

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

Meeting: 26 November 2024
At: 6.00 pm

PRESENT

Councillor Christine Carrigan (Chair) in the chair; Councillor Carole McCann (Vice-Chair); Councillors Jake Austin, Dickie Davies, Helen Foster-Grime, Mark Jones, Jeremy Meal, Paul Wright and Alex Wynne.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 15 October 2024 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. 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the public and press from the meeting during consideration of agenda item 13 as it contained information that was 'not for publication'.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the meeting during consideration of Agenda item 13 – 'Land Transaction at Booth Street' which contained information 'not for publication' by virtue of Category 3 'Information relating to the financial or business affairs of any particular person (including the authority)' as set out in the Local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).

4. CALL-IN

There were no call-in items to consider.

5. PART A: MEDIUM TERM FINANCIAL PLAN (MTFP) UPDATE & PART B CABINET RESPONSE: RESPONDING TO OUR MEDIUM TERM FINANCIAL PLAN

The Cabinet Member for Finance and Resources submitted a report (copies of which had been circulated) outlining the strategic approach in responding to the medium-term financial plan. The report should be read in conjunction with the MTFP update reports (both parts A and B) presented to the Cabinet meeting on 18 September 2024.

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:-

- Efficiency savings would be made through recruitment and procurement, along with sharing services such as IT within Stockport Homes, TLC and Life Leisure.
- The council was able to budget prudently for the collection fund as a result of its collection rate. Furthermore it was able to set its provision and reserve for insurance premiums at a lower rate due to the strong performance of the team.
- Staff vacancies were managed in an effective and sensitive manner. Opportunities for structural changes were sought along with opportunities related to natural turnover.
- It was acknowledged that savings related to job roles would lead the workforce to feel vulnerable. Ahead of the publication of these papers the Chief Executive had communicated with all Stockport Council employees and reassured staff that these discussions were taking place and that all colleagues would be kept fully informed. Further Lets Talk sessions had taken place with groups of staff. The council's aim was to be supportive and transparent.
- In response to a question about the impact of savings on service users, it was reported that online consultations and network messaging was used where savings proposals had a direct impact on the public.
- Equality impact assessments were always done where the potential impact of savings related to services.
- Consultations on savings also involved staff at Lets Talk sessions and employee network groups.
- It was important for the council to do as much as possible to protect its vital services.
- Members noted the savings proposal related to bin collections.

RESOLVED – That the report and the proposals presented within that were relevant to the Committee's remit be noted.

6. 2024/25 MID-YEAR (QUARTER 2) CORPORATE PERFORMANCE AND RESOURCES REPORT

The Executive Director for Corporate and Support Services submitted a report (copies of which had been circulated) providing a summary of progress in delivering the council's priority outcomes up to 30 September 2024.

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:-

- In response to a question about the £42 million deficit within the Dedicated Schools Grant, it was reported that was a cumulative deficit position. The reserve could contain that deficit but it had an impact upon the robustness and resilience of the reserve.
- The council had requested clarity on the Dedicated Schools Grant from central government; the legislation was due to expire in 2026. It was important for this Scrutiny Committee to recognise the council's deficit position in relation to the Dedicated Schools Grant.
- It was reported that an additional billion pounds had been announced at the Autumn budget for educational special needs. The council planned to lobby the Department for

Education to request a change in the methodology in terms of recognising the position of councils across the country.

- It had been reported that by March 2025 43 per cent of councils were expected to have deficits greater than their reserves. Stockport council was not within that 43 per cent, but it did not diminish the overall challenge of that position.
- The budget contained a £15 million general fund balance which was not earmarked or ring-fenced. If it was necessary to use that fund, that would signal that the council was in financial distress. There was a collective £30 million budget for resilience set aside.
- Consideration had been given to lowering rents at Merseyway to address the issue of empty units. The Stockroom development would be taking over some of those empty units. JD Sports had recently moved into Merseyway and other units were under offer. Some units which appeared vacant were technically still occupied by business in the process of liquidation or being shut down.
- The income from Merseyway units included rent, services charges and business rates. In circumstances where tenants were experiencing difficulties in affording rent, action could be taken to minimise rents. This was only offered to local or new businesses. This had been common situation during Covid.
- In response to a question about the cremation services revenues, it was reported that revenue loss was being addressed by investment into the service; a report on the cremation service would be presented to a future meeting of this Scrutiny Committee.
- The call centre service had experienced staffing issues at the start of the 2024/25 municipal year resulting in a failure to meet targets related to call answering times and abandoned calls. There had already been an improvement within the service which should be reflected in next year's report, although it was acknowledged that it was unlikely that all of the issues related to the service would be resolved by the end of the year.
- The covid contingency budget had seen recovery in some areas such as membership of Life Leisure. It was expected that the covid recovery budget for Life Leisure would not be required by 2027/28. In other areas, such as rental income from businesses, it was acknowledged that the position would not return to pre-pandemic levels. The budget in those circumstances was required to be in a robust position at a cash limit level.
- Members noted that the council ensured that those residents who were financially struggling the most within the borough were offered the maximum possible financial support.
- Members acknowledged the awards received by Stockport Council teams, giving national recognition to its work and thanked the teams involved.

