



## **Resources and Governance Scrutiny Committee**

Date: Monday, 1 March 2021  
Time: 10.00 am  
Venue: Virtual Meeting Web link:  
<https://vimeo.com/518054311>

**There will be a private meeting for Members only at 9:00am Monday 1 March 2021 via Zoom. A separate invite will be sent to members with joining details.**

### **Advice to the Public**

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

Under the provisions of these regulations the location where a meeting is held can include reference to more than one place including electronic, digital or virtual locations such as internet locations, web addresses or conference call telephone numbers.

To attend this meeting it can be watched live as a webcast. The recording of the webcast will also be available for viewing after the meeting has concluded.

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

---

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

## Agenda

---

**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 2021/22**

The following procedure applies for this item:-

- (i) The Committee will receive a statement by the Leader 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 2021/22 to 2023/24;
- (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 5 March 2021.

**4a. Minutes of the proceedings of Executive on 17 February 2021 relating to the budget for 2021/22**

To follow.

**4b. Minutes of the proceedings of Overview and Scrutiny Committees relating to the budget for 2021/22**

7 - 40

Minute extracts of the January and February 2021 cycle of scrutiny meetings attached.

**5. The Council's Budget 2021/22 - budget papers pack**

In connection to the above, the following documents were considered by Executive on 17 February 2021.

- (5a) Revenue Budget Monitoring to the end of December 2020
- (5b) Capital Budget Monitoring to the end of December 2020
- (5c) Budget Overview and Section 25 Report
- (5d) Medium Term Financial Plan and 2021/22 Revenue Budget
- (5e) Children and Education Services Budget 2021/22
- (5f) Adult Social Care and Population Health Budget 2021/22
- (5g) Neighbourhoods Directorate Budget 2021/22
- (5h) Homelessness Directorate Budget 2021/22
- (5i) Growth and Development Directorate Budget 2021/22
- (5j) Corporate Core Budget 2021/22
- (5k) School Budget 2021/22
- (5l) Housing Revenue Account 2021/22 to 2023/24
- (5m) Capital Strategy and Budget 2020/21 to 2024/25
- (5n) Treasury Management Strategy Statement 2021/22, including Borrowing Limits and Annual Investment Strategy

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=3404&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. Revenue Budget Monitoring to the end of December 2020**

**5b. Capital Budget Monitoring to the end of December 2020**

**5c. Medium Term Financial Strategy and Budget 2021/22**

**5d. Revenue Budget 2021/22**

- 5e. Children and Education Services Budget 2021/22**
- 5f. Adult Social Care and Population Health Budget 2021/22**
- 5g. Neighbourhoods Directorate Budget 2021/22**
- 5h. Homelessness Directorate Budget 2021/22**
- 5i. Growth and Development Directorate Budget 2021/22**
- 5j. Corporate Core Budget 2021/22**
- 5k. School Budget 2021/22**
- 5l. Housing Revenue Account 2021/22 to 2023/24**
- 5m. Capital Strategy and Budget 2020/21 to 2024/25**
- 5n. Treasury Management Strategy Statement 2021/22, including Borrowing Limits and Annual Investment Strategy**

**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.

- 5o. Budget 2021/22 Public Consultation Outcomes**  
Report to follow
- 5p. Budget 2021/22 Equality Impact Assessment**  
Report to follow
- 5q. Details of any proposed Budget Amendments (if any)**  
To follow

## Information about the Committee

---

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. Speaking at a meeting will require a video link to the virtual meeting.

Members of the public are requested to bear in mind the current guidance regarding Coronavirus (COVID19) and to consider submitting comments via email to the Committee Officer. The contact details of the Committee Officer for this meeting are listed below.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting and the means of external access to the virtual meeting are suspended.

Joanne Roney OBE  
Chief Executive  
3rd Floor, Town Hall Extension,  
Lloyd Street  
Manchester, M60 2LA

## Further Information

---

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

Michael Williamson  
Tel: 0161 2343071  
Email: [m.williamson@manchester.gov.uk](mailto:m.williamson@manchester.gov.uk)

This agenda was issued on **Friday, 19 February 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

## Scrutiny Committee Minute extracts

12 – 14 January 2021

### Resources and Governance Scrutiny Committee 12 January 2021

#### RGSC/21/03 Corporate Core Budget Proposals 2021/22

Further to minute (RGSC/20/46), the Committee considered a report of the Deputy Chief Executive and City Treasurer and City Solicitor, which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

Key points and themes in the report included:-

- There had been 196 applications from across the Core in relation to the voluntary efficiency scheme, and these were currently being considered as part of each service areas proposed reductions, with decisions expected mid January;
- The reduction to the City Council contribution towards Discretionary Housing Payments would be £1m rather than the £1.5m initially proposed;
- The proposed cuts within Revenues and Benefits had been reduced by £340k to protect core capacity, leaving proposed savings of £160k, which would require a reduction of 5.5fte rather than 16.5fte that had originally been proposed;
- The original savings proposal of £4.5m in relation to car parks had been revised down to £4.1m due to higher than anticipated costs;
- As at October 2020 the Directorate was forecasting a net overspend of £1.824m, this included COVID-19 related pressures of £5.377m, offset by in year savings and other mitigations of £3.553m; and
- In response to the pandemic and looking to identify additional opportunities for young people to access employment it was proposed that 28 trainees will be recruited as part of the Kickstart programme and paid the Manchester Living Wage which would require additional investment of c£50k. This funding was included within the proposed budget for the Corporate Core.

A key point that arose from the Committees discussions was:-

- Assurance was sought that financial support would be available for people who had accrued arrears in their rent due to the COVID19 pandemic who now might be facing eviction due to the Government's relaxation of the restriction on evictions in the Private Rented Sector

The Leader advised he had asked Officer to prepare a summary of all the direct and indirect measures the Council could take to be able to support people who were vulnerable in the city, including those who were experiencing financial hardship arising from the COVID19 pandemic.

## Decision

The Committee agree the savings proposals as described within the report and endorse these to the Executive.

### **RGSC/21/05 Housing Revenue Account 2021/22 – 2023/24**

The Committee considered a report of the Strategic Director (Growth and Development) and Deputy Chief Executive and City Treasurer, which presented Members with details on the proposed Housing Revenue Account (HRA) budget for 2021/22 and an indication of the 2022/23 and 2023/24 budgets.

