

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 7 September 2023

Present:

Councillor Simcock (Chair) – in the Chair
Councillors Brickell, Connolly, Davies, Kilpatrick, Lanchbury and Wheeler

Also present:

Councillor Akbar, Executive Member for Finance and Resources
Representatives of ACORN
Representative of Debt Justice

Apologies: Councillors Andrews, Evans, Kirkpatrick and Rowles

RGSC/23/47 Urgent Business

In opening the meeting, the Chair informed the committee that there was one item of urgent business relating to the recent issuing of a Section 114 notice by Birmingham City Council.

The Deputy Chief Executive and City Treasurer stated that, whilst she could not comment on the individual circumstances, she hoped this announcement would not detract from the challenges and pressures faced by local authorities. The impact of funding reductions and inflation had significantly impacted many authorities and she explained that a Budget Monitoring report would be considered by the Executive later in the month which highlighted an in-year overspend which was largely driven by pressures in the social care sector, for which the Council was looking at mitigation measures.

The Deputy Chief Executive and City Treasurer assured the committee that Manchester City Council was relatively financially resilient due to previous decisions and was not anticipating having to issue a Section 114 notice.

The Executive Member for Finance and Resources commended the current City Treasurer and her predecessor. He stated that successive Conservative governments had underinvested in local government funding, which disproportionately impacted Manchester. He called on the government to review the local government funding formula and to end the use of 1-year funding settlements.

RGSC/23/48 Minutes

Members received and considered the minutes of the previous meeting. A query was raised under minute number RGSC/23/43 regarding whether a report on further financing requests for Aviva Studios would be considered by the committee. The Deputy Chief Executive and City Treasurer advised that the Capital Monitoring report

would be considered by Executive later in the month and further detail on this was included in the report. A further report would be submitted to Resources and Governance Scrutiny Committee once the final account was available.

In response to a query regarding whether some of the points raised during the discussion of Part B items could be included in the minutes, the Deputy City Solicitor stated that he would advise the member on this outside of the meeting.

Decision:

That

1. the minutes of the meeting held on 20 July 2023 be approved as a correct record, and
2. the minutes of the meeting held on 24 August 2023 be approved as a correct record.

RGSC/23/49 Changes to Council Tax Support Scheme from April 2024

The committee considered a report of the Deputy Chief Executive and City Treasurer which proposed changes to the Council Tax Support Scheme (CTSS) to ensure that the scheme remains fit for purpose in response to cost-of-living challenges and the transition of most working age residents in receipt of welfare benefits onto Universal Credit.

Key points and themes within the report included:

- The proposed CTSS would pay up to 85% of the Council Tax bill, leaving 15% to pay, compared to the current CTSS which paid up to 82.5% of the Council Tax bill leaving 17.5% to pay;
- It was also proposed to extend the CTS backdating period for working-age and pension-age claims from six-months to 12-months;
- The background to council tax and previous CTS schemes in Manchester;
- The options for consideration;
- Consultation would be undertaken with precepting authorities and residents; and
- Key policies and considerations.

Key points and queries that arose from the committee's discussions included:

- Expressing broad support for the proposals;
- How the Council helped those ineligible for CTS; and
- What evidence there was to suggest that most CTS cases did not need backdating for the full six months to award the additional eligible period of CTS.

The Head of Revenues, Benefits and Customer Services explained that the CTSS provided support to residents on low income by reducing the amount of council tax they were required to pay. The proposed changes would apply from April 2024 and a thorough consultation exercise would be undertaken with the outcomes and final proposals reported back to the committee in January 2024.

In response to queries, the Head of Corporate Assessments explained that there were a number of discretionary schemes in place for those residents who were not eligible for the CTSS, such as the Discretionary Council Tax Payments scheme which allowed a greater level of scope for individuals who may require assistance. He stated that the Discretionary Housing Payments scheme could also be used to address other financial pressures, although it was noted that recipients of this scheme must be in receipt of Housing Benefit or Universal Credit. There was also the Welfare Provision scheme and the Household Support Fund 4 and the Council remained open to finding the best response to individual circumstances where possible.

