
Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 7 December 2021

Present:

Councillor Russell (Chair) – in the Chair

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

Also present:

Councillors: Craig and White

Apologies: Councillor Hacking and Rowles

RGSC/21/55 Minutes

Decision

To approve the minutes of the meeting held on 9 November 2021 as a correct record.

RGSC/21/56 Setting Of The Council Tax Base And Business Rates Shares For Budget Setting Purposes

The Committee considered the report of the Deputy Chief Executive and City Treasurer that advised on the methodology of calculating the City Council's Council Tax base for tax setting purposes and Business Rates income for budget setting purposes for the 2022/23 financial year, together with the timing of related payments and the decision on business rates pool membership. The Chair of the Committee would be requested to exempt various key decisions from call in.

The Deputy City Treasurer reported that a key change this year was in respect of the mandatory spreading of the collection fund deficit over three years, brought in by the Government due to the impact of Covid.

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

- In what circumstances would the Council not want to be part of the pooling arrangements for business rates; and
- How many business properties were within the four Enterprise Zones and where these pooled with Greater Manchester

The Deputy City Treasurer explained that Government set a spending assessment for each Council on the level of Business Rates to be collected each year. The pooling of business rates allowed for any over collection of Business Rates from any Greater Manchester council to be retained and spread across other council's within the Greater Manchester area that were struggling to meet the level that had been set for them. There would be no advantage to Manchester in withdrawing from these

arrangements. The Deputy City Treasurer agreed to provide information after the meeting on the number of business properties in each of the four Enterprise Zones and confirmed that any growth in Business rates in these Zones were retained within Manchester rather than spread across Greater Manchester

Decisions

The Committee:-

- (1) Note that the Deputy Chief Executive and City Treasurer, in consultation with the Deputy Leader of the Council (Finance) and Leader of the Council, has delegated powers to:
 - Set the council tax base for tax setting purposes in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2013;
 - Calculate the business rates income for budget setting purposes in accordance with the Non-Domestic Rating (Rates Retention) Regulations;
 - Agree the estimated council tax surplus or deficit for 2021/22;
 - Agree the estimated business rates surplus or deficit for 2021/22;
 - Determine whether the Council should be part of a business rate pooling arrangements with other Greater Manchester local authorities in 2022/23;
 - Set the dates of precept payments to the Greater Manchester Combined Authority.
- (2) Note that the Chair of the Resources and Governance Scrutiny Committee will be requested to exempt various key decisions from the call in procedure.

RGSC/21/57 Council Housing Stock - Governance Arrangements

The Committee considered the report of the Strategic Director (Neighbourhoods) and City Solicitor, that provided a further briefing to the Committee on the proposed governance arrangements in respect of Council housing stock. The proposal is intended to have proper oversight of housing management and maintenance services. Empower tenants and meet the requirements of the White Paper "A charter for social housing tenants".

Key points and themes in the report included:

- The scope of the Board's remit in relation to housing stock in different areas of the City;
- The scope of the Board's remit, including in relation to fire safety matters;
- The proposed composition of the Board;
- Engagement with Elected Members; and
- The timeline for recruitment to the Board.

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

- There was still an issue in relation to the three PFI estates being reference in the draft Terms of Reference and these needed to be removed;

- There was strong concern in relation the proposals around the composition of the Board, which included:-
 - Clarity was needed as to how Elected Members that represented wards with Northwards properties within them will be selected to sit on the Board;
 - Whether the proposal for five of elected members in addition the Executive Member for Housing was enough, as there are fewer members than there are relevant wards;
 - It was not appropriate to compare the composition with Registered Providers and other Housing Providers as what was being proposed was an Advisory Group, not a Governance Board;
 - A proposed two year term of office for the five co-opted residents from the Council's housing stock was felt to be too short and there was no proposed length of the term of office for Elected Members on the board;
 - There was a lack of reference to diversity and gender balance in the membership of the Board in the Terms of Reference;
 - Had the Federation of ALMO's guidance been consulted in drawing up these terms of reference?
 - There was a maximum but no minimum number of independent members of the Board, and no reference to timelines or plans for recruitment to these positions;
 - How would the connectivity of the core housing provision with neighbourhoods and other community delivery impacts, with particular reference to environmental investment and community safety, be undertaken;
 - Clarity of the position of Council Officers in respect of their role with the Board and whether they would be advising it or members of it;
 - What would happen if the Housing Board, as an Advisory Committee, disagreed with a decision made by the Council;
 - Was there any obstacle to the Executive Member for Housing and Employment chairing the Board;
 - Was reference to tenants in the charter inclusive of both tenants and leaseholders;
- Was all miscellaneous council housing stock going to come under the remit of the proposed Board; and
 - The proposals made no or little reference to the following areas:
 - Review of the HRA Business Plan by the Board;
 - Management of contracts and value for money;
 - Whistleblowing arrangements;
 - Conflicts of interest;
 - Partnership and joint venture arrangements.

