

Resources and Governance Overview and Scrutiny Committee

Minutes of the meeting held on 23 February 2009

Present:

Councillor Watson - In the Chair

Councillors Bhatti, Clayton, Hitchen, Glover, Jones, M Khan, McCulley, Morrison, P. Murphy, Sandiford, Smith and Trotman

Councillor Amesbury, Executive Member for Arts and Leisure

Councillor Cooley – Chair of Health and Wellbeing Overview and Scrutiny Committee

Councillor S Murphy, Executive Member for Employment and Skills

Councillor S Newman, Executive Member for Children's Services

Councillor Priest, Executive Member for Finance and Human Resources

Councillor Wheale, Opposition Finance spokesperson

Councillor Ashley, Leader of the Opposition

Councillors Lyons and Commons – Members of the Council

RG/09/15 Interests

Councillor Trotman declared a personal interest as a Director of Northwards Housing.
Councillor P Murphy declared a personal interest as Chair of the Greater Manchester Police Authority.

Councillor Clayton declared that he and Councillors Glover, Jones and Sandiford were subject to a whipping arrangement from the Opposition Group. The arrangement was that they would support the budget amendment put forward by the Leader of the Opposition.

RG/09/16 Overview of the Council's Revenue Budget 2009/2010

A report of the City Treasurer and Chief Executive was submitted. The report presented proposals endorsed by the Executive on 11th February for the revenue budget for 2009/10, the medium term financial plan covering 2009/10 - 2011/12, the Capital Programme 2009/10 – 2011/12, the Treasury Management Strategy and the Housing Revenue Account 2009/10 – 2011/12. The report also presented proposals in relation to treasury management, prudential indicators, affordable housing limits, annual investment strategy, minimum revenue provision strategy and the capital programme.

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 2009/2010.

The budget contained significant elements of growth and reflected the Council's budget strategy to maintain and improve service efficiency whilst being both prudent and limiting Council Tax increases to £44 per year in Band D.

Members of the Committee requested further information on how prudential indicators for the upper limits on fixed and variable interest rate exposures were calculated, and how the levels proposed compared to other Core Cities. It was agreed that this information would be circulated to the Committee.

The Committee discussed levels of expenditure on consultants and agency staff. The Executive Member for Finance and Human Resources advised the Committee that a 'gateway' process had been introduced to monitor this kind of expenditure. The Committee resolved that it would look at the operation of the gateway process as part of its work programme for 2009/10.

Members also noted that the Corporate Asset Management Plan for 2009 was being drafted and could be considered by the Committee in May 2009.

The Committee also considered a report on specific issues considered by overview and scrutiny committees during their detailed consideration of business plans.

Members noted that the Children and Young People Overview and Scrutiny Committee, as part of their consideration of business planning, had registered concerns about the future funding of youth services. The Executive Member for Employment and Skills commented that there were no intentions to cut investment in youth services, and indeed that the review of the Manchester Youth Service would seek to increase contact with young people and address areas where provision was more sparse.

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 by Council. In addition the Committee felt that some matters warranted further scrutiny and should be added to Overview and Scrutiny work programmes. In particular: -

- Expenditure on the Cultural Strategy Team relative to investment in Art Galleries and Museums.
- The matters raised relating to Green Issues and Environmental Services that relate to the remit of the Communities and Neighbourhoods Overview and Scrutiny Committee.
- How the Council's communications strategy could seek to engage more individuals and organisations in the budget consultation process.

No amendment was proposed in relation to the Housing Revenue Account calculations. Members questioned what was being done to help people to pay utility bills given the cold winter that residents had experienced coupled with the economic downturn. The Interim Director of Housing undertook to provide this information to members of the Committee.

The Committee then considered the proposed amendment to the Executive's budget. Recommendations and alternative budget proposals were presented by Councillor Wheale, Finance Spokesperson for the Opposition Group. These proposals would be submitted by the Opposition Group at Budget Council on 4 March 2009. The alternative proposals contained additional expenditure proposals totaling £0.9M and a reduction in Council Tax of £50 at Band D, which would reduce resources by £10.0M. The proposals identified equivalent savings of £2.8M and increased resources or additional use of reserves amounting to £8.1M. The net impact of the proposals on the budget was £0.

Councillor Wheale highlighted that a key feature of the amendment was that it would engage Manchester residents by delivering reduced Council Tax bills and devolving more decision making power to local communities by giving over £20M to be spent through ward co-ordination arrangements.

The Committee noted that the financial information in the amendment might need to be revised in accordance with any revised budget figures in the report of the City Treasurer and Chief Executive to be submitted to the Council on 4th March 2009.

Councillor Wheale then responded to questions posed by members of the Committee in relation to the budget proposals that he had put forward.

The Committee noted the amendment, the concerns that had been raised regarding the sustainability of the proposals, and the accumulated impact of the proposals on the Council's reserves over future years.

The budget amendment being put, there voted

For the amended budget	4
Against	8
Not voting	1

The Executive's recommendations to the Council then being put, there voted

For the budget recommendations	8
Against	0
Not voting	5

Decision

1. To support the Revenue Budget and Capital Budget proposals recommended to Council by the Executive.
2. To thank all the participants who have contributed to the budget consultation process.
3. To request that the Communities and Neighbourhoods Overview and Scrutiny Committee look into the matters raised by participants in the budget consultation that relate to Green issues and Environmental Services.

4. To agree that the Committee will amend its work programme to take account of the future areas of work identified.