Key points and themes in the report included:-

- As at November 2020 the HRA was forecasting that expenditure would be £22.156m lower than budget, which would result in an in year surplus of £3.524m;
- In order to ensure a balanced budget it was proposed that reserves of £19.495m would drawn down;
- Key budget assumptions used in preparing the HRA budget included:-
  - Tenants' rents for all properties will increase by 1.5% in April 2021, which still remained well within the limits of local housing allowance levels;
  - There was also a proposed 1.5% increase in Garage rents in line with dwelling rents
  - Other income was forecasted to be around £1.092m in 2021/22;
  - The current PFI reserve would continue to remain frozen at £10m as at 31 March 2021 and would be used to part fund the outstanding HRA debt;
  - The existing wholesale gas contract expired soon, and latest prices indicated that the current wholesale gas price would reduce by 10% with effect from April 2021;
  - The depreciation charge in 2021/22 was forecasted to be £18.435m and this would be used to fund capital expenditure;
  - It was currently anticipated that the HRA reserves would fall below the £60m required to continue funding the proportion of debt in 2030/31, this would result in an increase in the interest costs charged to the HRA;
  - The provision of bad debt would increase to 1.5% for 2021/22, and would then be increased annually by 0.5% until 2023/24 at which point it would peak at 2.5%, it was then planned to reduce by 0.5% per year until it levels out at 1.5% for the remainder of the plan;
  - The amount payable for the management of stock currently managed by Northwards would change once the future arrangements have been agreed
- Details of other expenditure; and
- Inflationary Assumptions.

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

- Had the figure of £1.5m earmarked for the Local Delivery Vehicle (LDV) been benchmarked and if so what had Salford City Council paid for their LDV;



- Was there a way to ensure that the capital investment underspend was invested in a way to ensure projects were delivered more efficiently;
- Did it matter if the future projected HRA would be in deficit and if so what would be the consequences;
- It was suggested the Members would benefit from future training/briefing on the HRA;
- Who was responsible for determining that the Council's HRA Business Plan was sound;
- If the Council was in a financial position to put additional money into the HRA to address the project deficit in future years, would it be permitted to; and
- Clarification was sought as to whether the Business Plan included figures for investment to contribute towards becoming a zero carbon city

The Director of Housing and Residential Growth advised that the £1.5m for the Local Delivery Vehicle was an estimated figure based the likely professional cost and investigatory work that would need to be undertaken. Awareness of other LDV's around the country had been used as a framing for this cost but it was not benchmarked. He advised that he did not have the details of what it had cost Salford City Council but commented that he could ask but caveated this with the fact that the scale and nature of what Manchester was looking to deliver was different to that of Salford.

The Committee was advised that the Council was looking at bringing into the Council the management and delivery of the Capital Investment programme to ensure quality standards were being met and satisfaction levels of tenants improved.

The Deputy Chief Executive and City Treasure advised that the Council had a statutory requirement to ensure that the HRA Business Plan was deliverable and sustainable over the 30 year period and whilst there was some margin for change, small changes in assumptions taken now could leave to huge changes in the future financial position. She agreed that future training session on the HRA could be arranged for Members.

It was clarified that it was not a requirement for DCLG to approve the HRA Business Plan. The Council's external auditors reviewed the Plan each year and the Council also had to complete a number of government returns that monitored the position against the Business Plan. It was also clarified that as the HRA was ringfenced it would not be possible for the Council to put further funding into it to address the projected deficit.

The Director of Housing and Residential Growth advised that in the projected capital programme for the HRA, there was in the region of £85m proposed to invest in low carbon related schemes in homes, however one of the challenges that existed was the increase in standards to meet zero carbon. Emerging grants for retrofitting were starting to appear and it was anticipated that these would help the overall picture but putting the issue into context, it was a city wide challenge and it was estimated that £4.5b would be required to address the issue of zero carbon across the whole housing stock of the city.

## Decisions

The Committee:-

- (1) Notes the proposed HRA budget for 2021/2 and that the Executive will be requested to consider this at its meeting in February.
- (2) Requests that Officers arrange appropriate training on the HRA for Members.
- (3) Agrees that in writing the Chancellor of the Exchequer in relation to the Local Government Financial Settlement, the Chair also addresses the challenges the Council will face with its HRA in future years without additional government funding.

## Health Scrutiny Committee 12 January 2021

### HSC/21/04 Budget Options for 2021/22

The Committee considered a report of the Acting Chief Executive Manchester Local Care Organisation and Executive Director of Adult Social Services that detailed the service and financial planning and associated budget strategy work that is taking place for adult social care with partners across the health and care system.

The report detailed the identified and proposed opportunities to make savings in 2021/22 aligned to the remit of the Health Scrutiny Committee, to support the City Council to achieve a balanced budget in 2021/22.

As adult social care is both within the MHCC health and care pooled budget, works in partnership is increasingly focused on integrating with community health services through the Manchester Local Care Organisation (MLCO); this report is jointly presented to the Scrutiny Committee by the key partners of MHCC, MCC and MLCO, noting the areas that would be led by MLCO.

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

- Commenting on how the pandemic had highlighted the consequences of continued and prolonged underfunding of NHS and Adult Social Care by central government;
- Welcoming the Better Outcomes, Better Lives programme, noting that the level of savings from within this programme would increase in future years and substantively replace the one-off grant and support funding provided;
- Commenting that the Health Scrutiny Committee should have regular updates and oversight of the delivery of the Better Outcomes, Better Lives;
- More information was requested on the governance arrangements of the Manchester Partnership Board;
- Noting the anticipated long term impact of COVID-19 on mental health, was the budget allocated to deliver mental health services sufficient to meet these demands both in the immediate and long term;
- Members would welcome a separate briefing session on local pooled budget arrangements;
- Welcoming the ongoing commitment to paying the National Living Wage; and
- Welcoming the stated commitment to ensure that as service plans for neighbourhoods were shared with the relevant elected members and other key stakeholders as they are developed.

The Executive Member for Adults, Health and Wellbeing advised the Committee of the significant pressures that had been placed on services and budgets as a result of COVID-19. She commented that this been exacerbated by continued and repeated cuts to funding imposed by the government. She stated that the government had failed to deliver on their commitment to address Adult Social Care and she called on the Chancellor to adequately and fairly fund all local authorities. She stated that despite these cuts Manchester had worked to respond to these challenges and support the most vulnerable residents in the city. She described that the Better

Outcomes, Better Lives programme was one example of innovative working and she gave a commitment that the Committee would be regularly updated on the delivery of this programme.

The Executive Member for Adults, Health and Wellbeing further commented that Public Health services would be reviewed in line with all funding announcements and the Committee would be kept informed with any developments.

The Executive Member for Adults, Health and Wellbeing informed the Members that there was political representation on the Manchester Partnership Board, stating that she was appointed to the Board. She stated that further information on the work of the Board and the organisational arrangements could be submitted for consideration at a future meeting.

The Interim Deputy Director of Adult Social Services noted the positive comments from Members regarding the Better Outcomes, Better Lives programme and commented that it was important to note that this was supported by the work force who were essential for the successful delivery.

In response to the comments regarding mental health budgets, the Director of Finance Manchester Local Care Organisation stated that the Greater Manchester Mental Health NHS Foundation Trust were managing and delivering these services within the budgets that were available to them.

### **Decision**

The Committee agree the savings proposals as described within the report and endorse these to the Executive.

