

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Monday, 25 February 2019

Present:

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

Also present:

Councillor Leese - Leader
Councillor N Murphy - Deputy Leader
Councillor S Murphy - Deputy Leader
Councillor Akbar - Executive Member for Neighbourhoods
Councillor Bridges - Executive Member for Children and Young People
Councillor Craig - Executive Member for Adults Health and Wellbeing
Councillor Richards - Executive Member for Housing and Regeneration
Councillor Stogia - Executive Member for Highways, Planning and Transport
Councillor Karney - Associate Executive Member,

Councillor Hacking - Chair of Communities and Equalities Scrutiny Committee
Councillor H Priest - Chair of Economy Scrutiny Committee
Councillor Stone - Chair of Children and Young People Scrutiny Committee

Apologies: Councillors B Priest, Rowles and Wheeler.

RGSC/19/17 Urgent Business

The Chair advised the Committee that she had received notification of an item of urgent business for consideration. This related to an amendment to the Council's budget, which had been proposed by Councillor Ellison, seconded by Councillor Wilson, and submitted to the Chief Executive in advance of the meeting. The Leader referred to the Committee the amendment as detailed below:-

- To allocate a budget of £1.5m over three years, to be phased £420k in the first year and £540k in both subsequent years, to increase the capacity of the City Council to tackle anti-social behaviour in our neighbourhoods, to be funded out of the proposed reimbursement of £1.5m to the general fund reserve budgeted for in 2018/19.

The Committee sought clarification as to what the additional funding would be used for and also an assurance that the proposed investment would be spent across all neighbourhoods in the city.

The Leader advised that the additional funding would allow for an additional seven case workers to tackle anti-social behaviour across all neighbourhoods in the city.

The amendment was put to the Committee and voted on and the Chair declared that it was endorsed unanimously.

Decision

The Committee endorses the amendment and commends that it be considered by Full Council at its meeting on 8 March 2019.

[Councillor Kilpatrick was not present during consideration of this item of urgent business].

RGSC/19/18 The Council's Budget 2019/20

Further to minute RGSC/19/9, the Committee considered a report of the Chief Executive and the City Treasurer which provided an update on the Council's financial position following scrutiny of the draft Budget proposals and Directorate Budget and Business Plan reports and accompanying delivery plans by all Scrutiny Committees.

The Committee received a statement from the Executive Member for Finance and Human Resources on the Executive's budget proposals and the key issues underlying the budget process. In doing so, he thanked all the Scrutiny Committees for their input into scrutinising the budget proposals to date within each Directorate Business Plan and thanked Officers for the work that had gone into developing the Business Plans. He also outlined the context of the proposed budget, in particular reiterating the challenges presented by funding reductions from national government.

The Chair then invited the other Scrutiny Chairs in attendance to bring to the Committees attention any concerns/issues that had arisen from their scrutiny of individual Business Plans. There were no financial issues or concerns raised, however the following salient points were made:-

- Further work was required in developing the Council's living wage policy in order to ensure all Manchester residents had a sufficient level of income;
- The investment into SEND provision was welcomed;
- As part of the Dedicated Schools Grant, any surplus within schools' budgets needed to be redistributed appropriately to ensure the funding was being used effectively; and
- Scrutiny members had been consistently impressed with the outcomes being achieved and the delivery of quality services from limited investment caused by national cuts..

The Leader acknowledged that there was inadequate funding nationally and locally for SEND provision and agreed that the funding that was available needed to be invested in improving the integration of SEND pupils into mainstream schools. He commented that that this would be for the Director of Education, Director of Children's Services, the Executive Member of Children and Young People and the Executive Member for Schools, Culture and Leisure to progress.

There were no questions from Committee Members on any of the Directorate Business Plans, which the Chair pointed out had all been scrutinised in various previous committees.

The Committee then received a statement from the Executive Member for Housing and Regeneration regarding the Housing Revenue Account calculations for 2019/20 to 2021/22 and its use. She advised of the challenges the Council faced in delivering its housing ambition in light of the 1% cut in rental charges for social housing tenants, the impact of Universal Credit and the increase in communal heating charges which the Council would look to place a cap on the passing of this cost onto tenants.

In relation to the Housing Revenue Account, some of the key points that arose from the Committee's discussions were:-

- What would the consequences be of the Government failing to keep its promise to increase social rents by 1% and Consumer Price Index (CPI);
- The rent levels for social housing tenants, an element of the rent was apportioned to cover the cost of maintenance to the properties and that with the continued reduction in social rents, there was concern that if or when the condition of these properties deteriorated, there would not be adequate funding to address any necessary repairs or deliver a suitable maintenance programme;
- In connection to the above point, there was concern that in the future, this could lead to a rent increase of more than 1% in order to address, putting tenants who were already on a limited income under more financial difficulties; and
- What action would be taken to try and reduce the rental debts of tenants and ensure that those on Universal Credit receive their maximum housing payments.

The Executive Member for Housing and Regeneration advised that if Government did not keep their pledge, which was still subject to consultation, it would be extremely difficult for the Council to deliver its ambition to build council housing and support residents in the City. The Council had committed to looking at an Action Plan for its HRA and would also be looking at other ways to fund council house building in the city. The City Treasurer added that the Council also had a statutory requirement to ensure it operated within a balanced HRA account and if the policy on rent levels changed, this would take away the ability to invest in any more social housing and would require a review of the HRA and Business Plan as to what could be delivered.

The Executive Member for Housing and Regeneration acknowledged and agreed with the comments made around the consequence of a continued reduction in social housing rents and the ability to maintain these properties to a desired standard. She advised that it would be essential to involve tenants in any decisions around potential future rent increases or reduced maintenance programme.

The Executive Member for Housing and Regeneration agreed work was needed to be undertaken to ensure those tenants subject to Universal Credit received their maximum housing payments. The Executive Member for Finance and Human Resources added that the Council had agreed to invest a further £1.1 million to the Council's welfare provision scheme to support residents that were struggling financially to pay their rents

Decision

The Committee:-

- (1) Endorses the decisions of the Executive on 13 February 2019;
- (2) Commends the proposed budget, with the agreed amendment that the Council allocates £1.5m over three years, to be phased £420k in the first year and £540k in both subsequent years, to increase the capacity of the City Council to tackle anti-social behaviour in its neighbourhoods, to be funded out of the proposed reimbursement of £1.5m to the general fund reserve budgeted for in 2018/19, for consideration by Full Council at its meeting on 8 March 2019; and
- (3) Notes that the proposed budget is the best response that the Council could make to nine years of government austerity proposals that have been immoral, barbaric, unnecessarily cruel and economically illiterate.