

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 4 February 2010

Present:

Councillor Watson - In the Chair
Councillors Clayton, Glover (RG/10/09 – 14 and RG/10/17), Morrison, P Murphy, Parkinson, Sandiford and Swannick.

Councillor Leese – Leader of the Council
Councillor Priest – Executive Member for Finance and Human Resources

Russell Bernstein – Greater Manchester Police Authority
Frances Beswick - Greater Manchester Police Authority
Gerard Murphy – Greater Manchester Fire and Rescue Service
Councillor Paul Murphy – Chair of Greater Manchester Police Authority
John Scampion – NHS Manchester
Councillor Paul Shannon – Vice Chair of Greater Manchester Fire and Rescue Authority
Francesca Smith – NHS Manchester

Apologies:

Councillors Bhatti, McCulley and Trotman

RG/10/09 Urgent Business

Reports on the Treasury Management Strategy, Key Decisions involved in the Building Schools for the Future Programme and the Governance of Health and Safety were submitted for consideration as urgent business.

Decision

To accept the items as urgent business.

RG/10/10 Minutes

Minutes of the meeting of this Committee held on 7 January 2010 were submitted for consideration. Minutes of the meetings of the Human Resources Subgroup and the Governance Subgroup held on 12 and 13 January 2010 respectively were also submitted.

Decision

1. To approve the minutes of the meeting of this Committee held on 7 January subject to the following change: to replace the second sentence in paragraph 5 of minute RG /10/07 with:

The Head of Leisure Services advised that rent income from the City of Manchester Stadium had not been sufficient to cover the cost of facilities. The income share to the city from indoor leisure had also been less than expected and the service area would work with the Manchester Sport and Leisure Trust to address this.

2. To approve the minutes of the meeting of the Governance Subgroup held on 13 January subject to the following changes: to add the following sentence at the end of paragraph 7 of minute GSG/10/03:

Members of the Subgroup also felt that a member of staff with expertise in finance and audits should present the findings of school audits to school governing bodies so that they can engage more fully with the findings and monitor compliance with the recommendations.

And to replace references to 'the Head of Finance (Governance)' in minute GSG 10/04 paragraphs 1 and 3, with 'the interim Head of Finance (Governance)'.

3. To approve the minutes of the meeting of the Human Resources Subgroup on 12 January 2010.

RG/10/11 Partners' Use of Resources

Reports were submitted from NHS Manchester, Greater Manchester Fire and Rescue Authority and Greater Manchester Police Authority outlining their approach to ensuring they made the most effective and efficient use of resources and preparing for the recent Comprehensive Area Assessment organisational assessments of use of resources.

NHS Manchester

The Committee welcomed John Scampion, interim Director of Finance, and Francesca Smith of NHS Manchester. The Director illustrated that the Trust had achieved a 2 overall in the Use of Resources assessment and would be aiming for a 3 next year. Senior managers had been linked to each of the key themes in the assessment to ensure that performance across all themes was prioritised.

Members noted that the NHS worked within an unpredictable financial climate as demand for health services depended on the number of people in the area experiencing ill health at the time. Members were interested in looking at the financial structure of the Trust to see how it managed this, but noted that the Health and Wellbeing Overview and Scrutiny Committee were due to receive a presentation on how this structure supported them to meet the health needs of Manchester. Members

agreed that this Committee should look at this as part of their work programme for next year.

The Chair commented that as the Council, NHS, Fire and Rescue Authority and Police Authority now all faced similar inspections there was a good opportunity for comparing practices between organisations as well as comparing the views of the Audit Commission on those approaches.

Greater Manchester Fire and Rescue Authority

The Committee welcomed Gerard Murphy, Director of Finance and Technical Services at Greater Manchester Fire and Rescue Service and Councillor Paul Shannon, Vice Chair of Greater Manchester Fire and Rescue Authority.

Councillor Shannon highlighted that the Authority was seen as having made pioneering steps on the modernisation agenda by the Audit Commission and was referred to in its recent Rising to the Challenge report as an example of national best practice. The Authority had learnt from past experiences to develop a robust approach to resource management which had led to a score of 3 in the recent Use of Resources inspection. The Director explained that whilst inspections could be burdensome the organisation was committed to using the inspection to inform its future planning.