The Director of Housing Operations confirmed that the three PFI estates were not included within the proposals. He apologised for this oversight and agreed to have reference to these removed from the draft terms of reference for the Board.

In terms of the composition of the Board, he advised that governance arrangements of Registered Providers and similar sized organisations across the country had been looked at, acknowledging however that Local Government operated in a different context, but it was felt that there needed to be the right balance around the resident

voice and elected members with further contribution from independent specialist members.

Noting the concerns raised by the Committee in relation to the composition, the Executive Member for Housing and Employment agreed that this would be reconsidered with the points raised being taken into consideration.

The Director of Housing Operations advised that community safety was a core component part of the governance arrangements being put in place. Work around this was being undertaken in partnership with the Council's Neighbourhoods team and Northwards and although at present there was no intention for tenants to be part of this work, this could be looked at.

The City Solicitor advised that if an Elected Member sat on the Board which did not agree with a decision made by the Council, then the Elected Member would likely have a conflict of interest and commented that they should speak to herself in advance so appropriate advice could be given.

The Leader commented that housing management sat within the Neighbourhoods Executive portfolio but if this post was vacant then the Board would be chaired by the Executive Member for Housing and Employment. The Leader acknowledged the concerns that had been raised around the proposed composition of the Board and agreed that this would be addressed, including appropriate diversity and gender balance.

The Director of Housing Operations confirmed miscellaneous council housing stock would not come under the remit of the proposed Board.

The City Solicitor advised that as Northwards was now part of the Council, it would be required to follow the same rules and requirements of the Council, as set out with the constitution. The scope and role of the Board would continue to be developed to ensure it scrutinised the appropriate areas that had been highlighted by the Committee and a number of sub groups would be established under the Board to strengthen the engagement framework with tenants and residents.

Decisions

The Committee:-

- (1) Notes the report.
- (2) Requests Officers and the appropriate Executive Member(s) re-consider the proposed makeup of the Board in light of the comments and concerns raised and in doing so recommends that:-
 - the PFI stock is explicitly removed from the Terms of Reference;
 - the maximum term of office for both Elected Members and the co-opted residents from the Council's housing stock should be set at a maximum of six years, that there should be parity between Members and residents, and that consideration be given to staggering the lengths of membership of the Board so that there is progressive rolling change in personnel over time;

- the terms of reference cover how conflicts of interest for Elected Members are to be addressed;
- the terms of reference explicitly refer to gender balance and ensuring diversity and protected characteristics are proportionately reflected across the membership of the Board;
- the terms of reference identify which Scrutiny Committee(s) will be responsible for scrutinising the work of the Board.
- the terms of reference refer to the conurbation of Northwards Housing Stock rather than North Manchester, in order to truly reflect the location of all Northwards residents;
- the terms of reference are explicit insofar as the Board will act as an advisory body and not a governance and decision-making body; and
- consideration be given to a minimum number of co-opted non-resident members to be appointed, and a strategy is drawn up for timely recruitment of suitably qualified independent members.

RGSC/21/58 Manchester's Park Development Programme 2021 - 2025

The Committee considered the report of the Strategic Director (Neighbourhoods), that provided an overview of the financial (revenue and capital) position for parks, with reference to the impact of the pandemic and an update on the programme of investment to deliver revenue savings beyond 2021.

