

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

Meeting: 16 January 2024
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, Will Sharp, Lisa Smart and Charlie Stewart.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 21 November 2023 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

The following interests were declared:-

Personal interests

Councillor

Interest

Christine Carrigan, Ian Hunter,
Carole McCann and Lisa Smart

Agenda Item 12 – ‘CIC Business Plan Update and Budget’ as members of Life Leisure

Lisa Smart

Agenda Item 9 – ‘Draft Corporate Peer Challenge Revisit Report 2023’ as a Member Peer at the Local Government Association (LGA).

3. CALL-IN

There were no call-in items to consider.

4. EXCLUSION OF THE PUBLIC AND THE PUBLIC INTEREST TEST

The Chair invited the Committee to consider whether to exclude the public and press from the meeting during consideration of agenda item 12 as it contained information that was ‘not for publication’.

RESOLVED – That the press and public be excluded from the meeting during consideration of Agenda item 12 – ‘CIC Business Plan Update and Budget’ which contained information ‘not for publication’ by virtue of Category 3 ‘Information relating to the financial or business affairs of any particular person (including the authority)’ as set out in the Local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).

5. RESPONDING TO OUR MEDIUM TERM FINANCIAL PLAN: UPDATE

The Cabinet Member for Finance & Resources submitted a joint report of the Leader of the Council and the Cabinet Member (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:-

- Members requested that further consideration be given to the proposal to make a reduction in the mayoral budget as the mayoralty had a vital role to promote the borough.
- Whilst it was recognised that the work of the Mayor was a way to present the borough and to attract business opportunities, the budget plans had presented an opportunity to consider the way the mayoral budget was managed. It was thought that, even with a reduced spend on the mayoral budget, the Mayor's role would remain valuable.
- In response to a question about birth rates within the borough, it was stated that median trends in birth rates were examined in order to plan for school place requirements. The council worked closely with the education and public health sector in this area.
- Members commented on the level of the Local Government settlement and, in the light of that, assumptions were being made about an increase in council tax of 2.9 per cent, with two per cent of that increase being earmarked for social care. Members asked whether the council was considering an increase to council tax.
- In response it was stated that Local Government was being pressed by central Government to increase council tax. In the light of the cost of living crisis, there was a need for a sensitive, holistic and sustainable review of council tax. The outcome of this review would be contained within the budget report.
- In terms of any potential increase to council tax, the council had been modelling percentages to discover how each might affect the revenue budget.
- The Equality Impact Assessment (EIA) had recognised that the removal of the AMI chat bot was an exception to the general proposal that basic reductions would not have a disproportionate impact. Members queried the implication of the removal of the AMI chat bot on equality.
- In response it was stated that removing the chat bot functionality from the council's website might disproportionately affect those who have used it to interact with the website and who may struggle to use the website in other ways. Consideration was being given to upgrading the council's website with, for example, a translation function and alternative formatting which would increase its accessibility.
- Members commented that service efficiencies of £330,000 in the mayoral budget, the integrated care system and AMI chat bot were the right areas in which to look for savings. Furthermore, Members expressed that it was encouraging that the consultation exercise had seen some support for the budget proposals.

- In terms of the budget consultation, it was acknowledged that the response rate, being 76 respondents, was poor and that more work could be done to achieve a greater level of response in future consultations. Whilst many people across the borough had not been engaged, it was in everyone's interests to become involved. It was suggested that consideration be given to where the consultation was advertised and how councillors and officers could do more to ensure that it became a more purposeful exercise in the future.
- Any suggestions to improve the participation rates in future consultations were welcomed.

RESOLVED – That the report be noted.

6. 2023/24 QUARTER 2+ BUDGET MONITORING UPDATE

The Deputy Chief Executive (Section 151 Officer) and Cabinet Member for Finance & Resources submitted a report (copies of which had been circulated) providing an update on the revenue budget forecast outturn for the period to the end of November 2023 (Quarter 2+). The report also provided an update on the council's Medium Term Financial Position, Dedicated Schools Grant, Housing Revenue Account (HRA), Collection Fund and Capital Programme.

