

Executive

Minutes of the meeting held on Wednesday, 16 January 2019

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, N Murphy, S Murphy, Ollerhead, Rahman, Stogia and Richards,

Also present as Members of the Standing Consultative Panel:

Councillors: Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

Exe/19/1 Minutes

Decision

To approve the minutes of the Executive meeting on 12 December 2018 as a correct record.

Exe/19/2 Updated Financial Strategy 2019/2020

A report submitted by the City Treasurer set out the proposed budget position for 2019/20 based on the outcome of the Provisional Local Government Finance Settlement that had been announced by the Government. The report also examined the issues that would need to be taken into account prior to the Council finalising the budget and setting the Council Tax for 2019/20.

The 2019/20 Provisional Settlement was the final year of a four-year settlement provided by Government, and was largely as expected. Some changes had been made, with extra resources of £2.699m coming from a Government surplus in the Business Rates Levy. The New Homes Bonus grant was also to be £1.202m higher than had been expected.

The 2019/20 budget calculations assumed that the City Council would again be increasing the council tax precept by 3.49%. That would be made up of a general precept element of 1.99% and the specific social care precept element of 1.5%.

The Manchester Airport Group dividend was to be used to support the Council's revenue budget a year in arrears. The December 2018 dividend announcement would therefore provide a further £1.667m which would be used to support the 2019/20 budget.

As well as the changes in the sources of funds, the report examined the expenditure

pressures the Council was expected to face in 2019/20, and the demands for additional investment, with particular attention given to the needs of children in care, and looked after children. The proposed investment priorities for 2019/20 were:

- care and support for vulnerable people by ensuring there is a sustainable amount of funding for Adult Social Care that enables the move to a more permanent structure, despite the volume of one-off funding;
- giving young people the best start in life through investment in Youth Services plus a need to invest greater amounts into Children's Services;
- taking action on family poverty including enhanced enforcement of the private rented sector and appropriate enforcement action;
- tackling homelessness; and
- further action to tackle littering, fly tipping and poor business waste management.

It was explained that the outline budget proposals set out in the report were the continuation of the Council's budget strategy agreed over the past two years. The intention was for these proposals to be open for public comment and consultation prior to their further consideration by the Scrutiny Committees and by the Executive in February, leading up to the setting of the budget by the Council on 8 March.

Decisions

1. To note:
 - that the financial position has been based on the provisional Local Government finance settlement issued on the 13 December 2018;
 - that there has been a review of how the resources available are utilised to support the financial position to best effect, including the use of reserves and dividends, consideration of the updated Council Tax and Business Rates position and the availability and application of grants;
 - that budget reports from individual Directorates will detail the savings proposals and these were considered by scrutiny committees in early December; and
 - that the full suite of budget reports will be presented to the Executive in February 2019.
2. To agree that the proposals in the report be the basis for the 2019/20 budget and invite comments on it from residents, businesses and other stakeholders.

Exe/19/3 Capital Programme Update

A report concerning requests to increase the capital programme was submitted. We agreed to recommend four changes to the Council, and to approve a further five changes under delegated powers. Taken together these changes would increase the capital budget by £3.870m, financed from a range of sources including grants, the revenue budget, virement, external contributions and by borrowing.

Decisions

1. To recommend that the Council approve the following changes to Manchester City Council's capital programme:
 - a. Highways – Exchange Square water feature refurbishment. A capital budget increase of £0.440m is requested, funded by borrowing.
 - b. Neighbourhoods – relocation of Manchester Visitor Information Centre. A capital budget increase of £0.059m is requested, funded by borrowing.
 - c. Private Sector Housing – transfer of projects from Strategic Acquisitions. A capital budget virement of £1.592m is requested.
 - d. Children's & Families / ICT – Liquid Logic/ContrOCC. A virement of £0.139m from the Early Help project, which this project supersedes, and £0.370m from the ICT Investment Plan is requested.

2. To approve the following changes to the City Council's capital programme:
 - a. Neighbourhoods – Wythenshawe Hall insurance works. A capital budget increase of £0.759m is requested, funded from external contributions.
 - b. Highways – Pothole funding. A capital budget increase of £1.902m is requested, funded from £1.686m grant from the Department of Transport and £0.216m external contribution from the Greater Manchester Combined Authority.
 - c. Children's Services – additional funding for provision or improvement of places for pupils with special educational needs. A capital budget increase of £0.580m is requested, funded from grant.
 - d. ICT – Microsoft Enterprise Agreement Licensing renewal. A virement of £0.227m from the ICT Investment Plan is requested, funded by borrowing.
 - e. ICT – virement from Data Centre Facility revenue project to Data Centre Network Design. A capital budget increase of £0.130m is requested, funded by borrowing, with a corresponding reduction to the revenue budget.

Exe/19/4 Decision Notice for GMCA Meeting 14 December 2018

Decision

To receive and note the Decision Notice of the meeting of the GMCA on 14 December 2018.

Exe/19/5 Exclusion of the Public

A recommendation was made that the public be excluded during consideration of the next item of business.

Decision

To exclude the public during consideration of the following item which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Exe/19/6 Manchester Airport Car Park Investment

(Councillor Leese declared a prejudicial interest in this item of business as a Board Member of the Manchester Airport Holdings. He left the meeting prior to its consideration).

Councillor S Murphy in the Chair.

A report from the City Treasurer set out a proposal for investment into the Manchester Airport Group of companies to bring forward additional car parking provision at Manchester Airport. This was to support continued passenger growth at the airport. The report described the proposal for the Council together with the other nine district Councils within Greater Manchester to contribute to the setting up of a joint company with the Airport Group to build and operate a new multi-storey car park, delivering an additional 7,541 spaces.

Decisions

1. To note the proposed arrangements to provide investment by way of purchase of equity in the Manchester Airport Group alongside the other nine district councils to provide additional car parking provision, to ensure future growth, details of which are set out in the body of the report.
2. To recommend that the Council approve a capital budget increase of £5.6m (£3.7m in 2019/20 and £1.9m in 2020/21) funded by prudential borrowing.
3. To approve the proposed equity investment of £5.6m in Manchester Airport Group, the details of which were set out in the report, subject to Council approving the increase in capital budget and expenditure of £5.6m funded by prudential borrowing.
4. To delegate authority to the City Solicitor and City Treasurer, in consultation with the Executive Member for Finance and Human Resources, to negotiate and

finalise the detailed contractual and commercial arrangements in respect of the proposed investment.

5. To authorise the City Solicitor to enter into any necessary agreements or documents to give effect to the above recommendations.