Executive

Minutes of the meeting held on Wednesday, 13 September 2023

Present: Councillor Craig (Chair)

Councillors: Akbar, Bridges, Hacking, Igbon, Midgley, Rawlins, T Robinson, White

Also present as Members of the Standing Consultative Panel:
Councillors: Ahmed Ali, Butt, Chambers, Douglas, Johnson, Leech, Lynch and Moran

Apologies: Councillor Rahman and Foley

Exe/23/74 Minutes

Decision

The Executive approved as a correct record the minutes of the meeting on 26 July 2023.

Exe/23/75 Our Manchester Progress Update

The Executive considered a report of the Chief Executive which provided an update on key areas of progress against the Our Manchester Strategy – Forward to 2025 which 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 2016 – 2025.

The Executive Member for Skills, Culture and Leisure reported that the Council had formally submitted a bid to make Manchester the European Capital of Cycling for 2024. It was hoped that being named the European Capital of Cycling for 2024 would not only recognise the work which had been done to promote cycling in the city but also help leverage further funding and other improvements and encourage even more Mancunians to cycle. He also reported that the National Cycling Centre's Velodrome re-opened on Saturday 3 September following £27m investment in improvements from the Council, Sport England and Government. As well as improving its facilities, it was now the UK's first all-electric Velodrome.

Councillor Johnson sought clarity as to whether there were any plans to improve the standard of a number of existing cycle routes that were in need of maintenance.

The Executive Member for Skills, Culture and Leisure next reported on the recent Ofsted inspection of Manchester's Adult Education Service (MAES). Government inspectors had MAES for its inclusive and ambitious curriculum, high quality education and training and passionate leaders. Ofsted inspectors had graded every aspect of the service Good - from its overall effectiveness, quality of education, and adult learning programmes, through to provision for learners with high needs, and its leadership and management.

The Executive Member for Skills, Culture and Leisure final update was to report on the reopening of Abraham Moss Library and Leisure Centre following a multi-million pound refurbishment. The refurbishment was part of the Council's ongoing sport and leisure investment strategy. Leisure facilities and libraries across the city were being modernised so they could be better equipped to suit the needs of residents.

The Deputy Executive Member for Skills, Culture and Leisure reported that Manchester had been named as the most digitally inclusive city in the UK in a national survey. Analysis of the number of databanks, digital inclusion hubs and digital skills workshops on offer nationally put the city out ahead in the survey carried out by Uswitch mobiles. The findings reflected work which had taken place to combat issues such as digital exclusion, generational poverty and health inequality.

The Deputy Leader reported on the progress which had being made on key themes in the Making Manchester Fairer Action Plan, including cutting unemployment and creating good jobs. In particular the Individualised Placement Support in Primary Care and Ambition Manchester In-Work Progression initiatives were cited which supported those with physical and/or mental disabilities into employment and helped people with low-incomes to progress within their current workplaces or acquire the skills to move into higher-paid roles elsewhere.

The Executive Member for Growth and Development reported on the recently approved planning application to re-develop the former Chorlton Leisure Centre site as an affordable later living housing scheme. The new development would provide 50 apartments (a mix of one bed and two bed) for the over 55s. Seven of the apartments would be for sale by shared ownership, three would be neighbourhood apartments providing step up accommodation, with the remaining 40 capped at the Manchester Living Rent. Lettings would be prioritized to over 55s with a housing priority need, including those wishing to right-size and free up a social rented family home in the local area for families on the housing waiting list.

The Executive Member for Growth and Development also reported that the first residents had moved into the Silk Street development of low carbon homes for social rent in Newton Heath. As the first 11 homes were handed over to the council following their completion at the end of July, they had been allocated to local people on the Council's social housing register Manchester Move. Altogether the site would deliver a mixture of 69 homes with 16 of these homes available to people over the age of 55 who were right-sizing from other properties in Newton Heath and North Manchester, freeing up larger properties for social rent

Councillor Leech sought clarification as to whether there would be any financial assistance to those residents who were seeking to down size as part of the Chorlton Leisure Centre redevelopment. The Executive Member for Growth and Development confirmed this would be looked into with the developer.

