

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

Meeting: 10 October 2023
At: 6.00 pm

PRESENT

Councillor Christine Carrigan (Chair) in the chair; Councillors Anna Charles-Jones, Dickie Davies, Ian Hunter, Mark Jones, Jeremy Meal, Will Sharp, Charlie Stewart and Alex Wynne.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 5 September 2023 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

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

No declarations of interest were made.

3. CALL-IN

There were no call-in items to consider.

4. RESPONDING TO OUR MEDIUM TERM FINANCIAL PLAN

The Cabinet Member for Finance & Resources submitted a report (copies of which had been circulated) outlining a strategic approach in responding to the review of the medium-term financial plan. This report was read in conjunction with the Medium Term Financial Plan update report (both parts A and B) presented to Cabinet meeting on 19 September 2023.

The appendix to the report outlined the budget proposals being considered by the Cabinet to address financial and demand challenges, enable longer term transformation, and ensure the delivery of shared strategic partnership ambitions.

The Cabinet Member for Finance & Resources (Councillor Jilly Julian) attended the meeting to respond to councillors' questions.

The following comments were made/ issues raised:-

- Members queried the background to the structure of potential savings, in particular how adjustments were made for statutory services.
- In response it was reported that the primary focus of the MTFP was to look at demands and pressures in terms of key assumptions against the council's resources which was how the savings requirement was calculated in order to set a balanced budget. The

Cabinet's strategy in responding to the MTFP was to consider it under four lenses: demand management, value for money and commissioning, robust corporate governance and digital enabled savings. The council's statutory provisions included Social Services and Education and its focus was on demand management and protecting the preventative approach. The Children, Families and Education portfolio was not expected to contribute to next year's required savings. In other areas of the Council's work, efficiencies were being driven to save costs along with service reductions. Overall the Cabinet had tried to respond to the pressures and recognised those areas which required continued protection and investment whilst making savings and efficiencies where the impact could be better managed.

- The MTFP report stated that some services would be redesigned, some reduced and others stopped; the detail related to this aspect of the plan was pending and it would be reported to a future of this Committee.
- In terms of staffing, it was clarified that there would be no reduction rather than no change in the numbers.
- In relation to the potential reduction of the Mayoral hospitality budget; whilst the context in terms of the overall budget was appreciated, some concern was expressed in terms of the way the council would be able to present to guests and the wider benefits which that might bring. Members asked whether the budget would be reduced to actual spend or whether there would be a reduction in that budget. In response it was stated that the plan for the Mayoral hospitality budget would include a reduction in scale for some events, whilst retaining the warm welcome and recognising the importance of the Mayoral role.
- Members expressed concern about the potential need to use reserves to top up the council's budget. Further, in reference to other local authorities which had issued Section 114 Notices, members suggested that the council should stand in solidarity with them as Stockport, along with all other local authorities, was in a difficult position. In response it was stated that the council was taking all possible learning from local authorities which had issued Section 114 Notices in order to bolster its own financial management and avoid potential pitfalls.
- The council's MTFP was an iterative document and the Chancellor's Autumn Statement, along with Government statements and changes to policy might lead to alterations to the plan and changes to assumptions made relating to expenditure forecasts. The report was due to be updated in the new year following both the Autumn statement and the Local Government Finance Settlement.
- In relation to business rates it was reported that they were normally forecast to increase by CPI (Consumer Price Index) and the plan contained the council's forecast for CPI which was assumed to be circa six per cent. In previous years business owners had been charged a reduced rate whilst central government had compensated local authorities with the difference up to the CPI rate. A devolution deal had been announced for Greater Manchester involving a 100 per cent business rate pilot. Stockport had previously budgeted for that one year in arrears as the arrangement was subject to agreement. However, the devolution deal had been approved by Government for a period of ten years which provided certainty and allowed the council to budget for the 100 per cent business rate as it occurred.
- The Quarterly Monitoring Updates would provide detail on financial recovery plans for the current financial year.
- In terms of digitalisation and automation it was reported that there was scope to automate external access to some council services, along with opportunities for internal automation. It was further reported that digital inclusion was planned to ensure that no

one was left behind either in terms of access to council services or other aspects of digital life in general. Opportunities for automation and digitalisation would not come at the expense of those who needed to access council services.

RESOLVED – That the report be noted.

5. ANNUAL INSURANCE REPORT 2022-23

The Deputy Chief Executive (Section 151 Officer) submitted a report (copies of which had been circulated) providing a summary of the insurance performance for the financial year April 2022 to March 2023 and including comparisons with the previous three financial years in order to allow for a meaningful comparison of trends.

