

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on 20 February 2017**

#### **Present:**

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

Councillor Leese, Leader  
Councillor S Murphy, Deputy Leader  
Councillor B Priest, Deputy Leader  
Councillor Flanagan, Executive Member for Finance and Human Resources  
Councillor Battle, Executive Member for the Environment  
Councillor Rahman, Executive Member for Culture and Leisure  
Councillor N Murphy, Executive Member for Neighbourhoods  
Councillor Andrews, Executive Member for Adult Services  
Councillor S Newman, Executive Member for Children's Services  
Councillor Reid, Chair of Children and Young People Scrutiny Committee

**Apologies:** Councillors Craig, Peel, Rawlins and Richards in their capacity as Chair of a Scrutiny Committee.

### **RGSC/17/16            The Council's Budget 2017/18 to 2019/20**

#### **(a) The Statement of the Executive Members for Finance and Human Resources**

The Executive Member presented the background to the setting of the Council's budgets for the coming years. He explained the very difficult choices the Council was being forced to make with the continuation of significant cuts in central government funding. He explained why in 2017/18 and beyond the Council was going to see further reductions in services and staffing levels. These were to be on top of the major cuts imposed on the Council since 2011.

He also explained how the Executive had sought to examine the other sources of funding that might help mitigate some of the cuts that would otherwise have had to be made. Those had included the use of dividends and reserves and other sources of income. By doing so the level of cuts needed in the budget period had changed from £48m to £30m.

He also drew the Committee's attention to the under-funding of Adult Social Care. The growing crisis in the provision of proper and safe care and support for vulnerable people was now recognised nationally. The response the government had made to this was to allow Councils to add a 3% levy to the Council Tax in 2017/18. He considered the extra money that would be raised by the levy to be inadequate, it was not going to address the social care needs of Manchester's residents. The Committee agreed with his assessment of this. He also emphasised the importance of the Council seeking to explain to Manchester's residents why the levy was being

applied to Council Tax bills, and how the extra raised would only be used to help protect people in the greatest need in the city.

Reference was made to a petition that was being organised outside the Council to give the people of Manchester the opportunity to express to the government their opposition to cuts in social care, and also the cuts in schools' funding that the introduction of the education National Funding Formula was expected to bring about. The petition was to be presented in Downing Street before the Budget Statement was made by the Chancellor in March.

Members of the Committee and the Executive Member for Children's Services spoke of their concerns about the school funding cuts, fearing for the damage they will do to the education of the city's children and the longer-term social problems that might arise as a consequence.

At its last meeting the Committee had agreed to invite the Leader of Surrey Council to a future meeting to discuss their proposals to hold a referendum to increase Council Tax by 15% (Minute RGSC/17/13). Surrey had now withdrawn its proposal to have a referendum, with some public controversy about the circumstances of that decision. However, the Committee agreed that it would still welcome the opportunity to hear from the Leader of that Council to learn how Surrey is planning to respond to the challenges it faced from cuts to funding for support to vulnerable people.

The Committee welcomed the Manchester Petition being started and called on the Executive to support it and lend the Council's support for its presentation to the government.

### **(b) Consideration of Issues from the Scrutiny of Directorate Budgets and Business Plans**

The Committee welcomed the withdrawal of the proposed cuts to the support for Harpurhey Market. It noted that discussions of the future of Wythenshawe Market were continuing. Councillor Reid, as Chair of the Children and Young People Scrutiny Committee addressed the meeting to report on the budget issues that committee had scrutinised. She explained the proposed changes to the provision of school-crossing patrol services, and how the cuts that had been proposed originally had been substantially changed during the scrutiny of the budget.

A member of the Committee also expressed thanks for the way that the Council Tax Support Scheme had been amended during the budget scrutiny process.

The City Treasurer explained to the meeting the implications of the Council's intended participation in the pilot scheme for councils to retain 100% of their business rate income. The Committee discussed the possible anomaly that could arise from the commercial letting of student accommodation. Student accommodation was generally not within the scope of business rates despite it often being undertaken by landlords as a commercial business venture. This matter had also been referred to by the Economy Scrutiny Committee and that Committee had requested that the Resources and Governance Scrutiny Committee investigate this matter further. The Committee agreed to do so.

### **(c) Consideration of Issues Raised in the Public Consultation**

The Committee considered a report on the outcomes of the final phase of the consultations on the budget proposals, the third such consultation that had been undertaken for the 2017/18 budget proposals.

The level of the public's engagement and response in this year's budget consultations was unprecedented in the Council. In total over 4,600 people had contributed. The experience gained in the three phases was also going to be very valuable in planning even more effective consultation and engagement for the 2018/19 budget.

