

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on Tuesday, 12 January 2021**

**This Scrutiny meeting was conducted via Zoom, in accordance with the provisions of the The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.**

**Present:**

Councillor Russell (Chair) – in the Chair  
Councillors Andrews, Clay, Davies, Lanchbury, B Priest, Rowles, A Simcock, Stanton, Wheeler and Wright

**Also present:**

Councillor Leese, Leader  
Councillor N Murphy, Deputy Leader  
Councillor Richards, Executive Member for Housing and Regeneration  
Councillor H Priest, Chair of Economy Scrutiny (items RGSC/21/03 and RGSC/21/04 only)

**Apologies:** Councillor Ahmed Ali

#### **RGSC/21/1 Minutes**

##### **Decision**

The Committee approve the minutes of the meeting held on 1 December 2020.

#### **RGSC/21/2 Provisional local government finance settlement 2021/22**

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided details of the main announcements from the provisional local government finance settlement 2021/22 announced 17 December 2020, with a focus on the impact on Manchester.

Key points and themes in the report included:-

- The provisional local government finance settlement 2021/22 was slightly better than expected and confirmed that the c£50m savings options was sufficient to deliver a balanced budget next year;
- At the national level the settlement proposals confirm an increase in Core Spending Power (CSP) for local authorities of 4.5% (£2.2bn). The stated increase for Manchester was 5%, but this was dependent on the Council increasing Council tax;
- Details of the funding streams included within Core Spending Power;
- An additional one off, un-ringfenced allocation of £22.2m grant funding would be provided to meet additional expenditure pressures as a result of Covid-19;

- Details on Collection Fund allocations, including Local Council Tax Support Grant, Local Tax Income Guarantee Scheme and Business Rates 100% retention pilot;
- Other announcements from the Spending Review and settlement affecting the budget available to Local Government (ie pay award and homelessness prevention grant); and
- Due to the fact this was a one-year settlement and many of the announcements were for one-off funding the position for 2022/23 as still extremely challenging with an anticipated gap remaining of c£40m if the proposed savings were taken forward.

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

- Whilst the settlement was better than expected, it was felt that Government still had an opportunity to provide additional funding to ensure that the Council was not facing a £50m deficit or funding to prevent a 5% increase in Council Tax;
- It was felt that with the lowering of the anticipated savings from the cessation of the Car Park Joint Venture it was no longer appropriate to rate this risk as “green” in the RAG rating.

The Chair advised that she would write to the Chancellor of the Exchequer expressing the Council’s views and dissatisfaction on the Government’s failings to provide appropriate financial support to the Council in light of the response it had made to the COVID19 pandemic.

## **Decisions**

The Committee:-

- (1) Notes the report..
- (2) Agrees that the Chair writes to the Chancellor of the Exchequer expressing the Council’s views and dissatisfaction on the Government’s failings to provide appropriate financial support to the Council in light of the response it had made to the COVID19 pandemic.

## **RGSC/21/3 Corporate Core Budget Proposals 2021/22**

Further to minute (RGSC/20/46), the Committee considered a report of the Deputy Chief Executive and City Treasurer and City Solicitor, which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

Key points and themes in the report included:-

- There had been 196 applications from across the Core in relation to the voluntary efficiency scheme, and these were currently being considered as part of each service areas proposed reductions, with decisions expected mid January;
- The reduction to the City Council contribution towards Discretionary
- Housing Payments would be £1m rather than the £1.5m initially proposed;

- The proposed cuts within Revenues and Benefits had been reduced by £340k to protect core capacity, leaving proposed savings of £160k, which would require a reduction of 5.5fte rather than 16.5fte that had originally been proposed;
- The original savings proposal of £4.5m in relation to car parks had been revised down to £4.1m due to higher than anticipated costs;
- As at October 2020 the Directorate was forecasting a net overspend of
- £1.824m, this included COVID-19 related pressures of £5.377m, offset by in year savings and other mitigations of £3.553m; and
- In response to the pandemic and looking to identify additional opportunities for young people to access employment it was proposed that 28 trainees will be recruited as part of the Kickstart programme and paid the Manchester Living Wage which would require additional investment of c£50k. This funding was included within the proposed budget for the Corporate Core.

A key point that arose from the Committees discussions were:-

- Assurance was sought that financial support would be available for people who had accrued arrears in their rent due to the COVID19 pandemic who now might be facing eviction due to the Government's relaxation of the restriction on evictions in the Private Rented Sector

The Leader advised he had asked Officer to prepare a summary of all the direct and indirect measures the Council could take to be able to support people who were vulnerable in the city, including those who were experiencing financial hardship arising from the COVID19 pandemic.

## **Decision**

The Committee agree the savings proposals as described within the report and endorse these to the Executive.

## **RGSC/21/4 Capital Investment Priorities and Pipeline**

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which provided a summary of the Council's proposed capital investment priorities, which would be included in the Capital Strategy report to Executive in February 2021.

Key points and themes in the report included:-

- The Capital Strategy would form part of the suite of budget papers to support the Council's budget for 2021/22;
- The Strategy would detail the existing approvals and governance, alongside the priorities for future investment and the potential projects;
- The level of resources that the Council had to invest in capital continued to be constrained and any investment had to be in line with the requirements of the Prudential Code;
- The outcomes of the recent Public Works Loan Board (PWLB) consultation included reducing the rate by 100 basis points which would increase the

Council's investment capacity but also include more stringent controls that would have to be adhered to;

- An overview of the potential capital projects which supported the Council in achieving its strategic aims; and
- As schemes developed, initial funding allocations would be allocated and finalised and included in the budget once the funding approval was in place, which would continue to be reported via the Capital Update Report.

