

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 21 June 2022

Present:

Councillor Simcock (Chair) – in the Chair

Councillors Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Also present:

Councillor Akbar, Executive member for Finance and Resources

RGSC/21/21 Minutes

Decision

The Committee approve the minutes of the meeting held on 24 May 2022 as a correct record.

RGSC/21/22 Revenue and Benefits update

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an update on the activity of the Revenues and Benefits Unit as set out in the October 2021 Scrutiny Report, including details of Covid schemes and cost of living schemes delivered by the service.

Key themes in the report included:

- An overview of Benefits administration, including Council Tax Support and the management of the Welfare Provision Scheme and other discretionary schemes;
- The financial support provided as part of the Test and Trace scheme;
- The financial support provided by the Household Support Fund scheme;
- The financial support provided by the Energy Grant Scheme; Performance in the collection of council tax and how the Council balances collection, whilst working in an ethical way and supporting those residents on a low income; and
- Performance in the collection of business rates, including the financial support provided to businesses through various Business Rates Reliefs and grants.

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

- Was it possible to provide any indication as to how many families and businesses had been supported by the Council's approach to helping those in need;
- It was noted that there were no properties within the Private Rented Sector within Manchester that offered properties for rent close to the Local Housing Allowance (LHA) rate and it was deeply worrying that there had been no uplift in April 2022;

- Was there any significant variations between Council Tax bandings and the uptake in direct debit payments of Council Tax;
- What percentage of applicants were approved in relation to the Welfare Provisions Scheme;
- In relation to the pilot with Oasis Centre in Gorton, what have been the learning outcomes for wider implementation;
- Had there been any occasion where the Council had managed to collect Council Tax at a rate of 95% or more;
- Clarification was sought on how the Council was preventing the £150 Council Tax rebate being paid to those residents with a second home;
- A question was asked on how quickly 'U' banded properties became classified;
- Clarification was sought as to whether Enforcement Agents were bailiffs and how likely was the trial on attachments to earnings to be extended;
- Was there any indication as to how many business the city were lost due to them not fitting the criteria set by Government for its Business Support Scheme; and
- Was there any specific reasons for the low uptake of the CARF funding.

The Head of Corporate Assessments advised that it was difficult to give a precise number as to how many people had been supported as many people had been affected by a range of pressure. He advised that it would be possible to provide a high level figure of the number of households that had received support. The Head of Corporate Revenues advised that the position was similar in relation to business rate support, insofar that it would be possible to provide a figure on how many businesses had received support and the amount of money paid out by the Council, but it would not be possible to provide more detail as to how many businesses had been saved from collapsing.

The Executive Member for Finance and Resources commented that it would be fair to acknowledge that the Council would not have been able to help as many residents and businesses without the additional funding from government, but it was not a simple process of just passporting the money on to those families and businesses. It needed to be recognised the amount of work that had gone into the design and implementation processes by the Council in short space of time to enable the distribution of these funds to those most in need.

The Head of Corporate Revenues agreed to provide details to the Committee on the number of households that paid Council Tax by direct debit in each Council Tax banding. He commented that the Council tried to provide residents with multiple ways to establish direct debit payments, not just online, as this was the cheapest way for the council to process Council Tax payments.

The Head of Corporate Assessments advised that he did not have all the available data on the percentage of applicants who were approved in relation to the Welfare Provisions Scheme, but in relation to the first two months of the current financial year, which would be broadly representative of applications approved the figure was at 38%.

The Committee was advised that following the pilot with Oasis Centre in Gorton, the Council was considering rolling out similar provisions at other sites in the future.

Although the number of referrals that had been made at present was fairly low the service had been extremely well received by staff at the Oasis Centre, as well as those residents that have been helped.

The Head of Corporate Revenues commented that in terms of the in year collection rate of Council Tax arrears, the Council had never achieved a rate of 95%, but it was reported that the overall collection rate for Council Tax had been in excess of 96.5% pre pandemic. This rate had reduced to 94.5% during the pandemic and these financial years had been set at 95.5%

In terms of the £150 Council Tax rebate for second home owners, it was explained the Council's data on this was as accurate as it could be but the Council was to some degree reliant on residents informing the Council if they owned a second property. In addition, the technical definition of a second home included rented furnished properties between tenants so any property classified as this would not have been eligible for the rebate.

In relation to the classification of 'U' banded properties, there was currently 4,400 properties on the Academy system, which could range from only having footings to being ready for occupancy and referred to the Valuation office for banding. Properties were added to the system when formal names and addresses had been determined. Completion notices were served when properties became ready for occupation within three months and this provided a date as to when a property became eligible for paying Council Tax.

The Head of Corporate Revenues clarified that the Enforcement Agents were previously referred to as Bailiffs and that the Council did use these to enforce the collection of Council Tax or Business rate debt but commented that the Council had reduced the number of instances where Enforcement Agents were instructed significantly over the last ten years. The Committee was reassured that there was a strict code of conduct of how the Council expected the Agents to conduct themselves and they were never used for those people on Council Tax support. The Deputy Chief Executive and City Treasurer agreed to provide the Committee with a fuller response on this issue after the meeting.