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

The following comments were made/ issues raised:-

- Members commented on the rising costs of looked after children and commented that it was one of the most important responsibilities of the Council. In terms of the forecast spending deficit for looked after children, Members requested information on what work the Council was doing to address that challenge.
- In response it was stated that increasing costs associated with looked after children was a challenge facing councils across the country due to the level and complexity of needs of those children. Furthermore, substantial price rises, in some cases above national inflation, added to financial pressures. In Stockport, an innovative approach was being taken by releasing capital to acquire up to three new children's homes. Allowing looked after children to remain in their home borough led to better outcomes for the children, along with financial benefits.
- It was also reported that the council had received positive publicity in relation to its approach to fostering, in particular the residential placements provided and operated by the council.
- Members commented on the quality of social workers and others employed by the council who were involved in working with looked after children and fostering. Members also noted that central government funding had not kept pace with increasing service costs and demands for services from vulnerable residents.
- Members requested clarification on the inclusion of 'parental preference' in relation to the council's attempts to reduce transportation costs for Special Educational Needs (SEN) children. In response it was stated that the wording in relation to SEN transport services would be looked at, but the report was not intended in any way to place blame on the parents of SEN children in relation to transport costs.

- Members commented that the comparative statistics on reserve levels in comparison to other Greater Manchester Local Authorities was useful. Members requested information on whether Stockport's current reserve level was considered appropriate and how that level might change over time.
- In response it was stated that Stockport Council uses the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmark to assess its reserve level. That benchmark suggested that the council would be in a more comfortable position with slightly greater reserves than it currently had. Members were reminded that reserves could only be spent once and that their purpose was to smooth economic impacts and enable the council to weather financial troughs. Whilst the council would prefer to have a slightly greater reserves position, it ensured that the reserves were used in a prudent way.
- It was further reported that the council would receive a statement of the adequacy of its reserves. Stockport was not an outlier in terms of its reserve levels and, in accordance with the CIPFA resiliency index, Stockport was below the median. The council's reserve levels were reported to be appropriate for the size of the Local Authority and its ambitions for people and place. The council felt that it could innovate whilst retaining the stability and foundation to meet medium-term challenges.
- Members queried whether falling interest rates might impact upon the budget deficit.
- In response it was stated that the budget was robust and that it took account of changes to interest rates. Whilst base interest rates were thought to have peaked, no reduction to interests rates were expected until the second half of 2024. Furthermore, the shortage of liquidity within the market pushed up the cost of short-term borrowing.
- Members queried the challenges cited within the report related to taxi licences, planning and building control.
- The Deputy Chief Executive undertook to provide a written response to that question. It was additionally reported that, in relation to costs associated with taxis, drivers could be licenced outside of the borough which could cause pressures. In relation to planning and building control, it was reported that phasing requests for those services, along with their cyclical nature, caused budgeting challenges.
- Members queried the reported significant pressures on the car parking revenue. It was reported that this related to the usage levels of car parks and charges. A review of the structure of car parking charges was underway in order to ensure that charging was introduced at car parks with higher usage levels. Modelling of car parking charges had been undertaken on a rebased budget to ensure that the proposals had a net benefit to the overall budget position.

RESOLVED – That the report be noted.

7. DRAFT COUNCIL PLAN 2024-2027

The Director of Strategy submitted a report (copies of which had been circulated) setting out the Stockport Council Plan 2024-2027 which was the main strategic document for the council. It described the key role the council played in supporting the borough, through the provision and delivery of services that were essential to everyday life. The Plan also outlined our four big ambitions for the upcoming years, that would create opportunities for everyone within the borough.

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:-

- Members welcomed the draft council plan and commented that it was comprehensive and innovative, with clear detail and ambitions for the council's work in the coming year. Members also welcomed the opportunity to feed into the plan. Members commented positively on the chart detailing the work carried out by the council in the past 12 months.
- Members commented that in several areas Stockport was the 'best' particularly in terms of its national railway station which provided access to Manchester Airport, the Peak District and to Manchester City Centre.
- In terms of the council's ambition to do five 'big things' members requested further detail related to Stockport's ambition to be the 'best place to grow up' and to provide the 'best health and care'.
- In response it was stated that granularity in terms of how those ambitions would be measured and the expected results were contained within the report.
- It was further reported that the plan was not only about what the council could deliver, but also a partnership plan with ambitions for the council to work with businesses, the community and health sectors. The plan aimed to demonstrate to partnership organisations that working and investing with the council would deliver results.
- In terms of delivering the ambitions contained within the plan, the council intended to work with forums such as the Equity Network. The council had scheduled a Teams meeting with 35 local organisations to discuss engagement on a range of events. Targets and ambitions were set for the coming 15 years which included the equality gap, along with improvements to skills and employment.
- Members queried the how council's long-term plans related to affordable housing. Whilst housing was being built in the town centre, members commented that in 15 years there would be no more town centre space for new housing.
- It was acknowledged that the plan around housing was medium-term and did not meet the 15 year horizon. Further details related to the housing plan would be reported to the Economy, Regeneration and Climate Change Scrutiny Committee.
- Members referred to the workforce section of the plan and the importance of attracting talent to the council, along with staff retention and progression. Members asked why retention had not been included as a specific aim within the plan. In response it was stated that the council was making huge strides in terms of talent retention and that this would be made more explicit within the plan.