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

- It was pleasing to see that the Council still had a high level of ambition, given the financial difficulties it faced;
- It was also welcomed that £12m was to be allocated for investment into the city's parks strategy; and
- It was reassuring to note that although there was currently no funding allocated to road safety past 2021/22, plans were being developed for further investment in future years.

## Decision

The Committee notes the report.

### **RGSC/21/5 Housing Revenue Account 2021/22 to 2023/24**

The Committee considered a report of the Strategic Director (Growth and Development) and Deputy Chief Executive and City Treasurer, which presented Members with details on the proposed Housing Revenue Account (HRA) budget for 2021/22 and an indication of the 2022/23 and 2023/24 budgets.

Key points and themes in the report included:-

- As at November 2020 the HRA was forecasting that expenditure would be £22.156m lower than budget, which would result in an in year surplus of £3.524m;
- In order to ensure a balanced budget it was proposed that reserves of £19.495m would drawn down;
- Key budget assumptions used in preparing the HRA budget included:-
  - Tenants' rents for all properties will increase by 1.5% in April 2021, which still remained well within the limits of local housing allowance levels;
  - There was also a proposed 1.5% increase in Garage rents in line with dwelling rents;
  - Other income was forecasted to be around £1.092m in 2021/22;
  - The current PFI reserve would continue to remain frozen at £10m as at 31 March 2021 and would be used to part fund the outstanding HRA debt;
  - The existing wholesale gas contract expired soon, and latest prices indicated that the current wholesale gas price would reduce by 10% with effect from April 2021;
  - The depreciation charge in 2021/22 was forecasted to be £18.435m and this would be used to fund capital expenditure;

- It was currently anticipated that the HRA reserves would fall below the £60m required to continue funding the proportion of debt in 2030/31, this would result in an increase in the interest costs charged to the HRA;
- The provision of bad debt would increase to 1.5% for 2021/22, and would then be increased annually by 0.5% until 2023/24 at which point it would peak at 2.5%, it was then planned to reduce by 0.5% per year until it levels out at 1.5% for the remainder of the plan;
- The amount payable for the management of stock currently managed by Northwards would change once the future arrangements had been agreed;
- Details of other expenditure; and
- Inflationary Assumptions.

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

- Had the figure of £1.5m earmarked for the Local Delivery Vehicle (LDV) been benchmarked and if so what had Salford City Council paid for their LDV;
- Was there a way to ensure that the capital investment underspend was invested in a way to ensure projects were delivered more efficiently;
- Did it matter if the future projected HRA would be in deficit and if so what would be the consequences;
- It was suggested the Members would benefit from future training/briefing on the HRA;
- Who was responsible for determining that the Council's HRA Business Plan was sound;
- If the Council was in a financial position to put additional money into the HRA to address the project deficit in future years, would it be permitted to; and
- Clarification was sought as to whether the Business Plan included figures for investment to contribute towards becoming a zero carbon city.

The Director of Housing and Residential Growth advised that the £1.5m for the Local Delivery Vehicle was an estimated figure based the likely professional cost and investigatory work that would need to be undertaken. Awareness of other LDV's around the country had been used as a framing for this cost but it was not benchmarked. He advised that he did not have the details of what it had cost Salford City Council but commented that he could ask but caveated this with the fact that the scale and nature of what Manchester was looking to deliver was different to that of Salford.

The Committee was advised that the Council was looking at bringing into the Council the management and delivery of the Capital Investment programme to ensure quality standards were being met and satisfaction levels of tenants improved.

The Deputy Chief Executive and City Treasure advised that the Council had a statutory requirement to ensure that the HRA Business Plan was deliverable and sustainable over the 30 year period and whilst there was some margin for change, small changes in assumptions taken now could leave to huge changes in the future financial position. She agreed that future training session on the HRA could be arranged for Members.

It was clarified that it was not a requirement for DCLG to approve the HRA Business Plan. The Council's external auditors reviewed the Plan each year and the Council also had to complete a number of government returns that monitored the position against the Business Plan. It was also clarified that as the HRA was ringfenced it would not be possible for the Council to put further funding into it to address the projected deficit.

The Director of Housing and Residential Growth advised that in the projected capital programme for the HRA, there was in the region of £85m proposed to invest in low carbon related schemes in homes, however one of the challenges that existed was the increase in standards to meet zero carbon. Emerging grants for retrofitting were starting to appear and it was anticipated that these would help the overall picture but putting the issue into context, it was a city wide challenge and it was estimated that £4.5b would be required to address the issue of zero carbon across the whole housing stock of the city.

## Decisions

The Committee:-

- (1) Notes the proposed HRA budget for 2021/2 and that the Executive will be requested to consider this at its meeting in February.
- (2) Requests that Officers arrange appropriate training on the HRA for Members.
- (3) Agrees that in writing the Chancellor of the Exchequer in relation to the Local Government Financial Settlement, the Chair also addresses the challenges the Council will face with its HRA in future years without additional government funding.

## **RGSC/21/6 The Council's HRA and Housing Investment Reserve and Governance of the potential work to bring Housing ALMO back in house and other Housing PFI schemes**

The Committee considered a report of the Director of Housing and Residential Growth, which outlined the proposed governance arrangements that would be put in place should the Council decide to bring the Housing ALMO stock back under the control of the Council including any proposals for future tenant involvement and also governance arrangements of the other housing PFI schemes. The report also described the framework in which the Council manages its two Tenant Management Organisations.