## Children and Young People's Scrutiny Committee 13 January 2021

### CYP/21/02 Children and Education Services Budget 2021/22

The Committee received a report of the Strategic Director of Children and Education Services which outlined the financial management and leadership of the Directorate's budget, the financial position which included demography, growth of demand and a series of savings options proposed by officers aligned to the remit of the Committee to contribute to the Council's duty to achieve a balanced budget in 2021/22. The report also set out the impact the options would have on residents and the workforce. It noted that the Council's budget proposals for 2021/22 and onwards would be subject to further refinement following feedback from public consultation and scrutiny committees and that final budget proposals would be made to Scrutiny and Executive in February 2021. The report reflected the fact that the Council had declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

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

- The background and context;
- Directorate budget approach;
- Directorate Revenue Budget 2021/22 and proposed savings;
- Changes to the report since it was last considered at the Committee's meeting on 4 November 2020;
- The impact on the workforce and Manchester residents; and
- Next steps.

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

- Whether the proposed savings rated as "red" in the table appended to the report could be looked at again and whether there were any alternatives that could be considered;
- Concern about the proposal relating to the Children and Parent Service, outlined at point 4.56 in the report, noting the considerable benefits of early intervention in improving outcomes for children and families and reducing the need for more expensive interventions later on;
- The impact of COVID-19 on families and on Children's Services;
- Request for further clarification on the information relating to residential placements, including the plans for Lyndene Children's Home;
- Concern about the proposed cut to funding for interventions to support the improvement of maintained schools outlined at points 4.47 and 4.48 in the report; and
- Request for further clarification on the savings relating to Unaccompanied Asylum Seeking Children (UASC) and the impact of these.

The Strategic Director of Children and Education Services informed the Committee that, as the majority of the Dedicated Schools Grant (DSG) was allocated to schools and 47% of the Children's Services budget was spent on care provision for children,

the opportunities and areas of the budget where savings could be made was limited. He advised that these areas were interconnected so changes in one area of the service would have an impact elsewhere and that none of these proposals were without risk.

In response to Members' comments about the impact of the pandemic, the Strategic Director of Children and Education Services advised that there had been an increase in requests for advice and support and an increase in referrals to Children's Services, which had included an increase in issues relating to domestic abuse but that the number of children becoming Looked After had not significantly increased so far. He advised that it was a challenging situation as it was more difficult to predict future demand. He also outlined some of work that was currently being developed to support children and families during this time, including short break provision for children attending special schools, sessions for children and young people, similar to the summer holiday provision, and help with paying utility bills for families who were struggling financially.

The Strategic Director of Children and Education Services informed Members that Lyndene was a commissioned children's home and that the children and young people being placed there predominantly had additional health needs, learning disabilities and autism spectrum disorder. He outlined work taking place with health colleagues to commission specialist provision and re-purpose the home to improve outcomes for these children. He suggested that the Committee might want to look at this work further at a future meeting.

In response to a Member's question, the Strategic Director of Children and Education Services clarified that it was proposed to re-purpose three Child and Adolescent Mental Health Services (CAMHS) workers to work with foster families to reduce the risk of foster care placements breaking down. He informed Members that unplanned endings of foster care placements could result in significantly increased costs if the young person had to be placed in a residential children's home.

The Strategic Director of Children and Education Services reported that, as Manchester was now receiving more UASC, this enabled the work to support them to be more intelligence-led and for better commissioning arrangements, based on contracts for supporting a number of young people rather than buying ad hoc support for individual children. He informed the Committee that the Home Office had also recently increased the grant payment to the Council for UASC. Therefore, he advised, that the savings in this area did not represent a reduction in the quality of support provided to these young people. He suggested that the Committee might want to look at the work taking place to secure settled status for these young people.

In response to a Member's question, the Strategic Director of Children and Education Services outlined the support provided to Care Leavers and advised the Committee that a report providing more information on this would be submitted to the next meeting of the Corporate Parenting Panel.

The Chair noted the improvements that had been made in Children's Services in recent years, expressed disappointment that the Council had been put in this financial position due to the level of funding provided by the national government and

expressed concern that this could impact on these services in future.

### **Decisions**

1. That the Committee does not support the proposal for the revised parenting commission at 4.56 in the report, which would reduce the number of families receiving this support, and believes that this reduction in early intervention would result in increased costs later on.
2. That the Committee does not support the proposed cut to funding for interventions to support the improvement of maintained schools outlined at points 4.47 and 4.48 in the report, particularly in light of the impact that COVID-19 is having on children's education.
3. To receive further information on the plans to re-purpose Lyndene Children's Home in a future report.
4. That the Committee will monitor the impact of the transformation of CAMHS

## Neighbourhoods and Environment Scrutiny Committee 13 January 2021

### NESC/21/02 Neighbourhoods Directorate Budget Proposals 2021/22

The Committee considered the report of the Strategic Director (Neighbourhoods) that provided a further update to the Scrutiny committee on the savings proposals being proposed as part of the 2021/22 budget process and reflected any feedback from the November Scrutiny committees. The savings proposals would be considered by all six Scrutiny Committees for those areas within their remit, prior to going out to public consultation.

The Committee was invited to consider and comment on the savings proposals identified prior to being considered by Executive.

The main points and themes within the report included: -

- Funding announcements in the government's spending review on 25 November 2020 and provisional local government finance settlement on 17th December 2020 suggested the Council would not be facing the worst-case scenario for 21/22, which was a shortfall of around £100m;
- It was now expected that savings in the region of £50m, as previously identified, would be sufficient;
- Providing a further update to the Scrutiny committee on the savings proposals being proposed as part of the 2021/22 budget process and reflected any feedback from the November Scrutiny committees;
- Savings within the overall Neighbourhoods directorate included proposals of £7.376m requiring an FTE (full-time equivalent) reduction of 2. Due to lead in time around investments etc, the £7.376m would be phased over the period 2021/22- 2024/25, with an initial £6.683m being delivered in 2021/22;
- Charging residents for replacement waste bins would not be considered for 2021/22;
- Outlining the Budget Savings Proposals; and
- Noting that as part of implementing the savings proposals an Equality Impact Relevancy Assessment would be undertaken for each of the proposals.

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

- Welcoming the withdrawal of the option to charge residents for the replacement of waste bins;
- Further information was requested on the proposals for the animal welfare service;
- Stating that the Government had failed to fund local authorities appropriately over many years and had failed to reimburse Councils for the additional financial pressures incurred as a result of COVID-19; and
- Further information was sought on the reported introduction of new charges for providing advice to businesses.



The Deputy Leader stated that he agreed with the comments from the Members regarding the ongoing failure of the Government to adequately fund the Council. He stated that rather than fairly fund services they were relying on Councils to introduce a rise in the Council Tax charge. He stated this was a punitive and regressive approach adopted by the Government. He stated that despite this the Council remained committed to delivering the best services on behalf of the residents of the city with the funds that were available.

In regard to the removal of any proposal to charge residents for the replacement of waste bins in this round of budget considerations, the Executive Member for Neighbourhoods stated that the importance of this was recognised and how this contributed to the Councils recycling targets and the impact on the levels of flytipping. He stated that whilst any cuts to services were always unpalatable, he expressed caution that this option may need to be revisited in future years budget considerations, adding that the Committee would be kept informed of any future proposals.