RESOLVED - (1) That the key delivery and performance issues from the council's seven portfolios set out in sections 1.3 and 1.4 be noted.

(2) That the proposed approach set out in section 1.5 to 'light -touch ' reviews of the 2024 - 27 Council Plan at the end of 2024/25 and 2025/26 be noted.

(3) That progress against delivering council priorities and capital schemes alongside budget outturns contained within the report be noted.

(4) That the Cash Limit and Non -Cash Limit forecast outturn positions for 2024/25 as set out in section 2.3 be noted.

- (5) That the Dedicated Schools Grant, Housing Revenue Account and Collection Fund forecast positions as set out in sections 2.4, 2.5, and 2.6 be noted.
- (6) That the appropriations to/from reserves and balances during the period as set out in section 2.7 and the resulting reserves and balances position as at 30 September 2024 be noted.
- (7) That the position for the 2024/25 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 the resourcing of the capital programme as set out in section 3.3 be noted.
- (10) That the 2024/25 prudential indicators as set out in section 3.4 be noted.
- (11) That key areas for further investigation and responsibility for taking forward corrective action to address any existing or outturn issues or risks be noted.

7. 2024/25 MID-YEAR (QUARTER 2) PORTFOLIO PERFORMANCE AND RESOURCES REPORT: FINANCE AND RESOURCES

The Executive Director for Corporate and Support Services submitted a report (copies of which had been circulated) setting out the Mid-Year Portfolio Performance and Resource Report (PPRR) for the Finance & Resources Portfolio.

The Portfolio Report was based on the 2024/25 Portfolio Performance and Resource Agreement (PPRA), which was considered by the Committee on 11 June 2024 and approved by Cabinet on 25 June 2024.

The Mid-Year Report focused on delivery of the portfolio priorities from April to September 2024. 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 councillor's questions.

The following comments were made/ issues raised:-

- In response to a question about performance outcomes for the call centre and for complaints, officers undertook to circulate those figures to members of the Scrutiny Committee.
- Many complaints received by the council related to EHCPs. The complaints arch for an ECHP complaint was 20 weeks and work was underway to reduce the backlog. The council was reviewing and improving the process of obtaining an EHCP which ought eventually to be reflected in the complaints statistics.
- A huge amount of detailed process mapping work had already taken place as part of the ECHP review. It had identified two pinch points; the lack of availability of coordinators and educational psychologists. The team was looking at requesting

expertise at the right point in the process to avoid delays and unnecessary reassessments.

- Members recognised the increasing complexity and time consuming nature of FOI requests and asked whether it was possible to anticipate trends and pre-empt requests.
- Work was underway to assess the possibility of digital support for Freedom of Information (FOI) requests. It was also reported that many FOI requests related to Children and Families, in particular children's social care and SEND. There had also been several FOI requests from the media and some related to research.
- Members commented positively on the explanatory notes which accompanied the performance measure outcomes, particularly for those areas with a red rating. It indicated that the council recognised where there was an issue and was taking steps to put things right.
- Members recognised that the council had met its targets for the payment of invoices to local suppliers. This was particularly important to small and medium sized businesses which relied upon a swift cash flow and helped to sustain our communities.
- It was reported that work was underway for the council, in conjunction with Netcall and Stockport Homes, to develop its own dashboards.
- Members also noted the positive work undertaken on the digital directorate and queried whether there was a way for the council to improve efficiencies by leveraging its success. In response it was reported that there was opportunity to share knowledge and learning across Greater Manchester.

RESOLVED - (1) That the Mid-Year Portfolio Performance and Resource Report be noted;

(2) That the progress against delivering key projects, priority outcomes, targets and budgets for 2024/25 be noted;

(3) That key areas of and responsibility for taking forward corrective action to address any performance or resource issues be highlighted;

(4) That significant issues or changes to be fed back to the Cabinet alongside the Corporate Performance and Resource Report;

(5) That areas of strong performance and good practice be shared in other services.

8. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2024/24

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) providing a mid-year review of the council's Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25, approved by council on 22 February 2024, and had been prepared in accordance with the Chartered Institute of Public Finance Accountancy (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 councillor's questions.

