

MANCHESTER CITY COUNCIL SCRUTINY COMMITTEE MEETINGS JANUARY 2015

I attended last week's MCC Economy and Communities Scrutiny Committee meetings (14th January). I hope this report may be of use to some of you. As usual, I'm happy for material in it to be forwarded to other interested parties, with the proviso that it's my interpretation of events and details may not necessarily be completely accurate.

The **ECONOMY SCRUTINY COMMITTEE (ESC)**.

The usual Councillor attendees were again supplemented by Cllr Leese (Council leader), Cllr Flanagan (Exec member for Finance and HR), plus Cllr Reid (chair of the Young People and Children Scrutiny Committee) and Cllr Ollerhead (Chair of the Finance Scrutiny Committee). Public attendance was minimal - just me and a trainee journalist for the whole meeting. The Committee unusually started late at 1015 after 2 minutes silence in memory of the Paris terrorist deaths and a statement from Cllr Kearney about a Manchester rally against the cuts in public spending on 3rd February (RV - this event strikes me as slightly hypocritical given MCC's lack of response to the anti-fracking demo and the Labour Govt's ignoral of the anti Iraq war demo!). There was also a discussion of how many items Cllr Hacking should absent himself from after declaring an interest in item 5B as his wife is Chair of a grant funded organisation.

1. The Committee started real business with item 5A on the agenda – consideration of a **Strategic Response Report** from the MCC Chief Exec setting out the implications for the Council of the reduced LA funding settlement for 2015/16. Cllr Shilton-Godwin (RV - credit to her) said she was none the wiser after reading the report. Other members acknowledged the devil is in the detail, which other scrutiny committees may have more of a handle on. The report was accepted.

2. Cllr Hacking left the meeting room for item 5B, consideration of a report on the **Revenue Budget for 2015/16**. Cllr Wilson observed that the report does not set out how the Council will achieve its objectives (i.e. which services will be reduced) – he was interested in recycling and waste. Cllr Leese mentioned a figure of 6% cut in this area, but pointed out that the quality of neighbourhoods (appearance, cleanliness) is important in encouraging businesses to choose to be based in Manchester and people to live here (RV – presumably not in parts of Levenshulme then!). That's why waste/recycling, street cleaning, and perks are important to the economy. Cllr Shilton-Godwin expressed concern over large cuts in the area of Youth and play (page 53 of the report). A Cllr responded with reference to yesterday's Young People and Children Scrutiny Committee (YPCSC) meeting. They had discussed this and assured ESC members that the intention is not to reduce 'on the ground' projects and the 'hubs' (RV - I think this refers to Sure Start centres). He said there would still be provision for young carers but it will be focussed on education and training rather than play. Cllr Leese reeled off some statistics on schools which he said means schools are getting the basis right. Overall I didn't think the discussion was particularly helpful (RV - to me or the Councillors!)

3. **Agenda item 6 – Follow up information on budget options.**

The previous meeting of the ESC had asked for further information on this, hence the report. On the **Income Generation** section of the report, MCC Business Unit Manager David Lee addressed the meeting, and answered questions from the members. In particular, he explained the contents of a financial summary table on page 108 of the report, which showed positive figures in brackets (opposite to the usual accounting convention), which had confused some councillors. The table

thus showed that services which cost the Council money overall included: CCTV; free car parking; and pest control.

Cllr Stogia was unhappy with an answer about a table on page 54 about the cost of the 'corporate core' activities and asked how Manchester compares with other LAs. Mr Lee said Manchester was near the top on most criteria, but noted that other LAs generate cash in other ways e.g. adverts on websites and waste bins, which Manchester has chosen not to do. He saw energy as an area which Manchester could get into to generate funds, at some risk. He said he would not be keen to bring a list of all possible opportunities under early consideration to the ESC.

Cllr Davis referred to the differences in public and private sector attitudes to risk on projects. He asked Mr Lee how MCC gets its commercial acumen to progress this. Mr Lee pointed out that he and other people in his department have private sector experience. Cllr Hacking asked if MCC compares its services with commercial competitors as well as other LAs. Mr Lee assured him it does, as MCC has to compete against the private sector for some work such as pest control and Manchester contracts work.

Cllr Shilton-Godwin asked if, when the 'task and finish' energy group complete their report, it can come to the ESC. Initially it was agreed this would be possible, but Cllr Ollerhead expressed the view that the Finance Scrutiny Committee (FSC) would be more appropriate. Cllr Hackett said the ESC was appropriate because of the implications for jobs and the Manchester economy. (noted that at this point Mr Lee mentioned the 'low carbon economy!'). Cllr Richards said the ESC is more 'thematic'. She suggested that, to avoid a 'tug of war' between scrutiny committees, the ESC should co-operate with other scrutiny committees to divide up the issues more effectively to avoid duplication.

Finally, Cllr Flanagan pointed out the discrepancy between the UK Government's reference to the 'northern powerhouse' and its cuts in rate support grants to northern LAs.

