

Scrutiny Committee Minute extracts

Children and Young People Scrutiny Committee – 30 January 2018

CYP/18/07 Updated Financial Strategy and Directorate Budget and Business Plans 2018-2020

The Committee considered a report of the Chief Executive and the City Treasurer which provided Members with an update on the Council's financial position and set out the next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying Delivery Plans by this Committee.

The Committee received and considered the Children's Services and Education Budget and Business Planning 2018 to 2020 and the Children's Services Delivery Plans 2018 to 2020.

The Committee had been invited to comment on these reports prior to their submission to the Executive on 7 February 2018.

Some of the key points that arose from the Committee's discussions were:

- That the Directorate's Budget and Business Plan included good examples of innovative approaches, in the face of financial challenges;
- Concerns about increasing child poverty;
- Questioning why Children's Services and Schools were split across the remit of two Executive Members and emphasising the importance of joint working between Education and other areas of Children's Services (for example, in addressing the reasons a child was excluded from school);
- The role of Early Help, schools' experiences of Early Help Hubs and a request to visit an Early Help Hub; and
- How the budget for external foster care placements could be reduced.

The Executive Member for Finance and Human Resources advised that the remit of the Executive Members was decided by the Leader and that the decision had been taken to remove Schools from the remit of the Executive Member for Children's Services, due to the heavy workload of this role. He advised that he would raise Members' concerns with the Leader. In response to concerns about a delayed response from an Early Help Hub, the Strategic Director of Children's Services requested that the Member provide him with the specific details outside of the meeting so that he could look into this. The Strategic Director informed Members that the Directorate was working to safely reduce the number of LAC and provide permanence for children, for example, through the use of Special Guardianship Orders and that this would reduce the amount spent on foster care placements. The Executive Member for Children's Services added that the Council was also working to place more children with internal foster carers, which was cheaper and achieved better outcomes. The Strategic Director added that the Council had enhanced its

offer to internal foster carers to improve recruitment and was now making fewer placements with external foster carers. A Member, who was also a Member of the Fostering Panel, advised that support, not just financial rewards, was important to foster carers and she was aware of a number of foster carers who had moved from fostering via an external agency to fostering with the Council because they had heard that the Council now provided good support to its foster carers.

Decisions

The Committee

1. endorses the recommendation to the Executive to approve the final proposals in this report and that these are included in the budget to Council; and
2. requests that a visit to an Early Help Hub be arranged from Members of the Committee.

CYP/18/08 Dedicated Schools Grant 2018/19

The Committee received a report of the Head of Finance for Adult Services Directorate and Children's Services Directorate which provided the confirmed Dedicated Schools Grant (DSG) allocation announced by the Department for Education (DfE) on the 19 December 2017 and outlined the budget across individual school budgets (ISB) and local authority retained schools budget (RSB).

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

- The National Funding Formula (NFF);
- The local authority area level DSG 2018/19 settlement; and
- Grant allocation across schools, providers and centrally retained.
- Some of the key points that arose from the Committee's discussions were:
- Discussion of the implementation of NFF, including that primary legislation was needed before the 'hard' formula could be implemented, which was planned for 2020/21;
- Concern about the budget pressures on the High Needs Block as, while it had increased this year, it had been frozen for a number of years before this;
- Concerns that some families were not claiming Free Schools Meals (FSM) because they found the process too complicated;
- Concerns about eligibility for FSM and the Pupil Premium under Universal
- Credit, if the proposals the government was consulting on were introduced; and
- Concerns that working parents were not claiming the additional 15 free hours of the three and four year old entitlement and the impact if the DfE decided to claw back this money from the Early Years Block.

