

**GREATER MANCHESTER COMBINED AUTHORITY (GMCA)
CORPORATE ISSUES AND REFORM OVERVIEW AND SCRUTINY COMMITTEE
12 FEBRUARY 2019 AT 6.00PM AT GMCA OFFICES**

Present: Councillor Nathan Evans (Trafford) (in the Chair)
 Bolton: Councillor Hamid Khurram
 Bury: Councillor Stella Smith
 Councillor Tim Pickstone
 Manchester: Councillor Mary Watston
 Councillor Annette Wright
 Rochdale: Councillor Peter Malcolm
 Salford: Councillor David Jolley
 Stockport: Councillor Linda Holt
 Councillor Yvonne Guariento
 Trafford: Councillor Anne Duffield
 Tameside: Councillor John Bell
 Wigan: Councillor Joanne Marshall

In attendance

Bolton: Tony Oakman, Chief Executive Lead for Digital City Region
 GMFRS Dawn Docx, Deputy Chief Fire Officer
 TfGM Steve Warrener, TfGM Finance and Corporate Services Director
 GMCA Mayor Andy Burnham
 Andrew Lightfoot, Deputy Chief Executive
 Richard Paver, GMCA Treasurer
 Paul Argyle, Chair of Greater Manchester Resilience Forum
 Alison Gordan, Assistant Director of Business, Innovation and Enterprise
 Policy
 Amanda Fox, Group Finance Lead
 Jamie Fallon, Governance and Scrutiny Officer

CI86/18 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hamid Khurram (Bolton), Gillian Peet (Tameside), and Colin McLaren (Oldham)

CI87/18 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

No urgent business was raised.

CI88/18 DECLARATIONS OF INTEREST

Declarations of interest were received from Councillor Peter Malcolm in relation to item CI/98 funding of fire fighters pension.

CI89/18 MINUTES OF THE MEETING HELD ON 22 JANUARY 2019

The minutes of the meeting held on 22nd January 2019 were submitted for approval.

RESOLVED:

That the minutes of the meeting held on 22nd January 2019 be approved as a correct record.

CI90/18 WORK PROGRAMME

Andrew Lightfoot, Deputy Chief Executive, GMCA introduced the work programme. Consideration was given to the March work programme and it was proposed that the following items be deferred until April 2019:

- GMFRS Overview of Training – April 2019
- Health and Safety Executive (HSE) Inspection of GMFRS –April 2019

Members were asked to contact the Governance & Scrutiny Officer with any further items for inclusion in the work programme.

RESOLVED:

That the reconfigured work programme be agreed.

CI91/18/01 GMCA/MAYORAL GENERAL BUDGET – BUDGET OVERVIEW

Mayor Andy Burnham introduced a report, which set out the background to the GMCA General Budget, Transport Levy Budget, Waste levy and Mayoral General budget and the interconnectivity of the various decisions, which needed to be taken.

The Mayor advised that during a time of national uncertainty, socially and economically, Greater Manchester (GM) was setting out bold plans, to inspire hope and confidence in the future, with the publication of the; Greater Manchester Spatial Framework (GMSF), Housing Vision, Transport Delivery Plan 2020-2025, and Clean Air Plan.

The Mayor added that the proposed budgets reflected the priorities of the people in GM, for increased levels of policing, an improved bus network, protecting GMFRS, and releasing the pressures on districts.

Members raised the following questions:

- How long will it take to get the outstanding Transport Order through Parliament? The Order had now been laid before Parliament and it was anticipated that its provisions would be in place for the 2019/20 financial year. TfGM were undertaking an assessment of the options (under the Bus Services Act 2017) in order to identify which would deliver the best outcomes for GM. The Mayor advised that he was unable to implement a public operator as a last resort currently in GM, noting that if required, there may be a further call to Government.
- A Member highlighted the disparity in fares, with some journeys quicker and cheaper to take by taxi. The Mayor highlighted that London had invested in their bus market, got more people using buses, which had in turn decreased the cost of bus travel.

