

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 22 February 2010

Present:

Councillor Watson - In the Chair
Councillors Bhatti, Clayton, Glover, McCulley, Morrison, P. Murphy, Parkinson, Sandiford, Swannick and Trotman

Councillor Andrews, Executive Member for Neighbourhood Services
Councillor Ashley, Leader of the Opposition
Councillor J Battle, Deputy Leader
Councillor S Newman, Executive Member for Children's Services
Councillor Priest, Executive Member for Finance and Human Resources
Councillor Smith, Assistant Executive Member for Finance and Human Resources
Councillor Wheale, Opposition Finance spokesperson
Councillor Commons

RG/10/18 Urgent Business

Reports on the proposed budget amendment submitted by the opposition group and a report of the City Treasurer on Proposed Amendments to the Revenue and Capital Budgets 2010/11 were submitted for consideration as urgent business.

Decision

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

RG/10/19 The Council's Budget 2010/11 – 2012/13

A report of the City Treasurer and Chief Executive was submitted. The report presented proposals endorsed by the Executive on 10 February for the revenue budget for 2010/11, the medium term financial plan covering 2010/11 - 2012/13, the Capital Programme 2010/11 – 2012/13 and the Treasury Management Strategy.

The Executive Member for Finance and Human Resources presented the Executive's budget to the Committee and highlighted the principal issues that had informed the formulation of the budget proposals for 2010/2011. He highlighted that the budget proposals this year would ensure funds were allocated to the right places to meet the Council's priorities for the years ahead. He added that, as the majority group in Manchester had made a commitment many years ago to cap council tax increases at the rate of inflation, the level of council tax had been frozen this year. He advised that the Executive's budget would also put the Council in a position to prepare for the reduction in funds that public services were likely to suffer over the next few years.

A member commented that it was good to see that the Council was still in a position to pursue the ambitious and exciting Town Hall Complex Transformation Programme. He noted that the capital programme allocated around £140 million over three years for the transformation and asked whether there was a risk the Council would not be able to meet this sum. The Executive Member for Finance and Human Resources responded that with such an ambitious project there was always an element of risk, but that the project represented a great opportunity to protect the civic pride of the city and that the risks involved were being managed.

Members noted that the AIM (Analyse to Improve Manchester) Strategy, together with other service savings and the discretionary funding review, was designed to realise savings of £57 million in 2012/13 and asked what progress there had been towards this target. The Treasurer advised that several opportunities had been identified to realise savings quickly and that these were being taken. The Director of Transformation advised that the AIM Strategy would support the Council to deliver services that met residents' needs whilst reducing dependency and to achieve value for money (VFM) in all its activities. The Executive Member for Finance and Human Resources commented that the Scrutiny Committee may wish to test how these savings will be made. Members noted that a new VFM strategy was being developed and requested that they look at this and its links to the AIM Strategy at their first meeting after the elections.

A member asked for a projected estimate of how many staff the Council would employ over each of the next three years. The Executive Member for Finance and Human Resources said that the workforce would become smaller over that time period and that the AIM strategy would provide the Council with the flexibility to adjust. The total size of the workforce over the coming years would emerge from the AIM process.

The Committee also considered a report which set out the recommendations that overview and scrutiny committees had made during their consideration of business plans and what action had been taken in response to them. The Chair reported that the Chair of Children and Young People Overview and Scrutiny Committee had asked her to reinforce the fact that the Committee had supported the work to meet the needs of looked after children more through foster care and less through residential care as long as the well-being of the child concerned remained the top priority. The Executive Member for Children's Services welcomed the comments from the Committee and advised that evidence showed that overall foster care led to better outcomes for children and that the safety and well-being of all children was her top priority as Executive Member.

Members also noted the range of matters that had been raised by individuals during the public consultation on the proposed budget. These matters had been taken into account in developing the proposals that were included in the formation of the budget recommended to Council. The Chair drew attention to the greater levels of engagement with the budget consultation that had been achieved this year following the Committee's decision to request that the Director of Communications and City Treasurer report proposals to them on how to improve the consultation. Members congratulated the City Treasurer and Executive Member for Finance and Human Resources on this achievement.

A report of the Director of Housing and City Treasurer was also submitted presenting details of the proposed Housing Revenue Account (HRA) budget for 2010/11 and forward estimates for 2011/12 and 2012/13. The budget proposals had been approved by the Executive at their meeting on 10 February 2010. No amendment was proposed in relation to the Housing Revenue Account calculations. The Executive Member for Neighbourhood Services paid tribute to the budget that had been prepared by the Executive Member for Finance and Human Resources as this had allowed the Executive to restrict the proposed average increases in rent charges to 2%.

The Committee then considered the proposed amendment to the Executive's budget put forward by the Opposition group. The proposed amended budget was presented by Councillor Wheale, Finance Spokesperson for the Opposition Group and Councillor Ashley, Leader of the Opposition Group. The amendment would be submitted by the Opposition Group to the Budget Council meeting on 3 March 2010. The amendment targeted savings by reducing duplicate communications, restricting the budget of the Directorate of Transformation, reducing sickness levels and withdrawing funds for the Manchester Day event. The savings would make it possible to deliver a one-off £40 dividend to residents for each Council tax bill and to increase CASH grants for wards by £6,250 per ward to facilitate more ward-based decision-making. The net impact of the proposals on the budget was nil.

The Committee discussed the overall impact of the proposed savings identified from the budget of the Directorate of Transformation. The Director of Transformation advised that the cuts would lead to a 20% cut in staffing which would put a number of the projects in the Directorate at significant risk. Overall the Committee felt that whilst it was important that the Directorate was under pressure to be as efficient as possible, these cuts would jeopardise opportunities to realise efficiencies whilst ensuring services are customer-focused.

A motion to support the proposed amendment by the opposition group was put forward and seconded. A motion to support the Executive's proposed budget was put forward and seconded. Following a vote, the motion to support the Executive's unamended proposed budget was carried.

Decision

1. To support the Revenue Budget and Capital Budget proposals recommended to Council by the Executive.
2. To request that a report on the draft VFM Strategy and its links to the Analyse to Improve Manchester Strategy be presented to the Committee's meeting in May.

[Councillor P Murphy declared a personal interest as Chair of Greater Manchester Police Authority]

[Councillor Trotman declared personal interests as a board member of Northwards Housing and a member of Manchester Port Health Authority]

[Councillor Swannick declared a personal interest as Chair of Greater Manchester Waste Disposal Authority]

[Councillors McCulley and Sandiford declared personal interests as members of Greater Manchester Integrated Transport Authority]