

**CORPORATE, RESOURCE MANAGEMENT & GOVERNANCE SCRUTINY
COMMITTEE**

Meeting: 30 October 2018
At: 6.00 pm

PRESENT

Councillor Lisa Smart (Chair) in the chair; Councillor John McGahan (Vice-Chair);
Councillors Anna Charles-Jones, Steve Gribbon, Yvonne Guariento, Philip Harding,
Mike Hurleston, Chris Murphy and Iain Roberts.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 18 September 2018 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

Councillors and officers were invited to declare any interests they had in any of the items on the agenda for the meeting.

There were no interests were declared.

3. EXCLUSION OF THE PUBLIC AND THE PUBLIC INTEREST TEST

RESOLVED – In order to prevent the disclosure of information that was ‘not for publication’, the disclosure of which would not be in the public interest, the public be excluded from the meeting during consideration of the exempt information in the appendices of the following agenda item, in the event that it needed to be discussed:-

<u>Item</u>	<u>Minute</u>	<u>Title</u>	<u>Reason</u>
10	12	Fleet Management Replacement Strategy	Paragraph 3 ‘Information relating to the financial or business affairs of any particular person (including the authority)’ as set out in Schedule 12A of the Local Government Act 1972 (as amended).

4. CALL-IN

There were no call-ins to consider.

5. SAFER STOCKPORT PARTNERSHIP - ANNUAL REPORT 2017/18

The Deputy Chief Executive submitted a report (copies of which had been circulated) outlining the key achievements of partner organisations against Safer Stockport Partnership Themes and Priorities.

The Cabinet Member for Reform & Governance and Superintendent Emma Taylor from Greater Manchester Police attended the meeting to introduce the report.

RESOLVED – That the report be noted.

6. PORTFOLIO PERFORMANCE AND RESOURCES - MID-YEAR REPORT

The Cabinet Member for Reform & Governance submitted a the Mid-Year Portfolio Performance and Resource Report (copies of which had been circulated) providing a summary of progress in delivering the Reform and Governance portfolio priorities, reform programme and other key projects in the first half of the year, with a particular focus on the second quarter (July to September). It included forecast performance and financial data (where this is available) for the Portfolio, along with an update on the portfolio savings programme.

The following comments were made/ issues raised:

- Confirmation was sought on the cost of the launch of the Council Values and Behaviours Framework. In response it was stated that the cost was met from within existing resources but was within the region of £1000.
- Details of the turnover rate of staff at the Contact Centre was requested.
- Confirmation was sought on whether the £1m Digital by Design savings were on track to be achieved. In response it was stated that the 2 year programme was on target to achieve its target in 2020. It was further commented that the phraseology 'well on the way' to describe target delivery was unhelpful and a cash value would be more useful.
- Given the statements about the high quality service in relation to the existing support service the Council provided for Universal Credit support, clarification was sought on what made it high quality and whether the new provider would not be able to provide a similar service. In response it was stated that the Council had quickly sought to establish support mechanisms for those moving on to Universal Credit and to learn from the experience of other local authorities to anticipate areas of need and demand locally. The awarding of the contract to the Citizen's Advice Bureau (CAB) was unexpected but discussions were underway to implement shadowing arrangements so that the CAB were able to maintain the same level of service, as was their aspiration and the expectation of the Department for Work & Pensions.
- Concern was expressed that the significant investment in enhancing the digital offer had done little to improve performance at the Contact Centre with nearly 20% of calls not being answered.
- The improvement in performance against the Freedom of Information request target was welcomed although disappointment was expressed that the statutory duty was not being fully complied with. In response it was stated that the Information Commissioner's own expectations was that compliance should be 90%, which the Council was well within but that it aspired to fulfil its duties 100% of the time.

RESOLVED – (1) That the report be noted.

(2) That the Borough Treasurer be requested to provide councillors with further details of staff turnover rates at the Contact Centre.

(3) That the Deputy Chief Executive be requested to, as far as was feasible, differentiate between simple and complex Freedom of Information requests in future performance reports.

7. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY MID-YEAR REPORT 2018/19

The Borough Treasurer submitted a report (copies of which had been circulated) providing the Scrutiny Committee with a mid-year review of the Council's Treasury Management Strategy Statement and Annual Investment Strategy for 2018/19.

