

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 8 February 2022

Present:

Councillor Russell – in the Chair

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

Also present:

Councillor Craig, Leader

Councillor White, Executive Member for Housing and Employment

Apologies: Councillor Rowles

RGSC/22/68 Minutes

The Committee approve the minutes of the meeting held on 11 January 2022 as a correct record.

RGSC/22/69 Corporate Core Budget Report 2022/23

Further to minute (RGSC/21/46), the Committee considered a report of the Deputy Chief Executive and City Treasurer and City Solicitor, which provided a further update on the saving proposals being proposed as part of the 2022/23 budget process.

Key areas to note were:-

- Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25;
- Overall, the settlement announcements was towards the positive end of expectations and it was expected that mitigations in the region of £7.7m, as previously identified, would be sufficient to balance the 2022/23 budget;
- The budget assumptions that underpinned 2022/23 to 2024/25 included the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23);
- Whilst this contributed to the scale of the budget gap it was important that a realistic budget was budget set which reflected ongoing cost and demand pressures;
- The focus would now be on identifying savings and mitigations to keep the Council on a sustainable financial footing; and
- It was proposed that budget cuts and savings of £60m over three years would be developed for Member consideration which equated to just under 12% of

2022/23 directorate budgets. In addition, £30m of risk-based reserves had been identified as available to manage risk and timing differences.

The Leader advised that whilst there was no major changes to the proposed budget following the report in November, a decade of austerity had resulted in £420 million having been removed from the Council's budget, resulting in a 15% reduction in spending power compared to a national average of 2.4% and if Manchester had had the national average applied to its budget, it would have a further £85 million in its budget today.

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

- The Council found itself in a situation of uncertainty with just having a one year settlement, forcing it to make preparations for massive reductions in budgets which could have been avoided if the Council had received a longer Finance Settlement;
- The Committee applauded the commitment by the Council to continue to provide Free School Meals during school holidays to those who were entitled to free school meals attending schools and early year settings;
- It would be useful to receive more stringent proposals regarding the capital investment to support carbon reduction measures on the Council's corporate estate at a future meeting;
- What progress had been made on the potential naming rights for The Factory and what guarantee was there that the loan to The Factory Trust, provided by way of grant, underwritten by the Council's MIF reserve would be repaid;
- Assurance was sought that in identifying a suitable naming rights partner, the Council would ensure its reputation would not be adversely impacted;
- More information was requested on the HR/OD service redesign saving proposals;
- Had there been any indication whether there would be any associated administration costs to help support the Government's announcement that people would get a £150 council tax rebate in April to help with the cost of energy;
- Was there any indication yet on what the pay award for staff will be yet;
- With the increase in energy and food costs, was the Council expecting an increase in the number of residents that struggled to pay their Council Tax; and
- Were the proposed savings associated with operational property as a result of the Council exiting leases of office space or the sale of council owned buildings.

The Deputy Chief Executive and City Treasurer advised that there was a report being considered by the Environment and Climate Change Scrutiny Committee that set out the details of the investments made to date into the Council's climate change agenda which supported the Action Plan and proposals for additional investment in the next financial year.

The Deputy Chief Executive and City Treasurer advised that work was underway in terms of fundraising for The Factory. The partner to assist in finding a suitable naming rights partner had been procured and was working closely with the Council and commercial discussions were underway. The proposal of the loan was to underwrite any cashflow issues from the reserves that was funding the future grant

for MIF, which was a deliberate decision to avoid a cost to the Council. The Deputy Chief Executive and City Treasurer assured the Committee that comments made by this committee previously in relation to the naming rights had been taken on board and there was a strong ethical policy that sat alongside the agreements. The Leader emphasised this point, advising that she chaired The factory Board, which received regular updates in terms of how money was being spent as well as the progress being made around the naming rights/

In relation to the proposed HR/OD service redesign saving proposals, it was explained that in terms of the Corporate Core, there were two sets of savings, one being the adjustment to the vacancy factor and the other being through staffing changes as part of a service redesign which would be completed in quarter 4 of 2021/22.

The Deputy Chief Executive and City Treasurer advised that negotiations on the staff pay award were still taking place and a decision in the percentage increase had not concluded. In terms of the £150 council tax rebate, it was confirmed that there would be new burdens funding, but the allocation had not yet been determined.

