
Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 23 June 2020

Present:

Councillor Russell (Chair) – in the Chair

Councillors Andrews, Clay, Davies, Lanchbury, B Priest, Rowles, A Simcock, Stanton, Wheeler and Wright

Also present:

Councillors: Leese

Apologies: Councillor Ahmed Ali and Moore

RGSC/20/25 Minutes

Decision

To approve the minutes of the meeting held on 3 March 2020 as a correct record.

RGSC/20/26 Update on activity under COVID 19

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which set out a summary of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of the committee.

The main points and themes within the report included: -

- Detailing the Public Health response, both at a Manchester and Greater Manchester level;
- Describing the financial implications and funding arrangements for the Council and the implications of this;
- Recovery planning, including a reset of the Our Manchester Strategy and workforce considerations; and
- An update on the impact of the pandemic to the following areas of service delivery – ICT, Customer Service Organisation, Shared Service Centre, Revenues and Benefits, Discretionary Spend including Welfare Provision Scheme, Audit and Risk Management, Capital Programmes and Commissioning and Procurement

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

- How did the anticipated budget gap of £157 million in 2021/22 compare to the historic cuts in budget the Council faced across 2011-2013;
- What areas did the commercial loss of £77million represent;

- There was a need to recognise the positive steps the Council had taken to help support those who were homeless during the crisis;
- Was there any further information on the lobbying of Government to relax the requirement for the Council to produce an in year balanced budget and Medium Term Financial Plan given the significant budgetary challenges the Council now faced;
- What role would Scrutiny have in the four workstreams that were being progressed in order for the City and the Council to prepare effectively for the recovery;
- In relation to remote working, how many staff had were working from home and was there any potential future savings that could be derived from this way of working going forward;
- What was the cost to the Council for the continued use of agency staff and what were they being employed to do;
- Was the Council ensuring that for those staff working from home they had been provided with all the necessary and appropriate equipment;
- Concern was raised in relation to the proposed cut in 15 FTE posts in ICT given the additional demand being placed in this service for supporting a workforce working remotely;
- What would be the management and governance arrangements for dealing with the impact of COVID-19 on the BAME communities and what was the plan for progressing the outcomes of the Race Review report and how would scrutiny be involved in this;
- How would the Our Manchester Forum reflect the range of views of Manchester residents as part of the Our Manchester Strategy reset;
- An assurance was sought that the Council had appropriate ICT security in place given that a larger percentage of its workforce were now working remotely;
- Concern was raised about the current inability for residents to contact the Revenue and Benefits service by telephone;
- Assurance was sought that the Council was still managing to process the exemptions for larger families outside of the standard DWP process;
- Further information was requested on the take up of COVID-19 Business Rates Reliefs and Grants and COVID-19 Discretionary Grant Scheme to small businesses; and
- Was there any ability to recover the cost incurred in providing the additional grant scheme to support families with free school meals up until the point that the government agreed a voucher scheme for both term time and the school holidays, including the summer holidays.

The Leader commented that £157million represented between a 20-25% cut to the Council's net budget and if this was to happen it would be difficult to envisage how the Council could fulfil its statutory obligations. It was clarified that due to the prudence of the budgetary decisions taken so far, the Council would be able to manage the projected short fall for this financial year but it would be the 2021/22 financial year where the real difficult challenges existed. It was also explained that the biggest difference between this projected shortfall and the budgetary cuts that had to be made between 2011-2013 was the additional responsibilities the Council now had. It was also reported that the largest element of loss of commercial income was from the Manchester Airport Group dividend, and whilst this loss would not be

felt in the current financial year, it would have a significant impact on the next two to three years and place budgetary pressures on the Council for up to the next five years

The Committee was advised that whilst the Council had been able to support a high number of homeless and rough sleepers during the crisis, there still remained a number of significant challenges in supporting homeless and rough sleepers, which the Leader outlined. He also advised that the Council was still awaiting an additional financial package of support from the Government to assist in continuing to provide support beyond the end of June and without this funding, the Council would be facing an imminent funding crisis to tackle rough sleeping and homelessness.

