

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 8 October 2019

Present:

Councillor Russell (Chair) – in the Chair

Councillors Andrews, Clay, Davies, Lanchbury, Moore, B Priest, A Simcock and Stanton

Also present:

Councillor Ollerhead, Executive Member for Finance and Human Resources

Apologies: Councillor Ahmed Ali, Battle, Rowles, Wheeler and Wright

RGSC/19/51 Minutes

Decision

To approve the minutes of the meeting held on the 3 September 2019 as a correct record.

RGSC/19/52 Minutes of the HR Sub Group

Decision

To note the minutes of the meeting held on the 31 July 2019 as a correct record.

RGSC/19/53 Minutes of the Ethical Procurement Sub Group

Decision

To note the minutes of the meeting held on the 31 July 2019 as a correct record.

RGSC/19/54 ICT update

The Committee considered a report of the Interim Director of ICT, which informed members on the proposed reshaping of Council's Information and Data Strategy and included an update on the resilience of the Council's IT service provision.

The main points and themes within the report included:-

- The Council had been deemed by the Cabinet Office to be PSN compliant in May 2019 and there was ongoing communication with the Cabinet Office to demonstrate current progress to date and against remediation activities;
- An update on ICT resilience and key projects;
- Progress that was being made with the Council's Data Centre Programme, which aimed to replace the existing core infrastructure and single data centre to a new solution hosted across two data centres;

- Work that was to be undertaken under the Network Refresh Programme, which was critical for the ongoing performance and resilience of the networks operating within the Council and would be the first total refresh of the entire infrastructure;
- The requirement to replace the current core telephony and contact centre systems due to the manufacturer withdrawing support as of the end of March 2020;
- The implementation of Liquid Logic, which had replaced the Council's previous Children's and Adults case management system;
- The need to refresh the current IT Strategy, which would be focused on enabling Manchester's ambitions and would set data and information standards and future innovation and ways of working; and
- The ICT revenue and capital budget positions

Some of the key points that arose from the Committee's discussions were:-

- More information was sought on the repurposing of the Sharp Data Centre;
- Will the new Data Centres be located on two separate sites to address any issues should one site stop working;
- What was the overlap period between the Sharp Data Centre and the new Data Centres being used;
- In terms of the partnership agreement with UK Fast, what was the level of hand off to the Council in so much as was the Council purely renting space in their facility, renting infrastructure from them or taking a complete platform from them;
- What was the duration of the agreement with UK Fast and would the agreement scale up and down in size subject to technological advancements, such as cloud based storage;
- Was the re-accreditation for PSN in April 2020 on target to be met;
- Were there specific risks identified in the re-accreditation for PSN associated to the under resourcing of staff;
- Given that Liquid Logic had only been in operation since July, it was suggested that the Committee received a future report on its implementation how it was being utilised and the benefits that were being derived from its use;
- Based on his experience, how did the Interim Director of ICT view Manchester's ICT provision when compared to other local authorities;
- How long was the Interim Director of ICT contracted to work with the Council and what progress was being made with filling the role on a permanent basis;
- When was the Council's telephony system last updated and when was notice received from the current provider that they would be withdrawing support;
- Did the Council take into consideration ICT resilience of private sector organisations when it was required for the Council to work in partnership;
- Was the Council able to attract the right type of candidates to the existing vacant posts;
- How many vacant posts currently exist and how many apprentices were employed with the Council's ICT department;
- What was the gender profile and BAME split of staff within ICT; and
- In the view of the Interim Director of ICT, what was not going as well as expected

The Interim Director of ICT advised that his service area had very little involvement with the repurposing of the Sharp Centre, with the only ask of his service being to vacate the building and decommission the current content and remove all of the racking. The Deputy Chief Executive and City Treasurer commented that it was the Strategic Director (Development and Growth) that was leading on the future use of the premises. It was reported that the Council's new Data Centre provider, UK Fast Ltd, had created two bespoke sites which were three miles apart and all of the technology stack that was in Sharp had been duplicated across the two sites. The investment that had been made in 2018 had created a technology infrastructure that was designed to be resilient and have multiple fail over points to ensure that it continued to keep operating if any part failed. All applications would be mirrored across both sites and it was estimated should anything fail following the switch over, the maximum length of data loss that would occur would be 180 seconds, which compared favourably to the current 24 hour plus data loss risk. The Committee was advised that at the end of October the Council would be testing the network design of the new Data Centres and then there would be a 12 week migration programme split across the end of 2019 and January 2020. It was anticipated that disruption to Council business would be minimised to a couple of hours per migration and per move and the move would be undertaken by a specialist organisation to contribute to this mitigation.

