



## **Resources and Governance Scrutiny Committee**

Date: Monday, 24 February 2020

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

**There will be a private meeting for Members only at 9.30am in Committee Room 6 (Room 2006), 2nd Floor of Town Hall Extension**

### **Access to the Council Antechamber**

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

### **Filming and broadcast of the meeting**

Meetings of the Resources and Governance Scrutiny Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

## **Membership of the Resources and Governance Scrutiny Committee**

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**Councillors** - Russell (Chair), Ahmed Ali, Andrews, Clay, Davies, Lanchbury, Moore, B Priest, Rowles, A Simcock, Stanton, Wheeler and Wright

## Agenda

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**1. Urgent Business**

To consider any items which the Chair has agreed to have submitted as urgent.

**2. Appeals**

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

**3. Interests**

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

**4. The Council's Budget 2020/21**

The following procedure applies for this item:-

- (i) The Committee will receive a statement by the Executive Member for Finance and Human Resources on the Executive's budget proposals and the key issues underlining the budget process;
- (ii) The Committee is invited to consider any issues arising from individual Directorate Budget Plans that chairs of scrutiny committees wish to draw specific attention to;
- (iii) The Committee is invited to receive a Statement from the Executive Member for Housing and Regeneration regarding the Housing Revenue Account calculations and to consider any amendment proposed in relation to the Housing Revenue account 2020/21 to 2022/23;
- (iv) The Committee is invited to consider any amendments to the budget proposals; and
- (v) The Committee is invited to summarise its findings and formulate its recommendations to the Council meeting on 6 March 2020.

**4a. Minutes of the proceedings of Executive on 12 February 2020 relating to the budget for 2020/21**

To follow.

**4b. Minutes of the proceedings of Overview and Scrutiny Committees relating to the budget for 2020/21**

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Minute extracts of the January and February 2020 cycle of scrutiny meetings attached.

**5. The Council's Budget 2020/21 - budget papers pack**

In connection to the above, the following documents were considered by Executive on 12 February 2020.

- 5a. Budget 2020/21 – Covering Report;
- 5b. Medium Term Financial Plan 2020/21 - 2022/23;
- 5c. Capital Strategy and Budget 2019/20 to 2023/24;
- 5d. Council Business Plan 2020/21;
- 5e. Children and Education Budget 2020/21;
- 5f. Adult Social Care and Population Health Budget 2020/21
- 5g. Manchester Health and Care Commissioning Budget 2020/21
- 5h. Homelessness Budget 2020/21
- 5i. Neighbourhoods Directorate Budget 2020/21
- 5j. Growth and Development Budget 2020/21
- 5k. Corporate Core Budget 2020/21
- 5l. Dedicated Schools Grant 2020/21;
- 5m. Housing Revenue Account 2020/21 to 2022/23;
- 5n. Treasury Management Strategy Statement and Borrowing Limits and Annual Investment Strategy 2020/21
- 5o. Budget 2020/21 Public Consultation Outcomes
- 5p. Budget 2020/21 Equality Impact Assessment

These documents will be available to view on the Council's website using the following link and via the Modern.Gov app on tablet devices:-

<https://democracy.manchester.gov.uk/ieListDocuments.aspx?CId=137&MId=147&Ver=4>

Due to the combined size of all of the above documentation, paper copies will only be provided to Elected Members on request.

(The Constitution provides that amendments to Executive's budget recommendation are to be submitted by the seventh day after the meeting of Executive).

**5a. Budget 2020/21 - Covering Report**

**5b. Medium Term Financial Plan 2020/21 - 2022/23**

**5c. Capital Strategy and Budget 2019/20 to 2023/24**

- 5d. Council Business Plan 2020/21**
- 5e. Children and Education Budget 2020/21**
- 5f. Adult Social Care and Population Health Budget 2020/21**
- 5g. Manchester Health and Care Commissioning Budget 2020/21**
- 5h. Homelessness Budget 2020/21**
- 5i. Neighbourhoods Directorate Budget 2020/21**
- 5j. Growth and Development Budget 2020/21**
- 5k. Corporate Core Budget 2020/21**
- 5l. Dedicated Schools Grant 2020/21**
- 5m. Housing Revenue Account 2020/21 to 2022/23**
- 5n. Treasury Management Strategy Statement and Borrowing Limits and Annual Investment Strategy 2020/21**
- 5o. Budget 2020/21 Public Consultation Outcomes**
- 5p. Budget 2020/21 Equality Impact Assessment**

**Documents not contained within the budget papers pack**

In addition to the above budget pack and in accordance with Council Rule of Procedure 18.3, the Committee is also required to consider any amendments to those recommendations which affect those calculations or the level of Council Tax.

- 5q. Details of any proposed Budget Amendments**  
To follow.
- 6. Our Town Hall Project - Notice to Proceed**  
Report to follow.

## Information about the Committee

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Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Resources and Governance Scrutiny Committee areas of interest include finances, Council buildings, staffing, corporate and partnership governance as well as Council tax and benefits administration. .

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

The Council welcomes the filming, recording, public broadcast and use of social media to report on the Committee's meetings by members of the public.

Agenda, reports and minutes of all Council Committees can be found on the Council's website [www.manchester.gov.uk](http://www.manchester.gov.uk).

Smoking is not allowed in Council buildings.

Joanne Roney OBE  
Chief Executive  
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## Further Information

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For help, advice and information about this meeting please contact the Committee Officer:

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This agenda was issued on **Friday, 14 February 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

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## Scrutiny Committee Minute extracts

7 – 9 January 2020

### Resources and Governance Scrutiny Committee – 7 January 2020

#### RGSC/20/02 The Council's Updated Financial Strategy and Budget Reports 2020/21

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process. In doing so, the report outlined Officer proposals for how the Council could deliver a balanced budget for 2020/21.

In conjunction with the above, the Committee also received and considered the draft Council Business Plan for 2020/21 and the Corporate Core medium term financial plan (MTFP) and budget proposals for 2020/21, which included those areas of service which were in the remit of Resources and Governance Scrutiny Committee but not within the Corporate Core (namely operational property, facilities management and the investment estate from within the Growth and Development directorate).

Officers highlighted that the 2020/21 budget would be a one year roll over budget. It would reflect the fact the Council had declared a climate emergency and would also continue to reflect the priorities identified in the previous three-year budget strategy.

Taken together, the reports and the MTFP illustrated how the directorate would work to deliver the Our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

In relation to the Council's update Financial Strategy and Budget 2020/21, some of the key points that arose from the Committees discussions were:-

- What was the potential impact on the Council's income with the anticipated review by Government on Business rates and what plans had the Council in place to address any impact;
- Clarification was sought on the forecasted in-year overspend of £4.2m for 2019/20 and whether this was against the original or revised budget and connected to this what were the overspends within Children's Services and Adult Social Care against their original budgets;
- How did the Council intend to meet the cost of the estimated overspend of £4.2m;
- What was the intended use of the GMCA return/refund relating to Business Rates and Waste Disposal of £7.2m and why was it to be spread equally across 2020-2022;
- What was the source(s) of the additional commercial income of £8m;
- Clarification was sought on what was the total amount of additional income from Government the Council would receive for 2020/21;

- It was commented that savings targets within Adults Services either needed to be achievable, as this service area had never achieved previous targets that it had been set, or accept that what was being asked of the service was not achievable and cease asking this of the service; and
- Clarification was sought what the £46.9m capital financing cost was in relation to and what were the expected interest payment figure for 2020/21.

The Deputy Chief Executive and City Treasurer advised that the proposals outlined within the Queens Speech was that changes would be compensated through Section 31 grants to mitigate any immediate impact should there be changes to Business Rate retention levels. She commented that there would need to be a longer term policy debate by Government on the role of Business Rates and Local Government funding.

