

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

Thursday, 30 November 2023

6.00pm to 9.40pm

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, Lawrence and Louwella Prenter

Substitutes: Councillors:
Campbell (Substitute for Animashaun)
Gulvin (Substitute for Williams)
Cook (Substitute for McDonald)

In Attendance: Paul Boyd, Head of Business Change
Steve Dickens, Democratic Services Officer
Katey Durkin, Chief Finance Officer
Gemma Gilley, Head of Benefits and Financial Welfare
Ian Gilmore, Head of Regulatory and Environmental Services
Wayne Hemingway, Head of Democratic Services
Councillor Tristan Osborne, Portfolio Holder for Community Safety and Enforcement
David Reynolds, Head of Revenue Accounts
Nicola Trainor, Head of Council Planning and Programmes
Phil Watts, Chief Operating Officer

400 Apologies for absence

Apologies were received from Councillors Animashaun, Williams and McDonald.

401 Record of meeting

The record of the meeting held on 26 October 2023 was agreed and signed by the Chairperson as correct.

402 Urgent matters by reason of special circumstances

There were none.

403 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests

Councillor Gulvin declared an interest in item 10 (Draft budget 2024-25), the report referenced potential changes to Council Tax which may affect private landlords which would include Councillor Gulvin. However, as the report noted this was a recommendation previously agreed by Cabinet he undertook not to speak on the issue of Council Tax and remained in the meeting and took part in the remainder of the discussion.

Other Significant Interests (OSI)

There were none.

Other interests

There were none.

404 Chairperson's Announcement

The Chairperson advised the Committee that the Portfolio Holder for Community Safety and Enforcement was delayed by another commitment and the agenda item, where he would be held to account, would be taken following his arrival at the meeting.

405 Universal Credit and Welfare Reforms Annual Progress Report

Discussion:

The report provided Members with an update on the roll out of Universal Credit, the Head of Benefits and Financial Welfare highlighted that the current caseload of Housing Benefit claimants in Medway was around 8,000.

The following issues were discussed.

Welfare Debt and Advice Support Service – It was noted that the Council would deliver a welfare, debt and advice service from January 2024 which had previously been provided via a contract with the Citizens Advice Bureau (CAB). In response to a question whether the Council would be able to provide a similar service if there were no plans to expand the team, the Chief Finance Officer explained that the budget assumption was that the value of the contract would be spent in-house meaning additional staff would be recruited. The Head of Benefits and Financial Welfare explained that the service will have debt and advice officers in place, and that the Council was partnered with the Money and Pensions Service to provide qualified debt advisors in addition to all staff receiving relevant training. The Council was not aiming to directly replicate the service in the way the CAB had provided it, however there will be welfare

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advisors in community hubs, surgeries and the service will be embedded within the Council's digital services.

Concern was raised that residents would not have the necessary services available because the Council was not ready to provide them. The Head of Benefits and Financial Welfare explained the service would be ready to support those who need it in January 2024, and will continue to be enhanced over the coming months.

A Member raised concern that members of the public may be reluctant to approach the Council and asked whether the Council were aware of the potential number of clients that would use the service. The Chief Finance Officer explained that the Council had worked with CAB to estimate volumes and would review take up to adapt the service to meet requirements over the coming year.

The Chief Operating Officer told the Committee the change in approach would provide a more holistic service, with a single point of contact.

Council Tax Reduction Scheme – in response to a question what was the cause of the £1m pressure in the budget of the Council Tax reduction scheme, the Head of Benefits and Financial Welfare informed the Committee work to ensure the scheme was more accessible means it is easier for people to see if they are entitled to make a claim and secondly the cost of living crisis had meant more claims were being received.

Working with DWP on campaigns – in response to a question how the Council and the DWP co-ordinated on campaigns to ensure those entitled to benefits take them up, the Head of Benefits and Financial Welfare stated that the Department for Work and Pensions (DWP) run campaigns through the media, make regular contact with partner agencies and publish information through their website. The Council had undertaken a campaign in relation to the decisions made by Council in July to ensure those entitled to be in receipt of benefits can access them. The Head of Benefits and Financial Welfare undertook to provide a briefing note on the provision of benefit advice given to Medway residents.