The Head of Corporate Assessments stated that an underlying entitlement to the CTS benefit would be required for the Council to consider backdating. The proposed change would give additional flexibility to provide the maximum amount of support to households who struggled to make a claim for CTS at the point they needed it.

The Executive Member for Finance and Resources stated that the cost-of-living crisis remained a serious issue for many residents and the proposed changes to the CTSS would fulfil the Council's commitment to support those residents most in need.

Decision:

That the committee

1. notes the report, and
2. notes that the outcome of the consultation will be reported back to the committee and for approval by the Executive and Full Council in January 2024.

RGSC/23/50 Update from the Revenues and Benefits Unit

The committee considered a report of the Deputy Chief Executive and City Treasurer which provided an update on the activity of the Revenues and Benefits Unit since March 2023, including final details of recently completed Covid schemes and ongoing cost of living schemes delivered by the service.

Key points and themes within the report included:

- Benefits administration, including Council Tax Support and the management of the Welfare Provision Scheme and other discretionary schemes;
- The financial support provided by the Household Support Fund scheme;

- The financial support provided by the Council Tax Support Fund;
- The financial support provided by the Energy Bills Support Scheme Alternative Funding programme;
- The financial support provided by the Alternative Fuel Payment Alternative Funding scheme;
- Performance in the collection of council tax and how we balance collection, whilst working in an ethical way and supporting those residents on a low income; and
- Performance in the collection of business rates in the 2022/23 financial year and between 1 April and 31 July of the 2023/24 financial year.

Key points and queries that arose from the committee's discussions included:

- Welcoming the report;
- Querying whether any extra and more innovative communications could be used to highlight the support available and to reiterate that contacting the Council would not have a detrimental impact on a resident's case;
- Suggesting that Appendix 4 could be shared with members and advice agencies for distribution in their communities;
- The purpose of passing cases with a debt less than £150 to Enforcement Agents given that these cases are returned without an in-person visit;
- Whether there was a legal requirement to ask residents to pay their entire council tax bill in full if they missed one payment;
- How effective the Council was in receiving council tax debts in cases passed to Enforcement Agents;
- How a holistic approach was undertaken;
- Noting that Enforcement Agents were not used in 1 in 7 cases where a resident was vulnerable and/or qualified for CTSS and querying why this could not be rolled out fully;
- Noting the low take-up level of the Energy Bill Support Scheme Alternative Funding;
- The real cost to residents of using Enforcement Agents; and
- Whether the Council was currently involved in any government pilot schemes.

The Head of Revenues, Benefits and Customer Services explained that the report set out the significant work undertaken by the Revenues and Benefits Unit since the last update to the committee in March 2023 and detailed the continued delivery of core functions and services and the role played in providing critical financial support to residents and businesses through local and government grants and schemes. He stated that the Unit would continue to ensure that any available funding had the best impact for residents and communities.

In response to a question around effective communications, the Head of Revenues, Benefits and Customer Services stated that work was ongoing with colleagues in the Communications team to identify new ways to engage with residents. He advised that a working group had been established to undertake a review of council tax

correspondence in response to representations by ACORN. It was also stated that there had been a significant reduction in call waiting times in recent months.

The Head of Corporate Revenues explained that cases with a debt less than £150 to were passed to Enforcement Agents in an attempt to recover the debt without Enforcement Agents needing to visit a property, and this minimised the fee charged to residents. This was an automated process with no cost incurred by the Council. In circumstances where this would not be possible, the case would be returned for the Council to identify alternative methods to recover the debt.

It was further explained that when a payment is missed, the resident would receive a reminder and would only be required to pay their council tax bill for the year in full if this reminder was ignored. It was reiterated that, if a resident contacted the Council to advise that they were unable to pay the missed payment, officers could implement a payment plan to spread the cost over the year. A case would only be passed to Enforcement Agents if non-payment continued and a Liability Order was obtained from the Magistrates Court.

