

## **The Executive**

### **Minutes of the meeting held on 30 June 2010**

Present: Councillor Leese – in the Chair  
Councillors Amesbury, Andrews, J Battle, Evans, Keegan, N Murphy, S Newman, and Priest.

Also present as Members of the Standing Advisory Panel:  
Councillors: Ali, Ankers, Ashley, R Battle, Donaldson, Firth, Grant, Hassan, A Khan, Longsdon, Pearcey, Ramsbottom, Shannon, Smith and Wheale.

#### **Exe/10/54 Minutes**

##### **Decision**

To approve the minutes of the Executive meeting held on 2 June 2010 as a correct record.

#### **Exe/10/55 City Region Governance**

In March 2010 we endorsed the Final Scheme for the proposed Combined Authority for Greater Manchester and consented to the inclusion of Manchester in the area of the Combined Authority (Minute Exe 10/21). The other nine local authorities in Greater Manchester also agreed to be included within the Combined Authority. Later in March the Government published a consultation document "Proposal to establish a combined authority for Greater Manchester" that sought views on the establishment of the Combined Authority, and on the proposed structure, constitution and functions of the new authority. The City Council was one of the bodies consulted by the government.

A report by the Chief Executive was submitted to update us on the consultation and other developments, to set out a proposed response to the consultation paper, and to outline the next steps and the likely timetable.

We were aware that the consultation document had been published by the former government, and the report set out why the proposals might enjoy the support in principle of the new Coalition Government.

The report also explained that the AGMA Scrutiny Pool had considered the consultation paper at its meeting on 11 June. The Scrutiny Pool had agreed that the requirement for joint scrutiny arrangements in the combined authority should be mandatory rather than voluntary, with the form and function of the scrutiny arrangements a matter for the combined authority to determine.

##### **Decisions**

We agreed to:

1. note that prior to the election being called, Ministers approved the proposals for the creation of a Combined Authority for Greater Manchester;
2. welcome the publication of the Government consultation paper which invited the submission of views by 14 July;
3. endorse the proposal for the establishment of a Combined Authority for Greater Manchester;
4. endorse the proposed constitutional arrangements and functions of the proposed Combined Authority as set out in the consultation paper;
5. approve the proposed responses to a number of issues set out in the consultation paper on which specific responses are sought, and authorise the Chief Executive (in consultation with the City Solicitor and the Leader) to make a formal response to CLG dealing with these and any legal and technical issues relating to the consultation and the draft order;
6. note the views of the AGMA Scrutiny Pool and that officers will discuss this issue further with CLG Officials; and
7. note the next steps and timetable as set out in the report and agree that regular progress reports be submitted to us.

### **Exe/10/56 Statutory Petitions Scheme**

The Local Democracy, Economic Development and Construction Act 2009 has placed the Council under a new statutory duty to approve, publish and comply with a Petition Scheme. The Governance Subgroup of the Resources and Governance Overview and Scrutiny Committee had considered a draft of a Petitions Scheme at a meeting on 14 June (Minute GSG 10/10).

A report was submitted that described the requirements of the new statutory duty. The report included the draft Petitions Scheme that had been considered by the Governance Subgroup, as well as the subgroup's recommendations on changes and amendments to that draft scheme.

We supported the proposed Scheme, as amended by the subgroup.

### **Decisions**

1. To note the City Council's new statutory duty to approve, publish and comply with a Petition Scheme.
2. To commend to the Council the draft Petition Scheme as presented to us in the report.
3. To also endorse and commend to the Council the recommendations by the Governance Subgroup of the Resources and Governance Overview and

Scrutiny Committee made at its meeting on the 14 June 2010 in relation to the draft Petition Scheme.

4. To authorise the City Solicitor to make the necessary amendments to the scheme to take account of Resolution 3 above, and to recommend that the Council adopts the Scheme, as amended, as the Council's Statutory Petition Scheme.

### **Exe/10/57 Reform of Council House Finance and Self-Financing**

The Housing Revenue Account (HRA) subsidy system was established in the 1930s and has continued in essentially the same form since then. Recently the HRA subsidy system has been subject to lengthy consultation and review. In July 2009 the Government published a consultation document titled "Reform of Council Housing". This included an option of dismantling the current HRA subsidy system and replacing it with a devolved system of financing and accountability termed self-financing. Under self-financing council landlords would keep all their rental income and use it to finance their own stock, ending the annual subsidy relationship with Government.

In March 2010 a further consultation paper titled "Council Housing: a Real Future" was published by the Government. This set out detailed proposals for reforming council housing finance and sought the views of councils on implementing this new self-financed system. The proposed self-financing system would be created by a once-and-for-all settlement between Central and Local Government. In exchange for a one-off allocation of debt between local authorities, Central Government will stop the annual redistribution of rental income.

A report from the City Treasurer and the Director of Housing explained the proposals and their implications for the City Council. The report explained that whilst the general intention to reform the HRA subsidy system was welcomed, there were serious concerns about the implications of the changes, and the one-off settlement, on the funding of the Private Finance Initiative (PFI) schemes that the Council has entered into. Those concerns were so serious that unless changes were agreed with the Government the proposals in the consultation paper would be unworkable for the Council.

The City Treasurer also explained that there were less serious issues raised in relation to the exchange of Public Works Loan Board and other debt between local authorities. These too would need to be discussed with Government and changes made to what had been proposed.

We agreed to authorise officers to respond to the consultation and to enter into negotiations with the Government on the issues referred to in the report.