- Members explored whether further monies would be required in future years to improve bus services. The Mayor confirmed that reforming bus services was a major undertaking, and the level of investment required, would depend on GM's level of ambition. It was noted that with congestion at saturation level, it would benefit everyone to get more people on buses.
- A Member explored whether providing free tram travel for older people, and bus travel for younger people, was creating a two-class travel system. The Mayor advised that unfortunately he was not able to offer free tram travel to young people currently. It was confirmed that the opportunity pass was a two-year pilot, to understand how it impacts on the market. However, to ensure that the costs of the pilot did not fall entirely on the taxpayer, the GMCA were working with the Greater Manchester Further Education Colleges and Sixth Form Colleges to pool the money they spend on providing subsidised bus travel for their students. In addition, commercial sponsorship was being sought, along with other public services who could benefit from this scheme. The aim was to develop a passport for young people to help connect them with opportunities across the conurbation – to access the right course to develop their future career, to travel to the many leisure and cultural offers of GM or to travel to employment.
- A Member explored whether the perception of 'anti-social behaviour' would put older people off using buses? It was confirmed that any issues would see the pass revoked, noting that the aim was to create a passport (contract), which was valued by young people.
- Members acknowledged the issues affecting other modes of travel, in particularly, those on rail, and explored how rail performance could be improved. The Mayor advised that if performance had not improved by May, he would be using his voice on GM's behalf, to call for franchise removal, given Northern had already failed to resolve their staffing issues. It was noted that the issues affecting Saturday services had only recently been resolved with the help of the Government and the GMCA. It was acknowledged that taking guards off trains would not instil confidence.
- Had the significant investment in Metrolink, enticed people to switch modes? It was confirmed that the ambition was to develop a 'London style' highly integrated system, which enabled people to easily switch to complete a journey; linked to beelines proposal.
- Shouldn't school children who cannot afford to travel to school not also be a priority? The Mayor explained that 'if he could, he would', noting that his decision was based on the fact that at age 16 years, young people were making life changing decisions, and was also an attempt to replace the 'Education Maintenance Allowance'.
- A Member emphasised the need for a 'Council Tax reform', as it was regressive and hit those who could not afford to pay it. It was acknowledged that the Government did need to change their view regarding taxation, noting that they had not yet addressed the issue of re-evaluation. The Mayor agreed that funding was essential for public services and could not be made exclusively through council tax, as it was not sustainable. The budget reflected the Mayor's ambition to move a number of important agendas forward, in a prudent, cautious way.
- Who pays for the London bus system? It was confirmed that Transport for London (TfL) get a revenue subsidy from central Government.
- A Member queried whether the Mayor had considered introducing a tourist tax? The Mayor advised that he was open minded, and would consider introducing a tourist tax, as a method of accruing monies to create a higher-level transport system.
- How had the precept been used in the West Midlands? It was confirmed that they had decided not to implement a precept; however, their system was very different to that of GM.
- A Member highlighted that GMFRS had a tremendous brand in GM, and explored whether the Programme for Change would see fire station closures, and a manning cover reduction.

The Mayor advised that there could be mergers, and possibly the development of new fire stations, which were fit for purpose and potentially co located with the Ambulance Service. It was acknowledged that in terms of manning cover, most FRS were now operating as 4 firefighters on each appliance. The Mayor confirmed that once finalised, the proposals would be consulted upon before any decisions were taken.

- A Member felt that there was a lack of focus on business within the report, and explored the rationale for this. It was confirmed that business did feature, but that the Local Industrial Strategy due to be agreed in March 2019, would fully outline GM's ambition for a thriving, productive economy. The Mayor highlighted that the results of an independent prosperity review on the current state and future of GM's economy found that the city-region has 'world-class strengths' but real work was still needed to reduce social disparities, boost wages and improve productivity. The Independent Prosperity panel were in support of the 'GM Good Employment Charter.' The Treasurer added that some of the business rates income had been retained, to fund work on the Local Industrial Strategy and GM Good Employment Charter.
- The Mayor added that the Government had proposed to develop a Shared Prosperity Fund which would replace the European Regional Development Funds (ERDF) and the European Social Fund (ESF) when the UK leaves the EU, noting that further information was expected imminently.