The Chair suggested that Committee Members considered observing a meeting of the Schools Funding Forum, noting that the next meeting was on 5 March 2018. The Director of Education outlined how the Council was using capital investment from the government to create additional school places for children with Special Educational Needs and Disability (SEND) and advised that this would enable the Council to reduce the use of expensive independent placements outside of Manchester. She advised that independent post-16 education for children with SEND was also a significant cost. She reported that the Council was working with secondary special schools to look at how they could create different places for post-16 education for young people with SEND which would be more cost effective. The Directorate Finance Lead informed Members about software schools could purchase to check if a child was eligible for FSM. The Executive Member for Children's Services informed Members that most Manchester schools already offered free nursery provision for three and four-year-olds so parents did not see the point of registering with the DfE; however, she advised that schools were encouraging them to do this as it provided the school with additional funding.

Decisions

The Committee

1. notes the 2018/19 individual schools budgets (ISB) and local authority retained school budgets (RSB) determined from the Dedicated Schools Grant (DSG) allocation; and
2. notes Members' concerns regarding the budget pressures on the High Needs Block, the possible clawback of funding from the Early Years Block and the proposed changes on eligibility for Free Schools Meals, including the effect on the Pupil Premium.

Neighbourhoods and Environment Scrutiny Committee – 31 January 2017

NESC/18/10 Submission of Greater Manchester's Air Quality Strategic Outline Case to Government and Development of Greater Manchester Mayor's Congestion Plan

The Committee considered the report of the Strategic Director for Highways, Transportation and Engineering and the Deputy Chief Executive, People, Policy and Reform.

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

- An update on the work that had been undertaken to prepare a Draft Clean Air Plan (Strategic Outline Case (SOC)) for submission to Government;
- This document had identified a shortlist of proposed actions, for further investigation, that would enable the Council and other Greater Manchester authorities to meet statutory obligations with respect to Nitrogen Dioxide concentrations in the shortest possible time; and
- An update on the development of a Congestion Plan for Greater Manchester. This Plan was intended to identify a number of near term measures that could better manage congestion across Greater Manchester.

The Committee had been invited to comment on the report prior to its submission to the Executive on 7 February 2018.

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

- Concern was raised regarding the significant levels of air pollution that had been measured outside of schools that were above the legal limit;
- The need for an equitable public transport network across the city;
- Concern was raised regarding the levels of emissions from buses, particularly older vehicles in the fleet;
- The use of planning conditions to address air pollution;

Councillor Reid, Chair of the Children and Young People Scrutiny Committee informed the Committee of the work that had been undertaken by the Road Safety Around Schools Task and Finish Group. She said that one aspect of their investigation had been to look at traffic calming measures that would contribute to lowering harmful car emissions. She said that more needed to be done to improve cycling routes to enable children to cycle to school safely. This could result in a reduction in the number of unnecessary car journeys that contribute to air pollution.

The Head of Logistics, Environment and Active Travel, Transport for Greater Manchester, acknowledged the issues raised regarding the levels of pollution measured outside of schools, and commented that consideration needed to be given as to how these are calculated as this could be very technical. It was noted that these local measurements could be very useful to raise awareness of the issue of air pollution locally and promote activity. She said that in regard to the bus fleet they had a good understanding of the condition of the local bus fleet and that the current work on bus service reform could help to address the issue of older, higher polluting bus vehicles on the regions roads.

The Head of Policy, Partnerships and Procurement said that it was important to note that the work described within the report to meet the legal duty with respect to concentrations of nitrogen dioxide was one element of a wider programme of work, with partners across the region, to address the issue of air pollution. He said that the Government was also due to publish a national clean air strategy in the spring 2018.

The Executive Member for the Environment said that the issue and problems associated with poor air quality was an immediate and real issue for all residents of Manchester. She said that no final decision had been taken and that she welcomed the continued challenge presented by the Committee and Members would continue to be consulted as this area of work progressed. She further acknowledged the work undertaken by the Air Quality Task and Finish Group and that the final recommendations that resulted from their enquiry would help inform a response to the issue of poor air quality. She said that Members could help residents and promote behaviour change around air pollution in their local wards, such as encouraging walking to school that could deliver quick, practical outcomes.

In summing up and suggesting decisions the Chair commented on the tension between media and some Members of Parliament (A) coverage of Air Quality and Health issues which are generally strongly supportive of action on the poor Air Quality experienced in Manchester and Greater Manchester and the urgency and importance of dealing with this and other road challenges; and (B) coverage of possible measures to address these challenges which can sometimes be strongly against these, despite (A).

