

## **Resources and Governance Scrutiny Committee**

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

#### **Present:**

Councillor Ollerhead - in the Chair

Councillors Ahmed Ali, Barrett, Davies, Hitchen, Karney, Lanchbury, Ludford, Siddiqi, A Simcock and Watson

Councillor B Priest, Deputy Leader

Councillor Flanagan, Executive Member for Finance and Human Resources

#### **Apologies:**

Councillors Connolly, Moore, Pritchard and Russell

#### **RGSC/17/62            Minutes**

#### **Decision**

To approve as a correct record the minutes of the meeting held on 9 November 2017.

#### **RGSC/17/63            Chancellors Autumn Budget update**

The Committee considered a report of the City Treasurer, which provided an overview of the key announcements within the Chancellor of the Exchequer's 2017 Autumn Budget, outlining the Government's fiscal agenda and the implications for Manchester

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

- Changes to Business Rates and Taxation
- Changes to Council Tax premiums on empty homes ;
- Funding arrangements for new housing over the next five years;
- investment of £28m in Housing First pilots in three areas across England, one of which will be in Greater Manchester to support rough sleepers with complex needs;
- No additional funding to address funding shortfalls in adult social care;
- Increase in the living wage from April 2018
- Additional funding to address the issues with the rollout of Universal Credit;
- Mayoral Capacity Funding; and
- A commitment from Government to work with Greater Manchester to develop a local industrial strategy

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

- There had been an omission from Government to address the cut in Police funding in Greater Manchester and the consequential impact this was having across the city;
- Due to this omission it was felt that a delegation to the Chancellor should be undertaken to voice its objections to the cuts being made and highlight the consequences of these cuts to the city;
- What additional funding would be made available for health and social care front line services and what would be the impact of these funds on the integration of health and social care in Greater Manchester?
- Was the Council bidding for pots of monies that were available but not necessarily automatically allocated to Manchester;
- Was the Council concerned about undermining its ability to achieve economic growth in relation to proposals put forward by Government to utilise employment land for residential growth;
- How much of the Disabled Facilities Grant in 2017/18 was allocated to Manchester in comparison to the rest of the Greater Manchester conurbation;
- What would the Mayoral Capacity funding go towards

The City Treasurer advised that £350 million of funding had been allocated towards winter pressures for this year, however, the details of how this would be allocated were unknown at present. In relation to Capital Investment, work was being undertaken at a Greater Manchester level as to how this funding could be invested. Of the £10billion allocated for investment in NHS front line services, £3.5billion was additional of which £2.6 billion would be for a local Sustainability and Transformation Partnerships (STPs), the details of how this would work had still not been determined.

In relation to whether the Council was bidding for pots of monies that were available, it was reported that the Council had a number of bids underway and would also bid for any other available monies.

The Executive Member for Finance and Human Resources commented that in setting the budget, the Chancellor had missed opportunities to address the areas that the Council had the greatest concern around, such as Adult Social Care and Universal Credit.

The City Treasurer to circulate an allocations letter in relation to the DFG to Members which would have details in terms of use and amounts. In relation to the Mayoral Capacity Fund, it was reported that this would be picked up as part of the GMCA budget setting process.

## **Decision**

The Committee:

- (1) Agrees that a delegation make representations to the Chancellor of the Exchequer on the problems that will arise due to the cuts in funding from Government to both the Council and the Police;

- (2) Requests further information from the City Treasurer on the £3.5bn additional funding (of which £2.6bn will be for local Sustainability and Transformation Partnerships (STPs)) in relation to the capital investment in NHS frontline services.
- (3) Request that the City Treasurer circulate the allocations letter in relation to the DFG to Members of the Committee; and
- (4) Requests an update from the City Treasurer on the Mayoral Capacity Funding at an appropriate time.

**RGSC/17/64      The rise in homelessness across the city and its financial impact on the Council**

The Committee considered a report of the Director of Homelessness, which set out the impact of the increase in homelessness and rough sleeping on the council's budget and the challenges the Council faced in responding to this increased demand.

