

The Executive

Minutes of the meeting held on 24 June 2009

Councillor Stevens – In the Chair

Councillors Amesbury, Andrews, J Battle, Cowell, Evans, S Murphy, Leese (from agenda item 5), S Newman, and Priest

Also present as Members of the Standing Advisory Panel:

Councillors: Ashley, R Battle, Commons, Donaldson, Grant, Hassan, Keegan, A Khan, Longsdon, N Murphy, Pearcey, Ramsbottom, Shannon, Shaw and Wheale

Exe/09/65 Minutes

Decision

To approve the minutes of the Executive meeting held on 27 May 2009 as a correct record.

Exe/09/66 Revenue Outturn 2008/09

A summary of the final outturn for the General Fund for 2008/09 was submitted, with a more full breakdown of the figures to follow to a future meeting. The revised budget for 2008/9 contained an assumed contribution from the General Reserve of £8.2m. The actual outturn position was a contribution from the General Reserve of £1.4m, representing an under spend across all budgets of just over £6.8m. Outline figures were also provided for the main departments of the Council. The report also proposed transfers from the General Fund to departmental and corporate reserves to meet anticipated future budget pressures.

We commend the prudent management of the Council's financial resources in 2008/09 and the robust financial position at the start of 2009/10.

Decision

1. To note the overall outturn position for 2008/09 as outlined in the report and the initial assessment of the departmental outturn position.
2. To approve the proposed transfers to provisions and reserves as set out in the report.
3. To note that a further report looking in more detail at the departmental over and under spends will be presented in July.

Exe/09/67 Capital Expenditure Outturn 2008/09

A report was submitted setting out the outturn of capital expenditure and financing for 2008/09. The final outturn for 2008/09 was £285.247m. Compared to the £306.672m forecast in March 2009, this represents an under spend of £21.425m (Minute Exe/09/22). An analysis of the outturn for each department was appended to the report.

There were elements of expenditure within the capital programme where the City Council had acted in the capacity of agent for Voluntary Aided Schools. As a consequence this expenditure must be excluded from the final accounts. Capital expenditure (excluding Voluntary Aided Schools) was £257.407m of which £64.014m related to housing and £193.393m was non-housing.

The City Treasurer's decisions regarding the funding of this capital expenditure were:

- expenditure of £162.972m for capital purposes, which was to be reimbursed by another person, had been capitalised – (£128.367m grant and £34.605m external contributions);
- supported borrowing of £49.342m had been used as authorisation either to capitalise expenditure, or to enter into or vary a credit arrangement;
- usable capital receipts of £14.535m had been applied to meet expenditure for capital purposes; and
- an amount of £19.843, which was not less than the minimum revenue provision, had been set aside from the revenue account as a provision for credit liabilities.

Decision

1. To note the capital outturn of all programmed expenditure (including Voluntary Aided Schools) in 2008/09 was £285,246,982.
2. To note the explanations of the major variations between final outturn and the figures previously reported to Executive within the capital monitoring report 2008/09 in March 2009.
3. To note the decisions of the City Treasurer regarding the funding of capital expenditure in 2008/09 as set out in the report.
4. To note that the figures in the final accounts will be different (£257,406,670) due to the exclusion of expenditure relating to Voluntary Aided Schools.

Exe/09/68 Capital Programme – proposed increases

A report concerning requests to increase the capital programme was submitted. We agreed to make two changes that together will increase the capital budget by £155,000 in 2009/10 and £6,000 in 2010/11, financed by contributions of £161,000 from other bodies.

Decision

1. Chief Executive's Transport - Canal Street Safety Barrier: To increase the capital budget by £61,000 in 2009/10, funded by British Waterways contribution .
2. Chief Executive's Transport – Longley Lane Traffic Calming: To increase the capital budget by £100,000 (£94,000 in 2009/10 and £6,000 in 2010/11) funded by Greater Manchester Waste Disposal Authority contribution.

Exe/09/69 Treasury Management Annual Report 2008/09

The annual report was submitted to cover the Council's treasury position as of 31st March 2009, the outturn for 2008/09, compliance with treasury limits and prudential indicators, investment strategy and outturn for 2008/09, debt rescheduling, and Housing Large Scale Voluntary Transfers.

