

Resources and Governance Scrutiny Committee

Minutes of the meeting held on 8 December 2016

Present:

Councillor Ollerhead - in the Chair

Councillors Ahmed Ali, Connolly, Davies, Karney, Lanchbury, Russell, Siddiqi, A Simcock and Lone

Councillor Priest, Deputy Leader

Councillor Flanagan, Executive Member for Finance and Human Resources

Apologies: Councillor Barrett and Cookson

RGSC/16/44 Minutes

Councillor Davies advised she had given apologies for the meeting. Councillor Russell advised that she had recommended the Council consider the potential for collaboration at Greater Manchester level in respect of Legal Services in addition to Human Resources but it was not explicit within the minutes.

Decision:

To approve as a correct record the minutes of the meeting held on 10 November 2016, subject to the above amendments.

RGSC/16/45 Budget Report(s)

The Committee received a report of the City Treasurer, Deputy Chief Executive (People, Policy and Reform), the City Solicitor and Chief Information Officer. At the November meeting, Members considered the budget options for the areas within the remit of this Committee. Further detail was requested on a number of the options to inform the Committee's recommendations on those that they believe should be taken forward to the Executive. The report summarised the budget process and next steps. The report included Directorate Budget Reports for reference (Corporate Core, Strategic Development, Extract of Growth and Neighbourhoods), and further information as requested on Legal Services, The Council's Welfare Provision Scheme and Foodbank Funding, ICT, HR Policies Budget Option and Collaboration, the Combined Authority and AGMA Budget, the work of the Performance, Research and Intelligence, Policy, Partnerships and Research and Reform and Innovation Teams, Bereavement Services and Markets and the Strategic Development Staffing Reduction Budget Option. The report set out briefly the financial considerations, the current forecast position and savings options for the period to 2019/20. The financial position was based on the best information available at this present time. Committee were asked to use the information provided to identify which, if any, of the options put forward fall into either of the following categories: A: Options which should only be considered by the Executive if the overall level of savings required exceeds £40m or B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

A member recommended the Council lobby the government in respect of the lack of funding for health and social care within the Autumn Statement, to which the Deputy Chief Executive (People, Policy and Reform) agreed and explained the steps the Council had already taken in this regard.

A member expressed disappointment that there was not information regarding how the Council could adopt 'blue sky thinking' (creative ideas that are not limited by current thinking or beliefs) in relation to its Human Resources and Legal Services within the report. She said this should include consideration of the opportunity to offer services to other councils and partners and/or to collaborate at a Greater Manchester level. The Executive Member for Finance and Human Resources advised that officers were investigating the scope for this and he would provide an update to a future meeting of the Committee.

The Chair reminded members of the budget process and that they were expected to consider the savings options contained within the report, prioritise them, and recommend to Executive whether they were agreeable to them being taken forward or not.

In respect of the Corporate Core Directorate Budget and Savings Options 2017/18-2019/20 options which fell within the Committee's remit the Committee considered all of the service efficiency savings options contained within the Corporate Core Budget including those for HROD, Cross Directorate Employee Related Budget, Policy, Reform and Innovation, Legal and Democratic Services, Audit, Risk and Resilience, Corporate Procurement, Customer Services, Financial Management, Shared Service Centre, Revenues and Benefits, Cross Directorate Non Employee Related Budgets. The Committee had no objections to the savings options for service efficiencies for these areas.

The Committee raised concerns around the service efficiency savings options for ICT. A member enquired whether the savings options related to printers was a duplication of individual departmental savings to which the Chief Information Officer confirmed it was not. The Committee noted the importance of ICT in helping other departments to facilitate their own savings options and were concerned that cuts to staff in this area would impact across the Council.

The Committee then considered the service reductions savings options for human resources, legal and democratic services, communications, and revised HR policy and processes and raised no concerns around those proposals. Members raised concerns about the reduction in support for complex social service cases and it was explained this was reduction in support to managers from Human Resources and not a cut to social services.

In respect of the service reduction savings option for Policy, Reform and Innovation, and Performance Research and Innovation the Committee noted that this had also been considered by Economy Scrutiny Committee at its meeting the previous day. Whilst the Committee felt that further efficiencies could be made they accepted the point made by the Deputy Chief Executive (People, Policy and Reform) that in light of Brexit and Devolution the importance of these posts should not be underestimated.

