

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on 21 July 2016**

#### **Present:**

Councillor Ollerhead - in the Chair  
Councillors Ahmed Ali, Barrett, Collins, Connolly, Davies, Karney, Lanchbury, Russell, and Simcock

Councillor Flanagan, Executive Member for Finance and Human Resources  
Councillor Priest, Deputy Leader

**Apologies:** Councillor Russell, Siddiqui and Teubler

#### **RGSC/16/12            Minutes Silence**

The Committee held a minute's silence in remembrance of the victims of the recent tragedy in Nice.

#### **RGSC/16/13            Minutes**

The Committee considered the minutes of the meeting held on 30 June 2016.

The Chair asked that under minute reference RGSC/16/09, decision 3 which read '...in the front of Council Tax bills' be amended to read '...on the envelopes of Council Tax bills'.

A member asked that in the second paragraph under minute reference RGSC/16/10 the sentence ending 'would be compatible with the Council's planning portal' be amended to read 'would improve the Council's planning portal'.

#### **Decisions:**

1. To approve as a correct record the minutes of the meeting held on 30 June 2016, subject to the above amendments.
2. To note the minutes of the Ethical Procurement Task and Finish Group meeting held on 17 June 2016

#### **RGSC/16/14            The Refurbishment of Manchester Town Hall and Albert Square: 'Our Town Hall'**

The Committee received a report of the Deputy Chief Executive (Growth and Neighbourhoods) which provided an overview of the work required to refurbish Manchester Town Hall and Albert Square: 'Our Town Hall'. The report set out the overall objectives for refurbishment, detailed the outcomes of the survey work undertaken to date, outlined a range of potential options, and explored opportunities to secure commercial income or other funding. Members were advised that a further report would be provided to Executive in the autumn providing additional information and enabling Executive to make a decision alongside consideration of the Authority's

overall capital strategy and three year revenue budget. Members were invited to comment on the report which would also be submitted to Executive on 27 July 2016. The Deputy Chief Executive (Growth and Neighbourhoods) introduced the report across its main themes. She emphasised the importance of the Town Hall as one of the greatest civic and cultural assets contributing to the identity and heritage of Manchester.

Members welcomed the report and agreed that 'Option 1 Do Nothing' was not a viable option. Members then considered the other options identified which included 'Option 2 Essential Works', 'Option 3 Upgrade to Modern Office Standards' and 'Option 4 Comprehensive Restoration'.

Members queried what would happen to staff currently located in the Town Hall. The Deputy Chief Executive advised it was proposed to fully decant the building by October 2017 and work with existing occupiers to relocate staff in line with service needs. She added that both 'Option 3 Upgrade to Modern Office Standards' and 'Option 4 Comprehensive Restoration' would result in more space being made available within the building over the longer term. In response to a query regarding staff savings it was confirmed that this was in relation to the day to day security and maintenance of the Town Hall and Albert Square.

Members discussed the proposals for increased commercial activity within the Town Hall and Albert Square. A member recommended that consideration be given to promoting the use of the Town Hall Extension instead. The Deputy Leader responded that commercial demand was higher in respect of the Town Hall and Albert Square. He assured members that public access would still be improved despite proposals for increased commercial activity. In response to a member's query regarding future security arrangements the Deputy Leader responded that similar procedures as used for the Town Hall Extension would be introduced.

Members queried the work required to Albert Square. The Deputy Chief Executive explained this included works to the drainage and surfacing; and access to electricity and ICT. In response to a query she advised a decision had not yet been made regarding whether the cobbles would remain. Members requested that further detail be provided to the Committee on this at an appropriate time.

The Chair queried the impact of the closure on Manchester Central, a company operating services from the Town Hall. The Deputy Leader confirmed they had reviewed their business plan in light of the proposals and the business was still viable. The Chair requested that a further report be submitted to the Committee at an appropriate time in respect of Manchester Central.

Members noted that there was significant public interest in the building, heritage aspects, and in the restoration of buildings generally. Members discussed the possibility of public fundraising exercises but had mixed views regarding this. Members agreed on the importance of preserving the building for future generations. A member recommended that schools be encouraged to get involved to which the Deputy Leader agreed. Members recommended that the portable heritage assets within the building be placed on exhibition elsewhere during the restoration works to which the Deputy Leader agreed.