RESOLVED:

1. That the report be noted.

CI91/18/02 MAYORAL GENERAL BUDGET AND PRECEPT PROPOSALS

Mayor Andy Burnham, presented a report, which set out his proposals for the Mayoral General Budget (including Fire and Rescue) and the Mayoral General Precept for 2019-20. The following key points were highlighted:

- The proposal was to set an overall Mayoral General Precept of £76.95 (Band D) comprising of £59.95 for functions previously covered by the Fire and Rescue Authority precept (no change) and £17 (an additional £9 for 2019/20 on the current £8) for other Mayoral General Functions, specifically bus reform.
- The Transport Order had now been laid before Parliament and it was anticipated that its provisions would be in place for the 2019/20 financial year. If approved, the transport levy and Mayoral grants would need to be revised to match the new funding arrangements provided for in Part 4 of the Order.
- The Mayor added that Bus reform was essential for the future success of GM noting that the current system was not serving the public well, with routes being cut, and fares too high, which was subsequently impacting on patronage.
- The Mayoral precept would be fully invested in reform, including through a two year pilot, providing free bus travel to all 16-18 year olds in Greater Manchester from September 2019.
- In May 2017, the Fire Authority had been abolished, and the responsibility for GMFRS transitioned to the GMCA under the Mayor. Only a few weeks later, the Manchester Arena attack on 22nd May 2017, was one of the biggest incidents ever to hit the city of Manchester. Following the attack, the fire service came under heavy criticism due to a 2 hour delay in attending the incident.

- In April 2018, the Mayor called for a root and branch review of the Service, including a comprehensive, evidence based review of fire cover requirements across Greater Manchester. The GMFRS Programme for Change has undertaken a whole service review and developed a proposed operating model for GMFRS.
- The Programme for Change outlines a range of options to deliver savings for GMFRS, alongside investment required to deliver transformational change. The outcomes from the programme would affect the GMFRS Revenue Budget for 2019/20 and onwards, with decisions anticipated in March 2019. In light of this, there was a requirement for reserves to be used to underpin the Budget until approved proposals could be implemented.

RESOLVED:

That the update on be noted.

CI91/18/03 GMCA TRANSPORT REVENUE BUDGET 2019/20

Mayor Andy Burnham, presented a report which set out the transport related Greater Manchester Combined Authority (GMCA) budget and Transport Levy for 2019/20.

The Mayor advised that districts had recently given their consent to the Order (Bus Services Act 2017), which had now been laid before Parliament. It was noted that the various budgets had had to be prepared on the basis of the current split of responsibilities and particularly, that costs incurred in assessing and implementing 'Bus Reform' options, and the 16-18 travel concession, were a GMCA responsibility.

Richard Paver, GMCA Treasurer, noted that as the Transport Order was due to be in place for the 2019/20 financial year, then some £86.7m of monies raised through the levy would be treated as being due as a 'statutory charge' as specified in Part 4 of the draft Order

It was proposed that the levy would be increased by £8.3 million to fund additional transport costs associated with Bus Reform, including the 16-18 travel concession. However, following a review of reserve balances, it was proposed that £3.8 million is returned to districts from general reserves and a one-off reduction in the Levy of £1.2 million, taking the total Levy proposed to £195.773 million, apportioned on the basis of mid year population as at June 2017.

RESOLVED:

That the update on be noted.

CI91/18/04 GMCA REVENUE GENERAL BUDGET 2019/20

Richard Paver, GMCA Treasurer, introduced a report which set out the Greater Manchester Combined Authority (GMCA) General Budget for 2019/20, highlighting the following key points:

- The proposal to refund £25 million of retained Business rates was included within the GMCA Revenue Update 2018/19 report.