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

- The total spend on homelessness had reduced since 2010 and was now around £11.5 million
- There had been a significant increase in the numbers of households who were presenting as homeless in Manchester, which would become even more challenging with the roll-out of Universal Credit and the Homelessness Reduction Act 2017;
- The use of the Strategic Acquisitions capital budget to support an increase in available housing stock
- Changes to the funding arrangements of supported housing which would replace funding currently provided through Housing Benefit;
- The cost of providing an enhanced winter provision would cost a further £100k which was not currently provided for within the homelessness budget;
- The funding shortfall in the Flexible Homelessness Support Grant was now estimated as £1.9m for the year and was the reason for the reported budget overspend of £1.848m;
- Children's Services had a budget pressure of £250k for 11 additional supported accommodation placements for care leavers; and
- £2.1m (81%) of the 2017/18 Discretionary Housing Payment had already been allocated and there would be a request to increase this budget by £0.5m from corporate contingency funds

In addition the Deputy Leader advised that in order to tackle the issue of homelessness, the Council was developing a revised strategy rather than just providing additional financing.

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

- The Committee paid tribute to the work of the Officers in trying to tackle the growing issue of homelessness within the city;
  - It was proposed to send an invitation to the Minister for Housing and Planning, Alok Sharma, to visit Manchester to witness first-hand the issue of homelessness within the city;

- How much was the Council spending on dispersed and bed and breakfast accommodation;
- Why was the budget pressure for care leavers so high;
- What was the Council's process for dealing with urgent rehoming cases;
- How could the Council foresee potential early accommodation needs;
- Manchester needed to be recognised for the work it did to help address homelessness by the Combined Authority should any additional funding become available; and
- Concern was raised in relation to the impact of welfare reforms and its potential increase in raising the number of young people being homeless.

The Deputy Leader advised that the Council only used dispersed accommodation or Bed and Breakfasts as a last resort where there was no other suitable accommodation to house someone. It was intended that these types of accommodation were a short term use until more suitable housing could be identified. The Director of Homelessness advised that there was a consultation being undertaken in relation to what type of accommodation was to be viewed as supported housing, which would include consideration of bed and breakfast accommodation. If this type of accommodation was deemed as supported housing it would be exempt from Council Tax. In relation to the budget pressures in Children's Services, the costs of this included rent and support required to each individual.

The Director of Homelessness explained that in dealing with urgent cases, the process involved the initial use of emergency accommodation and then the Council would work with landlords to identify temporary accommodation which would then allow the Council to work with the individual/family to find a longer term solution, which was usually social housing.

The Strategic Lead – Homelessness and Migration advised that by utilising early help hubs and through working with landlords it had been possible to identify those individuals/families that were at risk of being made homeless so that solutions could be identified which would prevent the need for eviction.

The Deputy Leader commented as the Council performed well in supporting residents at risk, there was a need to ensure that people did not view putting themselves at risk of eviction as the route to secure some form of social housing.

The Director of Homelessness advised that in cases of young people being made homeless, there was specialist accommodation that they could be put in to ensure their safety, the challenge in this area was the unknown number of young people who were bed surfing as it was not possible to account for these individuals.

## **Decision**

The Committee:-

- (1) Notes the report; and
- (2) Agrees to invite the Minister for Housing and Planning, Alok Sharma, to visit Manchester to witness first-hand the issue of homelessness within the city

**RGSC/17/65 Revenue and Benefits – Council Tax Support Scheme and Changes to Council Tax Support update**

The Committee considered a report of the City Treasurer, presented by the Head of Revenues, Benefits and Shared Services, which provided an update on local government funding in relation to Council Tax and Council Tax Support (CTS), the impact to changes to the Council Tax Support Scheme (CTSS) and the progress made on Council Tax exemption for care leavers.