Key points and themes of the report included:-

- An overview of the proposed Governance arrangement for Northwards Housing included establishing a committee to advise the Executive on relevant matters relating to the former ALMO, with membership of this committee including members from the relevant geographical areas, the relevant Executive Member and Tenants appointed as voting members;
- An overview of the governance arrangements of the Housing Private Finance Initiative schemes, which included:-

- Each project had a regular liaison meeting where officers from Strategic Housing met the contractors to discuss performance matters;
- Each project had a resident and councillor monitoring committee to review contractor performance and provide a genuine “sense check” on the performance data;
- Each project had a board of senior representatives from the Council and the contractor, which met at least twice a year, to deal with strategic issues and any matters referred to it from the liaison meetings.
- An overview of the performance management and monitoring of the Council’s Tenant Management Organisations; and
- In order to strengthen the Council’s scrutiny of its housing management contractors, (including Northwards Housing, the two TMOs and the three PFI-funded contractors) a new post had been created to respond to this increasing area of work.

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

- What options were available to ensure the principles of the Our Manchester Strategy were more effectively embodied in the governance arrangements of the PFI projects;
- What lessons have the Council learnt from previous PFI contracts, how far has the Council applied these lessons and how much has the Council evaluated what was now done differently;
- It was felt that a more detailed report on the final governance arrangements proposed for the ALMO should be considered by this Committee at an appropriate future meeting;
- There was concern in relation to the repairs and maintenance contract and the proposed increase spend due to inflation but no reference to an increase due to significant service delivery improvement and what impact this would have on the HRA budgeting;
- Reference to the potential model for oversight included in its membership the Executive Member with the relevant portfolio but the services currently being provided by the ALMO cut across multiple portfolios, so was there a way to ensure that parts of the current services provided were not absorbed into different parts of Council services;
- The work with Shelter in resident engagement and involvement had been welcomed and it was asked what could be done to ensure this engagement was sustained and meaningful;
- What work had been done to date to deal with the complex tripartite contract arrangements between the TMO’s the ALMO and the Council in relation to the proposal to bring the ALMO back in house;
- It was hoped that lessons from past PFI projects had been learnt in terms of social purpose to current housing partnerships; and
- It was felt that a unified service would be more responsive to tenants and drive efficiencies.

In respect of how options were available to ensure the principles of the Our Manchester Strategy were more effectively embodied in the governance arrangements of the PFI projects, the Head of Housing Services advised if it was

considered helpful, the Council could provide a continuity of Officers at meetings and would welcome any further ideas from residents and councillors as to how they could become more involved.

The Executive Member for Housing and Regeneration added that it was within the Council's power to establish something at a local level that brought together partners, residents and local ward members which would reflect the Our Manchester approach of inclusivity.. A commitment was also given to review the matrix of meetings to ensure each meeting informed the other to deliver on the resident ownership concept enshrined in the Our Manchester strategy.

The Leader commented that the Council had only entered into previous PFI contracts due to the Councils housing stock requiring significant levels of investment to bring them up to decent standard and at the time these were entered into PFI was the only route available, but would not have been the choice the Council would have undertaken if other options had been available.

The Executive Member for Housing and Regeneration commented that the governance structure of bringing the ALMO back into control of the Council was still very much subject to discussions with officers, members and tenants and did not want to pre-empt any conversations that were taking place with Members in the Northwards areas. In terms of tenant involvement, it was felt that the Council was in a good position following the Test of Opinion and the work undertaken over Summer 2020 around tenants' priorities for the service. She also added that in terms of the Exec Member that would sit in the governance structure was part of the ongoing discussions but would be the Member who had the most involvement and influence over the services.

The Director of Housing and Residential Growth advised that the projected increased costs of the Repairs and Maintenance contract was not solely due to inflationary pressures. In developing the contract there had been significant additional quality and social value requirements built into the contract, which were contributory factors to the higher estimates received from tendering contractor. He added that the contract had been written to give the Council strength in the event that some of the service problems that occurred previously were to reoccur and there was greater accountability and intervention now.

The Executive Member for Housing and Regeneration reassured Members that Northwards' staff would be central to the discussions going forward in how tenant involvement and engagement could be maintained and empowered.

The Director of Housing and Regeneration advised that the TMO's were consulted as part of the Campbell Tickle review and conversations that had taken place since. He advised that they were not particularly affected by the proposal to return the ALMO back in to control of the Council as their right to manage had been exercised and would continue to be protected as it was the Council's obligation to support their right to manage.

The Executive Member for Housing and Regeneration referenced the long term commitment the Council's partner had made in its development of the Northern



Gateway, highlighting that this was not purely on a financial basis but in the success of neighbourhoods in which they were working and the wider ambitions of the project and housing delivery.

## Decisions

The Committee:-

- (1) Notes the report.
- (2) Agrees that subject to the Executive agreeing that the ALMO is to be brought back into the control of the Council, this Committee receives a further report on the proposed final governance arrangements in due course.

## **RGSC/21/7 Our Manchester Strategy Reset**

The Committee considered the report of Deputy Chief Executive and City Treasurer that provided an update on the draft Our Manchester Strategy – Forward to 2025 reset document. The Our Manchester Strategy – Forward to 2025, would reset Manchester's priorities for the next five years to ensure the Council could still achieve the city's ambition set out in the Our Manchester Strategy 2015 – 2025.

Key points and themes in the report included:-

- Describing the background to the Our Manchester Strategy reset;
- Providing an overview of the Our Manchester Strategy – Forward to 2025;
- Describing the final design and communications; and
- Next Steps.

