penalising tenants who kept their properties in good condition. Members suggested that officers consider the introduction of a Tenant Reward Scheme for keeping their properties in good repair.

Decision:

The committee agreed to recommend to Cabinet:

- (a) the proposed revenue and capital budgets for 2011/2012, inclusive of an average rent increase in line with option 3 (as detailed in paragraph 3.4 of the report) of £3.63 per week (based upon 50 collection weeks and equating to an increase of 5.16%);

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- (b) that service charges for 2011/2012 reflect the costs incurred in providing that service, where possible, and that where costs are not fully recovered, the uplift is such that costs can be fully recovered by 2014/2015 using above inflation increases to do so as per Appendix C to the report. The average increase will be 7.56%;
- (c) to increase the service charges in 2011/2012 to 2014/2015 inclusive at levels shown in paragraph 4.3 of the report, in order that the true costs of providing services are recovered.

The committee also agreed:

- (d) that the Housing Asset Management Strategy and Business Plan is reported to the next meeting of the committee for consideration;
- (e) that a Tenant Reward Scheme for keeping property in a good state of repair is added to the Housing Asset Management Business Plan for consideration by the committee at its next meeting.

747 Revenue budget monitoring 2010/2011

Discussion:

The Chief Finance Officer introduced the report advising that the latest forecast was based on November 2010 figures that predicted an overspend of £383,000 (as detailed in Table 1 on page 40 of the agenda). Table 2 of the report (on page 41 of the agenda) explained the under achieved mid-year savings of £324,000. The committee was advised that officers were optimistic that the total budget would be under-spent by the end of the financial year.

Members asked if the £720,000 forecast overspend for supported accommodation benefit payments would be a problem for the budget in 2011/2012. Officers confirmed that this problem had been incorporated into the budget figures for next year and work had also started into looking at the agencies paid through this system. The work would confirm whether the rent charges were reasonable and that the support was of a standard the council expected, as it was important to achieve value for money.

Decision:

The committee agreed to:

- (a) note the forecast outturn position for 2010/2011 and any proposed management action to reduce the potential deficit;
- (b) request that the outcome of work on benefit payments for supported accommodation is reported to the committee when the work has been completed.

748 Treasury Management Strategy Statement and Annual Investment Strategy 2011/2012

Decision:

The Finance Support Manager introduced the report and apologised for pages of various amendments that had been circulated prior to the meeting. He advised that last year's strategy had seen some major changes in response to the economic slump and that this year's report did not include any major modifications. The council would continue to adopt the same approach to investments and run down its debt portfolio as it had previously done. Officers then gave further details for each of the main headings within the report.

The committee asked how the in-house team fared against the external consultants in their return rate on council investments and were informed that they were extremely similar. Members congratulated officers on this achievement.

Members asked how often the list of countries detailed in Appendix 6 (page 147 of the supplementary agenda) was updated and were advised that it was a continual process as officers had a daily dialogue with the investment advisors. If any countries were down graded, officers would immediately remove them from the list.

The committee also asked about the continuing Local Government Reorganisation debt with Kent County Council (KCC) and how much debt remained. Officers advised that £47 million debt remained.

Decision:

The committee noted the report.

749 Council Plan 2011/2012

Discussion:

The Assistant Director of Communications, Performance and Partnerships introduced the report advising that this was the council's Business Plan for the forthcoming year which would be agreed alongside the budget, as part of the budget setting process. Members were advised that it was a difficult plan to compile and finalise due to the continuing uncertainties about funding and ongoing national change agendas, especially in relation to social care and schools and it was likely to be subject to further change before consideration by Full Council in late February 2011.

The committee was informed that the plan had been streamlined focused on priorities, measures of success and illustrated the cross-cutting big change projects that affected the whole council. The new plan proposed to merge some of the previous priorities together to focus activity in relation to those services. It was proposed that the Safer Communities priority is merged with clean and

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green to give a safe, clean and green priority, to reflect the council's focus on environmental crime as its main contribution to the safety agenda; to reflect the importance of achieving health outcomes, particularly bearing in mind the council's future duties in relation to health improvement envisaged in health reforms, the vulnerable adults priority would be reworded to focus on independence and health and wellbeing of adults.

Members were also advised that the report proposed to move transport within the Regeneration priority, reflecting the key role transport played as enabler of physical, social and economic regeneration. However, some members felt that this underplayed the cross cutting contribution that transport made across all areas of council activity. The importance of infrastructure to delivering priorities was also raised by the Citizens Panel Focus Group.

Members commented on the difficulty of consulting on a plan that did not yet have financial certainty and alignment for the areas highlighted within it. However, Members applauded the serious statements of intent that were currently set out in the plan. Following discussion on the transport aspect of the plan, Members agreed that it was a topic of public concern and that it should be kept as a separate priority.

Decision:

The committee agreed to request that Cabinet recommends to Council that transport is kept as a separate priority within the Council Plan 2011/2012.

750 Revenue and capital budget 2011/2012 - Business Support

Discussion:

The Chief Finance Officer introduced the report advising that the budget deficit had increased from £19.5 million to £23.5 million. Paragraph 8 of the report (page 70 of the agenda) highlighted budget pressures with the following paragraph detailing what the council proposed to do to meet the funding gap. The committee was reminded that it had requested further information on the ward improvement fund and this was detailed in paragraph 9.10 of the report.

The committee agreed not to discuss this report as it did not contain specific information on how the £23.5 million funding gap was to be met. Members discussed the ward improvement fund and stated that they did not want to recommend the deletion of the fund from the budget.

Decision:

The committee agreed to forward to Cabinet that it recognised the value of the Ward Improvement Fund within the council's budget.

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751 Draft revenue and capital budget 2011/2012 - responses from other Overview and Scrutiny Committees

Discussion:

The Chief Finance Officer explained that the Business Support Overview and Scrutiny Committee had the role of consolidating the responses to the draft budget 2011/2012 and advised that the Health and Adult Social Care Overview and Scrutiny Committee, which had met earlier in the week, had no comments to forward to this committee.

Decision:

The committee agreed to forward the following recommendations and comments on the draft budget 2011/2012 to the Cabinet meeting on 15 February 2011:

- (a) that Cabinet acknowledges the urgent and dire need to invest in Medway's special schools, which require improvements to their accommodation, as identified in Medway's SEN Policy and Strategy and that where funding can be secured, this should be used to improve facilities for children with the highest needs of special education;
- (b) that Cabinet analyses the long term effect and cost to Medway when decisions are made with regard to budget cuts;
- (c) that Cabinet is aware of the implications for sixth form education in schools and of both the impact of the likely reduced funding from the Young People's Learning Agency and the removal of the Education Maintenance Allowances;
- (d) that Cabinet is informed of the concern that all Members of the Council do not have an opportunity to consider possible options for a draft budget;
- (e) that overview and scrutiny committees strongly recommend that Cabinet re-visits the future timing of the budget meetings to allow more relevant and up-to-date scrutiny, rather than providing reports containing irrelevant information.

Chairman

Date:

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