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

- The change in CTS from 85% of the Council Tax bill to 82.5%;
- The impact on Council Tax Support caseloads;
- The impact on Council Tax recovery;
- The number of live attachment of benefits had risen to 11,393 covering £1.88m of money owed and the pending accounts had risen to 24,403 with an associated debt of £5.96m;
- Changes to the 2017/18 CTS scheme to align to other welfare benefits; and
- Care leavers would be provided with 100% discount to Council Tax up to the date of their 21<sup>st</sup> birthday

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

- How many residents had pending attachments of benefits (AOBs);
- Concern was raised with continuous accrual of AOB's and the obstacle this presented to an individual's entry into work;
- Concern was raised as to whether the amended CTSS policy was being effective or if the changes were resulting in residents falling further into debt; and
- Consideration should be given to review whether the change of the maximum CTS support a household could claim (82.5%) had been successful when the Council set its budget for 2018/19.

The Head of Revenues, Benefits and Shared Services advised that some residents had multiple AOB's and a piece of work was being undertaken to map this information which would be reported in future updates. Officers acknowledged the concerns raised by the Committee and advised that the Council had raised similar concerns with Government. It was commented that it was possibly too soon to tell if the changes made to CTSS had resulted in improvements.

The Executive Member for Finance and Human Resources suggested that the Committee undertook a visit to the Council's Revenue and Benefits Department in order to get a true appreciation of how the Council was trying to support residents in financial difficulties.

**Decision**

The Committee:-

- (1) Notes the report; and

- (2) Requests that the Chair of the Committee meets with the Executive Member for Finance and Human Resources to examine the figures within the report in more detail

### **RGSC/17/66 Update on General Data Protection Regulation (GDPR)**

The Committee considered a report of the City Solicitor, which provided an update on the work being undertaken to prepare for the GDPR which would come into effect in May 2018 and was the biggest change to data protection law in the last 20 years

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

- New obligations on data controllers and data processors;
- Expanding the rights individuals have over the use of their personal information;
- An increased burden to show compliance through existence of policies and procedures and the ability to demonstrate how in each case it had complied with these requirements;
- The financial consequences of failure to comply with the new regulations; and
- The work being undertaken by Officers to implement GDPR

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

- What were the implications for Elected Members who used information relating to constituents that had been ascertained through a different role to that of being a local Councillor;
- It would be beneficial if all Councillors were to receive training on these new regulations and the consequences of failure to comply with them;
- In addition to this training it was suggested that Members would also benefit from further training around how information could be shared via the Council's Google Drive system; and
- Where the penalties associated with non compliance of the regulations attributable to the individual or the organisation.

The Head of Governance advised that she would circulate information provided by the Information Commissioner's Office in relation to the Data Protection Act that would cover the implications on Elected Members. If the ICO did not provide guidance around the new regulations colleagues on the GDPR, the Communication and Training workstream would provide some form of advice/guidance for Elected Members. It was explained that any penalties incurred for no compliance with the regulations would be against the organisation and not the individual.

### **Decision**

The Committee:-

- (1) Notes the report;
- (2) Requests the Head of Governance to provide some form of appropriate training on the new regulations to all Elected Members; and

- (3) Requests that the Chief Information Officer provide training to all Members on the use of the Google System, with specific reference to sharing information via Google Drive

### **RGSC/17/67 Corporate Property Annual Report**

The Committee considered a report of the Strategic Director – Development, which outlined the Council's property activity for the period April 2016 to March 2017.

