

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

Meeting: 21 November 2023
At: 6.00 pm

PRESENT

Councillor Christine Carrigan (Chair) in the chair; Councillor Carole McCann (Vice-Chair); Councillors Dickie Davies, Ian Hunter, Mark Jones, Jeremy Meal, Charlie Stewart, Alex Wynne and Rachel Wise.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 10 October 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.

The following interest was declared:-

Officer

Officer

Interest

Michael Cullen	Agenda Item 5 – ‘2023/24 Mid Year (Quarter 2) Portfolio Performance and Resources Report: Finance & Resources’ – as a non-executive director of the Totally Local Company (TLC).
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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) providing further detail on the budget change proposals, taking into consideration the feedback received to date.

The appendix to this report outlined the change 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 councillor’s questions:-

The following comments were made/ issues raised:-

- It was confirmed that staff surveys had been carried out on the proposed redesign of staffing and reduction of Full Time Equivalent (FTE) staffing roles. In addition, analysis had been conducted on the likely effect of these proposals on services to residents.
- The current staff turnover at Stockport Council was ten per cent. Whenever a staff vacancy occurred as a result of a member of staff leaving their post, a critical analysis was undertaken to determine the need to fill that role. This was considered to be a more pragmatic approach to delivering savings rather than redundancies which caused staff anxiety and came with their own costs.
- It was also confirmed that, throughout all discussions related to reducing the numbers of staff and FTEs, communications with staff were open and honest and that no unnecessary anxiety was caused.
- Staff changes within the council followed a formal and robust process in which staff members were offered role changes, learning and development opportunities and coaching for interview and application techniques.
- In relation to digital enabled savings, it was confirmed that an app was in development which had the potential to enable the council to deliver services differently. Whilst there was an initial investment in the technology, a long-term return was expected in terms of efficiencies.
- Members expressed concern in relation to the proposed reduction in the budget for mayoral hospitality and stated that this function was an important part of the way in which the council can showcase itself. In response it was stated that the mayoral role was an important and very visible part of Stockport's identity and that this, along with all other areas of potential savings, was being looked at with a great deal of consideration.
- In terms of the proposal to increase the service delivery charge to schools for the complaints support service, members expressed concern that the council was passing on the financial burden to the education sector which was, itself, stretched. In response it was stated that the proposed increase was small and that it had been a long time since the costs of that service had been reviewed. The aim of the proposed increase was to charge for the cost of providing the complaints service and to recognise the value contained therein. It was also stated that the proposals recognised that the whole of the public sector faced the same financial challenges. It was reported that education was funded by a ring-fenced grant.
- The integrated care system arrangements were reflective of the parts of the council's budget where agreements existed with the NHS in terms of financial contributions for shared posts where council officers provided direct support for NHS activities.

RESOLVED – That the report be noted.

5. 2023/24 MID YEAR (QUARTER 2) PORTFOLIO PERFORMANCE AND RESOURCES REPORT: FINANCE & RESOURCES

The Deputy Chief Executive submitted a report (copies of which had been circulated) presenting the Mid-Year Portfolio Performance and Resource Report (PPRR) for the Finance & Resources Portfolio.

The Portfolio Report was based on the 2023/24 Portfolio Performance and Resource Agreement (PPRA), which was considered by the Committee on 13 June 2023 and approved by Cabinet on 27 June 2023.

The Mid-Year Report focused on delivery of the portfolio priorities from April to September 2023. It included forecast performance and financial data (where this was available) for the Portfolio, along with an update on the portfolio savings programme.

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 positive news that staff sickness levels and staff turnover had reduced. Members requested year to date figures for sickness absence in future reports to allow for further comparisons with previous years' figures.
- Members queried whether it might be possible for residents who pay their council tax in one payment to be offered a small discount. In response it was stated that within Stockport, 80 per cent of council tax was paid by way of direct debit and it had a collection rate of 98.75 per cent. There might be costs involved with implementing any system changes. Officers were not aware of any other authorities which had any similar system in place and the regulations would require checking to establish whether such a change would be possible. The Deputy Chief Executive undertook to provide a formal written response to the Committee in relation to that question.
- Members queried whether, in the light of the reduction in services provided by TLC, there were now TLC vehicles which were not needed. It was stated that the council was working closely with TLC on the profile of their fleet replacement requirements. A consideration of loan draw-downs was needed in relation to the requirements of TLC vehicles. The plan was to avoid a large replacement of TLC vehicles in a single year and to phase vehicle replacement which gave more flexibility and avoided potential market shortages.
- Members welcomed the proposed extension of free school meal provision from which over 900 children would benefit. Over the October 2023 half-term, a further 180 children had been identified as being entitled to free school meals and further phases of that process would benefit more households in the future.
- The high costs of legal services was noted, and assurances sought in terms of looking at strategies to recruit and retain legal staff. In response it was confirmed to be a very challenging market for staff recruitment and was an issue across many authorities. There was an increase in the demand for legal services and it was an area of increasing complexity. Consideration was being given to how expertise could be grown in-house.