The Head of Compliance, Enforcement and Community Safety stated that if the animal welfare service proposal was agreed, work would be progressed to develop a service specification prior to the tendering of this contract.

The Head of Compliance, Enforcement and Community Safety also provided examples of the type of opportunities that existed to generate revenue through providing advice to businesses e.g. in respect of a food business providing a pre-inspection visit to advise on measures needed to ensure compliance before the official inspection and rating.

The Chair stated that an audit of all road safety measures around schools should be undertaken and capital funding be used to fund the delivery of appropriate signage and road markings to improve road safety around all Manchester schools where any deficiencies were identified.

## **Decision**

The Committee;

1. Endorse the savings proposals identified to the Executive;
2. Recommend that the Executive Member for Environment, Planning and Transport considers undertaking an audit of all road safety measures around schools and capital funding be used to fund the delivery of appropriate signage and road markings to improve road safety around all Manchester schools where any deficiencies are identified.

## **NESC/21/03 Homelessness Directorate Budget and Savings Options 2021/22**

The Committee considered the report of the Director of Homelessness provided the high level budget context and priorities for Homelessness across 2021/22 and the feedback from the budget conversation, which had been used for the development of

savings options 2021/22 and investment requirements to fund population driven and other budget pressures

The Committee was invited to consider and comment on the savings proposals identified prior to being considered by Executive.

The main points and themes within the report included: -

- Funding announcements in the government's spending review on 25 November 2020 and provisional local government finance settlement on 17th December 2020 suggested the Council would not be facing the worst-case scenario for 21/22, which was a shortfall of around £100m;
- It was now expected that savings in the region of £50m, as previously identified, would be sufficient;
- The overall approach to the budget strategy had been to align with the 4 key strategic aims of the service and to utilise the investment to maintain frontline delivery in support of these aims, keeping service reductions to a minimum;
- The budget strategy for Homelessness had been to contain the cost of rising need for temporary accommodation within available resources whilst also prioritising resources towards service developments that would achieve the service's priority to prevent and reduce the incidence of homelessness;
- Noting that the greatest risk for the priorities of the service and the budget strategy was the continuing rise in need which was likely to be exacerbated by the impact of Covid-19 and the uncertainty of short term funding;
- The Service Transformation Programme would form the core of the approach to tackling and reducing homelessness over the next three years. It would be the framework in which reductions in temporary accommodation and rough sleeping would be achieved through a radical reorganisation of the Homelessness Service and its activities.
- Savings Options and Proposals; and
- Workforce Impact.

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

- What was the impact of recent changes to the lifting of the restriction on evictions in the Private Rented Sector, introduced as a result of COVID-19 on homelessness services;
- Consideration should be given to providing in-house temporary homelessness accommodating as this would allow for better control of quality and management;
- Further information was sought on the delivery of the A Bed Every Night (ABEN) scheme;
- Noting the Protect Programme funding that had been awarded as a result of COVID-19, was there a commitment from Government to continue funding this programme; and
- Could the Council's reserves be used to support homelessness services.

The Executive Member for Skills, Culture and Leisure stated that despite the promises made to Manchester and all other local authorities that financial assistance would be made available to support councils to accommodate homeless people

during the pandemic this had not been provided. He described this as a failure of government, however despite this Manchester had responded to the situation and sought to support the most vulnerable residents in the city and he now called upon the government to fund Manchester appropriately and fairly.

The Executive Member for Skills, Culture and Leisure reiterated that the proposals did not represent a cut in services, but rather savings were to be achieved through a service redesigning. He described that the reasons for homeless presentations were varied, however recognised that the removal of the protection from eviction would have an impact on the number of presentations. The Members were also advised that the proposals also protected the current ABEN spaces and there was no requirement to draw down on the Council's reserves.

The Executive Member for Skills, Culture and Leisure described the challenge to plan and deliver innovative schemes and programmes to tackle homelessness due to the short term funding arrangements provided to local authorities, stating that long term funding was required. He informed the Committee that the Manchester Homelessness Partnership had written to the Secretary of State to lobby on this issue.

In response to the question regarding the suggestion of providing in-house temporary accommodation, the Executive Director of Adult Social Services stated that a response to this would be provided following the meeting.

The Chair stated that the work of the homelessness team and all voluntary organisations was important and valued in addressing homelessness in Manchester. She stated the importance of the preventative work undertaken and stated that the Committee should be kept informed of any changes to the service,

### **Decision**

The Committee endorse the savings proposals identified to the Executive.

## Economy Scrutiny Committee 14 January 2021

### ESC/21/02 Growth and Development Directorate Budget Proposals 2021/22

Further to minute ESC/20/41, the Committee considered a report of the Strategic Director (Growth and Development), which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

Key points and themes in the report included:-

- As at August 2020 the Directorate was forecasting a net overspend of £3.86m, this included Covid-19 related pressures of £7.305m, offset by in year mitigation of £3.445m;
- The Covid-19 pressures were made up of a combination of £4.718m reductions in income and increased cost pressures of £2.581m;
- The main loss of income had arisen within the Investment estate due to tenants not being in a position to pay their rents because their business has been impacted by Covid-19;
- In addition to the income reductions, there had been increased costs with the main costs being in respect of supporting the Corporate response to supporting the City's most vulnerable residents,, this was forecasted to cost over £2m in the current financial year; and
- As part of the ongoing work seeking to mitigate the above pressures in year forecast savings of £3.445m had already been identified, this was largely due to staff savings because of vacant posts and reduced running costs across all services.

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

- To what extent would the one year local government financial settlement have on the city's medium to long term economic recovery plan;
- It was saddening to see the impact that COVID had had on the Council's budget available to allocate to developing work and skills for adult learners;
- There was concern that with the inevitable reduction to staffing levels, it would be difficult to maintain an appropriate level of staffing to enforce building control across the city;
- How was the proposed income from increased rental going to be achieved;
- There was a concern that a reduction in the Council's employment and spending power would have an impact on the broader economy of the city and consequently Government needed to fund the Council appropriately to prevent this negative impact;
- There was concern that some of the cuts that the Council would need to make now to meet the £50m deficit in its budget would cost the Council more in the longer term and there needed to be a mechanism to revisit these decisions in future budget setting; and
- There was concern that digitising the planning process would result in there not being enough oversight by staff of what was being developed and that what was being developed was to an expected high quality.

The Leader advised that Government was investing a considerable sum of money into a variety of schemes, such as Kickstart, which were aimed at helping people get back into employment and develop new skills. There was also an expectation that the Department for Education was going to increase funding for Adult Skills and retraining at Level 3. The only negative around this was the likelihood that these initiatives would be delivered by a small cohort of national contractors, and local elements would need retrofitting into these schemes. He also added that difficulties existed due to the fact that Government departments were not working in a joined up approach at a national level, reflecting that the employment programmes were disconnected from the skills programmes.

The Committee was also advised that robust arrangements had been put in place insofar as management and partnership arrangements for the city's medium to long term economic recovery of the city, however these arrangements would need to be adapted to the whims of national government in regard to funding that would be made available.

