

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 10 January 2019

Present:

Councillor Russell (Chair) – in the Chair

Councillors Ahmed Ali, Andrews, Barrett, Clay, Davies, Lanchbury, Kilpatrick, R Moore, B Priest, A Simcock, Watson and S Wheeler

Also present:

Councillors: Ollerhead, Executive Member for Finance and Human Resources

Apologies: Councillor Rowles

RGSC/19/1 Minutes

In relation to Minute RGSC/18/66, Councillor Watson proposed that that all references to an Age Friendly Housing Solution should be amended to an Age Friendly Housing Strategy.

In relation to Minute RGSC/18/73, Councillor Andrews proposed that recommendation (4) be amended to read:-

Agrees that the Ethical Procurement Sub Group look at the National Agreements for the employment, welfare, grading and training of all employees, including apprentices in the associated construction industries, with a potential view to requesting Officers ask the preferred contractor to consider adopting these, if they have not already done so.

Both proposed amendments were seconded and approved.

Decision

To approve the minutes of the meeting held on 6 December 2018 as a correct record, subject to the above amendments.

RGSC/19/2 Financial Settlement 2019/20

The Committee considered a report of the City Treasurer, which provided an overview of the provisional Local Government Finance Settlement 2019/20 as announced by the Communities Secretary and published by the Ministry of Housing, Communities and Local Government on 13 December 2018.

The City Treasurer referred to the main points and themes in the report which included: -

- The majority of the Finance Settlement was in line with expectations and followed the technical consultation in July 2018 and subsequent announcements in the Autumn Budget 2018t issued on 29 October 2018;
- There were two announcements relating to the Business Rates Levy and grant for New Homes Bonus which had had a positive impact on the Council's financial position, these were: -
 - The Government's Business Rates Levy account was £180m in surplus and would be distributed to all councils on the basis of need as per the Settlement Funding Assessment. The Council's indicative allocation was £2.699m and it was expected this would be received in the current financial year; and
 - Government has now confirmed an additional £20m in 2019/20 for New Homes Bonus which would enable the baseline threshold to remain at 0.4% and provide the Council with an allocation of £8.202m, £1.202m higher than budgeted.
- These additional monies were 'one off' and the fact that they wouldn't recur made budgeting more difficult;
- The budget assumed that the Council would increase the council tax precept by 3.49%, as presented last year, made up of a general precept element of 1.99% and the specific social care precept element of 1.5%;
- The Council's indicative allocations for social care funding, which were £2.666m grant for Winter Pressures and £4.555 Social Care Support Grant, which could relate to both adult social care and children's services;
- The Government's objective to change the local business rate retention to 75% for all Local Authorities from 2020 was re-stated, however, the existing schemes in devolution areas, including Greater Manchester, would continue with 100% retention as expected; and
- Details of Local Government Funding Consultations.

Some of the key points that arose from the Committees discussions were: -

- What analysis had been done to calculate the impact of the 'Fair Funding Review' technical consultation for the city;
- The 'Fair Funding Review' favoured rural areas and did not take into consideration density and deprivation factors;
- What work was being done with other Core Cities to lobby for a fairer settlement;
- Concerns were raised that the 'Fair Funding Review' would only apply for one year making it very difficult to plan and deliver services;
- The risks associated with the changes to the Highways maintenance formula would be very detrimental to the city; and
- There were risks associated with the volatility of Business Rates.

The City Treasurer advised that to undertake a detailed and comprehensive analysis of the implications of the Fair Funding Review would require a significant amount of officer's time, noting that the formal consultation on this was still ongoing and Manchester would submit a detailed response, and this would be shared with the Committee. She advised that the need to adequately reflect the pressures experienced by density and deprivation in the funding formula were being highlighted

and work was ongoing with other Core Cities to lobby the government on this issue, amongst others related to formula review.

In response to the concern raised regarding Business Rates, the City Treasurer informed the Committee that Business Rate funding was distributed based on a formula, and this was currently protected via a safety net mechanism even if the collection fell. She advised of the risks associated with changes to policy and the proposed hard reset of business rates and the impact the latter would have on the retention on any growth experienced in the city since the last reset. She advised that a consultation exercise was currently underway regarding Business Rates and a detailed response to this would be submitted and this would be shared with the Committee.

The Executive Member for Finance and Human Resources informed the Committee that detailed planning regarding the implications of the Fair Funding Review would commence following the outcomes of the consultation exercise.

