

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 13 January 2011

Present:

Councillor Watson - In the Chair

Councillors Bhatti, Clayton, B Fisher, Glover, Lone, Morrison, E Newman, Sandiford, Swannick and Trotman.

Councillor Smith - Assistant Executive Member for Finance and Human Resources

Lesley Tomlinson – Manchester Central

Dave Mallard – Manchester Central

Apologies

Councillor P Murphy

RG/11/01 Tour of Manchester Central

Before the meeting members of the Committee were taken on a tour of the Manchester Central Convention Complex. Dave Mallard, Manchester Central, showed Committee members around the complex including its most recent expansions and provided some context about the history and usage of the conference rooms. The Chair thanked Mr Mallard for the tour, which provided valuable information to the Committee in advance of their discussion on Manchester Central's business model.

RG/11/02 Urgent Business

The following reports or items were submitted as urgent business:

Item 6, supplementary information for the Information and Overview Report

Item 9, Contract Management

Item 12, Key Decision: National Football Museum

Item 13, Exclusion of the Public

Item 14, Manchester Central Convention Complex Part B – this report replaced the report issued as item 5. Item 5 was withdrawn from the agenda.

Decision:

To note the Chair's decision to accept the items as urgent business.

RG/11/03 Minutes

Minutes of the meeting of the Committee held on 16 December 2010 were submitted for consideration.

At the last meeting the Committee requested a note for information on the proposed key decision regarding Mackintosh Mill. The City Treasurer advised that proposals around Mackintosh Mill were still being discussed and that in the event of a report to the Executive on the proposals, a report would be brought to this Committee first.

The Committee had also recommended that the City Treasurer respond to the provisional settlement from Government. Members noted that a response had been prepared and was being finalised in advance of the deadline of Monday 17 January. A copy of the response would be circulated to Committee members.

A member asked the City Treasurer to comment on the announcement made earlier that day, that the Council needed to reduce the workforce by the equivalent of 2,000 full time positions. The City Treasurer advised that, as members were aware, the settlement with Government demanded greater savings than could have been anticipated and as a consequence a reduction in the workforce of around 2,000 jobs was required. A broadcast from the Chief Executive had gone to all staff informing them of this. Discussions were taking place with Trade Unions about how these savings would be achieved, and this would be the subject of a report to the Executive next week.

The Assistant Executive Member commented that the settlement was inherently unfair and one which redistributed wealth from poorer to wealthy communities. He added that the Council would do all it could to avoid compulsory redundancies.

Minutes of the meeting of the Governance Subgroup held on 9 December 2010 were submitted and the Committee was asked to endorse its recommendations.

Decision:

1. To approve the minutes of the meeting of the Committee held on 16 December 2010 as a correct record of the meeting.
2. To endorse the recommendations of the Governance Subgroup from the meeting held on 9 December 2010.
3. To request that a report on proposals for Mackintosh Mill be submitted to this Committee prior to a decision being taken.
4. To request that the response to the Government's settlement is sent out to all Committee members.

RG/11/04 Exclusion of the Public

A recommendation was made that the public be excluded during consideration of the next item of business.

Decision

To exclude the public during consideration of the next item which involved consideration of information exempt from publication relating to the financial or business affairs of a particular person and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RG/11/05 Manchester Central Convention Complex – Part B

A report of the City Treasurer was submitted introducing a paper from Manchester Central describing their business model and the recent redevelopment of the Convention Complex. Lesley Tomlinson, Chief Executive of Manchester Central, gave a presentation highlighting the most significant aspects of the report.

Members thanked the staff at Manchester Central for an informative tour and agreed that the convention complex represented an important asset for the city. A member asked for more information about the usage rates for the centre, and questions were also raised regarding the complex's marketing strategy.

The Chief Executive replied that usage rates fluctuated during the year, for example in August and December usage rates were typically lower. To address this, the licence fee for renting rooms at these times was lower, and in December the centre was used for music concerts. The complex was aiming to increase its usage rates although 100% usage was not the target as some rooms needed to empty at times for cleaning and maintenance.

Manchester Central focused its marketing activity outside of the city so that it could be successful in attracting visitors into the city. It had designed a number of innovative campaigns with Marketing Manchester which had supported demand for the complex. The complex's historic setting based around the old Manchester Central Train Station, the flexibility of the site, the close proximity to the city centre and the fact that the convention complex was all on one level were regarded as key selling points for the complex.

A member asked how Manchester Central competed on price. The Chief Executive outlined the complex's pricing strategy and that recent publications showed that the Centre offered good value for money compared to its competitors.

