

## **Scrutiny Committee Minute extracts**

### **5 – 7 February 2019**

#### **Health Scrutiny Committee – 5 February 2019**

##### **HSC/19/09      Updated Financial Strategy and Directorate Business Plans 2019-20**

Further to item HSC/18/50 the Committee considered the report of the Chief Executive and the City Treasurer that provided an update on the Council's financial position and set out next steps in the budget process, including scrutiny of the draft budget proposals and Directorate Business Plan reports by this Committee.

The Committee was invited to consider and make recommendations to the Executive on the budget proposals which are within the remit of this Committee and to comment on the Directorate Business Plans which had been designed to ensure the Council invests in the services that are valued by its residents, achieving both high quality services and outcomes for residents as well as a balanced budget.

The Committee considered the Manchester Health and Care Commissioning - Adult Social Care Business Plan and Pooled Budget contribution 2019/20.

The Executive Member for Adults, Health and Wellbeing commented that continued austerity and unfair local government funding settlements had a significant detrimental effect on the lives of Manchester residents and the provision of a range of services. She said that the Council's financial planning and investment in the Airport Group had supported the delivery of services and further commented that an assumption and reliance on Council Tax to fund Adult Social Care was fundamentally flawed and was not sustainable long term.

The Executive Member for Adults, Health and Wellbeing said that the Council remained committed to protecting vulnerable residents from the worst of these financial cuts and remained committed to improving services. She commented that the increase in the number of people who were homeless and rough sleeping could be linked to the imposition of welfare reform and the introduction of Universal Credit.

The Executive Member for Finance and Human Resources said that the funding allocation model was flawed and needed to change to ensure residents of the city received a fair settlement, noting that it did not take into account density or deprivation levels. He said that the budget that had been presented was designed to protect the most vulnerable in the city.

Members of the Committee commented that the decade of austerity that had been imposed on Manchester had been very unfair and had impacted on the lives of many Manchester residents. The Committee thanked the Executive Members and the officers for investing what money was available into protecting and improving those services that helped the most vulnerable in the city. Members further commented that

government needed to invest appropriate funding into preventative activities and Public Health, in addition to delivering a fair financial settlement for Manchester.

Members discussed the need to consider the terms and conditions of those staff who deliver homecare, noting that staff were not paid for travel time. The Executive Member for Adults, Health and Wellbeing said that Manchester City Council had pledged its support to the Ethical Care Charter and would use its influence through the commissioning and procurement process to drive improvements to the terms and conditions of those staff working in the care sector.

### **Decision**

To note the reports and recommend that the comments of the Committee are submitted to the 13 February 2019 meeting of Executive for consideration.

## **Children and Young People Scrutiny Committee – 5 February 2019**

### **CYP/19/09      Updated Financial Strategy and Directorate Business Plans 2019-20**

Further to item CYP/18/63, the Committee received a report of the Chief Executive and City Treasurer which provided an update on the Council's financial position and set out the next steps in the budget process, including scrutiny of the draft budget proposals and Directorate Business Plan reports by the Committee.

The Committee also received a report of the Strategic Director for Children's and Education Services which set out in broad terms the directorate's key priorities, key activities and revenue and capital strategy for 2019-20; within the context of the Directorate Business Plan for the period 2017-20 and proposed savings. In addition, the report set out both the progress made to date in delivering identified savings and focus for the final year of the three-year plan; refreshing the Directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.

The Committee also received a report of the Director of Education which provided a summary of the confirmed Dedicated Schools Grant (DSG) grant allocation from the 2019-20 settlement announced on the 16 December 2018 and the budget allocation across individual school budgets (ISB) and Council retained schools budget (RSB) which was reported to Schools Forum on 14 January 2019.

The Committee was asked to consider and make recommendations to the Executive on the budget proposals which were within its remit and to comment on the Directorate Business Plans which have been designed to ensure the Council invested in the services that were valued by its residents, achieving both high quality services and outcomes for residents as well as a balanced budget.