The Committee requested that they be categorised as Option A. Options which should only be considered by the Executive if the overall level of savings required exceeds £40m. The Committee requested instead that officers reconsider further service efficiencies to be gained by combining these work areas and which would not detract fully from the services currently offered.

Whilst the savings options for Legal Services was discussed the Chair withdrew from the room and a temporary Chair was appointed. A member queried the use of the term 'explore' to which the City Solicitor agreed the saving option was not certain, which resulted in it being rated 'Amber' in terms of risk. A member challenged the projected reduction in Children's caseloads to which the City Solicitor advised why the option had been projected over a longer timescale. A member asked whether the Council could consider employing more solicitors in order to speed up the adoption process for Looked After Children (LAC) and save money. The City Solicitor responded that the reasons for adoption proceedings being delayed was complex and not entirely dependent on solicitors being required. A member enquired whether more savings could be made in reducing the doorstep canvas. The City Solicitor responded that this was unlikely since efficiencies had already been made in this area by use of electronic registration and casual staff.

In respect of ICT members supported the service efficiency savings option which included revenue savings through reduction in contract costs, reduction in maintenance and refresh of ICT equipment, revenue savings through reduce maintenance/licensing cost following capital investment and travel reductions across the Council from collaboration technology. The Committee did not support the service efficiency saving option for ICT which included staffing reduction following implementation of ITSM and requested that this be categorised as Option A. Options which should only be considered by the Executive if the overall level of savings required exceeds £40m.

In respect of the Council Tax Support Scheme and Welfare Provision Scheme the Committee felt strongly that the most vulnerable within the city should be protected. They agreed that these should be retained and requested that both be categorised as Option B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

In respect of the Strategic Development Directorate Budget and Savings Options 2017/18- 2019/20 options which fell within the Committee's remit the Committee supported the efficiency and improvement savings options for operational estate and facilities management but did not support the service reduction savings option of staffing reductions and endorsed the recommendation of Economy Scrutiny Committee. The Committee requested that this option be categorised as Option B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

In respect of the Growth & Neighbourhoods 2017/18 - 2019/20 savings options which fell within the Committee's remit the Committee supported the efficiency and improvement savings options for business units but did not support the service

reduction savings option for reviewing the viability and operating models for Wythenshawe and Harpurhey Markets. The Committee instead asked that a review be carried out which included consideration of using capital investment to improve the offer of both markets and the potential for this to increase the Councils revenue income.

Decisions:

In respect of the Corporate Core Directorate Budget and Savings Options 2017/18-2019/20 options which fell within the Committee's remit the Committee:

1. Supported all of the service efficiency savings options contained within the Corporate Core Budget including for HROD, Cross Directorate Employee Related Budget, Policy, Reform and Innovation, Legal and Democratic Services, Audit, Risk and Resilience, Corporate Procurement, Customer Services, Financial Management, Shared Service Centre, Revenues and Benefits, Cross Directorate Non Employee Related Budgets.
2. Supported the service reductions savings options for human resources, legal and democratic services, communications, and revised HR policy and processes.
3. Did not support the service reduction savings option for Policy, Reform and Innovation, and Performance Research and Innovation. The Committee requested that they be categorised as Option A. Options which should only be considered by the Executive if the overall level of savings required exceeds £40m. The Committee requested instead that officers reconsider further service efficiencies to be gained by combining these work areas and which would not detract fully from the services currently offered.
4. Supported the service efficiency savings option for ICT which included revenue savings through reduction in contract costs, reduction in maintenance and refresh of ICT equipment, revenue savings through reduce maintenance/licensing cost following capital investment and travel reductions across the Council from collaboration technology. The Committee did not support the service efficiency saving option for ICT which included staffing reduction following implementation of ITSM and requested that this be categorised as Option A. Options which should only be considered by the Executive if the overall level of savings required exceeds £40m.
5. Did not support the service reduction savings option for the Council Tax Support Scheme and Welfare Provision Scheme and requested that both be categorised as Option B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

In respect of the Strategic Development Directorate Budget and Savings Options 2017/18- 2019/20 options which fell within the Committee's remit the Committee:

6. Supported the efficiency and improvement savings options for operational estate and facilities management.

7. Did not support the service reduction savings option of staffing reductions and endorsed the recommendation of Economy Scrutiny Committee. The Committee requested that this option be categorised as Option B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

In respect of the Growth & Neighbourhoods 2017/18 - 2019/20 savings options which fell within the Committee's remit the Committee:

8. Supported the efficiency and improvement savings options for business units

9. Did not support the service reduction savings option for reviewing the viability and operating models for Wythenshawe and Harpurhey Markets. The Committee instead asked that a review be carried out which included consideration of capital investment to improve the offer of both markets and the potential for this to increase the Councils revenue income.