The Deputy City Treasurer clarified that the entire in-year overspend for the Council stood at £4.2m, with overspends mainly in Children's Services and Adult Social Care, which were offset with underspends from other areas. She advised that this forecasted overspend was against the most recent revised budget (which included amounts that had been set aside in the original budget for later in the year, and subsequently allocated into specific areas) and not the original budget for 2019/20. The Deputy City Treasurer advised that she did not have the detail of the overspends within Children's Services and Adult Social Care against their original budgets but agreed to provide this to the Committee after the meeting. The Committee was informed that the Council would use its general fund reserves if the overspend remained at £4.2m at the end of the financial year.

The Committee was advised that the £7.2m GMCA return would form part of the general resources income into the budget and as such it would be used as required to help underpin the budget. The reason it was spread across 2020 to 2022 was to ensure longer term funding availability for some investment priorities.

The Deputy Chief Executive and City Treasurer advised that the additional commercial income of £8m was an aggregate view of all of the dividends and income due to the Council.

The Deputy City Treasurer clarified that the Social Care Grant equated to an extra £13m for the Council which was the most significant growth in funding. There was also additional funding of circa £4m for Public Health. The Deputy Chief Executive and City Treasurer commented that Directorate budgets had increased to incorporate the additional Social Care Funding as well as the proposed Council Tax and precept increases.

The Deputy Chief Executive and City Treasurer commented that the capital financing cost was a combination of the minimum revenue provision the Council was required to make, interest repayment costs and any revenue contributions to capital. The Deputy City Treasurer advised that she would provide the Committee with details on the expected interest payment figure for 2020/21 after the meeting.



In relation to the Council's Business Plan 2020/21, some of the key points that arose from the Committees discussions were:-

- It was commented that within the Council Business Plan 2020/21, there was little reference to keeping the basics on track insomuch as the everyday services that residents relied on, which was an element of achieving the Our Manchester vision by 2025;
- In relation to the Zero Carbon Manchester corporate priority, what was the funding for this and how would scrutiny review whether this priority was being achieved;
- Was there any budget for the retrofitting of existing properties to improve their energy efficiencies and for embedding climate change commitments into Manchester's next Local Plan;
- Had there been any costed Invest to Save initiatives within the Capital Strategy to address the increasing use of private temporary accommodation by the Council;
- Of the number of affordable homes that had been built to date, how much of this had been facilitated through the release of council land;
- What was meant by the term 'target hardening' solutions for fly-tipping hotspots;
- It was requested that more granular data be provided on the number of people killed or seriously injured on Manchester's roads and was asked why there did not appear to be any road safety money beyond the next financial year;
- What steps were being taken to bridge the gap between resident and workplace wages;
- More detail was request in relation to the number of residents with no formal qualifications; and
- Was there any resource allocation for improving equality and diversity within the Council.

The Deputy Chief Executive and City Treasurer advised that the Zero Carbon Action Plan was going through a scrutiny process and part of this would include reviewing investment priorities. The Corporate Core Business Plan had some limited additional revenue funding to strengthen capacity in this area and the Capital Strategy would require decisions to be made to enable the Council to achieve its zero carbon commitments.

The Deputy Chief Executive and City Treasurer confirmed that there were additional resources going into the Local Plan work to embed the Council's climate change commitments, but acknowledged that the Council had limited resources available and over the next five years would face some challenging decisions.

The Deputy City Treasurer commented that the Council Business Plan was an overarching plan and the detail in relation to scrutinising the homelessness business plan, including the use of temporary accommodation would be considered by the Neighbourhood and Environment Scrutiny Committee. The Chair suggested that the Committee received a future report on what financial steps the Council was taking within its capital budget to improve the provision of good quality temporary accommodation within the broad geographical boundaries of the city.

The Deputy Chief Executive and City Treasurer advised that she would provide the detail on the number of affordable home built to date which had been facilitated through the release of council land to Members following the meeting.

The Director of Commercial and Operations advised that 'target hardening' solutions referred to the physical steps that would be taken to prevent fly tipping and provided an example of what this might entail.

The Director of Policy, Performance and Reform explained that the Our Manchester Local Industrial Strategy was intended to address the gap between resident and workplace wages to make for a more inclusive economy.

The Deputy Chief Executive and City Treasurer advised that there was resource allocated within the revenue budget specifically for equality and diversity. The underlying financial level of resource remained the same but there was an increase in the level of focus and capacity into this area.

In relation to the Corporate Core Budget Report 2020/21, some of the key points that arose from the Committees discussions were:-

- Could an example be given of how the Council intended to develop a more diverse workforce;
- Why was it proposed to delete 12 posts within Revenue and Benefits service which had not been filled;
- There was concern that posts within services were being held vacant for long periods of time only to then be deleted;
- It was suggested that the Council investigated the feasibility of further investment in additional public conveniences within and across the city;
- Further clarification was requested in relation to the proposal that the Council granted a lease for the non-core investment assets at Manchester Airport for a term of 275 years.

The Interim Director HROD advised that a range of activities would be looked at in relation to improving the diversity of the workforce, which would be informed by the Council's existing BAME and disabled workforce and then sent out for consultation. An external review on the Council's processes in terms of race had also been undertaken and it was anticipated that the outcome of this review would be available for Members in spring 2020.

The Deputy Chief Executive and City Treasurer explained that there had been a number of vacant posts within the Revenue and Benefits Service which had been vacant for some time and there had been a shift of work with the roll out of Universal Credit which had reduced the workload of part of this service and due to this change the Council had taken the decision to delete these vacancies, whilst investing in the areas of the service that provided support to residents in terms of the collection of Council Tax and Business Rates.

The Strategic Director (Growth and Development) advised that the lease agreement for the non-core assets at Manchester Airport was complex and agreed to provide a detailed briefing note to the Committee.

## Decision

The Committee:-

- (1) Recommends that their comments be submitted for consideration by the Executive at their meeting on 15 January 2020;
- (2) Requests that Officers provide additional information to the Committee on the following areas in a timely manner:-
  - detail of the overspends within Children's Services and Adult Social Care against their original budgets
  - the expected interest payment figure for 2020/21 in relation to the capital financing cost
  - detail on the number of affordable home built to date which had been facilitated through the release of council land
  - detail of the lease agreement for the non-core assets at Manchester Airport.
- (3) Requests a future report on what financial steps the Council is taking within its capital budget to improve the provision of good quality temporary accommodation within the broad geographical boundaries of the city, including invest to save proposals for temporary accommodation units for both homeless families and supported and semi-supported housing options to address the needs of homeless people, and young people at risk of homelessness.
- (4) Requests that Officers and the Executive Member for Finance and Human Resources investigate the feasibility of further investment in additional public conveniences within and across the city and provide a response back to the Committee or the Neighbourhoods Scrutiny Committee, in due course.

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## Health Scrutiny Committee – 7 January 2020

### HSC/20/02 The Council's Updated Financial Strategy and Budget Reports 2020/21

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process. In doing so, the report outlined Officer proposals for how the Council could deliver a balanced budget for 2020/21.

In conjunction to the above, the Committee also received and considered the draft Council Business Plan for 2020/21 and the Adult Social Care and Population Health Budget 2020/21.

Officers highlighted that the 2020/21 budget would be a one year roll over budget. It would reflect the fact the Council had declared a climate emergency and would also continue to reflect the priorities identified in the previous three-year budget strategy.

