

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 7 February 2019

Present:

Councillor Russell (Chair) – in the Chair
Councillors Ahmed Ali, Andrews, Barrett, Clay, Davies, Lanchbury, Kilpatrick, Moore, B Priest, A Simcock, Watson and Wheeler

Also present:

Councillor Leese - Leader
Councillor N Murphy - Deputy Leader
Councillor Ollerhead - Executive Member for Finance and Human Resources

Apologies: Councillor Rowles

RGSC/19/8 Minutes

Decision

To approve the minutes of the meeting held on 10 January 2019 as a correct record.

RGSC/19/9 Updated Financial Strategy and Directorate Business Plans 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 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.

In terms of the leadership role of the Core, the City Treasurer explained that this referred to work undertaken by the Council's Policy Unit which provided information and support to these areas both in terms of bringing together the support from within the Council and links to where this work was 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, which reflected a considerable amount of work that had been undertaken to reduce this level and improve performance.

The Leader advised that in terms of enabling the MLCO to proactively triage, monitor and respond to residents' circumstances in order to ensure they were supported to live at home for as long as possible, this was restating what was existing and long term policy, which the Age Friendly Board had been consulted on many times over a long period of time.

The Committee was advised that there was no 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 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 the delay in retendering of the repairs and maintenance contracts had occurred due to an effort to try and synchronise the renewal of these contracts in order to gain the most efficiency from the contracts and to also see what other organisations could provide. Existing contracts would continue until the bids for the new contracts had been received and evaluated. 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 exceeding its targets apprenticeship levy targets. It was acknowledged that more needed to be done with the schools element of the levy and the Council's social value policy aimed to provide more opportunities for apprentices.

Decision

The Committee

- (1) Notes that this is the final year of a three year budget;
- (2) Requests that the Executive take into account the comments made by the Committee;
- (3) Requests the City Treasurer to provide a briefing note on the €3million European approved grants that the Council currently had access to;
- (4) Agrees that a report is submitted to a future meeting of the HR Sub Group on the management of absence across the Council; and
- (5) Requests that the word 'solutions', in reference to delivering housing for residents with additional needs, is removed from the Strategic Development Business Plan

RGSC/19/10 The impact of welfare reform agenda on the Council's finances and its ability to provide support to residents of Manchester

The Committee considered a report of the City Treasurer, which detailed the impact of the welfare reform agenda on the Council's finances and its ability to provide support to residents of Manchester.

The main points and themes within the report included:-

- Budget implications, including the funding for temporary accommodation in connection to the rise in homelessness;
- The status of Universal Credit in Manchester, including details of the claim volumes of households;
- Details of Discretionary Housing Payment spend against agreed budget and associated budget pressures;
- The purpose and objectives of the Council's Welfare Provision Scheme;
- The impact of Universal Credit on the Council's Council Tax Support Scheme for 2019/20;
- The impact of Universal Credit on the Council's collection of Council Tax and rent collection;
- Detailed area analysis of the impact of Universal Credit on housing provider tenants, including feedback from Northwards, Grove Village and S4B; and
- The burden to the Council's Revenue and Benefits service to provide support for Universal Credit.

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

- The Committee was disheartened to see the compound effect that the removal of government funding to families, Schools and the Council itself was having on

- the city, and felt that the Government was in denial of the true impact austerity measures were having on Manchester's most vulnerable residents;
- The work of the staff in the Revenue and Benefits team was commended and it was asked whether staff within these teams were offered any form of support due to the distressing nature of some of cases they had to deal with;
 - To what level was the Council relaying to Government the serious challenges it was now having to face due to the continued cuts in funding;
 - It was suggested that the issue of rental arrears of tenants of Manchester's six housing providers, who were subject to Universal Credit, was referred to a future meeting of the most appropriate Scrutiny Committee for consideration; and
 - There was concern as to whether there would be enough funding in future years to support the level of demand

The Director of Customer Services and Transactions shared the Committee's concerns about the reduction in funding from Government and its impact on Manchester residents. She advised that staff within the Revenue and Benefits Team received comprehensive training prior to starting their roles. Staff had flexible working arrangements and were able to ask for support at any time. It was also reported that the ratio of Team Leaders to staff was 1:12 in order to ensure appropriate line management support and foster close working relationships.

