1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 4 June 2019 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

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

There were no interests declared.

3. CALL-IN

There were no call-in items to consider.

4. CORPORATE PERFORMANCE AND RESOURCES - ANNUAL REPORT 2018/19

The Deputy Chief Executive submitted the Annual Corporate Performance and Resource Report (copies of which had been circulated) providing the Scrutiny Committee with a summary of progress in delivering the Council’s priority outcomes and budget since mid-year, with a particular focus on the fourth and final quarter of 2018/19 (January to March 2019). The report had been considered and approved by Cabinet on 18 June.

The Leader of the Council (Councillor Elise Wilson) and the Cabinet Member for Resources, Commissioning & Governance (Councillor Tom McGee) attended the meeting to respond to questions.

The following comments were made/ issues raised:-

- Comment was sought on why there was deteriorating performance despite the achievement of a budget surplus. In response it was stated that against some measures there would be spikes in performance that were due to particular circumstances, such as the opening of Redrock and the improvement in performance against job creation measures, but that these were not replicable every year. Significantly, the pressures on adult and children’s services were impacting on overall performance levels. In relation to surpluses it was commented that these could be generated in differing ways, but where appropriate this would be factored into future
budgeting, helping to reduce future savings targets or to offset borrowing. Surpluses generated would be used for investment in service reform or to meet cost pressures in other areas.

- Comment was sought on whether the Cabinet was concerned by the deterioration in performance. In response the issue was acknowledged but performance needed to be seen in the context of unprecedented demand on adult and children’s services, reflected nationally, and the anticipated green paper from the government on adult social care funding. It was further commented that the new arrangements for performance monitoring should provide earlier identification of deteriorating performance and allow for more timely action.

- Given the prevailing economic uncertainty, particularly in relation to high street retailing, comment was sought on the likely impact on business rate income from potential job loses in the Town Centre. In response it was stated that business rate liability was connected to property, regardless of occupancy, so was not dependent on levels of employment in retail. Nevertheless, the volatility in business rates was emphasised, particularly if landlords chose to change the use class of their assets. It was hoped that the Autumn Comprehensive Spending Review would provide clarity on future business rate retention by local authorities.

- Assurances were sought that the Council was doing all it could to maximise new business start-ups in Stockport. In response the breadth of activity was emphasised, and comment made that performance set out in the report did not include the Produce Hall activity.

- It was commented that there had been no fixed penalties issued for dog fouling.

- Comment was sought on what the Leader of the Council was doing to ensure the availability of appropriate commercial space in Stockport. The Leader responded by reiterating earlier comments about job creation and regeneration activity, citing examples such as Stockport Exchange, Merseyway and the Mayoral Development Corporation. The Leader expressed confidence in continued business interest in Stockport.

- Concern was expressed about some targets not having a source of data to measure performance. In response it was stated that there were examples of data sources changing after targets had been set, making tracking more problematic, but assurance was given that the new performance management arrangements would allow for greater narrative information being provided to explain this.

- Comment was made that the use of three year rolling averages in future reporting would assist in overcoming challenges of measuring performance against annualised statistics.

- Comment was sought about whether the Council was ensuring developers were meeting their obligations to provide affordable homes. In response it was commented that performance was often misleading as affordable units were not made available in a steady stream but intermittently as developments were finished. The upward trend in the number of units should give confidence in the approach being taken. At the Communities & Housing Scrutiny Committee there had been discussion about the need to modify the target to better capture information about homes ‘in the pipeline’ to give a clearly impression of activity.

The Chair reiterated concerns raised previously about some ‘targets’ simply being measures of activity. She also suggested that further consideration was needed about how to avoid duplication between monitoring activity of differing scrutiny committees. In response, the Cabinet Member for Resources, Commissioning & Governance stated a
willingness to discuss any concerns about performance monitoring with the Scrutiny Coordination Committee.

RESOLVED – That the report be noted.

5. PORTFOLIO PERFORMANCE AND RESOURCES - DRAFT PORTFOLIO AGREEMENT 2019/20

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) inviting the Scrutiny Committee to consider the draft portfolio agreements for 2019/20 for the Resources, Commissioning & Governance and the Citizen Focus & Engagement portfolios. The draft Portfolio Agreements had been developed to articulate the Cabinet’s priorities as set out in the 2019/20 Council Plan and Medium Term Financial Plan and would provide the basis of the quarterly Portfolio Performance and Resource Monitoring Reports.

