

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 7 November 2024

Present:

Councillor Simcock (Chair) – in the Chair
Councillors Connolly, Evans, Glover, Kilpatrick, Kirkpatrick, Rasul and Stogia

Also present:

Councillor Midgley, Deputy Leader
Councillor Akbar, Executive Member for Finance and Resources
Councillor Rawlins, Executive Member for Environment and Transport
Councillor Shilton Godwin, Chair of Environment, Neighbourhoods and Climate Change Scrutiny Committee
Councillor Ahmed Ali, Lead Member for Race
Councillor Igbon, Lead Member for Race (Women)

Apologies: Councillor Davies, Noor and Wheeler

RGSC/24/78 Minutes

Decision: That the minutes of the meeting held on 10 October 2024 be approved as a correct record.

RGSC/24/79 Workforce Strategy Progress Update (incl. Workforce Equalities and Health and Wellbeing)

The committee considered a report of the Deputy Chief Executive which provided an overview of the Council's Workforce Strategy and highlighted the progress and achievements made to build a talented, diverse and thriving workforce.

Key points and themes within the report included:

- Workforce-related successes achieved in 2024 so far;
- The five strategic priorities within the workforce strategy were:
 - Attract, develop and retain diverse talent
 - An inclusive employer that represents the communities that we serve at all levels
 - Develop world-class leaders and managers
 - High performing workforce that delivers great services for our residents
 - Healthy, engaged and thriving workforce.
- The objectives and activities of the Council's Talent Plan;
- The objectives and activities of the Health and Wellbeing Plan, which launched in 2024;
- How the Workforce Equality Strategy and Race Review Action Plan were delivered;

- Key achievements in the last 12 months, including within leadership, management and education and learning;
- Policy, processes and systems in place;
- How equality, diversity and inclusion was celebrated and awareness raised in Council communications;
- The disciplinary process;
- The impact of the strategy;
- A refresh of the strategy, which would launch in November through an extensive city-wide campaign designed to raise awareness and embed the strategy; and
- Diversity targets.

Some of the key points and queries that arose from the committee's discussion included:

- Diversity targets and how these compared with previous years;
- The number of BAME staff at a senior level;
- What key actions were taken to tackle the underrepresentation of BAME staff in senior roles;
- If there was scope for collaborative initiatives with external organisations to promote equality, diversity and inclusion (EDI) goals across the city and to address systemic barriers to employment;
- Whether the redefining of the disciplinary process was addressing issues with unconscious bias; and
- If flexible working was offered to those employees struggling with stress and stress-related illness.

The Director of HROD and Transformation stated that the Council needed to be able to attract and retain talent, create the right culture, have staff who were healthy and supported and provide access to learning and development in order to tackle inequality in the workforce. He stated that significant progress had been made in the last year but that there was still more to be done. He explained that the refreshed Workforce Equality Strategy set out the work that the Council would continue to do over the next four years and highlighted targets to be achieved over this period.

The Head of Workforce Strategy recognised that the Council was continuing to make good progress since the independent Race Review in 2019 and that representation of Black, Asian and Minority Ethnic (BAME) staff had increased at all levels including senior management. He explained that there was a focus on staff experience and that the staff survey had highlighted positives, such as 88% of BAME respondents agreeing that the Council was a great place to work. He stated that the refreshed Workforce Strategy represented the next chapter of the Council's equality, diversity and inclusion journey and continued with a commitment to advancing this through actions that were co-designed with staff. He stated that the Council wanted to tackle key challenges and this included addressing anti-racism and cultural and organisational transformation.

Members of staff attended the meeting to share their experiences of working at the Council. One staff member explained that she had taken part in the LeadHERship

programme which she stated gave her insights, support and confidence to develop further and to help other women to recognise the career opportunities at the Council. She was also a facilitator of Lets Talk About Race training and had co-hosted at the Council's Leadership Summit, which she stated demonstrated the Council's commitment to listening to the voice of staff. Another explained that he had worked on two corporate-wide strategies, which provided him the opportunity to utilise his lived experience as a young, black man. He was also a member of the Race Equality Network and Steering Group and stated that he felt a responsibility to empower others within the workforce to support and drive change and to ensure accountability. He explained that he had contributed to the Workforce Equality Strategy Action Plan and was consulting with other members of the Steering Group to ensure that their voices and opinions were heard. A further staff member explained that she was also a member of the Race Equality Network, which she stated provided an opportunity to share her lived experiences with forums such as Scrutiny Committee. She explained that 300 staff members had attended webinars during Black History Month which highlighted a collective desire to learn. In addition, she also expressed her excitement to continue working with senior colleagues on the Workforce Equality Strategy.