- The GMCA General budget had been reviewed as part of the 2019/20 budget setting process with a number of potential priorities and pressures being identified including; GM Full Fibre, Unified Architecture, Midas, and Marketing Manchester.
- The GMCA general budget has significantly increased from 2018/19, due to the devolution of Adult Education budgets (AEB) from August 2019. The AEB was a single budget stream bringing together adult further education (all 19yrs+ provision with the exception of apprenticeships/traineeships), community learning and discretionary learner support. The AEB was intended to fund provision, which supports the local labour market and economic development. In particular, it focuses on ensuring that adults have the core skills that they need for work, including guaranteeing a number of statutory entitlements relating to English, Maths and (from the 2020/21 academic year onwards) digital skills, as well as first level 2 and 3 qualifications and English for Speakers of Other Languages (ESOL).
- There are a number of potential calls against Business Rates totalling around £3 million for 2019/20, which would be reported back to the GMCA separately for approval once details were confirmed, along with any proposals for future years funding. This would include the Local Industrial Strategy, and GM Good Employers Charter.
- Along with external pressures, there had been a number of general pressures identified which would be funded from increased investment income, earmarked reserves, utilisation of grants to cover core costs where applicable and appropriate internal recharges. Amongst others this included; GDPR and Information Governance.

Members raised the following question:

- A Member requested further information on the work of the Youth Combined Authority (YCA) detailed at paragraph 2.4 within the report. It was agreed that further information on the makeup and impacts of the YCA would be circulated to the Committee.

RESOLVED:

1. That the update on be noted.
2. That the Committee receive further information on the Youth Combined Authority.

CI91/18/05

OUTTURN 2018/19 AND BUDGET AND LEVY 2019/20 – WASTE SERVICES

Members considered a report that outlined the projected outturn budget for 2018/19 and proposed Budget and Levy 2019/20 for waste and resource management services for Greater Manchester.

Richard Paver, GMCA Treasurer, highlighted the report had only been updated to reflect the District Council Tax bases for 2019/20, district final tonnage, and actual inflation had been included for the two months of Run Off Contract and the Residual Value Contract.

A separate report on the part B agenda provided more information on commercial considerations in setting the budget.

RESOLVED:

That the update on be noted.

CI91/18/06 GMCA REVENUE UPDATE 2018/19

Richard Paver, GMCA Treasurer, presented a report which outlined the 2018/19 forecast revenue outturn position as at the end of December 2018, which forecasted an underspend in relation to GMCA's overall budget, the Mayoral General Budget, and the Mayoral General – GM Fire and Rescue budget.

The following key points were highlighted:

- The Fire and Rescue budget, included the forecast costs of the Moorland Fire Incident, at £1.1m, which the GMCA was seeking to recover via the Bellwin claim. The costs of the incident were in the process of being finalised, noting that the Mayor had wrote to the Secretary of State prior to Christmas regarding the incident. It was anticipated that the Service would be required to bear at least the first £0.195m of any claim made representing the Bellwin threshold, depending on whether the Minister was minded to activate the Bellwin scheme for this incident.
- The outturn position for Transport for the year ending 31st March 2019 showed an underspend of £12.286m. Of this, £8.6m was being funded from existing reserves, therefore a lower amount would be released for 2018/19. The underspend of £3.686m was due to lower capital financing costs which would be transferred to the capital programme reserve.
- With regards to Business Rates Income (paragraph 3.11), it was noted that a share of retained business rates each year to funded GM Strategic priorities. Following a review of the use of business rates and forwarded commitments. It was proposed that £25m would be returned to districts.
- Although figures would not be confirmed until April / May 2019, it was envisaged that a further £30m would be available to the GMCA from 2018/19 receipts. Final figures would be reported to the GMCA as part of the outturn report in May 2019.
- The GMCA had earned £60m a year, the highest amongst the four Mayoral Combined Authorities' and Cornwall.

RESOLVED:

That the update on be noted.