Decisions

- (1) To note the report and welcome the connections described between congestion, air quality and active sustainable transport;
- (2) The Committee welcomes the range of options being explored;
- (3) The Committee recognises the need for a fair and equitable public transport system and easy, attractive and safe facilities for walking and cycling for all residents as an alternative to car journeys; and
- (4) The Committee recognises the challenge presented to address the issue of air quality and welcomes the stated commitment to tackle this.

NESC/18/14 Updated Financial Strategy and Directorate Budget and Business Plans 2018-2020

The Committee considered the report of the Chief Executive and the City Treasurer that provided Members with an update on the Council's financial position and set out next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying delivery plans by this Committee.

The Committee received and considered the Growth and Neighbourhoods Budget and Business Planning: 2018-2020, the Strategic Development Budget and Business Planning: 2018-2020 and the Corporate Core Budget and Business Planning: 2018-2020, alongside their respective Delivery Plans.

The Committee had been invited to comment on these reports prior to their submission to the Executive on 7 February 2018.

The Deputy Chief Executive Growth and Neighbourhoods informed the Committee that the reports provided an update on the delivery of the three year budget that was agreed in 2017.

The Executive Member for the Environment, the Executive Member for Finance and Human Resources and the Deputy Leader advised the Committee that despite the financial restraints, a balanced budget continued to be delivered and that the priorities remained the same.

In response to a question in relation to the Council's waste contract, the Executive Member for Neighbourhoods said that the savings had been achieved through the renegotiation of the contract following termination of the PFI contract between the Greater Manchester Waste Disposal Authority and Viridor Laing (Greater Manchester). He said that work continued to address the challenge presented to increase the rates of recycling in apartment blocks.

Decision

The Committee

- (1) welcomes the report and notes that this is the second year of a three year budget;
- (2) was satisfied that the agreed budget was being delivered with no risks identified;
- (3) endorses the recommendation that the Executive approves the budget proposals and that these are included in the budget to Council; and
- (4) agrees to reserve the right to scrutinise areas of service delivery which will be addressed through the Committee's Work Programme.

Economy Scrutiny Committee – 31 January 2018

ESC/18/10 Update Financial Strategy and Directorate Budget and Business Plans 2018-2020

The Committee considered a report of the Chief Executive and the City Treasurer which provided Members with an update on the Council's financial position and set out the next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying Delivery Plans by this Committee.

The Committee received and considered the Strategic Development Budget and Business Planning - 2018-2020 and the Growth and Neighbourhoods Budget and Business Planning - 2018-2020 alongside their respective Delivery Plans.

The Committee had been invited to comment on these reports prior to their submission to the Executive on 7 February 2018.

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

- The Government cuts to direct funding to the Council were placing increasing pressure on the ability for the Council to deliver the services that Manchester residents valued the most and it was felt that the Council should be pressuring the government for additional funding to deliver these services;
- Concern was raised in relation to the reduction in planned future investment to support the impact of Universal Credit and it was asked what else could the Council do to help support residents impacted by this;
- Concern was also expressed in relation to the impact of changes to Council Tax Support;
- How confident was the Council in securing the proposed savings of £60,000 in relation to the festive offer through maximising income opportunities and what would happen if this was not possible;
- In terms of the Taxi Licensing Service, it was suggested that more detail of the reviews of processes and models of delivery was required, with clarity on possible budget risks, as it was felt that there was the potential for a reduction in income;
- Clarification was sought between the difference between the gross budget and a net budget within Growth and Neighbourhoods; and
- It was commented that there was a potential need to monitor the Council's budget on a more regular frequency.

The Executive Member for Finance and Human Resources agreed that Government should be providing more funding to enable the Council to deliver services that were valued the most by residents. He commented that despite these cuts in funding the Council had made worthwhile investments to deliver the services valued most by residents. He advised that the Council was committed to supporting its residents who were going to be impacted the most by the roll out of Universal Credit and the Council had taken steps to be financially prepared as best as it could be for this impact, however, it was acknowledged that the best way to address this imminent

impact was to help enable those Manchester residents who were out of work gain worthwhile employment.