The Interim Director of ICT advised that the Council was renting the space and the management of the space from UK Fast. In essence this meant that it would be Council owned infrastructure which would be installed by UK Fast and then they would be responsible for all necessary communications with other providers such as BT. He also explained that as the Council was renting a number of racks, it was at the Council's gift as to whether these were filled or not and the duration of the agreement was five years. The current IT Strategy required consideration of cloud based storage first which in the last two years had moved to a position of cloud based storage only, however, this presented a risk to the Council in terms of revenue spend. The new IT Strategy would also require consideration of cloud based storage first, but only where appropriate.

The Committee was advised that in previous years, PSN accreditation had been treated as a once a year activity. The Council had now adopted a "throughout the year" approach to PSN and had already run the penetration and security tests and identified a number of high risk issues to address before next year's submission. He advised that PSN compliancy was not based on the Council's assessment of high or low level risks, but rather it was based on PSN networks assessment, so anything identified as high or critical the Council was required to address this and by spreading this review across the year, as opposed to a once a year activity had, the aim was to minimise this risk.

The Interim Director of ICT advised that in relation to Liquid Logic, it was intended that all lessons learnt from the implementation of this software would be captured and reported back. He advised that if the Committee was minded to receive a report on this then this would be possible, he suggested that this would possibly be available in the next three to four months but not provide a precise date without consulting with the Strategic Director (Children and Educational Services) first. He added that there was

still a large piece of work that was ongoing in terms of business change and new way of working to ensure that Liquid Logic was fully embedded in the workforce.

The Chair suggested that, if possible, a report on “work in progress” around Liquid Logic could be considered at the Committee’s meeting in December 2019

The Interim Director of ICT reported that he had been a professional Interim Director for ICT for 10 years and having worked with a number of local authorities, Manchester’s ICT appetite was greater than any other Council he had worked with and its ambition was remarkable for a local authority. He added that Officers had been set a number of challenges to match this ambition. He added that his initial contract was until the end of November 2019 but had been extended to the end of March 2020. The Deputy Chief Executive and City Treasurer reported that the role profile was being finalised before going to advert.

In terms of the telephony system, The Interim Director of ICT was unable to give a precise answer, but in terms of the technology being used, it was at least 20 years old and the support had been withdrawn as the manufacturer had stopped producing new spare parts. The telephony project had been in existence for at least two years. In terms of the Contact Centre System, this too was coming to its end of life. He agreed to provide the Committee with a more detailed briefing note on this issue.

When selecting partners to work alongside with, the Council was required to undertake an amount of due diligence to ensure they were themselves protected in terms of viability and had measures in place to ensure they had business continuity.

In terms of attracting the right calibre of people, it was reported that any public organisation struggled to attract high end resources due to the associated high costs. Recent appointments had required the payment of market rate supplements, the downside of this had been that these supplements were only temporary. Therefore there was need to improve the promotion of the non-financial benefits that working for the Council had. The Interim Director of ICT added that there were currently 14 vacant posts within the service, the majority were being recruited to and a number of these had been vacant prior to his commencement of employment with the Council in May 2019. He added that he was challenging his management team in terms of the existing vacancies as to whether they still required appointing to. In terms of apprenticeships, it was reported that there were two apprentices in post and one current vacancy that was being appointed to. In terms of the gender profile and BAME split of staff within ICT it was reported that this information would need to be provided to Members outside of the meeting

Finally, in terms of what was not going as well as expected, the Interim Director of ICT stated that in an organisation the size of the Council, there would be a lot of challenges in its ICT service in delivering what was required. There was nothing of any major significance to report however it was noted that there was a possible risk of the telephony project being stalled if progress did not continue at an appropriate pace.

Decision

The Committee:-

- (1) Notes the report; and
- (2) Requests a report to a future meeting on the implementation of Liquid Logic including how it was being utilised and the benefits that were being derived from its use.

RGSC/19/55 Government Spending Round Announcement 2019

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided an overview of the one year Spending Round announcements made by the Chancellor of the Exchequer on 4 September 2019, and the potential financial implications for the City Council.

The Deputy Chief Executive and City Treasurer briefly outlined the main points and themes within the report, which included:-

- As a consequence of the current position with central government the full spending review and anticipated reforms associated with the Fairer Funding and Business Rates retention had been delayed for a further year which had led to significant uncertainty of future funding beyond 2020/21;
- In Local Government terms, the announcement was the most positive recently and was described as a 4.3% real term growth (taking into account the council tax referendum and social care precept allowed increases), however, the additional grant funding was not confirmed beyond 2020/21 and there remained considerable risks around the levels of public spending overall, the distribution of funding across local government and between geographical areas, and the impact of anticipated business rates reforms and reset after 2020/21;
- The main elements of the Chancellor's announcement on Local Government finances and where applicable, specifically how this related to Manchester included:-
 - Council tax referendum threshold set at 2% plus an additional precept of 2% for Adult Social Care;
 - The distribution of the social care grant had taken into account the local council tax base which was favourable to Manchester; and
 - The Greater Manchester 100% Business Rate pilot would continue for a further year.
- The detail of the announcements would be confirmed in the Local Government Finance Settlement due in early December. Local authority allocations for the increased social care grant had recently been published, which set out the policy choices around the distribution options;
- Budget reports were planned for Scrutiny in January and February 2020; and
- Going forward, there would be a need to review the requirements of the new Public Value Framework included in the Spending Round announcement, which meant there would be a greater focus on linking outcomes to use of resources.

