

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

Meeting: 4 December 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 30 October 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 declarations of interest made.

### **3. EXCLUSION OF THE PUBLIC AND THE PUBLIC INTEREST TEST**

RESOLVED – That in order to prevent the disclosure of information which was not for publication, the disclosure of which would not be in the public interest, the public be excluded from the meeting during consideration of the following item:-

<u>Item</u>	<u>Title</u>	<u>Reason</u>
17	Estate & Asset Management: Future Arrangements Post Carillion Liquidation	Category 3 'Information relating to the financial or business affairs of any particular person (including the authority)' as set out in the Local Government Act 1972 (as amended)

### **4. CALL-IN**

There were no call-ins to consider.

### **5. CORPORATE PERFORMANCE AND RESOURCES - MID-YEAR REPORTS 2018/19**

The Leader of the Council submitted the mid-year update Corporate Performance and Resources Report (CPRR) 2018/19 and the mid-year update Leader's Report 2018/19 (copies of which had been circulated).

The Mid-Year Update Corporate Performance and Resource Report (CPRR) provided an update on progress in delivering the Council's Priority Outcomes and budget during the first half of 2018/19 with particular focus on activity in the second quarter.

Updates were included on delivery of policy priorities, alongside Reform Projects. The report also included early forecasts of budget and performance data where this was available, along with an update on the refreshed Corporate Risk Register. It was supported by seven Portfolio Performance and Resource Reports which were being considered by scrutiny committees in the current Scrutiny cycle.

The Leader's Annual Report reflected on significant achievements and challenges, key decisions at Greater Manchester level, along with areas of progress in delivering Council priorities over the first half of 2018/19.

It was reported that the reports had been considered and approved by Cabinet on 13 November 2018.

The Leader of the Council (Councillor Alex Ganotis) and the Cabinet Member for Reform & Governance (Councillor Elise Wilson) attended the meeting to present the report and answer councillors' questions.

The following comments were made/ issues raised:

- Further information was requested in relation to references to non-cash limit surplus and capital financing costs. In response it was stated that these figures reflected a reduction in borrowing due to utilisation of cash balances instead. The Council was also borrowing short term at lower rates. It was confirmed that capital costs were adjusted in the MTFP Summer Review to make them permanent.
- Clarification was sought on why it was proposed to undertake an 8 week rather than 12 week consultation on the next iteration of the Greater Manchester Spatial Framework. In response it was stated that the statutory requirement was for a 6 week consultation, so the proposed 8 weeks was longer than the requirement. The proposed timetable would also mean that the consultation would run up to election 'purdah'. Officers were also awaiting the end of the Government consultation on housing need calculation methodology in early December.
- Further detail was sought on the impact for Stockport of the GM Mayor's Town Centre. In response the Leader stated that the programme had given focus to the Town Centre West initiative that had given rise to proposals for the first GM Mayoral Development Corporation (MDC). Another councillor expressed disappointment that the proposals only covered the west of the Town Centre rather than the whole of the area. In response assurance was given that the MDC would provide specific tools to address particular challenges in the Town Centre West area but this would not detract from wider efforts in the Town Centre that included significant redevelopment of the Bus Station.
- Clarification was sought on the value of the Manchester Airport Group dividend. In response it was stated that notice had been recently received of a £2.1m interim dividend.
- Further information was sought on plans to increase school places and the current situation in respect of the roof collapse at St Thomas' school. In response it was clarified that the Council was only able expand capacity at maintained schools, and not academies. Further analysis of the need for place was being undertaken as there was often a disparity between the location of demand and availability of place. While the Council had the statutory responsibility to provide appropriate school places it did not always have the means to deliver on that responsibility.

- It was commented that the Call-Centre continued to fail to answer one out of every five calls made to it.
- Given the revenue budget forecast surplus of 3.4m, plus the Manchester Airport Group dividend, further information was requested as to plans for the use of those resources, particularly in light of pressures on spending on services. In response it was stated that surpluses would be used to help resource the financial pressures being experienced by the Council, for example in supporting the High Needs Block for children and young people.
- Clarification was sought on whether the current capital borrowing programme was the highest the Council had ever had. In response it was stated that levels were certainly high, but were not at the highest level.
- Further detail was requested about long term plans for addressing SEND pressures. In response it was stated that a local plan had been developed to address the national upward trend in SEND demand that including increasing local specialist school capacity in order to reduce cost pressures.
- Confirmation was sought that the Council would not be drawing on resources for mainstream schooling to support SEND investment/ High Needs Block resourcing. In response it was stated that such measures would only be done following consultation with the Schools Forum.

