

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 22nd May 2008

Present:

Councillor Watson – In the Chair.

Councillors Clayton, Glover, Hitchen, Jones, Morrison, Sandiford, Smith and Trotman.

Present by Invitation:

Councillor Leese, Leader of the Council.

Councillor Priest, Executive Member for Finance and Human Resources.

Councillor Cowell, Executive Member for Environment.

Councillor Curley, Executive Member for Adult Services.

RG/08/21 Minutes

Decision

To approve the minutes of the meeting held on 6th March 2008 as a correct record.

RG/08/22 Urgent Business

The Chair informed the Committee that she had agreed to the circulation of a report on the Greater Manchester Waste PFI as an urgent item.

A motion to adjourn the meeting at the appropriate stage and to reconvene on 27th May to consider this item when members had opportunity to read the background documents was defeated.

Decision

To agree to consider the item on grounds of urgency so that the Committee can submit any views to the Executive on 28th May.

RG/08/23 Welcome to new members

The Chair welcomed Councillors Glover, Hitchen and Jones to their first meeting.

RG/08/24 Procurement Services Improvement programme

Consideration was given to a report of the City Treasurer outlining progress made in relation to the procurement of goods and services. The Service Improvement Programme for procurement recognised that significant benefits could be gained through harnessing the controls within integrated back office systems with smarter, more efficient procurement methods, and the saving of £12.95M in 2007/8 and projected saving for 2008/09 of £14.17M demonstrated that the targeted savings were realistic and the benefits achievable.

Members noted the leading edge work that the Council was doing in this area and the regional scope of work that the Council was leading on. The importance of consolidating savings already achieved was recognised together with the scope for new areas of work involving securing savings on behalf of partner organisations.

Decision

To welcome the approach that has been taken and the considerable financial savings that have so far been achieved, to support the officers in continuing to build upon this success and to request a further report when a decision on the Council's appointment as regional procurement hub is known.

RG/08/25 Manchester Capital Programme - overview

This report outlined the approach to compiling, managing and monitoring the Capital Programme for Manchester City Council and focussed on the MCC Gateway process that is used to scrutinise capital programmes and projects for strategic and corporate fit.

The report identified that the Gateway process was consistent across the Council and incorporated "best practice" in scrutiny and governance. The gates within the process ensured that the minimum amount of work is completed at each stage to obtain a decision as to whether a programme or project is viable, worthwhile and fits the strategic vision for Manchester, an approach that ensured that officers were not spending time working up programmes and projects which did not fit Manchester's vision. The report concluded that the process currently employed for capital scrutiny and monitoring was working well and provided a generic approach to compiling the Capital Programme. Rigour must be applied when spending capital monies and there must also be prioritisation of submissions for funding and to this end the Capital Programme Group regularly reviewed the process with a view to improvement while not adding to the bureaucracy.

Members noted that the Council's leading work in capital programme management had been recognised by national awards and had been replicated by many other authorities. A member asked whether the processes were only applied to high level schemes and officers clarified that the same process was adopted as a common process for all schemes, citing that it was often lower level financial projects that needed greater scrutiny. In terms of whether the process speeded things up or slowed things down, officers felt that once people understood the processes involved the overall influence was that of speeding things up.

Decision

To welcome the report and to commend the officers for the informative and understandable way in which the dynamics of this process has been presented.

RG/08/26 Neighbourhood Funding Strategy

Consideration was given to a joint report of the Chief Executive and City Treasurer presenting proposals to pilot a scheme to enable spending from mainstream budgets to better reflect local neighbourhood level priorities through ward co-ordination.

The Executive Member of Finance and Human Resources presented the Strategy and invited comments from members on the general direction of travel. The strategy sought to empower local members to act in an influential way to re-align local expenditure priorities and spending regimes to match key Community Strategy spines and other local priorities within their wards.

Welcoming the outline proposals Members highlighted the importance of local councillors having access to more precise information about spending patterns within their ward. Officers suggested that this would be partly addressed through the State of the Ward reports that would identify key pointers about activity within a ward. Members also highlighted the important role of local managers in the process, the need for training to equip local officers to deliver on those things that are capable of being sorted at local level within existing resources and to identify and refer up those that involve more strategic approaches or require bespoke solutions.

In terms of beginning the process members suggested that proposals would need to be identified soon if they were to be reflected in the budget process for 2009/10 and the officers were requested to provide information to all members about the key dates in the preparation of next years budget and the guidance that members would need about the process to be followed.

In response to the Chair, the Deputy Chief Executive undertook to let her have a briefing note on the implementation of previously approved changes in ward coordination and some idea of what was to be done about the variable quality of Ward Plans.

Decision

1. To welcome the proposals and to commend them to the Executive.
2. To stress the importance of actions timetabled during this year in order to influence budget planning strategies and Business Plans for 2009/10 and to request officers to provide information to all members about the key dates in the preparation of next years budget.

