

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on 7 September 2017**

#### **Present:**

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

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

#### **Apologies:**

Councillors Andrews and Pritchard

### **RGSC/17/43            Minutes**

The Committee considered the minutes of the meeting held on the 20 July 2017. Further to minute RGSC/17/34 (MInutes), the Chair reported that it had been decided that a delegation of Members would present the Prime Minister with a report on the impact of the austerity cuts to Manchester when she visited the City in October for the Tory Party Conference, rather than arranging a visit to Downing Street.

Further to minute RGSC17/41 (Budget Update), a Member asked whether there had been any further progress on how the Council was likely to be funded post 2020 in the absence of the Local Government Finance Bill?

#### **Decision:**

1. To approve as a correct record the minutes of the meeting held on 20 July 2017.
2. To note that a delegation of Members will present the Prime Minister with a report on the impact of the austerity cuts to Manchester when she visits the City in October for the Tory Party Conference; and
3. Requests that the City Treasurer submits a further report on Local Government Financing to the Committee following the Chancellor's Autumn Statement.

### **RGSC/17/44            Revenue and Benefits Annual Report**

The Committee considered a report of the City Treasurer which provides performance data for the 2016/17 financial year for the Council Tax, Benefits and Business Rates Service areas. The report also provided an update on key areas of work and the welfare reform changes. The Head of Revenues, Benefits and Shared Services introduced the reports across its broad themes.

Members welcomed a thorough and detailed report. A Member sought clarification as to whether the Council would be recommitting investment to the provision of foodbanks across the City and surrounding districts.

Officers confirmed that the Council had agreed to financial investment in the provision of foodbanks for this financial year. The Portfolio Holder for Finance and Human Resources commented that he intended on visiting each foodbank to see if there was anything further the Council could do to alleviate pressures on the working poor.

A Member commented on the number of proposed new builds across the City that would bring about additional Council Tax revenue and whether the Council had enough resources to enable this additional revenue to be collected efficiently. The Member asked whether the reduction in Housing Benefit Claims was likely to continue or was this going to level out as Universal Credit was rolled out. The Member also asked whether the Council would likely be required to reimburse anyone who had subjected to the benefit cap legislation where they had children under the age of 2 years old in light of the recent judicial review.

The Head of Revenues, Benefits and Shared Services advised that the Council was constantly looking at the level of resources it required in order to support the service efficiently. She advised that the Council expected a change in the landscape of the number of housing benefit claims as the Council moved to Universal Credit full service. It was reported Universal Credit (UC) arrangements now meant that any housing costs were paid as part of the UC award and any financial help towards Council Tax now had to be claimed as a separate claim from the Council. A further significant issue was that many residents still contacted the Council and local Councillors in respect of queries with sanctions, delays and housing costs. Unfortunately the Council was no longer able to respond to these enquiries as the data and claim details were no longer held by the Council.

In terms of potential reimbursement of the benefit cap, The Head of Revenues, Benefits and Shared Services explained that Officers tried to deal with the immediacy of what they had on their systems and work with social landlords who had identified families with children under 2 years old and then try and look across caseloads, try and identify further families through more sophisticated reports. In some cases it may mean the re-adjustment of discretionary housing benefit rather than reimbursement.

A Member asked whether there would be an increase in the number of Band H properties across the City which would in turn increase the Council Tax revenue stream. The Member also asked whether the Council could do anything to assist businesses that were subject to increase in Business Rates.

The Head of Revenues, Benefits and Shared Services advised that council tax banding was determined by central government following an evaluation of the property and as such, the Revenue and Benefits team would not know the banding of properties until this evaluation had taken place. She also advised that there was a lot of information on Business Rates charges, appeals and relief from both the Council's website and the website of the Valuation Office Agency who dealt with the valuation of businesses and appeals. She advised that it would be expected that businesses undertook their own research as to their own appeals and what discounts they could be entitled to.

A Member asked whether there was a specific reason as to the fall in the number of cases where discretionary housing payments (DHP) had been made due to the arrival of a new born baby. The Member also asked that in terms of re-housing and resettlement support, why were only carpeted properties awarded for resettlements due to welfare reform.