Decision

The Executive note the report.

Exe/23/76 Revenue Monitoring to the end of July 2023

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which outlined the projected outturn position for 2023/24, based on expenditure and income activity as at the end of July 2023 and future projections.

The Executive Member for Finance and Resources reported that the current budget monitoring forecast was an overspend of £9.6m and that there were considerable risks to the position relating to the impact of rising demand and increasing costs.

The main pressures were being felt in the social care budgets reflecting the national pressures in the health and social care sector and trends being experienced across most Social Care providing local authorities. A £3.7m forecasted overspend in Adult Social care was largely in relation to the provision of long term care arrangements with demand above 2023/24 budget assumptions. Whilst strong progress on the approach to reduce demand through 'prevent, reduce and delay' was being made through the Better Outcomes Better Lives (BOBL) initiative, it was unlikely that the additional demand management savings (£5.5m) envisaged from client social care packages would be delivered. As such the overspend was in part being offset by employee underspends across the Directorate due to difficulties in recruitment.

The forecasted £4.9m overspend in Children's Services was after taking account of £3.9m of mitigations against key pressures. The underlying cost drivers related to higher placement costs for Looked After Children (LAC) and Care Leavers Supported Accommodation, small increases in External Residential and Care Leaver placements numbers, Remand activity, and Home to School Transport pressures. The biggest pressure related to external residential placements and increased complexity of need of the current cohort with placement costs having increased by 44% in the current financial year. Investment in provision for those children with higher levels of needs was underway. Once this work was complete it was expected that this would reduce some of the pressures on the external residential care budgets. The main variations in the other service departments totalled £0.9m.

As part of the 2023/24 budget setting process £25.2m of savings were agreed. Of these £15.1m (60%) were on track for delivery, £1.5m (7%) were risk rated medium, and £8.5m (33%) rated high risk in terms of the likelihood of delivery. Officers were working to identify alternative savings where original plans might not be achieved or delayed.

The report went on to outline the following budget virements which required approval

- The transfer of part year funding for Graduate Management trainees from HROD to directorates totalling £293k

The report also provided details of additional grant notifications that had been received since the budget had bene set and which were now reflected in revised budgets:-

- Adults - Market Sustainability and improvement fund £4.055m
- Corporate Core - Household Support Budget £12.906m

- Libraries - Build a business in GM libraries - £0.601m
- City Policy - Innovate UK Net Zero Pathfinder GM £86k 2023/24, £0.516m 24/25, £301k 25/26
- Corporate Core - Transparency Code New Burdens £13k
- Housing - Tenant Satisfaction New Burdens £63k

In addition, when the budget was set in February 2023 a total of £14.3m was identified for price and electricity inflation. £2.2m was allocated to Children's for internal placements, £0.5m to Education Home to School Transport and £2.7m to Adults as a contribution to market sustainability. At period 2 requests from Childrens services totalling £2.4m were agreed, mostly relating to fostering and residential placements. This left £6.4m in the corporate price and utilities inflation budget for inflation pressures. Additional inflation requests were currently being considered and would be brought back to a future Executive meeting for approval.

At this stage it was envisioned that the known increased costs could be contained within the available inflationary budgets made available for 2023/24 however this remained a risk.

It was also reported that allowance for a 6% pay increase was allowed for in the budget costing an estimated £15.6m. In February the National Employers offered a £1,925 pay increase from 1 April 2023 and 3.88% for those above the top of the pay spine. The estimated budget requirement to fund this offer for MCC staff was £15.5m for 2023/24, and therefore within the available budget. Should any pay award above this level be agreed, this would exceed the current provision in the budget.