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

- How did the strategy work in relation to operational decision making within the council;
- It was hoped that reference to the European Union would be updated following the UK's departure on the 1 January 2021;
- How would the Our Manchester approach be applied to the potential return of the ALMO to the control of the Council;
- It would be essential for residents to have their views and opinion taken into account when the Council makes decisions if the strategy to be successful

The Deputy Leader advised that the Our Manchester workshops that Members had been a part of demonstrated how the principles could be applied at an operational level. The Director of Policy, Performance and Reform also added that the Council was ensuring that its key decision processes linked back to the Our Manchester Strategy and work was being undertaken through the transformation programme to streamline the decision making process. Officers were also being trained in the Our Manchester approach, albeit virtual in the current climate.

The Deputy Leader advised that the Strategy was not a Council strategy but a city wide strategy and all partners would have a responsibility in ensuring that the

principle of being an equitable city was adhered to, no more so in relation to the issue of housing.

The Deputy Leader acknowledged the point raised about listening to residents voices and provided an example of the pedestrianisation of Deansgate as to how the Council was doing this at the present moment.

### **Decision**

The Committee endorse the recommendation that the final version of *Our Manchester Strategy – Forward to 2025* be taken for consideration by the Executive in February 2021.

### **RGSC/21/8 Overview Report**

A report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

A member suggested that as part of the Committee's future work programme it may want to look at the lessons learnt from previous PFI projects and other similar projects in relation to capital projects. The Chair agreed to discuss this with the Member outside of the meeting to develop the scope of this.

An update was asked on the progress with arranging training for Members on race awareness. The Deputy Leader advised that online training for this would be available for Members in the next few weeks

### **Decision**

To note the report and agree the work programme subject to the above.

## **Economy Scrutiny Committee**

### **Minutes of the meeting held on Thursday, 14 January 2021**

**This Scrutiny meeting was conducted via Zoom, in accordance with the provisions of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.**

**Present:**

Councillor H Priest (Chair) – in the Chair  
Councillors Green, Hacking, Johns, Noor, Raikes, Shilton Godwin and K Simcock

**Also present:**

Councillor Leese, Leader  
Councillor Richards, Executive Member for Housing and Residential Growth

**Apologies:** Councillor Stanton

**ESC/21/1 Minutes**

**Decision**

The minutes of the meeting held on 3 December 2020 were approved as a correct record.

**ESC/21/2 Growth and Development Directorate Budget Proposals 2021/22**

Further to minute ESC/20/41, the Committee considered a report of the Strategic Director (Growth and Development), which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process which reflected any feedback from the November 2020 meeting.

Key points and themes in the report included:-

- As at August 2020 the Directorate was forecasting a net overspend of £3.86m, this included Covid-19 related pressures of £7.305m, offset by in year mitigation of £3.445m;
- The Covid-19 pressures were made up of a combination of £4.718m reductions in income and increased cost pressures of £2.581m;
- The main loss of income had arisen within the Investment estate due to tenants not being in a position to pay their rents because their business has been impacted by Covid-19;
- In addition to the income reductions, there had been increased costs with the main costs being in respect of supporting the Corporate response to supporting the City's most vulnerable residents,, this was forecasted to cost over £2m in the current financial year; and
- As part of the ongoing work seeking to mitigate the above pressures in year forecast savings of £3.445m had already been identified, this was largely due to

staff savings because of vacant posts and reduced running costs across all services.

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

- To what extent would the one year local government financial settlement have on the medium to long term economic recovery plan;
- It was saddening to see the impact that COVID had had on the Council's budget available to allocate to developing work and skills for adult learners;
- There was concern that with the inevitable reduction to staffing levels, it would be difficult to maintain an appropriate level of staffing to enforce building control across the city;
- How was the proposed income from increased rental going to be achieved;
- There was a concern that a reduction in the Council's employment and spending power will have a impact on the broader economy of the city and consequently Government needed to fund the Council appropriately to prevent this negative impact;
- There was concern that some of the cuts that the Council would need to make now to meet the £50m deficit in its budget would cost the Council more in the longer term and there needed to be a mechanism to revisit these decisions in future budget setting; and
- There was concern around digitising the planning process would result in there not being enough oversight by staff of what was being developed and that what was being developed was to an expected high quality.

The Leader advised that Government was investing a considerable sum of money into a variety of schemes, such as Kickstart, which were aimed at helping people get back into employment and develop new skills. There was also an expectation that Department for Education was going to increase funding for Adult Skills and retraining at Level 3. The only negative around this was the likelihood that these initiatives would be delivered by a small cohort of national contractors, and local elements would need retrofitting into these schemes. He also added that difficulties existed due to the fact that Government departments were not working in a joined up approach at a national level, reflecting that the employment programmes were disconnected for the skills programmes.

The Committee was also advised that robust arrangements had been put in place management and partnership arrangements for the medium to long term economic recovery of the city, however these arrangements would need to be adapted to the whims of national government in regard to funding that would be made available.

The Strategic Director (Growth and Development) confirmed that the Council had identified specific new income from its investment estate from the renegotiation of a lease.

The Executive Member for Environment Planning and Transport acknowledged the challenges that would exist by not filling the vacant posts with the Council's Planning Department especially in light of the major schemes and strategies that would be being implement in the future. It was commented that options such as a shared

service with another local authority were being looked at as apart of a service review of the Council's Planning function.

The Leader reminded the Committee that the proposals being put forward were due to the Council requiring to make £50m of savings to its budget and that the proposals being considered were the least worst options. It was hoped that in three to five years' time, with the return of commercial income some of these proposed cuts could be revisited and if required reintroduced.

The Strategic Director (Growth and Development) confirmed that it wasn't proposed to digitise the whole Planning Service, but rather use new technologies to improve aspects of the service.

## **Decision**

The Committee agree the savings proposals as described within the report and endorse these to the Executive.

