



Resources and Governance Scrutiny Committee

Date: Monday, 27 February 2023

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension.

There is no public access from any other entrance.

Filming and broadcast of the meeting

Meetings of the Resources and Governance Scrutiny Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

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 2023/24

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 Development regarding the Housing Revenue Account calculations and to consider any amendment proposed in relation to the Housing Revenue Account 2023/24 to 2025/26;
- (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 3 March 2023.

- 4a.** Minutes of the proceedings of Executive on 15 February 2023 relating to the budget for 2023/24
To follow

- 4b.** Minutes of the proceedings of Overview and Scrutiny Committees relating to the budget for 2023/24 7 - 20
To receive and consider the minute extracts of the February 2023 cycle of Scrutiny Committee meetings.

5. The Council's Budget 2022/23 - budget papers pack
In connection to the above, the following documents were considered by Executive on 15 February 2023.

- (5a) Revenue Budget Monitoring
- (5b) Capital Programme Budget Monitoring 2022/23
- (5c) Medium Term Financial Strategy and Revenue Budget 2023/24
- (5d) Corporate Core Budget 2023/24
- (5e) Children and Education Service Budget 2023/24
- (5f) Public Health Budget 2023-26
- (5g) Adult Social Care Budget 2023/24
- (5h) Neighbourhoods Directorate Budget 2023/24 – Part 1
- (5i) Neighbourhoods Directorate Budget 2023/24 – Part 2
- (5j) Zero Carbon 2023/24 Budget
- (5k) Homelessness Directorate 2023/24 Budget
- (5l) Growth and Development Directorate Budget 2023/24
- (5m) Housing Revenue Account 2023/24 to 2025/26
- (5n) Schools Budget 2023/24
- (5o) Capital Strategy and Budget 2023/24 to 2025/26
- (5p) Treasury Management Strategy Statement 2023/24, 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=4080&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 4:00pm on the seventh day after the meeting of Executive)

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

- 5q. Budget 2023/24 Public Consultation Outcomes Report to follow
- 5r. Budget 2023/24 Anti-Poverty and Equalities Impact Assessment Report to follow
- 6. **Details of proposed Budget Amendments (if any)**

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. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

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Smoking is not allowed in Council buildings.

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Further Information

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

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Scrutiny Committee Minute Extracts 7-9 February 2023

Communities and Equalities Scrutiny Committee – 7 February 2023

CESC/23/11 Neighbourhood Directorate 2023/24 Budget

The Committee considered the report of the Strategic Director (Neighbourhoods) which provided a further update on the priorities for the services in the remit of this Committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022.

Key points and themes in the report included:

- Service overview and priorities;
- Service budget and proposed changes within the areas of:
 - Community Safety and Compliance; and
 - Libraries, Galleries and Culture;
- Workforce;
- Equality and anti-poverty impact; and
- Future opportunities and risks.

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

- To welcome that a number of budget savings options which had originally been put forward were no longer being considered, including proposals to reduce the Neighbourhood Investment Fund and gully cleansing but to express concern about cuts which might be needed in future years;
- Concern about the long-term impact of the financial situation on Manchester residents, especially deprived communities;
- While welcoming that there were few cuts being made, expressing frustration that the financial situation hindered the Council's ambitions for the city and to do more for Manchester residents;
- That Equality Impact Assessments should be provided; and
- The impact of cuts over a number of years on neighbourhoods and community safety.

In response to a Member's question, the Executive Member for Finance and Resources stated that, if the city had received the average cut in funding, Manchester would be £77m per year better off. He explained that the national Government had decided to use tax increases over the next two years to reduce debt levels and borrowing but that from 2025 it would use public sector spending cuts and that the Council would be left with a £40m deficit in 2025-2026, even with the use of reserves, unless there was a change of government. He outlined how the Council was investing in the city and key services and focusing on protecting the most vulnerable residents.