The Cabinet Member for Finance & Resources (Councillor Jilly Julian) attended the meeting to respond to councillors' questions.

The following comments were made/ issues raised:-

- Member commented on the increase in the number of insurance claims related to the Totally Local Company (TLC).
- The nature of the service provided by the TLC, along with the use of refuse and recycling vehicles and taking account of the logistics of where those vehicles needed to access, was cited as the reason for the number of insurance claims. The council was making efforts to encourage regular training. The impact of insurance claims not only affected council funds, but also the reputation of the council and it was an inconvenience for Stockport's residents.
- Member approved of the work undertaken to identify fraudulent claims and queried whether there was any route to recouping the costs associated with that work.
- It was reported that there had been national changes which had made it more difficult where a claim had been won to recoup costs from the other party. In certain cases the council applied the 'fundamentally dishonest' principle where, if successful, costs could be recovered from individuals. Whilst that work was demanding and intensive, it demonstrated the council's robust approach to fraud.
- Members queried whether the council had gone out to tender for insurance broker services. In response it was stated that the council formed part of the Greater Manchester framework and as such had procured the same broker with significant savings, representing excellent value for money. The tender process was carried out every five years.
- It was reported that the council had recruited a solicitor to deal with some of the associated legal issues in-house in order to spend less on external law firms. Some of the more complex cases required the council to instruct outside firms and analysis was ongoing to identify potential areas for cost reduction.

RESOLVED – That the report be noted.

6. UPDATE ON STOCKPORT INTEGRATED HEALTH & CARE

The Director of Strategy and the Director of Place Management submitted a joint report (copies of which had been circulated) providing an update on the work of Stockport Health and Care System to deliver local as well as regional aspirations to improve outcomes in

population health and healthcare; tackle inequalities in outcomes, experience and access; enhance productivity and value for money; and help the NHS to support broader social and economic development. This work was facilitated by legislation outlined in the Health and Care Act 2022.

The Cabinet Member for Finance & Resources (Councillor Jilly Julian) attended the meeting to respond to councillors' questions.

The following comments were made/ issues raised:-

- Members commented on the complexity of this area of work and queried the finances, in particular efficiency savings and projected losses which suggested future challenges.
- The NHS faces similar financial challenges to that of the council. The integrated care arrangement system disestablished the ten Clinical Commissioning Groups (CCGs) and operated at a Greater Manchester level in an attempt to improve delivery of service. The integrated system was undertaking a piece of work to look at efficiencies in areas such as elective care, prescribing and staffing budgets. The demand on services, coupled with the covid backlog had an impact on the finances of the service. The solution in many areas was preventative care and the work of the Neighbourhoods and Prevention Programme was key in working towards the integration of social work and district nursing with GPs and primary care to keep people well, independent and at home.
- In relation to the reported concerns expressed by parents and carers over the long waiting times for neurodevelopmental assessments, Members referred to the multiplier effect and the potential to have a knock on effect upon children's education where diagnoses did not take place at an earlier stage. Members asked what work was being carried out to address those waiting times.
- It was stated that the already high waiting lists had been exacerbated by covid when neurodevelopmental assessments had been paused. A programme of recovery work was underway to improve waiting times including the use of temporary resources. The Pennine Child and Adolescent Mental Health Service (CAMHS) had been housed at Stopford House enabling neurodevelopmental assessments to take place within the borough. It was also noted that post-diagnosis support was required and services should not wait for a diagnosis in order to put support in place.
- Pennine Care provided mental health services to five boroughs and it was commented that whilst it provided an excellent service, there was a crisis in terms of funding along with recruiting staff.
- Clarification was requested on areas contained within the report, in particular how the Finance Recovery Group was managing the financial reduction exercise and the risk to the prescribing target, along with the work of the Greater Manchester medicines optimisation team.
- It was reported that local NHS budgets were under significant pressure both at Greater Manchester and Stockport levels. The Finance Recovery Group looked at system-wide approaches to ensure efficient and effective use of resources. The reference to 'risk' related to an efficiency target for containing growth within the prescribing budget where it was unlikely that the target would be met. The Greater Manchester optimisation team included professional pharmacists and GPs whose remit was to ensure that framework drugs and prescribing was carried out in the most efficient way.
- Members requested less technical language for future reports.

RESOLVED – That the report be noted.

7. AGENDA PLANNING

The Assistant Director – Legal & Democratic Governance submitted a report (copies of which had been circulated) setting out planned agenda items for the Scrutiny Committee's next meeting and Forward Plan items that fall within the remit of the Scrutiny Committee.

The following comments were made/ issues raised:-

- Members requested a report on the Business Rates Pilot.

RESOLVED – That the report be noted.

The meeting closed at 7.04 pm