

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 7 March 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 Ollerhead, Executive Member for Finance and Human Resources

Apologies: Councillor Rowles

RGSC/19/19 Minutes

Decision

To approve the minutes of the meeting held on 7 February 2019 as a correct record.

RGSC/19/20 Our Manchester - financial impact on decision making and business planning

The Committee considered a presentation that provided an evaluation of Our Manchester and how this was helping to deliver the required Council savings targets and the effect that it would have on the Council's future budget process. The presentation started by setting out the Our Manchester approach, then showed how the Monitoring and Evaluation framework operated and finally covered how this related to savings delivery and budget strategy.

Officers referred to the main points and themes within the presentation, which included:-

- An overview of Our Manchester, including an explanation of the different roles of the Our Manchester Strategy and approach, including the role of Bringing Services Together
- The monitoring and evaluation framework, outlining the approach to monitoring and evaluating Our Manchester;
- A summary of how Our Manchester was being put into practise as evidenced through Our Manchester updates to scrutiny committees and case studies;
- How Our Manchester had fed into our allocation of resources through the business planning process; and
- Monitoring and budget strategy impact, including how the Council monitors progress towards the vision for the city through the State of the City Report and how this impacts on the Council's budget position.

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

- A distinction needed to be made between the Voluntary and Community Sector and Community Groups;
- Resilient communities that had delivered positive outcomes appeared to have been penalised through reduced resources;
- More needed to be done to support community groups to compliment and support the ambitions for social prescribing in communities;
- Would Social Value be included as a key metric in the State of the City Report;
- Commenting that the metrics within the State of the City report were very challenging, especially around the issues of life expectancy and victim based crime;
- Noting the success of the Wigan Deal in managing and communicating expectations with residents, what similar work was being done in Manchester to raise awareness of Our Manchester with residents, commenting that there appeared to be currently a disconnect;
- 'Have your say' events should be delivered across the whole of the city as a mechanism to engage with residents;
- How was spend against outcome measured and assessed;
- What resources were allocated to the analysis of the impact of 'Our Manchester', noting the complexity and range of metrics; and
- Noting the importance of the interactions between frontline staff and residents, staff needed to be empowered to influence appropriate change.

Officers stated that the Our Manchester Investment Fund was designed to facilitate innovative approaches and build resilience within communities to reduce the demand on services. Officers stated that the new health model had been supported by funding from Greater Manchester and a business case was being developed to further support community groups to assist with social prescribing. Officers described that conversations were ongoing with a range of services and partners, including the police and health to align the geographical footprint in which they worked to deliver services and support the 'Our Manchester' approach.

Officers stated that consideration would be given as to how social value could be reported within future State of the City reports. Officers acknowledged the challenges to improve against key metrics, noting that a range of partners, such as health and the police and national policies would have an influence on these outcomes. Officers further stated that there was a challenge to report on how 'Our Manchester' had impacted on these, noting that the Logic model and analysis of data would assist with that reporting and measuring impact and outcomes. Officers stated that it was important to recognise that the data within the State of the City report was collated over the year however the report was published on an annual basis and used the data available at the time of publication.

In response to a request from a Member, Officers commented that the data was complex and available at different times of the year, however consideration would be given on how best to report performance to the Committee throughout the year, noting that the intention is to review and report annually on the impact and performance of Our Manchester, and consideration was being given on how to capture and report added value, considering all of the contributing factors as a metric.

Officers stated that there were a number of different methods employed to engage with and communicate 'Our Manchester' with residents. These included the delivery of 'Have Your Say' events in a range of neighbourhood settings with the intention to roll these out across the whole of the city; integrating services within neighbourhoods; joined up resident engagement with partners to ensure a consistent message is communicated. Officers stated the challenge was then to understand and measure the outcomes of such events and interventions, however work was progressing to capture and measure this. Noting the comment from the Member regarding the need for clear communications with residents regarding expectations, Officers stated that this would be reviewed in consultation with the communications team, noting the model adopted in Wigan.

In regard to spend and outcomes, Officers reported that this was assessed and an analysis and review of the success of interventions would be undertaken, using the lessons learnt from other experiences. Officers reported that analysis of the Our Manchester approach was undertaken by the existing Performance, Reform and Innovation Team, stating that a dedicated officer would be allocated to focus specifically on this area of work. Officers reported that consideration was also being given to appointing an academic researcher to support this work and the funding options for this were being explored. Officers reported that a number of staff across the organisation had contributed to the Logic model work.

