

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on 21 June 2018**

#### **Present:**

Councillor Russell - in the Chair

Councillors Ahmed Ali, Andrews, Barrett, Clay, Davies, Kilpatrick, Lanchbury, Moore, B Priest, A Simcock, Watson and Wheeler

Councillor Craig, Executive Member for Adults, Health and Wellbeing (RGSC/18/28 only)

Councillor Leese, Leader

Councillor Ollerhead, Executive Member for Finance and Human Resources

Councillor Rahman, Executive Member for Schools, Culture and Leisure (RGSC/18/31 and RGSC/18/33 only)

#### **Apologies:**

Councillor Rowles

### **RGSC/18/27 Minutes**

#### **Decision**

To approve as a correct record the minutes of the meeting held on 24 May 2018.

### **RGSC/18/28 Health and Social Care Governance and Budget arrangements**

The Committee considered a report of the City Treasurer, City Solicitor and Executive Director of Strategic Commissioning, which provided an update on the Greater Manchester Health and Social Care devolution arrangements with a focus on governance and the financial arrangements of the Transformation Fund, the governance for the integration of Health and Social Care in Manchester including Manchester Health and Care Commissioning (MHCC), the Locality Care Organisation (LCO) and the underpinning Partnership Agreement, the Adult Social Care budget position and the joint Locality Plan including progress on the delivery of planned savings.

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

- MHCC oversee all commissioning responsibilities for health, adult social care and public health which also included a single budget arrangement;
- The total single MHCC budget for 2018/19 is £1.117billion, made up of £930m (Health) and £187m (Manchester City Council);
- Governance arrangements within MHCC are led through MHCC's Strategic Partnership Board Executive which reported to the GM Health and Care Board;
- Representation on the Strategic Partnership Board Executive from the Council included the Executive Member for Adults Health and Wellbeing, the Chief Executive with the City Treasurer also in attendance;

- The Council has entered into a partnership to formally establish the Local Care Organisation (LCO) to ensure the delivery of integrated health and social care services;
- The internal governance arrangements for the Manchester LCO; and
- The Adult Social Care budget position for 2018/19 and revised savings plan which would be delivered through investment from the GM Transformation Fund and ASC grant to release future savings.

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

- Could clarification be given as to the why the Strategic Partnership Board Executive and the GM Health and Care Board were both chaired by Lord Peter Smith, as the report made reference to the Combined Authority (CA) carrying no formal responsibilities with respect to health and care;
- Could clarification be given on reference to £6billion and £22billion investment referred to in appendix 1 of the report;
- Had all of the £450million Transformation Fund been allocated and how would the allocation of this funding be monitored;
- Had the Transformation Fund proven to be enough money to support the redesign of the delivery of health and social care services across Greater Manchester;
- Why was the GMCA contributing £600k to the running costs of the GM Health and Social Care Partnership Team;
- Could a breakdown of the £47million spent to reform the hospital service in Manchester be provided to the Committee;
- Could the Committee be provided with information on the development of the new Mental Health Services;
- Clarification was sought in relation to the Section 75 Partnership Agreement and the payment of VAT;
- How was the Council and its Health Partners intending to develop transparent processes to enable the Council to effectively scrutinise issues in detail without having to make specific requests for items to come before scrutiny;
- Why had the Our Manchester VCS budgets and Neighbourhood Investment Fund budgets not been included within the pooled budget arrangements;
- There was no reference within the report to potential savings that could be achieved through combined purchasing and procurement powers now that commissioning arrangements had been combined; and
- Could assurance be given that the savings required in the Adult Services budget did not refer to cuts in service.

The Leader advised that as part of the devolution deal, the CA was now allowed to be a partner in the Greater Manchester health arrangements. The appointment of portfolio holders for the CA sat with the GM Mayor and Councillor Lord Peter Smith (Wigan Council) had been appointed as the Portfolio Holder for Health at a GM level. The appointment to the Chair of the Strategic Partnership Board and the GM Health and Care Board was made by agreement by all of the partners involved and as such it had been agreed that Councillor Smith was the most appropriate person to take the chair of these Boards.

The City Treasurer confirmed that the £450million Transformation Fund was a one-off resource used to invest in ways that delivered service change and a return on investment through savings. It was confirmed that all of the Fund had now been allocated across Greater Manchester and in terms of the governance of the allocations, it was monitored at a GM level through the Performance Board and locally through partnership arrangements. The reference to £6billion related to the total spend in Health and Social Care within Greater Manchester and the reference to £22billion related to total public sector spend in Greater Manchester. The Executive Member for Adults, Health and Wellbeing advised that the Transformation Fund had helped in the delivery of health and social care integration however, the GM Health and Social Care Partnership and the Board were continuing to make representations for additional funding in the future.