The Executive Member for Finance and Human Resources echoed the Committee's praise of staff and commented that the work and support of the Director of Customer Services and Transactions and her managers had resulted in an improvement in the B'Heard 2018 survey results. He also suggested that Committee Members might benefit from undertaking a site visit to the Revenue and Benefits Team to get a true appreciation of the work undertaken by staff.

The City Treasurer advised that the Council had relayed its concerns as to the challenges Manchester faced in the responses to the consultations to the Fairer Funding Review and Business Rates. She confirmed that these responses would be submitted to the next meeting of the Committee for consideration.

Decision

The Committee:-

- (1) Notes the report
- (2) Request that the Scrutiny Team Leader liaises with the Director of Customer Services and Transactions to arrange a site visit to the Revenue and Benefits department at a suitable time; and
- (3) Agrees to refer to the appropriate scrutiny committee consideration of rental arrears of tenants of Manchester's six housing providers, who were subject to Universal Credit

RGSC/19/11 Changes to the Council Tax charges levied for tax on empty properties

The Committee considered a report of the City Treasurer, which detailed the final proposals, following a consultation exercise, about whether to adopt these new discretionary powers, and whether to retain or remove the discounts relating to properties empty for one month or undergoing major works.

The Director of Customer Services and Transactions referred to the main points and themes within the report which included:-

- Background as to how the Council currently applied council tax charges to long term empty (LTE) properties;
- Government proposals for changing how Council could apply council tax charges to LTE properties;
- The financial impact of these proposed changes, including how it affected the New Homes Bonus;
- The impact of removing the current 100% discount (for up to one month) when a property became empty and unfurnished and the 50% discount (for up to one year) when a property was undergoing major repairs or structural alterations;
- The outcome of the consultation and engagement plan with Manchester residents; and
- Key policies and consideration in relation to risk management and legal considerations.

The Committee had been invited to comment on the report prior to its submission to the Executive on 13 February 2019.

The Committee unanimously supported the proposed changes to increase Council Tax charges relating to empty domestic properties, as this would have a positive impact for the Council by offering a financial incentive to avoid properties being empty and unoccupied and would increase revenue to the Council.

Decision

The Committee endorses the recommendations contained within the report that the Executive:-

- Note the outcomes of the consultation exercise and the Equality Relevance Assessment, both of which have informed the final recommendations;
- Adopt the discretionary powers to charge higher levels of Council Tax on properties that have been unoccupied and unfurnished for two, five and ten years;
- Remove the 100% discount currently available for up to one month when a property first becomes unoccupied and unfurnished; and
- Remove the 50% discount available for up to one year when a property is unoccupied due to major works or structural alterations.

RGSC/19/12 Changes to the Council's Council Tax Support Scheme - results of consultation and final proposals

The Committee considered a report of the City Treasurer, which detailed the final proposals for the Council's Council Tax Support Scheme (CTSS) from April 2019. The report proposed changes to ensure that the scheme remained fit for purpose as working age residents in receipt of welfare benefits were moved onto Universal Credit.

The Director of Customer Services and Transactions referred to the main points and themes within the report which included:-

- The background to the current local Council Tax Support Scheme for the Council;
- The impact of Universal Credit on Manchester residents and its impact on Council Tax Support;
- What impact the proposed changes would have on Manchester residents;
- The cost of the proposed changes;
- Financial modelling and impact of a banded scheme;
- The outcome of the consultation exercise with Manchester residents; and
- Key policies and considerations, including any legal considerations in relation to the proposed changes.

The Committee had been invited to comment on the report prior to its submission to the Executive on 13 February 2019.

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

- Members unanimously supported the proposed changes to the Council's CTSS in order to continue to deliver a scheme that was cost effective and provided optimum support to low income households within the available budget;
- How much additional funding would be required to deliver the proposed changes to the Discretionary Council Tax Payment Scheme in order to support those families where the government changes have had the most significant impact;
- How would these additional families who required support be identified;
- How will the Council standardise this support and incorporate it into Council policy;
- What opportunity was there to present a case to the DWP to change their ICT system to flag those individuals and or families that were entitled to Council Tax Support;
- Was there a trend of larger families moving into Manchester;
- It was pleasing to see that the number of Band H properties in the city had doubled in number and only eight of these were empty, which would result in more Council Tax income for the Council; and
- Was it possible for the Council to ask the DWP to advise claimants to always claim Council Tax support.

