

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on 10 November 2016**

#### **Present:**

Councillor Ollerhead - in the Chair  
Councillors Ahmed Ali, Barrett, Connolly, Karney (RGSC/16/35-42), Lanchbury, Russell (RGSC/16/36-42), Siddiqi, A Simcock, Strong and Lone

Councillor Leese, Leader  
Councillor Priest, Deputy Leader  
Councillor Flanagan, Executive Member for Finance and Human Resources  
Councillor Rahman, Executive Member for Culture and Leisure  
Laura Williams, Petition Organiser

**Apologies:** Councillor Cookson and Davies

#### **RGSC/16/35            Minutes**

#### **Decision:**

To approve as a correct record the minutes of the meeting held on 13 October 2016

#### **RGSC/16/36            Update on the Refurbishment of the Town Hall and Albert Square: Our Town Hall**

The Committee received a report of the Deputy Chief Executive (Growth and Neighbourhoods) which provided an update on the proposals to refurbish the Town Hall and Albert Square. A report was considered by Resources and Governance Scrutiny Committee on 21 July 2016 and the Executive on 27 July 2016 which outlined the wide range of surveys that had been completed as part of the Project Initiation works and set out four options for a major refurbishment and upgrade of the Town Hall and Albert Square to meet the strategic needs of the City and complete the regeneration of the Civic Quarter. Members agreed the Objectives for the Project and requested a further report be presented to the Executive in the autumn providing additional information concerning further refining and verification of costs, timescales and phasing and a review of the potential commercial opportunities. Members of the Scrutiny Committee asked that the report also set out in more detail a comparison between Refurbishment Options 3 and 4. The Deputy Leader and the Deputy Chief Executive introduced the report across its broad themes. The Project Director was also in attendance to answer members' queries.

A member welcomed the activity that was ongoing to encourage members of the public to visit the Town Hall and requested that further information on this be circulated to all members. He added that the Christmas Markets in Albert Square were now open and enquired what the plans were for 2017. The Deputy Chief Executive responded that it was intended that events including the Christmas Markets would still operate in 2017, and staff would be decanted from the Town Hall in early 2018. Members noted they had previously requested the survey programme to be attached as an annexe to the report, and expressed disappointment that this

had not been included. The Deputy Chief Executive responded that she would circulate this information to members of the Committee.

Members enquired how specialist items including furniture, light fittings and the Town Hall Organ could be restored should Option 3 be the preferred option. The Head of Policy, Partnerships and Research said that Option 3 would include the restoration of any furniture that was required by a room which was also being restored. One member requested further information on every option for any items of historical importance. Members broadly agreed they were disappointed that the report had not addressed their previous request to consider a hybrid proposal which consisted of elements of both Option 3 and 4. The Deputy Leader responded that it was his view that any additions to Option 3 should be considered as part of a separate project and not paid for by capital funding. He said it was important that the residents of Manchester were clear on the anticipated cost of the refurbishment of the Town Hall and Albert Square, which he felt should not exceed the costs estimated for Option 3. Members accepted this view but reiterated the historical value of some elements of Option 4. They requested that alternative options be explored for addressing this, and the findings provided in a future report to the Committee.

A member noted that the Committee would also be considering the Council's Budget at this meeting and said it was important the public were clear that the costs of this project would be paid for by the Capital Budget and not the Revenue Budget. The member who was also a member of Economy Scrutiny Committee referred to the 'multiplier effect' adding that the project would reap huge economic benefits for the city, and the Council, over the longer term. The Deputy Chief Executive described the work that was ongoing with New Economy and the University of Salford to quantify this; and spoke of apprenticeships, developing residents skills and the impact of the spend that both staff and customers of the Town Hall made in the city. The Deputy Leader noted that in addition to economic value the project would also contribute to extensive social value within the city.

Members discussed some of the skills required for the refurbishment and how these would be sourced and developed. The Chair noted that whilst heritage requirements were important the refurbishment should also seek to reduce the Council's carbon footprint, and requested further information on this. The Deputy Leader agreed adding that the carbon footprint would reduce from its current levels.

### **Decisions:**

1. To request that further information on the Town Hall Tours available to the public be circulated to all members for information
2. To note that the Deputy Chief Executive would circulate the survey programme to members of the Committee.
3. To note the historical value of Option 4. To request that alternative options be explored for addressing this, and the findings provided in a future report to the Committee at an appropriate time.