The following comments were made/ issues raised:-

- In relation to current interest and inflation rates, the council was continuing its policy in relation to borrowing, that was using temporary, short terms borrowing to avoid tying the council into a high interest rate.
- The council used Link Asset Services to assist with its understanding of global economics and distilling those matters at a national and local level. The council was alive to global events, such as a change to the US government, and was able to adapt its strategy to such factors.
- In response to a question about the balance to be struck between ensuring financial prudence whilst also ensuring the council remained ambitious in terms of its capital programme, it was reported that there was a requirement to assess the affordability and revenue of capital schemes. The Capital Board, comprising a group of senior council officers, looked at capital schemes and assessed the financial impact and risk, how the scheme could be resourced and what alternative resources might be available. The benefits of delivering the scheme were balanced against the costs.
- Members commented positively on the Treasury Management training session which supported members' understanding of the matters contained within the report.

RESOLVED - (1) That the report and the treasury activity in the first half of the financial year be noted.

(2) That the Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy for 2024/25 approved in February 2024 will continue to be followed considering the forecasts and conclusion set out in the report be noted.

(3) That the revised interest rate forecasts for PWLB rates over the short and medium term which will drive the council's long-term borrowing strategies going forward be noted.

9. CONSULTATION REPORT 2025/26 TREASURY STRATEGY

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) seeking the views of the Corporate, Resource Management and Governance (CRMG) Scrutiny Committee on the development of the council's Treasury Management Strategy Statement (TMSS), Annual Investment Strategy (AIS) and Minimum Revenue Provision (MRP) Policy for 2025/26, to be considered for approval at the Cabinet Meeting on 4 February 2025 and the council Meeting on 27 February 2025.

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

Members commented on a discussion which had taken place at the recent Treasury Management training session on security, liquidity and yield. Members noted that Stockport's approach was to exercise the lowest possible risk and considered that this conservative approach was the correct one.

RESOLVED – That views of the Corporate, Resource Management and Governance Scrutiny Committee be taken into account in the development of the council's 2025/26 Treasury Management Strategy Statement.

10. BUSINESS RATES AND COUNCIL TAX DISCOUNTS ANNUAL REVIEW

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) setting out the annual review of the local scheme of reliefs and discounts which are available in respect of Business Rates and Council Tax.

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 commented positively on the council's offer on discounts to council tax and business rates, particularly in the current economy.
- In relation to the change to business rates for private schools, it was reported that the change reflected the government's announcement in the Autumn budget. The council had engaged in communications with private schools on this issue and planned to follow that up with a wider consultation.
- Members expressed concern about the potential impact of parents withdrawing children from private schools upon the council's education budget.
- It was reported that no bill was sent to those residents who were entitled to a 100 per cent council tax discount.
- A robust policy had been developed in relation to the empty homes strategy. The council had a hotline email for empty homes and it relied on the public to report empty properties. A great deal of research was conducted to discover the ownership of empty homes properties. Members were encouraged to report empty properties within their wards.

RESOLVED – That the report be noted.

11. REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS

The Assistant Director for Legal & Democratic Governance submitted a report (copies of which had been circulated) seeking the views of the Scrutiny Committee on the proposed polling arrangements for Stockport in order to inform the Council meeting's determination of polling districts, polling places and polling stations at forthcoming elections.

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:-

- In response to a question about the location of polling station BN7, it was reported that members' views would be taken into account, however moving the location to Cheadle Hulme Methodist Church might cause confusion because it was used as a polling station for another district.
- Members expressed concern about the potential change in location of one of the Heald Green polling stations.
- Members noted the inconvenience caused when school were closed in order to be used as polling stations. The council's policy was not to move away from the use of

schools as polling stations, but it was a vision and ambition. The number of schools used as polling stations had reduced from 31 in 2019 to 26 currently.

- There was no council policy about the distance to polling stations, although it was taken into account as part of an accessibility judgement.
- Efforts were made to avoid voter confusion and prevent voters from going to the wrong polling station. The polling station was located within the polling district unless there were exceptional circumstances.
- Members noted that this review had resulted from the independent boundary review. Members also recognised the work going into ensuring residents were able to exercise their right to vote.
- Members also thanked the team for addressing concerns raised by members at Area Committee meetings on this topic. The efficiency and pragmatism of the elections team was also recognised.

RESOLVED – That the report be noted.

12. SCRUTINY WORK PROGRAMME

A representative of the Assistant Director for 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.

Following last year's Scrutiny Review on the topic of bus franchising, members requested a review of the planned minimum bus fare and associated budgetary issues.

RESOLVED – That the report be noted.

Item 'Not for Publication'

13. LAND TRANSACTION AT BOOTH STREET

A representative of the Deputy Chief Executive submitted a report (copies of which had been circulated) providing information and updates in relation to the background of the site located at Booth Street, Edgeley.

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

Members commented on this report.

(NOTE: 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 8.09 pm