Councillor Ahmed Ali, Lead Member for Race, highlighted that around 40% of Manchester's population were from a BAME background and that the Council's Making Manchester Fairer programme aimed to tackle systemic racism and discrimination and to improve health, housing and economic indicators amongst the city's BAME community. He stated a need for inclusive leadership, equalities training to have a completion rate above 90% and an acceleration in recruitment and promotion to ensure that those in decision-making roles better represented the city's diverse population. He acknowledged progress with recruitment and within the disciplinary process but highlighted the need for further behavioural change. He commended the engagement with staff from BAME backgrounds and recognised the knowledge and experience of staff who were passionate to work for the Council.

Councillor Igbon, Lead Member for Race (Women), recognised that the Council was listening to staff and ensuring that their voices were heard. She suggested that it would be beneficial to measure the number of BAME staff at directorate level in each service area and that Lets Talk About Race training should be rolled out to elected members. She noted that 61% of BAME employees responded to the staff survey but emphasised the importance of increasing this response rate and further reiterated the need to address racism and react where this may affect staff, such as the recent disturbances over the summer.

In response to members' queries, the Director of HROD and Transformation advised that the report provided an overall breakdown of the composition of the workforce and that there was no diversity targets set until this year when the Workforce Equality Strategy was refreshed. It was also confirmed that 11 members of staff at a senior level were from the BAME community.

The Director of HROD and Transformation explained that underrepresentation of BAME employees at a senior level could be addressed through recruitment and selection processes which had an emphasis on equality, but he noted that recruiting to senior roles often provided challenges such as requiring previous local government

experience and a specialist skillset. The Head of Workforce Strategy explained that the approach to senior recruitment was being reviewed as the Council was mindful that it was not attracting diverse talent for these roles. He acknowledged a need to engage with and be visible to communities and candidates to promote the Council as an employer of choice and the employment opportunities available. He informed the committee that the approach to recruitment was being modernised using social media and LinkedIn, which the labour market typically used to search for vacancies. The committee was also advised that learning and practice on this work was shared between the Greater Manchester authorities and other organisations.

In response to a query regarding the redefining of the disciplinary process, the Director of HROD and Transformation stated that this was an area which highlighted the importance of behavioural and cultural change. He explained that statistics within the report included cases referred for a preliminary meeting which was used to decide whether a formal disciplinary procedure was required. He recognised that more progress was needed on this as there remained a disproportionately high number of BAME employees being subject to the disciplinary process and more needed to be done to understand and tackle the reasons behind this.

The Head of Workforce Strategy explained that the Health and Wellbeing Strategy placed a significant focus on early intervention and prevention and tackling the root causes of stress, such as workload and demand. He advised that HR worked with services to understand and identify solutions for employees experiencing stress and this may include workplace adjustments such as flexible working.

The Deputy Chief Executive explained that this work played a key role in the Our Transformation programme and highlighted the importance of the workforce's culture and that the Council was on a journey to be a proficient, culturally competent organisation where equality was at the heart of all activity. He advised members that the Joint Consultative Committee and trade union colleagues regularly sought updates in respect of this work and recognised that there was more to do, but the Council remained committed to making sustained and embedded changes.

The Executive Member for Finance and Resources stated that all of the Council's strategies and initiatives were underpinned by the belief that staff were the most valuable asset. He explained that the Workforce Equalities Strategy sought to prevent the bullying, harassment and intimidation of individuals and ensured that all identities were valued, recognised and respected. He acknowledged that significant progress had been made with more to do, and placed on record his thanks to all those who had contributed to this progress since the 2019 Race Review.

In concluding this item of business, the Chair thanked the respective staff members for their attendance and contributions.

Decision:

That the report be noted.

RGSC/24/80 Autumn Statement 2024

The committee considered a report of the City Treasurer which provided an outline of the government's Autumn Statement, delivered by the Chancellor of the Exchequer on 30 November 2024, which had direct implications for local government funding.