RESOLVED – (1) That the reports be noted.

(2) That the Interim Director for Education be requested to provide a written to Committee members on the situation with respect to the St Thomas' school roof.

## **6. Q2 2018-19 COMPLAINTS REPORT**

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) providing an overview of complaints, at the second quarter (July - September) 2018/19.

The Cabinet Member for Reform & Governance (Councillor Elise Wilson) attended the meeting to answer councillors' questions.

The following comments were made/ issues raised:

- In relation to Adult Social Care complaints about service charging confirmation was sought that information was now being provided to service users. In response it was confirmed that Finance packs were now being provided and signatures required to confirm receipt.
- In relation to complaints about the quality of Adult Social Care services, comment was sought on the current 70% performance. In response it was stated that previously a number of these complains would likely have been dealt with informally but because of the increasing awareness of complaints procedures (due to providing more information as part of the financial information) this had led to an increasing number of complaints. The slippage in response time was due in part down to the increase in volume but also the increase in complexity.
- The increasing burden on the Council of responding to complaints about service quality versus cost should be kept in mind when considering budget proposals.

RESOLVED – That the report be noted.

## **7. SICKNESS ABSENCE HALF YEAR REPORT (2018)**

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) updating the Scrutiny Committee on the mid-year position (April - September) in terms of sickness absence.

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

The following comments were made/ issues raised:-

- The report included 'bereavement' as a reason for sickness, but concern was expressed that this was not an appropriate classification and clarification was sought as to whether this was Council policy. In response it was stated that time off for bereavement was classified as Special Leave and should be counted separately from sickness. An undertaking was given to consider this issue as part of the upcoming review of HR policies.
- A suggestion was made that sickness absence training for managers be made annual and mandatory.
- Further information was sought on what steps were being taken to address high levels of absence. In response it was stated that enabling and encouraging managers to use their knowledge of their staff to respond quickly and effectively and to ensure employees were aware and understood the support available.
- Clarification was sought on the process for and frequency of contact between manager and employee during sickness absence. In response it was stated that employees were able to self-certify for one week, after which a medical certificate was required. The frequency of contact after this point would depend on the circumstances of the employee. In circumstances where there was a mental health issue there would be an immediate referral to Occupational Health. The Council also had a fast track referral system for musculoskeletal conditions. It was suggested that further consideration should be given to providing clearer guidelines to managers on frequency of contact with employees who are absent due to sickness.
- The introduction of additional measures of disability-related absence was welcomed although it was commented that some absences should not necessarily be considered 'sickness' rather just necessary absence because of the additional needs created by the disability.
- Comment was sought on whether the Council was doing enough to prevent musculoskeletal-related absences. In response it was stated that the Health & Safety Team had undertaken a number of initiatives related to good posture and related issues, and that in conjunction with the fast track referral to physio this had led to the reduction in absences.
- Clarification was sought on whether employees with physical injuries would be provided with modified duties to allow them to stay in work. In response it was stated that managers often made informal adjustments for employees in such circumstances. It was further commented that the fast track referrals to physiotherapy and for counselling enabled employees to remain in work during treatment and to escalate that level of support if needed.

RESOLVED – That the report be noted.

## **8. CONSULTATION REPORT 2019/20 TREASURY STRATEGY**

The Borough Treasurer submitted a report (copies of which had been circulated) seeking the views of the Scrutiny Committee on the development of the Council's Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy for 2019/20, to be considered for approval at the Cabinet Meeting on 5 February 2019 and the Council Meeting on 21 February 2019.

The Leader of the Council (Councillor Alexander Ganotis) attended the meeting to answer councillor's questions.

The following comments were made/ issues raised:-

- At recent training for members with an external adviser had led to the suggestion that the Council's investment policy was overly risk averse and comment was sought from the Borough Treasurer. In response, the Borough Treasurer expressed surprise at the suggestion as this had not been raised with the Treasury Management Team previously. It was further commented that the Council's policy was prudent policy with the outcomes outperforming the risk profile. The Borough Treasurer undertook to seek further feedback from advisers and report back to the Scrutiny Committee.
- Would the Council be utilising more long term borrowing in the future? In response it was stated that it was expected the Council would undertake more long term borrowing in 2018/19 and into 2019/20 to protect against interest rate rises and to ensure the Council was not over reliant on short-term cash supply, particularly toward year end when availability was more limited.
- Was the downward adjustment of equities likely to require adjustments to pension contributions? In response it was stated that the view of the GMPF was that the fund was robust and it was expected that there would be a reduction in employers' contributions.