The Executive Member for Children's Services, the Executive Member for Finance and Human Resources and the Executive Member for Schools, Culture and Leisure outlined the context of the reports, in particular the financial challenges the Council was facing. The Strategic Director for Children's and Education Services and the Head of Finance provided Members with an overview of the reports.

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

- To welcome the additional funding for Children's Services and to note the importance of budget saving targets being realistic;
- How inclusion of pupils with Special Educational Needs and Disability (SEND) could be improved;
- To request information on how school funding per pupil had changed in recent years;
- That some schools had a significant underspend on their budgets, which could be utilised elsewhere; and
- To thank Executive Members and officers for their hard work in developing the draft budget proposals and business plans in difficult financial circumstances.

The Strategic Director for Children's and Education Services reported that there was an increased demand for school places for children with SEND and drew Members' attention to the work taking place to increase the number of places in special schools and alternative provision; however, he reported that the aim was that children with SEND be integrated into mainstream schools wherever possible. The Head of Finance reported that, while school funding had increased, the number of pupils had also risen. She informed Members that she would provide details of school funding per pupil in recent years.

The Executive Member for Schools, Culture and Leisure reported that the Council had been working with schools which had a significant underspend on developing their plans for these funds and that, in some cases, schools had agreed to give the funds to the Council to re-allocate it to where it was needed.

## **Decisions**

The Committee:-

1. Supports the draft budget proposals and the Children and Education Services Business Plan.
2. Supports the proposals set out in the Dedicated Schools Grant (DSG) report, while noting that more funding was needed for the DSG, the High Needs Block and the Early Years Block and that Members would continue to lobby and challenge the government on this.
3. Asks the Head of Finance to provide details of school funding per pupil in recent years.

## **Neighbourhood and Environment Scrutiny Committee – 6 February 2019**

### **NESC/19/09 Updated Financial Strategy and Directorate Business Plan 2019/20**

Further to item NESC/18/52 the Committee considered a report of the Chief Executive and the City Treasurer that provided an update on the Council's financial position and set out next steps in the budget process, including scrutiny of the draft budget proposals and Directorate Business Plan reports by this Committee.

The Committee was invited to consider and make recommendations to the Executive on the budget proposals which were within the remit of this Committee and to comment on the Directorate Business Plans which had been designed to ensure the Council invested in the services that were valued by its residents, achieving both high quality services and outcomes for residents as well as a balanced budget.

The Committee considered in turn the Neighbourhoods Budget and Business Plan, the Strategic Development Budget and Business Plan and the Homelessness Budget and Business Plan.

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

- Noting that despite continued austerity and years of unfair funding settlements the Council had remained committed to supporting the most vulnerable residents, and acknowledging that investments had been made in services to improve the lives of Manchester residents;
- Support was expressed for the call to regulate bus services across Manchester, noting that areas of the city were underserved and this had an impact on residents' opportunities to access jobs and engage in the city's cultural offer;
- An explanation was sought regarding the highways budget underspend;
- More needed to be done to tackle rogue landlords, noting that vulnerable tenants were often housed in premises that were not suitable;
- Was there an intention to extend the Selective Licensing Scheme for private landlords;
- Supporting the stated commitment given to building social and affordable housing, adding that this needed to be provided across the city;
- Was the funding for homelessness services sustainable in future years;
- Had there been an investment in staff within the homelessness teams to deal with the increased demand on this service;
- Consideration needed to be given to developing a policy to stop placing homeless families into hotels;
- Noting the programme to purchase houses to accommodate homeless families where would these properties be located and would those families be offered support;
- Noting the costs associated with homelessness it was important to acknowledge the wider additional costs to a range of services, including Children's and Health services, that resulted from homelessness;

- Was the number of asylum seekers placed in Manchester known and was the accommodation that they were provided with checked to ensure it was safe;
- Welcoming the support offered to the Lord Mayor's Homelessness Charity by Vincent Kompany whose testimonial dinner had raised £216K for good causes;
- Clarification was sought as to where the proposed additional investment of £0.5m identified within the Neighbourhoods Directorate Business Planning: 2019-20 would be spent and how the impact of this investment would be measured;
- What was the cost to the Council of removing fly tipping;
- Consideration should be given to introducing CCTV at household waste and recycling centres to monitor vehicles and help identify fly tippers;
- Consideration needed to be given to domestic bin sizes to support residents to dispose of their waste appropriately and encourage recycling; and
- The bulky waste collection service needed to be promoted amongst residents, such as applying information stickers on bins.