In response to a question regarding the efficacy of using Enforcement Agents to collect money owed, the Head of Corporate Revenues stated that around 14% of cases passed to Enforcement Agents resulted in the recovery of money and he recognised that Manchester was a deprived area compared to areas where Enforcement Agents were likely to collect a higher level of money owed. He stated that these were cases where the ratepayer had not engaged with the Council and where the Council did not have additional information to support their case, or the recovery of money owed and so there was no alternative means to retrieve the debt.

With regards to the holistic approach taken by the Revenues and Benefits Unit, the committee was advised that officers identify the most appropriate method for recovery based on the information they have. The Head of Corporate Revenues explained that the Council's role was to maximise the collection of council tax which required implementing sustainable arrangements. He stated that there were flexibilities to make it easier for residents to pay their council tax, such as providing breathing spaces and improving access to the Discretionary Council Tax Payment scheme.

The Head of Corporate Revenues advised that Enforcement Agents were not used to collect missed payments where the ratepayer is on the maximum level of CTS. These residents would be sent reminders to pay but were not issued with a summons and were not pursued further if payments continued to be missed.

In response to a query regarding the low take-up level of the Energy Bill Support Scheme, the Head of Corporate Assessments stated that Manchester achieved the greatest level of spend through the Energy Bills Support Scheme Alternative Funding programme than other GM authorities which responded to officers' enquiries. He stated that the Council had done all it could to communicate about and encourage take-up of the schemes. This was a government scheme for which Manchester was

responsible for issuing payments to eligible applications received through the government portal. Other local authorities had advised that take-up of the Alternative Fuel Payment Alternative Funding scheme was higher in rural areas.

The Deputy Chief Executive and City Treasurer emphasised the need for the government to design funding schemes collaboratively with local authorities.

The committee was further advised that Enforcement Agent fees were prescribed by the government and that there were 3 basic charges which included a £75 fee for passing a case to Enforcement Agents to collect through phone calls and letters, a £235 fee for home visits and a £110 fee for the removal of goods from a property, although this was a rare occurrence. The Head of Corporate Revenues endeavoured to provide an addendum to the report to detail these charges further.

The Deputy Chief Executive and City Treasurer confirmed that the Council was involved in the Greater Manchester 100% of Business Rates pilot scheme, which allowed the Council to retain 99% of business rates growth over the baseline. This pilot scheme had been extended and discussions were underway with the Department for Levelling Up, Housing and Communities (DLUHC) to extend by a further 10 years as part of the Devolution Trailblazer.

The Chair invited representatives from ACORN and Debt Justice to provide representations to the committee. They called on the committee to recommend that the Council ends the use of Enforcement Agents to collect council tax arrears and highlighted issues around mental health, the need for a more approachable method of collection and the importance of better engagement with residents. A representative of ACORN stated that the organisation agreed with the need to collect council tax to fund key services but expressed a need to be mindful of the human cost of using Enforcement Agents.

In response to these representations, officers stated that they could not comment on individual cases included in ACORN's appendix but provided assurances that the Enforcement Agent sector had positively changed in the years since these cases. Members were also advised that Enforcement Agents would not be sent where a payment was two days late nor would a resident be taken to court without being informed. It was also stated that there were few complaints made regarding the conduct of Enforcement Agents and that thorough training was provided for those in the role.

The Executive Member for Finance and Resources commended the work and performance of the Revenues and Benefits Unit. He recognised the empathetic approach of officers in helping residents. He thanked the guests for their attendance and contributions. He explained that the use of Enforcement Agents had decreased in past years but that the Council would lose £2.3million if it ended this practice.

Decision:

That the committee

1. notes the report, and
2. requests that officers, in consultation with the Executive Member for Finance and Resources, undertake a feasibility study into ending the use of Enforcement Agents.

RGSC/23/51 Artificial Intelligence and Automation

The committee considered a report of the Deputy Chief Executive and City Treasurer which established the Council's current position on and plans for automation and artificial intelligence (AI) and defined the different terminologies that often get grouped into this.