The Strategic Director (Neighbourhoods) informed Members that Equality Impact Assessments were undertaken where relevant but, as there were no proposals for service reductions, this was not required.

The Executive Member for Vibrant Neighbourhoods acknowledged that there had been a lot of pressure placed on services but praised staff's excellent work, particularly the Neighbourhood Teams, stating that they had been looking at how they could work more effectively, address inequalities and support local communities.

The Statutory Deputy Leader stated that the Council had been creative and innovative in response to 13 years of accumulated cuts in order to sustain a good level of service but that the situation was challenging and would become more and more difficult in future years and that what was needed was a national Government which valued the important role of local government in supporting local communities.

The Chair thanked all the teams within the remit of this report.

Decision

To note the report.

CESC/23/12 Homelessness Directorate 2023/24 Budget

The Committee considered the report of the Strategic Director (Neighbourhoods) which provided a further update on the priorities for the services in the remit of this Committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022.

Key points and themes in the report included:

- Service overview and priorities;
- Service budget and proposed changes;
- Emerging pressures and growth;
- Workforce;
- Equality and anti-poverty impact; and
- Future opportunities and risks.

The Deputy Leader highlighted the national and local rise in homelessness and the factors contributing to this. She advised that this meant that there was increasing demand for homelessness services while the Council's overall budget had been reducing; however, she reported, there would be no budget reduction or service reduction for the Homelessness Service this year and she highlighted the key points within the report. She thanked all the staff in the Homelessness Service for their work.

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

- To thank the Deputy Leader and officers for their work;

- To welcome that the homelessness budget was not being reduced and the work to build more social and affordable housing;
- Temporary accommodation, including the amount of time people were spending in temporary accommodation and savings to be achieved through reducing its use;
- The implementation of changes to the Allocations Policy; and
- Ending the routine use of bed-and-breakfast accommodation for families;

The Director of Housing Operations reported that the changes to the Allocations Policy had gone live today and that the impact would need to be monitored but that it should improve the prevention of homelessness and lead to more options and better outcomes for people at risk of homelessness. He drew Members' attention to a report which had been submitted to the Economy Scrutiny Committee on this and offered to share this with Members. He advised that the amount of time spent in temporary accommodation varied depending on a number of factors, such as the size of the household and any support needs. He confirmed the commitment to end the routine use of bed-and-breakfast accommodation for families, with plans to have significantly reduced the number by June 2023. In response to a Member's point about changing people's perception of what happened if they presented as homeless, he agreed that culture change was needed and informed Members about work which was taking place to address this. In response to a question from the Chair, he confirmed that cost of living rises presented a challenge, with landlords likely to respond to higher interest rates by setting higher rents; however, he advised that the Council was being creative to find solutions and develop a mixed housing portfolio.

The Chair thanked officers in Homelessness for their work and reported that the Committee would be receiving an update report on homelessness in the new municipal year.

Decisions

1. To note the report.
2. To request that the Committee be provided with a copy of the report on the Allocations Policy which has been submitted to the Economy Scrutiny Committee.

Resources and Governance Scrutiny Committee – 7 February 2023

RGSC/23/9 Corporate Core Budget 2023/24

The Committee considered a report of the Deputy Chief Executive and City Treasurer, the City Solicitor, and the Assistant Chief Executive, which provided a further update to members on the priorities for the services in the remit of this committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022.

Key points and themes within the report included:

