

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 12 November 2009

Present:

Councillor Watson - In the Chair
Councillors Bhatti, Clayton, Glover (RG/09/64 - 68), Jones, Lomax (RG/09/64 - 67), McCulley, Morrison, P Murphy, Sandiford (RG/09/64 - 66), Swannick and Trotman.

Councillor Priest – Executive Member for Finance and Human Resources
Councillor Smith – Assistant Executive Member for Finance and Human Resources
Councillor Wheale – Opposition Lead Member on Finance

Zoe Cohen - NHS Manchester.
Superintendent John Graves – Greater Manchester Police
Matt Innes – Greater Manchester Police
Gerard Murphy - Greater Manchester Fire and Rescue Service
Steve Warrener - Greater Manchester Passenger Transport Executive (GMPTE)

Apologies:

None

RG/09/64 Urgent Business

The following items were submitted as urgent business: Risk Management and Efficiency Savings (report from Greater Manchester Fire and Rescue Service), Manchester Partnership – Approach to Risk Management, AGMA Improvement and Efficiency Commission, Information and Overview Report (Work programme) Chauffeur Driven Car and First Street.

A member raised a concern that the temperature of the room did not comply with the Energy Act 1976 and could jeopardise the health of participants in the meetings.

Decision

To accept the following items as urgent business: Risk Management and Efficiency Savings (report from Greater Manchester Fire and Rescue Service), Manchester Partnership – Approach to Risk Management, Information and Overview Report (Work programme) Chauffeur Driven Car and First Street.

RG/09/65 Minutes

Minutes of the meeting of this Committee held on 15 October 2009 were submitted for consideration. Minutes from the meetings of the Governance Subgroup held on 28

September and the Human Resources Subgroup held on 6 October were also submitted for information.

Decision

To approve the minutes of the meeting of the Committee held on 15 October subject to the addition of Councillor P Murphy to the list of those members who apologised for absence.

RG/09/66 Risk Management and Efficiency Savings

NHS Manchester

A report of NHS Manchester was submitted providing an overview of their risk management arrangements and efficiency programmes. An example risk register was also provided.

The NHS has introduced a national Quality and Productivity Challenge to drive up quality and drive down cost. NHS Manchester was approaching the national Quality and Productivity Challenge on the basis that it affected the whole health economy and therefore aimed to develop a strategy to rise to the Quality and Productivity Challenge with its partners.

The report was introduced by Zoe Cohen, Director of Corporate Affairs at NHS Manchester.

The Committee noted that a number of the risks in the risk register were assigned to one post holder and questioned whether this was not a risk in itself. The Director explained that public health, the area for which the post holder was responsible, had been highlighted as the top priority in NHS Manchester's Commissioning Strategic Plan, and therefore there were a number of goals relating to public health each with their own associated risks.

Members noted that the example register included a number of risks with a high rating. The Director advised the Committee that the register was submitted to NHS Manchester's board, who were focused upon the largest risks to the organisation.

The Director commented that since the Primary Care Trusts in Manchester had merged into a single Trust risk management had become embedded in its operation. This had been made possible by excellent leadership from Non-executive Directors.

Decision

To thank NHS Manchester for their contribution to this item and to note their approach to risk management and making efficiency savings.

[Councillor Swannick declared a prejudicial interest in this item and left the room for its duration.]

Greater Manchester Passenger Transport Executive

The Committee welcomed Steve Warrener, the Finance and Corporate Services Director at the Greater Manchester Passenger Transport Executive (GMPTE), who delivered a presentation setting out the organisation's approach to risk management and efficiency savings in practice.

GMPTE had a risk programme covering its usual operations. Those risks with a high risk rating, indicating that they had severe consequences and a high likelihood of occurring, were reported to senior management. GMPTE also employed risk champions across the organisation to share good practice across the organisation.

Members asked how risk champions were selected and what training they received. The Director responded that risk champions were chosen for their ability to effectively communicate and champion the need to manage risk effectively and share good practices in doing so. Theoretical and practical training was provided to support this.