The Treasurer for the CA advised that the CA contributed £600k to the Health and Social Care Partnership Team as this used to be paid through the AGMA budget on behalf of the 10 local authorities, with the CA having now taken on responsibility for this. The total budget for the Partnership was approximately £5million, with the CCG's having contributed £1.25m with the remaining balance being paid by NHS England.

The Executive Member for Adults, Health and Wellbeing agreed to provide a breakdown of the £47million spent to reform the hospital service in Manchester. In terms of information on the development of new Mental Health Services, the Executive Member referred the Committee to the January 2018 meeting of Health Scrutiny which had considered a paper on this particular issue.

The City Treasurer explained that the NHS and the Council operated under differing VAT regimes and when trying to bring together a partnership arrangement, the provision of social care services could attract an additional VAT bill and the Council had tried to work with Government to mitigate this but as yet had not found a suitable resolution. As such the Partnership Agreement had been structured to give as much flexibility as possible to allow for the LCO to operate autonomously whilst still within some of the technical barriers.

The Leader commented that at a GM level and City Council level, governance bodies met in public, papers were available for viewing and meetings were webcast live. The Council's Health and Wellbeing Board provided regular advice, assistance and other support in connection with the provision of health or social care services and was subject to scrutiny by the Council's Scrutiny function. The Executive Member for Adults, Health and Wellbeing also commented that the Council's Health Scrutiny had responsibility for regular oversight of the LCO too. A suggestion was made that members of the Council could be provided with an information fact sheet as to how Councillors could engage with the scrutiny of the integrated health and social care arrangements by various bodies both locally and at a GM level.

The Leader explained that the Our Manchester VCS budget and Neighbourhood Investment Fund budget had not been included within the pooled budget arrangements as if they had there would be no guarantee to ensure that they were used for the purpose they had been established. The Executive Director, Planning and Operations (MHCC) commented that within the MHCC health contribution of the

pooled budget, there was a sum relating to voluntary sector grants that was administered in parallel with the Council's VCS funding scheme. It was acknowledged that the two schemes were not aligned at present however it was hoped that come the next round of applications for funding these schemes would be. The Committee was informed that work had begun at a GM level as to how potential savings could be achieved through combined purchasing and procurement powers at a regional level as opposed to individual councils undertaking procurement activities.

The Executive Member for Adults Health and Wellbeing advised that when the Council set its three-year budget, it was agreed that cutting services would not be appropriate to deliver the required savings in Adult Social Care, as such, the savings identified would be delivered through service redesign.

## **Decision**

The Committee

- (1) Notes the report;
- (2) Requests that the Executive Member for Adults, Health and Wellbeing provide all members of the Council with an information fact sheet as to how Councillors can engage with the scrutiny of the integrated health and social care arrangements by various bodies both locally and at a GM level; and
- (3) Requests Officers provide information to all members of the Council on VCS funding available from MHCC and how this can be accessed.

## **RGSC/18/29 Greater Manchester Combined Authority/Combined Authority governance and budget arrangements update**

The Committee considered a report of the Deputy City Solicitor and a report of the Chief Executive and Treasurer of the Combined Authority (CA), which provided updates on the governance arrangements in place in relation to the Greater Manchester Combined Authority (GMCA) as well as an update on the 2018/19 budgets for the CA together with the implications for Manchester City Council.

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

- The decisions taken by the GM Mayor following consultation with GMCA Members in relation to Fire and Rescue functions;
- The decisions taken by the GMCA in relation to Waste Disposal and Transport;
- The contribution of constituent Council Members to the GMCA governance;
- The budget requirements for the GMCA which covered three main areas, namely the GMCA General Budget – Revenue and Capital, the Transport Levy and the Mayoral General Budget;
- The determination of the Police and Crime Commissioners budget by the GM Mayor following consultation with the Police and Crime Panel;
- Funding for the GMCA was obtained from a number of sources but was predominantly through District contributions, use of reserves and grants;
- The Mayoral General Budget was mainly funded through a Mayoral Precept which came in to effect from 1 April 2018;

- The Council contributed annually to the costs of the Combined Authority and AGMA and the charge was in proportion to the size of its resident population; and
- The collection and allocation of Business rate funding streams which included the Business Rates Pool, the 2015 Greater Manchester and Cheshire East 100% Growth Retention Pilot and the Greater Manchester 100% Business Rates Retention Pilot which replaced the former retention pilot in April 2017.