- It was now proposed that savings options of £36.2m are progressed, of which £7.712m is within the remit of this scrutiny committee;
- The Corporate Core is made up of Chief Executives and Corporate Services and has a gross budget of circa £317 million and a net budget of circa £98.9 million and employs over 2,000 Full-Time Equivalent (FTE) employees;
- Traded services within Operations and Commissioning are also within the remit of the Resources and Governance Scrutiny Committee, and have a gross budget of £22.9 million, a net income budget of £13.7 million and 126 employees;
- Initial proposed cuts and savings options suggested in November 2022 amounted to £10.26m over the three years. As a result of the improvement in the short-term budget position following the Autumn Statement and Provisional Finance Settlement, proposed cuts and savings of £2.920m have been removed or deferred until later years;
- Revised core budget savings will be delivered through a combination of:
 - Transformation delivered through the Future Shape Programme.
 - Review of workforce structures and capacity and adopting a realistic view on abilities to fill longstanding vacancies.
 - Good housekeeping and delivery of efficiencies.
 - Delivering a corporate programme of work on ensuring the basics are right, sound and competitive procurement, approach to managing inflation, ensuring income budgets are maximised and charges appropriate.
- Further budget savings and efficiencies made up of £170k additional income generation and £3.29 million efficiencies;
- Budget pressures and workforce implications; and
- Future opportunities and risks.

Key points and queries that arose from the committee's discussions included:

- Whether any consideration had been given to raising the proportion of council tax covered by the Council under the Council Tax Support Scheme (CTSS), and
- The likeliness that all vacant units within the Gorton Hub would be let.

The Leader of the Council introduced the item and explained that in proposing the budget for the Corporate Core directorate, officers had tried to protect frontline services to ensure continued support for the most vulnerable residents, particularly given the current cost-of-living crisis. She highlighted decisions to invest money into helping communities through discretionary payments, funding for food provisions and expanding debt support and emphasised that support was available for those in need.

The Deputy Chief Executive and City Treasurer explained that the Council was considering changing the level of council tax paid by residents on CTSS from the

current maximum of 17.5% to 15%. Any change would require a full consultation, and this was anticipated to be undertaken within the next year. Any changes would then be implemented through the 2024/25 budget process.

In response to the Chair's query regarding vacant units in the Gorton Hub, it was stated that it was decided to include a second floor on the Hub during the design phase as it was felt that this would be cost-effective if the building was let and that there was demand for office space. The Deputy Chief Executive and City Treasurer was confident that the vacant units would be let through the reconfiguration of council offices and as the Hub became established and attracted potential occupants for partnership working.

Decision:

That the report be noted.

**RGSC/23/10 Housing Revenue Account (HRA) Business Plan
2023/24**

The committee considered a report of the Deputy Chief Executive and City Treasurer, the Strategic Director (Growth and Development) and the Strategic Director (Neighbourhoods) which outlined the proposed Housing Revenue Account (HRA) budget for 2023/24, an indication of the 2024/25 and 2025/26 budgets, and the outlook for the 30-year HRA business plan in light of the budget proposals.

It also sought Executive approval to increase rents in line with current Government guidance of restricting rent increases to a maximum of 7% for all properties, except PFI properties, where standard increase of CPI +1% (11.1%) was proposed, also in line with Government policy.

Key points and themes within the report included:

- Social rents were subject to annual increases aligned to a national rent policy, which was usually up to the consumer price index (CPI) plus 1%. The cost-of-living crisis resulted in the Government launching a consultation exercise and it had been advised that the maximum social rent increase would be capped at 7%, with an exception for properties within PFI contracts;
- As a result of increased numbers of Right to Buy; the in-house management of the Northwards Housing stock; overspends on repairs and maintenance; heating charges; and PFI contractor costs, it was forecasted that expenditure would be £14.940m higher than income and this would need to be funded by additional use of reserves;
- The HRA budget complied with the statutory requirement to be in balance over the three-year budget strategy period, although there was a small deficit over the course of the 30-year business plan;

- The average weekly rent, including increases, which would come into effect from April 2023;
- Housing benefit levels had not been capped and the proposed rent increases would be covered in full for those residents in receipt of 100% housing benefit entitlement, and tenants in receipt of universal credit would also be partially protected from the impact of any increase in rents; and
- The impact over the life of the business plan of the proposed 7% rent increase for all properties, except PFI properties. At the end of 30 years the deficit with a 7% increase for all properties and 11.1% increase for PFI properties is c£19m, but if rents for every property were increased by 11.1% the position after 30 years shows a £123m improvement to a c.£104m surplus.