RESOLVED – That the report be noted.

## **9. MEDIUM TERM FINANCIAL PLAN - UPDATE PRIOR TO 2019/20 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT**

The Borough Treasurer submitted a report (copies of which had been circulated) updating the Scrutiny Committee on the Council's 2019/20 budget setting process and Medium Term Financial Plan (MTFP) prior to the 2019/20 Provisional Local Government Finance Settlement (PLGFS) being announced by Government, expected on Thursday, 6 December (Parliamentary time permitting).

The following comments were made/ issues raised:-

- Further detail was sought on paragraph 3.16 in relation to risk/gain share from Stockport Together. In response it was clarified that the Council and partners expected benefits to accrue from Stockport Together, but that given the complexities of implementing new models of care it would be imprudent to include these benefits in the MTFP in the coming year.
- Given that Stockport Together was not realising benefits as projected, it was asked when a decision would be taken to cease the programme. In response it was stated

that it was anticipated that financial benefits would accrue in future years from the additional investments made, and that there had been improvements in outcomes.

- Clarification was sought on why the financial benefits of Business Rates retention were only realised in the following year. In response it was stated that given the volatility of the business rates tax base, and due to changes brought about by appeals to the Valuation Office, it was prudent to take this approach and to utilise the income for investment rather than to use for revenue expenditure. It was also commented that there was a no-detriment clause in the Pooling agreement from Government to prevent the Council losing income from the volatility.
- Further information was requested into the likely levels of precepts and levies for 2019/20. In response it was stated that the situation would become clearer once the Financial Settlement was announced, but there were suggestions that police precepts may be permitted to increase.
- Concern was expressed about the impact on residents of the GM Mayoral precept. In response it was stated that the only resources available to the GMCA were through the precept or a levy on each Local Authority. The levy would give a greater degree of accountability for the Mayor and what was done with that resource.

RESOLVED – That the report be noted.

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

A joint report of the Leader of the Council and the Cabinet Member for Reform & Governance was submitted (copies of which had been circulated) setting out the Cabinet's proposals that formed its response to the Medium Term Financial Plan.

The following comments were made/ issues raised:-

- Clarification was sought on whether further detail would be provided on the proposals that had elements that were outstanding. In response it was stated that there was high degree of confidence in providing robust information to the next scrutiny committee.
- Concern was expressed that the feasibility study on the property proposals would not be finalised until after the budget had been set and so councillors would be approving a budget without knowing if the proposals were feasible. In response it was stated that this would not be the case.
- Clarification was sought on why it was proposed to increase weekend burial costs by 100% if this was likely to lead to a decrease of £10k in income. In response it was stated that the increase would bring Stockport in line with other local authorities. One of the underlying principals underpinning the charges proposals was to drive behaviour change and these changes were likely to increase income elsewhere. Many of these changes were interconnected and would be monitored after implementation.
- Clarification was sought on the projected cost of Digital by Design as it currently stated 'TBC'. In response it was stated that given the scope of the project the possible savings could be significant and variable, therefore it was difficult to quantify. It was suggested that an explanation in the report narrative would have been helpful.
- It was suggested that reducing the work to TLC on greenspace and street care would be unpopular with the public given their expectations of the use of their Council Tax. Given the increased income from sources such as the airport dividend, would the Cabinet reconsider this proposal? In response it was stated that the proposals had not yet been finalised and would not be done until the New Year. It was also stated that due to the pressures on the Council no part of its operations nor those of its associated

bodies were immune from this wider pressure. It was acknowledged that the relationship with TLC added a complication, but that it was right to keep all spend under review.