Members felt that it was important that good practices between the authority and other partners continued to be shared following joint working on comparing approaches to encouraging low sickness absence levels across the organisations. The Director explained that the drop in absence level had followed the decision of the previous Chief Fire Officer to make attendance his top priority.

Members applauded the good performance of the Fire Authority in securing a range of 3's in the assessment but urged caution regarding the civilianisation of firefighter posts as part of the organisation's efficiency programme. Councillor Shannon added that following the inspection emphasis on workforce planning, data quality and use of information and equality and diversity would strengthen to support improved performance next year.

Greater Manchester Police Authority

The Committee welcomed Councillor Paul Murphy, Chair of Greater Manchester Police Authority (GMPA) and Russell Bernstein, Executive Director of GMPA.

The Director explained that performance for use of resources had fallen from a 3 to a 2, however the performance framework had changed making it harder to achieve a high score. He added that by taking the comments of the Audit Commission into account and demonstrating the outcomes from the Authority's efficient use of resources the score would go back up to a 3. He added that it was positive to see that the governance aspect of the assessment had been marked as a 3, as this was the sole responsibility of the Authority, rather than a combined assessment of the Authority and the Police force.

Members asked about what activity was planned to drive down the sickness absence levels across the force. The Chair advised that there was significant attention on addressing musculo-skeletal disorders which often affected police officers. Members asked whether it would be possible to commission therapies to address the common causes of absence from work across public services in Manchester, for example stress or muscular disorders.

A member noted that the Authority had overspent its budget for financial management and asked how this would be addressed. Councillor Murphy explained that the police had achieved a balanced budget overall, and that the overspend in this area, which only represented a small portion of the overall budget, was addressed by an underspend in other areas. It was also noted that there was frequent deviance between the level of estimated and actual expenditure. Councillor Murphy responded that budget predictions were often very difficult as they depended upon the levels of particular crimes, which was also difficult to predict. The Director added that good financial reporting mechanisms were in place to mitigate the effect of this.

The Chair commented that the Council had recently been able to increase public interest in its budget consultation, and this year the Council had received a greatly increased level of response. She added that the Council's approach may be of interest to other public agencies who were looking to do the same.

Decision

1. To thank John Scampion, Francesca Smith, Councillor Shannon, Gerard Murphy, Councillor Paul Murphy and Russell Bernstein for attending the meeting and sharing their organisation's approach to preparing for the Use of Resources inspection.
2. To recognise that as the Council, NHS, Fire and Rescue Authority and Police Authority now all faced similar inspections there was a good opportunity for comparing practices between organisations as well as comparing the views of the Audit Commission on those approaches.
3. To look at the financial structure of NHS Manchester as part of the work programme for next year.

[Councillor Swannick declared a prejudicial interest in the section of this item relating to NHS Manchester's Use of Resources and left the meeting for the duration of the section.]

RG/10/12 Greater Manchester Police Authority: Precept

A report of the Greater Manchester Police Authority (GMPA) was submitted setting out the process for agreeing the police precept and how money from the precept would be used. The report was introduced by Councillor Paul Murphy, Chair of GMPA, Russell Bernstein, Executive Director of GMPA and Frances Beswick, GMPA. .

The report explained that in 2008 GMPA set its precept at 7.5% rather than 5% as it had in previous years. Because of the effect that the increase would have on supporting the neighbourhood policing initiative the approach was supported by the Association of Greater Manchester Authorities (AGMA), who also supported a 7.5% increase for the two following years (2009 and 2010.) The 7.5% precept has led to 104 extra police officers, which has been broken down into five officers plus a sergeant in each of the 12 divisions and 32 officers working where there is greatest need.

Nevertheless the Force will also have to deliver a savings plan of £7.6 million to achieve a balanced budget at the end of the next financial year. This will largely be done by reducing the capital value of its vehicle fleet by 10% and reducing fuel consumption by 10%.

Members asked how the investments in the Central Park building will support the Force's objectives and how this investment would be afforded. The Chair of GMPA responded that the current building was inefficient and expensive to maintain and the investment would address this. The investment would be met from the Force's capital programme.