The Committee was advised that the Cabinet Office was keen to extend the trial on attachments to earnings but HMRC was not as supportive due to requirement of sharing information. It was noted that the second stage of the trial would not be as successful as the first stage as HMRC had requested more information to match the Council's data against their own, which the Council could not provide as it did not hold it. The Council was working with DWP to provide the information being sought but this was only resulting in matches where the resident had DWP connections and these did not tend to be the higher earners.

The Head of Corporate Revenues advised that the Growth and Skills Hub would possibly have the information on the number of businesses that did not fit the governments criteria for Business Support Scheme. It was agreed that Officers would speak to colleagues in the Growth and Skills Hub for this information and if available would be provided to the Committee

In terms of the uptake of CARF funding, it was not clear as to why the uptake was low. It was reported that £24m had been made available to businesses and so far the Council had written to over 9,000 businesses to make them aware of this available funding.

Decisions

The Committee:-

- (1) Notes the report.
- (2) Thanks all Officers within the Council's Revenue and Benefits team for their hard work in supporting those most vulnerable in the city.
- (3) Requests that Officers provide the Committee with information on the number of businesses that did not fit the government's criteria for Business Support Scheme and details on the number of households that paid Council Tax by direct debit in each Council Tax banding.

RGSC/21/23 Capital Outturn Report

The Committee considered the report of the Deputy Chief Executive and City Treasurer. The Committee had been invited to comment on the report prior to it being considered by the Executive.

Key themes in the report included:

- The outturn of capital expenditure for 2021/22;
- The financing of capital expenditure for 2021/22;
- The major variances between the 2021/22 outturn and the previous Capital Programme monitoring report submitted in February 2022; and
- The revised capital programme budget for 2022/23; and subsequent years as a result of the review of the programme following outturn.

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

- Was the inflation contingency of £28m over the next four years going to be enough given the increasing rate;
- Would it be possible to have a report on how each capital project contributed to a net zero carbon city;
- Could information be provided on the spending towards the new proposed residents parking zone in Ancoats;
- Was the Council still expecting a positive return on investment in regard to The Factory
- How would spending change on Northwards Housing now that it was back within the Council;
- Concern was expressed around the economic volatility Manchester residents were facing and whether there would be an effect on Council borrowing if interest rates were to increase;
- How was social value delivered within the projects;
- Concern was expressed around the cost of inflation to the construction industry;

- Why was there a proposed virement of £1.62m from the Newton Heath High Rise Block
- Could an explanation of maintaining structure of borrowing be given; and
- Clarification was sought as to the why the cost of refitting the Peterloo Memorial was greater than the total cost of the Emmeline Pankhurst memorial.

The Deputy Chief Executive and City Treasurer advised that it was difficult to accurately assess the level of contingency needed for inflation as the situation was very fast moving and the impact on the supply chain was profound as well. All major schemes had been reviewed but it would be further in the year before there would be clearer picture of the impact of recent increases in inflation would have. The Deputy City Treasurer also comment that most of the capital projects had contingency levels built in and it would be these contingencies that would be used in the first instance and the £28m was for anything that couldn't be covered within the planned contingency levels within each project.

The Deputy Chief Executive and City Treasurer agreed to share with Committee Members the Council's Low Carbon Build Standard report. In addition, it was explained that each capital project went through a business case process, with a specific part centred around how the project would contribute towards low carbon and other climate mitigation measures.

In terms of the residents parking zone in Ancoats, the scheme would be included in the Council's Capital Programme at the point it became fully approved and the funding in place. At present, this scheme was currently going through consultation and would be added into the programme at the point it was agreed and signed off.

It was reported that the Council was still expecting a positive economic return for The Factory, but it was acknowledged that there was a pressured budget for the project given the inflationary pressures the Council was facing.

In regard to Northwards Housing, some of the work the Council would be doing would be around the Capital Investment Programme for the estate.

The Deputy Chief Executive and City Treasurer shared the Committee's concern on the impact to residents that the increase in inflation was having. She commented that the Council was not able to mitigate against everything but would work hard to target its resources that it had in the most effective way possible. It was reported that in relation to borrowing, whilst the financing for the current approved programme was affordable, any future capital programme schemes and the ability to deliver some new projects may be constrained by the level of funding available.

The Deputy City Treasurer advised that each capital project had a 20% weighting of the tender in relation to delivering social value as part of the project. It was often up to the contractor as to what form this would be delivered but there had been a focus on job creation, apprenticeships, skills training as well as local works and volunteering days. In addition, there was a further 10% weighting around contributing to a low carbon city, both of which were monitored throughout the life of the project.

The Deputy City Treasurer provided an explanation of what was meant by maintaining structure of borrowing and also agreed to provide details on the virement at Newton Heath High Rise Block, but in essence this was due to a potential underspend on the work undertaken. Furthermore, he clarified that the cost allocated to refitting the Peterloo Memorial was the total available funding available figure and would not necessarily cost the total value as stated in the report.

Decision

The Committee note the report.

RGSC/21/24 Overview Report

The Committee considered the report by the Governance and Scrutiny Support Unit which provided details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

Decision

The Committee note the report and agreed the work programme.