[Councillor Ollerhead declared a prejudicial interest in relation to Legal Services and left the room for the duration of this item whilst the budget options for Legal Services were being discussed]

RGSC/16/46 Global Revenue Budget Monitoring Report

Decision:

The Committee agreed to withdraw this item of business from the agenda.

RGSC/16/47 Setting of the Council Tax Base and Business Rates Shares for Budget Setting Purposes

The Committee received a report of the City Treasurer which advised on the method of calculating the City Council's Council Tax base for tax setting purposes and Business Rates income for budget setting purposes for the 2017/18 financial year, together with the timing of related payments and the decision on pool membership. Members were asked to note that the Chair of the Committee would be requested to exempt the various key decisions from call in.

Members were asked to note that the City Treasurer, in consultation with the Executive Member for Finance and Human Resources has delegated powers to set the Council Tax base for tax setting purposes in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2013. They were also asked to note that the City Treasurer, in consultation with the Executive Member for Finance and Human Resources has delegated powers to calculate the Business Rates income for budget setting purposes in accordance with the Non-Domestic Rating (Rates Retention) Regulations. They were also asked to note that the City Treasurer, in consultation with the Executive Member for Finance and Human Resources has delegated powers to agree the estimated council tax surplus or deficit for 2016/17. To note that the City Treasurer, in consultation with the Executive Member for Finance and Human Resources has delegated powers to agree the estimated business rates surplus or deficit for 2016/17. and to note that the

City Treasurer, in consultation with the Executive Member for Finance and Human Resources has delegated powers to determine whether the Council should be part of a business rate pooling arrangements with other local authorities.

Members agreed to note the contents.

Decision:

To note the report

RGSC/16/48 The Council's Budget Response to the result of the EU referendum

The Committee received a report of the City Treasurer which provided members with an update on the implications for Greater Manchester's European Structural Investment Funding (ESIF) following the EU Referendum vote and the recent announcements from the Chancellor of the Exchequer on the steps that the HM Government are taking to address the uncertainty surrounding European funds that has been in place following the EU referendum.

Members discussed the report and the work that was ongoing at Greater Manchester Combined Authority level, with other Core Cities, Universities and the Voluntary and Community Sector. Members welcomed this.

Decision:

To note the report

RGSC/16/49 Delivering the Our Manchester Strategy

The Committee received a report of the Executive Member for Finance and Human Resources which provided an overview of work undertaken and progress towards the delivery of the Council's priorities as set out in the Our Manchester strategy for those areas within the portfolio of the Executive Member for Finance and Human Resources.

The Chair encouraged the Executive Member for Finance and Human Resources to engage more with communities. A member asked what the Executive Member thought of the Our Manchester training. The Executive Member for Finance and Human Resources said he was committed to both learning and listening to communities.

Decision:

To note the report

RGSC/16/50 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.

A number of late reports were received which were required to be published in a supplementary agenda.

Decision:

To agree the work programme

RGSC/16/51 Autumn Statement and Spending Review 2016

The Committee received a report of the Chief Executive and City Treasurer which provided an overview of the key announcements within the Chancellor of the Exchequer's 2016 Autumn Statement which set out the next stages of the government's long term economic plan. The report was also being provided to Executive at its meeting on 14 December 2016 but members were not asked to endorse any recommendations as it was for information purposes only.

The Chair said that the UK's decision to leave the European Union had impacted heavily on the statement and the statement demonstrated that the government's austerity policies had not worked. A member expressed disappointment at the lack of investment in health and social care at a time when pressures were increasing. A member noted that the Governor of the Bank of England had made a recent speech in relation to the Autumn Statement which indicated that he supported the Council's approach of driving growth for the city and tackling inequalities.

Recommendation:

To note the report.