Decision

1. The Committee noted the work referenced in the report.
2. The Committee requested a briefing note to be provided to the Committee on the provision of benefit advice given to Medway residents.

406 Council Plan Performance Monitoring Report and Strategic Risk Summary – Quarter 2 2023/24

Discussion:

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The Head of Council Planning and Programmes introduced the report, she noted there had been no changes to the Strategic Risks in the quarter.

The following issues were discussed:

Performance Metrics – in response to a question why there were no RAG ratings in the report, the Head of Council Planning and Programmes explained that there were no performance metrics assigned to the programmes which came under the remit of this Committee.

Electric Vehicles – a request was made for further information regarding timescales for installation of electric vehicle charging points. The Head of Regulatory Services stated the Electric Vehicle Project Officer was fairly new in post and feasibility studies were underway, he undertook to provide further information on the installation of electric charging vehicle points to the Committee outside of the meeting.

Network Security – in response to a question whether there had been any recent ICT Network security incidents, the Chief Information Officer informed the Committee there had been no recent incidents of concern. There had been a trawl for email addresses on the website which had temporarily affected Members' access to their accounts, however, security protocols had ensured accounts were not accessed.

Strategic Risk 53: Medpay – a request was made that the role of Internal Audit be highlighted within the briefings planned to mitigate the risk to promote the understanding of the service. The Chief Operating Officer agreed to do this.

Gun Wharf – a Member asked whether the partial closure of Gun Wharf would affect ICT security with more staff working at home. The Head of Council Planning and Programmes agreed there would be an effect and this would be included in quarter 3 monitoring reports.

Decision

1. The Committee considered and noted the Q2 2023/24 performance against the measures used to monitor progress against the Council's priorities (Appendix 1).
2. The Committee noted the Q2 2023/24 Strategic Risk Summary (Appendix 2).

407 Capital Budget Monitoring - Round 2 2023/24

Discussion:

The Chief Finance Officer introduced the report which presented the results of the second round of capital budget monitoring for 2023-24.

The following issues were discussed:

ICT Services - in response to a question whether ICT could monetise the improved services it provided following investment by the Council by offering services outside of the Council, the Chief Finance Officer agreed that the Council would be keen to grow services where the business case demonstrated investment could be recouped through increased income.

Price fluctuation - a Member requested further information how the Council was managing the risk of fluctuations in price as noted in the Data Centre Refurbishment scheme in the Business Support Capital Programme to ensure the project is completed on time and within budget. The Chief Finance Officer undertook to ask the team managing that project to provide a briefing note to the Committee.

Decision:

1. The Committee noted the results of the second round of capital budget monitoring for 2023/24.
2. The Committee noted the changes made to the capital programme as set out in paragraph 7.1 to the report.

408 Revenue Budget Monitoring 2023/24 - Round 2

Discussion:

The Head of Revenue Accounts introduced the report which presented the Council's revenue budget monitoring position. The Council position had improved from a projected £17m overspend in round 1 to a £12m overspend in round 2. The projected overspend of these areas within the remit of the Committee was £1.1m.

The following issues were discussed:

Comparison with position in 2022-23 – a Member commented that the current projected position of an overspend of £12m was better than at the same point last year where the projected overspend was £14m at the end of round 2 monitoring, the current position was therefore not unusual for the Council. The Chief Operating Officer acknowledged the projected overspend was higher at round 2 last financial year, however at that point the Council had significantly more in reserves available to fund it. Despite management action the Council overspent by £6m in addition to a £5m planned use of reserves in 2022/23, reducing general reserves down to £10m, which was less than the current projected overspend.