The Leader advised that the proposed savings of £60,000 in relation to the festive offer was relatively secure. He also advised that in terms of gross and net budgets, the net figure was what needed to be funded out of the overall budget (which included Council Tax and Business Rates). In terms of generating more income, he gave an example of where the Council had made investments in buildings in order to make them more attractive to commercial rents, which would enable the Council to free up money to invest in other services.

Decision:

The Committee

- (1) welcomes the report and notes that this is the second year of a three year budget;
- (2) endorses the recommendation that the Executive approves the budget proposals and that these are included in the budget to Council;
- (3) agrees to reserve the right to scrutinise areas of service delivery which will be addressed through the Committee's Work Programme; and
- (4) requests that Officers consider using a simpler format for future budget papers in order to make them easier to understand.

Communities and Equalities Scrutiny – 31 January 2018

CESC/18/10 Updated Financial Strategy and Directorate Budget and Business Plans 2018-2020

The Committee considered a report of the Chief Executive and the City Treasurer which provided Members with an update on the Council's financial position and set out the next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying Delivery Plans by this Committee.

The Committee received and considered the Growth and Neighbourhoods Budget and Business Planning 2018 to 2020 and the Growth and Neighbourhoods Delivery Plan 2018 to 2020.

The Committee had been invited to comment on these reports prior to their submission to the Executive on 7 February 2018.

Some of the key points that arose from the Committee's discussions were:-

- How factors outside the Council's control impacted on its budget;
- Whether the expected savings would be made from the new leisure contract;
- That the Committee would also be scrutinising the Equality Impact Assessments for all the Council's budget proposals; and
- That the Our Manchester approach provided a long-term plan for working smarter with limited Council resources.

The Executive Member for Finance and Human Resources outlined some of the challenges affecting the Council's finances, including the pressures on adult social care, the impact of the roll-out of Universal Credit and funding work to address homelessness, as they had not received additional funding from the national government to tackle this problem. The Executive Member for Schools, Culture and Leisure confirmed that the Council was on track to make the expected savings from the new leisure contract, reporting that the Council was making these savings by working differently and continuing to invest in its leisure services.

Decision

The Committee endorses the recommendation that the Executive is recommended to approve the final proposals in this report and that these are included in the budget to Council.

Resources and Governance Scrutiny – 31 January 2018

RGSC/18/10 Update Financial Strategy and Directorate Budget and Business Plans 2018-2020

The Committee considered a report of the Chief Executive and the City Treasurer which provided Members with an update on the Council's financial position and set out the next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying Delivery Plans by this Committee.

The Committee received and considered the Corporate Core Budget and Business Planning – 2018-2020, the Strategic Development Budget and Business Planning - 2018-2020 and the Growth and Neighbourhoods Budget and Business Planning - 2018-2020, their respective Delivery Plans and the Housing Revenue Account 2018-2021

The Committee had been invited to comment on these reports prior to their submission to the Executive on 7 February 2018.

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

- There was a need for more context within the reports in terms of the cuts the Council has had to make in light in the reduction in government funding;
- Members would have benefitted from the inclusion of outturn reports for the appropriate budget papers to allow scrutiny to look further into the actual spend not just the top-line spend;
- Manchester was facing a humanitarian crisis in relation to the level of homelessness in the City and there was a need to invest further in addressing this crisis;
- It was acknowledged that to increase Council Tax any further than what was being proposed would have a detrimental impact on resident;
- How was the Council contributing to the Governments Fair Funding Review and what role could scrutiny play;
- Assurance was sought that the Council was taking steps to ensure that risks associated with not filling empty vacancies was managed appropriately;
- Concern was expressed about the impact Universal Credit would have on Council support services and those residents that currently accessed these;
- Clarification was sought as to the difference between gross budgets and net budgets;
- How rigorously did the Council evaluate the effectiveness of long term contracts to ensure the Council was still benefitting from the contract;
- Concern was expressed with the Capital Programme 2017/18 budget, forecast and spend to date, as there were a number of departments that had large amounts of capital spend still to deliver before the end of the financial year;
- What effect would the slippage of capital projects have in terms of deliverability of the projects;