The Head of Revenues, Benefits and Shared Services advised that there was no specific reason as to the reason the number of cases of DHP's were awarded due to the arrival of a new born baby but would investigate and report back. She explained that the welfare provision scheme was complex with limited funding and if the Council was to start including the provision of carpets and curtains in all resettlement properties, the cost to provide this support would increase and ultimately this would impact on the number of people the Council could assist.

A Member asked for clarification as to what the Council did to inform students to apply for exemptions from Council Tax and what was the financial impact of these exemptions on the Council.

The Head of Revenues, Benefits and Shared Services advised that it was the responsibility of student to apply for exemption to council tax and the Council did speak to the Universities to try and promote this responsibility. This included obtaining a database of students from the university so that when contact was made by the student, a certificate was not required and the discount or exemption could be granted using the database information. The City Treasurer advised that the impact of loss of RSG funding for student exemptions to Council Tax was currently £7.5million in 2016/17.

A Member enquired as to the cost effectiveness of the Council pursuing enforcement and prosecution for non-payment of Council tax.

The Head of Revenues, Benefits and Shared Services advised the cost effectiveness of prosecutions varied. Prosecution often took a long period of time to complete and it was not the Council's aim to see people sent to prison for non-payment. Instead, the Council had actively engaged with residents in improving education and awareness of the requirement to pay council tax and the various support mechanisms that were available to them should they be in financial hardship.

The Chair enquired as to whether Officer had a year to date figure in relation to pending attachments to benefits and total debt accrued in relation to these attachments. In relation to this another Member expressed dismay as to the Council's decision to adopt the criteria where by only the first two children would be considered in relation to the Council Tax Support Scheme and asked how much this was expected to save the Council

The Head of Revenue, Benefits and Shared Services advised that these areas would be picked up in a separate report relating to the impact of the Council Tax Support Scheme (CTSS) and Welfare Reform changes, which would be considered by the Committee at a future meeting.

Decision

1. To request that Officers provide Members with information as to the reason in the reduction of Discretionary Housing Payments to claimants with new born babies;
2. To request that Officers pursue active conversations with the Universities to promote the responsibility of students to apply for exemptions from Council Tax and to bring back, as an item of information, what progress has been made on this matter;
3. To request that the Executive Member for Finance and Human Resources makes progresses with establishing a small working group, (to include the Chair of Resources and Governance Scrutiny Committee and other members), to consider the impact of the CTSS upon different demographics including families with more than two children;
4. To request that the Head of Revenues, Benefits and Shared Services provides a briefing note to Members on Universal Credit, covering what information the Council will and will not have access to so that Members know what the limitations of the service are;
5. To request that Officers circulate the report to all Members for information;
6. To request that the Head of Revenues, Benefits and Shared Services circulate the new policy on Business Rate relief to all Members; and
7. To request that the Executive Member for Finance and Human Resources writes to the Chancellor of the Exchequer with the Councils concerns as to the impact to the working poor in relation to food poverty and deprivation across the City.

### **RGSC/17/45            ICT Information and Data Strategy**

The Committee considered a report of the Chief Information Officer, which provided an update on the progress of delivering the IT transformation agenda for Manchester City Council.

It was reported that good progress had been made, and benefits were being realised. By necessity, much of the work to date had been internally focused, but a lot of opportunities to deliver benefits for residents and services were already emerging or had been delivered. It was reported that ICT would continue to deliver existing priorities, and seek opportunities to deliver further benefits in line with Council priorities.

The Chief Information Officer extended an invitation to Committee Members to visit the ICT department in October in order to see first-hand some of the areas of work the Department were working on

A Member commended the work of the ICT Department on its investment in cyber security, which had been highlighted by the fact that the Council was not impacted by the recent ransomware outbreak.

A Member asked whether there was an intention to continue to provide placements within the department for looked after children as part of its commitment to social value.

The Chief Information Officer advised that he took his responsibility for social value seriously and gave a commitment to continue to provide opportunities within his department for young people to gain employment through apprenticeship schemes.

A Member asked what progress was being made in relation to universal access to ICT for the 1450 front line staff who currently did not have ICT access.

The Chief Information Officer advised that he had agreement with the City Treasurer to make available the funding to provide all of the 1450 employees with the correct tools and access to ICT which will create opportunities for new ways of working, support personal development and give access to job opportunities. Furthermore, it would help staff feel more engaged with the organisation.

A Member asked a question in relation to the Departments HR plans around agency spend and staffing.