The Executive Member for Finance and Resources concluded that it was very early in the financial year and vigilance was needed given there were significant uncertainties and risks to the position as cost of living and inflationary pressures could increase. Any overspend this year would be a direct call on the General Fund Reserve which would need to be reimbursed in future years. In addition any ongoing impact of the pressures faced this year would need to be addressed in the 2024/25 budget. It was therefore important mitigations were identified to bring forecast spend back in line with the available budget.

Councillor Leech sought clarification as to whether the increase in placement costs within Children's Services were as a result of an increase in overall costs, inflationary pressures or an increase in the demand on this service. He also sought clarification as to the cause of the projected overspend in the Corporate Core as he noted that in previous years, this Directorate had usually produced a budget underspend

Decisions

The Executive:-

(1) Note the global revenue monitoring report and forecast outturn position which is showing a £9.6m overspend.
(2) Approve budget virements to be reflected in the budget as set out at paragraph 2.9 of the report

(3) Approve the use of additional revenue grant funding as set out at paragraph 2.10 of the report.

Exe/23/77 Capital Programme Monitoring P4 2023/24

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided progress against the delivery of the 2023/24 capital programme to the end of July 2023, the latest forecast of capital expenditure and the major variances since the Capital Programme Outturn report submitted in June 2023and the proposed financing of capital expenditure for 2023/24 and affordability of the Capital Programme.

The Executive Member for Finance and Resources reported that the latest forecast of expenditure for 2023/24 for Manchester City Council was £454.0m compared to the current approved budget of £473.7m. Spend as of 31 July 2023 was £91.9m. The main variances related to the Asset Management Programme, Hammerstone Road Depot, Campfield Redevelopment, Our Town Hall Refurbishment, Home Upgrade Grant, Social Housing Decarbonisation Fund and Varley Street SEND Secondary School. These variances mostly related to timing differences meaning reprofiling would be required.

A more focussed look at the top 10 projects was provided in Appendix A. These projects covered 47% of the total programme. The programme also contained some budgets yet to be allocated to specific projects but reserved for a particular purpose, such as Education Basic Need funding, Housing Affordability Fund, ICT Investment Plan and the budget for inflation pressures. These would be allocated once the specific schemes were progressed and approved, or in the case of inflation the business case showing the impact of inflationary pressures on a scheme completed. They would also then be subject to approval through the Council's capital approval process.

As in previous reports the most significant risk facing the programme and major projects overall was the continued high levels of inflation being experienced. Inflation in the UK in the 12 months to July 2023, as measured through CPI, was currently 6.8%, down from 7.9% in May and from a recent peak of 11.1% in October 2022. Whilst this showed a downward trend which was expected to continue, the figure remained elevated.

The current forecasts showed that the financing costs remained affordable within the revenue budget available including reserves with the capital financing reserves being required to meet the costs associated with the borrowing by 2026/27.

In addition, it was reported that there were schemes that had been developed or had received external funding that were now ready for inclusion in the Capital Programme. The proposals which required Council approval were those which were funded by the use of reserves above a cumulative total of £10 million, where the use of borrowing was required or a virement exceeded £1m. These included the following proposed changes:-

- Aviva Studios, Home of Factory International - to reach practical completion, a capital budget increase of £22.2m was recommended, funded by borrowing and supported by the Council's share of all future commercial sponsorship income.
- Corporate Services - Our New Finance & HRODT System – a revenue budget increase of £17.4m was requested, to be spread across 4 financial years, and funded from the Capital Fund reserve, to replace the Council's existing HR and Finance System.
- Neighbourhoods – Manchester Aquatic Centre (MAC) – a capital budget increase of £0.640m was requested, funded by borrowing, to fund additional works deemed essential to address build, health and safety issues and safeguard the MACs future operations and services, whilst also ensuring that the building remained complaint to host World-Class Events.
- Growth and Development – Piccadilly Garden Design Phase – a capital budget increase of £0.782m was requested, funded by borrowing, to enable the project cost to progress to end of RIBA Stage 3 / submission of planning application.