The Executive Member for Environment, Planning and Transport said that the budget proposals demonstrated that Manchester City Council was trying to mitigate the continued cuts to public services that had been experienced worst by Labour run authorities. She described that the city was growing with resulting demands on services, however funding had been reduced year on year. She described that the Council had listened to the views of residents throughout previous years' budget consultation exercises and had striven to keep neighbourhoods clean and invested in repairing the highways network, acknowledging the point raised regarding the importance of having a safe and reliable road network for all users. She explained the reasons for the Highways underspend in previous years and how this had been reprogrammed to deliver the programme of works.

The Executive Member for Housing and Regeneration welcomed the support for the stated commitment to deliver social and affordable housing for Manchester residents and reiterated the points made regarding the unfair budget cuts year on year. She said that work was being developed to establish an enforcement team specifically for the Private Rented Sector, stating that they had issued over £1/4m in Civil Penalties to landlords to date and once recovered, this money would be reinvested back into the enforcement team. She further informed the Committee that the Council had been successful in a bid to the Ministry of Housing, Communities and Local Government for further funding for work to address Rogue Landlords.

The Executive Member for Housing and Regeneration further commented that an evaluation of the Selective Licensing scheme would be undertaken and this would inform discussions in regard to if this scheme would be extended into other areas, and due to the broadening of HMO licencing the team would be expanded to cover the new properties now covered by HMO licencing.

The Deputy Leader responded to the comments regarding the Homelessness Budget paper and commented that the increased rates of homelessness and rough sleeping was a societal issue and the impact of continued welfare reform and that the introduction of Universal Credit had had a significant impact. She said that the budget proposed was designed to protect and invest in services for the most vulnerable

people in the city. She said there was a move away from housing families in hotels and work was ongoing to improve temporary accommodation.

The Deputy Leader commented that the intention was to buy houses that were suitable for families and these would be bought where they were available. She said that support was available for families who were homeless and support would be provided as they moved into those properties. In response to the comments raised regarding a further breakdown of the homelessness budget she said this would be provided to the Committee. The Head of Finance commented that there were elements of the homelessness budget that were non-recurring.

The Strategic Lead for Homelessness said that in response to the increase in the number of people presenting as homeless the number of staff at the 'front door' had been increased to deal with the demand. She said that work was underway to deliver this service in other locations, including developing options with the Local Care Organisation. She described that work was being progressed to increase homelessness prevention, this included a team to deal with Section 21 eviction notices and intervening on behalf of residents and working with Private Landlords to prevent evictions. In response to the question regarding asylum seekers she advised that there was a process in place whereby the location of properties was approved and Manchester was not above the 1:200 limit.

The Executive Member for Neighbourhoods stated that flytipping was increasingly associated with commercial waste and criminality and consideration was being given as to how interventions, such as CCTV and installing physical barriers could be implemented to address this. He said Manchester remained committed to identifying and prosecuting those responsible for flytipping, commenting that Manchester had been responsible for 10% of all prosecutions nationally.

The Executive Member for Neighbourhoods said that work would commence to review the size of different bins in passageways to ensure they were sufficient and to promote recycling. He further commented that he would circulate the cost of removing flytipping to the Committee.

In regard to the comments made about the bulky waste collection service the Executive Member for Neighbourhoods stated that a way of maximising the benefits of this would be for residents to 'pool' their allowance, noting that apartment blocks have one free collection allocated per apartment and consideration would be given to how this service could be further promoted amongst residents.