### **ESC/21/3 ALMO - outcome of the offer to tenant's consultation**

The Committee considered a report of the Chief Executive, which provided Members with the conclusion of the test of opinion of tenants and leaseholders as part of the Northwards ALMO review. The report provided a summary of the opinions indicated and recommended that the decision to insource the housing management and maintenance function was now confirmed. The report also include a summary of key actions and milestones, risks and process to develop post-transfer governance arrangements.

Key points and themes of the report included:-

- Tenants and leaseholders have been consulted on the proposal to take direct control of the management of the housing service from 5 July 2021;
- A total of 1633 people voted (1572\* tenants and 54 leaseholders). This was 12.52% of those able to participate (12.57% tenants 11.87% leaseholders);
- 1524 (93%) people voted in support of the proposal to bring the management of their council home into direct management by the Council;
- The response rate of 12.54% was consistent with other local authorities who are proposing to or have recently taken their ALMO services in-house;
- The result was not binding but was one of the factors that were to be considered in making the decision about the future management of the service;
- An outline of the practical steps for the delivery of the transition;
- Consideration of the governance and accountability arrangements; and
- Intended timescales, including critical actions and milestones.

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

- Whilst the response rate was in consistent with other local authorities, some members still felt that this was low;

- It needed to be recognised that the consultation had strongly implied that transferring the ownership back into the Council would improve the service offered to tenants and it was hoped that this could actually be achieved;
- There was a need to safeguard the successful rent collection that had been achieved to date and the welfare support and financial advice available to tenants from Northwards currently;
- It was felt that scrutiny of the final governance arrangements had been omitted from the milestones within the proposed timescales;
- More detail was needed on how returning control of the ALMO to the Council would improve community safety and anti-social behaviour within those communities in North Manchester and if these existed now, should be implemented now;
- More discussion was needed as to why the repairs and maintenance contract was proposed to continue to be outsourced

The Executive Member for Housing and Regeneration commented that the challenges identified by tenants existed as a result of the impact of cuts over many years. She advised that conversations with tenants would be honest around what would be achievable and it was envisaged that the proposals to bring the ALMO back into the control of the Council would improve joined up working with tenants at a local level. It was also acknowledged how successful rent collection had been under Northwards and a commitment to safeguard this was made alongside the welfare and financial support that was offered to tenants.

It was agreed that scrutiny of the final governance proposals would be factored into the timescale milestones.

In terms of the repairs and maintenance contract, it was explained that it would have been desirable for this to come back into control of the Council as well, but there was a need to remain realistic insofar as what was deliverable in the timescale of the wider management of the housing service returning to the Council. It was commented that this would be something that would be explored in the future with tenants.

The Director of Housing and Residential Growth advised that he would be looking to maximise the interaction and interrelationship with Neighbourhood Services and other agencies to tackle Anti-Social Behaviour and Community Safety, providing a single point of contact and clear accountability to tenants.

## **Decisions**

The Committee:-

- (1) Endorses the recommendations to the Executive, those being:-
  1. Note the outcome of the "test of opinion" consultation and the support for the council's proposals.
  2. Note the proposals contained within the report about how the new council-controlled service governance is being developed and how tenants will be involved and empowered in the decision making about services to homes and communities.

3. Note the appointment of a project lead, and the indicative project stages and timetable for the delivery of the insourcing project.
  4. Members confirm support for the retention of “Northwards” as a brand identity for the council housing service.  
But in doing so request that the Executive take on board the comments made by members.
- (2) Welcomes the commitment by the Executive Member for Housing and Regeneration to review the control of the repairs and maintenance contract at a future point.
- (3) Agrees to add to its Work Programme further scrutiny of Manchester Move and Yes

### **ESC/21/4 Affordable housing delivery update**

The Committee considered a report of the Strategic Director (Growth and Development), which provided an update on how the Council and its partners would deliver a minimum of 6,400 affordable homes from April 2015 to March 2025.

Key points and themes of the report included:-

- Increasing the delivery of housing (affordable housing in particular) would be a key part of city’s recovery following the Covid-19 pandemic;
- The demand for housing from the most vulnerable in the city had not diminished following the crisis and if anything, the requirements of residents most in need had become even more acute with the numbers of people on the Housing Waiting List and in temporary accommodation continuing to grow;
- The Council was looking to significantly upscale the delivery of new affordable homes and to this end, the existing delivery platforms established with RPs – including use of our land assets – and working in conjunction with Homes England investment programmes remained key;
- The Housing Delivery Vehicle would soon begin to deliver new affordable homes, bolstering the pipeline and helping the city meet and exceed the 6,400-minimum target by 2025; and
- An overview of proposals as to how the Council intended to increase the future supply of Affordable Housing.

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

- It was felt that the Committee should proactively engage with the proposed pipeline of housing development in terms of its future work programme;
- There was concern that with the impact of the Covid pandemic and increasing financial restraints residents find themselves in, people may still affordable rents and shared ownership out of reach;
- How achievable was the target of 6,400 properties by 2025;
- It was pleasing to see the city centre developments moving forward as part of the housing delivery model;
- Was there an indication on how quickly progress would be made in the delivery of affordable housing; and
- Clarification was sought what was meant by the delivery of the developments would be fully funded through the PWLB via a simple company structure

The Executive Member for Housing and Regeneration agreed that it would be of benefit if Scrutiny kept an oversight on the future delivery of housing development as part of its future work programming. She shared concerns raised around affordability and advised that this was a reason why the Council was looking to establish its own housing delivery vehicle to allow for some flexibility in affordability. It was commented that based on the rate of current development, the Council was projected to surpass its target of 6400 properties by 2025, however, it was acknowledged that the long term impact of the Covid pandemic needed to be taken into account.