The committee emphasised again its belief that it is important for the public to have access to paper copies of the consultation documents.

The Committee members and the Executive Members expressed their thanks to the officers who had worked on the consultation, congratulating them for their obvious success.

It was agreed that the Committee should examine how the consultation might be further improved in the coming year, as well as how the people of Manchester can be updated on the outcome of the consultation that they had participated in.

Councillor Reid, as Chair of the Children and Young People Scrutiny Committee addressed the meeting to report on the consultation on proposed changes to the network of Sure Start Centres across the city. She was supported in that by the Director of Education and Skills and the Executive Members for Children's Services. The proposals for the Children and Families directorate budget included the de-designation of eight of the existing Sure Start centres to allow the buildings to be reused for wider community purposes. The changes would not result in the removal of access to Sure Start support services, but in changes to where some services were provided from.

The Committee noted the views that had been expressed by some consultees on this proposal and agreed that the proposed reconfiguration of the use of the eight centres was to the benefit of the Council without harming the provision of services to families in Manchester.

The Executive Member for Neighbourhoods reported to the Committee the on-going work with bowling green users and clubs on to improve the efficiency of the Council's bowling green maintenance operations.

The Executive Member for the Environment especially welcomed the Council's intention to make a major investment in the city's highways over the next few years, which was in response to the priority that the public had given to the state of the roads and walkways in their consultation responses.

The Executive Member for Adult Social Care spoke of and welcomed the importance that that public had placed on supporting the most vulnerable people in the city. He

explained how the Executive had sought to respond to those views by preserving as much of the funding for adult social care as possible, and by reducing the level of cuts that had originally been thought of as being necessary in 2017/18. But he emphasised that the budgets were still being cut and that the government's response to the under-funding of proper care services was going to continue to be a severe and worsening problem in the city.

The Deputy Leaders were able to report that it had been possible to protect levels of funding to support skills and support for employment, and also the level the Council's funding provided to voluntary and community groups.

The Leader also welcomed the dropping of plans to reduce spending on Electoral registration which he felt could only have been damaging to effective democratic representation on the city.

The Executive Member for Culture and Leisure explained how the importance that the public had placed on the city's parks and green spaces had been reflected in the development of the budget and the capital investment plans.

The Executive Member for Children Services spoke of the importance the public had given to schools and education and again expressed fears for the harm that might arise from the proposal by the government to change the funding of schools in the city. She emphasised the importance of everyone responding during the government's current round of consultations to make clear their opposition to these proposals.

The Committee noted that the Manchester Youth Council had also contributed to the consultation and agreed that it would be helpful for the Committee to hear first-hand from representatives of the Youth Council on how the young people in the city could be engaged more fully in future budget consultations. It was agreed to invite representatives to a future meeting of the Committee.

#### **(d) The Statement of the Deputy Leader regarding the Housing Revenue Account**

The Deputy Leader presented the report that the Executive had endorsed. In response to a question from a member of the Committee he confirmed that the government's mandatory rent reductions, whilst being welcomed by the tenants, were causing serious harm to the long-term financial viability of the Housing Revenue Account and harming the investment in the city's housing.

#### **(e) Consideration of proposed amendments to the budget**

No amendments had been submitted and no other members of the Council had requested the opportunity to address this meeting of the Committee.

#### **(f) Decisions and Recommendations**

1. To endorse the decisions of the Executive and to commend the proposed budget to the Council as a pragmatic set of proposals that respond to the cuts being imposed on the Council by the government.
2. To recommend to the Executive that the Council supports the Manchester Petition being organised to express concern to the government about the damaging effect on the city and the people of Manchester of cuts to adult social care and to schools' funding, and to support the presentation of this petition to the government in March.
3. To confirm the decision to invite the Leader of Surry Council to a future meeting of the Committee.
4. To add consideration of Council Tax and Business Rates, and in particular the treatment of Student Accommodation, to the Committee's work programme for 2017/18.
5. To add to the work programme a report on the plans to further improve on the public consultation on the budget proposals for 2018/19 and beyond.
6. To add to the work programme a report on the communications planning and methodology to feed-back to the public the importance of the consultation contributions and on what Council is doing as a consequence.
7. To invite the Youth Council to address a future meeting of the Committee.
8. To thank all the Council Officers who had worked on the budget and on the public consultation for all the hard work that had been done, and the City Treasurer for leading that work. To thank the Executive Members for the way that the budget had been developed and shared, and to express particular thanks to the thousands of people in Manchester who had contributed to the development of these final budget proposals by taking part in the different phases of the public consultations.