The Director of Customer Services and Transactions advised that an additional £150,000 was being invested into Discretionary Council Tax Payment Scheme to provide support to those additional families where the government changes had had the most significant impact and that this funding would be requested to be maintained in future budgets. The Council will identify those households affected by the Government's two child limit legislation and the impact of moving to a banded scheme. It was estimated that the cost to provide this additional support would be £125,000 and a further £25,000 had been set aside to deal with any other cases that occurred which would be considered on their own merits. Everything that had been mapped had been based on the affordability of the scheme and the support available. Officers would identify cases from their systems and where households were identified as losing a set weekly amount, an adjustment would be made to make up their Council Tax Support. Residents would not be expected to apply for this support. Eligibility for the funding would be for those families that had a weekly loss of £1 or more in the new banded scheme and anyone who lost £2 or more in the two child limit. An initial number of families would be identified for receipt of this support from April 2019 and then officers would run regular reports throughout the year to identify other families who would be affected by the two child limit. It was also reported that the Council had updated its policy document relating to the Discretionary Council Tax Payment Scheme so that it specifically referenced these groups of people.

Officers advised that at a local level, there was a Universal Credit Partnership Manager who the Council was able to raise its preferences through. The Council had regular communication with the DWP, however, getting views considered by the DWP at a national level was challenging and there was also an issue of data sharing and data protection limiting the personal information of claimants the DWP can share.

It was reported that the Council's Revenues and Benefits team did not monitor where families moved into Manchester from and just dealt with families that they were presented with.

The Committee was advised that the Council could ask the DWP to advise claimants to always claim Council Tax Support but there was no guarantee that they would deliver this on a consistent basis.

Decision

The Committee endorses the recommendations contained within the report that the Executive:-

- Note the outcomes of the consultation process and the Equality Impact Assessment (EIA) both of which have supported and informed the final recommendations.
- Agrees to make the following changes to the Council Tax Support Scheme from 1 April 2019 in respect of people entitled to Universal Credit.
- A person for whom the Council receives both an electronic notification of a new claim for, and subsequently a related first payment of, Universal Credit from the

Department for Work and Pensions shall be deemed to have made a claim for a reduction under this scheme on the first day of entitlement to Universal Credit to which that notification of first payment refers.

- The amount of an award in respect of a day under this scheme for a person entitled to Universal Credit shall be a percentage of the amount set by the authority as the Council Tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable. This is subject to any discount which may be appropriate to that dwelling under the 1992 Act, divided the number of days in that financial year, less the daily rate of any deductions in respect of non-dependants which fall to be made. That percentage shall be the percentage specified in the following table according to the band in which their excess income falls.

Excess weekly income greater than	Excess weekly income no more than	% reduction of Council Tax liability
£80.01	-	Nil
£75.01	£80.00	12%
£50.01	£75.00	30%
£25.01	£50.00	45%
£0.01	£25.00	70%
-	£0.00	82.5%

- People who have a temporary break in their Council Tax Support (up to six months) because an associated award of Universal Credit has ended or the amount of Universal Credit in payment rises to a level that ends entitlement to Council Tax Support and that award of Universal Credit is subsequently reinstated (whether at the same rate or at a different rate) or drops to a level that triggers eligibility for Council Tax Support, are required to make a new claim for Council Tax Support. A new claim in these circumstances shall be treated as made on the date on which entitlement to Universal Credit resumed / reduced or six months before the day on which the claim is actually received, whichever is the later.
- The Council will monitor and review the Council Tax Support Scheme to ensure that it continues to support the Council's policies. The Council Tax Support Scheme may be amended for subsequent years, but should this happen there will be further consultation. If no revised scheme is published, this scheme will continue to apply to subsequent years. However, the figures set out in the scheme in respect of applicable amounts, income and capital disregards and non-dependants deductions may still be uprated to allow for inflation. Any such uprating will take effect on 1 April each year. If the figures provided in the prescribed requirements change, the Council reserves the right to amend the figures quoted in the scheme without further consultation.
- Where the Council receives notification from the Department for Work and Pensions of a change to Universal Credit and the changed assessment does not result in an alteration to the amount of a reduction under this scheme, the Council is not required to notify the claimant of its recording of that change.

