

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 20 July 2021

Present:

Councillor Russell (Chair) – in the Chair

Councillors Andrews, Clay, Davies, Hitchen, Kirkpatrick, Lanchbury, B Priest, Robinson, A Simcock, Wheeler and Wright

Also present:

Councillor Craig, Deputy Leader (Finance)

Councillor Rawlins, Executive Member for Environment

Apologies: Councillor Ahmed Ali, Hacking and Rowles

RGSC/19/33 Minutes

Decision

To approve the minutes of the meeting held on 22 June 2021 as a correct record.

RGSC/19/34 Global Monitoring

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided an outline on the projected outturn position for 2021/22 based on the Council's expenditure and income activity as at the end of May 2021 and future projections.

Key points and themes in the report included:

- There's uncertainty around the budget but at present a £1.359m underspend is currently forecast for the year;
- Delivery of budget savings are on track and officers are working to ensure all savings are achieved;
- The impact of Covid-19 and related financial forecasts and associated virements and grants remains an evolving situation;
- Additional non-Covid-19 grant funding has also been received.

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

- Clarity was sought on what the Welcome Back Fund is to be used for in the coming weeks ahead in light of the easing of Covid-19 restrictions;
- Homelessness remained identified as a high risk area - what future grant funding was likely to become available from Central Government;
- The Report's new format was clear and succinct;

- Car parking revenue was down by £4.1m due to reduced season ticket sales, was this an amber or a red risk;
- Social Care had a £2.6m overspend due to agency staff filling the vacancies arising. Why was agency spend being incurred;
- How was there currently an underspend on mental health;
- A reduction in B&B use for dispersed accommodation was anticipated, clarity sought on what cost effective measures were being put in place;
- A further report or information on the wider spend on temporary accommodation is perhaps something more appropriate to establish the overall context.

The Deputy Chief Executive stated that hopefully the new report format distilled the key information for financial reporting, there were still longer-term challenges ahead. The Deputy Leader commented that although there is still uncertainty around future funding but hoped that the report was self-explanatory in nature. The Deputy Chief Executive stated that further details would be provided by the Deputy Chief Executive to the Committee regarding spending on the Welcome Back Fund. In relation to homeless grant funding, she stated that it was too early to look at upcoming grant funding and further clarity would hopefully be received in the coming months.

The Deputy Leader stated how the Council was stepping up to provide homeless support, but ultimately the funding was insufficient and the government needed to adopt a longer-term approach to the funding of the sector to provide the necessary certainty. The Council was watching the property market and evictions ban to identify how it developed in the foreseeable future but it was doubtful if the funding issue was to be solved within the next settlement period.

In relation to the specific question on car parking revenue, the Deputy Chief Executive stated that finances were an amber risk at the moment until fully worked through in the financial year.

The Deputy Leader offered insight, having previously been the Executive Member for Adult Social Care, stating that there was an issue with reporting on the agency staff spend. Some of the spend was on standard sick cover and due to short-staffing ratios where staff had not been fully identified to cover positions. Work was in progress and sits more with the issues identified around staffing ratios and cover.

The Deputy Chief Executive set out that due to the budgetary process an underspend on mental health in early parts of the year may end up being reflected as the year goes on so may well balance out. In relation to the question on dispersed accommodation the Director of Homelessness was doing lots of work to look into these issues. It was difficult to unpick singular elements of the strategy and breaking up spend profile of individual aspects would not necessarily reflect the wider scenario.

Decisions

1. To note the report; and
2. Further details are to be provided by the Deputy Chief Executive to the Committee around spending on the Welcome Back Fund.

RGSC/19/35 Delivery of public sector decarbonisation programme

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided an update on the delivery of the Public Sector Decarbonisation Scheme in Manchester.

Key points and themes in the report included:

- The scheme is delivering grant funded investment of £19.7m across eleven public buildings in Manchester;
- Grant funding covers 100% of the capital works with a particular focus on heat reduction technology;
- The Council received the full amount of its bid enabling the acceleration of decarbonisation and achievement of the Climate Change Action Plan Targets;
- Ongoing challenge of short construction completion timescales set by government and ensuring carbon efficiencies are met.