Decision

The Committee recommends that they would like to see the responses to the consultations along with an indication of financial risk where applicable.

RGSC/19/3 Management of staff performance and misconduct

The Committee considered a report of the Director HROD, which provided Members with an overview of employment casework in respect of the Council's disciplinary and capability policies. The report also provided case numbers, and the work of HROD to support managers and improve capacity.

Members were not satisfied with the level of information or confident in the data that had been provided within the report and as a consequence were unable to scrutinise this area of activity. The Chair recommended that a further report be submitted for consideration and invited Members to indicate specific areas that they wished to see included.

Members requested the following information be included: -

- The policies and procedure agreed for managing staff performance and misconduct to be appended;
- The approach taken to using interim managers to investigate staff performance and misconduct cases;
- Comparative information by directorate of the number of cases investigated as a percentage of the overall number of staff in the directorate, and the nature of the investigation, including a breakdown of protected characteristics of staff members who are subject to the process, and the numbers of full time, part time and agency staff subject to performance or misconduct;
- Information on the various outcomes following disciplinary or capability procedures i.e. no action taken, final written warning and dismissal;
- The number of cases that were subsequently appealed;
- Benchmarking data compared to other core cities;

- Information on how the duty of care was exercised when staff capability was investigated;
- Information on how long staff were assigned to alternative duties when allegations of misconduct were investigated;
- The number of cases that were subsequently taken to Employment Tribunal and the cost of this to the Council;
- The number of unlawful dismissal and discrimination claims brought against the Council and the cost incurred as a result of this action over the previous 3 to 5 years;
- Was legal advice sought in relation to curtailing the process in respect to misconduct cases when there were allegations of criminality and/or where other factors were leading to prolonged misconduct processes;
- What financial loss, if any, had incurred as a result of proven staff criminality been recovered; and
- Provision of anonymised case study examples.

The Executive Member for Finance and Human Resources noted the comments from the Committee and recommended that the Human Resources Dashboard was also shared with the Committee, noting that this would be provided as a confidential report.

Decision

The Committee recommends that a report on the management of staff performance and misconduct that includes the information requested be submitted for consideration at the next meeting.

RGSC/19/4 Progress report on Manchester City Council's action on Modern Slavery

The Committee considered a report of the City Treasurer, which provided an update on the progress made against a series of actions that the Council had committed to in tackling modern slavery and exploitation.

Officers referred to the main points and themes within the report which included: -

- The Council had previously ratified the charter on modern slavery, noting the important role it had in ensuring their contracts and supplies did not contribute to modern day slavery and exploitation;
- A range of actions had been agreed which were wide ranging and required engagement and implementation from across the Council, which involved Corporate Procurement, Capital Programmes, Housing, Commissioners and Contract Officers, Legal Services and Integrated Commissioning;
- The current position in relation to the progress that had been made with each action since July 2018;
- Wider issues, which included: -
 - Some industries were perceived to be more at risk of Modern Slavery;
 - The depth of supply chains;

- Tightening the sign off processes for procurement and contract award to include this;
- A joint approach with MHCC and the LCO to promote an integrated approach to combating modern slavery in the health and care sectors; and
- Next steps, which included appropriate training for staff and the development of a Modern Slavery Statement.

Some of the key points that arose from the Committees discussions were: -

- Members welcomed the report and noted the actions that had been taken following the motion by Council on the Charter on Modern Slavery;
- Support for the development of a Modern Slavery statement for publication in July 2019;
- What was being done to support workers and others who had concerns regarding employment practices;
- The dedicated named Police contact details should be included with the Ethical Procurement Policy; and
- Had any employer been referred to the National Crime Agency's following concerns raised regarding Modern Slavery.

The Head of Corporate Procurement advised the he welcomed the support from the Committee regarding the publication of a Modern Slavery statement. He said this would be drafted and shared with the Ethical Procurement Subgroup for comment and final ratification before publication.

The Head of Corporate Procurement further advised the Committee that discussions had been undertaken with Trade Unions to support and encourage their members to report any concerns they had regarding Modern Slavery. He further noted the comments regarding the inclusion of the dedicated Police contacts in the published Ethical Procurement Policy.

In response to the question regarding referrals to the National Crime Agency following concerns raised regarding Modern Slavery the Head of Corporate Procurement confirmed that to date there had been no referral in Manchester.

Decision

The Committee:-

- (1) Supports the development of a Modern Slavery statement for publication in July 2019, noting that this will be submitted to the Ethical Procurement Subgroup for comment and final ratification; and
- (2) Recommends that the Ethical Procurement Policy include the relevant contact information for the Police.