Key points and queries that arose from the committee's discussions included:

- Noting the major impact of raising rents by 7%, as opposed to following usual practice and increasing by 11.1%, and the difference in revenue over 30 years because of this;
- Whether loss of rent income as a result of bringing voids – properties which have been unoccupied for a period of time – back into use and retrofitting properties was accounted for in the 30-year business plan;
- Whether there was a procedure in place to refer tenants applying for the HRA hardship fund to the Corporate Core hardship fund to maximise resources; and
- Why the anticipated savings from the decision to bring Northwards-managed housing back into the Council had not been fully realised, and whether this would have affected the decision had it been known at the time.

The Executive Member for Housing and Development stated that the cost-of-living crisis and rising inflation had a direct impact on the HRA and rent-level setting. He stated that the Government's instability and lack of attention on housing issues was causing local impacts in Manchester. He explained that the HRA was used to undertake repairs, maintenance, fire safety works, retrofitting and zero carbon improvements to 12,500 properties which were managed by the Council. Approximately 60% of tenants were in receipt of Housing Benefit or Universal Credit and would have their rents covered either in full or in part and it was proposed to significantly increase the hardship fund within the HRA from £200k a year to £1million, which he explained would be targeted at those most in need. He also stated that increases in communal heating charges were previously capped at 20% but recent rises in energy costs had impacted this and an increase was proposed.

In response to a member's query, the Executive Member for Housing and Development confirmed that any loss of rent as a result of retrofitting had been factored into the HRA business plan. He emphasised the Council's aim to improve homes to ensure properties were cheap to run and heat and that this could mean that the turnaround time for bringing voids back into use could be longer as a result

of insulation and other energy investment works. He highlighted that a significant amount of work was being undertaken to reduce the number of voids.

The Executive Member for Housing and Development acknowledged the importance of referring residents to the Council's support fund and that social, council and PFI tenants may be eligible for this. This would be communicated, and support would be maximised across the Council.

The Head of Finance for Corporate Core and Strategic Development explained that of the proposed savings from bringing the Northwards housing stock back in-house identified in the original business plan, around £1.6million had been realised to date. He reflected that some proposals within the retained business case were not realisable or deliverable, such as the closure of neighbourhood offices. He stated that the move to in-house management had begun to stabilise, and the efficiency of the operating model was being assessed to ensure an effective service going forwards. The Director of Housing Operations reiterated this and explained that it was within a different context from previously given the new Social Housing Bill and Regulatory Framework.

The Executive Member for Housing and Development stated that this would not have altered the decision to bring the Northwards housing stock back in-house and highlighted that over 90% of 1500 responding tenants initially surveyed were in favour.

He also stated that further savings would be made as leases on neighbourhood offices expired and were consolidated with existing premises.

Decision:

That the report be noted.

Health Scrutiny Committee – 8 February 2023

HSC/23/09 Public Health Budget 2023-26

The Committee considered the report of the Director of Public Health that provided a further update to Members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Key points and themes in the report included:

- Describing the final proposals for the Public Health budget programme 2023-26;
- Providing an overview of the services within the remit of this scrutiny committee and the key priorities;
- Describing the budget growth assumptions in the Medium Term Financial Plan (MTFP); and

- Providing an updated set of proposals for further savings for 2023-26, developed in the context of the financial challenge facing the Council, for final comments by Health Scrutiny.

Decision

To note the report.

HSC/23/10 Adult Social Care Budget 2023-26

The Committee considered the report of the Executive Director of Adult Social Services that provided a further update to Members on the priorities for the services in the remit of this committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022.