The Chief Information officer explained that new legislation had come into force which now had to be taken into consideration when appointing contractors/agency staff and the ICT department was working towards a target of a minimal number of sub-contractors being employed. In terms of permanent head count, it was reported that the department was now at full capacity.

In relation to a question from the Chair about the co-ordination of the printer fleet, the Chief Information Officer confirmed that planning had already taken place in relation to the move of the fleet into the extension and Officers within ICT were working closely with Town Hall Project colleagues to ensure a seamless move of IT and printer equipment.

#### Decision

1. To note the report
2. Requests that more emphasis is given to Social Value and apprenticeships, universal access and HR plans in the next update.

#### **RGSC/17/46            Our Town Hall**

The Committee considered a report of the Deputy Chief Executive, which provided an update on recent progress with the refurbishment and partial restoration of the Town Hall and Albert Square under the Our Town hall project. The report included updates on the appointment of the design team, the recruitment of a client team and plans to procure a management contractor through a competitive dialogue process.

The report also provided an update on the latest position on the decant of the Town Hall and the communication and engagement plans for the project, including proposals around the 140th anniversary of the opening of the building as well as events to mark the closure in January 2018.

A Member asked whether Officers had found a solution to ensuring the availability of companies to repair and replace the leaded windows due to the fact that there was

only a small number of companies, nationally, who had the required skill set to undertake this type of work?

Officers acknowledged that there was an issue in terms of capacity of those with specialist skills required to deliver specific work required on the Town Hall. The Council was about to go to engage with the supply chain via an open day in October which would include companies who undertook this specialist work.

A Member asked whether Officers had taken into account the Committee's previous comments around the KPI's of the project in relation to social value and whether these would also include gender and ethnicity of the workforce that would be employed on the project.

Officer advised that the request previously made by the Committee in relation to the KPI's of the project had been noted and would be included. There was still some work that was needed around finalising the suite of KPI's that would be used and it was proposed that performance against these would be reported back to the established Ethical Procurement Sub Group.

A Member asked whether it would be possible to display portable heritage items across the city in Libraries and Schools rather than place the majority of these in storage.

Officers agreed to look into the possible opportunities to display portable heritage items across the City and agreed to report back on this in the next update.

A Member asked if there would be any provision for Councillors to have tours of the Town Hall during the refurbishment. The Member also proposed that it would be a nice gesture for Officers to invite past Lord Mayors to the 140th Anniversary of the opening of the Town Hall

Officers agreed to look at the possibility of tours of the Town Hall for Members during the refurbishment and supported the proposal to invite past Lord Mayors to the Anniversary event.

A Member asked what plans were in place to relocate the multi faith room which was currently located in the basement of the Town Hall?

Officers agreed to look into this and report directly back on this to the Member.

A Member asked for clarification as to what would be happening with Albert Square during the refurbishment of the Town Hall.

Officers confirmed that Albert Square would remain open during the refurbishment, but there would be a period where part of the Square would need to be closed for refurbishment. There was also a challenge of identifying where the site cabins would be situated during the refurbishment but every attempt would be made to keep Albert Square free for events.

The Chair stressed the importance of Social Value connected to this project and acknowledged that although the Ethical Procurement Sub Group would receive detailed updates on the social value aspect of the project, requested that the Committee was provided with a brief summary of progress against Social Value in future updates.

The Chair asked for an update on what was happening with the organ located in the Great Hall within the Town Hall? He also asked for an update on what the catering offer would be for Members and Staff following the decant to the Town Hall extension.

Officers advised that the Council was working positively with the Manchester Cavaille/Coll Organ Foundation who were committed to raising the required funds to restore the organ and one of the next steps was to determine what restoration was required within the Great Hall. In terms of the catering offer, Officers advised that there would be provision for Staff and Members within the new café which would be situated in the Town Hall Extension. This provision would be available for the public as well and Officers acknowledged that this would need to be monitored to ensure that this arrangement did not have a negative impact on members of the public who wished to use the café.