RESOLVED – That the report be noted.

6. CORPORATE PERFORMANCE AND RESOURCES QUARTER 2 REPORT

The Deputy Chief Executive submitted a report (copies of which had been circulated) presenting the Mid -Year (Quarter 2) Corporate Performance and Resource Report (CPRR) for 2023/24 report which provided a summary of progress in delivering the council's priority outcomes up to 30 September 2023.

The report reflected the 2023/24 Council Plan, MTFP and portfolio priorities. It included:

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- An overview of key corporate delivery and performance from the seven individual portfolio Reports .
- A detailed financial update, including the outturn position on revenue and capital.

The seven Quarter 2 Portfolio Performance and Resources Reports provided a more detailed overview of delivery, as well as the latest performance on the measures associated with each portfolio.

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

The following comments were made/ issues raised: -

- In terms of the RAAC at Bramhall High School, members asked how the restorative building work would be funded. In response it was stated that the Department for Education had given an assurance that capital expense needed for remediation work would be put into place quickly. It was also reported that the response of the Estates Team had been excellent in providing warm and weatherproof temporary accommodation.
- Members queried the deficit of £18,000 for solar panels within the housing revenue budget. The Cabinet Member for Finance and Resources undertook to provide a written response to the Committee on this point.
- In relation to the bad debt provision, it was stated that the budget set in February 2023 had anticipated adding to that provision, but it had been less than expected. This was a testament to the work of Stockport Homes and its tenants.
- Members expressed a hope that the council's budget for housing development would enhance life for Stockport's residents, particularly in the light of the increase in use of hotel accommodation for homeless people.
- Members requested a continuation of the monitoring of payments for carers.
- The forecasted budget deficit of over £1 million for special education needs (SEN) transport was noted. This was an issue which existed across many local authorities and was a matter which the Local Government Association was considering. The Director of Education was planning an increase in SEN provision within the borough which would see a longer-term reduction in SEN transport spending.

RESOLVED – (1) That the key delivery and performance issues from the councils seven portfolios set out in sections 1.3 and 1.4 be noted.

(2) That the progress against delivering council priorities and capital schemes alongside budget outturns be noted.

(3) That the Cash Limit and Non-Cash Limit forecast outturn positions for 2023/24 as set out in section 2.3 be noted.

(4) That the update to the council's positive investments as set out in section 2.4 be noted.

(5) That the Dedicated Schools Grant, Housing Revenue Account and Collection Fund forecast positions as set out in sections 2.5, 2.6, and 2.7 be noted.

- (6) That the appropriations to/from reserves and balances during the period as set out in section 2.8 and the resulting reserves and balances position as of 30 September 2023 be noted.
- (7) That the position for the 2023/24 Capital Programme as set out in section 3.1 be noted.
- (8) That the adjustments of capital schemes during the quarter as set out in section 3.2 be noted.
- (9) That Cabinet be recommended to approve the resourcing of the capital programme as set out in section 3.3.
- (10) That Cabinet be recommended to approve the 2023/24 prudential indicators as set out in section 3.4.

7. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2023/24

The Deputy Chief Executive submitted a report (copies of which had been circulated) providing the Committee with a mid-year review of the Council's Treasury Management Strategy Statement and Annual Investment Strategy for 2023/24, approved by Council on 23 February 2023, and prepared in accordance with the CIPFA Code of Practice for Treasury Management in the Public Services (revised 2021).

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 that the treasury management training had been useful and requested a glossary of terms.
- Members queried what the implications were on the council's investment strategy in the event of a reduction in inflation and interest rates. In response it was stated that the Bank of England had kept interest rates higher than normal in order to express its anti-inflationary credentials. Inflation and interest rates were expected to normalise. The Medium Term Financial Plan had looked at smoothing the impact of changes to those rates of a period of 18 to 24 months. It was envisaged that the current loan rate of five per cent would reduce.