RESOLVED – (1) That the draft Council and Transformation Plan 2024-27, Equality Impact Assessment and Environmental Impact Assessment be noted; and

(2) That the key issues and processes outlined be noted.

8. USE OF SURVEILLANCE POWERS - REGULATION OF INVESTIGATORY POWERS ACT 2000 AND THE INVESTIGATORY POWERS ACT 2016

The Deputy Chief Executive submitted a report (copies of which had been circulated) setting out The Council's Regulation of Investigatory Powers Act (RIPA) Policy which must be considered by elected members annually to set the Policy and to ensure that if the

Council was using its RIPA powers, it was doing so appropriately and complying with its own Code of Practice when carrying out covert surveillance.

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 RIPA 'Serious Crime Test' and asked whether the council required authorisation to carry out direct surveillance.
- In response it was stated that, in such circumstances, council officers would seek authorisation from a Magistrate.

RESOLVED – That the Council has not exercised its RIPA powers since the last report be noted.

9. DRAFT CORPORATE PEER CHALLENGE REVISIT REPORT 2023

The Director of Strategy submitted a report (copies of which had been circulated) setting out the findings of the November 2022 Local Government Association (LGA) Corporate Peer Challenge which involved officer and councillor peers from across the sector reviewing Council services and functions through constructive and respectful challenge.

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 thanked all involved for their work and effort on the peer challenge and welcomed the positive outcome.
- The peer team had identified neighbourhood working as an area which required strengthening and, as a result, the development of a neighbourhood model was underway. This involved the neighbourhood intervention programme which looked at work within place and community. Improvements were also being made in relation to Member engagement and, consequently, a report on the Neighbourhoods and Prevention Programme would be coming to the next round of Area Committees, along with a council briefing.
- Scenario modelling had been undertaken for the Budget Council to test various scenarios related to inflation in order to gauge various financial positions.

RESOLVED – That the final revisit report from the LGA following the Corporate Peer Challenge Revisit be noted.

10. FINAL SCRUTINY REVIEW REPORT - FINANCIAL IMPACT OF BUS FRANCHISING

The Deputy Chief Executive submitted a report (copies of which had been circulated) detailing the review carried out by the Corporate, Resource Management and Governance Scrutiny Review Panel into the Financial Impact of Bus Franchising.

The following comments were made/ issues raised:-

- Members thanked the Deputy Chief Executive for his involvement in the review, including the presentation from Transport for Greater Manchester (TfGM) which had provided valuable insights to the Scrutiny Review Panel.
- Members referred to the quality of performance monitoring. It was noted that pre-deregulation, the performance indicators had been impacted by inflation leading to elastic values. The Scrutiny Review Panel had requested TfGM to report on Peak Vehicle Requirement (PVR), being the number of buses needed to run a peak service. This would allow Members and officers to evaluate the impact of bus franchising in the future as PVR was a good measure of what the council will get for its money, enabling a review of how network changes might impact Stockport's residents.

RESOLVED – (1) That the draft 'Financial Impact of Bus Franchising Review Final Report' be approved and adopted.

(2) That the thanks of the Scrutiny Committee be extended to all those who took part in the Scrutiny Review.

11. AGENDA PLANNING

A representative of 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 an update on property in the council estates which had been affected by Reinforced Autoclaved Aerated Concrete (RAAC).

RESOLVED – That the reported be noted.

Item including information 'Not for Publication'

12. CIC BUSINESS PLAN UPDATE AND BUDGET

The Deputy Chief Executive submitted a report (copies of which had been circulated) providing an update on trading performance against the 2023/24 business plan taking into account facility disruptions and operational challenges.

The report also outlined Life Leisure's proposed business plan for the financial year 2024/25 and an indication of the likely funding required for delivery of the plan, to include the provision of the active communities programmes and the operation of Council-owned/leased leisure centres.

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

Members commented on this report.

(NOTE: Appendices to this report contained information 'Not for Publication' that had been circulated to members of the Scrutiny Committee only).

RESOLVED – That the report be noted.

The meeting closed at 7.17 pm