The Strategic Director commented that the Council had strong partnerships in the housing sector with Registered Providers that would drive the delivery affordable housing and the Council also had a series of meetings with Homes England to discuss accessing £12 billion of additional government funding for 180,000 affordable homes. She also advised that the Council's housing strategy was subject to review in October 2021 and a revised strategy would be presented to the Committee.

The Director of Housing and Residential Growth explained that the PWLB, stood for the Public Works Loan Board and the Council was able to borrow money at advantageous rates which would fund some of the developments through a Housing Delivery Vehicle.

## **Decisions**

The Committee-

- (1) Notes the report.
- (2) Notes that the Chair will discuss with Officers and the Executive Member for Housing and Regeneration the best way for Scrutiny to monitor the proposed pipeline of housing development in terms of its future work programme.

## **ESC/21/5 Our Manchester Strategy Reset - Draft Strategy**

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an update on the draft Our Manchester Strategy – Forward to 2025 reset document. The Our Manchester Strategy – Forward to 2025, would reset Manchester's priorities for the next five years to ensure the Council could still achieve the city's ambition set out in the Our Manchester Strategy 2015 – 2025.

Key points and themes in the report included:-

- Describing the background to the Our Manchester Strategy reset;
- Providing an overview of the Our Manchester Strategy – Forward to 2025;
- Describing the final design and communications; and
- Next Steps.

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

- It was important to remember the internationalism of the city and would it still be able to attract people from Europe and around the world post Covid and Brexit;



- The idea of a one-page summary document for the public to engage with was welcomed; and
- Whilst Members endorsed the output of the strategy, the impact of the pandemic had had significant impact on the city and this needed to be acknowledged.

The Leader acknowledged the impact that the pandemic had had on the city but felt that there were many initiatives still in place that would allow for the economic and social recovery of the city. He added that the Council also needed to take hold of the opportunities that arose from the crisis. In terms of internationalisation, there was a lot of uncertainty arising from Brexit – the perception of the UK and practicalities. He added that the Brexit deal would allow Universities to continue working with European Universities on research programmes and Manchester would continue to be a member of international networks.

### **Decision**

The Committee endorse the recommendation that the final version of *Our Manchester Strategy – Forward to 2025* be taken for consideration by the Executive in February 2021.

### **ESC/21/6 Economy COVID19 Sit Rep Report**

Further to Minute ESC/20/49 (Update on activity under COVID 19), the Committee considered a report of the Strategic Director (Growth and Development), which provided a further update of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of the Committee.

The key points and themes included:-

- An economic overview at a national, regional and local level;
- A sectoral impact update, including the impact on footfall within the city, hospitality and visitor economies, aviation and universities;
- The steps needed to stimulate development and investor confidence in the city;
- Work being undertaken with TfGM to agree a broad overall transport plan to support the gradual opening up of the city with a focus on pedestrian movement and safe use of public transport;
- Work being undertaken around Skills, Labour Market and Business Support following on from the THINK report findings; and
- A progress update on the lobbying of government for additional funding.

The Strategic Director (Growth and Development) also provided a verbal update on the most recent developments since the publication of the report.

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

- Could an update on the spend on discretionary grants be provided;
- It was felt that more detail around the impact of Brexit on the economic recovery of the city needed to be included in future reports; and

- There was concern in relation to the number of developments that included large amounts of commercial and retail space given the impact of Covid on these markets

The Leader advised that in terms of Brexit, at present, there was no discernible impact of the UK's exit on the city reported at the last meeting of the Economic Recovery Group and assurance was given that this would continue to be monitored. In terms of developments with large commercial and/or retail offers, he advised that, from feedback from developers, agents, and contractors, there was real optimism of the commercial market in the city centre once Covid restrictions were lifted. For the effective recovery of the city's economy, it was necessary for developments to be built and ready for occupancy or be in the pipeline for construction.

In relation to discretionary grants, it was reported that it had been agreed that the period of payment of these would be extended and Officers were looking at how the range of support to businesses could be extended, which would be considered at the next Economic Recovery Group.

### **Decision**

The Committee notes the report.

### **ESC/21/7 Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations. Members were also invited to agree the Committee's future work programme.

The Chair advised the Committee that she was awaiting an indication from Officers of when consideration of the Local Plan would be appropriate.

It was also suggested that the Committee looks at the role Higher Education Institutions play in the city's economy connected to internationalisation.

### **Decisions**

The Committee:-

- (1) Note the report.
- (2) Agree that the suggestion for additions to the Work Programme be considered at the work programme setting session in May 2021.

## **Communities and Equalities Scrutiny Committee**

### **Minutes of the meeting held on 14 January 2021**

**This Scrutiny meeting was conducted via Zoom, in accordance with the provisions of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.**

#### **Present:**

Councillor Hacking - In the Chair  
Councillors Andrews, Chambers, Collins, M Dar, Doswell, Evans, Grimshaw, Hitchen, Kirkpatrick, Moore, Rawson and Russell

#### **Also present:**

Councillor Murphy, Deputy Leader  
Councillor Craig, Executive Member for Adult Health and Wellbeing  
Councillor Rahman, Executive Member for Skills, Culture and Leisure  
Councillor Stogia, Executive Member for Environment, Planning and Transport

#### **Apologies:**

Councillors Battle, Douglas and Rawlins

#### **CESC/21/01            Minutes**

#### **Decision**

To approve the minutes of the meeting held on 3 December 2020 as a correct record.