Decision

1. To thank Lesley Tomlinson and Dave Mallard for hosting the Committee meeting and for providing the Committee with a tour and a detailed report on the complex's operation.
2. To recognise that Manchester Central is an important asset for the city and to urge the complex to continue its good work as it could make a great economic contribution to the city to help mitigate businesses in decline in other sectors.

RG/11/06 Information and Overview Report

A report of the Governance and Scrutiny Support Unit was submitted. The report included the Forward Plan, which provided an overview of the major financial decisions the Council would be taking over the next four months, relating to the Committee's remit. The report also included responses to recommendations made by the Committee at its previous meetings and the work programme for the Committee.

The report included Greater Manchester Police Authority's Budget Simulator newsletter which asked the public to indicate which areas of policing they think should be a priority for funding in the future. A member asked whether the Council would consider doing something similar. The City Treasurer advised that he would investigate whether this could complement the Council's current budget consultation arrangements.

Briefing notes for information were submitted relating to key decisions on the procurement of a regeneration consultancy framework, and a contract for supply, delivery and collection of concrete. The Committee had requested the note on concrete to evidence that the Council was not paying artificially high prices forced upon it by concrete cartels. The City Treasurer explained how benchmarking information and market intelligence demonstrated that the Council would be getting good value for money from the contract.

Decision:

To note the information in the report and to agree the current work programme for the Committee including the additional meeting scheduled for 22 February 2011.

RG/11/07 Business Plans: Business Continuity Management

A report of the Strategic Director of Neighbourhood Services was submitted setting out how Council service areas were planning for business continuity and how plans have changed since last year. The report included case studies from different service areas.

The Strategic Business Partner, Neighbourhood Services highlighted that the business continuity management team had supported Council services to plan for a range of service disruptions, both in their management arrangements and in their business plans. These included loss of ICT, loss of working accommodation, adverse weather including heavy snowfall, loss of power, widespread illness and other factors. The team had worked with the Directorate of Transformation to ensure that the Council's transformation plans were sufficiently resilient, and had worked with schools to support them to plan for business interruption for example in periods of heavy snowfall or other issues that impact on school closures.

The Committee noted that proposals were being developed for mass communications to staff to support effective management of the workforce in case an incident causing major disruption occurs. Plans to do this were due to be put in place before the end of the financial year. Members commented that if this was done via a single telephone it was liable to disruption. The Strategic Business Partner advised the lines for the service would be as resilient as possible and work independently of the main switchboard to mitigate this.

The Chair commented that in the ongoing floods in southern and western Australia one of the few remaining means of communication was receiving radio through mobile telephones, whose signals remained operational. The Strategic Business Partner advised that Council managers were issued with mobile phones or BlackBerrys so that they could contact staff more easily if a major incident disrupting services occurred.

A member stressed the importance of keeping local elected members informed of disruptions to services if they occur, particularly if they affect a particular geographic area, so that they can keep members of the public who need to know informed.

The Committee also stressed the importance of the work the Council was doing to support schools to develop good business continuity plans so that they can remain open in periods of heavy snow.

Decision

To note the progress in developing a good approach to business continuity management across the Council.

RG/11/08 Business Plan: Shared Service Centre

The Committee received a report of the City Treasurer and Deputy Chief Executive (Performance) introducing the draft Shared Service Centre business plan for the next three years. The Shared Service Centre had newly been introduced and would bring together a range of transactional 'back office' functions together into one centralised service. These functions included carrying out financial transactions, administering the payroll and pensions schemes and carrying out personnel exercises such as support for recruitment and carrying out CRB (Criminal Records Bureau) checks.

The plan was introduced by the Head of Revenues and Benefits who had recently taken responsibility for the Shared Service Centre.

Members noted the performance targets for the service and the aim to reduce the speed of payment to suppliers to ten days by 2013/14. Fast payments to local suppliers supported them to be able to sustain their business, and often allowed the Council to negotiate a better price, although there were treasury implications in processing payments this quickly. A member commented that this was a very aggressive target, and that some of the most efficient private sector companies could only make payments within 14 days. The Head of Revenues and Benefits advised that she would carry out some research into the feasibility of this target, and if necessary would amend it.

Fujitsu Tower, in Gorton, was due to become the office accommodation for all staff in the Centre. This would have the benefit of creating team spirit and an understanding of different people's role in the Shared Service Centre and the purpose of the Centre as a whole. Members asked whether there were any business continuity issues related to delivering the whole service from one location. The Head of Revenues and

Benefits acknowledged that there were risks, but that by carrying out improvements to the ICT network she hoped to facilitate home working by staff to mitigate this risk.

