

BUSINESS OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 23 January 2020

Present:

Councillor D Mitchell (Chair)

Councillors	J Bird	J Stapleton
	T Cox	J Walsh
	M Collins	G Watt
	G Davies	KJ Williams
	S Foulkes	S Williams
	K Greaney	

Deputy:

Councillor I Lewis (In place of A Gardner)

36 **COUNCILLOR CHRIS BLAKELEY**

The Committee stood for one minute's silence in tribute to the memory of Councillor Chris Blakeley who had sadly passed away on 15 January, 2020.

37 **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Andrew Gardner, who had a deputy standing in for him.

38 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST / PARTY WHIP**

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

Members were reminded that they should also declare whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

Councillor George Davies declared a prejudicial interest in respect of agenda item 8, 'Scrutiny Review – New Ferry' by virtue of him being a member of the Cabinet at the time the incident occurred.

Councillor Jean Stapleton declared a personal interest in respect of agenda item 8, 'Scrutiny Review – New Ferry' by virtue of her being a member of the Merseyside Fire and Rescue Authority.

Councillor Steve Foulkes declared a personal interest in respect of agenda item 4, 'Update on Liverpool City Region Developments' by virtue of a passing reference to his place of employment.

39 **MINUTES**

Members were requested to receive the minutes of the Business Overview and Scrutiny Committee meeting held on 27 November, 2019.

Resolved – That the minutes of the meeting held on 27 November, 2019, be approved.

40 **UPDATE ON LIVERPOOL CITY REGION DEVELOPMENTS**

The Chair introduced a report which set out a brief overview of the latest developments at the Liverpool City Region (LCR). This included Skills Capital Funding for skills education at colleges, local authorities and learning providers; the Strategic Investment Fund for a wide range of projects; tackling child and family poverty and piloting 'Housing First', a new way to tackle homelessness and rough sleeping.

A Member commented upon the outstanding work undertaken by the Metro Mayor Steve Rotheram and highlighted his manifesto pledge of tunnel tolls at £1 which he had introduced and which were being frozen for a further year.

Resolved – That the report be noted.

41 **SCRUTINY REVIEW - NEW FERRY**

Having declared a prejudicial interest, Councillor George Davies left the room whilst this item was under consideration.

The Chair introduced a report which set out the findings and recommendations arising from a scrutiny review into the Council's response to the New Ferry explosion.

The review panel consisted of Councillors Dave Mitchell, Jo Bird, Steve Hayes and Mike Collins. It was agreed during the scoping meeting that Councillor Dave Mitchell would chair the panel. A cross party panel was convened and at a scoping session held in October 2019 the following review outcomes were agreed.

- To ensure that all necessary steps had been taken to address those residents, traders and other people affected by the incident.
- To consider what improvements could be made by the council and partner organisations in their response to future disasters.

Over the course of November and December 2019 the review panel undertook several interviews and stakeholder sessions. The full report, recommendations and scoping document were attached as appendices to the report.

Councillor Jo Bird commented that it had been a privilege to be on the Review Panel and expressed thanks to all the officers, residents, victims, traders and organisations who had given evidence to the Panel. She urged the Committee to support the Review Panel's recommendations in full without amendment.

The Chair then read out a note of thanks from local residents to the cross-party panel for all their hard work in producing the scrutiny report, and asked for the recommendations to be supported in their entirety, without amendment or deletion. The Chair also thanked Anna Perrett, the Scrutiny Officer, for all her work on the review.

Members expressed their thanks to the Members, officers and former members of the Council for all their work.

Responding to comments from Members, David Armstrong, Assistant Chief Executive, stated that one project team would be established to drive forward the whole range of investment work to be undertaken in New Ferry. With regard to bills which had been sent out to residents for scaffolding, he had previously apologised for the tone of letters sent out and acknowledged that lessons had been learnt and he would pick this up further once details of individual cases had been provided. With regard to claiming costs back from those found guilty of a criminal offence, this would be something to be addressed through the Council's legal officers, though the Council had only been obliged to make the area safe it had gone beyond that in clearing the rubble from the site. The Council was in the final stages of buying the site and once it had done so the Council would take up the concrete slabs and foundations and make the site a more attractive space.