The City Treasurer also provided a presentation at the meeting which highlighted the key points of the Autumn Statement and the expected impact on the Council's budget position

Key points and themes within the report and presentation included:

- The Government's Autumn Statement did not include exact funding updates for local government but provided important indicators as to the outlook for council funding, which would be used to inform the medium-term financial plan and budget process;
- Taxation revenue increases of £41.2bn which would mainly be generated through a National Insurance increase, plus some wealth taxes and clamp down on avoidance;
- 2025/26 Core Spending Power will increase by 3.2% in real terms, including £1.3bn increase in grant funding for local authorities, made up of:
 - £600m additional social care funding; and
 - £700m for targeted funding including inflation and additional funding to be distributed on a deprivation-based approach
 - Plus £2.1bn from Council Tax +5.0% (OBR estimate)
- Business Rates update includes removal of charity relief for private schools and continuation of Retail Hospitality and Leisure reliefs at 40%
- Local government funding reform, including multi-year finance settlements from 2026/27;
- Funding for Children's Services and Education;
- Capital funding implications;
- NHS funding; and
- Uncertainty remained over the distribution of large parts of this new funding.

Some of the key points and queries that arose from the committee's discussion included:

- If there was an assumption that council tax would increase by 5%;
- Whether additional funding for social care would help to reduce pressures;
- How these announcements would affect the Council's financial performance;
- The impact of increased National Insurance contributions on the Council and its contractors;
- UK Shared Prosperity Fund (UKSPF) did not match previous funding received through the European Structural and Investment Programme (ESIP);
- If any work had been done to understand the impact on mainstream schools as a result of the removal of charity relief for private schools; and
- The impact on the Council's relationship with Greater Manchester Combined Authority.

In response to queries, the City Treasurer explained that the Office for Budget Responsibility (OBR) assumed a 4.99% annual increase to council tax up to 2028/29 which would make up a large part of additional funding for the Council. The City Treasurer welcomed the additional funding for social care but noted that this was a challenging area which was forecasted to overspend by £20m this year. He stated that the impact of this depended on the distribution allocation of other funds but acknowledged that the overall settlement was much better than anticipated, when compared to the Spring 2024 budget.

The City Treasurer explained that the announcements within the Autumn Statement impacting on Local Government applied to the 2025/26 financial year and would not impact the current financial year. He stated that the Council was forecasting an overspend for the 2024/25 financial year and officers continued to try and reduce this. He stated that some health- and education-related funding had been targeted in the current financial year but there was no in-year funding for local government other than the extension of the Household Support Fund to cover October to March.

The committee was advised that the government had committed to funding the impact of increased National Insurance employer contributions on the public sector, but it remained unclear as to how this would be allocated. He highlighted potential risks to the supply chain and the impact on commissioned organisations which provided services for the Council, but this was being clarified with the government. He explained that officers were reviewing contracts to identify where the Council was contractually obliged to pass on contributions, and he acknowledged that it was in the Council's interest to have a stable supply chain.

With regard to a member's comment on UKSPF, the City Treasurer concurred that this provided less funding than that previously received from the European Union prior to Brexit. He explained that UKSPF was channelled through the Combined Authority, but work was ongoing to look at different mechanisms linked to the Integrated Settlement, which would allow greater flexibility and movement for funding housing, transport, skills and economic development. He stated that unspent funding would be retained. GMCA were working through their own budget process currently which would have some impact on the Council, which negotiated for levies and value.

The City Treasurer explained that a high-level calculation of the impact of the government's decision to withdraw charity business rates relief for private schools, which suggested that this would be worth an additional £1.2m in business rates to the Council which would be retained under the 100% business rates retention scheme currently in place. He endeavoured to liaise with Education Services on the impact of this on school places within mainstream provisions.

The committee was informed that the Council currently administered around 230 revenue grants and there was a commitment from government to move to streamlining these into the main Finance Settlement, which would be welcomed and provide greater certainty for budget planning purposes.

The Executive Member for Finance and Resources stated that the new Labour government had inherited the worst government finances since World War Two and

he welcomed their shift to looking at the mechanics of local government funding and to addressing system crises in demand-led services such as social care which was at the root of Council overspend. He stated that private equity groups were profiting from vulnerable children in care and the government were working to address this issue. He also stated that officers had worked to identify savings options and expressed confidence that the Council would be able to set a balanced budget in the coming months.