The Head of Corporate Property also advised that this use of Fujitsu Towers would enable the Council to reduce its usage of other buildings within its estate to save money. The Chair commented that the plans were good but that, in the present climate, all aspects of the work to establish the Shared Service Centre should be expedited as quickly as possible.

Members supported the introduction of the Shared Service Centre and felt that the plan demonstrated that the service could support the Council to carry out transactions more efficiently and effectively.

Decision

1. To note the business plan and how the Shared Service Centre's operation will support the Council to carry out transactions more efficiently and effectively.
2. To request that the Head of Revenues and Benefits reviews the performance target for speed of payments to suppliers for 2013/14 to ensure that its achievement is realistic.

RG/11/09 Contract Management

A report of the City Treasurer was submitted providing an update on the work being undertaken through the Analyse and Improve Manchester (AIM) to strengthen the Council's approach to Contract Management. The report also included details of the management arrangements for the Council's contract with Jacobs to manage its investment portfolio (offices, shops, industrial units etc.)

A member asked how Jacobs were paid. The City Treasurer confirmed that this was structured based on the size of the workload Jacobs carried out for the Council.

A member asked whether the Council retained information showing the award of contracts broken down by gender or ethnicity. The City Treasurer commented that he would investigate whether this information is recorded. The Council did encourage tenders for contracts from a range of different sources and from suppliers of varying gender and ethnicity however, decisions regarding the award of a contract were always based on the attractiveness of the tender.

The Chair commented that it was important that this work progressed quickly and requested that a model for future contract management be agreed before the start of the new financial year to support the Council in achieving necessary savings.

Decision

To note the work to strengthen the Council's approach to contract management and to request that a model for future contract management be agreed before the start of the new financial year to support the Council in achieving necessary savings.

RG/11/10 Dedicated Schools Grant – School Funding Settlement 2011/12

A report of the City Treasurer and Director of Children's Services was submitted responding to the Committee's request for information about the School Funding Settlement in 2011/12. Since the report had been published further grants had been reduced up to a total of £8 million. The grant reductions included the following:

Devolved Formula Capital	-£3.3 million
Harnessing Technology	-£1.8 million
School Development Grant	-£1.0 million
National Strategies	-£0.8 million
Extended Schools Grant	-£0.8 million
Diploma Funding	-£0.3 million

The future of the Music Standards Fund grant and sixth form allocations from the YPLA (Young People's Learning Agency) was still unclear. Members of the Committee discussed the effect of the pupil premium and the grant funding reductions and the overall impact of these two measures.

A member suggested that the Council should write to all schools and set out what the effect of these changes in funding arrangements will mean for them. He felt it was important for schools to be notified that services that they had previously received might be unavailable, or only available at a cost to the school. The City Treasurer said that he would look into whether this was proposed by the Children's Services Department.

A member commented that he fully supported the Health and Education policies of the current Coalition Government

Decision

To note the School Funding Settlement for 2011/12 and changes to grant funding.

RG/11/11 Setting of the Council Tax Base for Budget Setting Purposes

A report of the City Treasurer was submitted advising the Committee of the method for calculating the Council's tax base for tax setting purposes for the 2010/11 financial year. The Council is required to calculate its tax base for tax setting purposes based on data available at 30 November 2010 and the decision must be made between 1 December 2010 and 31 January 2011. If the decision to set the Council tax base was called in for scrutiny this would mean that the decision would be taken outside of these dates. For this reason the City Treasurer was due to request that the Chair of the Committee exempt this key decision from the call in process.

Decision

1. To note that the City Treasurer, in consultation with the Executive Member for Finance and Human Resources has delegated powers to set the tax base for tax setting purposes in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended.
2. To note that the Chair of the Resources and Governance Overview and Scrutiny Committee will be requested to exempt the key decision from the call in procedures.

RG/11/12 Key Decision: National Football Museum

A report of the City Treasurer and Deputy Chief Executive was submitted updating Members on the progress of the project to relocate the National Football Museum (NFM) to Urbis, in particular, progress on the application for capital funding from the North West Development Agency (NWDA).

The project required contractors to start work on the site in January 2011, this would involve expenditure on setting up the site, ordering materials and procuring specialists suppliers to order showcases and other equipment for the exhibitions. Any delay at this stage in the project would result in increased costs and threaten the delivery of the project's objectives. A capital expenditure request was due to be made to progress this work and, in light of the urgency, the Chair of the Committee would be asked to exempt the key decision from call in.

Decision

1. To note the progress on the National Football Museum at Urbis Project, in particular the application for ERDF (European Regional Development Fund) funding from NWDA;
2. To note that the Chair of the Committee would be asked to exempt the key decision regarding capital expenditure approval of £8 million to progress the NFM project.