Taken together, the reports illustrated how the directorate would work to deliver the Our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

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

- A fair financial settlement for Manchester and a commitment for appropriate future levels of funding to deliver social care was required from central government;
- Future reports should include how success was measured to demonstrate how pooled budget arrangements and the integration of health and social care was improving the health outcomes for residents;
- Clarification was sought on how the Transformation Fund awarded to Greater Manchester had been allocated across the authorities;
- Had Learning Disabled citizens, their families and carers been consulted with and involved in the development of the reported Learning Disability Services;
- Further information was sought on the approach to the care market and the reported potential need for capital investment to allow market intervention; and
- Concern was expressed regarding the move towards technology enabled care, commenting that this should never replace human interactions and emphasised the importance of ensuring that people's data was protected.

The Executive Member for Adults, Health and Wellbeing commented that despite the failure by central government to adequately fund social care and the pressures experienced in this area as a result of increased demand, Manchester had responded by pioneering the integration of health and social care to protect the most vulnerable people in the city. She stated that the reliance on increased Council Tax to support social care was a political decision imposed by central government and was not fair or sustainable in the long term and she called upon the government to provide a fair, long term financial settlement to deliver social care.

The Executive Member for Adults, Health and Wellbeing responded to the comments regarding technology enabled care by stating that this would be used where appropriate and never be used to replace human interaction. She commented that in an age where technology and apps were more accessible and widely used, citing for example the prevalence of smart watches that already monitored a variety of activities, future generations would be increasingly familiar with this technology and it could be used to monitor people's health where appropriate. She stated that reports on this approach could be provided to the Committee.

In response to the question regarding the capital investment into the care market, the Executive Member for Adults, Health and Wellbeing stated that the care market was a vital component of the Adult Social Care system supporting Manchester to meet statutory responsibilities and supporting Mancunians to live as independently as possible. She informed the Committee that the options for capital investment were currently in the early stages of development and the Health Scrutiny Committee would be informed of this and views sought as this work progressed.

In response to the Members question, the Executive Director of Adult Social Care confirmed that Learning Disabled citizens, their families and carers would be fully involved with and central to the co-design of the Learning Disability Plan.

The Chief Finance Officer, Manchester Health and Care Commissioning informed the Committee that the £450m Transformation Fund, allocated to Greater Manchester over a five-year period from 2016 to 2021 had been allocated to each authority based on their local population size. She stated that an evaluation of this scheme would be undertaken and this would inform lobbying for future funding. In response to a question regarding Mental Health Services, Members were advised that this activity was provided by specific NHS funding and therefore did not form part of these budget reports.

The Director of Policy, Performance and Reform commented that measures of success would be provided in the budget reports submitted to the February 2020 meeting.

In response to a question raised by a Member in relation to dialysis services in South Manchester, the Director of Corporate Affairs, Manchester Health and Care Commissioning stated that he would follow this up following the meeting.

## **Decision**

The Committee recommend that their comments be submitted for consideration by the Executive at their meeting of 15 January 2020.

## Children and Young Peoples Scrutiny Committee – 8 January 2020

### CYP/20/03 The Council's Updated Financial Strategy and Budget Reports 2020/21

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process. In doing so, the report outlined officer proposals for how the Council could deliver a balanced budget for 2020/21.

In conjunction with the above, the Committee also received and considered the draft Council Business Plan for 2020/21 and the Children and Education Services Budget 2020/21.

Officers highlighted that the 2020/21 budget would be a one year roll over budget. It would reflect the fact the Council had declared a climate emergency and would also continue to reflect the priorities identified in the previous three-year budget strategy.

Taken together, the reports illustrated how the directorate would work to deliver the Our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

The Executive Member for Children and Schools informed Members of the context of the budget proposals, reporting that children's services were under pressure across the country with the Local Government Association (LGA) reporting a 140% increase in demand nationally, while funding had reduced. He reported that the child population in Manchester had increased significantly, creating increased budget pressures, but that the Council had made investing in children's services a priority. He drew Members' attention to some of the key proposals within the report.

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

- The reliance on the social care reserve to fund services and was the Council lobbying the government for more funding;
- The volatility of the budget;
- The commissioning strategy for placements;
- Recruitment and retention of Social Workers;
- Whether there was a tipping point at which so many maintained schools had converted to academies that it was no longer financial viable for the Council to support the remaining maintained schools;
- The reduction in the number of adoptions in 2018/19; and
- Plans to remove the Council's funding to the Manchester Foundation Trust (MFT) for Child and Adolescent Mental Health Services (CAMHS) and to use the funding to support the development of provision for children with high and complex needs, recommending that the Committee should consider these issues at a future meeting.

The Head of Finance advised Members that the social care reserve was being used over a three year period. She reported that this spending was not sustainable and that, while efficiencies were expected to be made, they would not be sufficient to fund

services once the reserves had been used. She reported that this approach was being taken with the expectation that the national government would produce a longer-term budget strategy to address the pressures councils across the country were facing in funding children's services. She informed Members that the Council was lobbying the government in relation to the Fair Funding Formula. The Chair advised Members to continue to lobby the government for additional funding.

The Strategic Director of Children and Education Services advised Members that the level of need for children's services was volatile and there were some aspects which could not be predicted, such as the number of Unaccompanied Asylum Seeking Children arriving in the city; however, he reported that officers had assessed as far as possible the expected level of demand, for example, looking at known factors such as population growth and making assumptions based on previous data and information from comparable councils. He informed the Committee that the service was as confident as it could be about the expected level of demand and the impact of the service's strategies. He advised Members that the Sufficiency Strategy was central to the service's spending and he suggested that the Committee consider a report on this at a future meeting, to which the Chair agreed.

The Strategic Director of Children and Education Services drew Members' attention to the information in the report on work to improve the recruitment and retention of Social Workers. He advised the Committee that Social Workers tended to make decisions about whether to continue with their career in Social Work once they had been in the role for two years so the Council was looking into putting in place some measures to encourage the staff to stay in the role and continue to develop. He reported that another priority was to retain the service's experienced Senior Social Workers and support their development and further progression into management roles. He advised Members that, while some turnover of staff was healthy, retaining permanent staff was important to enable relationship-building and to support the stability of the practice model.

The Director of Education informed Members that a lot of the funding in the central block of the Dedicated Schools Grant (DSG) funded the Council's duties relating to all schools, including academies, for example funding the Admissions Service, although the Council did receive some funding for duties specifically relating to maintained schools. She informed Members that only 35% of Manchester schools were academies and there were not currently many maintained schools converting to academies. Therefore, she advised Members that officers were not currently concerned about reaching a tipping point where it would be difficult to support a small number of remaining maintained schools, although there was a possibility that the new government could introduce legislation which would change this.

The Strategic Director of Children and Education Services advised the Committee that there had been a reduction in the number of adoptions nationally due to a number of factors and outlined how the Council was working as part of the regional adoption agency Adoption Counts to place children with adoptive parents; however, he advised that the Council's Permanence Strategy was not only about adoption but about giving children emotional, physical, legal and psychological permanence through a range of methods, highlighting that the number of children achieving permanence through a Special Guardianship Order had increased significantly.



## Decisions

The Committee:-

- (1) Supports the strategy set out in the reports and to ask the Executive and the Council to continue to lobby the government for extra resources for schools and children's services.
- (2) Notes that the Committee will receive further information at its February meeting.
- (3) Agrees to consider the impact of the Council removing its funding for Child and Adolescent Mental Health Services (CAMHS) at a future meeting.
- (4) Agrees to receive a report on the Sufficiency Strategy.
- (5) Agrees to consider the provision of placements for children with high and complex needs in a future report.
- (6) Agrees to continue to monitor work to achieve permanence for children, including through the Corporate Parenting Panel.