We have noted the report and how proactive treasury management during the year has enabled us to achieve an average net return on our investments of 4.77%, which is significantly better than the benchmark average. We also note that the average rate of interest on the Council's overall debt reduced from 5.89% to 5.34%, in the main due to significant reductions in Bank Rate. We also commend the Treasury Management for avoiding the serious pitfalls that have beset other authorities and public bodies during the year.

Decision

To note the report.

Exe/09/70 Update on progress on Selective and Additional HMO Licensing proposals

A progress report was submitted in relation to the designation of Areas for Selective and Additional Houses in Multiple Occupation (HMO) Licensing. This explained the progress made since the last report in March (Minute Exe/09/41). The proposed schedule for bringing forward licensing schemes was set out in the 2009 work-plan, with Ancoats and Clayton as the first area to be submitted to the Department of Communities and Local Government (CLG).

Decision

1. To authorise the Strategic Director of Neighbourhood Services in consultation with the Executive Member of Neighbourhood Services to submit the appropriate documentation to the CLG seeking confirmation of Selective and Additional HMO designations, and to continue to seek a General Consent from CLG.

2. To note that areas identified in the plan appended to the report within the Ancoats and Clayton ward meet the criteria for Selective Licensing and that final supporting information will now be collated to support the case for Selective Licensing, prior to submission to CLG .
3. To note progress in, and proposals for developing other Selective and Additional HMO licensing schemes within the private landlord licensing workplan as set out the report.

Exe/09/71 Council House Building

In the March budget the Chancellor announced £100m was to be made available for Local Authorities to bid to build council housing. The Local Authority New Build Programme will be delivered through the Homes and Communities Agency (HCA). A report was submitted seeking approval to bid for part of this funding.

The proposal was to build approximately 40 units of older persons bungalow type accommodation, restricted from Right to Buy, across a number of marginal and infill sites in North Manchester. The bid was to be for new house building to fill specific gaps in housing provision so as to increase housing supply for older or disabled households in order to free up under-occupied family homes which are in high demand.

The report explained the bidding process and the assessment criteria, as well as describing how the proposed bid, if approved, would relate to the Council's strategies and capacity to deliver the projects.

Decision

1. To approve the proposal to bid for Social Housing Grant to build new Council owned homes for social rent.
2. To delegate authority to the Director of Housing to submit the pre-qualification questionnaire to the Homes and Communities Agency (HCA) in order to apply to become an investment partner with the HCA under the National Affordable Housing Programme 2008-2011.
3. To delegate authority to the Director of Housing and the City Treasurer in consultation with the Executive Members for Neighbourhood Services and Finance and Human Resources to finalise the details of the proposed scheme including identification of sites, proposals for deliverability and an affordable financial model and submit the bid to the HCA.
4. Subject to the Council's bid for funding being successful, to delegate authority to the Director of Housing, City Treasurer and City Solicitor in consultation with the Executive Members for Neighbourhood Services and Finance and Human Resources to negotiate and agree terms of any funding agreement with the

HCA together with any necessary agreements with third parties for the implementation of the scheme.

5. To support Northwards Housing's separate application to the HCA to become an investment partner under the National Affordable Housing Programme 2008-2011.

Exe/09/72 Waiving repayment of "Right to Buy" discount in case of hardship, to assist applicants for the Mortgage Rescue Scheme

Council tenants are entitled to buy their homes at a discount which varies according to the length of their tenancy. The maximum discount is £26,000. All or part of this discount must be repaid if the house is sold within five years of purchase. The discount is a debt secured on the property and counts as a second charge after any mortgage. So if the proceeds of sale are not enough to pay off both debts, the mortgage lender's loan is repaid first and the Council gets whatever remains.