4. In line with the Council's Our Manchester approach, the Committee requests that the Executive place more of an emphasis on reducing the carbon footprint when considering the various alternatives for refurbishment.

5. To endorse the recommendations that:

Executive is recommended to:

1. Note the further work undertaken to test the costs, phasing and sequencing of the proposed refurbishment.
2. Note the work undertaken to soft market test future commercial opportunities and the need for two further more detailed market testing exercises to appraise the commercial opportunities in order to determine the optimum content and operating structure of the building which will be concluded in early 2017.
3. Delegate authority to the Deputy Chief Executive (Growth and Neighbourhoods), in consultation with the City Treasurer, Deputy Leader and Executive Member for Finance and Human Resources to procure and appoint a design team and assemble the project team to undertake the further work required to undertake the assessment and appraisal of commercial opportunities and continue the design work.
4. Approve Option 3 – Fully Refurbish and Upgrade to Modern Standards and Partial Restoration - as the Council's preferred option for the Town Hall and Albert Square to inform the work referred to in recommendation 2 and the procurement of the design team.
5. Note that in order to achieve RIBA stage 2 by September 2017 the cost is estimated to be c£10m which will cover design fees, further professional fees, decant costs and other associated spend including a level of contingency. These costs are within the estimated financial envelope for the project and will fall predominantly into 2017/18. The required budgets and approvals will be presented as part of the revenue and capital budget proposals due to go to the Executive in January 2017.
6. Note that a further report will be brought to Executive in March 2017 setting out in greater detail the commercial opportunities and the financial benefits flowing from them, enabling a decision to be taken on the appropriate mix of uses; the preferred delivery mechanism and procurement route for the project

**RGSC/16/37                      Petition: Transatlantic Trade Investment Partnership (TTIP)**

The Committee considered the report of the Governance and Scrutiny Support Unit. The purpose of the report was to advise the scrutiny committee of the details of the

petition that asked the Council to declare Manchester City Council a TTIP Free Zone by completing a number of actions. The Chair introduced the item explaining that the petition organisers would be given a maximum of five minutes to speak. The relevant Executive Member and officers would then be given five minutes to respond following which the Committee would discuss the petition and reach a conclusion.

The petition organiser introduced herself as Laura from Global Justice Now, explaining she represented the Stop TTIP Manchester Campaign Group for the thousands of people who had signed the petition to make Manchester a TTIP free zone. She explained the group had come out of the wider trade justice movement across Europe which had significant support, for instance many local legislatures had declared themselves TTIP and CETA free zones. She advised the movement had emerged from concern for trading relationships in addition to TTIP including CETA (Comprehensive Economic and Trade Agreement) and the TiS (Trade in Services Agreement). She urged members to consider an alternative trade mandate. The main concerns she outlined were its undemocratic nature, concerns that the Investment Court System (ICS) was not transparent; and the potential implications of these agreements for local authorities procurement functions.

The Executive Member for Finance and Human Resources thanked the petition organiser but advised that events had overtaken this. He said there was an assumption that the UK would be part of the European Union deal but the UK had voted to leave the European Union. He said that the new President of the United States had expressed dissatisfaction with TTIP and was intending to review this. For both of those reasons he did not think it was appropriate to consider the petition at the current time.

Members discussed the petition. One member stressed that in the current post Brexit climate it was important to give careful consideration to and not demonise trade deals without thorough investigation at this time. Members agreed with the Executive Member for Finance and Human Resources that in the current period of uncertainty the petition was not relevant. Members referred to the Council's petition scheme and agreed that the second option of noting the petition and recommending that no action be taken was the preferred option.

Members of the Committee expressed interest however in the issues raised and the potential implications for the Council's procurement policies and agreed to re-consider these issues at a future date. The Chair added that the petition organiser would be invited to attend the meeting when the issues were re-considered.

### **Decisions:**

1. To note the petition, and recommend that no action is taken
2. To revisit these issues at an appropriate time, and invite the petition organiser to the meeting where this is considered.

## **RGSC/16/38                    Budget Savings Options- Background Information**

The Committee received a report of the City Treasurer, Deputy Chief Executive (People, Policy and Reform), the City Solicitor and the Chief Information Officer which asked members to consider and make recommendations to Executive on the savings options put forward by officers and prioritise which options they believe should be taken forward to ensure the Council delivers a balanced budget across the three financial years 2017/18-2019/20. The Committee was also requested to consider whether they wished to scrutinise any of these options in further detail at its December meeting. The report and the accompanying Directorate Budget reports at appendix 1 set out briefly the financial considerations, current forecast position and savings options for the period to 2019/20. The financial position is based on the best information available at this present time. Appendix 2 set out the detailed findings of the recent budget conversation and was previously submitted to the Committees October meeting.