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## Neighbourhood and Environment Scrutiny Committee – 8 January 2020

### **NESC/20/04 Updated Financial Strategy and Budget Reports 2020/21**

(Cllr Flanagan in the Chair during consideration of the Homelessness Budget 2020/21 report)

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process. In doing so, the report outlined Officer proposals for how the Council could deliver a balanced budget for 2020/21.

In conjunction to the above, the Committee also received and considered the draft Council Business Plan for 2020/21, the Neighbourhoods Directorate Budget Report 2020/21 and the Homelessness Budget 2020/21.

Officers highlighted that the 2020/21 budget would be a one year roll over budget. It would reflect the fact the Council had declared a climate emergency and would also continue to reflect the priorities identified in the previous three-year budget strategy.

Taken together, the reports illustrated how the directorate would work to deliver the Our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

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

- Welcoming Zero Carbon Manchester being identified as a priority within the Council Business Plan 2020-21, and what funding had been allocated to support this important activity;
- In recognition of the Climate Emergency declared by Council in July 2019 could money from the General Fund Reserve be used to support climate change activity;
- When setting future budgets, reports needed to be explicit in how budgets and plans were addressing carbon emissions;
- Welcoming the reported increase in the rates of domestic recycling;
- What was the cost to the Council to deal with illegal fly tipping;
- What was being done to address fly tipping and had the investment to tackle fly tipping (£500k) as part of the 2019/20 budget setting process achieved value for money;
- Clarification was sought in regard to the Highways Capital Programme for 2022/23;
- All wards needed targeted enforcement action by Neighbourhood Teams;
- A request that the outcome of the independent BAME staff review be shared with the Committee;
- A Member called for additional support and investment for Wythenshawe district centre;
- What was being done to reduce the spend on temporary accommodation to support people experiencing homelessness;
- What was being done to ensure temporary accommodation was safe and suitable for people;

- An update was sought on the proposals to purchase properties to accommodate homeless families;
- Recognising the impact of increased workloads on those staff employed to support homeless people;
- The need to reduce the numbers of families housed in temporary accommodation outside of the area, commenting that families received different levels of support depending on where they were placed;
- Welcoming the inclusion of Social Workers located within the Rough Sleepers Team to support teams and helping vulnerable residents;
- Concern was expressed that the funding arrangements to tackle homelessness from central government were piecemeal and precarious; and
- Consideration needed to be given as to how budget information was presented and the narrative clear to ensure the correct information was relayed to residents.

The Strategic Director (Neighbourhoods), in response to a question from a Member confirmed that the options presented were for setting a 12 month budget for the Council and the Neighbourhoods Directorate was not losing any funding and there were no proposed reduction in staff posts or services.

In response to the comments regarding climate change and allocated resources, the Strategic Director (Neighbourhoods) stated that the Our Corporate Plan priorities had been refreshed for 2020-21 to reflect the city's zero carbon ambitions and declaration of the climate emergency. She described that whilst no specific additional funding was specifically identified in the report, she reassured the Committee that work was ongoing within existing resources.

The Executive Member for Executive Member for Environment, Planning and Transport responded to the comment that information on the resources and finances allocated to support climate change activity, referenced the 300K allocated to City Policy to support this work and described how outcomes would be measured should be report by stating that there was a lot of work already underway to address the issue of carbon emissions. She stated this would continue to be reported to the Committee and she welcomed the challenge presented by Members. She further commented that the Climate Change Subgroup would also continue to monitor progress and activity against this important issue.

The Executive Member for Finance and Human Resources acknowledged the comment from the Chair regarding the use of the General Fund Reserve to support climate change and reducing emissions activity. He stated that consideration would be given to this.

In response to the questions regarding activities to address fly tipping and the use of the additional £500k investment, the Executive Member for Neighbourhoods informed the Committee that this had been used to fund additional Enforcement Officer posts to undertake a programme of business inspections to ensure appropriate and sufficient waste management arrangements were in place; investment in additional CCTV cameras; target hardening projects, to design out fly tipping hotspots by installing physical measures to deter fly-tippers and supporting environmental improvement projects. He stated that this activity was undertaken across all of the city and not just in the city centre. He referred Members to the report

that had been submitted to the October 2019 meeting that provided detail of the activities to improve waste, recycling and street cleansing.

In response to the question regarding Highways Capital Programme for 2022/23, the Head of Network Management stated that the future funding arrangements from central government were still to be confirmed so they were currently unable to provide any further details. He said that a review of the benefits realised from the five year highways investment programme would be undertaken, and the findings of this would inform the business case for future investment.

In response to the point raised regarding Wythenshawe District Centre, the Executive Member for Neighbourhoods stated that he would feed the comments from the Member back to the Executive Member for Housing and Regeneration.

The Chair informed the Committee that the independent BAME staff review would be scrutinised by the Resources and Governance Scrutiny Committee. She requested that when the report was made available that this be shared with the Members of the Neighbourhoods and Environment Scrutiny Committee.

In response to the questions arising from consideration of the Homelessness Budget 2020/21 report, the Deputy Leader stated that the Council was still awaiting confirmation of the financial arrangements to deliver support for homeless people in Manchester. She stated that currently the financial position indicated that the service would be £800k worse off than last year, despite the increased demand on services. She called for an end to Section 21 Notices and increased security for tenants within the private rented sector. She further paid tribute to all of the staff working in the homeless service for their continued dedication, compassion and hard work to support some of the most vulnerable residents in Manchester.

The Director of Homelessness stated the most effective method to reduce the reliance on temporary accommodation was to invest and deliver homeless prevention services. He made reference to a range of prevention initiatives, including the work of the Section 21 team that was considered by Committee at their meeting of 19 June 2019, the work of the Private Rented Sector team within the Homelessness Department work to source settled accommodation for homeless households, the move towards delivering homeless advice in local neighbourhoods and the recent changes to the Housing Allocations Policy.

The Director of Homelessness further informed the Committee that currently 21 properties had been purchased to house homeless families, with a further 16 at conveyance stage. He said that a cost benefit analysis of this approach would be undertaken to assess the effectiveness of this model. He also stated that the ambition was to bring homeless residents housed in temporary accommodation out of area back into Manchester, noting the disruption out of area placements could have on people and their families. In response to the quality and standards of temporary accommodation that was used to house people, he stated that properties were inspected by teams of officers and information on this had been shared previously with the Committee. He further advised that the contract for temporary accommodation would be reviewed and standards and quality would inform this review.

## **Decision**

The Committee recommends that their comments be submitted for consideration by the Executive at their meeting of 15 January 2020.

[Councillor Appleby declared a personal and non-prejudicial interest as her partner is employed by Biffa and Councillor Igbon declared a prejudicial interest and withdrew from the meeting during consideration of the Homelessness Budget report.]

## Economy Scrutiny Committee – 9 January 2020

### ESC/20/02 The Council's Updated Financial Strategy and Budget Reports 2020/21

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process. In doing so, the report outlined Officer proposals for how the Council could deliver a balanced budget for 2020/21.

In conjunction to the above, the Committee also received and considered the draft Council Business Plan for 2020/21 and the Growth and Development medium term financial plan (MTFP) and budget proposals for 2020/21.

Officers highlighted that the 2020/21 budget would be a one year roll over budget. It would reflect the fact the Council had declared a climate emergency and would also continue to reflect the priorities identified in the previous three-year budget strategy.