The proposals which only required Executive approval were those which were funded by the use of external resources, use of capital receipts, use of reserves below £10.0m, where the proposal could be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals required Executive approval for changes to the City Council's capital programme:-

- ICT - Digitising Registrars Certificates – a revenue budget increase of £0.244m was requested, funded from the Capital Fund reserve, to deliver a project that will lead the implementation of imaging software to digitise birth, death and marriage certificates, enabling the Registrars service to streamline and automate the current copy certificate process, increase team efficiencies and improve the service offered to customers.
- ICT - Manchester ContrOCC Client Finance Portal (CFP) and Online Financial Assessments (OFA) Resources – a revenue budget increase of £0.092m was requested, funded from the Capital Fund reserve, to deliver a project that would enable the implementation of the two ContrOCC portals; Client Finance Portal (CFP) and Online Financial Assessment Portal (OFA).
- ICT – Adults Care Management System – a revenue budget increase of £0.258m was requested, funded from the Capital Fund reserve, to implement a new care management system covering; rostering, care monitoring reporting, electronic medication administration record and mileage wizard for the Reablement and Disability Supported Accommodation Services (DSAS) teams within Adult's Services.
- Public Sector Housing – Collyhurst – a budget virement of £3.693m funded from capital receipts, between the Private Sector and Public Sector Housing budgets was requested as the existing budget was no longer required for its original purpose, and there was inflationary pressure in the wider regeneration scheme relating to the construction costs for new homes, a new park and associated infrastructure, and not all of this pressure could be mitigated through value engineering.

Councillor Leech sought clarification as to why the highways budget had been reprofiled and whether this would have any detrimental impact on the maintenance of roads and gullies. He also expressed concern over the increasing level of borrowing for Aviva Studios and that following its completion the Executive should receive a further report that provided an in-depth detailed analysis as to what the extra funding had been required for.

The Deputy Chief Executive and City Treasurer clarified that the Council did not borrow funding against individual schemes but rather against the whole capital programme. She also confirmed that there would be a future report to both Resources and Governance Scrutiny Committee and the Executive which would provide an in-depth detailed analysis as to what the extra funding for Aviva Studios had been required for

Decisions

The Executive:-

(1) Note the Progress against the delivery of the 2023/24 capital programme to the end of July 2023

(2) Recommends that the Council approve the following changes to the Council's capital programme:-

- Aviva Studios, Home of Factory International - a capital budget increase of £22.2m, funded by borrowing.
- Corporate Services - Our New Finance & HRODT System – a revenue budget increase of £17.4m, to be spread across 4 financial years, and funded from the Capital Fund reserve.
- Neighbourhoods – Manchester Aquatic Centre (MAC) – a capital budget increase of £0.640m, funded by borrowing.
- Growth and Development – Piccadilly Garden Design Phase – a capital budget increase of £0.782m, funded by borrowing.

(3) Approve the following changes to the Council's capital programme:-

- ICT - Digitising Registrars Certificates – a revenue budget increase of £0.244m, funded from the Capital Fund reserve.
- ICT - Manchester ContrOCC Client Finance Portal (CFP) and Online Financial Assessments (OFA) Resources – a revenue budget increase of £0.092m, funded from the Capital Fund reserve.
- ICT – Adults Care Management System – a revenue budget increase of £0.258m was requested, funded from the Capital Fund reserve.
- Public Sector Housing – Collyhurst – a budget virement of £3.693m funded from capital receipts, between the Private Sector and Public Sector Housing budgets

Exe/23/78 Hackney Carriage Fares - Interim Review 2023

The Executive considered a report of the Strategic Director (Growth and Development), which set out recommendations in relation to Hackney Carriage Fares following a review of these fares by the Council's Licensing and Appeals Committee.