Council Reserves - a Member commented that Council general reserves of £10m were significantly better than had been for much of the last few years. The Chief Operating Officer agreed that reserves had increased from £5m in 2018 to £26m in 2022, which was positive, however, the Council had used much of their reserves and the current projected overspend was greater than

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the level of general reserves and the Council was in a challenging financial position.

Property Rationalisation – a Member asked for progress on the property rationalisation programme. The Chief Operating Officer explained there was a programme in place which was being led by the Regeneration Department and not a function of Business Support so would not be reported to this Committee.

Members' Allowances – in response to a question why Members' allowances were shown as overspent by £134,000 when Members allowances were linked to staff costs so should be known in advance, the Chief Finance Officer acknowledged there had been a clerical error which meant the change in that budget to reflect the rise in the number of Councillors had not been made.

Legal Services – a Member noted progress had been made in reducing the overspend in legal services by £203,000, it was asked whether this related to release of agency staff or recruitment of permanent staff. The Head of Revenue Accounts explained that although progress had been made, the recent changes in legal services would take time to realise savings. The Chief Operating Officer explained that Legal Services were undertaking recruitment at the moment to increase the establishment and pay at a commercial rate, the overspend will be reduced when the base cost was reset. A briefing note was requested on the effects of the changes in Legal Services.

Staff Productivity – in response to a question whether staff productivity had been affected by the partial closure of Gun Wharf and working from home, the Chief Operating Officer explained that productivity was a matter for individual managers, however, he had seen no evidence of a fall in productivity within his department.

Decision:

1. The Committee noted the results of the second round of revenue budget monitoring for 2023/24.
2. The Committee noted that the Cabinet instructed the Corporate Management Team to implement urgent actions to bring expenditure back within the budget agreed by Full Council.
3. The Committee requested a briefing note regarding the ongoing changes in Legal Services.

409 Attendance of the Portfolio Holder for Community Safety and Enforcement

Discussion:

The Portfolio Holder for Community Safety and Enforcement introduced the report and highlighted that Medway 2.0 and Digital Services was a key part of the Council's agenda to streamline and improve the services provided to

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residents. The Portfolio Holder thanked the work undertaken by officers and the previous administration.

The following issues were discussed:

Pilot project 'Report it' – In response to a question whether the pilot project report it, and planned future projects would be used by officers as well as the public, the Portfolio Holder stated that the app represented a new way of working with Microsoft to reduce the number of platforms the Council used. Officers would be encouraged to use the services as well as part of a move from legacy based systems to Microsoft systems.

The Portfolio Holder added, that the changes would be an addition rather than an alternative to telephone services and the Council would continue to support those who were not online.

A Member expressed disappointment that the pilot only included three elements, the Portfolio Holder stated it was in his view important to get those elements right first and then expand.

New work streams – in response to a question what achievements had been made since May, the Portfolio Holder agreed that much of the ongoing work was inherited from the previous administration. Since he had become Portfolio Holder there had been a change in emphasis in approach, particularly the importance of Medway 2.0.

Savings to the Council – In response to a question what were the realised savings to the Council from the digital agenda, the Portfolio Holder explained that £4m had been identified to the end of the financial year in savings which would be made from removing redundant databases and systems.

A Member commented that it was disappointing that the Transformation Board, which had made very significant savings to the Council's budget, had been abolished after the local elections. The Portfolio Holder told the Committee that the Cabinet had chosen to change processes to improve transparency which included the digital agenda being considered by Overview and Scrutiny and the name change of this Committee.

The Portfolio Holder added that reducing the budget overspent was a significant issue for Council and digital transformation would be part of the response. The Portfolio Holder's aim was to modernise communications and simplify forms.

Artificial Intelligence (AI) – It was commented that AI would have a significant impact on the Council in the future, the Portfolio Holder agreed, one way the Council already used AI is to interface with the DVLA regarding cars parked illegally or not taxed.

The Chief Information Officer added that when a member of the public submitted a photo of a car parked illegally or with no tax, AI scanned the photo,

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recognised the vehicle and number plate and undertook DVLA checks automatically to speed up the process.