The Deputy Chief Executive and City Treasurer advised that Core Cities and Greater Manchester local authorities were pushing government for recognition of the additional costs in tackling COVID-19 beyond the current financial year. As well as this the Council was also seeking flexibility on its collection fund to enable this to be undertaken over more than one financial year and finally the Council was looking for further support in light of the loss of income. It was commented that an agreement had been reached with the Minister for Housing, Communities and Local Government that any local authority would have a conversation first prior to issuing a Section 114 Notice and it was important to look at how the Council balance its budget over the current financial year and how it could be achieved over the next five year time frame.

The Committee was advised that all Scrutiny Committees would be cited on the progress being made under each work stream which related to the remits of each Scrutiny Committee.

In terms of remote working, it was reported that 2,700 members of staff had returned to work, undertaking their normal duties. For those staff that were working from home, planned investment in ICT had had to be brought forward to enable some staff to work appropriately. In the longer term, it was envisaged that savings could be made from changes in patterns to how staff worked. Further analysis of this would be required before any formal plans could be developed and put in place. In terms of agency staff, it was explained that the majority of these were in council front line roles where demand was increasing, such as social care. The Director of HROD advised that one of the challenges around the provision of equipment was the provision of suitable chairs for staff working from home. It was reported that a priority list had been devised of staff who had special needs or required specific equipment to undertake their roles at home and it would be these members of staff who would be prioritised to receive the necessary equipment first. The Deputy Chief Executive and City Treasurer added that since lockdown commenced, the Council had issued 650 laptops, 620 additional mobile phones and 100 tablet devices to assist staff in working from home. It was also clarified that the reduction in FTE posts in ICT would not be permanent reduction but rather these posts would be frozen until October 2020 and then reviewed in the second half of the financial year.

The Leader commented that the Council had significant information on the differential impacts of COVID-19 on different communities. Public Health England was undertaking more detailed work on the impact of COVID-19 on BAME communities to

fully understand why people from these communities were at more risk of COVID-19. At a local level, this was being led by Directors of Public Health, working together across Greater Manchester, reporting into the Community Cell set up by NHS England. It was reported that the Executive Member for Neighbourhoods had been requested to circulate the Action Plan arising from the outcomes of the Race Review report to all Members to keep them up to date on what steps were to be taken.

The Chair advised that it would be pertinent that scrutiny of the Action Plan would be an area that either this Committee or the HR Scrutiny Sub Group would place on its work programme for this Municipal Year.

The Deputy Chief Executive and City Treasurer advised that she would provide a detailed update to Committee members on the proposed reset of the Our Manchester Strategy and how the Our Manchester Forum would play a part in this. In relation to ICT security, it was reported that there had been a 400% increase in cybercrime since the Start of COVID-19. As a result the Council had strengthened its cyber security team to ensure all appropriate arrangements were in place.

The Director of Customer Services and Transactions advised that the majority of calls made to the Revenue and Benefits team by residents only came about following contact being initially made by the Council to residents in relation to Council tax re-setting payment plans and payment holidays etc. Consequently a decision had been taken to stop this recovery process until July at the earliest after the Council Tax credits had been allocated to accounts. This would see approximately 36,000 residents receive £150 into their accounts and for some of the most vulnerable residents, this would cover the cost of their Council Tax for this year. It was also confirmed that the Council was still managing to process the exemptions for larger families outside of the standard DWP process.

It was explained a large effort was being made to contact businesses that had yet to make a claim under the COVID-19 Business Rates Reliefs and Grants and a lot of work had been undertaken in correcting liability details retrospectively. It was reported that the Council was still dealing with approximately 40 cases a day. In terms of the COVID-19 Discretionary Grant Scheme to small businesses, it was reported that the low take up of this was possibly due to the application process and the need to prove two elements of conditionality – loss of significant income and high rates/rental costs. It was reported that Manchester had had 1,259 cases which was higher than other core cities.

Furthermore it was reported that the Council had paid out approximately £250,000 on the provision of free school meals and this money was recoverable from schools who would receive government funding for this. This money would be placed in the Council's Hardship fund to help support other discretionary support schemes.

Decision

The Committee notes the report.

RGSC/20/27 Overview Report

The 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.

Decision

The Committee notes the report.