Decision:

That the report and presentation be noted.

RGSC/24/81 Anti-Poverty Budget Update

The committee considered a report of the Deputy Chief Executive which provided a mid-year review of and update on the Council's anti-poverty budgets.

Key points and themes within the report included:

- The Making Manchester Fairer programme and the Anti-Poverty Strategy;
- Council Tax Support, which paid up to 100% of council tax liability for eligible pension-age households and up to 85% for working-age households;
- Discretionary Housing Payments, which provided support to households in rented accommodation who need help covering rent shortfalls
- The Welfare Provision Scheme;
- Discretionary Council Tax Payments, of which £66k had been paid to 331 households under the core scheme up to 31 August 2024;
- Cost-of-living crisis budgets, such as the Cost-of-Living Fund and the Council Tenants' Support Fund; and
- Household Support Fund, which was the largest temporary anti-poverty budget administered by the council and had been extended further to 31 March 2025.

Some of the key points and queries that arose from the committee's discussion included:

- What metrics were used to measure the effectiveness of anti-poverty budgets;
- How the Council was balancing the need for supporting immediate crises with investment in long-term prevention of poverty;
- How pension credit was being promoted to those eligible;
- How could the Council ensure that help was provided to all those in need;
- If there was any partnership working or signposting to Samaritans;
- How rent increases within the private rented sector impacted demand and need for Discretionary Housing Payments;
- The success of the pension credit campaign so far; and
- What Household Support Fund 6 would look like and how many residents were expected to apply for this support.

The Deputy Leader stated that the Council had made it a political priority to support the most vulnerable residents experiencing financial hardship despite budget pressures and the impact of austerity, and the Council continued to protect this funding. She highlighted that there was immediate cost-of-living support, the Anti-Poverty Strategy which provided support in the medium-term and the Making Manchester Fairer programme which aimed to tackle the root causes of poverty in the long-term.

The Director of Inclusive Economy explained that 48% of children and young people in Manchester were growing up in poverty and 100,000 households were vulnerable to cost-of-living pressures. She reiterated that poverty was long-term, structural and endemic and although not every lever to address this was available to local government, the Council was committed to alleviating poverty. She stated that this work was underpinned by a wide range of Council services working together and that £42m was invested through core schemes such as Council Tax Support, the Household Support Fund and the Council's own cost-of-living schemes. Of the total £42m, MCC investment makes up £25m.

In response to a query regarding measuring effectiveness, the Director of Inclusive Economy stated that reach and activity was being monitored. She explained that the Council took a 'cash first' approach to providing support and paid this directly into residents' bank accounts where this information was held by the Council. Post Office vouchers were provided to residents where this information was not available.

The Director of Inclusive Economy explained that Making Manchester Fairer focused on systemic change through a number of kickstarter schemes, including investment into speech and language in schools across the city. Making Manchester Fairer also embodied the principle of Proportionate Universalism which acknowledged that the impact of poverty was not felt in the same way by everyone, and data was used to identify the wards that contained the highest amount of households affected by poverty.

In response to queries regarding the pension credit uptake campaign, the committee was advised that this had been publicised in the Manchester Evening News and that pharmacies would be stapling information on pension credit and the cost-of-living helpline to prescriptions. There would also be events in wards with the greatest number of eligible non-claimants and some of the cost-of-living budget had been invested into an additional Citizens Advice phone line.

The Head of Corporate Assessments stated that the Council was taking clear responsibility for supporting pension credit uptake but advised members that the government delivered and administered the scheme so there were some limitations on the take-up data available to the Council. He emphasised that the Council was working closely with the Department for Work and Pensions (DWP) and sought assurances from them that this campaign remained a focus. He explained that the Council had used Council Tax Support data to identify approximately 1250 pension-age households who may be entitled to pension credit and had written to these in mid-October. An assessment of responses would be undertaken at the end of the month to understand whether it would be beneficial to contact again. The DWP had

confirmed that letters would be sent to households regarding winter fuel payments, and they had identified 1363 households in Manchester for this.