Members discussed the heritage implications. The Deputy Chief Executive confirmed that heritage funding had not been ruled out; but that this was unlikely to make a major contribution to the cost of the project. The Deputy Leader added that Option 3 did include some heritage aspects; whereas Option 4 also included the costs of restoring those heritage aspects of the building which had been lost or diminished over time. He confirmed that the kitchen to the Great Hall currently suspended over the courtyard compromised the integrity of the building and would still be rectified should Option 3 be pursued. Members questioned the cost differentials between Options 3 and 4. The Deputy Leader responded that further investigation was needed. He noted there was a possibility of adopting aspects of both Option 3 and 4; as some heritage aspects may attract more interest than others; for example the organ to the Great Hall.

Members discussed the potential social and economic benefits to the city of the project. Members noted the project objectives; emphasising the importance of delivering economic and social value for Manchester. The Deputy Chief Executive advised 19 apprentices were currently employed on the project with plans to significantly increase this. She added that discussions were underway with the University of Salford to identify the skills and supply chain required over future years; and the intention was to generate local employment and training opportunities where possible. A member noted that the 'multiplier effect' which refers to the increase in final income arising from any new injection of spending would be a useful tool to demonstrate the positive benefits of the project. He recommended that New Economy (an organisation delivering policy, strategy and research for Greater Manchester's economic growth and prosperity) who had experience of this be approached to assist, to which members agreed.

Members supported both option 3 and 4 but acknowledged that the costs of option 4 would need detailed investigation and justification. The Committee requested the survey programme be attached as an annexe to a further report, to be brought to the next meeting of the Committee. The Deputy Leader agreed to bring back further detail, adding that the options needed to be considered in the context of the management of the Council over the next 50 years.

### **Decisions:**

1. The Committee requested further information on 'Option 4 Comprehensive Restoration' contained within the report; including a breakdown of costs.
2. The Committee requested the survey programme be attached as an annexe to a further report, to be brought to the next meeting of the Committee.
3. The Committee requested that the portable heritage assets be exhibited at an alternative location during the restoration works.
4. The Committee requested a future report on the impact of the closure of the Town Hall on Manchester Central.
5. The Committee requested further information on the plans for Albert Square.

6. The Committee requested that officers explore the heritage aspects further in terms of funding, exhibitions, education and promoting awareness, in particular amongst schools.

7. The Committee supported the work of New Economy and the multiplier effect and requested that consideration be given to this in respect of the project.

8. The Committee endorsed the recommendations to Executive:

The Executive is recommended to;

1. Approve the Council's overall objectives for the refurbishment of the Town Hall and Albert Square as set out at 3.3.
2. Note the substantial survey work that has been undertaken to determine the condition of Manchester Town Hall and Albert Square and enable options for refurbishment to be identified.
3. Note that the survey work has identified significant poor structural, mechanical, electrical and general repair and maintenance conditions and that unless a refurbishment programme is undertaken to address these conditions the building will continue to deteriorate and will inevitably have to be closed and mothballed.
4. Note that options range from undertaking essential repairs and safety work to a full refurbishment similar to the standard of the Town Hall Extension and that the cost of the preferred option is in excess of £300 million. Note that the design work is at an early stage and further work is underway to provide a more detailed cost breakdown, to evaluate these costs and determine the scope of work, sequencing and programme for each option.
5. Note the opportunity of securing commercial income or other funding that would either offset, in part, the capital expenditure or increase revenue income to reduce the cost of operating the building. This will consider the potential, if any, for third party contributions and the appetite within the private sector to support the delivery of the total vision for the Town Hall. Further work will be undertaken to appraise these opportunities and will be reported back to Executive.
6. Note that a further report will be presented to Executive in the autumn providing the additional information concerning further refining and confirming costs, timescales and phasing and commercial opportunities as well as evaluating risks. This report will allow Executive to make a decision alongside consideration of the Authority's overall capital strategy and three year revenue budget.
7. Approve the procurement of a design and project team to undertake the further work required to evaluate the costs further, finalise a work programme and optimum phasing of works, undertake the assessment and appraisal of

commercial opportunities and continue the design work towards achieving RIBA Stage 1. Appointment of this team will not however be concluded until the Executive makes the decision about the way forward in the autumn.

