

Resources and Governance Scrutiny Committee

Minutes of the meeting held on 9 November 2017

Present:

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

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

Apologies:

Councillors Pritchard, Russell and Strong

RGSC/17/56 Minutes

Decision

To approve as a correct record the minutes of the meeting held on 12 October 2017.

RGSC/17/57 Budget Refresh 2018 – 2020

The Committee considered a report of the Strategic Director (Development) and City Treasurer, presented by the Executive Member for Finance and Human Resources, which set out a proposed budget refresh process for 2018-20, including proposals for scrutiny of Directorate Budget and Business Plans.

Officers referred to the main points and themes within the report which included:-

- although a three year budget was set in March, the Council's budget and business plans were kept under continuous review to ensure the Council could respond to new and emerging challenges and opportunities;
- there were unavoidable cost pressures arising throughout the budget period, such as those relating to demand and price changes in Adult Social Care and Children's Services;
- whether the Committee wished to consider the refreshed versions of the directorate budget and business plans that it scrutinised during the last budget cycle; and
- the proposed budget refresh timetable in full

Some of the key points that arose from the Committees discussions were:-

- what support had been received from Government following the Manchester Arena attack in May; and
- what more could be done to support those you presented themselves as homeless, regardless of whether they were Manchester residents or not.

The Executive Member for Finance and Human Resources advised that the Government had given an assurance to provide support to Manchester following the attack, however, it had yet to provide any funding to cover the cost implications that had been incurred by a number of public bodies, including the Police and the Council. He reassured the Committee that the Council would continue to support those affected by the attack, regardless of whether the government looked after its citizens or not. He offered to undertake a delegation to the Prime Minister to request that government provided the support it had promised.

The Executive Member for Finance and Human Resources advised that the Council's homelessness strategy aimed to address the issues of those presenting as homeless and although homelessness did not fall under the remit of this Committee, he suggested that the Committee may want to look at the financial impact to the Council on the growing number of those presenting themselves to the Council.

Decision

The Committee:

- (1) agrees to look at the refreshed versions of the directorate budget and business plans that it scrutinised during the last budget cycle
- (2) requests that all business plans are included as an appendix to the budget refresh report;
- (3) requests that Officers include reference to business units within the budget refresh report;
- (4) endorses the proposal for a delegation, headed by the Executive Member for Finance and Human Resources to visit the Prime Minister to request that government provide the support it had promised;
- (5) agrees to receive a report from the Deputy Leader on the financial impact to the Council on the growing number of those presenting themselves to the Council as homeless at a future meeting.

RGSC/17/58 Manchester Town Hall and Albert Square: 'Our Town Hall'

The Committee considered a report of the Deputy Chief Executive (Growth & Neighbourhoods), presented by the Director – Trading Services which provided an update on recent progress including the latest position on the decant of the building including the latest position on progress with the Manchester Cavaille Coll.

Officers referred to the main points and themes within the report, which included:-

- a small number of users, particularly the Coroner, had very specific requirements that could not be met through use of existing Council owned buildings and which required a different solution;
- the Lord Mayor and their office would relocate in January 2018 to Central Library;
- Members accommodation would be provided in the Town Hall Extension, and would be based on Level 2 on the former Members Corridor and the Executive Members Office would be based on Level 4;

- the potential for the temporary relocation of portable heritage assets and plans for a visitor orientation space within the Town Hall Extension complex;
- the proposed arrangements for a new café facility in the Town Hall Extension facing St Peters Square; and
- work that had been undertaken to benchmark and strengthen the agreed KPI's for the project

In addition the Deputy Leader advised that it was proposed that future Committee meetings would take place in the Council Chamber as the current Scrutiny Meeting Room would be incorporated into the proposed Members accommodation.