The committee was informed that mapping work was undertaken in summer 2022 to identify residents most in need and a Residents at Risk group was established to focus on how services could support residents. It was also stated that the cost-of-living advice helpline was open to all and would triage those in need of support.

The Director of Inclusive Economy endeavoured to confirm if any partnership working was in place with the Samaritans following the meeting, but she assured the committee that the Council worked with a range of VCSE organisations and that £1m was allocated to commission and support frontline voluntary services. The Deputy Leader emphasised the wide network of VCSE organisations and the Age Friendly Network, which helped to communicate and raise awareness of pension credit. She also advised that GP surgeries would be writing to elderly residents in the following weeks to promote the support available over winter.

The Head of Corporate Assessments explained that Discretionary Housing Payments (DHP) fundamentally aimed to prevent homelessness, and that deliberate action had been taken over previous years to effectively target money towards the private rented cohort. He acknowledged that more effective connections were in place with the social provider cohort, but DHP helped to address immediate need and rent shortfalls. The committee was also advised of the close links with the homelessness service and the Vulnerable Renters Fund.

In response to a query regarding the Household Support Fund 6, the Head of Corporate Assessments explained that the Council had used Council Tax Support and Housing Benefit data to identify 3918 households aged between 66 and 79 who were entitled to winter fuel payments last year and would receive a one-off payment of £150 and a further 850 households aged 80 and above who would receive a one-off payment of £200. He explained that there was a further budget of £263k to respond to online applications for winter fuel payment support. The Head of Corporate Assessments advised the committee that a light-touch approach would be taken to assessing these applications and the support available was being widely promoted. He also informed members of a pilot scheme undertaken in partnership with the Council's Communications team to promote the Welfare Provision Scheme to those aged 45 and above in Clayton and Openshaw as take-up of this support was often lower for this age category and could help to reach people whose parents may be eligible for pension credit and winter fuel support.

The Deputy Leader commended the attention to detail, care and work in this area and highlighted that the Council continued to deal with the impacts of fourteen years of austerity and to create a fairer and just society for residents.

Decision:

That the report be noted.

RGSC/24/82 Manchester Energy Network - Business Plan 2024/25 Six Month Performance Update (Part A)

The committee considered a report of the City Treasurer which provided an overview of Manchester Energy Network's performance targets and priorities outlined within the 2024/25 business plan.

Key points and themes within the report included:

- Providing an introduction and background to Manchester Energy Network which was developed to provide heat and power to buildings within the Civic Quarter utilising a gas-powered Combined Heat and Power (CHP) engine to negate the need to replace individual heat and power units; and
- The 2024/25 business plan was built around the core values of clean and green energy; providing value-for-money; and a consistent and reliable energy supply.

The Assistant Director: Commercial Governance and Corporate Energy provided an overview of the Manchester Energy Network and explained why much of this information was commercially sensitive and contained within a Part B report later in the agenda.

In response to a member's query regarding renewable gas guarantees of origin (RGGOs), the Assistant Director: Commercial Governance and Corporate Energy confirmed that work was underway to completely exit the Network from RGGO arrangements as these did not contribute to a zero-carbon pathway and members were assured that the decarbonisation solutions being progressed for the Network were fully compliant in line with the Tyndall Centre for Climate Change Research recommendations.

Decision:

That the report be noted.

RGSC/24/83 Overview Report

The committee received a report of the Governance and Scrutiny Support Unit which provided details of key decisions that fell within the Committee's remit and any items for information previously requested by the Committee.

Decision:

That the report be noted.

RGSC/24/84 Exclusion of Press and Public

Decision:

That the press and public be excluded during consideration of the following item which involved consideration of exempt information relating to the financial or

business affairs of particular persons and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

RGSC/24/85 Manchester Energy Network: 2024/25 Six Month Performance Update (Part B)

The committee considered a confidential report of the City Treasurer which provided an overview of the Manchester Energy Network's performance against the targets and priorities outlined with the 2024/25 business plan.

Some of the committee's queries and lines of inquiry included terms of a loan; contingency plans; viability of locations; and customer relationships.

The Chair also invited the Chair of Environment, Neighbourhoods and Climate Change Scrutiny Committee to attend the meeting, and she welcomed the report and the positive approach to the zero-carbon agenda.

Decision:

That the report be noted.