RG/08/27 Manchester Local Area Agreement

Consideration was given to a report of the Chief Executive providing a progress report on the development of the new Local Area Agreement (LAA) to assist the Committee in formulating its work programme for 2008/09.

The report highlighted that during June there will be a period of negotiation with government prior to the LAA being signed by Ministers in July. Any changes as a result of the negotiation with government will be reported back to this Committee. Officers were however satisfied that the draft LAA met the key objectives set out at the start of the negotiation and had a high degree of ownership with partners and a strong emphasis on innovation in public services.

The Chair enquired about the monitoring regime that would need to be in place in respect of the key aspects of the LAA, and the means by which qualitative data would be secured from partners to permit meaningful evaluation of progress. In response the Leader of the Council suggested that some monitoring elements would develop over time, but he was conscious of members' concerns regarding access to data from government agencies which would be essential to monitoring progress on actions in relation to issues such as worklessness, and had taken this issue up in meetings with government ministers.

In terms of monitoring the work of partnership boards the Committee noted that arrangements were in place for meetings between chairs of overview and scrutiny committees and the chairs of the partnership boards, which would inform the development of overview, and scrutiny work programmes and provide for timely scrutiny interventions.

Decision

To note the report and to consider these issues further in finalising the work programme for 2008/9.

RG/08/28 Information and overview report/work programme

Consideration was given to a report of the City Solicitor monitoring the status of previous decisions and recommendations made by the Committee; presenting information in respect of matters previously considered by the Committee by way of update, and identifying key issues and capital expenditure approvals anticipated during the year ahead.

In looking at items for inclusion in the forward work programme members suggested the following as being areas for review or detailed scrutiny during the year ahead :-

- Corporate Disability Discrimination Act works.
- Primary School rebuilding programme – funding review.
- Sure Start Children's programme.
- Building Schools for the Future Academies – funding review.

- Proposed disposal of land at Water Street/Regent Road.
- Taxi services for officers and members – tender.
- On-street pay and display machines – tender.
- Bailiff Services – tender.
- Legal Framework agreement – value for money review.
- Local Area Agreement – overview and monitoring of key actions.

Decision

1. To note the report.
2. To authorise the Chair to bring forward a programme of work incorporating the above items and other areas of continuing work.
3. To appoint a Human Resources Sub Group consisting of Councillors Clayton, Sandiford, Smith, Trotman and Watson.
4. To appoint a Governance Sub Group consisting of Councillors Hitchen, Jones, Morrison, Sandiford and Watson and to agree that the first meeting will be on 12th June (3.00pm)

RG/08/29 Exclusion of Public

Decision

To exclude the public during consideration of the following item which contains information relating to the financial or business affairs of a particular person and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RG/08/30 Greater Manchester Waste PFI

(Public excluded during consideration of this item)

A report of the Strategic Director, Neighbourhood Services was considered outlining the current status of the PFI waste management service contract for waste disposal for Greater Manchester and changes to the financial and service delivery arrangements.

The report identified that the Greater Manchester Waste Management PFI Project would deliver to Greater Manchester state of the art facilities for the management of waste and recycling over the next 25 years. The Greater Manchester Waste Disposal Authority (GMWDA) was currently in the final stages of negotiations to conclude the PFI contract and other legal agreements necessary to deliver this complex and challenging project. The GMWDA was now close to achieving financial close of this project and, whilst some of the risks were significant appropriate measures were in place to manage these risks as far as possible. The successful conclusion to this

work would see the GMWDA deliver a step change in relation to the management of waste in Greater Manchester.

On this basis, and subject to negotiating and agreeing satisfactory terms for the Inter Authority Agreement (IAA), the Executive at its meeting on 28th May 2008 was being recommended to continue to support this proposal, and, in view of the urgency involved, to exempt its decision from the call-in procedure.

Members highlighted the element of risk associated with the Runcorn thermal recovery plant if the planning application was called in for determination by the Secretary of State, and the consequent impact of this on the treatment plants at Newton Heath and Northenden. Officers indicated that they were reasonably confident that the development would be concluded within the targets set out in the report.

Some members expressed concerns about the limited opportunity that had been available to consider the details of a project of this magnitude. Members were also concerned to establish that from a technology perspective there was an in-built capacity to upgrade as technological processes developed in the future, and received assurances from officers about the robustness of the technical specification and its adaptability in the future. Members also received assurances about the contingency arrangements in the event that the PFI bidder withdrew from the arrangements at any stage in the future.

Responding to members about the risk elements involved in the project, the City Treasurer emphasised that there was no 'do nothing' option available to the Council and confirmed that he was comfortable that the risks were properly catalogued and assessed, and that whilst the Council was in some respects arms length to the detailed negotiations, there was nothing different in this scheme than any other PFI scheme structure other than the element of scale.

Decision

To note the report and the recommendations to be made to the Executive on 28th May 2008.