### **Decision**

To delegate to:

- the City Treasurer and Director of Housing the authority to respond to the

consultation on the proposed HRA reforms based on the information included in the report, in consultation with the Executive Member for Finance and Human Resources and the Executive Member for Neighbourhood Services;

- the City Treasurer and the Director of Housing the authority to enter into negotiations with Government regarding the terms of the HRA settlement. This will be done following consultation with the Executive Member for Finance and Human Resources and the Executive Member for Neighbourhood Services.

### **Exe/10/58 Summary of Cross City Bus Consultation**

The Cross City Bus Package Scheme is being promoted as part of the Greater Manchester Transport Fund, and it has been developed by the Passenger Transport Executive (PTE). As part of this the PTE undertook a public consultation exercise over a twelve-week period between October and December 2009. A further four-week period followed this initial consultation to allow for local MP's and Ward Councillors to make further representation on behalf of their constituents. The level of response to the consultation has been good, with a total of nearly 1,900 responses.

A report was submitted by the Chief Executive describing the details of the Scheme and the responses to the consultation. The report also explained the amendments to the Scheme in response to the matters raised during the consultation. A specific issue was raised in relation to the changes proposed for Sackville Street, and the Chief Executive agreed to examine this.

### **Decisions**

We agreed:

- 1 to note the extensive public consultation carried out as part of the Cross City Bus scheme, and the main issues that were raised by consultees;
- 2 to note the proposed changes to the scheme in response to these issues;
- 3 to note that the a report on the outcome of the public consultation will also be submitted to the GMITA Capital Projects Committee on 2 July; and
- 4 to re-affirm our support for the scheme.

### **Exe/10/59 Revenue Outturn 2009/10**

A summary of the final outturn for the General Fund for 2009/10 was submitted, with a more full breakdown of the figures to follow to a future meeting. The revised budget for 2009/10 contained an assumed contribution from the General Reserve of £5.934m. The actual outturn position was for a contribution from the General Reserve of £3.237m, representing an under-spend across all budgets of £2.697m. Outline figures were also provided for the main departments of the Council. The report also proposed transfers to and from departmental and corporate reserves in

relation to specific projects in 2009/10 and to meet anticipated future budget pressures.

### **Decisions**

1. To note the overall outturn position for 2009/10 as outlined in paragraphs 2.1 and 2.2 of the report and the initial assessment of the departmental outturn position against cash limit budgets as shown in the table at paragraph 3.1.
2. To approve the proposed transfers to reserves as identified in paragraph 4.1 of the report.
3. To note that a further report providing more detail on the departmental outturn positions against cash limit budgets will be prepared and submitted to us in July along with any requests for carry forward of budget over and under-spends.

### **Exe/10/60 Capital Expenditure Outturn 2009/10**

A report was submitted setting out the outturn of capital expenditure and financing for 2009/10. The final outturn for 2009/10 was £335.7m, compared to the forecast Capital Programme of £349.5m reported in February 2010. The report explained the source of the variations from the programme reported in February and the decisions taken by the City Treasurer with regard to the funding of the programme during the year. A summary analysis of the outturn for each department was appended to the report.

### **Decisions**

1. To note the capital outturn of all programmed expenditure (including Voluntary Aided Schools) in 2009-10 was £ 335.7m.
2. To note the explanations of the major variations between final outturn and the figures previously reported to us in the capital monitoring report 2009-10 in February 2010.
3. To note the decisions of the City Treasurer regarding the funding of capital expenditure in 2009/10.
4. To note that the figures in the final accounts will be different (£11.9m) due to the exclusion of expenditure relating to Voluntary Aided Schools

### **Exe/10/61 Capital Programme – Proposed Increases**

A report concerning requests to increase the capital programme was submitted. We agreed to recommend to the Council two changes, and to make a further eight changes under delegated powers. Taken together these changes will increase the

capital budget by £6,201,000, financed by £5,888,000 government grant, £188,000 contributions and £125,000 from reserves.

### **Decision**

To recommend that the City Council approve:

1. Chief Executive's Regeneration – Levenshulme Inspire Project: To increase the capital budget by £125,000 in 2010/11, funded by Wythenshawe Trust VAT refund.
2. Chief Executive's Regeneration – West Indian Sports and Social Club: acquisition and demolition. To increase the capital budget by £110,000, funded by WNF.

To approve under delegated powers:

3. Children's Services – School Kitchens and Dining Rooms: To increase the capital budget by £245,000 in 2010/11, funded by DCSF grant.
4. Children's Services – St Thomas Primary School: To increase the capital budget by £59,000 in 2010/11, funded by school contributions.
5. Children's Services - St Georges Community Centre Refurbishment and Extension: To increase the capital budget by £833,000 in 2010/11, funded by £793,000 government grant and £40,000 external contribution.
6. Leisure Services – Hollyhedge Park Drainage Improvements: To increase the capital budget by £24,000 in 2010/11, funded by Section 106 contribution.
7. Children's Services – Primary Needs: To increase the capital budget by £808,000 in 2010/11, funded by government grant.
8. Leisure services – Blackley Forest Footpaths and Access Points: To increase the capital budget by £24,000 in 2010/11, funded by government grant.
9. Chief Executives Regeneration – North Manchester Metrolink Station: To increase the capital budget by £3,908,000 in 2010/11, funded by Community Infrastructure Fund.
10. Transport – Bridge Assessment, Strengthening & Maintenance: To increase the capital budget by £65,000 in 2010/11, funded by external contributions.

### **Exe/10/62 AGMA Executive Board**

### **Decision**

To receive the decision notice for the AGMA Executive Board meeting on 28 May 2010.