Discussion moved on to item 6B **Reform and Innovation**.

Cllr Shilton-Godwin commented that the report was missing information on the expected impact on each of the options presented (RV - I couldn't find these options in the papers available to the public at the meeting) A manager from MCC Transformation Services department reported she currently has 32 staff, and the cuts options are to reduce this to 19 or 14 staff. She and two colleagues mentioned the work they do on contributions to various think tanks, DevoManc, and public service reform (RV - whatever that is) Apparently the department also 'challenges' how the Council works, and acts as a liaison with central government and other external bodies. Cllr Leese mentioned that part of the department's work is to encourage change in some Council Directorates that are resistant to it. Cllr Wilson was concerned with possible duplication of effort between this dept and 'new economy' (RV - not obvious what this is or does) which Cllr Leese denied. The discussion ended with Cllr Leese's opinion on options being noted.

Item 6C was on **Neighbourhood Focus**. Councillors were generally supportive of this section. One member was assured by Cllr Leese that reducing the staff numbers would not affect the Council's ability to improve recycling rates, as the cuts would involve a de-centralisation of services, but the budget to increase recycling rates and enforcement would actually increase.

Item 6D was **Early Years in terms of its impact on Worklessness**. Cllr Reid joined the committee table and gave some information on these issues coming up at the YPCSC. She went on to talk about early years provision in terms of hours of nursery school provision and difficulties in accessing early years provision in some wards. (e.g. Gorton, Levenshulme). There followed a discussion about what Manchester provides in terms of free child care (RV - the statutory provision is 15 hrs per week for 35 weeks of the year for 3 and 4 year olds. However, most Manchester schools offer 25hours free. Some parents pay a top up fee over 15 hours, since grants have been cut and some daycare has been outsourced to the private sector. Manchester still has 38 Sure Start centres which offer support for children aged 0 to 5). The Committee members expressed their pride at the Manchester approach to this issue and accepted the report.

Finally, item 6E/7 **Manchester Adult Education Service** was considered very briefly. The report was noted and accepted – without any questions or comments.

4. Agenda item 8 Tax avoidance/evasion.

A report on this issue has been requested by the ESC. A discussion on the subject was kicked off by Cllr Moore, who had been lobbied by several constituents. She would like MCC to influence other LAs to sign up to whatever campaigns are current. Cllr Kearney was in favour of getting a stand alone motion before the whole Council. Cllr Flanagan pointed out the loopholes in trying to avoid using tax avoiding multinational businesses for Council contracts, including subcontracting. Cllr Wilson said a review of what the Council currently does is required, the CSR section of the procurement policy could be developed. Cllr Hacking preferred a positive motion supporting businesses in the City that so pay taxes instead of attacking multinationals. Cllrs Shilton-Godwin and Simcock supported action, having also received correspondence from constituents on this issues. There was some further discussion including: the possible influence of MEPs to get the European Parliament to do more; informed consumer choice (e.g. using a local Waterstones rather than Amazon); and a possible statement of intent from the Council. Although Cllr Leese poured cold water on some of these suggestions, saying there was little the Council could do, it was decided Cllr Kearney will host a meeting for interested Cllrs to look at possible next steps.

5. Agenda item 9. Overview Report.

This was received and noted by the Committee. The Chair reported that the Council Chief Executive, Sir H Bernstein had, last year ,given a good presentation on the Manchester economy to the ESC, although it had not been as strong on the impact of proposed cuts. He had been due to address the ESC again at the February or March meetings, but was now not able to attend on either of these dates. The Chair has asked relevant Council to re-arrange such a presentation as soon as possible after the election.

6. Item 10 Any other Business.

The Chair asked members to complete a survey on the effectiveness etc of the scrutiny committee. As there was a facility on the survey to express an opinion as a member of the public attending scrutiny meetings, I did the survey for Economy and Communities scrutiny committee meetings and handed it in.

The **COMMUNITIES SCRUTINY COMMITTEE (CSC)** was supplemented by Cllr Leese and Cllr Andrews (Executive Member for Adult Health and Wellbeing). There was again a large contingent in the public area, composed of representatives of the voluntary and community sector bodies whose grant funding budget cut options were part of the meeting's agenda.

1. Agenda item 5 Tackling Hidden Crimes and Behaviours.

(RV – the report under consideration on this item is usefull informative. As well as the discussion below there are also sections in it on Hate Crime, Forced Marriage and Sexual Violence)
DI Rebecca Duggan of GM Police led off the discussion, starting with **FGM**. She is based in South Manchester, where FGM is considered most likely to occur. She said it is extremely prevalent (RV - ?!) but in response to a question from Cllr Andrews revealed there had been no successful prosecutions in GM. Cllr Murphy expressed his disappointment at this situation, particularly as it is a form of child abuse. The DI said this was because of the difficulty of getting enough evidence to mount a successful prosecution. Other Councillors supported Cllr Murphy's view, one Cllr raising the issue of Police fear of being accused of being racist in taking action. Cllr Ali pointed out that FGM is a cultural rather than religious practice, and the DI assured the Committee the Police will deal with it as a crime. (RV – the police officer left the meeting at this point)

The discussion moved on to **Human Trafficking**. A woman and her colleagues from Manchester Action on Street health (MASH) spoke about their work, harrowing at times, with female sex workers. Their services are tailored to the often chaotic lives of their clients. They saw 1100 women last year and noted an increase in women returning to this work in response to financial situations. 25% of the women they see are Romanian. The Chair commented that the report is the start of a journey, and the Committee will follow up on the issue later in the year.