Key points and themes in the report included:

- Providing an overview of Adult Social Care services and key priorities;
- Providing a detailed overview of the budget, including:
 - The financial requirements to conclude the existing three-year Better Outcomes Better Lives savings programme;
 - The budget growth assumptions for the service as set out in the Council's Medium Term Financial Plan (MTFP);
 - An updated set of proposals for the necessary savings for 2023-26, developed in the context of the financial challenge facing the Council, for final comments by Health Scrutiny, with notable changes from the previous proposals; and
 - Detail of the additional funding announcements made in the Autumn Statement and included in the provisional finance settlement and the recommendations made for how this funding was deployed.

Decision

To note the report.

Children and Young People Scrutiny Committee – 8 February 2023

CYP/23/10 Children and Education Services Budget 2023/24

The Committee considered a report of the Strategic Director of Children and Education Services which provided a further update to Members on the priorities for the services in the remit of this Committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022. The Committee was invited to consider the current proposed changes which were within its remit and to make recommendations to the Executive before it agreed to the final budget proposals on 15 February 2023.

Key points and themes in the report included:

- Service overview and priorities;

- Service budget and proposed changes;
- Use of reserves and new grants; and
- Workforce implications.

The Executive Member for Early Years, Children and Young People thanked the Deputy Chief Executive and City Treasurer and the Head of Finance (Children, Education and Schools) for their support. He reported that the position of Children's Services was positive, with service improvements having been made, which had been recognised in the service's most recent Ofsted report, and he highlighted the investments that had been made in Children's Services in recent years, which had supported this. He outlined some of the key points from the budget report, including how investments would be used to save costs later on, for example, early intervention to prevent children from needing to enter the care system. He highlighted that an additional £500,000 had been invested in Youth and Play services last year and that earlier budget proposals which had been presented to the Committee in November 2022 had included a reduction in that; however, he reported that this reduction was no longer being considered.

A Member welcomed the approach being taken, the innovative work and that the service was investing to save. The Chair highlighted how the investing to save approach had successfully been used over recent years, during a period where the Council had experienced continuous cuts from the national Government, and how this success compared favourably to the position of many other local authorities.

A Member commented that the Neighbourhood Investment Fund was supporting food pantries and food banks, which many families with children were sadly needing to access at the present time. The Chair stated that Free School Meals should be available for all children.

Decision

To note the report.

CYP/23/11 Schools Budget 2023/24

The Committee considered a report of the Strategic Director of Children and Education Services which provided a summary of the confirmed Dedicated Schools Grant (DSG) allocation from the 2023/24 settlement announced in December which was reported to Schools Forum on 16 January 2023. It stated that schools would receive a new grant from April 2023 and this grant was also outlined in the report.

Key points and themes in the report included:

- DSG 2023/24 allocation;
- Additional schools funding 2023/24; and
- Schools Forum.

In response to a question from the Chair, the Head of Finance (Children, Education and Schools) reported that work had been taking place with the Schools Forum in relation to maintained schools which had built up a large balance. She advised that

her team analysed the plans that the schools in this position had for this funding and that, if they did not have appropriate plans for using the funds, the money was taken back. She advised that previously the balances had been looked at over a five-year period but that, following approval by the Schools Forum, they were now being looked at over a two-year period. The Director of Education reported that the money taken back from these schools went into the High Needs Block of the DSG to be used for the benefit of children with Special Educational Needs and Disability (SEND).

Decision

To note the report.

Environment and Climate Change Scrutiny Committee – 9 February 2023

ECCSC/23/11 Neighbourhood Directorate 2023/24 Budget

The Committee considered the report of the Strategic Director (Neighbourhoods) that provided a further update on the priorities for the services in the remit of this committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022.

Key points and themes in the report included:

- Providing an overview of services and priorities;
- Information relating to the service budget and proposed changes, noting that the overall Neighbourhood budget is £130m, the services under the remit of this scrutiny had gross budgets of £66.057m and net budgets of £60.603m with 176 FTE;
- There was no projected workforce impact of activity to deliver the savings;
- Investment and Growth Proposals;
- Future opportunities and risks; and
- Noting that consideration had been given to how the proposed savings could impact on different protected or disadvantaged groups.