RGSC/19/5 Living Wage Accreditation Update

The Committee considered a report of the City Treasurer, which provided an overview of background information for the Council in considering potential accreditation as a living wage employer.

Officers referred to the main points and themes within the report, which included: -

- The Council had, for a number of years, recognised and encouraged the need for a minimum level of pay, not only for its own staff but also for the business community in general;
- Accreditation as a Living Wage employer and promotion of the Real Living Wage to partners and suppliers across the City supported various strands of the Our Manchester Strategy;
- The 'real' Living Wage had grown in prominence over recent years and a range of local authorities including Birmingham, Cardiff and Salford had now achieved formal accreditation as 'living wage employers';
- The Council had developed a formal Living Wage Policy in September 2015 which sought to implement Living Wage payment as far as it possibly could, using the Living Wage Foundation criteria as a guide; and
- Based on work over recent years the Council is in a strong position to successfully meet the Foundation Accreditation threshold; and
- There were a number of considerations which needed to be taken into account in becoming a Living Wage Accredited Employer, which included the effect on assuring payment to the employed workforce and more significantly the commissioned workforce.

Some of the key points that arose from the Committees discussions were: -

- There was mild disappointment with the length of time taken to progress this work;
- What were the costs and risks associated with achieving accreditation status;
- Lessons should be learnt from other authorities that had achieved accreditation status;
- A communication strategy needed to be launched once accredited status had been awarded;
- Once accredited the Council should seek to become an influencer within the city and the region in regard to the Living Wage, and
- The need to upskill employees.

The Head of Workforce Strategy advised the Committee that discussions were still currently ongoing with the Living Wage Foundation and these included the issues raised by Members. In response to a query on next steps, he advised that three months' would be a reasonable time period to progress this work to a firm recommendation and action plan in relation to progressing accreditation. The Committee recommended that an update report is provided to the Committee for the May meeting. He informed the Members that accreditation required a clear plan to be in place to assure payment through contracts, with this plan being aligned to contract review points over a three year period.

The Head of Workforce Strategy advised that reports on workforce development had previously been submitted to the Human Resources Subgroup for consideration.

The City Treasurer commented that the Living Wage had presented challenges and financial implications in respect of social care contracts, however she noted that the benefits of this were a stable work force that contributed to improved quality of care.

Decision

The Committee recommends that an update report be submitted for consideration at its meeting in May 2019.

RGSC/19/6 Delivering the Our Manchester Strategy

The Committee considered the report of the Executive Member for Finance and Human Resources, which provided an overview of work undertaken and progress towards the delivery of the Council's priorities, as set out in the Our Manchester Strategy (OMS), for those areas within his portfolio.

Some of the key points that arose from the Committees discussions within the Executive Members report were: -

- Could the Executive Member provide an update on activities in relation to ICT;
- Members requested an update be circulated to the Committee regarding how the OMS was contributing to addressing the impact of Public Service Reform for the City;
- Further information was requested on the recent Be Heard survey;
- Was there an intention to establish a Social Value Board, similar to the Ethical Procurement Board; and
- Future reports should include more information in relation to the Human Resources remit of the Executive Member.

The Executive Member for Finance and Human Resources advised that the intention was to undertake a full review of the ICT Capital Programme and this would be undertaken as part of a wider review of the Core and this would allow for a review of the software used across the Council to ensure it was fit for the future. He stated that the Committee would be kept informed as this work progressed.

The Executive Member for Finance and Human Resources advised the Committee that the findings of the recent Be Heard survey were currently being analysed and would be reported to the Human Resources Subgroup meeting of 21 February 2019.

In response to the comment regarding Social Value the Executive Member for Finance and Human Resources informed the Committee that discussions were currently ongoing with other Directorates and their Executive Member to ensure best practice was shared and replicated throughout the organisation. He also advised that it was intended to refresh the Our People strategy and information around this would be included in his next update.

The City Treasurer noted the request for information to be provided regarding the impact of Public Service Reform for the City.

Decision

The Committee notes the report.

RGSC/19/7 Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

Members commented on the outstanding recommendations and requested that the Scrutiny Team Leader provides the Committee with a response to these at the earliest opportunity.

Decision

The Committee:-

- (1) Notes work programme; and
- (2) Requests that the Scrutiny Team Leader provides the Committee with a response to the outstanding recommendations at the earliest opportunity.