Officers noted the importance of both Council staff and the staff of partners when interacting with residents to influence behaviour change and that staff awareness and engagement sessions were being delivered to all staff, further complimented by the 'Our People' HR strategy to drive culture change and embed the Our Manchester principals in the workforce and across all services.

Decision

The Committee:-

- (1) Recommends that a one-page document is produced, similar to that available in Wigan, that clearly communicates with residents the Our Manchester approach and expectations.
- (2) Recommends that analysis of the development and empowerment of those front line staff who regularly engage with residents, across a range of services is undertaken.

RGSC/19/21 Responses to Government Consultations on the Fairer Funding Review and Business Rates proposals

The Committee considered a report of the City Treasurer, which provided an overview of the proposed reforms to Local Government Financing and the Council's response to the two most recent government consultations which were Business Rates Retention Reform and. A review of local authorities' relative needs and resource.

The City Treasurer referred to the main points and themes in the report which included: -

- In October 2015 the Government committed to further reforms to Business Rates retention followed by consultations in July 2016, February 2017 and December 2018. In February 2016, the Government announced there would be a review of relative needs and resources, followed by consultations in July 2016, December 2017 and December 2018;
- The two recent consultation papers were the next steps in the Government's programme of reform to local finance which aimed to provide a fairer and more transparent mechanism for allocating formula grant and to give Councils greater control over the money they raised locally;
- From 2020/21, there would be significant changes to Local Government financing;
- The Council was engaging with central government and other interested bodies through formal consultation responses and working groups to ensure the impact of the potential changes on local government, and particularly cities was recognised;
- In relation to Business Rates Reform Manchester had been involved in a number of programmes to maximise the resource available in the region including a Business Rates Pool across Greater Manchester (GM) and Cheshire, the Business Rates Growth Retention Scheme 2015 and a three-year 100% retention pilot from April 2017 to March 2020; and
- With regard to the review of relative need and resources the Council was working closely with the Ministry of Housing, Communities and Local Government (MHCLG), Local Government Association (LGA) and other Local Authorities (particularly Core Cities) to ensure the circumstances of metropolitan cities were represented in the review, specifically in relation to the impact of deprivation on the need to spend.

Copies of the Council's responses to the two consultations were appended to the report for the Committees consideration.

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

- Members welcomed the substantive and detailed responses, noting the cuts imposed on the City Council;
- Thanking the City Treasurer and Deputy City Treasurer for the work that had been undertaken to produce the detailed and compelling submission;
- Supporting the argument put forward that deprivation needed to be a material consideration in the funding formula and not simply calculated on population figures alone, noting the continued impact of austerity and the financial pressures experienced as a result of increased social care costs;
- Welcoming the inclusion of the issues arising as a result of the significant student population, and the associated loss of revenue, within the response;
- The responses should have included recommendations that Private Landlords are charged Business Rates;
- Was the resource allocated to Business Rates appeals sufficient; and

- In relation to Business Rates and the expanding University estate, what discussions had been had with other core cities, with similar large establishments;

The City Treasurer stated that it was very difficult to agree a funding formula that fits all due to the different pressures and demographics experienced in cities and this presented a challenge nationally. In relation to Business Rates and those large estates that were exempt she said discussions had been conducted with other core cities to explore this issue further.

It was noted that the Committee were of the view that the City Council should be recommending private landlords are charged business rates. The City Treasurer explained some of the work in this area and that the City Council was continuing to push for a position that recognised the financial impact of students on the council's income.

The City Treasurer stated that the calculation of the resource required for the number of Business Rates appeals had been modelled using the available data, commenting that this was robust and had been signed off by the external auditor. She further advised that work was underway with other core cities around the issue of the impact on funding of student accommodation and the different options available.

The City Treasurer acknowledged the comment regarding the pressures experienced regarding the cost of social care, and modelling of this continued so as to understand and the scale of this challenge in Manchester, also taking into consideration other factors such as the impact of the roll out of Universal Credit and other initiatives. She further commented that this had been frustrated due to the uncertainty around the potential changes to funding for adult social care with the Green Paper now expected in Spring 2019.

The City Treasurer responded to a question from a Member regarding the possibility for a judicial review if the proposed formula was imposed by stating that she could not pre-empt the outcome of the consultation, however all options would be considered.

Decision

The Committee notes the report.

RGSC/19/22 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.

Decision

The Committee notes the report and approve the work programme.