The report was also scheduled to be considered by the Executive at its meeting on 16 October 2019.

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

- Clarification was sought that the education resource settlement was for three years, given that that all other announcements were only for one year;
- Did Officers know whether the Fair Funding Review would be taking Greater Manchester into account or was it safe to assume that the region could continue on 100% Business Rate retention;
- Were there any areas in the Chancellors announcement that were not as expected;
- Were there any potential schemes that the Council could put forward in order to try and secure some of the £0.2bn that was being made available by Government to deliver better outcomes where those outcomes relied on more than one part of the public sector; and
- Clarification was sought as to whether a number of domestic violence and FGM initiatives which were currently funded by central government would continue to receive central government funding beyond March 2020.

The Deputy Chief Executive and City Treasurer advised that the Council did not know at the current moment whether the 100% Business Rate retention pilot would continue beyond 2020/21. In terms of the education resource announcement, it was confirmed that this would be for three years but this would include a move to the national formula and it set out thresholds for funding, which some of the Schools in Manchester were already at. In relation to the Fairer Funding Formula and the Spending Review there were key points around the social care grant, area cost adjustments and deprivation that the Council would wish to keep lobbying government over the course of the year.

The Committee was advised that the increase in Social Care funding was higher than expected. There was still a degree of uncertainty as to whether everything that was proposed in the Chancellors announcement would come through in the financial settlement and that the spending round only addressed current and forward-looking pressures.

The Deputy Chief Executive and City Treasurer advised that at present, details around the proposed £0.2bn grant funding were unknown and it was unclear whether any of this would come direct to Manchester or to Greater Manchester. It was also explained that the Spending Round Announcement provided a high level funding picture and the finer details in terms of individual grant programmes could not yet be determined until the financial settlement had been received.

The Executive Member for Finance and Human Resources commented that the additional funding for Social Care was welcomed.

Decision

The Committee notes the report

RGSC/19/56 Our Transformation

The Committee considered a report of the Deputy Chief Executive and City Treasurer and the City Solicitor, which provided a summary of the development of 'Our Transformation', a wider business transformation programme for the organisation, building on the corporate core transformation work already in progress. The report was also supplemented by a more detailed presentation.

The main points and themes within the report and presentation included:-

- The creation of 'Our Transformation' followed work to review and evolve the Corporate Core Transformation Programme to ensure that the programme was designed to deliver more radical change and be considered as a whole organisation approach;
- The work also took into account the feedback from last year's Bheard survey and follow up work where the message had consistently been that as an organisation, the Council had become too bureaucratic;
- The work was a key driver in supporting the Council to achieve its goal of being a 'well managed Council', one of the seven key priorities set out in its Corporate Plan;
- Details on a number of key priority pieces of work which were underway;
- Proposals to scale up the work which had initially focused on the corporate core, provide governance and assurance and communicate and engage with the whole Council on the work
- The Our Transformation Programme had an approved £500k savings target for 2019/20 and would be expected to deliver further savings going forward as part of the next Medium Term Financial Plan;
- Internal engagement to date on the programme of work had been positive with a session at Senior Leaders Group dedicated to seeking feedback and encouraging involvement in the work from across the organisation;
- Following the session a 'call to action' had led to a large number of individuals in a cross section of roles to come forward to be involved in the work; and
- The Leadership Summit scheduled for 14 October would also be used to engage with the Council's wider leadership, including in particular on the Accountability Framework.

The Executive Member for Finance and Human Resources commented that this was the start of a large fundamental piece of work that had the potential to change how the Council operated and requested Committee to bear this in mind in its scrutiny of item

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

- Members would have benefitted from examples of what was encompassed within the report to illustrate what the potential difference this piece of work could achieve;
- The objectives of this piece of work appeared to be very inward facing and there was concern that there was no reference to actual outcomes that this piece of work aimed to achieve and how these would improve service delivery to Manchester residents;

