

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 4 March 2010

Present:

Councillor Watson - In the Chair
Councillors Bhatti, Clayton, Glover (RG/10/20 - 25), McCulley, Morrison, Parkinson (RG/10/20 - 25), Sandiford, Swannick and Trotman (RG/10/20 - 26)

Councillor Longsdon, Assistant Executive Member for Neighbourhood Services
Councillor Priest, Executive Member for Finance and Human Resources
Councillor Smith, Assistant Executive Member for Finance and Human Resources

Mr Mike Wolfe – resident of Manchester

Apologies

Councillor P Murphy

RG/10/20 Urgent Business

Reports on the Local Area Agreement review and refresh and supplementary information for the information and overview report were submitted as urgent business.

Decision

To note the Chair's decision to accept the items as urgent business.

RG/10/21 Minutes

Minutes of the meetings of the Committee held on 4 and 22 February 2010 were submitted for consideration.

Decision

1. To approve the minutes of the meeting of the Committee held on 4 February subject to the following change: to replace the first sentence in paragraph four of minute RG/10/13 with:

'A member also asked how the Council had come to appoint Sector as its treasury advisors.'
2. To approve the minutes of the meeting of the Committee held on 22 February subject to the following changes:

To insert an additional paragraph following paragraph four of minute RG/10/19 reading :

‘A member asked for a projected estimate of how many staff the Council would employ over each of the next three years. The Executive Member for Finance and Human Resources said that the workforce would become smaller over that time period and that the AIM strategy would provide the Council with the flexibility to adjust. The total size of the workforce over the coming years would emerge from the AIM process.’

To replace the third sentence in paragraph ten of minute RG/10/19 with:

‘Following a vote, the motion to support the Executive’s unamended proposed budget was carried.’

RG/10/22 Use of Bailiffs

A report of the City Treasurer was submitted setting out the Council’s approach to using bailiffs for debt collection, including how bailiff activity and associated fees were monitored. The report was introduced by the Head of Revenues and Benefits who stated that bailiffs were used to collect debts relating to council tax, business rates, parking fines, bus lane enforcement and commercial rents.

The Committee had invited Mike Wolfe, a resident of Manchester, to attend the meeting for this item and outline his views and experiences on the use of bailiffs both as a resident and as a consultant on advice and debt collection. Mr Wolfe was recently contacted by a private bailiff regarding outstanding debt from a parking fine which had been incurred by the previous owners of Mr Wolfe’s home. The bailiff delivered a ‘notice of bailiff having visited’, which incurred extra cost to the debtor, without ringing the doorbell or knocking. Following this Mr Wolfe raised a number of concerns with the Council’s Chief Executive which have been responded to. He stated that his main concerns were that debt collection could escalate through spurious visits and that bailiffs were asking debtors to come up with large amounts of money with only 24 hours notice under the threat of removing goods. He felt that people in financial hardship could be coerced into taking poor longer-term financial decisions based on these threats and, to combat this, visits by the Council should be made to people against whom the use of bailiffs is being considered so that their personal circumstances can be understood and taken into account. He thanked the Scrutiny Committee and the officers who had handled his correspondence to the Council for the open, thorough and courteous way they had addressed his concerns.

The Council no longer uses the particular bailiff company which Mr Wolfe referred to and the Street Management section has reconfigured its systems for reacting to notices of new occupiers moving into properties.

The Head of Revenues and Benefits advised that bailiffs were only used in situations where residents were not engaging with the Council to arrange for the payment of the debt. Before a decision to use a bailiff was taken a total of six letters would have been sent to the debtor, including a letter from the courts. If debtors did contact the Council to seek advice, every effort would be made to accommodate their

repayments in a way which supported them to improve their financial situation. Furthermore bailiffs would refer information on to the Council where there was evidence of financial hardship or other serious problems so that the situation could be referred to a social worker.

The Committee felt that it was not always possible to state that because an individual had not responded to a number of letters from the Council they were unwilling to pay. They felt that many residents with severe financial difficulties may be in a position where they do not know how to pay the debts and try to ignore the problem. The Committee felt that in these instances personal contact from the Council would allow an assessment of the circumstances of the individual to be taken, and a method of payment be agreed that supports the individual to address their financial problems.

The Committee supported the use of the Bailiff Code of Practice which forms part of the contract with bailiff companies and sets out required performance expectations and customer service standards.

A member asked if the sections of the Council that employed bailiffs cross-referenced their information with the North West Illegal Money-lending Team, or the Trading Standards section, to see if there was information about whether debtors had been using loansharks. Debts to loansharks would usually be prioritised by debtors and so this would change the circumstances of the debtor and the Council may be able to provide advice to avoid reliance on loansharks in the future.