The Committee also tested whether the risk of the price of crude oil rising was one which was on the organisation's register. The Director responded that it was, as a rise would have consequences for GMPTE's own vehicle fleet and those of the bus operators.

The Committee shifted its attention to consider efficiency programmes. The Director outlined the organisation's strategic sourcing process, and how it had led to efficiency savings. The 5-stage process included identifying needs, planning, procuring, implementation and contract management. As an example he highlighted that, in the area of Mechanical and Engineering Services, savings of £60,000 per year had been made by moving from 40 suppliers to a single supplier. This decision had also led to an improved service and supported better performance management.

Members asked whether the efficiency strategy involved collaborative working with partners, and highlighted the potential difficulties that moving to a single supplier could have for delivering supply. Members also highlighted the use of e-procurement, both in the Council and in GMPTE as an example of good practice.

The Director advised the Committee that GMPTE had been involved in the AGMA procurement hub which looked to achieve savings by procuring goods on a larger scale.

Decision

To thank Greater Manchester Passenger Transport Executive for their contribution to this item and to note their approach to risk management and making efficiency savings.

[Councillor McCulley declared a personal interest in this item as Chair of Greater Manchester Integrated Transport Authority's Audit Committee]

[Councillor David Sandiford declared a personal interest in this item as a member of Greater Manchester Integrated Transport Authority]

Greater Manchester Police

A report from Greater Manchester Police was submitted setting out how risk management was embedded in the culture and operation of Manchester's police force and how the organisation approaches efficiency savings. The report included details of how the force's Self Evaluation Tool (SET) supported these processes.

The Committee welcomed Partnership Superintendent John Graves and Matt Innes, Divisional Finance and Administration Manager to the meeting. The Superintendent explained that the Police's business was risk management, and was key to everything they did. It was a skill which had been well developed right across the organisation.

The Chair asked how the force managed such a wide variety of risk. Mr Innes advised that the Police had a quarterly Health and Safety Committee which looked at the risks associated with proposed changes in Police policy. The Committee sought to test whether officers had the right tools and equipment to avoid injury, or to avoid incurring cost at a later stage.

Members also asked how Police Complaints were taken into account and reacted to and whether, when there were risks of riots or bomb detonations which would affect a whole community, Greater Manchester Police looked at the risks to the organisation or to the area as a whole.

The Superintendent responded that the Professional Standards Branch of the force looked at the behaviour of officers with great vigilance. The force emphasised leadership of staff and officers, and community leadership. The Chair of Greater Manchester Police Authority added that the risk of reputational damage to the force was taken very seriously. The Superintendent advised the Committee that the force's Resilience Forum looked at these sorts of risks with the police's partners so that they could mitigate the risks together, and ensure they were prepared for the worst outcomes.

Decision

To thank Greater Manchester Police for their contribution to this item and to note their approach to risk management and making efficiency savings.

[Councillor Paul Murphy declared a personal interest as Chair of Greater Manchester Police Authority]

Greater Manchester Fire and Rescue Authority

A report from Greater Manchester Fire and Rescue Service was submitted to the Committee. It set out the approach and the results of the Service's approach to risk management and identifying efficiencies. He outlined that the service had received a score of 4 (the highest score) from the Audit Commission for use of resources, which reflected the quality of the approach to risk management and efficiency.

The Committee welcomed Gerard Murphy, Director of Finance at Greater Manchester Fire and Rescue Service. Focusing on risk management he stated that, like the Police, the Fire Service is a risk-based organisation. The Fire Service took a vigilant approach to ensuring the health and safety of citizens and its officers is of primary importance at all times. A lot of work to address risk was delivered in partnership. For example the Treacle Partnership, involving the Fire Service working with the Police and Trading Standards, addressed the dangers on bonfire night from fires and fireworks. Performance in this area had risen year on year.