Key points and themes in the report included:

- Providing an introduction and background;
- Noting the vision, key themes and actions of the Manchester Park's strategy;
- Information on the Parks Development Programme;
- Describing capital projects and investment, both live and in the pipeline;
- Revenue achieved through parks

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

- In relation to live projects, clarification was sought as to which Park was to benefit from new cycling facilities, subject to funding confirmation from British Cycling;
- Had any thought been given to whether there was a tipping point between the use of a park as a form of income generation and being a public accessible open space;
- It was felt that small ward parks should be kept as public open spaces and not used for income generation so not to exclude those resident who could not afford to attend events;
- How was additional funds, with an anticipated £427k income growth by 2024/25 expected to be achieved;
- How did the Council balance the letting of large contracts against ensuring small local suppliers were not excluded;
- The contribution and value that volunteers brought to local parks needed to be acknowledged;
- An audit should be undertaken on the number of parks that had access to public conveniences;

- A holistic view on the running costs of all parks was needed to understand how the spend was allocated and distributed geographically, including what was considered capital and revenue costs;
- What work was being done in respect of improvements to playing fields;
- The investment that was being made in parks needed to be promoted more to address false reporting of parks being under threat; and
- How had the park plans been impacted by the Covid pandemic; and
- Were any parks in Manchester under threat of being sold off for development.

The Head of Parks, Leisure, Youth and Events confirmed that it was Wythenshawe Park that was to benefit from new cycling facilities, subject to funding confirmation from British Cycling. He added that in terms of income generation, the model developed was not to charge for basic or core services, which included access. It was more about where the Council could encourage people to stay in parks longer and choose to spend money rather than go elsewhere, such as good quality café facilities, other concession stands, bringing in attractions periodically which added value over and above the core offer. He advised that the Council had consolidated its contracting arrangements, which for example had resulted in a £90,000 per year from the sale of ice cream alone. He assured the Committee that in adopting this position, it had not been done to attract larger contractors but to derive certain benefits from economies of scale, however in practice, the Council had issued a number of lots for the sale of ice cream and all the companies that had secured these were local companies.

He also advised the Committee that the current strategy would not suggest the charging of core services to attend parks. He acknowledged that point made around the affordability of events in parks and commented that there was a balance to be struck between adding value to communities and generating income for reinvestment.

The Head of Parks, Leisure, Youth and Events reported that he did not feel the Council was anywhere near the tipping point in relation to the use of parks as income generation and being public accessible open spaces and there was still many things that could be done to improve parks and generate income through secondary spend, which linked into the income targets outlined in the report.

The Head of Parks, Leisure, Youth and Events acknowledged the role and contribution of volunteers to parks and would include reference to this in a future report. He added that it was recognised that parks contributed to improvements in public health and wellbeing but through austerity they had struggled to secure investment for the assets within the parks and there was a need for a stronger asset management plan for parks as part of the strategy.

It was explained that there was a separate strategy that addressed the investment and improvements to be made to playing fields and there was interdependency between the two strategies. In relation to Park plans, these were important as they set a framework for investment, however given that £960,000 had been allocated to delivered improvements across every ward, the absence of a park plan would not prevent improvements from taking place. The impact of the pandemic had been the

inability to have face to face meetings with “Friends” groups and people’s reluctance to do things that were not seen to be essential.

The Head of Parks, Leisure, Youth and Events assured the Committee that no park in Manchester was under threat of being sold off for development.

Decisions

The Committee:-

- (1) Notes the report.
- (2) Request a future report that provides a more holistic view on the running costs of all parks and allotments to understand how the spend is allocated, and distributed geographically, including what is considered capital and revenue costs.

RGSC/21/59 Community Safety Partnership Spend

The Committee considered the report of the Strategic Director (Neighbourhoods), that provided an overview of the Community Safety Partnership (CSP) spend.

This will include details of the members, strategic priorities, and funding sources. The report will also provide details of how the partnership allocates funding and the approved spending plans for 2021/22, and some of the activity and outcomes of previously funded projects.

Key points and themes in the report included:

- Details of the members of the CSP, strategic priorities, and funding sources;
- How the partnership allocated funding and the approved spending plans for 2021/22; and
- Activity and outcomes of previously funded projects.