The Strategic Director (Growth and Development) confirmed that the Council had identified specific new income from its investment estate from the renegotiation of a lease.

The Executive Member for Environment Planning and Transport acknowledged the challenges that would exist by not filling the vacant posts with the Council's Planning Department especially in light of the major schemes and strategies that would be being implement in the future. It was commented that options such as a shared service with another local authority were being looked at as part of a service review of the Council's Planning function.

The Leader reminded the Committee that the proposals being put forward were due to the Council requiring to make £50m of savings to its budget and that the proposals being considered were the least worst options. It was hoped that in three to five years' time, with the return of commercial income some of these proposed cuts could be revisited and if required reintroduced.

The Strategic Director (Growth and Development) confirmed that it wasn't proposed to digitise the whole Planning Service, but rather use new technologies to improve aspects of the service.

## **Decision**

The Committee agree the savings proposals as described within the report and endorse these to the Executive.

## **ESC/21/03 Housing Revenue Account Delivery model- Northwards ALMO Review**

Further to minute ESC/20/44, the Committee considered a report of the Chief Executive, which provided Members with the conclusion of the test of opinion of tenants and leaseholders as part of the Northwards ALMO review. The report

provided a summary of the opinions indicated and recommended that the decision to insource the housing management and maintenance function was now confirmed. The report also included a summary of key actions and milestones, risks and process to develop post-transfer governance arrangements.

Key points and themes of the report included:-

- Tenants and leaseholders had been consulted on the proposal to take direct control of the management of the housing service from 5 July 2021;
- A total of 1633 people voted (1572 tenants and 54 leaseholders). This was 12.52% of those able to participate (12.57% tenants 11.87% leaseholders);
- 1524 (93%) people voted in support of the proposal to bring the management of their council home into direct management by the Council;
- The response rate of 12.54% was consistent with other local authorities who were proposing to or had recently taken their ALMO services in-house;
- The result was not binding but was one of the factors that were to be considered in making the decision about the future management of the service;
- An outline of the practical steps for the delivery of the transition;
- Consideration of the governance and accountability arrangements; and
- Intended timescales, including critical actions and milestones.

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

- Whilst the response rate was consistent with other local authorities, some members still felt that this was low;
- It needed to be recognised that the consultation had strongly implied that transferring the ownership back into the Council would improve the service offered to tenants and it was hoped that this could actually be achieved;
- There was a need to safeguard the successful rent collection that had been achieved to date and the welfare support and financial advice available to tenants from Northwards currently;
- It was felt that scrutiny of the final governance arrangements had been omitted from the milestones within the proposed timescales;
- More detail was needed on how returning control of the ALMO to the Council would improve community safety and anti-social behaviour within those communities in North Manchester and if these existed now, should be implemented now; and
- More discussion was needed as to why the repairs and maintenance contract was proposed to continue to be outsourced

The Executive Member for Housing and Regeneration commented that the challenges identified by tenants existed as a result of the impact of cuts over many years. She advised that conversations with tenants would be honest around what would be achievable and it was envisaged that the proposals to bring the ALMO back into the control of the Council would improve joined up working with tenants at a local level. It was also acknowledged how successful rent collection had been under Northwards and a commitment to safeguard this was made alongside the welfare and financial support that was offered to tenants.

It was agreed that scrutiny of the final governance proposals would be factored into the timescale milestones.

In terms of the repairs and maintenance contract, it was explained that it would have been desirable for this to come back into control of the Council as well, but there was a need to remain realistic insofar as what was deliverable in the timescale of the wider management of the housing service returning to the Council. It was commented that this would be something that would be explored in the future with tenants.

The Director of Housing and Residential Growth advised that he would be looking to maximise the interaction and interrelationship with Neighbourhood Services and other agencies to tackle Anti-Social Behaviour and Community Safety, providing a single point of contact and clear accountability to tenants.

## Decisions

The Committee:-

- (1) Endorses the recommendations to the Executive, those being:-
  1. Note the outcome of the "test of opinion" consultation and the support for the council's proposals.
  2. Note the proposals contained within the report about how the new council-controlled service governance is being developed and how tenants will be involved and empowered in the decision making about services to homes and communities.
  3. Note the appointment of a project lead, and the indicative project stages and timetable for the delivery of the insourcing project.
  4. Members confirm support for the retention of "Northwards" as a brand identity for the council housing service.

But in doing so request that the Executive take on board the comments made by members.
- (2) Welcomes the commitment by the Executive Member for Housing and Regeneration to review the control of the repairs and maintenance contract at a future point.
- (3) Agrees to add to its Work Programme further scrutiny of Manchester Move and Yes.

## ESC/21/04 Affordable Housing update

The Committee considered a report of the Strategic Director (Growth and Development), which provided an update on how the Council and its partners would deliver a minimum of 6,400 affordable homes from April 2015 to March 2025.

Key points and themes of the report included:-

- Increasing the delivery of housing (affordable housing in particular) would be a key part of city's recovery following the Covid-19 pandemic;
- The demand for housing from the most vulnerable in the city had not diminished following the crisis and if anything, the requirements of residents

- most in need had become even more acute with the numbers of people on the Housing Waiting List and in temporary accommodation continuing to grow;
- The Council was looking to significantly upscale the delivery of new affordable homes and to this end, the existing delivery platforms established with RPs – including use of our land assets – and working in conjunction with Homes England investment programmes remained key;
  - The Housing Delivery Vehicle would soon begin to deliver new affordable homes, bolstering the pipeline and helping the city meet and exceed the 6,400-minimum target by 2025; and
  - An overview of proposals as to how the Council intended to increase the future supply of Affordable Housing.

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

- It was felt that the Committee should proactively engage with the proposed pipeline of housing development in terms of its future work programme;
- There was concern that with the impact of the Covid pandemic and increasing financial restraints residents find themselves in, people may still affordable rents and shared ownership out of reach;
- How achievable was the target of 6,400 properties by 2025;
- It was pleasing to see the city centre developments moving forward as part of the housing delivery model;
- Was there an indication on how quickly progress would be made in the delivery of affordable housing; and
- Clarification was sought what was meant by the delivery of the developments would be fully funded through the PWLB via a simple company structure

The Executive Member for Housing and Regeneration agreed that it would be of benefit if Scrutiny kept an oversight on the future delivery of housing development as part of its future work programming. She shared concerns raised around affordability and advised that this was a reason why the Council was looking to establish its own housing delivery vehicle to allow for some flexibility in affordability. It was commented that based on the rate of current development, the Council was projected to surpass its target of 6400 properties by 2025, however, it was acknowledged that the long term impact of the Covid pandemic needed to be taken into account.

The Strategic Director commented that the Council had strong partnerships in the housing sector with Registered Providers that would drive the delivery affordable housing and the Council also had a series of meetings with Homes England to discuss accessing £12billion of additional government funding for 180,000 affordable homes. She also advised that the Council's housing strategy was subject to review in October 2021 and a revised strategy would be presented to the Committee.