CI91/18/06 GMCA CAPITAL PROGRAMME 2018/19 – 2021/22

Richard Paver, GMCA Treasurer, introduced a report which presented an update to the GMCA capital expenditure programme, noting that the capital programme would continue to be reviewed, with any new schemes which had not yet received specific approval, being subject to future reports.

RESOLVED:

That the update on be noted.

Tony Oakman, Portfolio Lead Chief Executive for Digital City Region, informed the Committee that following the successful GM bid to Government's Department for Digital Culture Media and Sport (DCMS) for £23.8m Local Full Fibre Networks Funding (LFFN) in March 2018, a considerable amount of work had been undertaken to finalise the large complex project.

The report sought agreement and support on investment, programme and project management and procurement in order to progress to full procurement to ensure delivery within a tight funding timescale.

Alison Gordan, Assistant Director of Business, Innovation and Enterprise Policy, GMCA, provided a short presentation, and the following key points were highlighted:

- In March 2018, GM secured 25% of the UK LFFN funding pot to connect over 1300 public sector sites across GM. This would encourage further private sector investment of up to £250m and could be worth over £2.1bn to the GM economy over the next fifteen years.
- The GMCA at its meeting in July 2018, noted the indicative capital funding requirements required to secure DCMS LFFN funding, GMCA also noted the requirement to secure local funding budget approvals.
- The LFFN Programme would have a transformational impact on digital infrastructure in GM, leading to an increase of full fibre coverage from 2% now to around 25% within three years. Greater Manchester would then have the best high speed digital infrastructure coverage of any city region in the UK.
- The LFFN Programme was also expected to deliver cost benefits to public sector partners over the medium term and additional cost benefits could be expected from increased competition from providers seeking to provide services to partners over the new fibre network.
- Tameside Council had entered into separate arrangements with DCMS for £2.5m of the GM LFFN funding which builds on an earlier phase of the LFFN Programme for its full fibre programme. The total LFFN Programme funding for the rest of GM is therefore £21.3m and it is this funding the report is focussed on.
- The LFFN Programme would deliver over 450km of new full fibre network in GM that passes over 30% of total premises in GM, and supports strategic growth allocation sites set out in GMSF.

The following questions were raised:

- A Member requested further information on the risks and challenges associated with the project and the requirement to spend the £21.8m DCMS LFFN funding by the end of March 2021. It was highlighted that the project had been complex and not without its challenges, noting that the original intention was to work with NHS and CCG partners, until market forces began to play and one major provider decided to incentivise their offer to the NHS. It was noted that TfGM had been key in identifying how the same outcomes might be delivered, via a different approach. In terms of the challenging timescale, section 3 of the report outlined the adoption of a front loading approach to ensure that money from Government was spent first. The procurement approach would seek tenders for the delivery of two main contracts; Northern and Southern, grouped geographically. The aggregated procurement approach reflected suppliers preference for fewer larger bundled contract, and was expected to

maximise value for money. The costs of fibre roll out could be significantly reduced if GM local authorities adopt common processes and criteria to utilities infrastructure delivery, noting that this could be achieved by the widest adoption of a GM Prospectus. TfGM were working with local authorities to ensure that the GM Prospectus was in place by July 2019. For the LFFN programme specifically, key elements of the Prospectus were being taken forward through the procurement process in conjunction with colleagues in Highways Departments across GM, which was expected to deliver better value for money.

- Would the benefits of laying the dark fibre be immediate? There would be immediate benefit from installation. It would also put GM in a unique position for the future, which could lead to options such as 5G.
- Had a study of the dark fibre already in the ground across GM been conducted? It was confirmed that where known about it had, noting that GM were also working with DCMS to ask providers what was already in the ground. Manchester were slightly different because of the amount of existing and planned full fibre investment by the market. It was confirmed that DCMS would not fund any overlay of dark fibre as it was not appropriate. The market would decide whether to lay more fibre through the ducting, as they were fully aware of the opportunity and proximity to a whole range of premises.
- A Member highlighted the link to local authority planning departments and the importance of future proofing new developments. Media City was highlighted as an example of a fairly new development which did not have dark fibre laid when developed. It was felt that if we did not legislate for or it would not be done. It was confirmed that local authorities had been fully consulted and involved in the planning. The pioneering work would definitely put local authorities on a strong footing, and open up future opportunities.