RESOLVED – That the report be noted.

8. CONSULTATION REPORT - 2024/25 TREASURY STRATEGY

The Deputy Chief Executive submitted a report (copies of which had been circulated) detailing the proposed development of the Council's Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy for 2024/25, to be considered for approval at the Cabinet Meeting on 30 January 2024 and the Council Meeting on 22 February 2024.

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 overall impact of interest rates and asked what the difference was in terms of interest rates payments being currently made compared with those made five years ago. In response it was reported that in the 2023/24 financial year, the additional costs were between £1.5 and £2 million more than they had been in the previous year. Costs were expected to rise in 2024/25. The last time the council had taken out long-term borrowing, the costs had been fixed at 1.3 per cent compared to today's rates of more than five per cent.
- In light of the current rates of interest the council had recognised that it could not borrow long-term for all requirements and the current policy was to avoid long-term borrowing. The base rate was expected to soften over the coming 18 to 24 months which would impact upon the council's investment decisions.

RESOLVED – That the report be noted.

9. BUSINESS RATES AND COUNCIL TAX DISCOUNTS ANNUAL REVIEW

The Deputy Chief Executive submitted a report (copies of which had been circulated) setting out an annual review of the local scheme of discounts and exemptions which were available in respect of business rates and Council Tax and outlining any proposed changes.

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 favourably on the support offered by the council for residents in relation to council tax payments. The continued mitigation on the impact of council tax upon vulnerable residents was a very important policy.
- The council tax reduction for care leavers up to the age of 25 was highlighted as a positive move.
- Members commented that council tax was a regressive form of taxation and expressed the hope that the system would change in the future.
- Members questioned whether a council tax exemption was in place for empty properties which were up for sale. In response it was stated that those properties which were being actively marketed for sale or to let should be an exception to the council tax premium for up to a maximum of six months.

RESOLVED – That the report be noted.

10. SOCIAL VALUE STATEMENT 2022/23

The Deputy Chief Executive submitted a report (copies of which had been circulated) presenting and publishing Stockport Council's annual Social Value Statement (2022-

2023). The report also proposed areas of focus in relation to social value, for the forthcoming year.

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 expressed their passion for putting the 'Stockport pound' to work in Stockport for its residents.
- Members commented that the Social Value Portal clearly demonstrated that the Council was active in creating social value contracts across a wide range of areas. Members asked whether any data was available on social value activity in other authorities in order to benchmark Stockport's work.
- In response it was stated that the data capture was recent and that the progress within Stockport, along with other local authorities, was at an early stage. For that reason, comparisons were difficult to make. Nonetheless, Stockport was the authority which was piloting a lot of the social value work and that put the borough in a good position from a comparative perspective.
- In relation to the planned decarbonisation of the supply chain, it was reported that the council was piloting a green credentials requirement. Small businesses would be supported by the council in terms of those requirements and its existing suppliers provided with communications related to its ambitions and direction of travel in terms of green credentials.
- Members expressed interest in 'Match My Project' and requested a demonstration.

RESOLVED – That the report be noted.

11. RESPONSE TO THE RECOMMENDATIONS OF THE SCRUTINY REVIEW INTO 'LOCAL GOVERNMENT FINANCIAL AND GOVERNANCE SUSTAINABILITY'

The Cabinet Member for Finance & Resources submitted a report (copies of which had been circulated) setting out the draft Cabinet Response to the recommendation contained in the Corporate, Resource Management & Governance Scrutiny Committee's scrutiny review with regard to 'Local Government Financial and Governance Sustainability'.

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

The following comments were made/ issues raised:-

- In relation to member training, a review of the effectiveness of online training for members was requested. Members also referred to participation rates which varied from good to poor.
- It was also stated that ensuring the right delivery mechanism for training was important and that, whilst there was value in online training, in person training was generally better attended.
- It was further suggested that more flexible training could take place on evenings or weekends.

RESOLVED – That Cabinet be recommended to endorse and adopt the response set out in the report.

12. 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 follow up report on voter ID.
- Members requested a report on the digital strategy.

RESOLVED – That the report be noted.

The meeting closed at 7.28 pm