The Leader of the Council (Councillor Alexander Ganotis) attended the meeting to respond to questions from the Scrutiny Committee.

The following comments were made/ issues raised:-

- Comment was sought on whether the Council was considering the use of Municipal Bonds to finance borrowing. In response it was stated that these would be an option for future consideration.
- In relation to references in the report to borrowing from BAE Systems comment was sought on how the Council would manage counterparty risk and reputational risk. In response it was stated that due diligence checks were always undertaken into any organisation the Council was going to borrow from, and BAE Systems were a reputable organisation. The rates being offered were more favourable than other sources of finance.
- Clarification was sought on how much of the Council short term borrowing would be transferred to longer term borrowing. In response it was stated that between £20-50m was likely to be subject to refinancing, depending on prevailing economic conditions in the third quarter.

RESOLVED – That the report be noted.

8. ANNUAL INSURANCE REPORT 2017-18

A representative of the Borough Treasurer submitted a report (copies of which had been circulated) providing the Scrutiny Committee with a summary of insurance performance for the financial year 2017-18. The report included comparisons with previous years and highlighted trends over that time to identify areas of risk and opportunities to mitigate risk.

The Cabinet Member for Reform & Governance (Councillor Elise Wilson) attended the meeting to respond to questions from Councillors.

A number of recent legal cases were highlighted.

The following comments were made/ issues raised:-

- Comment was sought on whether there was a trend behind the increase in claims related to children and family services, whether that should be of concern and whether there was scope to invest in services to reduce the risk in this area. In response it was stated that abuse claims could be very difficult and systems were in place to respond to such cases quickly. While there was a slight increase locally this was reflective of a national upward trend and many were historical cases. There was close working with children's and adult services to ensure future risks were addressed.
- In light of the past success of the Council in the reducing costs and improving performance associated with insurance claims, comment was sought on whether

improvement was now likely to plateau. In response it was stated that an actuarial assessment would likely come to that conclusion, but that for each claim there was a learning point to improve services and reduce the likelihood of future claims.

- Comment was sought on whether there had been any impact on claims following changes to the rules on personal injury fees. In response it was acknowledged that there had been a reduction in personal injury claims although it was anticipated that there would likely be an increase in other areas.
- Confirmation was sought on whether fraudulent claims reported to the Police. In response it was stated that in circumstances where there was clear evidence of fraud or fraudulent intent this would be referred to the Police.

RESOLVED – That the report be noted.

9. TRADED SERVICES PROGRESS UPDATE

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) providing the Scrutiny Committee with an update on efforts to develop Traded Services, setting out achievements to date and further developments as part of the Medium Term Financial Plan.

The Cabinet Member for Reform & Governance (Councillor Elise Wilson) attended the meeting to respond to questions from Councillors.

The following comments were made/ issues raised:-

- Further information was requested in relation to the current governance of these services. In response it was stated that current governance arrangement were officer-led, with regular reporting to the Corporate Leadership Team through a single service and toolkit because of the relatively narrow scope of services involved. Officers in Finance worked closely with the service to assess the impact of changes in costs and charges. As the number of traded services increased it was likely that the governance arrangements would need to change in response.
- It was commented that it was encouraging that the service was trading with so many schools as in other areas the local authority lost schools when the rules around buy-back services changed.
- Comment was sought on whether expanding the offer beyond schools had not been as successful as was hoped. In response it was stated that this was not the case as there was work ongoing to develop a toolkit to allow services to develop marketable services. Given that other local authorities were undertaking similar exercises it was important to ensure that the services on offer were as robust as possible.
- Given the Council's recent challenges around asset management it was queried whether there was scope for developing a tradable service. In response it was stated that there were no specific proposals for that area although proposals had been made in relation to maximising income from Council assets.
- It was commented that many local authorities were considering similar projects as a means of meeting their funding challenges.

RESOLVED – That the report be noted.