### **RGSC/16/15            Staff Accommodation**

The Committee received a report of the Strategic Director Development which provided information on the current position of staff accommodation and the future approach to the provision of staff accommodation and the operational estate. The Head of Client Relationships introduced the report across its main themes. She explained that a list of the Council's operational estate was included as an appendix. In response to a members query she advised that properties the Council leased to other organisations were not included as they were not operational, being part of the Council's investment estate instead.

In response to members queries regarding where staff currently located within the Town Hall would be moved to during its proposed refurbishment the Head of Client Relationships confirmed that a draft plan was in place. She added that staff currently located on levels 5 and 6 would move either to St Peters House or the Town Hall Extension later in 2016. The Head of Client Relationships advised that a full stock condition survey of the operational estate was underway and members requested more information on this, to include the capacity of buildings to accommodate staff. In response to a members query the Head of Client Relationships advised that the list was correct but the properties that make up the operational estate change regularly with properties moving in and out for various reasons. She added that the list would be updated following the stock condition survey.

A member asked whether a full rationalisation exercise had been carried out of all Council owned buildings. The Chair noted that the Corporate Property Annual Report and a report on Community Infrastructure Levy (CIL) agreements would be considered by the Committee at their September meeting; which could respond to this. The Head of Client Relationships added that an estates strategy for the next 5 years was being worked upon at present.

### **Decisions**

1. To note the report
2. To request a future update following the stock condition survey of the operational estate, to include the capacity of buildings to accommodate staff.

### **RGSC/16/16            ICT Strategy**

The Committee received a report of the Chief Information Officer which presented the updated strategy for Information, Communications and Technology (ICT) for the Council over the period 2016-19. The report requested that members note and comment on the *Our ICT Strategy* appended, note the emerging status of Information and Data Strategy; and note the further investment being made and required to continue to deliver the Council's ambitions and the ICT vision. Members were invited

to comment on the report which would also be submitted to Executive on 27 July 2016.

Members had visited staff from ICT prior to the meeting and congratulated ICT on both the progress made across the service over the previous 12 months; and the refreshing quality of its leadership. Members noted that they had received and commented on earlier versions of the strategy; the purpose of this report being to comment on the final version which would be submitted to Executive.

A member queried to what extent the Council's ICT service could help to support vulnerable communities. The Chief Information Officer described the progress made in innovative technology; for example an application which could notify carers that a vulnerable person was using electrical equipment; and the advent of wearable technology. He advised he was committed to exploring the benefits of new technology.

The Chair noted the emerging status of the Information and Data Strategy and requested that a report be provided to the Committee on this at an appropriate time. The Chair requested that future ICT updates include information on business transformation, data and information as an asset and information security, and technology innovation including the internet of everything.

## **Decision**

1. To endorse the recommendation to Executive that:

This report is presented to seek comments and feedback, specifically on the following:

- Executive Members note and comment on the *Our ICT Strategy* appended.
- Note the emerging status of Information and Data Strategy.
- Note the further investment being made and required to continue to deliver the Council's ambitions and the ICT vision.

2. To request a report be provided on the Information and Data Strategy to the Committee at an appropriate time.

3. To request future updates on ICT to include information on business transformation, data and information as an asset and information security, and technology innovation including the internet of everything.

## **RGSC/16/17      ICT Update**

The Committee received a report of the Chief Information Officer which provided an update on ICT including the Collaboration Platform and Information Technology Service Management (ITSM) tool. Members were invited to comment on the report which would also be submitted to Executive on 27 July 2016.

Members thanked the Chief Information Officer for the update given and the progress made.

**Decision:**

The Committee endorsed the recommendation to Executive that:

Members are requested to note the report.

**RGSC/16/18            The Council's Budget Response to the result of the EU referendum**

The Committee received a report of the Chief Executive which provided an overview of the work underway to ensure that Manchester and Greater Manchester is in a position to mitigate the worst impacts of Britain's withdrawal from membership of the European Union. Members were invited to comment on the report which would also be submitted to Executive on 27 July 2016 for their information. Members were advised that a further report would be provided to the Executive meeting to be held on 14 September 2016.

The City Treasurer introduced the report across its main themes adding that it was difficult to identify any budgetary implications at the present time and that we were unlikely to know more about the macro economic impact or impact on public services funding until the government's Autumn Statement.