Members asked how the Fire Service trained its staff to take difficult decisions. The Director advised that there was rigorous training in place for this. In addition, learning from past incidents was used to tailor the approach to new incidents. The approach of the Fire Service was that they will risk a life to save a saveable life. The Fire Service also looked at their tactics for handling fires from a scientific perspective; based on what tasks a physically fit person can perform under duress. Where proposed strategies involved tasks that were too arduous to perform the tactics would be reviewed.

The Committee's focus turned to the Fire Service's efficiency programmes, which had been highlighted as good practice by the Audit Commission and had received numerous awards. The Director was determined to focus on what the outcomes of this good practice were and how it led to a better service. Members supported the approach to efficiency savings outlined in the report.

The Committee felt that the overall approach to resource management by the Fire and Rescue Service was impressive. The Committee asked to see copies of the Service's risk register.

Decision

1. To thank Greater Manchester Fire and Rescue Service for their contribution to this item and to note their approach to risk management and making efficiency savings.
2. To request that copies of the Service's Risk Register be circulated to all members of the Committee.

RG/09/67 Manchester Partnership – Approach to Risk Management

A report of the Chief Executive and City Treasurer was submitted. The report provided details of the progress of the work that was being undertaken within the Manchester Partnership to manage risk. It also outlined the process for how the Partnership identified high level strategic risks and how these risks were cascaded down to, and embedded in to each of, the Thematic Partnership's risk arrangements.

Members asked about the detailed risk management arrangements in place for each of the Thematic Partnerships. It was noted that progress in the development and embedding of risk management arrangements across all of the thematic partnerships was at different stages. A member referred to the disparity between the progress of

the Employment, Skills and Enterprise Partnership and the Children's Board. The Strategy Leader for the Partnerships and Performance Team informed the Committee that the Children's Board had created a risk register which would be refreshed when the Children and Young People's Plan was agreed. It was anticipated that progress would be made in the next municipal year, bringing the Children's Board's risk management arrangements to the same level as the other Thematic Partnerships.

The Committee discussed the benefits and challenges of embedding risk management into the Thematic Partnerships. The Strategy Leader for the Partnerships and Performance Team informed members that agreeing a consistent approach was challenging, as there were many different partners, all with different approaches to risk management. The Committee recognised the benefits of bringing together representatives from a diverse range of organisations across the city, each with elements of best practice in risk management arrangements.

The Chair of the Committee thanked officers and partners for attending the Committee, and acknowledged the different pressures and complexities of risk management arrangements within individual organisations. She also recognised the benefits to the Manchester Partnership in embedding a consistent approach to risk management through learning from some of the best practice examples demonstrated by partners in the previous item.

Decision:

1. To note the progress being made and the approach being taken for the continued development of risk management within the Manchester Partnership
2. To request that a report providing further detail of the progress made by each of the Thematic Partnerships in identifying and managing their own risks, with specific examples of risk registers be brought to the Committee in the next municipal year.

RG/09/68 Information and Overview Report

A report of the City Solicitor was submitted. The report tracked the implementation of previous recommendations from the Committee and included an overview of the Council's forward plan as it related to the Committee's remit.

The forward plan stated which decisions had already been taken in accordance with the Committee's request at the last meeting.

An information note was provided by the City Treasurer on non-specialised security services.

The Chair added an additional item to the work programme on the management of contracts for bailiffs.

Decision

To note the report and accept the Committee's work programme with the addition of an item on the management of contracts for bailiffs.

RG/09/69 Chauffeur Driven Car

On 7 October 2009 the Council passed a motion asking this Committee to consider taking a report from the City Treasurer on the appropriateness of the proposed renewal of the contract for external provision of a chauffeur driven car (City Council minute CC/09/87). A Report of the City Treasurer was submitted to the Committee appraising members of the use of the car. The report set out that the cost for the external provision of the car since October 2005 was £120 per journey, compared to the cost of internal provision prior to this which was £420 per journey.