In January 2009 the Government introduced a package of measures to prevent owner-occupiers losing their homes through mortgage repossession. The Mortgage Rescue Scheme is one of these measures. In limited circumstances the existence of the discount as a second charge on a home could restrict the home-owner's eligibility for help under the scheme. A report was submitted seeking authority for the repayment of the discount to be waived to enable homeowners at risk of losing their homes to be eligible for the Mortgage Rescue Scheme. The report explained that the financial consequences to the Council were not likely to be significant and, by helping to avoid a household being made homeless, would avoid the rehousing costs that the Council would otherwise have to bear.

Decision

1. Note the role of the Council in helping Manchester residents in danger of losing their homes access a range of Government measures to prevent homelessness through mortgage repossession, including the Mortgage Rescue Scheme.
2. Authorise the Director of Housing to waive the Council's right to demand repayment of some or all "Right to Buy" discount in accordance with the following principles:
 - a) repayment is only to be waived where homeowners would otherwise be unable to take up the Government Mortgage Rescue (Mortgage to Rent) Scheme (or any subsequent scheme designed to prevent owner-occupiers' homes being repossessed);
 - b) repayment is only to be waived to the extent necessary to allow the applicant to access the Mortgage Rescue (Mortgage to Rent) scheme;

- c) the Council reserve the right to refuse an application to waive the repayment of "Right to Buy" discount where an applicant is considered to have made himself intentionally homeless, or where it is considered that refusal would not cause hardship.

Exe/09/73 Review of Free School Travel Policy 2009

We agreed our current free travel pass policy in July 2007 (Exe/07/82). Since then some parents have questioned the current policy, and some neighbouring local authorities have commented that children who live in Manchester who attend schools outside Manchester are not given equal access to travel passes.

A review of the policy had been carried out to look at:

- the uptake of free travel passes for 2008 compared to previous years;
- the current capacity of Manchester's Roman Catholic schools;
- eligibility criteria; and
- other local authorities' policies.

We note that the policy for children with special educational needs (SEN) is outside the scope of this review as it is managed within the SEN Transport Unit.

A report was submitted setting out the detailed findings of the review and proposing changes to the existing policy. The policies of some neighbouring Councils include a cycle allowance as an alternative to a free travel pass. The adoption of a similar cycle allowance scheme was proposed and the detail of how it would operate was set out in the report.

We were aware that the Children and Young People Overview and Scrutiny Committee had also looked at these proposals at its meeting on 16 June, and that the Committee had commended the proposals to us (Minute CYP/09/30).

Decision

To agree:

1. to extend free GMPTE transport provision to Manchester Looked After Children living out of the authority and/or attending a non Manchester school;
2. to extend the eligibility criteria for free school travel passes from September 2009 to include children attending RC secondary schools;
3. to extend eligibility for free school travel passes to Manchester children who attend non Manchester schools where the Council were unable to offer 3 suitable schools in Manchester;
4. to make provision of free travel passes available to children in temporary accommodation;

5. to adopt a cycle allowance as an alternative to free bus passes.

To note:

1. the increase in price for 2009 of GMPTE concessionary pass;
2. that the LA will seek to improve the clarity of information to parents in publicity of the revised scheme;
3. that additional costs are expected to be contained within the available budgets, dependant on the uptake of the cycle allowance.

Exe/09/74 Home to School Travel Assistance for Children with Special Educational Needs (SEN)

We had last reviewed the policy on home to school travel assistance for children with special educational needs in July 2005 (Exe/05/105). We were concerned then about the increasing cost of provision. At that time we agreed to changes to policy and operational practice to secure savings. However, those measures failed to limit the rising costs, with a budget overspend of almost £1.5m in 2006/07.

Two other issues made a further review of the policy necessary.

- The planned move to reduce the number of children needing a formal Statement of Special Educational Needs. It is likely this will result in a reduction of circa two thirds of the number of Statements produced over time. This does not mean that all children, in the future, that do not have a Statement will not need some form of specialist travel assistance to ensure their regular attendance at school.
- Changes in statutory responsibilities since 2005 that the current policy does not accommodate.

A report was submitted setting out the findings of the review that had been undertaken and proposing that a revised policy is adopted, along with the associated service standards. The review was founded on a clear vision of improving access to the service and providing greater flexibility and choice in how travel assistance to school was provided. This vision will move the service from being a transport service, which creates and maintains a dependency, to one which always seeks to develop independence through training and confidence building.