Key points and themes within the report included:

- An introduction written by artificial intelligence software, ChatGPT;
- The benefits of automation for the Council;
- Types of automation;
- Opportunities and risks from the ongoing development of AI; and
- Future ambitions for automation and AI and next steps.

Key points and queries that arose from the committee's discussion included:

- Noting the evolving nature of AI and automation;
- The impact of AI and automation on the workforce, and whether staff are consulted on proposed changes;
- Whether there were any real examples of AI being used to drive efficiencies and to streamline processes;
- Requesting that future reports include case studies;
- The need to implement new technologies appropriately so as not to alienate residents;
- How the use of AI and automation would change job roles;
- Whether an ethical approach would be taken to implementation of AI;
- Issues around intellectual property rights;
- Recommending that this be a standing item for discussion at Joint Consultative Committee (JCC) meetings; and
- Noting that Google Meet allowed AI personas to attend virtual meetings, and querying whether this would be rolled out within the Council.

In introducing the item, the Director of ICT recognised the growing profile of AI and automation within the news and explained that the Council had been using some established automation software for a substantial period of time.

In response to members' questions, the Director of ICT concurred that AI and automation was a fast-moving issue. Members were interested to note that some job applications received by the Council appeared to be written by AI and new

technologies were being developed to identify what had been created through AI. Briefing sessions on new technologies would be arranged for members later in the year.

The Director of ICT acknowledged the importance of engaging with the workforce and unions. He noted that engagement had been undertaken previously where new systems or technologies were implemented and that a report had been requested by the JCC on the impacts of AI and automation.

With regards to real examples of AI in use, the committee was informed of two pilots regarding issuing blue badges and reconciliation of earnings which were being designed. A further report on these pilots could be provided to the committee at a later date.

The need to create guidance on how the Council will use AI and automation was highlighted to ensure the right processes and procedures were in place. The impact of AI and automation in changing job roles was acknowledged as more technologies were adopted and would provide greater flexibility for staff to work on other tasks.

In response to a query around intellectual property rights, the Director of ICT explained that legislation and regulations on this were awaited from the government, but the Council would put its own guidance in place.

The Deputy Chief Executive and City Treasurer highlighted the potential of AI but stated that the Council was still in the early stages of implementing this. She explained that work was underway between ICT, Communications, Legal and Policy to create a stronger framework for the AI and automation agenda and there was a lot of work being undertaken across Greater Manchester, which the Council could draw expertise from.

The Director of ICT informed members that Microsoft Teams would be launching a similar AI persona technology to Google Meet and that the Council would assess where it could be suitable to use this.

The Executive Member for Finance and Resources reiterated how this technology was fast-moving and stated that the next steps listed in the report were appropriate.

Decision:

That the committee

1. notes the report, and
2. recommends that, through the JCC, the workforce be consulted on any proposed changes or implementation of AI and automation technologies.

**RGSC/23/52 Resident and Business Digital Experience Programme (RBDxP)
Progress Update**

The committee considered a report of the Deputy Chief Executive and City Treasurer which provided an update on the Resident and Business Digital Experience Programme (RBDxP), the Programme's approach to user engagement and progress made in the procurement of new technology to replace the Council's existing Customer Relationship Management (CRM) System, eForms and integration technology.

Key points and themes within the report included:

- Providing an introduction and background to RBDxP;
- Recent progress made;
- The approach to procurement of a new Digital Platform;
- The approach to implementation;
- Timescales;
- Priorities and next steps for the Programme; and
- Improvement activities in the Revenues and Benefits Unit.

Key points and queries that arose from the committee's discussion included:

- Seeking assurances that the Council's Public Services Network (PSN) was robust;
- How those residents who were digitally excluded or who did not contact the Council digitally would be consulted with;
- Noting that young people can also experience digital exclusion;
- The timescales for implementation of the new CRM system;
- Whether the new CRM system would allow photo uploads;
- How a non-resident could report an issue through the CRM system;
- The possible impact of decommissioning the previous CRM system without all current functionality being delivered; and
- Whether emails would remain a channel for communication.