The Chair read out a statement issued by the Council that day on regeneration for the area and stated that things were now certainly now moving in the right direction.

A Member suggested that the report should be sent to everybody who took part and that it would be helpful to see a report back to this Committee following its consideration by Cabinet. Some Members expressed the view that this was going to be unlikely because of the change in governance arrangements to come in May. Members also expressed the wish for such pieces of work to be able to continue under the new committee system and Councillor Tony Cox, Chair of the Standards and Constitutional Oversight Committee assured Members that it would.

Resolved –

(1) That this Committee supports the contents and recommendations of the Scrutiny review ‘New Ferry Explosion’.

(2) That the report be referred to the next appropriate Cabinet Meeting for consideration of the recommendations made.

42 SICKNESS ABSENCE UPDATE

Tony Williams, Head of Human Resources, introduced a report which provided an update on absence levels in the organisation and set out the steps that were being taken to manage sickness absence in the organisation.

The Council’s current target was 10.75 days lost per full time equivalent (fte). The absence levels in 2018/19 were 10.60 days lost per fte. The projection for 2019/20 was currently 10.74 days lost per fte (based on figures submitted up to November 2019). However, based on figures just received in the last few days this was now at 10.55 days lost per fte. In 2017/18 performance was 11.12 days lost per fte.

Overall the Council’s absence figures remained higher than the Council would like them to be with a marginal increase currently projected compared to last year. The position was relatively steady and the Council remained comparable with other local authorities in the region.

This continued to be a challenge and a significant amount of work continued to be undertaken to address sickness absence. The benchmarking information and research from outside the organisation demonstrated that the Council was facing the same challenge as many large organisations, particularly in the public sector and specifically in relation to levels of mental health and wellbeing.

In response to comments from Members, Tony Williams stated that whilst there was some marginal improvements and the long term sickness rates were much better there was a lot more to do around short term absence and that was what needed to be focused on next, both from a policy point of view and a line management point of view too. He was hopeful that the roll out of mental health first aid training in the next financial year would lead to accreditation for ‘train the trainer’ so courses could be provided in-house rather than externally and that there would be the opportunity for shorter half day or one day courses. Due to the timing of the report, he was not able to provide recent comparator figures but the last report to the Committee did show that Wirral was about mid-table in terms of comparisons with other North West and LCR authorities. With regard to debt and financial concerns being associated with some of the causes of short and long term sickness some external advice had been commissioned for some courses which were

run for staff. There were also a range of services which employees could access including the Employee Assistance Programme and advice from the Merseyside Pension Fund, all of which were confidential.

Resolved – That the current position in relation to sickness absence and the approach being taken to manage sickness in the organisation, be noted.

43 BUSINESS SUPPORT SERVICE

Paula Basnett, Chief Executive of Wirral Chamber of Commerce, introduced a report and gave a presentation which provided an overview of the Council's Business Support Service with Wirral Chamber and a flavour of activities delivered by the organisation outside of the Council's contract to support Members.

There were approximately 600 businesses which were members of the Chamber, representing 45,000 employees, of whom about 40,000 would be residents of Wirral. Up to 1,200 businesses were supported by the Chamber as the contract with the Council was to support any business, and not just the businesses which were members. This meant that approximately 80,000 – 90,000 residents were represented through the Chamber. She also elaborated on the figures in the report, such as jobs created, businesses supported and assisted, partnership working and the priorities for moving forward.

Responding to comments from Members, Paula Basnett agreed to look into the matter of the relationship between the Chamber and those involved in organising the Heritage Open Days on the Wirral. With regard to apprenticeships she stated that through the Liverpool City Region a dedicated 'skills broker' would be employed from 1 April to work with businesses and understand what skills shortages there were. Also, high on that agenda would be apprenticeships and to understand what the barriers to businesses were in taking on apprentices. With regard to jobs created, the Chamber worked with a CRM (Customer Relationship Management) system and this confirmed the number of jobs created / safeguarded through the Chamber.