Online Council Tax – A Member expressed concern at the difficulty in using the online Council Tax system, he believed the public would be more engaged if the system was simpler. The Portfolio Holder acknowledged the concern and undertook to discuss with officers, however, the Council had a duty to ensure the security of the system and take up had been positive.

Four Elms Hill Air Quality IoT Sensor Network – A Member commented that the successful bid for an air quality sensor for Elms Hill was positive news and he asked that the Council ensured matched funding of the scheme took place.

Engagement with residents – A Member commented that part of the issue with digital systems was that the customer did not always receive an update, leading to further contacts, customer frustration and the system being clogged with multiple calls about the same subject. The Chief Information Officer agreed, Medway 2.0 would need to not only employ new technologies but redesign systems so that customers could choose to be updated and multiple calls could be added to the same issue rather than creating new calls.

Partner Agencies – in response to a Member question whether the digital systems could work in conjunction with other agencies for issues such as graffiti and anti social behaviour, the Portfolio Holder explained that the move from 42 legacy platforms to Microsoft would create opportunities, however, the Council had a duty to act within data protection law.

Targets – A Member requested further information regarding the development of a strategic plan, targets and key performance data which would set out what the Council would deliver by 2027 including savings to the Council. The Portfolio Holder undertook to provide a report to a future Overview and Scrutiny Committee on this matter.

Business Processes - A Member commented that it was vital the Council had the right business process behind the digital interface to ensure the systems worked effectively and were intuitive to residents. The Portfolio Holder agreed and noted there had been progress already, pre-covid there were around 45,000 calls to Council each month, this had now fallen to around 27,000 a month, some of this change was driven by digital change, however, it was the simpler calls which had been reduced where information could be easily found on the internet and the more complex calls remained.

The Chief Information Officer added that the technology was relatively easy implement, ensuring the end-to-end process worked took time to design and test.

Decision

The Committee noted the report.

410 Draft Capital and Revenue Budgets 2024/25

Discussion:

The Chief Finance Officer introduced the report and highlighted the new approach to balancing the budget where each directorate would operate within an agreed budget allocation. The directorate had responsibility to deliver savings or additional income to meet the identified gap. The current identified draft budget gap stood at c£36m.

The government's Autumn Statement was announced the day after the Cabinet at which the Draft Budget was discussed (22 November 2023), however there was little in the Statement which would affect Medway's finances as it was in line with the Draft Budget projections. The Department of Levelling Up, Housing and Communities were expected to publish the Provisional Local Government Finance Settlement before Christmas and any impact would be included in the next report to Cabinet in January 2024.

Portfolio Holders were working with officers to close the draft budget gap. In addition, the Council was working with CIPFA (Chartered Institute Public Finance and Accountancy) and Partners in Care & Health to review of spending Council assumptions and these bodies were expected to report informally ahead of Christmas.

The following issues were discussed:

Staffing Costs – in response to a question whether the proposed increase in staff costs of £10m was affordable, the Chief Finance Officer explained that the current Council staff budget increases had been capped in recent times at 1%-2% and then a flat rate increase of £1,000 in 2022-23 which represented less than 2% for many staff. Recruitment and retention was a significant issue for the Council and this had led to agency staff being employed at a higher cost to the Council than permanent staff. If the Council paid more attractive rates of pay then it may reduce costs and improve services through more effective recruitment and retention of staff via changes to Medpay.

The Chief Finance Officer added that in previous years the Council had been criticised by unions and Members during pay negotiations where salary budgets had been already been capped in the draft budget.

Housing Infrastructure Fund (HIF) staff – A Member noted the £375,000 cost to integrate HIF staff into the Council. The Chief Finance officer explained that the Council had recruited permanent staff into the department to deliver the HIF given the long timescales, however, the end of the HIF programme did not end the Council's regeneration programme, for which those staff were an important part.