Some of the key points that arose from the Committees discussions were:-

- there was a general consensus of support for the use of the Council Chamber for future Committee Meetings;
- how had potential contractors reacted to the KPI requirement of at least 50% of the workforce were to be Manchester residents;
- concern was raised that there had been a change in focus from outputs to outcomes in relation to training opportunities that were to be provided on the project;
- it was felt that the target of 50% of apprenticeship positions being filled by Manchester residents was too low and why was the Council not aiming for 100% of these position to be for Manchester residents;
- how would diversity and the inclusion of minority groups within the apprenticeship positions be achieved;
- following the decant of the Town Hall, could Members be provided with floor plans of the extension as to where various teams/departments would be located;
- what was classified as a portable heritage asset;
- was there any opportunity for the public to visit the Town Hall after staff had vacated and before it was closed; and
- had the increase in the national minimum wage been factored into costings;

Officers advised that the Council had not held any conversations yet with potential contractors, these discussions were due to commence in January 2018. It was acknowledged however, that the requirement of 50% of the workforce to be Manchester residents was quite high and unusual on a project of this scale. The Director – Trading Services commented that the KPI's presented were realistic at the present stage and reflected on the work undertaken so far by the design team. It was acknowledged that further work would be required around the inclusion of minority groups.

Officers gave an assurance that the Council would do its utmost to ensure as much benefit from the project remained in Manchester however, it was anticipated that due to the scale and nature of various aspects of the project, it would not be possible to allocate 100% of each KPI to just Manchester residents. The Deputy Leader gave a commitment to take on board the view of the Committee and review the target for apprenticeship positions for Manchester residents and submit a revised figure following further research.

The Director – Trading Services agreed to provide Members with floorplans of the Town Hall Extension in early 2018 once all teams had relocated.

In terms of portable heritage assets, Officers advised that these in the main would be busts which were currently located on the ground floor of the Town Hall, however, a piece of work was ongoing looking at how all assets could be displayed. Consideration was also being given to virtual reality tours for those pieces were it was not physically possible to remove them.

The Director – Trading Services advised that the Town Hall would be open to the public on Sunday 14 January 2018 for anyone who wanted to visit before it was closed and that this date would be publicised in order to attract as much interest as possible. He also advised that a commitment had been made to ensure that all employed on the project would be paid at least the Manchester minimum wage which would increase in line with any increases in the national minimum wage.

Decision

The Committee:-

- (1) Notes the progress with the decant of staff, members and portable assets from the building to enable intrusive surveys to commence and that the Town Hall will close to the public on 15 January 2018;
- (2) Notes the progress on discussions with the Manchester Cavaille Coll Organ Foundation;
- (3) Notes the summary of progress against social value key performance indicators and monitoring of equalities information;
- (4) Note the overall progress of the construction project; and
- (5) Requests that in the next update, more information is provided on the following:-
 - apprenticeship targets for Manchester residents
 - more detail on the KPI's
 - the role of subcontractors in providing social value; and
 - floorplans of the Town Hall Extension

RGSC/17/59 Global Revenue Budget Monitoring Report to 31 August 2017

The Committee considered a report of the City Treasurer, which provided a summary of the Council's revenue budget and forecast outturn position for 2017/18, based on an assessment of income and expenditure to the end of August 2017 and financial profiling to 31 March 2018.

Budget monitoring information was integral to supporting robust management arrangements across the Council. Its purpose was to support effective decision making, including drawing attention to areas which need to be addressed through further management action. Officers referred to the main points and themes within the report which included:-

- there was currently a projected £9million overspend across the Council for the 2017/18 financial year
- Children's Services were projecting an overspend of £7m which related to pressures with Looked After Children and Children leaving care
- Adults Social Care were projecting an overspend of £3.6m. Of this £1.6m related to homelessness services, with the remainder to Adult Social Care (ASC);
- a number of pressures in ASC had been offset this year by the Adult Social Care Reform Grant which had been awarded after the budget had been set. However, this grant would diminish over the next three years.
- the pressures in ASC had arisen due to increase demand for placements and delays in delivering transformation projects or receiving transformation funding;
- Growth and Neighbourhoods were projecting an overspend of £1.8m, which related in the main to waste disposal and collection issues, however there had been funding set aside to address these issues;
- a number of pieces of work were underway to pull back some of these areas of overspend and address as part of the budget process