- Consideration needed to be given to potentially capitalising revenue costs in relation to staffing for over certain projects in order to ensure that these projects remained deliverable;
- Concern was expressed with the risks associated with delivering maintenance and improvements to Council properties through the HRA in light of Government proposals to reduce council rents;
- What was the total value of external funding programmes which the council was currently in receipt of and who determined what this funding was spent on; and
- There was a need to consider the use of appropriate and understandable terminology within future reports

The Executive Member of Human Resources and Finance acknowledged that the Council had to date had to make savings of £320 million with a further £35 million planned between now and 2020. He gave assurance that the Council would not be taking the option afforded to them to increase Council Tax by a further 1% or by the proposed Mayoral Precept level, on what was already planned, as the Council recognised the pressures its residents were already under.

The City Treasurer advised that there was a consultation out at the present moment which the Council was responding to in relation the Fair Funding Review. She agreed to bring a report to a future meeting of the Committee which set out the remit of the review and the work that was taking place.

The City Treasurer advised that the gross budget was the total budget available to spend which included grants and fees, whereas the net budget was the amount of budget that was left after taking into account grant funding and fees and charges, in essence the difference was income. The Executive Member of Human Resources and Finance commented that the Council needed to strengthen its evaluation of long term contracts and commented that scrutiny could play a role in ensuring that these contracts were still effective

The Deputy City Treasurer advised that Officers had been challenging spend profiles for departments and assurances were sought from Strategic Directors that these underspends would be addressed. There was a number of significant costs that would take place in the last financial quarter of 2017/18, in particular within Highways and Housing which would address some of the capital spend that was yet to be made. The Executive Member of Human Resources and Finance also commented that he would welcome scrutiny of those capital budgets where there was significant over and underspend.

The City Treasurer advised that in terms of slippage of capital projects, there was a need to demonstrate a longer term view and more realistic planning of the projects. There was possibly a need to look at the whole life of a scheme in terms of monitoring in order to provide an accurate picture of the money being spent and whether a project was being delivered on time and to cost.

The Director of Housing advised that measures had been taken to address the risks associated with the possible deficit in the HRA, which had included a reduction in the management fee and a review of internal costs. He provided reassurance that Manchester was in a better position in terms of its HRA compared to other Local

Authorities and there would be a positive balance within its HRA for a number of years.

The Deputy Chief Executive (People, Policy and Reform) acknowledged the need to consider the terminology used within reports and advised that the total amount of external European funding the Council was in receipt of equated to £72 million and for Greater Manchester was £400 million. The determination of what this funding was spent on was dependent on the programme being managed and each would have accountability to the relevant Executive Member.

Decision:

The Committee

- (1) welcomes the report and notes that this is the second year of a three year budget;
- (2) endorses the recommendation that the Executive approves the budget proposals and that these are included in the budget to Council;
- (3) agrees to reserve the right to scrutinise areas of service delivery which will be addressed through the Committee's Work Programme;
- (4) requests that Officers consider using a simpler format for future budget papers in order to make them easier to understand; and
- (5) requests that Officers use appropriate and understandable terminology within future reports

Health Scrutiny – 6 February 2018

HSC/18/09 Updated Financial Strategy and Directorate Budget and Business Plans 2018-2020

The Committee considered the report of the Chief Executive and the City Treasurer that provided Members with an update on the Council's financial position and set out next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying delivery plans by this Committee.

The Committee received:-

- An Executive Summary of the Adult Social Care Budget;
- The Adult Social Care Directorate Budget and Business Plan 2018-20 Health and Social Care;
- The Adult Social Care Directorate Budget and Business Plan 2018-20 Health and Social Care Homelessness and Delivery Plans 2018/19- 2019/20; and
- The Manchester Health and Care Commissioning Joint Financial Plan 2018 - 2020.