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

- How would the additional investment described in the Investment and Growth proposals be used and allocated across the city; and
- Welcoming the proposal to defer the introduction of charging for replacement recycling bins until 2025/26.

The Strategic Director (Neighbourhoods) stated that he welcomed the investment described by the Executive Member for Finance and Resources and as outlined in the Investment and Growth proposals, however it was important to recognise that there were immense pressures on the service as a result of years of budget cuts. He commented that the detail as to how this investment was to be allocated and used was yet to be finalised. He advised that by working with Biffa it was anticipated that

this funding would be used to tackle hotspots and problematic areas. He stated that if Members had suggestions for areas for attention, he would welcome this feedback.

The Strategic Director (Neighbourhoods) addressed the discussion on the introduction of charging for replacement recycling bins. He commented that this had originally been suggested as a savings option prior to the final settlement announcement. He described that further modelling on this proposal would be undertaken. The Executive Member for Finance and Resources commented that the decision to defer this decision was the correct one, especially in the context of the cost-of-living crisis.

The Executive Member for Vibrant Neighbourhoods commented that the continued cuts to funding had severely impacted on the Council's ability to deliver services and Departments had been forced to find efficiencies year on year. She stated that all opportunities for investment to support local communities would continue to be pursued. She stated that Neighbourhood Teams would continue to work in partnership with business, voluntary organisations, such as Keep Britain Tidy to engage with residents, local communities and elected Members on the issue of waste and recycling.

Decision

To note the report and endorse the recommendation that the Executive approve these budget proposals.

ECCSC/23/12 Zero Carbon 2023/24 Budget Report

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an overview of the funding secured and invested to date to enable delivery of Manchester City Council's Climate Change Action Plan (CCAP) 2020-2025.

The report also set out what had been delivered as a result of the additional revenue funding provided from the Council's budget for 2022/23 and highlighted the priority actions to be delivered between 2023-25.

Key points and themes in the report included:

- Providing an introduction and background;
- Information on the funding to deliver Manchester City Council's Climate Change Action Plan 2020-25;
- Noting that to date, the Council had already put in place investment of approximately £227m to deliver the 5-year Climate Change Action Plan along with an additional direct revenue investment of £800k secured as part of the 2022/23 budget setting;
- Noting that the additional revenue investment of £800k which was secured as part of the 2022/23 budget setting was providing important additional capacity, particularly in delivering the city-wide actions;
- Describing progress during 2022/23 against a number of work streams; and
- Priorities for 2023/24.

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

- Recognising the significant and ambitious work undertaken as described to address climate change;
- Thanking the Executive Member for Environment and Transport and her Deputy and all officers concerned for their commitment to this work; and
- What was the plan to convert the remaining 50% of our waste collection fleet to be replaced by electric vehicles.

The Zero Carbon Manager stated that the refreshed Climate Change Action Plan that had been considered by the Committee included a specific workstream action to develop a business case for exploring how to convert the remaining 50% of our waste collection fleet to be replaced by electric vehicles, adding that this was to be completed by July 2024.

The Executive Member for Environment and Transport stated that climate change was at the forefront of all decision making across Directorates. She reiterated the position that it was everyone's responsibility to take actions to address climate change. She commented that the report clearly articulated the positive outcomes the continued investment in this area of activity had on reducing carbon emissions. She stated that Manchester remained committed to addressing the issue of climate change despite the failure of the Government to take this issue seriously, especially on the important issue of housing retrofitting.

In response to a question raised regarding the ambitions and targets of the Manchester Food Board and their Sustainable Food Policy it was suggested that a more detailed report on this specific subject area be considered at a future meeting of the committee.

The Chair in concluding this item of business stated that she welcomed the continued commitment to invest in actions to address climate change and fully endorsed the report.

Decision

To note the report.