Some of the key points that arose from the Committees discussions were:-

- concern was expressed about the overspend in Adult Social Care. Had funding from the Transformation Fund been received to support and deliver the Locality Plan
- concern as expressed with the overspend in Growth and Neighbourhoods, and the Members sought an explanation as to why this overspend was not foreseen;
- there was a need for Scrutiny to look at the areas which were consistently overspending and not achieving their targets in order to ensure that the Council had a handle on its budgets;
- was the ASC Reform Grant actually reforming services, as there was still a £3.6million overspend despite receipt of this grant and concern was expressed that this grant would reduce over the next three years;
- concern was also expressed around the volatility of the collection of Business rates and what could the Council do to mitigate the variance of these collection rates;
- how did Manchester compare to other local authorities in relation to the level of homelessness and the costs associated to addressing this area; and
- how was the forecasted overspend in Highway Services and Street Advertising to be addressed

The Executive Member advised that when the Council set its three year budget in March 2017 it was based on advice from senior officers and their projections and business plans. He suggested that the areas of overspend were ideal areas for scrutiny to review when it considered the budget refresh at its meeting in January 2018. It was acknowledged that there were delays in progressing the Locality Plan and it was appropriate that Scrutiny looked at why these delays were taking place. He reminded the Committee that the Council was having to operate on reduced government funding whilst demand for services increased.

The City Treasurer advised that a number of issues relating to waste had been foreseen, however, there was still a lot of work ongoing with the waste contract and levy which had not been finalised so the funding had been held in contingency which would be allocated once these pieces of work had been completed. In terms of Health and Social Care, the Transformation Fund bid had been successful and had been allocated, although it had taken longer than expected to receive, which had had a knock on effect in terms of delivering a number of savings. A number of lessons had been learnt this year which would feed into the refresh for next year.

The Executive Member advised that as the Council had not yet delivered its Locality Plan, this was an attributable factor as to why there was still an overspend in ASC. It was acknowledged that there were still potential significant levels of overspend in ASC unless the Council delivered the integration of health and social care services.

The City Treasurer advised that a challenge with the collection of business rates was with the appeals process and the move to a new check/challenge process. The City Treasurer also agreed to circulate to the Committee a copy of a letter that had been submitted to government which outlined the main issues that the Council had identified in relation to addressing homelessness within and across the city

The Executive Member advised that the budget for Street Advertising was in the agreed three year budget but had not yet been delivered. The reason for the overspend was due to delays in delivering solutions in some areas that would result in savings.

Decision

The Committee:-

- (1) Notes the contents of the report;
- (2) Requests that the Committee receive the Global Monitoring report on a regular basis in line with its submission to the Executive; and
- (3) Agrees to defer to the Chair of the Committee, in consultation with the Executive Member for Finance and Human Resources and the City Treasurer to consider the most appropriate way to scrutinise in more detail the areas of overspend which the Committee have raised concerns with.

RGSC/17/60 The Roll out of Universal Credit Full Service in Manchester

The Committee considered a report of the City Treasurer, presented by the Head of Revenues, Benefits and Shared Services, which provided details of the Universal Credit regime and roll out, including the financial impact on both Manchester residents and the Council, including other areas of financial support offered by the Council.

Universal Credit (UC) was the government's flagship welfare scheme which aimed to simplify the benefits system for working age people by bringing together out of work and in work benefits, improve the transition to employment and make work pay by removing disincentives to work.

Officers referred to the main points and themes within the report which included:-

- the default approach to UC payments;
- UC and the benefit cap applied to a claimants total benefit income
- the rollout of the UC full service across Manchester
- the potential impact of UC on vulnerable residents;
- the cumulative impact of the welfare reforms alongside the introduction of UC;
- risks and impacts of UC on Manchester residents;
- the impact of UC on other areas of the Council (eg Council Tax Support, Discretionary Housing Payments, Free School Meals); and
- the impact of UC on the collection of money owed to the Council.