- Agree that the Council's Discretionary Council Tax Payment Scheme is used to support households during the transitional period of moving to the banded scheme and Universal Credit. The scheme would cover the current anomalous and exceptional circumstances as well as supporting those households disproportionately impacted by Universal Credit transfer including families with children.

RGSC/19/13 Overview Report

The report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

The Chair noted that the section of the report relating to Key Decisions included decisions that had already been taken. The City Solicitor advised the Committee that work was currently underway to review how these decisions were recorded and reported to the Committee. The Chair welcomed this development and requested that additional detail was incorporated within the Register of Key Decisions to make the nature of the decisions more apparent.

Decision

The Committee notes the report and approve the work programme.

RGSC/19/14 Exclusion of Press and Public

A Member moved a motion that agenda item 12 (Management of staff performance and misconduct) be taken as an open item. The motion did not receive a seconder.

A motion was then moved and seconded that the public be excluded during consideration of the next items of business.

Decision

To exclude the public during consideration of the following items 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

RGSC/19/15 Call In: The appointment of a Provider to deliver City Wide Advice Services (Public Excluded)

The Committee considered a call in of the decision taken by the Acting Executive Director Strategic Commissioning (with DASS responsibilities) relating to the appointment of a provider to deliver city wide advice services. The call in had been proposed by Councillor Clay and supported by Councillors Azra Ali Curley, Hughes, Reid and Wheeler.

Councillor Clay outlined to the Committee the reasons as to why he had called the decision in and the concerns he had, which centred around the contracting process and whether when only one bidder submits a tender, how could the process be seen as a robust test of efficiency and value.

The Acting Executive Director Strategic Commissioning (with DASS responsibilities) responded to comments and questions raised by the Committee.

After all questions were asked, the Chair invited Councillor Clay and the Acting Executive Director Strategic Commissioning (with DASS responsibilities) to add anything further to their presentations. No further information was added from either party.

The Committee then considered all the relevant matters.

Decision

The Committee:-

- (1) Supports the decision taken by the Acting Executive Director Strategic Commissioning (with DASS responsibilities).
- (2) Recommends that the Communities and Equalities Scrutiny Committee establishes a Task and Finish Group to consider the availability of advice services across the City as soon as possible, with a view to producing recommendations to be considered in the budget in the next financial year.

RGSC/19/16 Management of staff performance and misconduct (Public Excluded)

The Committee considered the report of the Director of HROD, which provided Members with an overview of the Council's approach to managing staff performance and misconduct in line with the organisation's agreed policies. The report further provided case numbers, key issues and trends in relation to the Council's Disciplinary and Capability policies as well as broader information on the work of HROD to strengthen the organisation's approach to people management.

The Director of HROD referred to the main points and themes within the report and responded to questions from the Committee.

The Committee had considerable concerns about the amount of time it is taking to go through misconduct processes, and the relatively low numbers that are resulting in formal action of any type. They were also worried by the apparently very low numbers of active capability management processes.

The Committee had considerable concerns about the amount of time it was taking to go through misconduct processes, and the relatively low numbers that were resulting in formal action of any type. They were also worried by the apparently very low numbers of active capability management processes.

The Committee was very worried by the apparent disproportionate representation of the BAME population in the misconduct figures, although were reassured that further analysis was being done on these figures to understand them more fully. The Executive Member for Finance and Human Resources confirmed that there was going to be an independent review of the number of BAME staff who were subject to misconduct processes which would be carried out by the Head of Equalities at Manchester Foundation Trust.

Decision

The Committee: -

- (1) Notes the report; and
- (2) Places on record its thanks and appreciation to the Director of HROD for all her dedication and hard work over the years and wished her every success in her new role.