

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 21 October 2010

Present:

Councillor Watson - In the Chair

Councillors Bhatti (Items RG/10/61 - 64), Clayton, B Fisher, Glover (Items RG/10/62 - 66), Morrison, P Murphy, E Newman, Sandiford and Trotman.

Councillor Andrews - Executive Member for Neighbourhood Services

Councillor Priest - Executive Member for Finance and Human Resources

Councillor Smith - Assistant Executive Member for Finance and Human Resources

Apologies

Councillors McCulley and Swannick

RG/10/61 Minutes

Minutes of the meeting of the Committee held on 9 September 2010 were submitted for consideration along with minutes of the meeting of the Human Resources Subgroup on 5 October 2010.

Decision

To approve the minutes submitted as correct records of the meetings and to endorse the recommendations of the Human Resources Subgroup.

RG/10/62 Information and Overview Report

A report of the Governance and Scrutiny Support Unit was submitted. This included an overview of the major financial decisions the Council would be taking over the next four months which related to the Committee's remit. A member commented that it was likely the forward plan of key decisions would be largely affected by the Comprehensive Spending Review and consequential financial decisions. This would also affect the work programme of the Committee. Members noted that the Scrutiny Co-ordinating Group would be considering the major implications from the Review and which scrutiny committees should investigate which aspects.

The report included responses to recommendations made by the Committee at its previous meetings. Members noted that the information requested regarding section 106 planning agreements had now been circulated.

The Committee received a briefing for information on the Council's response to the consultation paper on 21st Century Welfare. The Committee felt the response was

measured and thorough. The Chair noted the proposals around Place Based Budgeting and asked what involvement the Council might have with them. The City Treasurer referred to a recent government press release that announced that Greater Manchester would be a pilot area for this programme, and that the work would focus on children aged between 0 and 5 and worklessness.

The report also included an analysis of the place of residence of customers using the Council's new Customer Service Centre. Members commented that as well as looking at the numbers of residents from different parts of the city accessing the centre, it was important to consider the demand in different parts of the city. The level of demand would be influenced by whether residents could access services from district centres, for example the Forum in Wythenshawe. The Committee agreed that their next update on the Town Hall Transformation Programme should include information about this and proposals to extend the Customer Relationship Management (CRM) systems into district hubs.

The Committee noted a briefing on Working Family Tax Credits and asked for a further update once the implications from the spending review were clear. Members also noted a response to the Committee's recommendation that a mystery shopper exercise be trialled for bailiffs. The results indicated that 75% of people who are visited by a bailiff did not find the bailiff to be polite. Members discussed whether this was an unavoidable aspect of the job or whether bailiffs should be required to be polite but assertive.

Decision

1. To agree the work programme.
2. To request that the Committee's next update on the Town Hall Transformation Programme includes information about access to Council services in district hubs and proposals to extend the Customer Relationship Management (CRM) systems.
3. To request an update on changes to Working Family Tax Credits once the implications of the Comprehensive Spending Review are clearer.

RG/10/63 Insurance and Claims Handling

A report of the City Treasurer and City Solicitor was submitted outlining the Council's insurance arrangements and claims handling processes, both for defending claims against the Council and making claims on the Council's insurances. The report included information about the different roles and responsibilities of Council officers involved in insurance and claims handling, as well as work underway across Greater Manchester authorities to collaborate on insurance and claims handling where this would lead to more efficient arrangements.

A member stressed the importance of making sure appropriate legal support was provided for Councillors when challenged for carrying out functions on behalf of the Council. The Head of Legal Services advised that this was part of the Council's approach to ensure that Councillors were properly supported in such situations.

The report included information on pursuing and defending litigation; members discussed how decisions were taken whether to settle claims out of court or whether to defend through Court proceedings. The Deputy Head of the Neighbourhood Services Legal Section advised that decisions were made on their merits. Officers with appropriate expertise would discuss the likelihood of success based on evidence, past experience and likely total costs and form a view about whether litigation was a good option. The Head of Legal Services advised that when potential litigation had very significant consequences discussions took place at a senior officer level, and it was expected that senior officers would discuss the matter with the appropriate Executive Member. In many cases potential damages that the Council might have awarded against it could be significantly less than the cost of pursuing litigation.