Some of the key points that arose from the Committees discussions were:-

- what would be the potential financial impact to the Council, if UC claimants stopped paying money they owed to the Council (eg rent) due to the cut in the benefits they receive;
- where a claim was made by a household with a child, could the Council notify the relevant school to help determine any decisions around the provision of free school meals
- there was a need to improve communications with Council Staff who were in receipt of UC;
- it would be beneficial if the report was circulated to all Members of the Council;
- School Governors could play a role in identifying families that would be eligible for free school meals;
- concern was raised in relation to seven waiting days before UC was paid following a claim and the impact this may have on other benefits claimants were entitled to;
- what was being done to address vulnerable clients who were in temporary accommodation to ensure they did not fall through any cracks;
- concerns were raised for victims of domestic abuse where there partner was the claimant for UC and for those claimants who could not manage their claims digitally; and
- from a financial perspective, what was the worst case scenario for the Council on the impact of UC.

The Head of Revenues, Benefits and Shared Services advised that Government had allowed Councils to keep discretionary budgets to help mitigate the impact on those most affected by cuts in benefits, but these budgets were not large enough to address the potential financial impact of UC and as such, UC would have a significant impact on the Council's finances. Officers agreed to look at the possibility of sharing data on claimants with schools.

The Head of Work and Skills advised that there was a range of communications activity to take place around UC and it was the responsibility of Managers to ensure staff, who currently did not have access to ICT, were provided with this information. It was agreed that the Head of Work and Skills would circulate a briefing note to all Members on the impact of UC.

The Head of Work and Skills confirmed that Housing Benefit would be part of UC and would be subject to the seven day wait following a claim which could result in claimants going into arrears. It was explained that Registered Providers could apply for alternative payment arrangements but the Council's concern was with private rented tenants as a private landlords could not apply to Job Centre plus to put their tenants on an alternative payment plan.

The Executive Member acknowledged concerns relating the potential increase in the number of residents forced into homelessness as well as the increase in the need and use of foodbanks and pay day loans for families affected by UC

The Head of Work and Skills shared the concerns of the Committee in relation to victims of domestic abuse. Officers agreed to investigate further the ability for DWP to split UC payments in certain circumstances. It was reported that if claimants felt that they were not able to manage their claims digitally, they could seek support from their Job Centre plus.

Decision

The Committee:-

- (1) Notes the report;
- (2) Requests that Head of Work and Skills circulate a briefing note to all Members on the impact of UC; and
- (3) Agrees to add an item for information on to its work programme on the ability for DWP to split UC payments.

RGSC/17/61 Update on the Stock Condition Survey, capacity within the MCC Estate and meeting future accommodation demand

The Committee considered a report of the Strategic Director (Development), presented by the Head of Corporate Estate and Facilities, which provided an update on the Stock Condition Survey work, the capacity within the operational estate and review options for future demand.

During 2015 the Council commissioned a Stock Condition Survey of key assets. This was to ensure that it had the relevant data to inform prioritisation and spend on maintenance of property assets and to inform the five year Estates Strategy delivery plan. The Council had been going through a period of unprecedented change and this in turn has impacted on both the level and type of accommodation that was required to deliver operational services.

Officers referred to the main points and themes within the report which included:-

- following the Stock Condition survey, the Council now held extensive and accurate data on key/priority operational estate assets;
- rationalisation of the estate in recent years had focussed on a strategy to consolidate office buildings based on a hub-and-spoke model which in turn had resulted in large revenue and capital savings;

- within the last five years all of the District Offices had benefitted from significant capital investment;
- there was a handful of standalone office buildings still in use, which were identified for closure but there was not currently adequate capacity in those localities to facilitate service relocation into a District Office;
- predicting the demands for accommodation beyond five years was complex, with a number of different factors that may (or may not) come into play;
- emerging technologies would play a key role in driving out new ways of working and how customers wished to engage with the Council and access services; and
- in order to meet a short term accommodation requirement, leasing provided the most cost effective solution.