The Director of Housing and Residential Growth explained that the PWLB, stood for the Public Works Loan Board and the Council was able to borrow money at advantageous rates which would fund some of the developments through a Housing Delivery Vehicle.

## Decisions



The Committee-

- (1) Notes the report.
- (2) Notes that the Chair will discuss with Officers and the Executive Member for Housing and Regeneration the best way for Scrutiny to monitor the proposed pipeline of housing development in terms of its future work programme.

## Communities and Equalities Scrutiny Committee 14 January 2021

### CESC/21/02 Neighbourhoods Directorate Budget Proposals 2021/22

The Committee received a report of the Strategic Director (Neighbourhoods) which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process and reflected any feedback from the November scrutiny committees. The Committee was asked to consider and make comments on the savings proposals identified prior to these being considered by the Executive.

The main points and themes within the report included:

- Neighbourhoods Directorate background and context;
- Neighbourhoods 2020/21 budget position;
- Current in year forecast position;
- 2021/22 onwards savings proposals;
- Workforce implications; and
- Equalities.

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

- Whether the projected returns from the parks investment programme were realistic within the first year;
- Subsidies to the leisure service providers during the pandemic and any progress in securing funds to cover this;
- Why the Equality Impact Relevancy Assessments had not been completed yet and when Members could expect to see them;
- Concern that funding to the Council had been reduced over a number of years and that the national government had not provided sufficient funding to the Council to fully mitigate the impact of the pandemic; and
- That the Council did not want to make cuts to services but that these were the least worst options and to thank officers for their work in identifying these.

The Head of Parks, Leisure, Youth and Events reported that it was not proposed to make any savings on indoor leisure facilities in the next financial year but that savings were proposed from 2022 onwards. He advised that the Council had submitted a return to the national government for assistance of £1.3 million in relation to the impact of the pandemic on leisure centres, covering the period from December 2020 to March 2021. In response to a further question, he advised that the Council was working on the assumption that there would be an in-year overspend within his service but it was expected that the application for government assistance would be successful. He advised that the government had not yet agreed financial support for the 2021/22 financial year, if COVID-19 restrictions impacted on leisure services beyond March 2021, but that Sport England was currently in discussions with the government about this. He reported that, if restrictions did continue into the new financial year and no further government funding was provided, the Council would need to work with its leisure operators on how that funding gap would be met and that this did present a risk in the current situation. He

highlighted that there was a report on the Parks Investment Programme later on the agenda and that he would respond to the question on parks as part of that item.

The Strategic Director (Neighbourhoods) advised the Committee that the Equality Impact Relevancy Assessments, which were used to determine whether an Equality Impact Assessment (EIA) was required, would have been undertaken by all of the services by this point. She informed Members that the Committee would receive an overview of the EIAs resulting from the budget proposals at its meeting on 11 February 2021. A Member questioned the timing of this in relation to the decision-making process. The City Solicitor advised Members that the Committee would be receiving this information at its next meeting which was prior to the final decision on the budget being made at the Budget Council meeting on 5 March 2021.

The Strategic Director (Neighbourhoods) clarified the proposals relating to Compliance and Enforcement, Highways, the Animal Welfare Service and charges for replacement bins, while advising Members that these areas fell within the remit of Neighbourhoods and Environment Scrutiny Committee (NESC) and referring Members to the discussions that had taken place on these issues at the previous day's NESC meeting.

### **Decision**

To note the report, subject to Members' comments, and to recognise that, under the financial situation the Council is placed in, officers have worked to identify the least worst options.

## Scrutiny Committee Minute extracts

9 – 11 February 2021

### Resources and Governance Scrutiny Committee 9 February 2021

#### RGSC/02/11 Corporate Core Budget 2021/22 Final Proposals

Further to minute (RGSC/21/3), the Committee considered a report of the Deputy Chief Executive and City Treasurer and City Solicitor, which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

The Leader advised that the changes contained in the report were either as a result of recommendations previously made by the Committee or where of such a minor nature that they did not significantly impact on the overall budget proposals.

The Committee was invited to comment on the report prior to it being considered by Executive.

Key points to note were:-

- The Core had identified proposed budget reductions of £6.281m, which required a reduction of c.115.1ftes;
- There were currently c.54 vacancies earmarked as contributing towards the overall reduction, with the remainder likely to arise from applications for the targeted Voluntary efficiency scheme;
- As at December 2020 the Directorate was forecasting a net overspend of £1.321m, this included COVID-19 related pressures of £5.969m, offset by in year savings and other mitigations of £4.648m;
- Coroners Service would have a backlog of jury cases in 2021/22 and the forecast cost implications of these was £131k, which had been included in the budget for next year;
- As part of planning for the May 2021 Elections additional costs would be incurred in order to ensure that the election is Covid secure. The estimated costs of this was c£113k and a one year budget increase was proposed to meet these costs; and
- An increase of 1.9% above inflation in Bereavement Services was proposed which would bring fees and charges in line with other local authority areas and result in an additional £85k income per year.

A point raised by the Committee was that there was no reference to LGBT+ in the references to equality groups and it was requested that this be included.

The Deputy Chief Executive and City Treasurer gave an assurance that this reference would be included.

**Decision**

The Committee agree the saving proposals as described within the report and endorse these to the Executive.

## Health Scrutiny Committee 9 February 2021

### HSC/21/09 Adult Social Care and Population Health Budget 2021/22

The Committee considered the report of the Chief Executive Manchester Local Care Organisation and Executive Director of Adult Social Services that detailed the service and financial planning and associated budget strategy work that was taking place for adult social care with partners across the health and care system.

It detailed the identified and proposed opportunities to make savings in 2021/22 aligned to the remit of the Health Scrutiny Committee, to support the City Council to achieve a balanced budget in 2021/22.

The Committee was invited to comment on the report prior to it being considered by Executive.

The main points and themes within the report included: -

- Describing the 2021/22 Budget proposals in the context of the 2021/22 Budget;
- Providing a background and context;
- Information on the Covid-19 pandemic and the Adult Social Care (ASC) Improvement Programme, noting the context and impact on ASC;
- Identified budget pressures and efficiency proposals; and
- An overview of the Better Outcomes Better Lives programme.

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

- Clarification was sought on the overall total reduction in the Public Health budget since 2016;
- Consideration needed to be given to describing what was meant by the term wellbeing services in future reports;
- Stating that the government had repeatedly failed to adequately fund Adult Social Care over a period of many years;
- Noting that the funding cuts imposed upon the city had impacted most on the poorest residents who already experienced the worst health outcomes; and
- That despite these continued cuts Manchester had sought to defend the most vulnerable residents across the city.

Officers informed the Committee that the impact on Manchester's public health funding was a £8.652m reduction by 2019/20 and provided the year on year reduction figures. The Executive Member for Adults, Health and Wellbeing stated that whilst there had been a reduction in the funding from central government there were no proposals to reduce public health services.