2. Agenda item 6 Mental illness provision, drug and alcohol abuse within troubled families.

The report on this was circulated to members late so copies were not available to the public at this meeting. Discussion between Councillors and people presenting the report included: that these issues are prevalent in troubled families; the problem of long waiting lists for mental health services; services not being available for alcohol abuse. There is some indication that public health funds will go to this area to make up for cuts in the Council budget (RV – this will presumably hit the health promotion part of the public health budget!). After Cllr Newman had droned on for several minutes referring to points in the report I did not have access to, Cllr Paul Murphy asked how the success of interventions is measured, in both financial terms and in benefit to communities. Cllr Ali asked about the Government's 'pay by results' scheme, now coming into its second phase, where payments will be different, resulting in lower pay out per intervention. There were no concise answers given to these questions, but according to the MCC officers present, GM devolution will be a benefit in this respect. The Chair asked for some case studies, to illustrate the success or otherwise of interventions, in a future report.

3. Agenda item 7 Budget consultation – discussion with invited guests.

In an update from the last meeting, the Chair read out a statement from Manchester Womens' Aid (RV - representative not present) thanking the Committee for their report. Apparently since the last meeting the Committee and MWA had come up with another option to minimise the effects of the proposed cuts. This involved not taking money out of womens' refuges funding in return for looking at how the service can be provided differently (RV - ?!).

On the more general issue of of grants to other community sector organisations, a Council officer

gave an update on discussions with MACC , including an offer by MACC to take £60k off their year 1 (2015/16) grant. Mike Wild of MACC spoke as he had done at the last meeting, welcoming the positive news about the use of the Airport dividend, but adding he was unclear where £9 million from this will be used with respect to the voluntary sector services. Another MACC person listed some complaint about the consultation process on budget cuts, including: too complicated forms; lack of discussion; having to repeat discussions with some users given new options; and consultation documents not in minority languages. MACC will organise a meeting, after the election, between elected politicians and the voluntary sector to discuss how to work together in the future. Cllr Flanagan then came in with the now mandatory criticism of the Tory Government, but went on to add that £2 million of the Airport dividend will be kept back for use in future years. The Council officer responded unconvincingly to the MACC criticisms.

Discussion then moved on specifically to advice services. One of the advice service representatives thanked the Council for providing a 3rd option for budget changes. Jeremy Engineer from the Cheetham Hill Advice Centre then stated that if their budget is cut by 5%, they will have no option but to close in the short term. They had looked at cutting overheads by sharing buildings, but prospects did not look good. The Manchester CAB rep echoed his view, pointing out a proposed 50% cut to their grant. He said the advice services had put forward a new model of operation but the new grant figure will not be enough. Izzy Taylor of City South Housing Trust pointed out that they do provide some advice for tenants on housing and related issues, and hope to add financial advice via a Big Lottery grant funded project.

The Committee members seemed slightly stunned by the statements from the advice services, which implied complete loss of the services. Cllr Ali asked that the advice services come up with further proposals to get round the financial issues. Cllr Fletcher-Hackwood asked for more information from City South if they could take over some other advice areas. Ms Taylor responded that the Trust would have to look at the business case for expanding services. Cllr Paul Murphy pointed out that Executive members are in the same, if not worse, position as the Chief Executives of voluntary sector organisations. He asked them to think again as closing was the easy option. Cllr Andrews said he has had to deal with 23-24% cuts to the services under his control in the first year and asked the advice services for further suggestions. Cllr Flanagan supported this view and said the cuts were not a fight with the voluntary sector. (RV – these last 2 speakers sounded rather bullying to me).

Finally, the rep from CAB responded on behalf of all the advice service providers, pointing out that they had provided an impact assessment to the Council which shows how much the loss of advice services will adversely affect Council expenditure in other areas.

4. Agenda item 8 Budget Report.

A Council officer spoke briefly about the two reports (RV - same as had been considered by the ESC that morning). There were some comments from members on CASH grants and whether they should come under the CSC. Cllrs Flanagan and Andrews made some further comments on advice services. Cllr Paul said that CASH grants have drifted away from their original purpose. The Chair asked for a report on CASH grants for the next meeting. The reports were noted and accepted.

5. Agenda item 9 Overview Report.

No discussion of this. The Chair announced that the next CSC meeting will consider the issue of flying the Palestinian flag in public (RV-!).

Dick Venes,
Hon Secretary, Manchester Green Party.

22nd January 2015.