The Deputy Chief Executive and City Treasurer explained that it was difficult to determine what the impact of rising energy and food costs would be at this stage. Those on lower incomes did receive financial Council Tax support and the service also provided additional support around helping those getting into financial difficulty. In relation to the proposed savings associated with operational property, the Council was exiting two office buildings within the city centre.

Decisions

The Committee:-

- (1) Endorse the budget proposals.
- (2) Endorse the recommendations that the Executive:-
 - Note the development of the funding agreement set out in Appendix 1.
 - Support the initial underwriting of the Factory Trust fundraising costs by way of a grant agreement, to be met from the Council's existing MIF reserve and reimbursed when fund raising is received, and delegate to the Deputy Chief Executive and City Treasurer and City Solicitor to finalise the grant agreement, including any conditions for drawdown and repayment.
 - Approve lease arrangements with delegation to finalise the details to Deputy Chief Executive and City Treasurer and City Solicitor.
 - Continue the support to families to provide free school meals for the 2022 Easter Holiday at £15 per pupil per week. Vouchers will be distributed to households on a pupil basis via schools. This will be funded in line with the arrangements set out in Appendix 1 of this report.
 - Note the Chancellors announcement on the proposal for a £150 council tax rebate for all band A-D properties.
 - Delegate to the Deputy Chief Executive and City Treasurer in conjunction with the Leader of the Council the finalising the detail of the administration of the council tax 'rebate' £150 payment.

- Delegate to the Deputy Chief Executive and City Treasurer in conjunction with the Leader of the Council responsibility for designing and implement the discretionary support scheme. The scheme will be reported back to March Executive.

RGSC/22/70 Housing Revenue Account 2022/23 to 2024/25

The Committee considered a report of the Strategic Director (Growth and Development), the Strategic Director (Neighbourhoods) and the Deputy Chief Executive and City Treasurer, which set out the details on the proposed Housing Revenue Account (HRA) budget for 2022/23 and an indication of the 2023/24 and 2024/25 budgets.

Key points and themes of the report included:-

- The HRA Budget Position for 2021/22, which as of December 2021, was forecasting that net expenditure would be £11.621m lower than budget, inked to delays in capital projects;
- Although the expenditure is lower than originally forecast, it is still more than the annual income and the forecast in-year deficit of £5.073m will be drawn down from the HRA reserve
- The Budget Strategy 2022/23 - 2024/25,
- The management of Housing Stock and the implications of “Right to Buy” on rental income;
- Details of the various budget assumptions;
- A proposed 4.1% increase to dwelling rents and garage rents
- A proposal to establish a £200,000 hardship fund to support vulnerable tenants; and
- The Reserves Forecast 2022/22 to 2024/25

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

- Whilst welcoming the proposed hardship fund, what was the timeframe for the distribution of these funds;
- Would the hardship fund be available to just Council housing tenants or for also other social housing tenants;
- PFI housing partners should be encouraged to contribute to the hardship funding;
- In relation to investment proposals, was there scope in the budget for any additional HRA council housing;
- Was there any indication from Government of additional funding to assist in the retrofitting of existing properties to achieve zero carbon targets, either direct to Manchester or via the Combined Authority;
- What lobbying was taking place to address the need for further government funding to deliver more social rent homes in Manchester and when was the current round of this policy going to be reviewed;
- How many properties associated with the operational overspend of £0.947 where council properties;
- Clarity was sought on the proposed heating tariffs;

- What was the current level of bad debt and consequently how had it been determined that the ongoing forecast requirement was 1% for the life of the plan;
- What was the capital expenditure on fire safety and what was anticipated to be the level of spend required to meet legislative requirements and the cost of going beyond this requirement to meet any potential future changes in legislation;
- What funding was being allocated on the decent homes programme, with reference around improved kitchen and bathroom facilities

The Director of Housing Operations advised that the process for distributing the hardship fund would be finalised over the coming weeks using the established mechanisms in place for welfare support use during the Covid crisis.

The Executive Member for Housing and Employment confirmed that the hardship fund would only be available to tenants in council owned housing stock (Northwards) and those in Council controlled housing stock, including tenants who resided in properties within the two PFI schemes. Other Registered Providers were also establishing their own hardship funds to support their tenants

The Executive Member for Housing and Employment advised that the current budget outlined the two housing schemes and also investment in existing stock in terms of air source heat pumps, thermal insulation and triple glazing and improving existing stock to net zero carbon standards. Further capital outlay into further housing stock was an ambition of the HRA to deliver on the Council's priorities in delivering social rent homes in north and east Manchester.