Taken together, the reports and the MTFP illustrated how the directorate would work to deliver the Our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

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

- An explanation was sought as to of the difference between the Growth and Development Directorate's gross budget of £57.6m and net budget of £8.179m;
- Were the base budget figures within the Growth and Development budget based on the original budget proposed at the start of the financial year or revised figures;
- Clarification was sought if any further investment was planned past 2021/22 for highways maintenance;
- What assessment had been undertaken in balancing the risk in increasing the service charge relating to New Smithfield Market and ensuring there was not a reduction in market traders;
- Could further information be provided in relation to equalities and diversity within the Business Plans, with specific reference to a commitment to diversity at senior levels;
- Had any consideration been given to other alternative KPI's for markets other than the income generated for the Council, such as the local economic impact;
- As part of the proposed 2020/21 budget, what investment, if any, was proposed within the Council's estate to reflect the actions needed to comply with climate emergency the Council declared in July 2019;
- Clarification was sought as to whether the additional funding resource for Lloyd Street public conveniences for 2020/21 had been secured;
- What was the timescale for the proposed improvements to Wythenshawe markets.

The Head of Finance for Corporate Services, Neighbourhoods and Growth and Development explained that the gross budget figures included all expenditure items such as staffing, premises and operating costs, whereas the net

budget figures was the what was left of the gross budget once it had been offset by any income, grants or other external contributions. In terms of the budget figures, he advised that the figures were based on the latest figures, which had been adjusted in year to reflect known changes, such as inflation.

The Strategic Director (Growth and Development) commented that there was provision within the 2021/22 capital programme for highway improvements and as part of the forward capital strategy, further commitments into highways would be reviewed and explored, which would include looking at opportunities for funding from national government and within the Greater Manchester region to secure investment into the Council's highways estate.

The Director of Commercial and Operations advised that the service charge to markets was set by the Royal Institute of Chartered Surveyors which the Council could not control. What was within the Council's control in relation to markets was the rental charge charged to traders. The rental level was set at a level which was hoped to achieve the budget target. Specifically, in relation to New Smithfield Market, it was explained that the site was very challenging as it required a significant level of investment to bring it up to the Council's desired standard and this was an ongoing project, looking at potential options for capital investment which would start to reduce the service charge.

In terms of the comments raised around equality and diversity, Officers advised that this would be reflected in the next suite of budget papers at the February cycle of scrutiny meetings.

The Head of Finance for Corporate Services, Neighbourhoods and Growth and Development confirmed that £155,000 had been allocated in the 2020/21 budget to fund the ongoing costs of Lloyd Street public toilets.

The Director of Commercial and Operations advised that in relation to the local economic impact of the district markets, a study had been undertaken and the results had been received recently. A headline finding from the study was that local district markets had a positive economic impact in the areas that they were located. Effectively, this was reflected in the budget as there was still a proposed subsidy for Wythenshawe market and there was income generated from the other district markets. There were no proposals to change the operation of the markets and proposals were being considered in relation to future investment within the district markets to make them more vibrant and generate more activity.

The Strategic Director (Growth and Development) confirmed that there were clear plans within the Council's capital strategy to address zero carbon targets across the Council's operation estate. He also commented that within the Zero Carbon Action Plan, which would be considered by the Executive, there would be a need to look at some of the bigger challenges within the Council's estate, such as the HRA owned estate and the council's fleet of vehicles.

The Committee was informed that it was intended to consult on proposals for Wythenshawe Market with Ward Councillors and Executive Members over the first quarter of 2020, which would then be formally considered by the Executive in the start of the new Municipal Year.



## **Decision**

The Committee:-

- (1) Recommends that their comments be submitted for consideration by the Executive at their meeting on 15 January 2020, specifically the comments made around the benefits that district markets bring to local communities and their economies.
- (2) Requests that in the suite of budget papers to be considered at its next meeting, reference to Housing and Residential Growth is included.

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## Communities and Equalities Scrutiny Committee – 9 January 2020

### CESC/20/02 The Council's Updated Financial Strategy and Budget Reports 2020/21

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process. In doing so, the report outlined officer proposals for how the Council could deliver a balanced budget for 2020/21.

In conjunction with the above, the Committee also received and considered the draft Council Business Plan for 2020/21 and the Neighbourhoods Directorate Budget Report 2020/21.

Officers highlighted that the 2020/21 budget would be a one year roll over budget. It would reflect the fact the Council had declared a climate emergency and would also continue to reflect the priorities identified in the previous three-year budget strategy.

Taken together, the reports illustrated how the directorate would work to deliver the Our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

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

- That some of the data provided in appendix 1 of the Council Business Plan 2020/21, for example on anti-social behaviour and flytipping, did not give a clear picture of the situation as it stated figures per 1000 people and did not provide enough information, for example, on trends over time and whether some areas were affected more than others;
- Why were there no figures for 2018/19 on residents attending a cultural event or using a public library service;
- Sickness levels across different teams and the impact on service delivery;
- That it was not clear from the report where Equality Impact Assessments (EIAs) would be carried out and the importance of the Committee considering the impact of proposals across the equality strands;
- The changes to the rules on the use of Household Recycling Centres and how fly-tipping was being addressed;
- How the proposed savings of £40,000 from reducing the costs of gallery exhibitions would be achieved;
- How confident were officers that the increases in income outlined in the Directorate Budget Report could be achieved; and
- To seek assurance that investment in the Anti-Social Behaviour Team was not being reduced and to emphasise the importance of funding work to address anti-social behaviour, which was a priority for many residents.

The Strategic Director (Neighbourhoods) reported that this was the first time that budget proposals had been presented to the scrutiny committees in this format and that officers would take on board Members' comments on how this information was presented and review this for future budget-setting processes. She reported that the Neighbourhoods and Environment Scrutiny Committee had considered the changes

to the rules on the use of Household Recycling Centres at its meeting on 8 January 2020 and that officers would be providing a detailed update to that Committee. She informed Members that the Neighbourhoods and Environment Scrutiny Committee also received detailed information on fly-tipping and suggested that the report on fly-tipping which the Committee had received at a recent meeting could be circulated to Members of this Committee, to which the Chair agreed.

The Strategic Director (Neighbourhoods) reported that the HR Subgroup regularly received information on sickness levels across the Council and what was being done to tackle this but that Members of the Communities and Equalities Scrutiny Committee could be provided with data on sickness levels for areas within its remit.

The Chair commented that, at the Committee's February meeting, Members would receive a report on the EIAs from the previous year's budget process.

The Head of Libraries, Galleries and Culture reported that the data in the report on residents attending cultural events and using libraries came from a national survey; however, he reported that his service had been improving its own data collection as part of the Widening Access and Participation project. He drew Members' attention to the reports provided to the Committee's October, November and December 2019 meetings which had included further information on residents' access to and participation in libraries, leisure and culture and advised Members that he would collate this information and re-circulate it.

The Head of Libraries, Galleries and Culture informed Members how his service proposed to save £40,000 through the Museum and Galleries Exhibition Tax Relief Scheme introduced by the government in 2017. He outlined how his service planned to increase its income through introducing wireless printing across the city's libraries, delivering government services, enabling visitors to make contactless donations at Manchester Art Gallery and Central Library, increasing retail sales, particularly from tourists following the re-location of the Visitor Information Centre to the Central Library, and raising more income through venue hire.

The Head of Parks, Leisure, Youth and Events outlined how his service had increased income generation, highlighting that in parks alone income generation had increased by approximately £400,000 since 2016. He advised Members that his service had met its income generation targets for the past three years and that he was confident that the income targets set out in the report were achievable. In response to a Member's question, he reported that a process was being put in place for residents and community groups to put forward their ideas for how to reduce the gap between income and expenditure in parks.

The Strategic Director (Neighbourhoods) clarified that the money which had been approved during 2019/20 to increase resources in the Anti-Social Behaviour Team had been committed to for a period of three years.