The Strategic Lead – Resources and Programmes advised members that whilst he had reported to the last meeting of the Committee that he was expecting to receive imminent clarification on the status of the Greater Manchester ESIF (European Structural Investment Fund) Plan, this had not been forthcoming. He added that he had briefed the Interim Mayor for Greater Manchester regarding this who had written to a variety of government ministers to seek clarification and lobby support.

Members agreed on the importance of conveying positive communications regarding the city in order to encourage future economic prosperity and growth.

**Decisions:**

1. To continue to request updates on the implications of Brexit at each future meeting of the Committee
2. To endorse the recommendation to Executive that:

The Executive is recommended to:

1. Note the work currently underway to understand the immediate implications for Manchester and Greater Manchester of the decision to withdraw from the European Union.
2. Request that a further report be prepared for consideration at the next meeting of the Executive, providing more detailed analysis of the issues set out in this

report and further information regarding Manchester and Greater Manchester's proposed response to those issues.

## **RGSC/16/19            The Council's approach to Budget Setting 2017/18-2019/20**

The Committee received a report of the Chief Executive and City Treasurer which set out the proposed approach for developing the Capital Strategy and Medium Term Financial Strategy and the associated engagement and consultation process. Members were invited to comment on the report which would be submitted to Executive on 27 July 2016, where Executive would be requested to endorse the proposed approach to the budget consultation and setting process for 2017/18 - 2019/20.

The City Treasurer introduced the report across its main themes. She set out that it was difficult to predict the likely level of resources available to the council at this stage. Whilst there appeared to be a commitment from government to move away from the previous deficit reduction targets the actual position was unlikely to be clear until the publication of the Autumn Statement. The City Treasurer reported there had been no indication that the commitment to the four year settlement figures would not be honoured and that the Council was proceeding with the budget process as planned. Members welcomed the Head of Strategic Communications who was leading on the communications and engagement approach for budget setting 2017-2020.

The Executive Member for Finance and Human Resources noted that annual budgets had been set over previous years as a result of government cuts. He stressed that a three year budget would provide greater stability for staff and the residents of Manchester and described some of the current issues around budget setting including proposals to increase commercial activity, changes to the way business rates would be collected, and future cost pressures on the Council. He added that the process for the Capital Strategy and Revenue budget were being bought together for the first time.

Members discussed the engagement carried out with residents and improvements made the previous year. In response to a member's query regarding social media the Head of Strategic Communications explained that a place based social media strategy was currently being produced and would be provided to the Committee for information at an appropriate time.

A member queried why the planned use of dividends and reserves appeared to reduce. The City Treasurer explained the one off use of resources to support the budget and that it would not be appropriate to comment on commercial dividends in a public report. The projections are based on current income streams.

In response to member's queries the Head of Strategic Communications gave further detail on the communications and engagement approach. Members welcomed the improvements that had been made. Members enquired how the Council could ensure that respondents were representative across the geographical spread of the city and its diverse communities. The Head of Strategic Communications responded that more face to face interviews had been carried out combined with a more



targeted digital approach and provocative campaign. In respect of businesses she advised a video had been produced.

### **Decisions:**

1. To endorse the recommendations that Executive:

The Executive is requested to:

- Note the contents of the report
- Endorse the proposed approach to the budget consultation and setting process for 2017/18 -2019/20

2. To consider the consultation process for budget setting at an appropriate time as part of the budget process.

### **RGSC/16/20 Overview Report**

This report contained the details of the key decisions due to be taken within the Committee's remit and updates on the recommendations of the Committee. The Committee's work programme was included as an appendix. The report also included details of any key decisions that the Chair would be asked to exempt from call in.

Members discussed the item for information on Council motions. A member queried why the motion on Trade Union Bill was 'not applicable'. The Executive Member for Finance and Human Resources described the action he had taken and explained this motion did not require any action by officers. Members agreed that where a Council motion included the phrase 'to call on..' a letter should be written to an appropriate person by the relevant Senior Management Team (SMT) member.

A number of late reports had been received for the meeting. The reports on Staff Accommodation, the Council's Budget Response to the result of the EU Referendum, and the Council's approach to Budget Setting 2017/18-2019/20 were published under supplementary agenda's as they were late additions to the agenda.

A member noted that they had requested a further report on the Town Hall Refurbishment and the work programme be amended to reflect this.

### **Decisions**

1. To agree the work programme, subject to the above addition
2. To request that members of the Senior Management Team write a letter to an appropriate person where a Council motion includes the phrase 'to call on..'.