Increase to School Costs - In response to a request for clarification regarding the £263,000 increase in costs charged to schools, the Chief Finance Officer reported that the costs to the Council of delivering these services in 2023/24

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were not covered by the charges made to schools but had been increased to cover the costs in 2024/25. Schools purchased services in an academic year and there had not been a significant loss to the Council since the changes had been made.

Increase to Court Costs – In response to a question whether the additional £500,000 in court costs claimed by the Council was achievable, the Chief Finance Officer explained that the amount was considered reasonable and that the costs recovered by authorities across Kent had been reviewed and even with the increase proposed, Medway would remain amongst the lowest in the region.

Increase in Business Rates – the increase in collection of Business Rates was noted, the Chief Finance Officer informed the Committee that Business Rates continued to slowly increase from a healthy tax base.

Council Tax – in response to a question regarding reviews of the single person discounts awarded, the Chief Finance Officer explained the increased revenue would mostly not be due to fraud detection but proactive work which would identify earlier where people's circumstances had changed and lead to an increase in council tax.

Concern was raised that the changes to Council Tax in relation to second homes would affect landlords and in turn raise rents in the area. The Chief Finance Officer informed the Committee that the Council did a significant amount of work to bring empty homes back into use, so the council tax discount for empty second homes was contrary to those policies. The discount was discretionary and was not considered the best use of resources in the current financial climate.

Return on investment in services – A Member commented that where the Council had invested in services to make savings it would be helpful to show the planned return within the draft budget such as the Transformation investment of £427,000. The Chief Operating Officer acknowledged this and informed the Committee further detail would be provided within the Medway 2.0 programme.

Gun Wharf - in response to a query whether additional cost pressures related to the partial closure of Gun Wharf had been included in the report, the Chief Operating Officer stated that the Council was currently considering its options and it was not possible to predict additional costs at this time, however, it would be included in the draft budget when costs were available.

Budget Gap – It was commented that the gap in next year's budget remained significant. The Chief Operating Officer acknowledged the challenging gap in the draft budget, the senior leadership team was working with services and partners to review spending assumptions.

Decision

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1. The Committee noted that Cabinet has instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2024/25.
2. The Committee considered and noted the proposals outlined in the Draft Capital and Revenue Budgets and forwarded the proposals to the individual overview and scrutiny committees.
3. The Committee noted that the Cabinet agreed to recommend to Full Council that in February 2024 when setting the Council Tax, the following changes are applied to Council Tax premia in line with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, as set out in paragraph 8.18 of this report:
 - the 100% premium for long-term empty properties may be brought forward so that it can commence after being empty for one year rather than two with effect from 1 April 2024; and
 - a 100% premium may be charged for properties that are unoccupied but furnished (known as second homes) with effect from 1 April 2025.
4. The Committee noted that the Cabinet agreed to recommend to Full Council that in February 2024 when setting the Council Tax, the following changes are applied to the Council Tax discretionary discounts, as set out in paragraph 8.18 of this report:
 - reduce the discount in respect of class C to 0% from the day on which a property becomes vacant, and
 - reduce the discount in respect of class D to 0%.

411 Work Programme

Discussion:

The Democratic Services Officer introduced the report and highlighted the Procurement Strategy would be considered by the Committee in February and the Council Plan and Council Strategy would now be considered at the April meeting.

The Head of Democratic Services noted the further information regarding the membership of the Air Quality and Public Transport & Active Travel (combined review) requested at the last meeting of the Committee.

Decision:

1. The Committee agreed the work programme at Appendix 1 to the report.
2. The Committee noted the work programmes of the other Overview and Scrutiny Committees at Appendix 2.
3. The Committee approved a membership of seven Members (4 Labour and Co-operative Group, 2 Conservative Group and 1 Independent

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Group) for the Air Quality and Public Transport & Active Travel
(combined review) Task Group plus one named substitute for each of
the Labour and Co-operative and Conservative Groups.

Chairperson

Date:

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