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

- Feeling that the report was telling some very powerful strategies for reducing the carbon footprint of the Council with clarity on the carbon-saving per pound spent. This is good news; an opportunity and a huge achievement to deliver but report and outcomes were important so should be better communicated;
- With the scheme starting in the coming months would there be opportunities for local jobs and apprenticeships;
- Ameresco were a delivery partner for this work but make no reference to the project on their website. Contractors should be promoting the positive work alongside the Council;
- Lots of hard work would be required to deliver the projects by January 2022. The scheme focused on heat pumps, were there wider technologies that could be adopted for other schemes;
- Clarity on the lifetime cost of any other technology that could be utilised;
- How could funding be maximised for Manchester and what opportunities were being looked at to work with other public-sector bodies to invest in low-carbon for their estates;
- The National Tennis Centre was identified within the report as a site but this remains a Covid-19 vaccination centre, what is the contingency if this is not available for work to be carried out; and
- Were there opportunities for higher-risk but emerging carbon reduction technologies to be adopted at significantly reduced cost for providing opportunities to be a 'pioneer' prior to entrance for a product to the wider market – with an understanding from Councillors that this may mean that sometimes projects have variable success.

The Deputy Chief Executive welcomed the feedback on the scheme and agreed that it's a good news story and exciting issue. The Executive Member for Environment also agreed that there were lots of work to be done to get the good news messages out via the Council's website. This was a fully funded grant scheme which was good news for the city and residents. The Council was constantly looking at new funding

sources in order to build a pipeline of project funding for decarbonisation by working closely with third-party operators.

The Head of Corporate Estates and Facilities stated that the supply chain were delivering local jobs and apprenticeships and that further information would be drawn out. Future reporting would take place on the percentage of carbon reduction achieved by the scheme. Work was being done with third party operators of buildings such as the leisure estate, Space Project and Sharp Project to enable climate targets to be met at a Manchester level and ensure that all public sector bodies had similar access to funding

opportunities. If access to carry out the works was not possible at the National Tennis Centre due to the current vaccination centre, the Council was working with the GMCA to identify similar projects and then could revisit the project as a priority when the site became available. Officer's welcomed the steer to try pioneering technologies where these could be obtained at reduced cost, and pointed to a project where this had successfully been achieved already.

Decisions

1. To note the report;
2. The Executive Member for Environment is to feedback on the good news set out within the report and invite members to have conversations on how to communicate ongoing projects to residents; and
3. The Head of Corporate Estates and Facilities will circulate information on the commitments made by contractors regarding local jobs and apprenticeships and will share details with the Committee on the work done with third party operators of buildings such as the leisure estate, Space Project and Sharp Project to enable climate targets to be met.

RGSC/19/36 Spend on Highways Maintenance and Road Safety

The Committee considered a report of the Director of Highways, which outlined the capital investment in highway maintenance from the 5-year investment programme.

Key points and themes in the report included:

- The recent capital investment in highway maintenance and the fact that the programme is now in year 5 and remains on-time and budget;
- Highways investment programme has helped deliver Our Manchester strategy and fulfil the greater Manchester Transport Strategy 2040;
- Future investment decisions remain with any future investment targeting local footways and roads to encourage sustainable transport, a proposed programme will be brought forward in the next 6 months;
- There is no specific road safety budget but Highways have continued to secure external funding and have a number of ongoing schemes.

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

- Much of the committee's discussion was around the issue of road safety and the mechanism for funding schemes around the City. Both Deansgate and

Piccadilly ward Councillors and Neighbourhood Officers had been unable to access the recent community funding scheme on the basis that other capital schemes haD been delivered within the City Centre;

- Councillors broadly welcomed the opportunity to bid for road safety funding for their wards but questioned the mechanism through which funding was allocated with cheaper schemes being most likely to secure funding despite not necessarily offering the best value for money. A long-term plan with a more strategic vision was required towards road safety to ensure that schemes could be delivered within a programme of works;
- The committee asked whether funding existed for further safety cameras to be installed around the City Centre and Kingsway and the potential for further speeding, CCTV and ASB cameras;
- The Committee queried the separation of funding for resurfacing and road safety where schemes were to be carried out for the same roads but only a matter of months apart. It was noted to be positive to see that over 214 resurfacing projects had been delivered although there's no clarity on the outstanding projects.

The Director of Highways discussed the issue of road safety and the difficulty of identifying an accident trend for 2020 due to the pandemic. Funding shortages meant that enforcement by GMP was the exception rather than the rule especially with speed cameras, which have to meet DfT criteria, although there were plans to update and improve movable CCTV cameras to deal with ASB for example. The City Centre has had considerable investment with further 4 schemes coming forward. E.g. Northern Quarter traffic scheme, Deansgate which are reducing accidents. The City environment was rapidly changing making it difficult to deliver road safety schemes because it was hard to establish the characteristics of a road due to so many developments that impacted on the highway.