- There was a risk that part of the proposals around enhancing the digital experience could be interpreted that the only way residents could engage with the Council in the future was via the internet which would not be seen as empowering but rather limiting;
- Members did not have a sense as to how the Our Manchester approach was integrating with Manchester residents;
- It was felt that the terminology being used within these proposals was not Plain English and as a result unclear to residents as to what the Council was trying to achieve;
- Given the reduction to the Council's workforce, there was concern that staff had the capacity within their own duties to volunteer 1-2 working days of their time to contribute to the key priority pieces of work;
- Was there any incentive for staff to volunteer to work on these priority areas;
- It was still not clear to Members what was meant by the term Our Ways of Working and how this linked to the Our Manchester approach;
- What value was the Our Manchester approach adding to Council services for residents
- Clarification was sought in relation to reference to the creation of a bite size constitution;
- It was felt that the decision making process was currently too lengthy and bureaucratic and there was a silo mentality across departments in terms of communicating decisions;
- It was suggested that Members would benefit from being provided with two flow charts, one detailing how decisions were currently made and the other detailing how this process would be improved as a result of this work;
- It was felt that in terms of the Accountability Framework, a number of the desired outcomes around Managers delivering their roles to the best of their abilities should already be in place;
- Was the Council's HR function engaged with this piece of work;
- What was the role of the Chief Executive within these proposals; and
- What would success look like.

The Deputy Chief Executive and City Treasurer noted the concerns raised in relation to the focus of the report and lack of reference to actual outcomes that this piece of work aimed to achieve. She explained that a lot of the focus of this work would be around how the Council ensured it was a 'well managed and well run' Council so that it could deliver services more effectively. It was suggested that a future report could come to the Committee centred around some of the key priority pieces of work with a focus on outcomes and engagement. It was commented that if the Council did not focus on some of its internal processes, it would not be possible to enable managers and front line serves to work as effectively as possible.

The Committee was advised that an update to a previous recommendation made by the Committee in regards to the Our Manchester approach (minute RGSC/19/20 refers) would be provided to the Committee at its meeting in November. It was also suggested that the Committee received an update at a future meeting on the progress that was being made with how the Our Manchester approach was integrating with Manchester residents and the value it was adding to Council services.

The Committee was advised that the request for volunteers to take part in the key priority pieces of work had been sent to Heads of Service and it was for them to identify capacity with their teams to take part. There were no financial incentives to staff volunteering to take part in these pieces of work, however, these were being offered as personal development opportunities. It was also an opportunity for individuals to tailor and amend areas of work that were causing difficulties in their roles.

The City Solicitor provided the rationale for the creation of a bite sized constitution and gave examples of how this could be used by staff. She also acknowledged the point around the current decision making process being too lengthy and bureaucratic. As part of this work, the Council's Senior Management Team was working closely to address any issues connected to a silo mentality and this was part of the reason of evolving the transformation programme across the whole organisation rather than restricting it to just the Corporate Core.

The Deputy Chief Executive and City Treasurer advised that in the past when the Council had been required to make substantial savings there had been a genuine need for the Council to have tight control around its decision making. There was now an opportunity to take a step back and review how resources were being used and what was most appropriate.

It was confirmed that HR were fully engaged with this piece of work and in relation to the role of the Chief Executive in this process, she had overall responsibility for the delivery of the Council's Corporate Plan, with one of the priorities within the plan being the delivering a 'well managed council'. The Deputy Chief Executive and City Treasurer proposed that the Committee received a further report in around six months' time with more detail on progress, including practical examples of the difference being made.

Decision

The Committee:-

- (1) Notes the report; and
- (2) Agrees to receive a progress report at a future meeting, which will include practical examples of the difference being made as part of this piece of work

RGSC/19/57 Overview Report

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

In relation to previous recommendations made by the Committee, responses had been received to the majority of these which pre-dated the Committee's September 2019 meeting, and where appropriate, briefing notes had been circulated to Committee Members

A suggestion was made that the Committee might be interested in scrutinising the value for money of temporary accommodation for those who were made homeless

Decision

The Committee:-

- (1) Notes that where appropriate, briefing notes had been circulated to Committee Members in relation a number of outstanding recommendations; and
- (2) Agrees the work programme for future meetings, noting the suggestion put forward for inclusion on a future work programme.

RGSC/19/58 Exclusion of Press and Public

Decision

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information

RGSC/19/59 Management of staff performance and misconduct update (Part B)

Further to minute RGSC/19/16, the Committee considered a report of the Interim Director of HROD, which provided Members with an update on of the Council's approach to managing staff performance and misconduct in line with the organisation's agreed policies.

The report provided case numbers, key issues and trends in relation to the Council's Disciplinary and Capability policies as well as broader information on the work of HROD to strengthen the organisation's approach to people management.

The Head of HR Operations referred to the main points and themes within the report and alongside the Head of Workforce Strategy responded to questions from the Committee.

Decision

The Committee:-

- (1) Notes the report;
- (2) Agrees that the HR Sub Group receive reports on Legal Services HR Plan and the completion of Return to Works at a future meeting.