The key stakeholders involved in the care and support of children with SEN had been consulted on the proposed new policy and the associated service standards. The report explained the broad range of actions taken to involve the consultees in the development of the policy, and outlined the responses and contributions made.

The key points of the new policy and service standards were described in the report and the complete policy and standards were appended to it. The report set out the

key changes that will mitigate the financial risks of this service. The legal implications of the new policy were also set out in full.

We were aware that the Children and Young People Overview and Scrutiny Committee had also looked at these proposals at its meeting on 16 June, and that the Committee had commended the proposals to us (Minute CYP/09/29).

Decision

1. To replace the existing policy for Home to School Travel Assistance with the updated Policy and Service Standards appended to the report.
2. To note that there is a significant financial risk given the level of spend and that having a clear and fair policy underpins the ability to manage costs and thus mitigate the financial risk
3. To note that the future service ethos and emphasis is on offering independence wherever possible through structured travel training.

Exe/09/75 Outcome of statutory consultation on a proposal to increase the admission number at Irk Valley community Primary School (currently known as St Thomas Community Primary School)

A report was submitted on the responses received during statutory consultation on the proposal to increase the admission number at Irk Valley Community Primary School (currently known as St Thomas Community Primary School) from 30 to 60, from 1 September 2009. The report explained that two periods of consultation had been undertaken. It described the consultation arrangements in detail and the responses received. The comments received did not call into question the validity of the proposed increase in Admission Number at St Thomas. The next step was to publish a formal notice to increase the school's Admission Number from 30 to 60 with effect from September 2009. This will introduce a four-week period for any interested party to either comment or object. The response to the formal notice will be reported to us before a final decision is taken.

Decision

To agree that the Director of Children's Services should proceed to the next stage of the statutory process to increase the admission number at Irk Valley Community Primary School from 30 to 60 from 1 September 2009.

Exe/09/76 Executive Arrangements consultation

A report was submitted setting out the requirement for the Council to change its governance arrangements by passing a resolution no later than 31 December 2009

with the change coming into effect no later than the third day after the municipal elections in 2010. The report invited the Council to embark in a consultation process on its future form of governance.

Part 3 of the Local Government and Public Involvement in Health Act 2007 has abolished two of the current model forms of executive, namely, the old-style leader and cabinet and the elected mayor and Council manager, and now requires local authorities in England to operate one of two models:

- elected mayor and cabinet;
- “new-style” leader and cabinet executive (England);

and the report explained how the “new-style” leader and cabinet executive differed from the current arrangements in the Council.

Before drawing up proposals for a new executive, the Council must take reasonable steps to consult local government electors and other interested persons in Manchester. The report set out a timetable for consultation, for the drawing up of proposals, and for passing of the necessary resolution.

We are aware that the Resources and Governance Overview and Scrutiny Committee has also considered this report (Minute GSG 09/10) and is recommending that on recommendation 3 below the Council adopt a 12 week consultation period.

Decision

To recommended the Council:

1. to note the report;
2. to approve the proposed timetable set out in the report;
3. to agree that there should be a consultation with local government electors and other interested stakeholders in Manchester to run from 27 July, to approve the consultation strategy set out in the report and to determine the length of the consultation period;
4. to delegate the drawing up of a consultation document and the finalisation of the consultation process to the City Solicitor in consultation of the Leader of the Council and the Leader of the Opposition;
5. following the public consultation, to request the City Solicitor, in consultation with the Leader of the Council and the Leader of the Opposition to draw up draft proposals for presentation to the Constitutional and Nomination Committee and the City Council on 7 October 2009; and
6. to approve a budget not exceeding £100,000 for the consultation exercise.

Exe/09/77 Manchester Metropolitan University Campus Development at Birley Fields

The redevelopment of Birley Fields was identified by the Hulme City Challenge Initiative as a key employment site for the area. Between 1999 and 2002 a number of office developments were constructed but the development stalled during 2001 and the take-up of space was less than anticipated. As a result, parts of the development have been slow to market and remain empty or under-occupied with remaining plots of land lying vacant. Taken together, the unoccupied sites and buildings in this area do not create a positive image of Hulme at this prominent and high profile gateway to the city.