In terms of the 2021/22 road safety programme methodology and assessment criteria, there were 16 roads across the city that are 40 mph but Kingsway was a long one which made it the hardest to deal with. Speed cameras were not there to generate income and Kingsway was unlikely to meet the rules for a normal speed camera, although officers were looking at average speed cameras.

When assessing accident reduction schemes the top three ranked schemes required too much money that MCC did not have available. Budgetary constraints meant that the schemes were reranked on the basis of deliverability within the funding available. The ranking and worked example could be shared with the Committee but consideration was given to accidents, speed cameras, volume of traffic, with a focus on low cost and high impact so that a lower cost solution got a higher score in the process. Neighbourhood officers contacted ward members for their top two priorities in each ward. Members could request further information on successful or unsuccessful proposals to: Roadsafety2021@manchester.gov.uk.

Over the last five years the Council had followed-up active travel bid opportunities such as the City Centre triangle/Wythenshawe with further tranches envisaged. Historically, road safety funding previously came from the Integrated Transport Board which now funded the Metrolink/Bus network.

On the point of overlapping resurfacing and road safety works, the Director of Highways stated that it can't be predicted where and when funding would come available so must be carried out on an individual basis.

The Deputy Chief Executive stated that priorities in the capital programme were set by the capital strategy in the budget setting process. Highways works were agreed at £100m previously and now the Council were looking at the future priorities for Manchester.

The Executive Member for Environment agreed that it is somewhat misleading to call the road safety scheme a community scheme and it's about making scant resources going as far as possible across the city. City Centre wards did benefit from the work being done but both highways and neighbourhoods teams are encouraged to discuss further.

The Executive Member for Environment suggested requests for proposals came from neighbourhood officers but they may not have been consistent across the City and that she would take this up for future learning. There was at present no allocated road safety budget but Members were to be part of creating that vision with future plans to include works to footways and minor roads that had not been receiving the benefit of funding in recent years.

Decisions

1. To note the report;
2. Appendix 2 to be corrected and reissued to committee members (incorrect date headings details); and
3. The Director of Highways is to share a worked example of the local safety scheme methodology.

RGSC/19/37 Our Town Hall Project - Progress Update

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided an update on the progress of the project since Notice to Proceed (NTP) was instructed in July 2020.

Key points and themes in the report included:

- The project has reached 74% cost surety with a Date for Completion set for 25 June 2024;
- The project is making good progress on social value and remains within budget for construction despite cost pressures across the construction sector;
- The ongoing financial and social value delivery is being monitored to ensure early action can be taken to prevent any impact on cost or programme.

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

- The committee discussed the revised budget and timescales and sought clarity on the confidence of achieving these in light of Covid-19 and the wider materials issues;

- The Committee praised the excellent school engagement, work experience and local spend with the example given of contractors helping to keep the City Centre's facilities stay open during lockdowns. The public engagement and perception was hugely important for this project to communicate the message as to what works are being undertaken. The website was perceived to be disappointing and showing outdated or irrelevant information but recent news articles in the MEN and hoardings were regarded as wonderful and a greater role should be given to telling the story;
- Confirmation was sought on Lendlease's adoption of the Unite Construction charter and use of the monitoring framework. The targets for local labour were also queried as to what benchmark was being used and whether these were standard for a project of this nature.

The Deputy Leader introduced the project stating that it was important to keep progress on the project moving forward with Manchester Town Hall delivering for people of Manchester.

The Director of Capital Programmes stated that issues around the unprecedented materials crisis and Brexit supply chain issues were being worked through with a refocus due to Covid in some areas but generally the project had been very successful in terms of achieving its milestones. Due to the number of works packages, spend could be spread over the course of the project but it remained a very visible building and scheme. The Unite framework was discussed regarding access into the site and was a positive process between Unite and Lendlease. Feedback would come back to Committee on the basis of future discussions.

In answer to the question on local labour targets the Deputy Leader stated that some remained more challenging than others. Local labour and spend for a project of this nature was difficult in some respects due to the complexity of the project and expertise required. The Council had been sensitive around communications over the last year but are now proactively working with media outlets to get engagement with the project.

Decisions

1. To note the report; and
2. Director of Capital Programmes to feedback to the committee on the tracking of job opportunities, labour within Manchester and the Unite Construction Framework.

[Councillor Priest declared a personal and non-prejudicial interest in this item]

RGSC/19/38 The Factory, St John's - Delivery Update

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided an update on the delivery of The Factory project, including: Construction progress, securing projected social value outcomes identified to be delivered collaboratively through the design team, contractors and the operator, the Factory Academy, and the finance and fundraising position.