## **Decisions**

The Committee:-

- (1) Supports the proposals outlined in the reports, while asking the Executive to take into account Members' comments above, in particular the importance of maintaining funding to tackle anti-social behaviour.
- (2) Requests that the recent report that the Neighbourhoods and Environment Scrutiny Committee received on fly-tipping be circulated to Committee Members, for information.

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## Scrutiny Committee Minute extracts

### 4 – 6 February 2020

#### Resources and Governance Scrutiny Committee – 4 February 2020

##### RGSC/20/07 The Council's Updated Financial Strategy and Budget Reports 2020/21

Further to Minute RGSC/20/02, the Committee considered a report of the Deputy Chief Executive and City Treasurer which provided a further update on the Council's financial position and set out the next steps in the budget process.

In conjunction with the above, the Committee also received and considered the Corporate Core medium term financial plan (MTFP) and budget proposals for 2020/21, the Council's Capital Strategy and Budget 2019/20 to 2023/24 and the Housing Revenue Account 2020/21 to 2022/23.

The Committee was invited to consider and make recommendations on the budget proposals which were within the remit of the Committee prior to their submission to the Executive on 12 February 2020.

In relation to the Council's updated Financial Strategy and Budget 2020/21, some of the key points that arose from the Committees discussions were:-

- There was concern with regard to the 'Fair Funding Review' that following research by the Personal Social Services Research Unit (PSSRU), there was a potential reduction in future funding of circa 14% in relation to Adult Social Care funding in Manchester and an assurance was sought that the Council would continue to lobby government on the 'Fair Funding Review';
- Was social deprivation taken into account as part of the 'Fairer Funding Review';
- How had the contribution of just over £2m to the Business Rates reserves been determined, what was the existing level of this reserve and how did this compare to other Greater Manchester local authorities; and
- Clarification was sought as to how the potential increase in income of £1m in 2020/21 relating to Housing Benefit for temporary accommodation would be derived.

The Deputy Chief Executive and City Treasurer assured the committee that the Council was making substantial representations to government on the potential implications of the 'Fair Funding Review' and the changes proposed in terms of Adult Social Care funding in Manchester were deeply concerning.

The Deputy City Treasurer advised that the Fairer Funding Review was more population based and not deprivation based, which was often a key indicator in the level of need in respect of Adult Social Care.

The Deputy City Treasurer explained that the additional contribution to the Business Rate reserve was derived from the additional £3.7m growth in Business Rates income, of which £1.7m was to be set aside to meet the demand pressures within

Children's Services, with the remainder to be placed in the Business Rates reserve. At present the total value of this reserve was approximately £19m. In terms of comparisons to other local authorities, it was agreed that this information would be provided to the Committee after the meeting.

The Deputy City Treasurer advised that the potential additional £1m income would be derived from the ability to claim Housing Benefit for temporary accommodation based on a small scale transfer of existing properties to be managed by Registered Providers (RPs). It was reported that this additional income would be reinvested in the service.

In respect of the Corporate Core Budget Report 2020/21, some of the key points that arose from the Committees discussions were:-

- Would the anticipated £50k saving through collaborative work with other local authorities in regards to capital programmes be achieved this financial year and who were these other local authorities;
- Assurance was sought that with the removal of long term vacant posts, this would not impact on service delivery and staff morale;
- What were the ongoing pressures to the Coroner's Service that required a further £400k mitigation and whilst acknowledging the that the Coroners Service was independent from the Council, why was it not being required to make a savings contribution;
- In relation to commissioning and procurement, what was the nature of the specialist audit work referred to in the report;
- Assurance was sought that any savings within Revenues and Benefits did not impact on the ability for residents to contact the Council through the shared service centre;
- In Table 1 within the report, why was the budget for the capital programme reducing;
- What was the reason for the uplift in costs within the existing Business Support arrangements;
- What was the nature of the additional transitional costs as part of the changeover arrangements to the new contractor for the repairs and management works for the Corporate Estate and clarification was sought as to whether it was correct that the new contractor was required to find ways in reducing this cost;
- Had the feasibility study been undertaken yet for the provision of a further public convenience within the city centre; and
- Further information was sought on the proposed funding for zero carbon staffing and the bringing forward of the pension fund contribution.

The Deputy Chief Executive and City Treasurer advised that the Council had an agreement with one particular local authority in Greater Manchester to collaborate on capital programmes to strengthen the capacity of delivery, which centred around improvements to their capital checkpoint process and planning and delivery of some of their capital schemes.

It was explained that across a number of service areas in the Corporate Core, vacant posts had been budgeted at the top of their grades which would never be filled at this level and accordingly the turnover factor had been adjusted to ensure budgets were



not being held where they were not required. Secondly, a review had been undertaken of long term vacancies and were no longer required, these posts had been removed from the staff structures

The Head of Finance advised that in terms of the Coroners Service that the additional funding was required to deal with an increase in complex cases and the Deputy Chief Executive and City Treasurer agreed to circulate the trend data around the cases and complexity to Members after the meeting.

The Deputy Chief Executive and City Treasurer explained the nature of the specialist audit work that had been undertaken, and advised that this was reported to the Council's Audit Committee on an annual basis. She also advised that any savings derived from a review of the Shared Service Centre would come from the changes in how the Council operated and the removal of any long term vacancies.

The Head of Finance advised that Table 1 within the report detailed the revenue budget of the capital programme which was an income target and the reduction was as a result of adjustments to the budget. Assurance was given that there was no direct impact on the capital programme resulting from this reduction. He also advised that the uplift in costs within the existing Business Support arrangements was a result of a number of additional posts being created to help support additional needs and also as a result of increases of salaries of existing posts due to the complexity of the work required.

The Deputy City Treasurer confirmed that it was part of the contract with the new contractor for the repairs and management works for the Corporate Estate that they were required to improve quality and deliver efficiencies once they start the contract. The transitional costs related to the TUPE process of staff that transferred over from the original contractor to the new contractor.

The Deputy Chief Executive and City Treasurer commented that there had been no formal work undertaken around a further public convenience in the city centre but the feasibility of this was being looked at.

The Deputy City Treasurer explained that by bringing forward the pension fund contribution, this would result in an additional £750,000 saving over each of the next three years.

The Deputy Chief Executive and City Treasurer advised that in terms of zero carbon staffing, there would be a further two FTE posts recruited to and the Council had underwritten the cost of the Chief Executive post of the Climate Change Agency for a year in recognition of its importance. Additional funding had also been identified for the need to draw in the expertise that was required.

In relation to the Council's Capital Strategy and Budget 2019/20 to 2023/24 some of the key points that arose from the Committees discussions were:-

- In terms of carbon reduction proposals, how was the Council going to determine what measures to invest in, given a number of the measures would be expensive to implement and a number funding commitments had already been made for the next four years;

- There was concern in regards to the implications to the Council and the Highways infrastructure following the recent announcement by the Prime Minister to prohibit the sale of petrol, diesel and hybrid vehicles by 2035;
- Was there an opportunity to advocate that the Council was planting more trees to contribute towards addressing issues of carbon dioxide emissions;
- Was there any potential for private tenants and/or corporate landlords to be part of the Civic Quarter Heat Network;
- Was there any possibility to identify a budget for small works packages relating to highways improvements;
- There was still concern that there was no identified funding for Highways capital programme from 2022 onwards;
- In relation to investment in car park assets, was there any update on the NCP Joint Venture;
- There was concern that the cost of some of the carbon reduction proposals, such as the retrofit works to make existing housing stock zero-carbon and the ambition to deliver carbon efficient schools would be too expensive for the Council to implement; and
- It was commented that whilst reducing carbon emissions was an important duty on the Council, there was a need to ensure that this did not result in other important areas becoming overlooked, such as the fire safety of high rise properties.