The Executive last reviewed the Hackney Fares in October 2022. Since then numerous other local authorities had further reviewed their Hackney fares and as a result Manchester was now at position 161 out of 344 local authorities ranked by the cost of a 2-mile journey on Tariff One . As many authorities have the same fare however (and discounting the airports tariffs) in real terms Manchester is joint 39th out of 81 different fare tariffs. Either way, Manchester was sitting around halfway on the league table which may be considered fairly low for a major city.

The current methodology used in Manchester for calculating the fares had now been in place for over a decade and the 2022 review highlighted the sensitivity of the current formula to any significant changes in data components or assumptions that reflected policy or market changes, as well as the challenge in obtaining accurate and localised running cost data.

Prior to consideration by the Executive, the proposals had been considered by the Council's Licensing and Appeals Committee and in doing so had recommended:-

- An increase to the unit cost per mile on all tariffs by 8%
- An increase to the waiting time fare by 23%
- An increase to the Day flag tariff to £3.40
- An increase the Night flag tariff to £3.80

In making its decision, the Executive has the authority to: apply all, part or none of the recommended amendments to the Fare Tariff and apply any additional amendment(s) it determined as appropriate.

Decisions

The Executive:-

(1) Agrees to increase the unit cost per mile on all tariffs by 8%

(2) Agrees to Increase the waiting time fare by 23%

(3) Agrees to increase the Day flag tariff to £3.40

(4) Agrees to increase the Night flag tariff to £3.80

(5) Notes the decision to make the acceptance of card payments mandatory in Hackney Vehicles

Exe/23/79 Manchester Piccadilly SRF Addendum: East Village Central Framework

The Executive considered a report of the Strategic Director (Growth and Development), which set out the outcome of a public consultation exercise with residents, businesses and stakeholders, on the draft East Village Central Framework which was an addendum to the Manchester Piccadilly Strategic Regeneration Framework (SRF).

The Leader explained that the site identified in the draft East Village Central Framework was centrally located within the Piccadilly SRF area. As well as contributing to the overall objectives within the Piccadilly SRF, the draft framework proposals had been developed to ensure that they will complement the wider economic priorities and regeneration strategy for the city centre.

The report provided details of the response received to the consultation from a key stakeholder, a national charity, a statutory body and local residents

It was note that the East Village Central Framework responded to the opportunity to review how this strategically significant site could be repurposed and redeveloped in a manner that maximises its contribution to the growth of the city centre. The new commercially-led, mixed use neighbourhood would support the creation of new jobs, homes and public realm in the city centre, for both existing and new residents. The development would be highly connected, functionally and physically, to the wider city centre and adjoining regeneration priority areas and would complement the arrival of HS2 and NPR.

Given the increasing need for new high quality commercial development space, the draft framework would complement the proposed commercial development at Central Retail Park. It would also add further momentum to the development of the Piccadilly SRF, building on the ongoing delivery at Portugal Street East and Mayfield.

Decisions

The Executive:-

(1) Note the outcome of the public consultation on the East Village Central Framework.

(2) Approve the East Village Central Framework, as an addendum to the Manchester Piccadilly SRF, and request that Planning and Highways Committee take the framework into account as a material consideration when considering planning applications for the area.

Exe/23/80 Strategic approach to developments of social homes via a city-wide New Build Local Lettings Policy

The Executive considered a report of the Strategic Director (Growth and Development), which proposed a strategic response in the form of a New Build Local Lettings Policy (LLP) for all new developments of social homes to be let at social or affordable rent.

The Executive Member for Growth and Development explained how It was necessary to put in place a strategic response to ensure that new build developments had a mix of residents to help to make them sustainable in the longer term. The aim was to avoid the likely concentrations of dependency and higher-level support needs in new builds while also offering local people a chance of a local home and thereby contribute to achieving sustainable communities for the benefit of al.

This strategic response would result in a New Build Local Lettings Policy (LLP) for all new developments of social homes to be let at social rent or affordable rent. It was proposed that this approach was taken on all new build social developments of 10 or more homes. It was also reported that after five years the effectiveness of the LLP would be reviewed with a view to it being amended, ended or extended for such period as necessary.