## **Decision**

The Committee;

1. Note the reports and recommend that the comments of the Committee are submitted to the 13 February 2019 meeting of Executive for consideration.
2. Request that the Executive Member for Neighbourhoods provide the Committee with a breakdown of where the proposed additional investment of £0.5m described in the Neighbourhoods Directorate Business Planning: 2019-20 would be spent and how the impact of this investment would be measured;

3. Request that the Deputy Leader provide a further breakdown of the Homelessness Budget.

[Councillor Appleby declared a personal and non prejudicial interest as her partner is employed by Biffa and Councillor Hughes declared a personal and non prejudicial interest as he is employed as a bus driver.



## **Economy Scrutiny Committee – 6 February 2019**

### **ESC/19/11      Updated Financial Strategy and Directorate Business Plans 2019-20**

Further to Minute ESC/18/55, the Committee considered a report of the Chief Executive and the City Treasurer which provided a further update on the Council's financial position and set out the next steps in the budget process.

The Committee was invited to consider and make recommendations on the budget proposals which were within the remit of the Committee and to comment on the Directorate Business Plans, prior to their submission to the Executive on 13 February 2019.

The Executive Member for Housing and Regeneration and the Executive Member for Finance and Human Resources outlined the context of the reports, in particular the challenges presented by funding reductions from the national government.

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

- It was felt that there needed to be more detail within Business Plan as to how the Council's living wage policy was being developed and enforced through contracts;
- The Committee welcomed the investment in Adult Social Care which would hopefully help older resident stay in employment longer; and
- The Committee welcomed the increased budget for compliance on private landlords and waste management.

The Leader agreed that more detail would be included in the Business Plan in regards to the Council's living wage policy and how this was being applied within contracts. He also commented that the Council would be developing an action plan as to how the quality of life for those aged 50 to 64 could be improved.

The Executive Member for Housing and Regeneration commented that there was also other areas of focus taking place in regards to the private sector rental market, which would include a review and extend the selective licensing schemes and also an increase in the team that deals with HMO licensing.

### **Decision**

The Committee

- (1) notes that this is the final year of a three year budget; and
- (2) requests that the Executive take into account the comments made by the Committee.

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## **Communities and Equalities Scrutiny Committee – 7 February 2019**

### **CESC/19/08     Updated Financial Strategy and Directorate Business Plans 2019-20**

Further to item CESC/18/54, the Committee received a report of the Chief Executive and the City Treasurer which provided an update on the Council's financial position and set out the next steps in the budget process, including scrutiny of the draft budget proposals and Directorate Business Plan reports by the Committee.

The Committee also received a report of the Deputy Chief Executive which set out in broad terms the Neighbourhoods Directorate's key priorities, key activities and both the revenue and capital strategy for 2019-20. In the Business Plan for the period 2017-2020, directorates had set out their proposed savings in the context of their objectives. This report set out both the progress made to date in delivering these savings and the directorate's focus over the final year of the three-year plan. This report was a refresh of the directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.

The Executive Member for Finance and Human Resources outlined the context of the reports, in particular the challenges presented by funding reductions from the national government. The Chief Operating Officer (Neighbourhoods) provided Members with an overview of the reports. The Executive Member for Schools, Culture and Leisure highlighted investments and improvements being made in areas within the Committee's remit.

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

- To welcome that the Council was investing in services which residents had stated were important to them, despite the current financial situation;
- Whether there were any plans for the returned £2.7 million from the unused central business rates levy surplus;
- How confident were officers that an additional £163,000 would be generated from parks in 2019-20;
- Request for further information on the Manchester Volunteer Inspired Programme (MCRVIP); and
- To thank officers and Executive Members for their hard work in developing the budget proposals and business plans.