The Deputy Chief Executive and City Treasurer explained that the report only detailed capital schemes that had already approved through the checkpoint process and, as such, it did not list everything that the Council would be delivering. It was also explained that the report also set out the priorities for the decisions around future investment for the next three to five years and as the Carbon Reduction Action Plan developed, specific costing proposals would be incorporated into the capital strategy.

It was acknowledged that whilst the announcement by the Prime Minister would have an impact on the Council and the Highways network, the Deputy Chief Executive and City Treasurer referenced several pieces of work being undertaken that would look to contribute towards addressing the consequences of the announcement. It was also reported that in terms of the Civic Quarter Heat Network, there was the intention for private tenants and/or corporate landlords to be incorporated in its use.

The Executive Member for Finance and Human Resources commented that he was in early discussions with members of the Neighbourhoods and Environment Scrutiny Committee around identifying a small budget that could be used to support small works highways investment, however, he clarified that this would not be a secondary highways budget. The Deputy Chief Executive and City Treasurer confirmed that investment in the City's highways network was still a priority for the Council, but as a significant amount of funding was received from central government, it was not possible to factor in specific programmes into the capital strategy until the funding became available.

The Deputy City Treasurer advised that work was still on going with the NCP Joint Venture and agreed circulate the timescale of the replacement of the Joint Venture with NCP to members following the meeting.

The Deputy Chief Executive and City Treasurer commented that discussions were underway with the DfE around future funding for the delivery of carbon efficient schools and the Council was also exploring external funding streams to contribute to the cost of the retrofitting of Council housing and operational estates.

In relation to the Housing Revenue Account 2020/21 to 2022/23 some of the key points that arose from the Committees discussions were:-

- Would the proposed rent increases still be within the Local Housing Allowance rate; and
- Why was there a variance in heating charges at different schemes.

The Head of Finance advised he would provide confirmation that the proposed rent increases were within the Local Housing Allowance rate. The Head of Housing explained that the variance in heat charges was based on the consumption in previous years and were set to try and cover the anticipated consumption.

## Decisions

The Committee recommends that their comments be submitted for consideration by the Executive at their meeting on 12 February 2020, and in doing so, notes the proposed recommendation's to the Executive relating to the Capital Strategy and Budget 2019/20 to 2023/24 and the Housing Revenue Account 2020/21 to 2022/23, those being:-

- Capital Strategy and Budget 2019/20 to 2023/24

The Executive is requested to:

- (1) Approve and recommend the report to Council, including the projects for Executive approval in section 6.2.
- (2) Note the capital strategy.
- (3) Delegate authority to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the capital programme 2019/20 to 2023/24 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.

- Housing Revenue Account 2020/21 to 2022/23

The Executive is recommended to:

- (a) Note the forecast 2019/20 HRA outturn as set out in section 4.
- (b) Approve the 2020/21 HRA budget as presented in Appendix 1 and note the indicative budgets for 2021/22 and 2022/23.
- (c) Approve the proposed 2.7% increase to dwelling rents, and delegate the setting of individual property rents, to the Director of Housing and Residential Growth and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Housing and Regeneration and the Executive Member for Finance and Human Resources.

- (d) Approve the proposal that where the 2020/21 rent is not yet at the formula rent level, the rent is revised to the formula rent level when the property is relet.
- (e) Approve the proposed 2020/21 changes for communal heating charges as detailed in paragraphs 5.15 to 5.19.
- (f) Approve the proposed 2020/21 Northwards management fee as detailed in paragraphs 5.27 to 5.28.
- (g) Approve the proposed increase in garage rental charges as outlined in paragraph 6.1

## **Health Scrutiny Committee – Tuesday 4 February 2020**

### **HSC/20/07 The Council’s Updated Financial Strategy and Budget Reports 2020/21**

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council’s overall financial position and set out the next steps in the budget process, including scrutiny of the budget proposals and budget report by this Committee.

In conjunction to the above, the Committee also considered the Adult Social Care and Population Health Budget 2020/21 that provided the final budget proposals following the contents of the provisional Local Government Settlement received late December 2019 and feedback from scrutiny committees during January 2020.

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

- Noting that any future cuts to budgets would be extremely difficult;
- The notion that austerity was over was untrue and the government needed to fund local authorities appropriately and fairly;
- Council Tax was being used to fund services to support vulnerable residents in the city and this message needed to be explicit with residents; and
- The Committee thanked the Executive Member for Adults, Health and Wellbeing and officers for their continued commitment and dedication to supporting the most vulnerable residents in Manchester.

The Executive Member for Adults, Health and Wellbeing stated that despite the continued failure of government to adequately and fairly fund adult social care, Manchester remained committed to responding to the issue in an imaginative and proactive manner to protect the most vulnerable residents in the city.

### **Decisions**

The Committee recommend that their comments be submitted for consideration by the Executive at their meeting of 12 February 2020.

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## **Children and Young People Scrutiny Committee – Wednesday 5 February 2020**

### **CYP/20/11 The Council's Updated Financial Strategy and Budget Reports 2020/21**

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process, including scrutiny of the budget proposals and budget report by this Committee.

In conjunction to the above, the Committee also considered the Children and Education Services Budget 2020/21 which provided the final budget proposals following the contents of the provisional Local Government Settlement received late December 2019 and feedback from scrutiny committees during January 2020. In addition, the Committee received the School Budgets 2020/21 which provided a summary of the confirmed Dedicated School Grant (DSG) allocation from the 2020/21 settlement announced on 19 December 2019, and the budget allocation across individual school budgets and Council-retained schools budgets.

The proposed 2020/21 budget reflected the fact the Council had declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

The Executive Member for Finance and Human Resources outlined the national context within which the budget was being set, highlighting the significant decrease in funding to the Council since 2010.

The Ward Councillor for Miles Platting and Newton Heath highlighted the issue of homeless families being placed in temporary accommodation in a different area and who would fund transport to school, where it was in the child's interests to continue to attend their existing school. The Executive Member for Children and Schools outlined how Executive Members were working together to look at how services could be better co-ordinated to address homelessness and meet the needs of people who were homeless. He reported that he would also be meeting with the Strategic Director of Children and Education Services, the Director of Homelessness and Deputy Leader Councillor Sue Murphy to consider how Children's Services and the Homelessness Service could work better together to support homeless families. He advised that he would take forward the issue raised by the Member. The Chair requested that the Committee receive a report at a future meeting on this area of work. A Member questioned whether a joint subgroup should be established with the Neighbourhoods and Environment Scrutiny Committee to look at this issue in more detail. The Chair advised that he would not be recommending this at this time but that he would speak to the Chair of the Neighbourhoods and Environment Scrutiny Committee about how best to scrutinise this subject.

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

- Educational Psychology including the overspend and the future commissioning arrangements;

- That the Troubled Families grant had recently been confirmed for a further year by the Ministry for Housing, Communities and Local Government and was the Council prepared if this funding was not continued in future years; and
- That additional money had been allocated to the High Needs Block of the DSG but that this followed several years of the funding being frozen when the number of pupils in Manchester was increasing.

In response to points raised by Members in relation to fostering, adoption and residential placements, the Chair advised Members that these issues were regularly discussed at the Corporate Parenting Panel, which all Members were invited to attend, and that reports on these issues would also be considered at future Committee meetings.

The Director of Education informed Members that there had been an overspend on the Educational Psychology budget because of the increasing numbers of children with an Education and Health Care Plan (EHCP) and she outlined when Educational Psychology services were used in relation to EHCPs. She reported that the Council would be carrying out an open tender for Educational Psychology services. The Chair requested that the Committee receive a short note in a future Overview Report on the tendering process for the Educational Psychology service.