The Executive Member for Finance and Human Resources introduced the report across its main themes. He explained that the Council did not support the cuts that were being made as a result of a reduction in government funding to the Council. He added that the savings options were based on information available at the present time; but the actual extent of required cuts would not be known until the government delivered its Autumn Statement at the end of November 2016.

A member noted the significant savings to be made from the health and social care economy and sought assurance that these were achievable. The City Treasurer noted that Health Scrutiny Committee were considering these in detail in partnership with Council officers and the NHS. A member stressed the importance of encouraging the public to get involved in the budget process adding that it was his belief that many residents did not agree with the government's austerity measures.

## **RGSC/16/39                    The Corporate Core Budget**

The Deputy Chief Executive (People, Policy and Reform) introduced the savings options for the Corporate Core Directorate. In response to a member's query he noted that the impact on staff was detailed in the appendix and could total 90 Full Time Equivalent (FTE) dependent on the level of required savings.

In response to a member's query regarding why savings options around Audit, Risk and Resilience had been given a 'green' rating the City Treasurer advised the effects would be mitigated elsewhere.

In respect of Legal and Democratic Services members raised concerns about options relating to the hand delivery of electoral materials and the impact this could have on the numbers registered to vote. The Head of Executive Office explained that there was evidence from other authorities that changes to delivery methods had not impacted on registration levels. With regard to Legal Services, Members sought clarification regarding the impact of reducing the number of proactive prosecutions, in particular the deterrent affect but also the financial implications of this option. A member also queried the extent to which Legal Services were provided to other Council and public sector organisations. The City Solicitor advised that the option to

reduce prosecutions had been identified as an area where legal services could influence their budget, as the majority of work undertaken was reactive rather than proactive. She confirmed that further information would be provided to the Committee's next meeting regarding the financial implications of reducing proactive legal prosecutions. The City Solicitor confirmed that full legal services were provided by Manchester and Salford Councils as well as to Greater Manchester Combined Authority (GMCA), as well as elements of legal services provided to other Greater Manchester Councils and housing associations and other clients. The provision of legal services to external clients was carefully balanced to ensure that they did not impact on the core responsibility to support Manchester and Salford City Councils and GMCA. A member recommended the Council consider the potential for collaboration at Greater Manchester level in respect of Legal Services.

Members asked for clarification on savings options for the welfare provision scheme. The Head of Revenues, Benefits and Shared Services explained that the key use was to re-settle homeless people moving from temporary accommodation or hospital into permanent accommodation; but that it had also been used to support food banks and other initiatives. Members agreed to request further information on this be brought to the December meeting of the Committee.

A member questioned whether it was possible to save £3 million by streamlining HR policies. The Deputy Chief Executive explained that there would be a process to engage staff and Trade Unions on this options. The member enquired whether officers had given consideration to developing shared services with other Councils or organisations over the longer term. She added that relationships with trade unions in relation to the streamlining HR policies should be included. Members agreed to request further information on this.

Members asked for examples of the type of work that would not be carried out if the option to reduce the policy function were to be implemented. The Deputy Chief Executive (People, Policy and Reform) advised this could include but was not limited to a reduced ability to support environmental policy, economic growth initiatives, transport initiatives, spatial planning and reduced policy support to members. Members discussed the savings options around Policy, Reform and Innovation and Performance, Research and Intelligence. The Chair suggested that combining and streamlining the work of these teams could result in efficiency savings and asked officers to explore the possibility of this. The Deputy Chief Executive explained that the options already included some savings from combining the research budget, budgets of the Policy function and the Performance, Research and Intelligence function and its relationship to both policy and finance.

Members discussed procurement and the Chair questioned the need for better use of contract penalties. The City Treasurer confirmed that the Council did enforce these but that some departments were better at contract management than others.

Members discussed ICT and questioned whether there was capacity to lose staff in this area. They noted the role of ICT in supporting services to achieve efficiencies and requested further information on this.

Members discussed Council Tax collection rates. The Chair noted that when the Committee had previously considered Revenues and Benefits they had been assured that collection rates could not be increased. The City Treasurer responded that assumptions were built on the experiences of previous years and since collection rates had exceeded the budget collection rate in each year she was minded to amend the assumptions accordingly.