#### Decision

1. To note the progress with the Our Town Hall Project, with a design team now procured and in place, a client team recruited and the procurement of a management contractor underway;
2. To note that the 140th anniversary of the opening of the Town Hall will be appropriately celebrated on 13 September 2017;
3. To request that Officers invite past Lord Mayors to this event;
4. To note the progress with the decant of staff, Members and portable heritage assets from the building;
5. To request that Officers investigate the possible opportunities to display portable heritage assets across the City and report back on this in the next update;
6. To request that Officers look at the possibility of tours of the Town Hall for Members during the refurbishment and report back at the appropriate time
7. To request that Officers confirm what plans are in place to relocate the multi faith room currently located in the basement of the Town Hall;
8. To request that Officers issue appropriate communication to the public on the future of Albert Square during the refurbishment of the Town Hall
9. To request that Officers provide an update on the refurbishment of the Organ within the Great Hall in the next update; and
10. To request that Officers look at the proposed model for the cafe before implementing it as the outlined proposal risks overcrowding by staff due to lack of available space currently available to staff and that Officers monitor the proposed catering offer to Staff and Members to ensure that there is no detrimental impact on the public who currently use this facility.

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

A Member expressed concern that the Committee was still waiting for an update on Minute RGSC/16/30 as the original request had been made in October 2016.

The Chair informed the Committee that the portfolio for Finance and Human Resources and himself would be establishing a Task Group to monitor the performance of the Councils Revenue and Benefits Service

### **RGSC/17/48            Central Retail Park**

The Committee considered a report of the Strategic Director (Development) and the City Treasurer, which set out a proposal for the Council to acquire Central Retail Park on Great Ancoats Street from its current owner, TH Real Estate. The report also set out the intention to put in place a new Development Framework and commercial plan for the site in partnership with the Abu Dhabi United Group (ADUG) to secure the onward development of the site.

The Committee was advised that the site was a highly prominent one in the Ancoats and New Islington neighbourhood, which was an area of the city centre that was rapidly emerging as a residential mixed-use neighbourhood with a real sense of distinctive identity. The site had been an established retail destination in the city since the late 1980s. It had, however, seen a notable decline in recent years. The site had considerable redevelopment potential and was positioned as a key gateway into the Ancoats and New Islington neighbourhood

The Executive had previously approved a number of arrangements that enabled the Council to enter into a series of agreements with ADUG that provided the basis for a strategic direction and the essential framework for the development of sites that would seek to transform the Ancoats and New Islington Neighbourhood, and in the fullness of time, those neighbourhoods between Ancoats and New Islington out to the Etihad Campus.

It was reported that the acquisition of Central Retail Park supported the collaborative regeneration objectives already agreed with the Council's existing investment partner and fell within the approved framework.

Members commented that the proposal to acquire the site was an excellent opportunity for the Council and would allow greater control over the future redevelopment of the site.

A Member asked whether the second phase of development, being led by Manchester Life would involve being rented out on a similar basis to that as described in Para 3.3 for the first phase of development.

The Leader advised that these matters had not yet been determined.



## Decision

The Committee endorses that the Executive is requested to:

1. approve the acquisition of Central Retail Park on Great Ancoats Street from TH Real Estate;
2. approve the establishment of a partnership type arrangement with ADUG to work with the Council in relation to the future master planning, use and redevelopment proposals for the site;
3. delegate authority to Chief Executive, the City Treasurer and the City Solicitor, in consultation with the Deputy Leader of the Council (Housing & Regeneration) and the Executive Member for Finance and Resources, to negotiate and finalise details and terms of the acquisition and the property and commercial arrangements, including where appropriate a business plan and the establishment of any formal partnership type arrangements and the Council's participation in such arrangements;
4. delegate authority to the City Solicitor to enter into and complete all documents or agreements necessary to give effect to the recommendations in this report; and
5. agrees to monitor this decision and development periodically and requests Officers and the Executive to bring this back to Scrutiny at various stages of development. This will give the Committee experience of how Council acquisitions work as well as monitor value for money.

## **RGSC/17/49            Exclusion of the Public**

A recommendation was made that the public be excluded during consideration of the next item of business.

## Decision

To exclude the public during consideration of the following item which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **RGSC/17/50            Central Retail Park**

Further to Minute RGSC/17/39, the Committee considered a report of the Strategic Director (Development) and the City Treasurer, which set out the property, commercial and financial consequences associated with progressing the recommendation as set out in the associated report.

Members asked questions to which the Strategic Director and Leader responded.

## Decision

The Committee endorses the recommendations for approval by the Executive