The Committee had been invited to comment on the report prior to its submission to the Executive on 7 February 2018.

In addition to the written reports considered the Members also received a presentation that provided an overview of the reports presented to Committee.

Some of the key points that arose from the Committee's discussions were:-

- The impact of the unfair central government cuts on Local Authority Budgets;
- The impact of welfare reform on local residents and the impact that this had on the physical and mental health of residents and the implications on the number of homeless across the city, and what was being done to respond to this challenge;
- What were the impacts on Manchester of the Homeless Reduction Act;
- Staff training budgets, in particular for front line staff responding to the issue of homelessness; and
- The future plans for Extra Care Housing schemes.

The Executive Member for Adult Health and Wellbeing informed the Committee that a three year budget had been agreed in 2017 and that the reports provided an update on the delivery and spend of those budgets. She said that Manchester residents were living longer, often with complex health needs, and that despite the financial cuts imposed by central government over the previous years Manchester remained committed to retaining and delivering services to improve the health and wellbeing of residents, including the delivery of the Extra Care housing schemes. She said that Manchester continued to lobby central government for a fairer financial settlement for the city.

The Executive Director for Strategic Commissioning and Director of Adult Social Care Services said that the programme of organisational change, that included delivery of the Single Hospital Service, the Local Care Organisation and the Single Commissioning Function represented a programme of investment to save by pooling Adult Social Care and Health budgets together to deliver a balanced budget and improve the health outcomes of residents. She said that the final budget position would be subject to the agreement of the funding requests which have been put forward. Should there be a requirement for further resources to be identified as a result, these would need to be met from a combination of changes to business rates and commercial income, commissioning decisions, efficiencies and a further review of budget requirements, and that Members would be kept informed and consulted on these decisions.

The Deputy Leader said that the challenges of homelessness were significant in Manchester. He said that the contributing factors to this were the impact that Universal Credit and other welfare reforms has had on residents. He said that despite the financial pressure on budgets the Council remained committed to responding to this issue effectively. He said the preventative intervention work of the service was very important to reduce the number of people who were homeless.

The Director of Homelessness informed the Committee that people who had experienced or were experiencing homelessness were involved in the design of services to assist homeless people. She said that the opening of the Longford Centre in Chorlton had provided bed space for 38 people where wrap around services could be delivered. She made reference to the presentation that described how the additional £1.750m in homeless services had been spent on innovative services. She said that Greater Manchester had recently secured additional funding to develop a Housing First model of care that would be administered by the housing charity Shelter.

The Strategic Lead, Homelessness and Migration said that the Homeless Reduction Act placed additional duties on Local Authorities. She said the Prevention Duty required services to work with people 56 days before they became homeless and this included people who did not have a local connection. She said that a briefing note would be circulated to all Members regarding the implications of the Homeless Reduction Act. She said that a lot of work was being delivered to prevent people becoming homeless. She said this was being delivered through information and housing options advice, especially for those in the Private Rented Sector being available and accessible on the Council's website. She said that £150K new funding from central government had been awarded to implement the Homeless Reduction Act, however this would not meet the additional pressures that the Act would place on Manchester.

The Executive Member for Adult Health and Wellbeing said that staff were valued for the important work that they undertook on behalf of the residents of Manchester and a Workforce Strategy was established.

The Executive Member for Finance and Human Resources said that the safety and training of staff was taken very seriously and the issue raised by the Member regarding a specific budget to invest in technology to assist front line staff would be considered by the Human Resources Sub Group.

Decisions

1. To endorse the Adult Social Care Directorate Budget and Business Plan 2018-20 Health and Social Care; Adult Social Care Directorate Budget and Business Plan 2018-20 Health and Social Care Homelessness and Delivery Plans 2018/19-2019/20 and the Manchester Health and Care Commissioning Joint Financial Plan 2018 -2020 reports and recommendations to the Executive.

2. To request that the Human Resources Sub Group scrutinise the Adult Social Care staff training budget to explore the options available to provide assistive technology to front line staff.