Key points and themes in the report included:

- The report notes the construction programme and the current completion estimate of February 2023 whereby MIF will take occupation of the building subject to the handover and commissioning plan
- Progress on site remains good although the project did suffer some supply chain and cost issues
- 81% cost certainty is expected by the end of July 2021 with this rising to 90% by March 2022
- The Council is currently negotiating the terms of an agreement for lease with MIF and the operator's agreement
- Capital fundraising has been constrained by the pandemic but outreach work has remained positive
- Social value outcomes continue to make significant progress.

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

- The committee were glad to see that Covid-19 kickstart funding was coming to support the project and to see the reach-out by the project to a diverse audience;
- The committee sought further details on job opportunities and the impact of the project to improve Manchester's economic diversity especially given the deprivation in some wards;
- Clarity was sought on the opportunities for local people in the construction programme with only 7% local spend being in Manchester v 58% for the Town Hall;
- The committee queried the outreach opportunities of the Factory to arts organisations within Manchester wards outside the City Centre such as the Miner's Community Arts Centre. Outreach had been observed as communities were now becoming part of MIF family, the example were given of the children's choir at a recent event coming from North Manchester schools and the BECTU union newsletter article on the Old Granada Studios which gave an indication of the potential impact of the project and opportunities that Manchester had to offer for the sector;
- In respect of the commercial naming rights there was a requirement for a robust due diligence process on any potential branding partner in accordance with best practice and the ethical procurement policy;
- The Committee sought clarity as to the future impact of The Factory on revenue spend and noted that as the budget quoted in the report had altered it would be good to summarise the development of the budget over the project's course; and
- Further details were sought on the agreement around the Unite Construction Charter.

The Leader introduced the project and set out the context in that the last time Factory was raised at Committee it was in a far more difficult position than at present.

Discussions were going well regarding both the Factory Academy and the long term use of the premises with the agreement for lease and operator agreement being progressed. Some Members and residents have had the opportunity to look inside

and the recent Arcadia event and tours were well-received with the building regarded as magnificent.

In relation to outreach, MIF would contribute to the city's cultural offering as demonstrated by recent performances and the Factory Academy would offer a similar degree of impact; potentially impacting upon 1000s of jobs for the cultural industry. Partners at MCDA/Arbeta/Screen Manchester were also working to provide production support in the city. The Council was looking to expand Space Studios in the future and the investment in Factory confirms to DCMS/ACE that MCC were prepared to invest alongside partners into the Arts industry. Arts organisations in Manchester had done well due to the maintenance of support, coupled with a relaxation of grant conditions by the Council that were unachievable the Council recognised the role of small organisations and the support required.

Mongoose are a MIF contract but do have a track-record of delivery in relation to external sponsorship and marketing. There was to be joint accountability from the Council and MIF in terms of the naming with an Ethics Policy being developed to set out the scope of the branding.

On the issue of local construction spend, the Town Hall project didn't require major steelwork which came from elsewhere in Greater Manchester and as such there were material differences between the two projects. The Director of Capital Programmes stated that the original KPIs on jobs were set out in the Laing O'Rourke procurement and the supply of works is based upon Manchester jobs/training. Conversations were continuing around the Unite Construction Charter and would be revitalised.

The Deputy Chief Executive stated that the project team had done well to source complex parts of building from Greater Manchester and continued to work with Angela Harrington for Manchester residents to benefit.

Decisions

1. To note the report; and
2. Potential future reports on revenue spend to be incurred by the Council on both the Factory and Civic Quarter Heat Network.

RGSC/19/39 Overview Report

The Committee considered the report by the Governance and Scrutiny Support Unit which provided details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

Decisions

1. To note the report;
2. Potential for a report to be brought later in the year on the wider spending by the Council on homelessness and temporary accommodation in light of the service improvement works;

3. The Executive Member for Environment is to feedback on the good news set out within the report and invite members to have conversations on how to effectively communicate ongoing work to residents;
4. The Head of Corporate Estates and Facilities will circulate information on the commitments made by contractors regarding local jobs and apprenticeships and will share details with the Committee on the work done with third party operators of buildings such as the leisure estate, Space Project and Sharp Project to enable climate targets to be met;
5. Director of Capital Programmes to feedback to the committee on the tracking of job opportunities, labour within Manchester and the Unite Construction Framework;
6. Highways Road Safety projects table to be corrected and reissued to committee members (correcting incorrect project details); and
7. The Director of Highways is to share a worked example of the road safety scheme methodology.