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

- Was there any indication as to what involvement GM Elected Members would have in wider engagement by the GMCA;
- How and with whom had the GMCA consulted with in relation to its GMCA Governance review;
- Clarification was sought as to whether the Council was able to hold the GM Mayor to account;
- It would be beneficial if Members had up to date information on which Manchester City Councillors had been appointed to the various GMCA positions/bodies;
- Did the governance of the CA mirror the Our Manchester approach that the Council had adopted;
- Concern was raised in relation to £17million of the fire budget being made up of non-recurrent funding;
- Could an update on the bus franchising proposals be provided and had the GMCA given any further consideration to park and ride schemes for the Metrolink;
- There appeared to be a lack of reference to tackling homelessness within the report which was a key focus of the GM Mayor;
- How was the amount of district funding determined;
- In terms of funding to the GMCA, what liabilities rested with the district authorities;
- What liabilities did the district councils have in terms of the CA borrowing powers;
- Was the Housing Investment Fund (HIF) meant to generate a surplus and if so what would this be used for; and
- The use of 75% of reserves for the Fire Service was a concern.

The Leader advised the Committee that the Council had no statutory rights to hold GMCA Officers or portfolio holders to account, which included the GM Mayor. However, any Manchester City Councillors that were appointed to a GMCA position or committee could be summoned to a Scrutiny Committee and be held to account. He advised that since March, the GMCA had specifically been focussed on the future arrangements and membership for the Greater Manchester Waste Disposal Authority and Transport for Greater Manchester Committee. Appointments to these bodies would be made at the end of June and then the GMCA would look at wider consultation with district councils.

It was reported that a number of district councils were now developing strength based strategies similar to the Our Manchester Strategy and at a GMCA level, policies were being developed from a co-designed perspective.

The Treasurer to the CA explained the rationale for the use of reserves in relation to the Fire Service budget and reassured the use had been to cover the costs of specific one-off events.

The Leader agreed to take the request around park and ride schemes for the Metrolink back to the CA for consideration and in terms of the franchising of the bus services, there was a rigorous process that needed to be followed, which in essence, included proposals that need to be approved by the GM Mayor and the CA, followed by public consultation, before any decisions could be made. In terms of homelessness, he advised that the funding to tackle this issue was issued from government and although the allocation was part retained by the CA, most of the funding was passported through to the district councils as the statutory powers for tackling homelessness rested with local councils and not the CA or GM Mayor.

The Treasurer to the CA advised that in terms of budget preparation, there was a range of GM Mayoral budgets and CA budgets, with the CA budgets being agreed by all the Leaders of the 10 district councils. The GM Mayor had responsibility for setting the budgets for the Police and Crime Commissioner and Fire Service and these were funded through Mayoral precept on council tax bills. In setting his budget for the Fire Service, the CA was able to veto any proposals if a two thirds majority voted against the proposals. As the district councils funded the CA budgets (such as Transport and Waste), reserves were carried to ensure any risks were covered. In terms of borrowing powers, the majority of borrowing was matched with assets, as such the liability for borrowing rested with the CA and not the district councils.

The Committee was advised that in terms of the HIF the strategy was for it to balance. The fund equated to a £300million, which the CA had a duty to pay back £240million, with Government covering the first £60million. At present there had been no defaults on any of the loans made and a small surplus had been generated. It was explained that any surplus generated could only be used to fund housing schemes where funding was not available elsewhere.

The Treasurer to the CA reported that the use of reserves within the Fire Service budget had been to cover capital project costs and the payment of overtime and suspension of the implementation of Integrated Risk Management Plan. As the net budget reserve position was £100million, it was felt that this was too high of a value to continue holding in reserves.

## **Decision**

The Committee:-

- (1) Notes the report;
- (2) Requests that Elected Members are provided with information as to which Manchester City Councillors have been appointed to the various GMCA positions/bodies.

### **RGSC/18/30 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 notes the report.

### **RGSC/18/31 National Speedway Stadium update (Part A)**

The Committee considered a report of the Strategic Director (Development), which provided update in relation to the National Speedway Stadium at Belle Vue Sports Village (Minute RGSC/17/31 refers).

The report summarised the position since March 2017 in respect of the progress made over the past twelve months and the existing arrangements which were now in place to support the occupancy of the National Speedway Stadium to ensure its future and sustainability.

#### **Decision**

The Committee notes the report.

### **RGSC/18/32 Exclusion of Press and 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/18/33 National Speedway Stadium update (Part B)**

The Committee were to receive a verbal report from the Strategic Director (Development) in relation to the National Speedway Stadium at Belle Vue Sports Village which would have contained confidential information relating to the financial and business affairs of the Council.

The Committee agreed that it was not possible to effectively scrutinise this issue without the information being presented in a formal report, and, as a consequence, proposed to defer any further consideration of this issue until a report could be produced.

## **Decision**

The Committee:-

- (1) Agrees to defer consideration of this item in order to allow officer to produce a formal report;
- (2) Agrees that in producing a formal report, Officers consult with the Chair of the Scrutiny Committee as to what information the Scrutiny Committee requires within the report; and
- (3) Agrees that the item is added to the work programme for the July meeting of the Committee.