Some of the key points that arose from the Committees discussions were:-

- clarification as sought around the future use of standalone district office buildings;
- were the property assets listed in appendix A within Council ownership or leased, with particular reference to Bridgewater House
- under what basis was the Council occupying Castlefield Visitor Centre as part of the Our Manchester Experience
- concern was raised around the use of temporary accommodation by the Council;
- concern was expressed that the Council was not getting best value for money from its property portfolio by continuing to rent buildings (reference to Universal Square was made);
- what was the Council's strategy around its future accommodation needs for its workforce;
- where there any other hub and spoke models, other than the Gorton Hub, proposed;
- how much was the Gorton Hub costing and what happened to the proposed Health Hub in Miles Platting?

The Head of Corporate Estate and Facilities advised that the Council had a number of District Offices that were either to be refurbished or scheduled to be closed. There was some money in the Asset Management Programme to create more flexible spaces, however, work had not yet started on a number of these properties. In relation to the properties in Appendix A, there were five properties that were not in Council ownership alongside a long lease arrangement with Eatrop Court. Officers agreed to circulate an update on Bridgewater House and Castlefield Visitor Centre to Members.

The Strategic Director agreed to submit a future report with more detail around the different forms of intervention within the market as set out in 5.12 of the report. In terms of the Council intervening more in the property market, this would be dependent on what the Government would permit local authorities in terms of local acquisitions. It was suggested that the Committee may wish to look at the Council's wider capital strategy and the ability for the Council to intervene in the property market at a future meeting.

Assurance was given that the Council was looking at Universal Square and the Council had contacted the landowner to explore a different form of break clause to the current proposals. The Council was also looking at Bridgewater House, with the potential of one or both being included within the Gorton Hub and there would be some work undertaken to ensure there was a break in the tenancy arrangement for Bridgewater House in 2020

The Strategic Director agreed to provide more detail in a future report on the Councils approach to one public estate which set out how the Council proposed to work and locate itself with its partners, using public buildings to deliver services.

The Strategic Director advised that the Executive had agreed £15m within the Capital Strategy to deliver the Gorton Hub. In terms of the proposals at Miles Platting, it was reported that this had been a PFI proposal which Health Partners had not agreed to the pricing of the deal and as such,, it had fallen through.

Decision

The Committee:-

- (1) Notes the work that has been undertaken in respect of the Stock Condition Surveys and how the data is being used;
- (2) Notes the buildings and occupancy levels within the operational estate; and
- (3) Notes the approach to meeting future demand.
- (4) Agrees for a further report to be submitted which will cover the following areas:-
 - The Council's property strategy in relation to its future workforce
 - The proposals to deliver Health and Social Care Integration via a hub and spoke' model; and
 - The Council's strategy in terms of purchasing versus renting properties and how the Council invests within the city

RGSC/17/61 Overview Report

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.

Some of the key points that arose from the Committees discussions were:-

- a number of monitoring of previous recommendations were still outstanding and were now over six months old
- whether it was appropriate to hold additional meetings, establish a Sub Group or arrange for a Task and Finish Group to scrutinise in depth the areas of overspend that had been highlighted in the Global Monitoring report (Minute RGSC/17/59 refers); and
- the item for information on the Council's Heritage Register should be considered in more detail at a future meeting when the Committee received its next update on the Town Hall Project.

The Chair advised that for any previous recommendations that were over six months old, he would be requesting the relevant Officer and Executive Member to attend a meeting of the Committee to explain why these recommendations had not been responded to.

The City Treasurer welcomed Scrutiny's review of future global monitoring reports but advised that consideration would need to be given to the logistics of when this report would be received.

Decision

The Committee:-

- (1) Notes the proposal in relation to outstanding previous recommendations;
- (2) Agrees to defer to the Chair of the Committee, in consultation with the Executive Member for Finance and Human Resources and the City Treasurer to consider the most appropriate way to scrutinise in more detail the areas of overspend which the Committee have raised concerns with; and
- (3) Agrees to consider the Council's Heritage Register report alongside the next update on the Town Hall Project.