10. MTFP CABINET RESPONSE: OUR BUDGET CHOICES FOR 2019/20

The Leader of the Council and the Cabinet Member for Reform & Governance submitted a report (copies of which had been circulated) seeking the views of the Scrutiny Committee in respect to the strategic direction of travel outlined in the overall report and across the five themes and to comment specifically on the proposals presented in the report relevant to the remit of the Scrutiny Committee.

The following comments were made/ issues raised:-

- Reference was made to questions at the recent Council Meeting in relation to changes to Area Committee delegations and to references in the report to a cross-party working group to discuss the proposals. It was stated that it would be helpful for the group to consider a wider review of the business programme, but stressed that such a group should be given proposals from the Cabinet to consider rather than for them to co-design proposals for change. Concern was expressed about any loss of powers and responsibilities by area committees.
- In relation to the proposals around Communications it was queried why so much of the current workload related to GMCA functions. In response it was clarified that each local authority would provide support to its leader and their GMCA portfolio area although there was scope for the GMCA to take on more of the cost of this activity.
- A number of councillors expressed concern about proposals to cease publication and distribution of the waste and recycling collection timetable for residents as they felt this was a false economy and would lead to an increase in problems with presentation of bins for collection.
- It was commented that the proposals were conservative on income but 'bullish' in relation to expenditure and it was queried whether an increase in Council Tax was necessary, given that Stockport had the highest rate of Council Tax in Greater Manchester. In response it was stated that caution on income was prudent given its unpredictability. While a balanced budget could be proposed this year without a Council Tax increase it would require larger increases in future years or increase the overall savings requirement in the future. It was not the belief of the Cabinet that the funding gap could be adequately bridged without an increase. Stockport's Council Tax rates was reflective of its historic underfunding and the Council continued to be one of the lowest spending authorities in Greater Manchester.
- It was commented that while increasing Council Tax would impact the poorest most acutely, this should be seen in the context of increasing demand on services that were hidden from most residents and there was a need to protect the most vulnerable in our community.
- Clarification was sought on the meaning of financial self-sufficiency in the context of the Council. In response it was stated that by 2020 the Revenue Support Grant from the Government to the Council would no longer be provided (previously having been one third of Council resources) so that the Council's spending power would be from Council Tax, retained Business Rates and other locally generated income. It was hoped that the next Comprehensive Spending Review would make provision for a long term solution to local government financing.
- Further information was sought on proposals for the Council's companies, TLC and Stockport Homes, and comment was made that these bodies were often performing better than the Council in particular areas. In response it was stated that it was important to review contractual arrangements with these organisations to ensure they were aligned with other Council priorities and areas of activity in order to avoid having to make reductions in service quality in the future. Caution was advised about direct

comparisons with these organisations and there were factors affect performance that were unique to each organisation.

RESOLVED – That the report be noted.

11. FLEET MANAGEMENT REPLACEMENT STRATEGY

The Borough Treasurer submitted a report (copies of which had been circulated) inviting the Scrutiny Committee to consider a proposal to replace TLC's fleet of Heavy Goods Vehicles through a flexible, state-aid compliant loan agreement.

(Note: the report contained information 'not for publication' that had been circulated to scrutiny committee members only).

The Cabinet Member for Reform & Governance (Councillor Elise Wilson) attended the meeting to respond to questions from Councillors.

The following comments were made/ issues raised:-

- Clarification was sought on how the replacement strategy linked to efforts to improve air quality. In response it was stated that the 'agile' approach being taken would allow TLC to respond to changing demands on services and well as technological and market improvements for low emission or electric HGVs. Councillors welcomed this.
- Confirmation was sought that what was being proposed was an Evergreen loan facility. In response it was confirmed that this was the case and that it would facilitate the agility needed to respond to changing market conditions. It would also prevent flooding the market with used vehicles as the loan period came to an end.
- Clarification was sought on whether brokers would be used in procuring vehicles. In response it was stated where vehicles were leased this was likely to be the case, but this would be subject to TLC's procurement rules.

RESOLVED – That the report be noted.

12. AGENDA PLANNING

A representative of the Democratic Services Manager submitted a report (copies of which had been circulated) setting out planned agenda items for the Scrutiny Committee's next meeting and any relevant Forward Plan items.

RESOLVED – That the report be noted.

The meeting closed at 7.45 pm