#### **CESC/21/02            Neighbourhoods Directorate Budget Proposals 2021/22**

The Committee received a report of the Strategic Director (Neighbourhoods) which provided a further update on the savings proposals being proposed as part of the 2021/22 budget process and reflected any feedback from the November scrutiny committees. The Committee was asked to consider and make comments on the savings proposals identified prior to these being considered by the Executive.

The main points and themes within the report included:

- Neighbourhoods Directorate background and context;
- Neighbourhoods 2020/21 budget position;
- Current in year forecast position;
- 2021/22 onwards savings proposals;
- Workforce implications; and
- Equalities.

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

- Whether the projected returns from the parks investment programme were realistic within the first year;
- Subsidies to the leisure service providers during the pandemic and any progress in securing funds to cover this;
- Why the Equality Impact Relevancy Assessments had not been completed yet and when Members could expect to see them;
- Concern that funding to the Council had been reduced over a number of years and that the national government had not provided sufficient funding to the Council to fully mitigate the impact of the pandemic; and
- That the Council did not want to make cuts to services but that these were the least worst options and to thank officers for their work in identifying these.

The Head of Parks, Leisure, Youth and Events reported that it was not proposed to make any savings on indoor leisure facilities in the next financial year but that savings were proposed from 2022 onwards. He advised that the Council had submitted a return to the national government for assistance of £1.3 million in relation to the impact of the pandemic on leisure centres, covering the period from December 2020 to March 2021. In response to a further question, he advised that the Council was working on the assumption that there would be an in-year overspend within his service but it was expected that the application for government assistance would be successful. He advised that the government had not yet agreed financial support for the 2021/22 financial year, if COVID-19 restrictions impacted on leisure services beyond March 2021, but that Sport England was currently in discussions with the government about this. He reported that, if restrictions did continue into the new financial year and no further government funding was provided, the Council would need to work with its leisure operators on how that funding gap would be met and that this did present a risk in the current situation. He highlighted that there was a report on the Parks Investment Programme later on the agenda and that he would respond to the question on parks as part of that item.

The Strategic Director (Neighbourhoods) advised the Committee that the Equality Impact Relevancy Assessments, which were used to determine whether an Equality Impact Assessment (EIA) was required, would have been undertaken by all of the services by this point. She informed Members that the Committee would receive an overview of the EIAs resulting from the budget proposals at its meeting on 11 February 2021. A Member questioned the timing of this in relation to the decision-making process. The City Solicitor advised Members that the Committee would be receiving this information at its next meeting which was prior to the final decision on the budget being made at the Budget Council meeting on 5 March 2021.

The Strategic Director (Neighbourhoods) clarified the proposals relating to Compliance and Enforcement, Highways, the Animal Welfare Service and charges for replacement bins, while advising Members that these areas fell within the remit of Neighbourhoods and Environment Scrutiny Committee (NESC) and referring Members to the discussions that had taken place on these issues at the previous day's NESC meeting.

## Decision

To note the report, subject to Members' comments, and to recognise that, under the financial situation the Council is placed in, officers have worked to identify the least worst options.

### **CESC/21/03            Our Manchester Strategy Reset - Draft Strategy**

The Committee received a report of the City Solicitor which provided an update on the draft *Our Manchester Strategy – Forward to 2025* reset document. A draft of the reset Strategy was appended to the report. The report stated that achieving Manchester's zero carbon target was reflected throughout the work on the Our Manchester Strategy reset and would be clearly captured in the final reset document.

The main points and themes within the report included:

- Background to the Our Manchester Strategy reset;
- Our Manchester Strategy – Forward to 2025;
- Final design and communications; and
- Next steps.

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

- How successful had the consultation been in reaching different communities, particularly taking into account the impact of the pandemic and digital exclusion; and
- Was a breakdown of respondents by age, race and sex available.

The Policy and Partnerships Manager outlined the work undertaken to reach people who were digitally excluded when carrying out the consultation on the Strategy, despite the restrictions imposed by the pandemic. This included producing paper copies of the survey, which were distributed through a range of means including in the emergency food response parcels, through Age Friendly newsletters and through community hubs. She advised Members that it had also been translated into the top ten most common languages other than English spoken in Manchester and that targeted engagement had taken place with under-represented communities through community and voluntary organisations and that this had included face-to-face engagement under COVID safety guidelines. She reported that some community groups had also supported residents to engage with the consultation online. She advised the Committee that the Council would continue to build on this work to improve inclusion. The Deputy Leader highlighted that the number of respondents was twice the number who had responded to the consultation on the original Strategy.

The Policy and Partnerships Manager advised Members that a demographic breakdown of the respondents to the consultation had been included in a report to the Resources and Governance Scrutiny Committee on 3 November 2020 and she offered to share this with the Committee Members. She informed the Committee that this information was only available where respondents had provided it and that completing the demographic data had not been made a requirement as it could deter

some people from responding. She advised Members that about 70% of the respondents to the universal survey had provided this information and that work would be taking place to look at how this could be increased in future. She informed the Committee that the demographic data from respondents had been compared to the overall statistics for the city and, where certain groups or neighbourhoods were under-represented, targeted work had taken place to address this.

In response to a Member's question about the extent to which the Strategy had succeeded in addressing poverty, the Policy and Partnerships Manager advised that progress against the Our Manchester Strategy was reported on annually in the State of the City report. She also confirmed that the Council had engaged with the Poverty Truth Commission as part of the work on the Strategy reset.

In response to a Member's question about which sectors of the economy were expected to have job opportunities as the city recovered from the pandemic, the Chair advised that this had been discussed at that day's meeting of the Economy Scrutiny Committee and suggested that Members who were interested could watch the recording on that meeting.

## **Decision**

To thank the Deputy Leader and officers and to note the report.