The Committee asked how the civilianisation of posts would be carried out. The Chair of GMPA advised that the Force had been looking at what officer functions can be carried out by civilian staff and changing working arrangements where this would realise efficiencies. The Force was seeking to ensure it did not become bogged down in costly bureaucratic processes such as having to wait long hours before being called in for court proceedings.

Members noted that the Force had recently contracted the 'Conficker' virus and was working to remove the virus from its systems, and asked how this had come about and what the effects to the Force were. The Chair of GMPA advised that a full investigation into the resilience of the Force's ICT systems was being carried out and that this report could be submitted to the Committee when the investigation had reported findings.

Decision

To thank Councillor Paul Murphy, Russell Bernstein and Frances Beswick for attending the meeting to explain the background behind the current police precept, and to request that Committee members receive a copy of the investigation into the virus once it has been completed.

RG/10/13 Treasury Management Strategy

A report of the City Treasurer was submitted setting out the proposed Treasury Management Strategy Statement and Borrowing Limits for 2010-11 and Prudential Indicators for 2010-11 to 2012-13. The Treasury Management Strategy would be submitted to the Executive for approval on 10 February as part of the budget report. The Committee was asked to comment on the report.

The City Treasurer outlined the overall strategy which was to keep surplus cash levels to a minimum and to borrow in advance of need only where an attractive rate was available.

Members commended the strategy and felt that it would support continued prudent treasury management by the Council in the future. Members asked whether circumstances might arise in the future where it would be difficult to borrow money and it would be necessary to rely on existing resources, which could restrict the Council's activities. The Treasurer commented that whilst restrictions could be placed on the capitalisation of expenditure funded from borrowing it was very unlikely that restrictions on borrowing money itself would be introduced.

A member also asked how the Council had come to appoint Sector as its treasury advisors. The City Treasurer advised that Sector had been appointed following a competitive tendering process which was undertaken at regular intervals. Sector advised the Council and the Integrated Transport Authority on treasury matters. The Council also receives limited advice from Butlers, mostly in respect of accounting for treasury matters.

The Chair praised the strategy outlined in the report. She stated that to support the continued involvement of members in the oversight of treasury management arrangements she would speak to the Members Training and Development Group about making treasury management training, which had already been made available to members of the Audit Committee, available to all members.

Decision

To commend the Strategy to the Executive as an approach which should support continued good practice in this area.

RG/10/14 City Region Pilot and Governance

A report of the Chief Executive was submitted describing the draft scheme of governance approved for consultation by the AGMA Executive Board in December and seeking the Executive's view as part of the consultation process. Members of the Committee were asked to comment on the recommendations to the Executive. The Committee also received the City Region Governance consultation document.

The Leader of the Council introduced the report and described the offer that was available to Greater Manchester. If the city region could introduce strong robust governance arrangements it would benefit from new freedoms and flexibilities that would give it more control and power to improve the well-being of the region's residents. The Executive would be asked to determine whether or not it agrees with the proposed governance scheme which would see the formal establishment of a Combined Authority with responsibilities for economic development, regeneration and transport.

Members asked whether the powers of the new transport joint committee which would replace the Integrated Transport Authority (ITA) would include regulating bus routes and fares. The Leader stated that such powers were unlikely given the potential for the introduction of Quality Bus Contracts provided for within the Local Transport Act 2008. Penny Boothman commented that what was proposed in relation to buses in the city region pilot was potentially more radical because it involved focusing on the resources already available to the Greater Manchester bus network and assessing whether these could be used more effectively in terms of each district's economic and social priorities.

The Committee stated that they felt the developments represented an exciting opportunity for genuine devolution of powers. Members did feel that the report and the consultation document included little information on costs and asked when this would be available. The Leader stated that KPMG were currently working up the costs involved which would be reported to the Association of Greater Manchester Authorities (AGMA) in February. The Leader stated that he expected that the proposed governance model would allow for some economies of scale to be realised in the longer term.

A member also asked what officer support was proposed for the Combined Authority and what changes, if any, were proposed to the scrutiny powers. The Leader commented that the AGMA policy unit based in Wigan would continue to provide support for the new arrangements. The 10 Greater Manchester Chief Executives also met regularly to provide support and this practice would continue. As far as the proposed scrutiny arrangements were concerned, AGMA's current scrutiny arrangements would be extended to include the activities of the proposed new authority and joint committee. The Chair commented that, as a member of the AGMA scrutiny pool, she felt that the support of a small officer team in Stockport had assisted the pool in carrying out its functions. She stated that to exercise a strong non-executive function the members of the pool would need access to effective training and support.