- It was queried whether all contractors were required to pay the National Living Wage as this currently set TLC at a disadvantage as it would increase its costs and so make it less competitive. In response it was stated that TLC had been established as a Teckal company that provided some benefits during procurement, but the Council remained under a duty to ensure value for money when contracting services. It was acknowledged that TLC paid its staff differently and this made them a special company and the social value this provided was considered as part of procurement processes. As part of the consideration of value for money the Council would also consider whether a prospective contractor paid the National Living Wage. It was suggested that the Council should make clearer to contractors its expectation that they paid National Living Wage
- Concern was expressed that the Equality Impact Assessment had identified women and disabled residents as being significantly effected by proposals for the Stockport Local Assistance Scheme (SLAS). In response it was stated that the Cabinet would take this analysis into account when making a decision. It was also clarified that the strategic commissioning proposals were seeking to other means to provide this service rather than remove the support for residents.
- Further comment was sought on the reasons there had been a reduction in the number of successful applications through the SLAS. In response it was stated that the scheme had been refined over time and some elements of support were approved by Foodbanks and other organisations.
- Concerns were expressed about the increases in animal license charges and the impact on smaller businesses, suggesting that this should be charged on a pro-rata basis. In response it was stated the proposals were designed to ensure the Council was not subsidising the cost of services for businesses and would reflect the actual costs to the Council of delivering those services. There were a number of examples where the Council was charging significantly lower rates for services compared to other local authorities.
- Concern was expressed that the desktop review of Adult Social Care management had not been done earlier. In response it was stated that a number of changes had now taken place that made this review opportune now.
- Was the Council being aggressive enough with proposals on generating income from events and Council assets? In response it was acknowledged that the Council could generate more income from its assets but that this needed to be balanced against the need for wider, often informal community need. Improvements had already been made and further changes would subject to further engagement.

RESOLVED – That the report be noted.

## **11. COUNCIL TAX AND BUSINESS RATES DISCOUNTS ANNUAL REVIEW**

The Borough Treasurer submitted a report (copies of which had been circulated) setting out the annual review of the Council's local scheme of Council Tax discounts and exemptions, and detailing recommended changes to the Scheme.

The Cabinet Member for Reform & Governance (Councillor Elise Wilson) attended the meeting to response to councillor's questions.

The Cabinet Member highlighted the consultation feedback and assured the Scrutiny Committee that many of the objections raised to the proposals were based on a misunderstanding of the scheme and the concerns raised were provided for in other schemes and through statutory exemptions.

Concerns were expressed that while the additional support for Care Leavers was welcomed, the sudden ceasing of the Council Tax discount may lead to difficulties for those individuals and that a tapering of the discount may be more helpful in supporting young people to budget appropriately.

RESOLVED – That the report be noted and the Council Meeting be recommended to approve the revised Council Tax and Business Rates Discount and Exemption Scheme.

## **12. REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS**

The Deputy Returning Officer submitted a report of the Returning Officer (copies of which had been circulated) inviting the Scrutiny Committee to consider proposals for polling districts, places and stations for forthcoming elections following the completion of a mandatory review of polling arrangements.

RESOLVED – That the Council Meeting be recommended to approve the proposed polling arrangements as set out in the report.

## **13. STOCKPORT COUNCIL MODERN SLAVERY STATEMENT**

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) inviting the Scrutiny Committee to consider a draft of the Council's first Modern Slavery Statement, developed in accordance with the Council Meeting resolution of 13 September 2018, prior to its submission to the Cabinet for adoption.

RESOLVED – That the report be noted.

## **14. STOCKPORT LOCAL FUND**

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) providing the Scrutiny Committee with an update on the implementation of the Stockport Local Fund, including details of the awards made as part of Phase 1 and details of the upcoming Phase 2.

RESOLVED – That the report be noted.

## **15. REGULATION OF INVESTIGATORY POWERS ACT 2000: STOCKPORT COUNCIL'S USE OF DIRECTED SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCES (CHIS)**

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) providing an update in relation to the first quarter of the 2018-2019.

The Council's Code of Practice for carrying out surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) required that quarterly reports be submitted to this



Scrutiny Committee to demonstrate to councillors that the Council was complying with its own Code of Practice when using RIPA.

There had been no authorisations during the first quarter to use directed surveillance and covert human intelligence sources.

RESOLVED – That the report be noted.

## **16. AGENDA PLANNING**

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

RESOLVED – That the report be noted.

## **17. ESTATE & ASSET MANAGEMENT- FUTURE ARRANGEMENTS POST CARILLION LIQUIDATION**

The Deputy Chief Executive submitted a report (copies of which had been circulated) inviting the Scrutiny Committee to consider proposals for the future arrangements for the delivery of estates and asset management functions of the Council, necessitated by the collapse of Carillion PLC. The report provided an analysis of possible options.

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

The Chair welcomed the report and in particular the analysis of the lessons learnt from the previous property alliance arrangements.

(Note: the report contained information 'not for publication' in its appendices that had been circulated to committee member only)

The Scrutiny Committee asked questions and raised issues on the proposals relating to the information in the exempt appendices that were discussed and responded to in 'private' session of the meeting.

RESOLVED – (1) That the report be noted.

(2) That the Deputy Chief Executive be requested to submit further updates on the implementation of the new arrangements, in particular work relating to the schools estate.

The meeting closed at 8.27 pm