The Leader of the Council (Councillor Elise Wilson), Cabinet Member for Resources, Commissioning & Governance (Councillor Tom McGee) and the Cabinet Member for Citizen Focus & Engagement (Councillor Kate Butler) attended the meeting to respond to questions from the Scrutiny Committee.

The Chair reminded the Committee that the Council Meeting on 4 July 2019 had approved changes to the remits of scrutiny committees and allocated the responsibility of scrutinising the Inclusive Neighbourhoods portfolio to the Communities & Housing Scrutiny Committee, and as such the agreement contained in the agenda for this meeting need not be considered. She further confirmed that a Constitution Working Party would soon be convened to consider how to ensure that scrutiny committee remits could be more responsive to changes in cabinet portfolios.

The following comments were made/ issues raised:

Resources, Commissioning & Governance Portfolio

- Clarification was sought on why there had been a change in the target to separate housing benefit and Council Tax Support claims processing and to extend the target deadline from 12 days to 15 days. In response it was stated that this had extended due to the likely impact of Universal Credit and it was hoped to reduce the target time in the future. This was due to the fact that in future Council Tax support claims were dependent on decision taken by others on Universal Credit, whereas Housing Benefit claims remained within the control of the Council.
- It was queried whether, in the judgement of the Cabinet Member, it was acceptable for a Council Tax Support claim to be processed in 3 week. In response the Cabinet Member said it was not, but caveated that by reiterating that processing depended on processes not within the Council’s control, but he gave an assurance that he would ensure the Council could do all it could as quickly as possible.

Citizen Focus & Engagement

- Comment was sought on what the vision and aim of the portfolio holder was for the role, and what data had informed its creation. In response the Cabinet Member
highlighted a number of key issues for the role in the coming year, including the recent appointment of a new Service Director; ensuring consultations were as engaging and inclusive as possible; increasing the scope and range of online payments; enhancing cultural services, and making the most of the Council’s libraries. The portfolio had been created to mirror the themes of the Cabinet’s overarching MTFP strategy.

- It was commented that the portfolio had a strong digital focus and assurance was sought that actions were being undertaken to ensure residents were not being left behind. In response it was stated that the one of the key aims of expanding the Council’s digital offer was to release capacity to assist those who might struggle with an online offer. It was important to demonstrate the value of self-service online to those residents who could go digital. Digital inclusion was a theme across a range of other transformation activity and the other portfolios and was reflective of the changing role of local government.

- Assurance was sought that the £2m shortfall in the portfolio budget could be met from projected income. In response it was confirmed that the efficiencies generated by the Digital by Design programme and income from the Events & Registration service would be sufficient to cover the portfolio budget.

- Concern was expressed that some of the targets in the portfolio were not sufficiently ambitious. In response it was stated that all the targets were realistic and based on previous outturn positions, but they would be checked to ensure accuracy.

**General**

- Given the portfolios had more a more cross-cutting basis, further information was sought on how it was envisaged to provide appropriate accountability. In response it was stated that the agreements were designed to ensure all councillors were aware of where specific accountability rested for specific service areas, but that given the future challenges facing the Council it was important to address these collectively and collaboratively. There was a role for the Scrutiny Coordination Committee to work with the Cabinet to resolve any issues that may arise.

**RESOLVED** – That the report be noted.

**6. LUDWORTH SCHOOL EXPANSION**

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) inviting the Scrutiny Committee to consider a proposal to expand Ludworth Primary School from a 1.5 to a 2 form entry school. The report summarised the outcomes of a consultation exercised carried out in relation to the proposal.

The Cabinet Member for Resources, Commissioning & Governance (Councillor Tom McGee) attended the meeting to respond to questions from the Scrutiny Committee.

The following comments were made / issues raised:

- Clarification was sought on whether places had been allocated in September 2019. In response it was confirmed that the school would accept additional pupils to being the numbers on roll into line with the physical capacity of the school.

- Concerns were expressed about the adequacy of the proposals to address traffic and parking issues raised by the consultation and clarification sought on how these would
be addressed further during the process of implementing the proposals. In response it was clarified that the consultation summarised in the report was an informal process and not part of statutory consultation, but would inform the development of the planning application. The measures that had been developed in response to the concerns raised were deemed adequate to address traffic issues.

- It was commented that one of the challenges for the Council ensuring adequate school places was the legal restrictions prevent local authorities from opening their own schools.