The Executive Member for Housing and Employment advised he would look into when the current policy on government funding for more social rent homes was to be removed. He added a lot of work had taken place on safety improvements to towers blocks and money was set aside on the HRA to continue this work. In addition he reported that Greater Manchester had been successful in receiving £10.5 million to help with the retrofit works. Details of how this was to be distributed were yet to be announced but Manchester would be lobbying strongly to get a fair share of this.

The Head of Finance agreed to provide details following the meeting on the number social HRA properties that were contributing to the operational overspend. He also advised that as the increase in gas prices was at present unknown, Officers had outlined a range of various pricing models to give an indication of what the increase could potentially be and was based on the volume of consumption against price. He also agreed to confirm why the pay by point of sale for Northwards 2/4 Blocks was not proposed to increase in comparison to other schemes.

The Committee was advised that in relation to bad debt, there had been an underspend for the last few years as the impact of the roll out of Universal Credit and the pandemic had been lower than originally forecasted. Therefore, the business plan had been adjusted for 2022/23 onwards. The forecast provision for bad debt in 2021/22 was around 0.65% of rental income, and so the ongoing forecast requirement of 1% for the life of the plan was a 0.5% reduction from the previous

assumption in the business plan. The collection rates and level of bad debts would be kept under review

The Director of Housing Operations advised that the majority of capital programme spend over the last two years had been on fire safety and compliance. In terms of the Asset Management priorities, these had been focussed on decent homes, re-roofing, widow replacement and replacement of kitchen and bathrooms. He agreed to provide the Capital Programme to members of the committee for information.

Decision

The Committee endorse the recommendations that the Executive:-

- Approve the 2022/23 HRA budget as presented in Appendix 1 and note the indicative budgets for 2023/24 and 2024/25.
- Approve the proposed 4.1% increase to dwelling rents, and delegate the setting of individual property rents, to the Director of Housing Operations and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Neighbourhoods and Executive Member for Housing and Employment.
- Approve the establishment of a £200,000 hardship fund to support vulnerable tenants, and to delegate the design and operation of the fund to the Director of Housing Operations and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Neighbourhoods and Executive Member for Housing and Employment.
- Approve the proposal that where the 2022/23 rent is not yet at the formula rent level, the rent is revised to the formula rent level when the property is re-let.
- Approve that communal heating charges are increased in line with the published % increase to the OFGEM price cap and delegate authority to the Deputy Chief Executive and City Treasurer and City Solicitor in consultation with the Executive Member for Housing and Employment to approve the charges.
- Approve the proposed 2022/23 Operational Housing management costs as detailed in paragraphs 5.28 to 5.29.
- Approve the proposed increase in garage rental charges as outlined in paragraph 6.1

RGSC/22/71 Strategic Communications three year strategy and service priorities

The Committee considered the report of the Head of Strategic Communications that provided an update on the Council's three-year communications strategy, to be adopted from April 2022.

Key points and themes in the report included:

- The communications priorities for 2022/23;
- The social media strategy implemented in 2021; and
- Example of the monthly evaluation template.

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

- Did staff from the team work at weekends to deliver messages via social media, noting the importance of accurate civil contingency messaging;
- Was social media used to encourage residents to respond to consultations and used as a platform for people to submit detailed considered responses;
- Would there be the ability for members of the public to upload photographs online when reporting issues or making a request for service to the Council;
- More information was requested on the work of the translation service and calling for the need to promote the work of this service, particularly noting their work in supporting residents during the pandemic;
- Noting that the issue of digital exclusion was an issue for many residents across the city; and
- Did the service work with the Revenues and Benefits Unit.

The Head of Strategic Communications responded to the comments and questions by advising that colleagues did work at weekends; however he noted the specific concerns raised by the Member regarding the recent flooding events and advised that he would look into this following the meeting. He commented that the team worked closely with the local Neighbourhood Teams to assist them with the delivery of key messaging and communications. He advised that clear English and the approved accessibility standards were used in the delivery of communications, adding that they did work with the Revenues and Benefit Unit.

The Head of Strategic Communications recognised the importance of the translation service in delivering this work, particularly during the pandemic and the work underway across the city to address health inequalities, adding that they were integral to the successful delivery of front-line services. He further made reference to their work when helping support recent arrivals to the city, most recently from Afghanistan. He advised that there were over 200 languages spoken in the city, and the service engaged with local sounding boards to ensure the service responded to the needs of the residents in the city. He suggested that the Committee might wish to consider scheduling a specific report on the work of the translation service.