The Executive Member for Adults, Health and Wellbeing stated that the government must adhere to the promise made at the beginning of the pandemic that they would reimburse the Council for the additional costs incurred as a result. She further stated that the government had repeatedly failed to adequately fund Public Health and Social Care over a period of many years, however despite this Manchester had

responded to protect the most vulnerable residents in the city and would continue to do so.

**Decision**

The Committee note the report and endorse the budget proposals as described to the Executive.

## Children and Young People's Scrutiny Committee 10 February 2021

### CYP/21/08 Children and Education Services Budget 2021/22

### CYP/21/09 School Budget 2021/22

The Committee received two reports of the Strategic Director for Children and Education Services. The first report provided updated Children and Education Services 2021/22 budget proposals that reflected the feedback and decisions from the scrutiny and Executive meetings that were held in January 2021. The second report provided a summary of the confirmed Dedicated Schools Grant (DSG) allocation from the 2021/22 settlement announced on the 17 December 2020 and the budget allocation across individual school budgets and the Council's retained schools budgets which was reported to the Schools Forum on 18 January 2021.

The main points and themes within the Children and Education Services Budget report included:

- Background and context;
- Revenue Strategy;
- Directorate Revenue Budget 2021/22;
- Our Corporate Plan and Business Plan;
- Impact on Workforce, Residents, Risk Management and Legal Considerations; and
- Consultation.

The main points and themes within the School Budget report included:

- DSG 2021/22 settlement;
- Distribution of the grant across educational establishments and Council retained budgets; and
- High needs pressures.

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

- To thank the Executive for taking on board the Committee's concerns about the proposal for the revised parenting commission and to welcome that this proposal had been removed;
- Concern about the longer-term impact of the pandemic on the Council's budget and on children and families;
- Trends in terms of the number of Looked After Children (Our Children) and the associated costs of placements; and
- The impact of the proposed cut to funding for interventions to support the improvement of maintained schools.

The Strategic Director for Children and Education Services informed the Committee that none of the proposals were without risk but that officers had tried to manage and mitigate that risk and were working within a clear strategy of early intervention and improved, targeted commissioning to avoid higher costs later on. He advised that it



was difficult to predict future trends, particularly the long-term impact of COVID-19, and that relatively small changes in the number of children who were Looked After, particularly those requiring external residential provision, would have a large impact on the budget. He informed Members that significant savings had already been made due to a reduction in the number of Our Children who were placed in external residential provision. He reported that, since the start of the pandemic, there had been an increase in requests for Early Help and lower level interventions and that steps were being taken to strengthen this area which, he advised, should help to prevent the escalation of needs to the point where statutory intervention was required. He outlined how the budget from the decommissioned Families First service had been reinvested to strengthen early intervention. He suggested that the Committee scrutinise the service's work on the key areas of early intervention, prevention and care planning over the next 12 to 18 months to assess how much impact this work was having. He advised that the number of children becoming Looked After had decreased and that this was likely to be because the service's strategy was working; however, he recognised that there were unknown factors, particularly with so many children not being in school, although he advised that schools were working very hard to engage with children who were not in school and that decisions had been taken to enable vulnerable children to attend school during lockdown.

In response to a Member's question, the Director of Education clarified that the proposal at 4.36 in the report related to interventions where there was a concern about a maintained school and did not affect the grants which schools received to fund work around subjects such as Physical Education and Music.

### **Decisions**

1. To thank the Executive for taking on board the Committee's views about the proposal for the revised parenting commission.
2. To express concern at the current financial situation which necessitates these budget reductions and the lack of certainty over the Council's future position and to note that it is hoped that next year the Council will be able to set a longer-term budget to enable the service to plan more effectively for the longer term.

*[Ms Samantha Barnwell declared a personal interest as a member of the Manchester Parent Carer Forum.]*

## Neighbourhoods and Environment Scrutiny Committee 10 February 2021

### NESC/21/09 Neighbourhoods Directorate Budget Proposals 2021/22

The Committee considered the report of the Strategic Director (Neighbourhoods) that provided an updated Neighbourhoods Service 2021/21 budget and set out the proposed savings proposals, this reflected any feedback from both the November 2020 and January 2021 Scrutiny committee.

The Committee was invited to comment on the report prior to it being considered by Executive.

The main points and themes within the report included: -

- Describing the 2021/22 budget pressures;
- Outlining the 2021/22 savings proposals as part of the wider £50m savings required by the Council;
- Describing that the Neighbourhoods Directorate had identified an initial £6.683m saving in 2021/22 increasing to £7.376m by 2024/25 across the Neighbourhoods Directorate; and
- To minimise the impact on residents and neighbourhoods, all opportunities for maximising external income sources were considered and the overall Directorate proposals includes £5.985m of increased income generation.

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

- Noting that the government had failed to keep to the promise made at the start of the pandemic that local authorities would be reimbursed for the additional costs incurred;
- Noting that the additional budgetary pressures experienced was in addition to a number of years of budget cuts and austerity; and
- Welcoming the reported levels of recycling, noting the city had achieved our highest overall levels of recycling (40%) and lowest levels of residual waste over the last 10 years, noting this achieved savings to the Council via the waste levy.

The Executive Member for Neighbourhoods welcomed the improvements achieved across the city in relation to recycling rates. He stated that the ambition is to target work to help further increase these rates, however noted the challenges to achieve these ambitions without adequate funding by the government.

The Chair in concluding this item of business expressed her gratitude to all officers and the Executive Members for their work to deliver and protect services on behalf of the residents of the city in extremely challenging circumstances.

### Decision

The Committee endorse the proposals presented within the report to the Executive and Council.

## **NESC/21/10 Homelessness Directorate Budget and Savings Options 2021/22**

The Committee considered the report of the Director of Homelessness that provided the high-level budget context and priorities for Homelessness across 2021/22 and was an update to the report presented to Neighbourhoods and Environment Scrutiny 13 January 2021, which had been used for the development of savings proposals 2021/22 and investment requirements to fund population driven and other budget pressures.

The Committee was invited to comment on the report prior to it being considered by Executive.

The main points and themes within the report included: -

- The report set out a one year budget for 2021/22, however the longer term implications had been considered and those were considered in the Council's medium term financial planning;
- The report had been updated to reflect the Comprehensive Spending Review and Financial Settlement for the City Council which had resulted in a reduction in the Homelessness savings target of £0.5m;
- Describing the Budget Strategy for the Homelessness Service;
- Describing the uncertainty of short-term funding, noting that 2020/21 Homelessness budget is supported by significant non-recurrent one-off funding;
- Providing an overview of the Service Transformation Programme and the savings proposals;
- The approach to savings would be based on the proposed Service Transformation Programme which gave a strategic direction and framework to services, based on a focus of outcomes and partnerships; and
- An update on the Covid-19 response and Everyone In, externally commissioned homelessness services and homelessness management.

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

- Noting and welcoming the commitment to continue funding the Everyone In programme beyond March 2021; and
- What support was being offered to those citizens accessing the Everyone In programme to support them into suitable accommodation'

The Executive Member for Skills, Culture and Leisure stated that despite the promises made to Manchester and all other local authorities that financial assistance would be made available to support councils to accommodate homeless people during the pandemic this had not been provided. He described this as a failure of government, however despite this Manchester had responded to the situation and sought to support the most vulnerable residents in the city in a dignified and appropriate manner and he reiterated his call upon the government to fund Manchester appropriately and fairly.