In May 2006 we approved the adoption of the Birley Fields Strategic Review, which included a Development and Land Use Strategy for the 9 plots of undeveloped brownfield land (Minute Exe/06/76). The Council then engaged consultants to manage, market and maintain the Birley sites, but this was overtaken by the interest shown from the Manchester Metropolitan University who wish to develop the area in a comprehensive manner.

Manchester Metropolitan University (MMU) is undergoing a programme of transformation, consolidation and the reconfiguration of its existing estate that is currently spread across seven sites in Manchester and Cheshire. In this programme a new Hulme Campus at Birley Fields will accommodate the relocation of the Faculty of Health, Psychology and Social Care, together with the Institute of Education from the existing Didsbury and Elizabeth Gaskell Campuses.

A report was submitted set out in detail the MMU Masterplan / Development Framework. The MMU proposals promote the development of a new community Campus on Birley Fields that will accommodate around 6,000 students, 22,000 sqm of new academic teaching facilities and purpose-built halls of residence for students. MMU are also committed to ensuring that the Campus will provide local communities access to neighbourhood facilities within the development.

An economic impact assessment of the development has been undertaken. The findings show the development as supporting 877 local jobs, generating a gross value added (GVA) of £29.2 million per year to the economies of Hulme and Moss Side and creating direct additional revenue of £76.7m to the Hulme and Moss Side area.

Decision

1. To approve in principle MMU's Development Framework/Masterplan for the creation of a community Campus on Birley Fields in Hulme, to replace the previous Framework approved in May 2006.
2. To authorise the Chief Executive to commence detailed consultation with residents and key stakeholders of the area and make any amendments required to the Masterplan as a result of that exercise.

3. To delegate authority to the Chief Executive and City Treasurer in consultation with the Leader and Executive Member for Finance and Human Resources to negotiate and agree the terms of a development agreement between the City Council and MMU for the project.
4. To request the Planning & Highways Committee to note the emerging Framework as a material consideration when determining planning applications for the area.

(Councillors Ashley, Donaldson, Leese and Shaw all declared a personal interest in this item)

Exe/09/78 AGMA Executive Board

Decision

To receive the decision notices for the meetings of the AGMA Executive Board held on 29 May 2009.

Exe/09/79 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 following items which involved consideration of exempt information relating to the financial or business affairs of particular persons, and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Exe/09/80 Manchester Metropolitan University Campus Development at Birley Fields

A report was submitted on the financial implications of the MMU Materplan for the creation of a new campus at Birley Fields. The university has a funding gap which needs public sector support if the development is to go ahead.

The report examined the case for the Council providing financial support to the development and looked at the different forms that support could take. It also explained the other steps being taken by the university to close that funding gap. The economic and regeneration benefits arising from the development were described and we are satisfied that these benefits are worthwhile and sufficient to justify financial support from the Council.

We agree that the most appropriate form of contribution to this development is the value of the land required for the scheme. The City Council owns all the land upon which the new campus is proposed and the value of that land was set out in the report.

The proposed terms and conditions for the disposal of the land at undervalue were described, along with the legal processes involved, including the need to obtain the Secretary of State's consent for the disposal.

Decision

1. To approve in principle the disposal to Manchester Metropolitan University of the land at Birley Fields (as identified in Appendix A of the report) required for the development of its new campus at an undervalue on the terms set out in this report, subject to the approval of the Secretary of State.
2. To authorise the Chief Executive and City Treasurer in consultation with the Leader and Executive Member for Finance and Human Resources to negotiate and agree the terms of an agreement for the disposal and development of the land identified above between the City Council and MMU for the project.
3. To authorise the City Solicitor to take all steps necessary to give effect to the above resolutions including, if necessary obtaining the Secretary of State's consent to the disposal of land at an undervalue and any other consents or approvals that may be required.

(Councillors Ashley, Donaldson, Leese and Shaw all declared a personal interest in this item)