The Executive Member for Finance and Human Resources reported that the £2.7 million was earmarked for addressing the budget pressures on the Children's Services budget. The Executive Member for Schools, Culture and Leisure informed Members that the Council had already managed to increase the income generated from cafes and other facilities in the city's larger parks and that responses to the consultation on the Parks Strategy had indicated that residents wanted more amenities, such as cafes, in parks. He reported that the first 15 park plans were being implemented, with support from partners including volunteers, and that he was confident that the income targets could be achieved. The Strategic Lead (Parks, Leisure and Events) reported that 25% of the running costs for Manchester parks

were funded by income generated through trading or secondary income from the parks. He informed the Committee that, based on benchmarking with other cities, he was confident that, with the right investment and approach, there was a lot of scope to increase the income generated from the city's parks.

In response to the question on the MCRVIP, the Strategic Lead (Parks, Leisure and Events) informed Members that many local people had volunteered to support the Commonwealth Games held in Manchester in 2002 and had expressed an interest in continuing to volunteer at future events. He reported that in 2006 the Council had secured funding to establish a volunteering bureau which was primarily focused on sport and leisure events and that this model had been successful and had subsequently been adopted by other cities. He informed the Committee that the Council was now working to expand the MCRVIP to encompass other types of volunteering opportunities. The Chief Operating Officer (Neighbourhoods) reported that officers were working with colleagues in HROD (Human Resources and Organisational Development) on how this platform could be used to link Council staff to volunteering opportunities, as Council employees were now eligible for three days of volunteering leave per year.

## **Decisions**

The Committee:-

1. Supports the way the Council is working to continue to provide services in the face of challenging financial circumstances.
2. Requests that the report on Events, which is scheduled for the 7 March meeting, include further information on the Manchester Volunteer Inspired Programme and how it links into the events programme.

## **Resources and Governance Scrutiny Committee – 7 February 2019**

### **RGSC/19/09 Updated Financial Strategy and Directorate Business Plan 2019/20**

Further to Minute RGSC/18/66, the Committee considered a report of the Chief Executive and the City Treasurer which provided a further update on the Council's financial position and set out the next steps in the budget process.

The Committee was invited to consider and make recommendations on the budget proposals which were within the remit of the Committee and to comment on the Directorate Business Plans, prior to their submission to the Executive on 13 February 2019.

The Executive Member for Finance and Human Resources outlined the context of the reports, in particular the challenges presented by funding reductions from the national government. The Leader commented that the cuts made to the Council's budget were now £10million more than when the three year budget was first set in 2017/18, and what was clearly evident was that the impact of austerity was becoming ever more visible, particular in those areas of high deprivation.

In relation to the Corporate Core Business plan, some of the key points that arose from the Committees discussions were:-

- With the uncertainty of Brexit, what would be the impact of the withdrawal of European Regional Development fund to the Council and what were the €3 million of approved grants that the Council currently had access to;
- Further clarification was requested on the leadership role of the Core in influencing outside of the organisation to reduce greenhouse gas emissions and improve air quality and improve public transport and highways and make them more sustainable;
- Why had staff absence levels increased within the Core;
- There was concern that Council average days absence was 12.1 days when compared to the private sector absence average of 6.1 days;
- Had the Age Friendly Board been involved in the arrangements to ensure residents were supported to live at home for as long as possible;
- Was there a correlation between staff absence levels and efficiency savings;
- Was the annual leave purchase scheme working well and if so was there any scope to achieve further savings than the identified £150,000;
- Was it anticipated that the level of savings through ICT would be achievable; and
- Reassurance was sought that the savings identified through the deletion of vacant posts was achievable and that these posts were not definitely not required.

The City Treasure advised that there had been a lot of work undertaken at a GM level on the impact assessment on the risk of withdrawal of European

funding as a result of Brexit. The removal of this funding would not impact directly on the Council's core services, however, it would have some impact

on programmes of work such as work with other European cities and climate change, were we would have reduced access to funding. The Leader added that the removal of this funding was a bigger risk at a Greater Manchester level than it was to just the Council. The City Treasurer also agreed to provide a breakdown to Members of the €3million approved grants that was currently received.