Members discussed the role of this scrutiny committee in monitoring the development of governance arrangements for the City Region and felt that it was important that they continued to monitor how governance arrangements were developing and how the Executive was ensuring that the arrangements would lead to the greatest benefit for people who live, work and study within the authority's boundaries.

Members of the Committee agreed to endorse the recommendations in the report to the Executive with the exception of Councillor Sandiford who wished to reserve his position on the recommendations until the next meeting of the Greater Manchester Integrated Transport Authority.

Decision

To endorse the recommendations in the report to the Executive.

[Councillor Sandiford abstained from the decision.]

[Councillors Glover and Swannick declared personal interests as members of Greater Manchester Waste Disposal Authority]

[Councillor P Murphy declared a personal interest as Chair of the Public Safety Commission.]

[Councillor Sandiford declared a personal interest as a member of the Greater Manchester Integrated Transport Authority]

RG/10/15 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 major financial decisions the Council would be taking over the next four months. The Committee's work programme was also included.

Decision

To accept the Committee's work programme.

RG/10/16 Building Schools for the Future: Key Decision

A report of the City Treasurer was submitted advising the Committee that it would be necessary to ask the Chair of this Committee to exempt a key decision from the 'call in' process. This key decision related to advanced orders of work to the value of just above £3 million to maintain momentum in the Building Schools for the Future programme. The key decision was urgent as it needed to be taken quickly to minimise the disruption to schools, minimise VAT liabilities and reduce costs.

Members noted that, under European law, to minimise VAT liabilities for Voluntary Aided schools the school had to ensure that the premise was not let out to the local community for more than 10% of the time. This was due to reduce shortly to 5% of the time. Members felt that this position would be to the detriment of local communities and requested a note on the legal position in the Committee's next information and overview report, with a view to making representations against this.

Decision

1. To support the Chair in exempting this decision from the call in process.
2. To request a note for information on the VAT implications of letting school premises to local communities at the Committee's next meeting.

[Councillor Parkinson declared a personal interest as a governor of the Barlow RC High School]

RG/10/17 Governance of Health and Safety

A report of the City Treasurer and Head of Personnel was submitted overviews health and safety practices within the City Council. It explained how the Council responds to accidents and incidents and manages the health and safety of its staff. The report also included an overview of key health and safety issues by service area including control measures.

The report was introduced by the Head of Personnel and the Health, Safety and Wellbeing Manager, who said that the Personnel Committee had recently adopted a revised Health and Safety Policy which targeted action on better risk management, safer premises, competent managers and employers, better health and safety governance and improved employee engagement.

Members noted that there would be a new planned approach to employee and trade union participation in reviewing health and safety standards and interventions, supported by Strategic Directorate Health and Safety Committees. The Health, Safety and Wellbeing Manager advised that this should ensure that a sharp debate takes place on health and safety to ensure it remains a priority, and that the Council continues to work with trade union safety representatives to ensure the safety of its workforce. A lot of work was currently taking place in Neighbourhood Services to address frequent causes of accidents such as falling from height and manual handling through improved practical tools for staff to use.

The Chair referred to the recent death of a mental health worker and asked if our health and safety arrangements in this area were sufficiently well developed. The Health, Safety and Wellbeing Manager advised that staff were being supported to carry out their own risk assessments and to understand the triggers of violent behaviour from people with mental health problems. Staff had means to request help in such circumstances such as mobile phone call-in systems, staff on patrol or panic alarms.

Members noted the plans for some staff to be transferred over to the Mental Health and Social Care Trust and asked what arrangements would be in place to support staff to adjust to the different health and safety practices in the trust. The Health, Safety and Wellbeing Manager responded that the Council and the Trust would share information on how risks are identified and controlled and how risk assessments are carried out.

Members asked what the current approach was to removing asbestos from Council buildings. The Health, Safety and Wellbeing Manager advised that asbestos was still present in many Council buildings and would be removed where it had been disturbed and had become dangerous.

Decision

To support the approach to health and safety outlined in the report and to congratulate staff on the reduction in the number of accidents.