The Deputy Director of Children's Services reported that plans had been made to spend the Troubled Families funding which had recently been confirmed, stating that this work was well-evaluated, achieving good outcomes and providing value for money. The Head of Finance advised that this was a one-year budget and that, if no further funding was provided by the Ministry for Housing, Communities and Local Government for this programme, the Council would need to make a decision in next year's budget process about what its priorities were.

### **Decisions**

1. To agree the strategy outlined in the reports.
2. To request that the Committee receive a report on the work taking place to better co-ordinate services to support families, children and young people affected by homelessness.
3. To request a short note in a future Overview Report on the tendering process for the Educational Psychology service



## **Neighbourhoods and Environment Scrutiny Committee – Wednesday 5 February 2020**

### **NESC/20/11 The Council's Updated Financial Strategy and Budget Reports 2020/21**

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer that provided an update on the Council's overall financial position and set out the next steps in the budget process, including scrutiny of the budget proposals and budget report by this Committee.

In conjunction to the above, the Committee also considered the Neighbourhoods Directorate Budget Report 2020/21 that provided a further updated Neighbourhoods medium term financial plan, and budget proposals for 2020/21. The report had been updated in order to reflect feedback from the January round of scrutiny meetings on the original draft proposals.

The Committee also considered the updated Homelessness Budget 2020/21 report that had been produced to reflect feedback from Members at their meeting of 8 January 2020, the outcome of the provisional Local Government Finance Settlement and other government funding notifications. It further set out the Directorate's budget proposals and strategy for 2020/21.

The proposed 2020/21 budget would reflect the fact the Council had declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

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

- Information was sought on the charging policy and car parks;
- Information was sought on how the revenue collected from bus lane fines was allocated;
- Was there any intention to continue co-locating staff from the Housing Benefit Team within the Homelessness Team to assist in maximising residents' entitlement to Housing Benefit;
- A holistic approach was required between Children's' Services and the Homelessness Department to adequately fund transport arrangements to enable families and their children to continue to attend their school when placed out of area in temporary accommodation; and
- The funding arrangements from central government provided to support homeless people were not consistent and were often short term which could result in services being vulnerable.

Officers responded by advising that information on the charging policy and car parks would be provided following this meeting to Members and the revenue from bus lane fines was ring fenced.

The Executive Member for Finance and Human Resources acknowledged the comment regarding adequately funding transport arrangements to enable families and their children to continue to attend their school when placed out of area in temporary accommodation. He stated that he would address this with officers, the

Executive Member for Children and Schools and the Deputy Leader with responsibility for homelessness.

The Strategic Lead, Homelessness stated that they continued to lobby government for adequate, long term funding to support homeless people and she confirmed that the strategic vision was to use temporary accommodation within the city where possible, rather than out of area. Officers commented that the specific budget cost of temporary accommodation, whether in Manchester or out of area was approximately the same; however, they acknowledged a comment from a Member that there were additional budget costs associated with out of area placements, such as travel to school as discussed.

The Chair stated that she welcomed the work of the homelessness team to support some of the most vulnerable people across the city. She stated that the response to the issue of homelessness should be system wide, including health partners, children's and adults' services and population health. She further supported services and teams co-locating to support homeless families, such as early years' services.

### **Decision**

The Committee recommend that their comments be submitted for consideration by the Executive at their meeting of 12 February 2020.

## Economy Scrutiny Committee – 6 February 2020

### ESC/20/09 The Council's Updated Financial Strategy and Budget Reports 2020/21

Further to Minute ESC/20/02, the Committee considered a report of the Deputy Chief Executive and City Treasurer which provided a further update on the Council's financial position and set out the next steps in the budget process.

In conjunction to the above, the Committee also received the Growth and Development medium term financial plan (MTFP) and budget proposals for 2020/21.

The Committee was invited to consider and make recommendations on the budget proposals which were within the remit of the Committee prior to their submission to the Executive on 12 February 2020.

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

- Members welcomed that additional investment in district markets had been allocated within the updated budget proposals;
- There was a lack of information within the budget proposals around equality, diversity and inclusion and an assurance was sought that this would be an area of focus; and
- Further information was asked for in relation to the additional income stream that the installation of solar panels on Northwards properties generated for the Council.

The Strategic Director (Growth and Development) clarified that as part of the suite of reports that were being submitted to the Executive, there would be a separate report analysing the Equality Impact Assessment of the 2020/21 budget across the whole Council

The Executive Member for Housing and Regeneration advised that further work was being done to look at Northwards housing in terms of zero carbon ambitions and part of this was around energy supply into the properties and the energy usage. Due to the success of the previous installation of the solar panels, this would be considered more broadly across the Council's housing stock. She added however, that in addressing zero carbon with, initial assessments for the retrofitting of Northwards properties would cost in excess of £200m to carry out the works. She advised that further work would need to be undertaken to understand how this cost could be absorbed but commented that fundamentally a commitment had been made to look at the retrofitting of this housing stock.

The Leader advised that in terms of non-council housing stock, in the first instance making it zero carbon or reducing carbon emissions would have a cost rather than an income. He advised that this was highlighted in the Manchester Climate Change Update report which was going to the Executive on 12 February and had also been considered at Neighbourhoods and Environment Scrutiny Committee on Wednesday 5 February 2020.

**Decision**

The Committee recommends that their comments be submitted for consideration by the Executive at their meeting on 12 February 2020

## **Communities and Equalities Scrutiny Committee – 6 February 2020**

### **CESC/20/10 The Council's Updated Financial Strategy and Budget Reports 2020/21**

The Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer, which provided an update on the Council's overall financial position and set out the next steps in the budget process, including scrutiny of the budget proposals and budget report by this Committee.

In conjunction to the above, the Committee also considered the Neighbourhoods Directorate Budget Report 2020/21 which provided the final budget proposals following the contents of the provisional Local Government Settlement received late December 2019 and feedback from scrutiny committees during January 2020.

The proposed 2020/21 budget reflected the fact the Council had declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

The Executive Member for Finance and Human Resources outlined the national context within which the budget was being set, highlighting the significant decrease in funding to the Council since 2010.

A Member noted the statement within the update on the Council's overall financial position that, with regard to homelessness, the service had identified a potential increase in income of £1m in 2020/21 relating to Housing Benefit for temporary accommodation which would be available from Department for Work and Pensions (DWP) based on a small scale transfer of existing properties to be managed by Registered Providers (RPs) by end of March 2020 and increasing incrementally throughout 2020/21 and that this would reduce the net cost to the Council. She asked how much impact this incremental increase would have on the budget. The Head of Finance advised that he would circulate a response to this question to the Committee.

In response to a Member's question, the Strategic Director (Neighbourhoods) explained that the proposal to explore the establishment of a separate wholly owned company in relation to gallery exhibitions was a way of managing tax payments and would not impact on staff.

A Member asked whether the costs of the implementation of a Public Space Protection Order (PSPO) in the city centre had been factored into the community safety budget. Deputy Leader Councillor Nigel Murphy confirmed that it had but added that there would not be any additional resources for the implementation of the PSPO and its introduction was about using existing resources in the best way.

In response to a Member's question, the Strategic Director (Neighbourhoods) provided an overview of the costs associated with Bereavement Services and offered to provide a breakdown of the costs, if Members were interested.

The Chair referred back to the Committee's comments when the budget had been considered at its January meeting, highlighting Members' view about the importance of funding work to address anti-social behaviour. The Strategic Director

(Neighbourhoods) informed Members that funding for the Anti-Social Behaviour Team had been increased in 2018/19 and that this level of funding was being maintained.

**Decision**

To re-iterate the Committee's comments from its 9 January meeting, supporting the proposals while emphasising the importance of funding work to tackle anti-social behaviour.