Under the LLP:-

- 50% of any development would be let to working households who are in priority housing need on the Manchester housing register;
- 20% of the new development would be let to applicants living in the Manchester City Council boundary area who were in priority housing need on the housing register and had an established connection to the immediate area of the development; and
- 30% of the new development would be let as normal, in accordance with the allocation scheme.

The policy would only apply to what were called "general needs" properties – general housing for most applicants, not specialist housing developed for a particular purpose, such as retirement homes or extra care provision. The policy would also apply only at first let. Having created a mixed community through this policy, all subsequent relets would be to the applicable allocations scheme.

Councillor Leech sought clarification as to whether consideration would be given to applicants living in a geographical area as opposed to the rigidity of a ward boundary. The Executive Member for Growth and Development confirmed that the Policy was to be used as a template and would be applied as appropriate for each scheme, which would include taking into account an applicant's geographical location to a scheme where appropriate.

Decision

The Executive approve and adopts the New Build LLP with a review of the policy to take place in 5 years

Exe/23/81 Climate Change Action Plan Annual Report

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which presented the third Annual Report of the Manchester City Council Climate Change Action Plan (CCAP) 2020-25.

It was reported that the Council had remained within its allocated carbon budget for the year 2022-23, using 89% of the budget. Overall the Council had used 57% of its carbon budget for the 2020-25 period and was on track to remain within the carbon budget for this period. In addition, 55% of the actions in the CCAP 2020-25 were working to target and the remaining were work in progress.

Over the course of this 12-month period, in addition to the previous 2 years' work, the Council had been able to secure over £227m to support delivering the CCAP. This investment included funding for dedicated resource with the creation of 13 new posts, whilst a number of services also identified opportunities to create zero carbon focused posts, all providing additional capacity to aid delivery of the CCAP.

There would be a number of important milestones on the next stage of the Council's journey to becoming zero carbon. This included:-

- A joint Innovate UK bid with GMCA and Oldham MBC for investment to further explore new net zero finance and funding models;
- Progressing with the procurement of a partner to provide an electricity Power Purchase Agreement (PPA) for the Council's future energy supply; and
- The adoption of Places for Everyone (Joint Local Plan) expected in spring 2024 and the development of the Manchester Local Plan over the next two Years.

Councillor Leech sought clarification on how dependent the Council would be on the joint Innovate UK in achieving its targets for the next reporting period.

Decision

The Executive approve the Climate Change Action Plan Annual Report for 2022 - 2023.

Exe/23/82 Winter preparedness in the health system

The Executive considered a report of the Deputy Place Based Lead, which provided an overview of the key elements of the approach to winter planning 2023/24 alongside organisational updates relating to what would be delivered by partner organisations.

The Executive Member for Healthy Manchester and Adult Social Care reported that a full system winter plan would be developed through two urgent care system boards – Manchester and Trafford Operational Delivery Group (ODG) and Urgent Care Board (UCB). A first iteration of the system plan would be shared at the September Urgent Care Board, with a further update in October, and then as required throughout winter. In line with previous years, the Manchester and Trafford System Resilience Team would lead and co-ordinate on all aspects of winter planning and the lessons learnt from winter 2022/23 had been incorporated into the organisational delivery plans.

As with previous years, the locality winter communications plan would be led by the overall GM ICS winter strategy and NHS GM winter communications and engagement plan. There would be an integrated communications and marketing campaign approach that used engaging content across multiple channels including social media, website, internal and stakeholder, outdoor media and digital channels at both a GM and locality level. While the GM approach would allow for consistency across the region, the Council had additional activity planned across Manchester that reflected its diverse population and the health inequalities that existed. This would include additional communications and engagement activity relating to vaccination programmes and the cost-of-living crisis with both translated materials and easy read materials.

Decision

The Executive note the report.