RESOLVED:

1. That the investment of £1.46m capital from GMCA and £3.384m capital from GMCA be noted.
2. That the Committee commend that participating district partners are able to secure their individual financial investment commitment before the end of March 2019.
3. That the Committee commend to local authority partners that dedicated local management support is put in place for this programme.
4. That the Committee note that the £21.3m grant DCMS LFFN is allocated between Districts and the GMCA to maximise full fibre site coverage across each district and CA agreement would be sought to the final grant splits following the market response to procurement.
5. That the Committee support the proposed approach to procurement and contract management, namely that:
 - The GMCA agrees to be part to the Inter Authority Agreement with participating Local Authorities.
 - The GM Prospectus is put in place by July 2019 to minimise barriers to investment and reduce roll out costs of utilities across GM.
 - That participating Local Authorities are requested to agree the Inter Authority Agreement to formalise their participation in the GM Full Fibre Programme and secure Government (DCMS) LFFN grant funding.
6. That the Committee note that CCG assets are no longer part of this project, having secured fibre infrastructure via an alternative route.

Andrew Lightfoot, Deputy Chief Executive, GMCA introduced a report, which provided an Members with an update on the GM Brexit Monitor, and an overview of the organisational preparedness work being undertaken by GMCA, wider GM agencies and civil contingencies planning in the event of a no deal Brexit.

It was acknowledged that given the fast moving nature of the national Brexit position, the position had already evolved.

Members were advised that in September 2018, the GMCA had agreed a series of principles and areas for action for Greater Manchester to pursue, to consider possible impacts arising from Brexit were understood, and where appropriate contingency plans were in place. The GMCA also agreed that a 'no deal' Brexit be opposed outright, and where all other options had been exhausted the GMCA would support a People's vote.

Paul Argyle, the Chair of the Greater Manchester Resilience Forum (GMRF), provided an overview of the Brexit preparation activities, which had been taking place across agencies in Greater Manchester, focused on a number of key areas.

Members were advised that the GMRF were leading multi-agency planning for civil contingencies matters and were engaging with relevant Government Departments to assess risk at national, regional and local levels. It was noted that three scenario planning exercises had taken place, engaging with local resilience forum partners, testing local planning assumptions, 'planning for the unusual in the usual way'.

In December, the GMRF had ran an exercise with its constituent partners, running through scenarios designed from a month before exit, in the immediate days after exit and through to two months after exit. Learning was fed into and exercised at the beginning of February, with the GM Civil Contingencies Chief Officers Group (all LA's), and other relevant partners. It was noted that a final exercise would be held on 6th February, with the GMCA Readiness Group, and broader partners, to understand the civil contingencies risks and potential impacts.

Members posed the following questions:

- A Member explored the link to Cobra (Cabinet Office briefing room A). It was confirmed that the command control centre, go through National Liaison officers, and speak to Cobra. It was noted that the GMRF engages with all UK Government Departments on a regular basis.

RESOLVED:

1. That the report be noted.

CI94/18 GMCA REGISTER OF KEY DECISIONS

RESOLVED:

That the report be noted.

CI95/18 **DATE AND TIME OF NEXT MEETING**

Tuesday 19th March, 6pm, GMCA Boardroom, Churchgate House, Manchester, M1 6EU

CI96/18 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CI97/18 **OUTTURN 2018/19 AND BUDGET AND LEVY 2019/20 – WASTE SERVICES
– COMMERCIAL CONSIDERATIONS**

The Committee considered a report, which outlined the commercial considerations in respect of the outturn for 2018/19 and budget for 2019/20 and beyond.

RESOLVED:

1. That the report be noted.