The European Commission last week unilaterally acted to guarantee funding to UK recipients from other transnational programmes in the event of a “no deal” scenario. This should protect much of the €3m previously identified as at risk. Officers are reviewing last week’s EC announcement and their projections of potential impact for Manchester. An update will be provided to Resources & Governance Scrutiny at their next meeting.

In terms of the leadership role of the Core, the City Treasurer explained that this referred to the broader role of the Core in supporting the development of policy and priorities for the Council. An example was the work undertaken by the Council’s Policy Unit which provided information and support in bringing together the links to the work being carried out at a GM level.

The City Treasurer advised that sickness absence levels had remained at a similar level over the past one to two years. A considerable amount of work has been undertaken to reduce this level and improve performance including the recent focus on wellbeing.

The Leader advised that in terms of enabling the MLCO to proactively triage, monitor and respond to residents’ circumstances to ensure they were supported to live at home for as long as possible, this was in line with existing policy which the Age Friendly Board had been consulted on.

The Committee was advised that they should not read a direct correlation between staff absence levels and efficiency savings. The Leader acknowledged that there would be some impact on the delivery of savings as there had been a 40% reduction in the workforce over the last nine years and Elected Members needed to be conscious of this.

The Executive Member for Finance and Human Resources confirmed that the annual leave purchase scheme was working well and had been well received by staff. He hoped that the policy could be enhanced further in the future. He also commented the Council had a comprehensive ICT strategy that would help to achieve the identified savings. In terms of staff vacancies, the Council’s Senior Management Team had reviewed all current vacant posts to identify whether these were still required.

In relation to the Strategic Development Business Plan, some of the key points that arose from the Committees discussions were:-

- It was requested that that the word ‘solutions’, in reference to delivering housing for residents with additional needs, was removed from the Business Plan;

- More information was needed on how many income generating interests were run by volunteers as part of the Investment Estate and would the strengthening of this performance impact on these organisations;
- Why had there been a delay in the retendering of the repairs and maintenance contract and had this had any financial impact on the Council;
- How much funding was contained within the regeneration reserve;
- Could more be done in terms of the offer to apprentices from within the directorate; and
- Why was the Adult Education Budget (AEB) being devolved to the GMCA in the 2019/20 financial year.

The Deputy Leader agreed to provide Members with more information on the number of income generating interests that were run by volunteers and advised that the Council was looking to increase its income from its commercial arm as opposed to its voluntary arm. The Leader added that as part of the Council's Estates rationalisation, where properties had no operational use to the Council, community asset transfers would be supported where possible.

The Committee was advised that there had been a delay in the retendering of the repairs and maintenance contract and that the Security contract had been extended to synchronise the provision of services in order to gain the most efficiency from the contracts and to also see what other organisations could provide. The Leader advised that the extension of existing contracts and the delay in the retendering of these contracts had not incurred any additional costs to the council.

The Leader advised that it was national government who was devolving the funding from the Adult Skills Board to a Greater Manchester level and not Manchester's Adult Education budget that was being passed up to the GMCA. He advised that there was approximately £15m in the regeneration reserve, a third of which would be used for revenue purposes, with the remainder to be used for investment in housing purposes.

The Executive Member for Finance and Human Resources advised that excluding schools, the Council was on track to exceed its target for apprenticeship starts in 2018/19. It was acknowledged that more needed to be done with the school's element of the apprenticeship levy and the Council's social value policy aimed to provide more opportunities for apprentices.

## **Decision**

The Committee

- (1) Requests that the Executive take into account the comments made by the Committee;
- (2) Requests the City Treasurer to provide a briefing note on the €3million European approved grants that the Council currently had access to;
- (3) Agrees that a report is submitted to a future meeting of the HR Sub Group on the management of absence across the Council; and

- (4) Requests that the word 'solutions', in reference to delivering housing for residents with additional needs, is removed from the Strategic Development Business Plan.