A member asked if it was possible, as Mr Wolfe had suggested should happen in his correspondence with the Council, that information on the Council Tax register could be shared with the Street Management section. The Head of Revenues and Benefits advised that the Council tax register included private information regarding debts which must be tightly controlled and only shared in very limited circumstances.

Mr Wolfe concluded by recommending that the Council consider three questions: -

- What is signified by not responding to letters requesting the payment of a debt or fine?
- Would it be possible to co-ordinate information between Trading Standards and those sections of the Council that use bailiffs to gain a better understanding of people's circumstances before bailiffs are instructed?
- Would it be possible to ask debtors who had contact with bailiffs what their experience of their contact with the bailiffs was like, and how it affected their overall financial position?

The Head of Revenue and Benefits advised that a sample of people who had come into contact with bailiffs working with the Council were surveyed on their experiences.

Decision

1. To thank Mr Wolfe for sharing his experience and his views on the use of bailiffs to collect debts owed to the Council with the Committee.

2. To note the good practices in place in controlling the use of bailiffs, in particular the use of a code of practice, and to note that Mr Wolfe's concerns had been responded to in a constructive and thorough manner.
3. The Committee felt that the Council should develop the knowledge it has of people against whom it is considering instructing bailiffs so that they can be properly supported where they are suffering financial hardship or other serious issues.
4. To request that officers explore the three issues raised by Mr Wolfe and report back to the Committee on how these have been addressed.
5. To request a note for information regarding the potential effects of the Tribunal Courts and Enforcement Bill.
6. To request that an explanation of how the Council collects council tax or business rate debt in arrears, other than through bailiffs, is provided in the next annual update on Council Tax and Business Rate collection.
7. To report the findings of this investigation to the Citizenship and Inclusion Overview and Scrutiny Committee as part of their ongoing work on financial inclusion.

RG/10/23 Preparation for the 2011 Census

A report of the City Treasurer was submitted reviewing progress made in activity supporting the Office of National Statistics (ONS) in delivering an accurate Census in 2011 and providing assurance to the City Council that the results are as expected. The National Census Co-ordinator introduced the report and stated that the results of the 2001 census gave a figure that was unexpectedly low. The population figure is used in allocating the revenue support grant to the Council from central government, and it also impacts on the level of grant funding to other public sector bodies including NHS Manchester. The Council had been successful in recovering some of the lost funding from the previous census, and was now working with ONS to arrive at an accurate census figure for 2011.

A member noted that it was anticipated that 350 people would be required to assist in the data collection process, and asked how many would be Council staff. The National Census Co-ordinator stated that the workforce would be provided by ONS but he was looking to arrange secondments of Council staff so that they could benefit from their local knowledge.

Members noted that Manchester was a particularly challenging place to conduct an accurate census due to its levels of transience and diversity. The ONS had compiled a list of groups they were particularly targeting to overcome the barriers to achieving accurate results. This approach was welcomed by the Committee but members felt that the list was overly simplistic and left out several groups which might not otherwise engage in the census, such as asylum seekers. In addition to an accurate and comprehensive address database a high level of community engagement was required to ensure accurate results. The National Census Co-ordinator would look at

what messages needed to be delivered to different communities in Manchester to encourage them to get involved with the census count.

The Committee noted that a significant focus of the delivery of the census in 2011 would be on follow-up action if a household had not responded to the census. Non-response had been a key reason for the unexpectedly low result in 2001 and members felt this focus should support a more accurate result in 2011.

Decision

To support the Council's approach to working with the Office of National Statistics to achieve an accurate census count in 2011.

RG/10/24 AGMA - Improvement and Efficiency Commission

A report of the Strategic Director of Transformation was submitted providing an overview of the AGMA (Association of Greater Manchester Authorities) Improvement and Efficiency Commission and in particular the work of the Greater Manchester Collaborative Efficiency Plan. The Strategic Director introduced the report and advised that the Commission was looking at each authority's efficiency programmes and looking at opportunities to build on these through joint working, for example pooling resources across legal services sections, or sharing social transport or customer service resources.

Members requested that they receive a report on the Council's insurance arrangements and potential for collaboration on an AGMA level as part of its work programme for next year.

Decision

To note the work of the Commission and to request a report on insurance arrangements and opportunities for collaboration as part of the Committee's work programme for next year.

RG/10/25 Software Licence Agreement

A report of the Chief Information Officer, Directorate of Transformation was submitted appraising the Committee of the procurement of an organisation-wide software licence agreement with Microsoft. This agreement would provide continued support from Microsoft for those PC's and Wyse terminals using the Microsoft XP operating system.