The Head of Strategic Communications stated that all direct correspondence from residents to the Council via social media was monitored and where appropriate referred to the relevant teams for attention or action. He stated that digital conversations across a range of platforms were reviewed to understand the nature of these conversations that were relevant to the organisation. With reference to consultations, he advised that these had to comply with specific legal guidance.

The Head of Strategic Communications spoke on the issue of digital exclusion and made reference to the range of information and advice that was provided off line. He further discussed the work to improve digital access with both schools and the

libraries service. In addition, he mentioned the relationships established with local health providers as a means of strengthening the reach from the Council to vulnerable groups.

The Head of Customer Services advised that the implementation of the RBDXP system, due to be implemented from the summer of 2023 to replace the Council's current CRM system would allow for residents to upload photographs, noting that the current system did not support that function. He further added that this would also be linked to a GPS system to assist with the accurate identification of locations where there was a request for service. He further advised that the possibility of sending a response photograph to demonstrate what action had been taken would be explored.

Decision

The Committee notes the report.

RGSC/22/72 Future Shape of the Council - Digital, Estates, Ways of Working and ICT strategy

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an update on the Future Shape Programme including an update on Development of the ICT Strategy and the Estates Strategy (linked to how we worked) and how they related to the programme.

Key points and themes in the report included:

- The Future Council programme objectives and overview of workstreams;
- An overview of the digitally integrated council workstream;
- The role of ICT in the successful delivery of the programme, along with progress to date on the draft ICT Strategy and future target operating model for the service; and
- The role of Estates and ways of working in the successful delivery of the programme.

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

- Whilst supporting the ambitions described it was important to recognise that many residents experienced digital exclusion, as a result of a range of reasons and the need to ensure that residents could contact the Council through traditional methods, such as via a telephone call;
- Noting the importance of reliable WIFI and appropriate devices to ensure staff could undertake their work in an appropriate and safe manner, with particular reference to the important work of Social Workers;
- Information was sought as to the delivery and nature of Social Value as part of this programme of work;
- What security measures were in place for devices, such as laptops that staff were now asked to bring with them to allow them to work in offices and remotely; and
- Requesting that a briefing note be circulated to members of the Committee that described the discussions and agreements reached regarding staff health and safety considerations and mobile working.

The Head of Customer Services recognised the comments expressed regarding the need to maintain the provision of face-to-face appointments and telephone contact as a means for residents to contact the Council. He stated that these would continue to be provided. He advised that the programme described would improve all channels of communications. The Leader commented that in the previous two years the contact centre had taken in excess of 400,000 calls each year and suggested that this would be captured in future update reports to provide an assurance to the Committee.

The Director of ICT stated that he recognised the importance of WIFI for staff, including Social Workers, to enable them to undertake their duties. He described that services and sites, such as district offices where Social Workers were located would be prioritised as part of the implementation plan, noting the global supply issue that had hampered the delivery of the project, however he advised the Committee that this issue had been escalated with the supplier.

The Director of ICT stated that Social Value would be delivered through the contracts awarded in the delivery of this programme, with an emphasis on the Year of the Child. The Leader stated that a more detailed report on the delivery of Social Value across this and a range of projects could be provided for consideration at a future meeting.

The Director of ICT commented that a briefing note could be provided to all Members regarding the proposals for the IT arrangements in the Members work room. The Deputy Leader stated that a fixed PC would be available for Members in the work room.

The Deputy Chief Executive and City Treasurer informed the Committee that a significant amount of work had been undertaken with Health and Safety colleagues to ensure the devices and laptop bags selected for staff were appropriate and all devices were encrypted, adding that the laptops also replaced the traditional landline, and that where required the appropriate devices were used, such as using mobile phones for Social Workers.

Decision

The Committee:-

- (1) Notes the report.
- (2) Recommends that a briefing note be circulated to members of the Committee that describes the discussions and agreements reached regarding staff health and safety considerations and mobile working.

RGSC/22/73 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 included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

Following a comment from a Member, the Chair asked that an update to the outstanding recommendation, detailed at section one of the report 'Monitoring Previous Recommendations' be provided.

Decision

The Committee notes the report and agrees the Committee's Work Programme.