### **CESC/21/04            Manchester's Park Development Programme 2021 - 2025**

The Committee received a report of the Strategic Director (Neighbourhoods) which provided an update on the progress and future programme of investment for parks that would accelerate delivery of the Park Strategy and support the delivery of revenue savings beyond 2021.

The main points and themes within the report included:

- The background to the Programme;
- Framework for investment;
- Pipeline of projects;
- Deliverability; and
- Next steps.

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

- What was the reason for the decision to divide the £960,000 available in 2021/22 for capital projects in parks by ward, with each ward being allocated £30,000;
- How would value for money be achieved if different areas were individually buying a small number of items for a local park;
- That the larger investment opportunities should be spread across a number of parks;
- What support was the Council providing during the pandemic to small and independent businesses who normally operated within the parks;

- To thank the Parks team for the support they had provided to community groups in parks; and
- Some local residents could not afford to attend the commercial events being held in parks and how could they be supported to benefit from these events.

In response to the question that was asked under the Budget item about how realistic the projected returns were, the Parks Lead advised that the service had a good track record over the past four years of capital investment in parks leading to increased returns, with income from parks increasing by about 20% year on year. She advised that the projected returns were predicated on parks being able to host a programme of events and activities as they had in previous years, although this was likely to be towards the end of summer due to COVID-19 constraints. She advised that the projected returns were also the result of work in previous years, for example, changing contracting arrangements and the staffing structure. She also highlighted some of the investment projects which were currently in the pipeline over the shorter and longer term.

The Parks Lead advised that, following consideration of the options, it had been decided that the most equitable way to allocate the Parks in Partnership £960,000 funding was to align it with the Neighbourhood Investment Fund (NIF) and allocate £30,000 per ward. She advised that it also gave local areas the opportunity to seek match funding from other sources. The Head of Parks, Leisure, Youth and Events informed Members that this approach put decision-making in the hands of Ward Councillors and local areas. He advised Members that the money did not have to be spent in that ward and that neighbouring wards could choose to work together on a project that was beneficial for local residents. Committee Members expressed their support for this fund.

The Parks Lead informed the Committee that a small project team had been established to support the delivery of the investment and that part of this work would be to ensure the best value for money, for example where a number of different areas were each buying a bench for their local park. In response to a Member's question about whether the funds would be used to replace equipment which was in a poor condition or for new improvements, the Executive Member for Skills, Culture and Leisure advised that this was at the discretion of the Ward Councillors and other stakeholders in the ward.

The Parks Lead highlighted how some of the small and independent organisations which operated in parks had supported the local community during the pandemic, for example in the delivery of food packages. She confirmed that her team had been providing support to these organisations during the pandemic, including support in putting in place safe operating plans where they could continue to trade, directing them to grants they could apply for where they could not trade and facilitating the development of a network of these business so that they could provide each other with peer support.

The Executive Member for Skills, Culture and Leisure advised the Committee that the return from the commercial events held in parks, such as Parklife and Lightopia, was reinvested in parks for the benefit of all residents and that, while there were a few

premium commercial events, the majority of events in parks were free and accessible to all. He thanked Parks staff for their work during the pandemic.

## **Decision**

To note the report.

### **CESC/21/05 Update on COVID-19 Activity (Residents and Communities Recovery Situation Report Summary)**

The Committee received a report of the Strategic Director (Neighbourhoods) which provided a summary of relevant sections of the Residents and Communities Recovery workstream.

The main points and themes within the report included:

- Residents at risk;
- Mitigating the impact of COVID-19 on communities;
- Mitigating the impact of COVID-19 on children and young people; and
- Equality and inclusion.

In response to a Member's question about Free School Meals, the Executive Member for Adult Health and Wellbeing advised Members that this had been discussed at the meeting of the Children and Young People Scrutiny Committee (CYPSC). The Strategic Director (Neighbourhoods) stated that that the CYPSC had received a report which covered this and that she could provide Members with an update.

A Member expressed concern at the increase in domestic violence and abuse referred to in the report and asked whether the Committee could be updated after the Domestic Violence and Abuse Strategy Group meeting. The Strategic Director (Neighbourhoods) suggested that the Committee receive a report on the Strategy in May or June. She advised Members that it was proposed to hold a workshop for Members on where this work was up to, most likely in mid to late February. She also drew Members' attention to the Domestic Abuse Bill which was currently going through Parliament, advising that officers were awaiting the final version of the Bill and could update Members on this at a future meeting. A Member requested that the Committee receive a report on the Domestic Violence and Abuse Strategy at a future meeting. The Chair advised that this would be discussed under the next item.

In response to a Member's question about the impact of the restrictions on evictions being lifted, the Strategic Director (Neighbourhoods) advised that the Neighbourhoods and Environment Scrutiny Committee had requested a report on this at its March meeting and that this report could be shared with Members of this Committee.

## **Decision**

To note the report.



## **CESC/21/06            Overview Report**

A report of the Governance and Scrutiny Support Unit was submitted. The overview report contained a list of key decisions yet to be taken within the Committee's remit, responses to previous recommendations and the Committee's work programme, which the Committee was asked to approve.

The Chair agreed to the Member's request under the previous item for a report on Domestic Abuse, including the Domestic Violence and Abuse Strategy, and advised that he would speak to officers about the timing of this. A Member commented that Members had not received an update since the last time this issue had been discussed and asked that this be provided.

In response to a Member's request for a report on spending on school meals, the Chair advised that this was likely to fall within the remit of either the Children and Young People Scrutiny Committee or the Resources and Governance Scrutiny Committee and that he would discuss this with officers and the relevant Scrutiny Chairs.

### **Decision**

To note the report and agree the work programme, subject to the above comments.