The Council was also proposing to move into an Enterprise Licence Agreement as this offers flexibility and cost savings for large organisations who use Microsoft applications to a significant level.

A member asked whether the flexibility inherent in the agreement would allow the Council the flexibility to allow certain people to access extra software for a limited time. The Chief Information Officer advised that the agreement tailored Microsoft's

support to the needs of the Council's ICT estate and that dynamic licensing of this nature would be possible.

A member asked whether there was a risk that Microsoft was strengthening its supplier power over the Council and that the Council would suffer financially from this. The Chief Operating Officer acknowledged that the Council were using Microsoft software applications to support a number of its recent projects, e.g. Sharepoint, but that the Council also purchased a lot of software from Unix and SAP.

Decision

To note the Council's current ICT support procurement position and the proposals for the future.

RG/10/26 Local Area Agreement

Local Area Agreement: Refresh

A report of the Assistant Chief Executive (Performance) was submitted providing a summary of proposed revisions to the Local Area Agreement (LAA) as a result of the 2009/10-refresh process. The purpose of the refresh process is to allow the revision of particular targets to reflect changes in local circumstances or national priorities.

Government Office North West have indicated that the refresh will focus on housing and economic indicators affected by the economic downturn. Following discussion between GONW and the Manchester Partnership changes to the LAA targets or baselines have been proposed for some indicators relating to housing, the economy, crime and transport.

The Committee noted the proposed changes.

Local Area Agreement: Current Performance

A report of the Assistant Chief Executive (Performance) was submitted providing the Committee with details of performance of the Local Area Agreement indicators for the period April 1 to 31 December 2009.

The Committee asked for an explanation of the financial consequences of hitting targets at the end of the life of the Agreement. The Assistant Chief Executive advised that the main implications were for public services' reputations, and that poor performance identified problems in service delivery and partnership working that should be addressed. There was a Performance Reward Grant which allocated funds according to the portion of targets met up to a maximum of £3.6 million.

Councillor Clayton commented that performance in a range of targets relating to children and young people was categorised as 'red' indicating that performance was off-target by 10% or more. Because of this he asked that a full review of the Children's Services Department be conducted as he felt that if the Council did not do this the Department of Children, Schools and Families would require it. The Chair advised that such a recommendation was beyond the scope of the Committee's

remit, but that his views would be passed to the Children and Young People Scrutiny Committee again.

Councillor Clayton went on to attribute Government policy decisions as the reason for the performance in targets NI 154 (net additional homes provided) and 155 (net affordable homes delivered) being below target. At this point Councillor Morrison refuted this suggestion and felt that the worldwide economic recession had more to do with this than anything else.

He also made it clear that he felt that the Committee was having to listen to similar points made by Councillor Clayton about Children's Services and Teenage Conception rates at every meeting, to the detriment of other Councillors having time to express their views.

Decision

1. To note the proposed revisions to Local Area Agreement targets and baselines as a result of the refresh process.
2. To refer Councillor Clayton's views regarding the performance of indicators relating to children and young people to the Children and Young People Overview and Scrutiny Committee.

RG/10/27 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 which related to the Committee's remit. The Committee's work programme was also included.

The Committee received information regarding the Neighbourhood Funding Strategy (NFS), business continuity management arrangements in business plans and VAT implications for voluntary aided schools.

The Committee discussed the information relating to the Neighbourhood Funding Strategy. It had previously been reported to the Committee that the funding for NFS proposals relating to the Highways section for the next three years had all been allocated in the first year due to a misunderstanding about financing arrangements. Meetings had now taken place with ward councillors from two thirds of Manchester wards asking them to reprioritise their proposals. The Head of Highway Services apologised for the error in the administration of the strategy and said that he felt that Highways could implement most of the proposals raised by members.

The Chair of the Committee stated that Councillors should not have been asked to prioritise submissions as this ran contrary to the original purpose of the strategy and the recommendations of the subgroup of this Committee which carried out an evaluation of the first year of the NFS. She felt that councillors had been misled and she was disappointed both with the misunderstanding of the funding arrangements

and the lack of communication with ward councillors about the mistake and how it could be addressed.

She also stated that due to the timescales given to Councillors in which to submit proposals, meetings with ward Councillors should now have taken place across all wards.

Decision

1. To accept the Committee's work programme.
2. To request that the Chair writes to the Chief Executive to communicate her dissatisfaction with the way in which the Neighbourhood Funding Strategy has been implemented for proposals relating to Highways.