A Member referred to the success of the Woodside Ferry Village and the food outlet businesses there, some of which had been able to move to individual premises. Paula Basnett concurred that this had been a great success with the re-purposing of the former ferry terminal building. Similar plans for other buildings, including Egerton House which could be used by smaller digital and technical companies were also being progressed.

Responding to further comments, David Armstrong, Assistant Chief Executive, confirmed that Pacific Road was a textbook example of Council owned buildings being put to use for the benefit of small businesses, along

with the former Municipal building and the Council, with the Chamber, would continue to look at more of its buildings which could be put to such uses into the future, either indefinitely or for a shorter period until other uses were found.

Commenting further, Alan Evans, Director of Regeneration and Place, stated that there were a number of projects which the Council was working on with the Chamber, and partner organisations, including Mersey Maritime and associated clean technologies and other advanced manufacturing. With regard to the supply chains for businesses, Paula Basnett added that there were six sector forums meeting quarterly looking at this and this was helping businesses to collaborate.

In response to more comments, Paula Basnett stated that as well as Wirral businesses, there were some businesses from Chester, Ellesmere Port and Liverpool which were also members of the Chamber. With the Chamber's contract with the Council, businesses could be supported for up to two years and with the Liverpool City Region contract businesses could be supported for two years and beyond. With regard to those businesses that failed within the first twelve months she would have to supply that answer in writing. The Chamber was able to offer support to any business from a single person business up to a business the size of Typhoo, from community interest companies to social enterprises to private companies. In respect of engagement with schools, the Young Chamber engaged with 22 secondary schools and 6 primary schools in Wirral and help was also provided to teachers to enable them to help their pupils engage with industry and business sectors in the community, along with support for businesses going into schools to explain what opportunities there were and not just for children going onto further education.

The Chair then thanked Paula Basnett for her comprehensive presentation to the Committee and it was –

Resolved – That the presentation and report be noted.

44 **IMPACT OF APPRENTICESHIP LEVY**

Further to minute 20 (17/9/19), Paul Smith, Head of Service, Learning, Skills and Employment, introduced a report which the Committee had requested to respond to the following questions:

- Businesses which are paying the apprenticeship levy but which were not actually taking on any apprentices,
- How this impacted on adult learning opportunities.

While the request was to provide information on local businesses eligible for paying the levy but not taking on apprentices, there was no information

available regarding specific Wirral businesses. Council officers did not have access to individual businesses digital account system, the portal by which employers paid for apprenticeship training. The Government had not published any reports on individual business use of the levy. However, the report highlighted the impact the apprenticeship reforms had had on local and Liverpool City Region (LCR) apprenticeship numbers.

Locally and across the LCR there had not been any identified negative impact or displacement of adult learning opportunities. The Council's Lifelong Learning Services, funded by the Combined Authority using Adult Education Budget (AEB) funding, had delivered 1,046 course enrolments between September and November 2019 which was in line with planned delivery. Wirral Met College were similar with all AEB funding being committed for this academic year.

In response to comments from Members, Paul Smith stated that within the Liverpool City Region, Wirral had been asked to work with the Merseyside Police around their underspend of the apprenticeship levy to help identify and support transition into work for care leavers. He was also aware that the Department for Education were currently considering the effectiveness of the levy.

With the addition of a further recommendation, moved by Councillor Foulkes, seconded by Councillor Jo Bird, it was –

Resolved –

- (1) That the report be noted.**
- (2) That this Committee supports further close working with employers, Wirral Metropolitan College, other local training providers and the LCR Combined Authority with an agreed objective to increase uptake of apprenticeships and maximise use of the apprenticeship levy.**
- (3) That this Committee recognises there has been a huge reduction in apprenticeship take up since the Government introduced the Apprenticeship levy scheme. The 3 million new apprenticeships figure by 2020 will not be reached by a long way.**

That the Government be asked to revisit the apprenticeship levy scheme and set up a consultation with private and public sector businesses to make sure a revised scheme supports the introduction of new apprenticeships particularly at level 2 and 3, that is not to say that the higher level apprentice opportunities and the development of the existing workforce right up to degree level is not valued.