**Decisions:**

1. To request further information regarding the financial implications of the option to reduce proactive prosecutions
2. To request further information on the Welfare Provision Scheme
3. To request further information on the potential for ICT to support teams to realise savings
4. To request further information on the savings option to streamline HR policies and to include consideration of the potential for working in collaboration with other local authorities
5. To request that officers explore the potential of a savings option which could be achieved by combining and streamlining the work of the Performance Research and Intelligence (PRI), Reform and Innovation, and the Policy, Partnerships and Research Teams. To include detail of any posts part-funded by other organisations. To include a full staff/management structure including roles as an annex.

**RGSC/16/40                      Localised Council Tax Support Scheme**

The Head of Revenues and Benefits described the options for saving £2m from the Council's current Council Tax Support Scheme.

Alongside this members discussed the further benefit caps being implemented by the government. The next cohort of Manchester residents would be affected in November 2016 and January 2017

She explained how these interrelate with the Council Tax Support Scheme in that many residents would be recipients of both this and cuts to welfare benefits. In response to members' queries regarding funding for schemes administered by the Council she advised that the Council Tax Support Scheme was funded by the Council, along with the Welfare Provision Scheme and any discretionary Council Tax payments. Funding for Discretionary Housing Payments is funded by central government up to the maximum of £2.1m total grant funding. The Council could award more but this would come out of the Council's budget.

In response to a member's request to analyse the percentage of claimants of Council Tax Support by property band the Head of Revenues, Benefits and Shared Services advised that she could provide information on that to members. The Chair expressed concern that this was hitting the most vulnerable. He added that the impact of this scheme should not be taken lightly when this is revisited after the consultation has closed and we have a clearer idea of what the government's settlement will be.

**Decisions:**

1. To note the report.
2. To request that hard copies of the Council Tax Support Scheme Consultation be provided to all members of the Council

**RGSC/16/41            Growth and Neighbourhoods Directorate Budget: Business Units**

The Director of Neighbourhoods introduced the report. A member who was also a Harpurhey Ward Councillor noted that many residents were concerned by the savings proposals relating to Harpurhey market adding that a petition was being submitted to the Executive Member for Culture and Leisure who held responsibility for markets. He asked for clarification on the alternative operating model. The Director of Neighbourhoods advised the Council was in initial discussions with the markets team and external organisations to explore possible partnership arrangements. A member highlighted the need to consult with residents and market users. The Director explained how markets were changing nationally adding she could provide further information on this research to a future meeting. A member who was also a ward councillor for Northenden expressed concern around the savings options for Wythenshawe market, adding that she could not understand why it was making a loss when the footfall for that area was increasing. She asked whether officers could give further consideration to how best to promote the market adding that some traders had been told it was going to close and were moving out already. The Director of Neighbourhoods confirmed that no decision had been made and she would investigate this. Members agreed to request further information on markets to its December meeting.

A member enquired about the potential to increase revenue through bereavement services and enquired what the capacity was for this. The Director of Neighbourhoods advised she could provide this information to the next meeting.

**Decision:**

To request further information on Markets and the Bereavement Service be brought to the December meeting.

**RGSC/16/42            Strategic Development Directorate Budget Report**

The Strategic Director (Development) introduced the report. The Chair asked what the impact of reducing 4 posts in the department would be and whether this was a false cut. He added that due to the nature of the department staff were producing income for the Council so removing staff could result in a decreased income resulting in a double cut. He questioned what value would be removed in realising this savings option. The Strategic Director advised there were no vacancies at present and agreed this would be a real cut but he could provide more information to the December meeting. The Leader said that a report would be submitted to Personnel Committee in December regarding this.

**Decision:**



To request further information to the December meeting on the savings options for the Strategic Development Directorate Budget, including what value would be removed to realise this savings option.

### **RGSC/16/43            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.

The Chair advised an agenda setting meeting was scheduled and some items would be deferred. A member requested that a report be brought on Marketing Manchester, the City Treasurer responded that this was part of the Manchester Growth Company so could be picked up as part of that.

In response to a members query the Chair confirmed that a further report on the Council Tax Support Scheme would be brought to the January meeting of the Committee.

A member suggested that some reports could be received as Items for Information instead. The Chair agreed to consider this as part of agenda setting.

Members requested consideration of ease of reference next time the budget papers were brought.

The report on Budget Savings Options was received late and published in a supplementary agenda as the budget reports were published simultaneously

#### **Decision:**

To agree the work programme, subject to the above additions.