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

- The work undertaken within Development and Investment and how the Development Team would aim to promote sustainable development, generate income and support economic and residential growth;
- Details of capital receipts received from the disposal of Council land and property
- Strategic acquisitions made by the Council;
- Work that was ongoing with partners to ensure the future viability of heritage buildings and assets;
- The responsibility of the Corporate Estates and Facilities services for the future strategy, management, repair and maintenance of the Council's operational and non investment estate; and
- The work undertaken to develop and improve the content held on CPAD – the Council's web based property information and management system

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

- What strategic acquisitions would be required as part of the integration of Health and Social Care services;
- What were the limitations of using larger sums of money from the Greater Manchester Pension Fund in relation to the Housing Investment Fund;
- Had consideration been given to undertaking conservation area appraisals within Manchester's heritage estates;
- When would the Strategic Regeneration Framework (SRF) for Oxford Road be available;
- Was there any further detail in relation to the land swap for the redevelopment of Brazenose House and were there any further land swaps proposed;
- Did the Council own any land in the Shudehill High Street/Soap Street area which was currently subject to a planning application;
- What income was expected from the reworking of the Halle Square part of the Arndale Centre and would this income cover the drop in ground rent that had been occurring; and
- Could the Committee receive a report on Council's approach in terms of purchasing versus renting properties and how we invest in the City

The Strategic Director – Development advised that a lot of work in the current financial year had been undertaken in relation to the strategic estates requirements for the integration of Health and Social Care services. The Council had worked with health partners to deliver new Integrated Neighbourhood health hubs and the

transformation of existing assets to ensure they could accommodate the establishment of the Local Care Organisation from April 2018.

The Strategic Director – Development confirmed the Council did have land interest in the Shudehill High Street/Soap Street area of the City. The Council was currently in discussions with the developer of Brazennose House around small areas of land both parties were interested in and no agreement to a land swap had yet been agreed. Officers would provide information to Members as to whether there was any further proposed land swap arrangements. In terms of the Oxford Road SRF, the Council was still awaiting confirmation from Network Rail on its proposals with platform 5 and an announcement was expected imminently.

It was reported that the Greater Manchester Pension Fund (GMPF) would invest on a basis where they would see a return on investment. It was also noted that the Fund was willing to work with the Council to examine proposals to invest in some of the more challenging areas of the city. The Matrix Homes Joint Venture between GMPF and the City Council had successfully developed new homes in Chorlton, Gorton and Wythenshawe.

Officers agreed to circulate a note in relation to the query on conservation area appraisals and on the implications of potential income from the reworking of the Halle Square part of the Arndale Centre.

The Strategic Director – Development advised that he would be submitting report to the next meeting of the Committee which would cover the Council's approach in terms of purchasing versus renting properties and how we invest in the City

## **Decision**

The Committee

- (1) Notes the report;
- (2) Agrees to receive a report at its meeting on 4 January on Council's approach in terms of purchasing versus renting properties and how we invest in the City

## **RGSC/17/68      Setting of the Council Tax Base and Business Rates Shares for Budget Setting Purposes**

The Committee considered a report of the City Treasurer, which advised Members of the method for calculating the City Council's Council Tax base for tax setting purposes and Business Rates income for budget setting purposes for the 2018/19 financial year.

## **Decision**

The Committee:-

- (1) Notes 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;
  - calculate the Business Rates income for budget setting purposes in accordance with the Non-Domestic Rating (Rates Retention) Regulations;
  - agree the estimated council tax surplus or deficit for 2017/18;
  - agree the estimated business rates surplus or deficit for 2017/18;
  - determine whether the Council should be part of a business rate pooling arrangements with other local authorities;
  - set the dates of precept payments to the Greater Manchester Combined Authority; and
- (2) Notes that the Chair of the Resources and Governance Scrutiny Committee will be requested to exempt the various key decisions from the call in procedures.

### **RGSC/17/69      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.

### **Decision**

The Committee agreed its Work Programme subject to the following:-

- Inclusion of an item on the Council's approach to investing in properties within the city as opposed to renting accommodation to the 4 January 2018 meeting;
- Referral of the ICT out of Hour provision from the Committees work programme to the HR Sub Group; and
- Inclusion of reference to Conservation Area Appraisals within the scheduled item on the Council's Heritage Assets Register scheduled for 1 February 2018 meeting.