The Executive Member for Skills, Culture and Leisure described the challenge to plan and deliver innovative schemes and programmes to tackle homelessness due

to the short term approach and piecemeal funding arrangements provided to local authorities, stating that long term appropriate levels of funding was required.

The Director of Homelessness stated that the Everyone In programme had allowed for the delivery of wrap around support services to be provided to homeless people with the intention to support people into appropriate housing solutions, including commissioned supported accommodation. In reply to a specific question regarding staffing he informed the Committee that the FTE reduction saving identified would be achieved through either voluntary severance or retirement.

The Chair stated that the work of the homelessness team and all of the voluntary organisations working across the city was important and valued in addressing homelessness and supporting vulnerable citizens in Manchester.

### **Decision**

The Committee endorse the savings proposals identified to the Executive.

## Economy Scrutiny Committee 11 February 2021

### ESC/02/11 Growth and Development Budget 2021/22 Final Proposals

Further to minute ESC/21/2 (Growth and Development Directorate Budget Proposals 2021/22), the Committee considered a report of the Strategic Director – Growth and Development, which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

The Leader advised that that the changes contained in the report were either as a result of recommendations previously made by the Committee or where of such a minor nature that they did not significantly impact on the overall budget proposals. He made the Committee aware that the proposal to reduce the number of posts on Planning and Building Control was being reviewed as there was concern that this proposal would result in a loss of income. It was planned that the outcome of this review would be reported to the Executive on 17 February 2021.

Key points to note were:-

- As at December 2020 the Directorate was forecasting a net overspend of £2.965m, this included Covid-19 related pressures of £5.527m, offset by in year mitigation of £2.562m;
- The Covid-19 pressures are made up of a combination of £4.523m reductions in income and increased cost pressures of £0.992m;
- The main loss of income had arisen within the Investment estate due to tenants not being in a position to pay their rents because their business has been impacted by Covid-19;
- In addition to the income reductions, there have been increased costs with the main costs being in respect of supporting the Corporate response to supporting the City's most vulnerable residents, this was forecast to cost net c.£0.783m in the current financial year; and
- As part of the ongoing work seeking to mitigate the above pressures in year forecast savings of £2.562m had already been identified, this was largely due to staff savings because of vacant posts and reduced running costs across all services.

The Committee was invited to comment on the report prior to it being considered by Executive.

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

- It was welcomed that the concerns raised by the Committee at its previous meeting had been taken into account in the budget proposals;
- Whilst acknowledging the budget constraints the Council faced, it was disappointing to see that the Council would have to end its support to My Future ILM and the impact this would have on the ability to coordinate skills, training and employment support offered at a local level; and

- It was proposed that the views of the Committee in regard to the changes to the budget savings associated with Planning and Building Control be taken into account as part of the service redesign that would be taking place.

The Leader commented that it would be important for local government to continue lobbying central government to take a devolved approach to skills and employment programmes with the capacity to join these up with national programmes, in order to ensure the best outputs and value for money.

### **Decision**

The Committee agree the saving proposals as described within the report and endorse these to the Executive.

## Communities and Equalities Scrutiny Committee 11 February 2021

### CESC/21/08 Neighbourhoods Directorate Budget Proposals 2021/22

The Committee received a report of the Strategic Director (Neighbourhoods) which provided an updated Neighbourhoods Service 2021/21 budget and set out the savings proposals under the remit of the Communities and Equalities Scrutiny Committee, reflecting any feedback from both the November and January scrutiny committees.

The main points and themes within the report included:

- Neighbourhoods Directorate background and context;
- Neighbourhoods revenue budget strategy;
- Capital strategy;
- Workforce implications;
- Equality, diversity and inclusion;
- Public consultation; and
- Our Corporate Plan.

The Chair drew Members' attention to point 2.6 in the report which outlined the Directorate's commitment to Zero Carbon Manchester and reducing carbon throughout all programmes of work. He welcomed this and advised that the Committee would be looking at how this was being delivered.

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

- Whether the funding Sport England had made available to local authorities who partnered with external providers to deliver leisure services would be sufficient and, if not, would this affect leisure provision;
- Were there plans in place for the re-opening of leisure facilities, in particular to attract back previous members and users;
- Whether Members could see the results of the public consultation which related to the Committee's remit before the consultation results were considered by the Resources and Governance Scrutiny Committee at its meeting on 1 March 2021;
- The potential savings of c£155,000 which could be achieved within Leisure Services from 2022/23 through economies of scale work across Greater Manchester;
- Whether the library and leisure facilities being used as COVID-19 testing centres were receiving any income from the government for this; and
- Highlighting proposals to extend Hough End Leisure Centre and welcoming that the Council was continuing to invest in leisure facilities.

The Head of Parks, Leisure, Youth and Events advised the Committee that the Council expected to receive a decision from Sport England about its allocation from the funding available within the next week or so. He reported that, while the £100 million funding which was to be shared across the country was not adequate, the Directorate had not factored this money into its budget for this financial year but did

expect to receive approximately £1.3 million. He advised Members that this covered the period from December 2020 to March 2021 and that the Council would be making the case for the government to provide additional funding to cover the period from April 2021 to the end of the next financial year. In response to a Member's question, he reported that all the funding was being provided to local authorities who could then distribute it to their leisure operators as they saw fit.

The Head of Parks, Leisure, Youth and Events confirmed that his service was working with the Council's main leisure operators, GLL and SLM, regarding a recruitment campaign for when leisure facilities could re-open and had offered them additional resources to support this. In response to Members' questions, he advised that plans would include free and discounted activities and he clarified that the increased level of commercial income referred to at point 3.14 in the report would come from new activities, not by increasing the cost of existing services.

The Executive Member for Skills, Culture and Leisure expressed concern that the support from the national government was not sufficient, considering the challenges the leisure sector was experiencing during the pandemic, and advised that the Council was continuing to make the case for further support. He also highlighted the important role that parks had played during lockdowns, advising that increased usage had placed additional pressures on parks but that the restrictions had affected the ability to generate income from parks.

The Strategic Director (Neighbourhoods) reported that she would ensure that consultation results which were relevant to the remit of this Committee were shared with Committee Members.

In response to a Member's question about Equality Impact Assessments (EIA), it was agreed that this would be discussed under the following item on the agenda.

The Head of Parks, Leisure, Youth and Events informed Members that there were 12 different leisure operators working across Greater Manchester, as well as the organisation Greater Sport and some bodies for individual sports which were based in the city, and that efficiencies could be achieved by sharing resources, particularly back office resources such as Human Resources advice and financial functions. He reported that the costs incurred through the use of sport and leisure venues as testing or vaccination centres were being recovered.

## **Decision**

To note that the Committee's comments will be submitted to the next meeting of the Executive on 17 February 2021.