The Head of Revenues, Benefits and Customer Services explained that RBDxP was a key workstream under the Council's Future Shape programme, which sought to replace the current CRM system, integration technology and website with an integrated digital platform which worked collaboratively for the benefit of residents, members and businesses when interacting with the Council. He highlighted the extensive engagement which had taken place with residents, community groups, businesses and members to ensure these new systems meet their needs and expectations. He stated that a series of user personas had been developed and would be at the heart of the system design to overcome any barriers and challenges users currently faced when interacting with Council services.

In response to queries, the Head of Revenues, Benefits and Customer Services stated that retaining PSN-compliance was a priority for the programme and this was largely the driving factor behind the deadline to replace the current CRM system by February 2024. He explained that significant work around form build and design had

been undertaken and that further progress could be made now that Verint had been appointed as the Council's CRM provider.

Regarding the engagement methods, the committee was advised that the programme would not replace technology like-for-like but would improve the experience of and the way that the Council communicated with residents and businesses to allow for a more joined-up experience. The Head of Revenues, Benefits and Customer Services explained that there had been direct engagement with Age Friendly Manchester and a number of public drop-in sessions had been held with the Equality, Diversity and Inclusion team and work had been undertaken with the digital inclusion team. The RBDxP Programme Manager stated that feedback sessions had been held in the Town Hall Extension, Central Library, Longsight and Gorton. Additional forums had been held in Chorlton, Moss Side, Clayton, Piccadilly and the Northern Quarter and a Residents User Group had been established with over 100 members.

The Head of Revenues, Benefits and Customer Services acknowledged an urgency to replace the Council's current CRM system by February 2024 and this would be completed on a like-for-like basis to ensure that the Council remains PSN-compliant. Once implemented like-for-like, there would be a number of phases rolled out over a period of approximately 18-24 months to refine the technology. He noted that any, if possible, 'quick wins' such as photo uploads would be implemented by February 2024 if feasible.

Assurances were also provided that services would be designed to be quick and easy to use to allow those with the ability to interact digitally with the Council to do so and to allow greater availability in traditional communication channels, such as telephony services, for those users who require these.

In response to a query regarding how a non-resident could report an issue through the CRM system, the RBDxP Programme Manager explained that a user persona had been created for visitors to encompass the experience and challenges they may face.

The Head of Revenues, Benefits and Customer Services explained that Verint and Mulesoft were leading market providers, and the procurement process was split into three cohorts which enabled integration between the two technologies. Both providers had been informed of the timescales for implementation. He also advised that as the CRM system was a workflow between Customer Services and the relevant department that the query would be directed to, so users would not see much difference from the replacement and should have a seamless experience. Contact centre agents and service areas would be fully trained before February 2024.

Assurances were also provided that processes would be put in place in the event that the system functionalities could not be replaced like-for-like prior to the launch date to ensure that residents and businesses would not be impacted.

It was confirmed that emails would continue to be available as a channel for members to report issues and request services.

Decision:

That the report be noted.

RGSC/23/53 2024/25 Budget Process

The committee considered a report of the Deputy Chief Executive and City Treasurer which on the current position of the Medium-Term Financial Plan and the planned approach to the 2024/25 budget process.

Key points and themes within the report included:

- The current Medium-Term Financial Plan, approved in February 2023;
- The context behind the budget;
- The proposed approach and refresh of the 2024/25 position; and
- Timescales and next steps.

The Deputy Chief Executive and City Treasurer stated that the government's Autumn Statement would be provided on 22 November 2023 with the Finance Settlement expected in late December.

Members expressed their disappointment that the Council had to prepare in such a manner as a result of the unpredictability of the government to provide adequate funding and to provide this information in a timely manner.

The Deputy City Treasurer commented that the Council was entering a challenging phase with regards to the budget and stated that officers were working to find suitable solutions and hoped to be in a sustainable position.

Decision:

That the proposed approach be noted.

RGSC/23/54 Overview Report

The committee received a report of the Governance and Scrutiny Support Unit which provided details of key decisions that fell within the Committee's remit and items for information previously requested by the Committee. The report also included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

Decision:

That the report be noted and the work programme agreed.