The Chair invited the Opposition Lead Member on Finance to speak on the item. He thanked the Committee for agreeing to add the item to its agenda, and highlighted that although the amount of expenditure under scrutiny was small, in the current financial climate it was symbolic. He felt that the car represented an unnecessary expense and that the Council should cease to use it for the remainder of the financial year. He stated that the only time the Lord Mayor had used the vehicle regularly was during the exceptional circumstances where both her attendants were unavailable. He added that the Lord Mayor would be happy to travel by public transport to avoid incurring the cost.

The Executive Member for Finance and Human Resources emphasized that the reduction of costs per journey involved in using the car under the new contract highlighted the commitment of the Council to making efficiency savings wherever possible. He added that the Council should treat the Lord Mayor with proper respect, as first citizen of a major international city, and that if the Council changed the transport arrangements for the Lord Mayor, this would send out a message that the Council is not showing proper respect to the position and to the city.

Members debated the merits of the use of the car. The use of taxis was suggested as an alternative as the Council has contracts with taxi companies but there were concerns raised about the need for senior members and officers to travel in a fast and efficient manner when necessary. Concerns were also raised about the use of taxis and whether the passengers could have private conversations about confidential matters. Many taxis have microphones in the back seats so that the driver can hear conversations and can be prepared to react should passengers start to behave in a threatening way.

It was proposed and seconded that the Council be recommended to cease the use of the car for the remainder of the financial year, and then review its usage. This proposal was put to a vote and was lost.

The recommendation in the report, which was to endorse the proposed renewal of the contract for the external provision of a chauffeur driven car on the basis that the provision provides significant savings against the previous in-house provision and delivers overall value for money to the Council, was put then to a vote and was passed by the Committee.

Decision

To endorse the proposed renewal of the contract for the external provision of a chauffeur driven car on the basis that the provision provides significant savings against the previous in-house provision and delivers overall value for money to the Council.

RG/09/70 First Street

A report of the Chief Executive, City Treasurer and City Solicitor was submitted updating the Committee on the delivery on the First Street Scheme. The report was also due to be considered by the Executive at their meeting on 18 November, where they would be asked to endorse the Commercial Plan for the scheme, recommend to Council the approval of an increase in the Council's capital programme for public realm works and authorise officers to negotiate and execute contracts necessary for the scheme. This Committee was asked to comment on these recommendations.

The Head of Corporate Property introduced the report. First Street was seen as a priority fringe city centre location which could accommodate the City's growing requirement for commercial development, and help to accommodate the anticipated 50,000 new jobs created over the next 10 years. The first phase of the regeneration programme was now complete and had included remediation works undertaken by ASK, delivery of the No. 1 First Street building and high quality student residential developments to the south of the site completed by Downing Developments and Unite.

A Member questioned whether, following difficulties associated with the site in the past, the Head of Corporate Property was confident that the scheme would deliver the economic benefits envisaged. The Head of Corporate Property advised that the scheme was commercially led and that the Council was looking to maximise the benefit to the city from the commercial developments.

Decision

To support the recommendations in the report to the Executive.

RG/09/71 Exclusion of the Public

A recommendation was made that the public be excluded during consideration of the next item of business.

Decision

To exclude the public during consideration of the following item which involved consideration of exempt information relating to the financial or business affairs of particular persons, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RG/09/72 First Street – Part B

A Report of the Chief Executive, City Treasurer and City Solicitor was submitted providing further detail on necessary arrangements for the redevelopment of First Street. The report contained additional recommendations which would be submitted to the Executive at their meeting on 18 November 2009. This Committee was asked to comment on these recommendations.

The Committee raised questions regarding the physical aspects of the developments and tested the City Treasurer on whether the scheme represented good use of resources.

The City Treasurer responded to questions, and highlighted that, subject to approval by the Executive, certain contracts would arise from the recommendations to the Executive which would require agreement as a matter of urgency and that he would be asking the Chair of the Committee to exempt these decisions from the call in process.

Decision

To support the recommendations to the Executive and to support the Chair in exempting decisions from the call in process where necessary.