RESOLVED – That the report be noted.

7. TREASURY MANAGEMENT ANNUAL REPORT 2018/19

The Borough Treasurer submitted a report (copies of which had been circulated) providing an update on the functioning of the Council’s Treasury Management functions for 2018/19. The report confirmed that during the period in question the Council had complied with its legislative and regulatory requirements and that borrowing had only been undertaken for a capital purpose and the statutory borrowing limit had not been breached.

The following comments were made/ issues raised:

- Comment was sought on the implications were for the Council’s borrowing in light of the removal of the cap on Housing Revenue Account (HRA) borrowing. In response it was stated that further analysis would be undertaken over the summer to determine the most sustainable financing arrangements to meet the Council’s ambitions. It was likely that HRA borrowing would be used to supplement General Fund borrowing, as there were risks to HRA borrowing from Right to Buy depleting assets. It was also commented that the Treasury were likely to review rules for local authorities borrowing for purely commercial purposes, particularly where invested out of area.
- Comment was sought on the variance between the capital programme budget and expenditure. In response it was stated that the Council had a significant capital programme, but there had been some slippage due to external factors, such as the collapse of Carillion, that required the programme’s rephrasing.
- It was queried whether it would be prudent to reduce the HRA CFR, regardless of legislative requirements. In response it was stated that this was a prudent approach, and the summer review would assess whether this was advisable.

RESOLVED – That the report be noted.

8. SICKNESS YEAR END REPORT 2019

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) providing a summary of sickness absence for council employees for 2018/19.

The following comments were made/ issues raised:

- It was commented that while performance was over target, it was nevertheless an improved position given the performance at the end of the previous reporting period. There was a high level of confidence in the data underpinning the report and
confidence in the processes and consistency of application. Council performance also compared favourably with other Greater Manchester authorities.

- Concern was expressed that there was inconsistent application of procedures by managers in cases of anxiety, stress, depression, other psychiatric illness due to a bereavement, as identified in paragraph 3.8 of the report. In response it was stated that the information contained in the report was to ensure transparency, but reflected the challenges faced by managers to support colleagues during difficult life experiences. The official advice was to always apply the Council’s policy to support employees. It was further commented that it was important to ensure consistency out of fairness to all employees.

- Councillors welcomed the provision of onsite counselling for employees who had suffered an unexpected loss of a colleague.

- Assurance was sought that the Council sought to learn from best practice amongst Greater Manchester authorities. In response it was confirmed that the Council would seek to emulate best practice from any organisation.

RESOLVED – That the report and year-end outturn of 9.85 days per Full Time Equivalent being higher than the Council target of 9.5 days be noted.

9. 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 a summary of surveillance carried out under the Regulation of Investigatory Powers Act 2000 (RIPA) during the 2nd, 3rd and 4th quarters of 2018-2019 and the 1st quarter of 2019-2020, as required by the Council’s Code of Practice. There had been no uses of surveillance during this period.

RESOLVED – That the report be noted.

10. SCRUTINY REVIEW TOPIC SELECTION AND SCRUTINY WORK PROGRAMME 2019/2020

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) inviting the Scrutiny Committee to make suggestions for Scrutiny Review topics in 2019/2020 for inclusion in the scrutiny work programming. The report incorporated recommendations of the ‘Undertaking Scrutiny in Stockport Review’ undertaken by the Scrutiny Co-ordination Committee in 2018/2019.

RESOLVED – (1) That the report be noted.

(2) That the Scrutiny Coordination Committee be recommended to include the following topic in the Scrutiny Work Programme 2019/20:-

Manchester Airport Group: investment and relationship with the Council.

(3) That the Panel for the review include the following councillors:-
11. AGENDA PLANNING

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) setting out planned agenda items for the next meeting and relevant entries in the Cabinet Forward Plan.

RESOLVED – (1) That the report be noted.
(2) That the Deputy Chief Executive be requested to amend the work programme to:

(i) remove

- the Safer Stockport Annual Report (as this was to be considered by another scrutiny committee);
- quarterly complaints report;

(ii) include

- the Mayoral Development Corporation Investment Framework;
- Brexit preparedness (September 2019);
- Constitutional changes (December 2019);
- Response to the Boundary Commission;
- Scrutiny of Whole Owned Companies;
- GM Whitepaper on support service (April 2020).

The meeting closed at 7.48 pm