A member commented that he would have welcomed more information in the report on performance indicators for insurance and claims handling particularly around claims arising from trips on streets. The Deputy Head advised that the Council successfully fought off 85% of trip claims. Intelligence showed that over the past few years the numbers of trip claims had fallen steadily, but had recently risen. Although it was known that there were frequent incidences of fraud connected to trip claims, the slippery pavements last winter may have led to more claims arising from trips and falls. The legal officers worked with officers in the highways section who proactively monitor repairs to uneven streets to reduce the number of trips and falls.

The Chair asked how damages arising from litigation and out-of-court settlements were paid for by the Council. The City Treasurer advised that the Council had made provision for £3,000,000 for known claims where liability was predicted and had a further £16,000,000 in reserves. Departments paid for damages or settlements from their own budgets up to a certain threshold, above which the cost was met from the central fund or external insurance.

A member commented that he felt that the limit on motor vehicle cover of £10,000,000 may be low given that incidences involving vehicles have in the past led to financial liabilities exceeding this amount. The City Treasurer advised that the Council was retendering its motor vehicle cover and would look to reconsider the limit as part of this process.

The Chair noted that the co-ordination of insurance and claims handling involved a range of Council departments and asked how confident officers were that arrangements were streamlined and effective. The City Treasurer advised that arrangements were well co-ordinated but could be improved. There had been recent improvements in information sharing and communication between the different sections involved. An exercise was now being carried out by the Heads of Audit and Risk Management and Legal Services to describe each step in the different processes involved and identify potential for more efficient and effective working.

Decision

To note the report and to support measures to streamline claims handling and insurance arrangements between the various sections of the Council involved.

RG/10/64 Business planning 2011/14

A joint report of the Deputy Chief Executive (Performance) and City Treasurer was submitted. The report informed the Committee about the business planning process and timetable for this year and asked the Committee to choose a number of business plan self-assessments to look at in its next meeting.

Decision

1. To note the business planning processes and timescale and to agree to look at the followings self-assessments in the Committee's next meeting:
 - Corporate Procurement
 - Financial Management
 - Human Resources / Organisational Development
 - Revenues and Benefits
2. To note interest by members of the Committee in looking at the full business plans for Legal Services and Democratic and Statutory Services in January 2011.

RG/10/65 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 next item which involved consideration of information exempt from publication relating to the financial or business affairs of a particular person and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RG/10/66 District Heating

A report of the Director of Housing, City Treasurer and City Solicitor was submitted. The report was due to be submitted to the Executive on 27 October to recommend that it makes amendments to a contract for a district heating network. The report set out that the contract was not providing value for money for the Council, and that revised arrangements would help to reduce carbon dioxide emissions.

The Head of Investment (Housing) reported the findings of a recent cost-benefit analysis report on low-density, low-rise district heating schemes. The report showed that there were lower cost options for the Council which would result in reduced carbon dioxide emissions. It also illustrated that introducing a combined heat and power system to the district heating scheme would reduce emissions even further, but this would cost substantially more.

Having discussed the report, the Committee was satisfied that the proposals in the report were necessary, however they felt that the Council should never have entered into the contract and were concerned at the seeming lack of contract management. Members asked what measures the Council had in place to ensure that a similar situation did not occur in the future. The Treasurer advised that all Council property except homes and schools were now managed by one section of the Council and that this supported better and more consistent management of property contracts. In addition, the Analyse and Improve Manchester (AIM) programme included proposals being developed with the Council's Head of Procurement on improving contract management.

The Committee agreed to commend the recommendations to the Executive and to add an item onto its future work programme to look at the proposals to strengthen the Council's approach to contract management.

Decision

1. To commend the recommendations in the report to the Executive.
2. To add an item onto the work programme on the proposals to strengthen the Council's approach to contract management.