It is also important that there is a pathway to a level two apprenticeship for people who have not yet got to the level two attainment level as yet including training and financial support within a workplace setting adhering to the TUC apprenticeship charter.

This Committee also recognises the great work achieved by the Liverpool City Region in facilitating unspent apprenticeship levy being channelled into use by SME organisations which are not subject to the Apprenticeship levy – this has helped to give people skills and employment that they would not normally have got.

45 **BUSINESS SCRUTINY BUDGET PROPOSALS FOR 2020/21**

Shaer Halewood, Director of Finance and Investment, introduced a report on the formal budget process, as set out in the constitution and in accordance with the legal requirements to set a balanced and sustainable budget for 2020/21.

This report also presented an update on the Medium Term Financial Plan (MTFP) covering the period from 2021/22 to 2024/25.

The full Council position for 2020/21 was now balanced and included pressures of £34.9m, offset by savings of £32.9m, the individual components of these were included in Appendices 2 and 3 to the report.

The pressures and savings relating to the Business portfolio were summarised in Appendix 1 to the report.

Shaer Halewood then elaborated upon a number of the nine proposals in turn and her responses to questions from Members included:

- With regard to the delivery of a new organisational structure and operating model, there were no plans for compulsory redundancies.
- For the reprofiling of the Minimum Revenue Provision (MRP), this was the third time that the Council had done this with money already set aside in its own budget. The Council had not renegotiated any of its loans it had changed the way that money was set aside for the repayment of debt. She would provide a more technical answer as to how this worked in writing to the Committee.
- In respect of income from new investments extensive due diligence would be undertaken before any investment was made and the Council would not invest in anything that was not ethical or that it thought could go wrong.
- The Council could purchase property that had an anchor tenant and become a landlord with the Council employing a company to manage that investment. There were many options available with regard to property investments but they would have to be the right ones for the Council.

- The 1% rise in public sector lending rates had not created any pressures at the moment as it was on new borrowing. If there was a new large item that went into the capital programme then there would be a pressure.
- She did not have the detail of the unachieved savings of £6.03m referred to in appendix 3 to the report but she was aware that some of these would be out of officers' control, such as the Assisted Travel Contract where demand had increased during the year. There were no savings which had not at least achieved some saving and she would be able to provide some more information on this. For 2020/21 a more robust process had been put in place on delivering savings through a process of feasibility, acceptability and deliverability.
- The savings put forward did not really impact on the services which the Council provided as the Cabinet had given a steer to officers that they did not want to see any cuts to services which the Council provided to vulnerable residents.
- With regard to the financial pressure referred to in appendix 2 and the Wirral Growth Company (WGC), this was a savings item from the previous year and anticipated income from WGC which unfortunately had not happened due to a delay in establishing the Growth Company. With the issue now moving and the Partnership Business Plan with Muse due to come to Cabinet for approval soon income was anticipated for 2020/21.
- In respect of the review of contracts savings item, this was a review of all contracts up for renewal and whether or not they should be renewed in the same way, whether they should be renewed at all or whether the service could be commissioned in a different way or in a different format. Conversations were also being held with suppliers of existing contracts along similar lines to see if costs could be reduced and some Councils were negotiating with suppliers to not pay any inflationary increases.

Resolved – That –

- (1) the financial proposals for 2020/21, that will be subject to further consideration by Cabinet, be noted;**
- (2) the financial challenges facing the Council in setting a sustainable and balanced budget for the MTFP period from 2021/22 to 2024/25, be noted.**

46

WORK PROGRAMME UPDATE

The Committee considered a report from the Scrutiny Officer which explained the process of developing and managing a scrutiny work programme for the current municipal year. The report also updated the Committee on the current status of scrutiny reviews and workshops on a variety of topics.

Resolved – That the report be noted.