Economy Scrutiny Committee – 9 February 2023

ESC/23/12 Growth and Development 2023/24 Budget

The committee considered a report of the Strategic Director (Growth and Development) which provided a further update to members on the priorities for the services in the remit of this committee and detailed the changes to the initial revenue budget options proposed by officers in November 2022. It highlighted how the Provisional Local Government Financial Settlement, announced on 19 December 2022, reflected a change in government policy in relation to funding inflation and social care pressures and provided an opportunity to review the quantum and

phasing of savings. It was consequently proposed that options of £36.2m were progressed, of which £2.169m was within the remit of this Scrutiny Committee.

Key points and themes within the report included:

- The Growth and Development directorate was made up of City Centre Growth and Infrastructure, Strategic Development, Strategic Housing, Planning, Building Control and Licensing, Investment Estate, Manchester Adult Education Service (MAES), Work and Skills and Digital Strategy;
- The Growth and Development directorate has a gross budget of £35.5 million and generates £44.8 million in income;
- The Highways service was within the remit of this scrutiny committee and has a gross budget of £25.1 million;
- Earlier proposals presented in November 2022 suggested savings options of £3.54m over three years but the Provisions Local Government Finance Settlement provided more funding than had been forecast and enabled both the quantum and phasing of savings to be reviewed to ensure minimal impact on service delivery;
- Savings of c£2.044m over the three-year period were initially proposed for Growth and Development and savings options of £100k had been removed from this following the review;
- Savings of £354k over three years were initially proposed for the Highways service but, following review, these had been reduced by £129k to a revised total of £225k. The revised proposals were made up of a combination of increased income of £160k and deleting two vacant positions amounting to £60k;
- Other changes to the proposals suggested in November 2022 included reducing opportunities to capitalise on staffing costs with the Investment Estate service from £250k to £150k per annum and to invest £300k to provide additional resources to enable the establishment of a new team within City Centre Growth and Infrastructure, and to provide additional capacity to the Highways Development Specialist team;
- An overall reduction of 2 Full Time Employees (FTE) was anticipated as part of the savings proposals and these were both vacant posts; and
- The directorate continued to be affected by Covid-19, particularly in the Investment Estate service, and work was ongoing to assess requests for rent holidays on a case-by-case basis, and the cost-of-living crisis.

Key points and queries that arose from the committee's discussions included:

- How an economic recession could challenge income generation within the Growth and Development directorate and
- Welcoming the decision to remove savings from temporarily reducing gully cleansing.

The Executive Member for Housing and Development reiterated the impact of austerity over the previous 13 years on the city, council, and residents. He highlighted that the Growth and Development directorate was an income generator and that the budget proposals before the committee sought to maximise these opportunities. This would be used to help in funding affordable homes, planning, regeneration and retrofitting. He also stated that the Council would be able to expand on what it delivers, particularly around social and affordable housing, if the government provided fair funding.

The Executive Member for Employment, Leisure and Skills echoed comments already made and highlighted that Manchester was a financially well-managed Council. He stated that insufficient government funding constrained the Council's ambitious plans and objectives.

The Strategic Director (Growth and Development) highlighted that additional resource had been secured to further progress works on active travel and to develop and plan for strategic infrastructure across Manchester.

The Executive Member for Environment and Transport stated that the Highways directorate also generated income for the Council. She explained that the Active Travel Strategy had progressed, but additional and fairer funding would have allowed this to be implemented at pace. The Head of Finance also highlighted that some savings had been removed following receipt of the Provisional Local Government Finance Settlement.

In response to a query from the Chair around the potential impact of recession, the Strategic Director (Growth and Development) expressed confidence in the income generation assumptions within the budget proposals and stated that these were robust. She highlighted that significant income was generated through rent from Manchester Airport and the directorate was working on several other areas of income generation, such as the Strategic Asset Management Plan which allowed the Council to take a more strategic approach to assets, and a review of the management of the Council's commercial estate.

Decision:

That the Committee

1. notes the report, and
2. endorses and recommends that the Executive approve the budget proposals.