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

- What was the totality of the money available for community safety, who decided how it was allocated, what criteria was used in determining allocation and what monitoring of spend was taking place, with specific reference to youth funding;
- What lobbying was being done to change the current budgetary process from an annual allocation and was there anything the Committee do to support this;
- Was the provision of CCTV included within the budget for Community Safety;
- Further clarity of how the funding was allocated was needed;
- Funding of £15,000 to tackle hate crime appeared to be low

The Community Safety Lead advised that the Community Safety Partnership received an annual payment from the Greater Manchester Combined Authority and for 2021/22 this equated to £1.13m made up of four, one-year funding grants, which could not be used to provide mainstream services within any of the agencies, including police overtime. The CSP strategy had a number of key priorities and each priority was overseen by theme leads who were responsible for developing the

Partnership's response with regards to their priority. At the start of each financial year, the CSP Board would agree a funding plan that identified spending on each priority.

The Community Safety Lead acknowledged that a more detailed breakdown of what the allocated spend covered would have been helpful and to assure Members, gave an example in relation to the spend in protecting people from serious harm would include spend around tackling moderns slavery, family support for individuals subject to exploitation, domestic violence and abuse spend, spend on community engagement on Prevent and raising community awareness. The CSP Board was reliant on a number of processes to ensure the commissioning of work was appropriate and relied on partners in different services including the voluntary and community sector in utilising their commissioning processes as the team did not have the resources to undertake these processes themselves.

The Community Safety Lead advised that the Council had raised the challenge for annual funding with the GMCA and how that impact don the ability to plan in advance. She also advised that the provision of CCT was not included in the funding for Community Safety. In addition the Community Safety Lead reported that the Council topped up the funding to tackle hate crime, adding a further £30,000 to the overall budget.

Decision

The Committee notes the report.

RGSC/21/60 Annual S106 Monitoring Report

The Committee considered the report of the Strategic Director, Growth and Development, that provided an update on the Council's Section 106 (s106) activity for the municipal years 2019/20, 2020/21 and 2021/22 (to date). The report further provided an update on the management and administration of planning obligations and set out the progress on unspent funds.

Key points and themes in the report included:

- Information following Internal Audit's review of the new S106 governance arrangements;
- An indication of affordable housing being provided from S106 contributions;
- How Developers were encouraged to mitigate any harm from their developments;
- Best practice and comparison of S106 arrangements with other GM local authorities; and
- The S106 triggers for planning applications within the Deansgate Ward.

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

- Could and example be given of an occasion where the appropriate trigger has been met to facilitate the reconciliation process;

- Further clarity was need on how officers saw the role and input from Elected Members for the allocation of S106 spend within their ward;
- It would be helpful to have examples of other local planning authorities of their approach to allocation of S106 spend;
- Could S106 spend allocated to one ward be spent in another ward;
- What was the S106 money allocated to affordable housing being spent on; and
- It was important to note that not all S106 agreements were financial and some did relate to improvements made to areas within respective wards.

The Director of Planning, Building Control and Licensing advised that there had not yet been an occasion where the appropriate trigger had been met to facilitate the reconciliation process so was not able to provide an example. In terms of the input of Elected Members, there was certain points in the process, especially around pre-application stage where applicants were encouraged to engage with Elected Members to discuss requirements for mitigations before the application was formally submitted; once submitted applications were on a weekly list and there was also an opportunity to comment when an application is presented to the Planning and Highways Committee. She added that in addition, when S106 money was received, officers should engage with relevant ward members and agreed to develop this process in order to be consistent across the city. It was reported that there was a meeting planned in early 2022 with other core cities around how S106 monies were being secured and negotiated.

The Executive Member for Environment acknowledged the frustration on the lack of consistency in the engagement with Elected members on the allocation on S106 spend and agreed to pick this up with officers outside of the meeting and an update would be provided to all Members.

It was clarified that S106 money allocated to one ward could not always be spent in another ward as there was a need for a geographical link to the application in question (with the exception of a affordable housing contribution) and had to be spent within the terms of the original legal agreement

The Executive Member for Housing and Employment advised that the Council's Housing Affordability Fund did take money from S106 agreements and there was a governance process to ensure this was best spent across the city to deliver as much social rent and affordable housing as possible. This would include working in partnership with Registered Providers.

Decision

The Committee notes the report.

RGSC/21/61 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 was asked to amend as appropriate and agree.

Decision

To note the overview report and agree the Committee's Work Programme.