

**MINUTES OF THE VIRTUAL MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY
HELD ON FRIDAY, 24 JUNE 2020 VIA MICROSOFT TEAMS**

PRESENT:

Greater Manchester Mayor	Andy Burnham (In the Chair)
Greater Manchester Deputy Mayor	Baroness Bev Hughes
Bolton	Councillor David Greenhalgh
Bury	Councillor Eamonn O'Brien
Manchester	Councillor Richard Leese
Oldham	Councillor Sean Fielding
Rochdale	Councillor Allen Brett
Salford	City Mayor Paul Dennett
Stockport	Councillor Elise Wilson
Tameside	Councillor Brenda Warrington
Trafford	Councillor Andrew Western
Wigan	Councillor David Molyneux

IN ATTENDANCE:

Bolton	Councillor Susan Baines
Rochdale	Councillor Janet Emsley
Wigan	Councillor Jenny Bullen

OFFICERS IN ATTENDANCE:

GMCA – Chief Executive	Eamonn Boylan
GMCA - Deputy Chief Executive	Andrew Lightfoot
GMCA – Monitoring Officer	Liz Treacy
GMCA - Treasurer	Steve Wilson
Bolton	Tony Oakman
Bury	Mike Woodhead
Manchester	Joanne Roney
Oldham	Carolyn Wilkins
Salford	Jim Taylor
Tameside	Steven Pleasant
Trafford	Sara Todd
Wigan	Alison McKenzie-Folan
Office of the GM Mayor	Kevin Lee
TfGM	Steve Warrener
GMCA	Simon Nokes
GMCA	Julie Connor
GMCA	Sylvia Welsh
GMCA	Nicola Ward
GMCA	Ross Macrae
Growth Co	Mark Hughes

GMCA 80/20 APOLOGIES

Resolved /-

That apologies be received and noted from Geoff Little (Bury), Pam Smith (Stockport) and Steve Rumbelow (Rochdale).

GMCA 81/20 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

There were no Chair's announcements or items of urgent business.

GMCA 82/20 DECLARATIONS OF INTEREST

There were no declarations of interest made in relation to any item on the agenda.

GMCA 83/20 MINUTES OF THE GMCA MEETING HELD 29 MAY 2020

RESOLVED/-

That the minutes of the GMCA meeting held 29 May 2020 be approved.

GMCA 84/20 FINANCIAL IMPLICATIONS OF COVID-19 ACROSS GREATER MANCHESTER AUTHORITIES

The GM Mayor introduced the substantive item for the meeting, the financial implications of Covid-19 across Greater Manchester. He commented that the paper before Members gave a clear picture as to where Local Authority finances were currently, and where they were projected to be by the end of this municipal year. It forms a basis for discussion with Government about a way forward in partnership.

The GM Mayor expressed particular thanks to public servants and the community and voluntary sector for their efforts during the pandemic, and the support that they had offered GM residents in this time of great crisis. However, he urged that we were still not through the pandemic and there would be some significant challenges as we begin to learn to live with Covid over the next 12 months at least.

He acknowledged the recent announcement from the Prime Minister and the shift to a local level of crisis management, however in order to deliver this it was imperative that Local Authorities were adequately resourced. At the end of the first financial quarter, there were already large holes in every GM Local Authority budget, and the Government needed to recognise the challenge that this presented.

The GM Mayor also asked members to consider an additional recommendation which was to agree that this Combined Authority notes the Prime Minister's announcement yesterday and the

previously announced changes to the shielding policy due at the start of August and believes that these changes will increase the funding pressures on local councils and that it is essential that they are properly resourced to manage them. The Combined Authority calls on the Government urgently to commit to cover, in full, the shortfall in this year's budgets.

Councillor David Molyneux, Portfolio Lead for Resources and Leader of Wigan Council, said that Covid-19 had created the largest ever financial challenge for Local Authorities that would ultimately have a greater impact than the 2010 recession. Its unprecedented nature and uncertain future was cause for further concern for LAs, and an honest conversation with Government about both the short and long term impacts was needed.

Steve Wilson, Treasurer to the GMCA, gave further context to the report, and explained how it summarises the scale of the current financial picture, yet relies on a number of caveats in its forecasted numbers. For example, if there was to be a second wave of Covid-19, this would have a significant impact on the overall figures. The current forecasted costs for GM to March 2021 were £732m, following receipt of Government funding to date, there was still a shortfall of £460m (£368m after the use of LA reserves).

The paper further highlighted the lost revenue and potential investment to Local Authorities and how this would negatively impact economic growth across the sub region if not addressed. It was clear from the response to date, that Local Government had a key role in the immediate response and also throughout the recovery phase.

The report also detailed the specific package of support requested from Government, including further direct funding with flexibility as to how these monies could be deployed.

The GM Mayor added that there would not just be a financial impact for this municipal year, but for potentially a number of years to come. Without adequate support for Local Authorities the foundations for local economic recovery would not be able to be put into place.

Councillor Brenda Warrington, Leader of Tameside Council, welcomed the report, but asked whether there had been any consideration as to the contribution from GMCA and TfGM reserves in addition to those from Local Authorities. Local Authorities will be undertaking a line by line budget review to avoid a Section 114 notice, and it was considered important that this was done across the board as the GMCA levy made up 15% of Tameside Council's current budget. She expressed concern that the Government's promise to reimburse the cost of Covid had not been realised, and that there would be a shortfall of £42m to Tameside, which would have a significant impact as to how the Authority would be able to support their residents through the next challenges of this pandemic. Councillor Warrington also felt that the Government's handling of the crisis had been 'shambolic' and there was a lot of work to do in order to regain people's trust of National Government. However, this may also prove an opportunity to reset the relationship between Local and National Government.

Paul Dennett, City Mayor of Salford, thanked officers across GM for this robust report, however recognised how difficult it was to capture the total costs, and implications for budgets going forward. He shared recent findings from the IPPR North that showed an 86% cut in MHCLG's budget since 2010, resulting in austerity, a reduction in Local Authority officers and a widening of health inequalities across the conurbation. Furthermore, there had been an increase of 39% of 'Looked After' Children in care, at the same time as 59% of social care services had been deemed

inadequate, and an increase to teacher/pupil ratios to 27/1. More children were now living in poverty, with a reported increase of 22% in the North. Alongside this, there had been a significant increase (to 3875) in the number of households living in temporary accommodation, with 50% of these households including children. There had only been a 2% increase in the labour market since 2009, evidencing a significant job quality crisis. All of which was a clear proxy as to why so many more families were currently struggling to make ends meet.

City Mayor, Paul Dennett, further reported that to simply move all Salford's social care staff to the real living wage, would be a cost of £3.7m to the Authority, but that they, along with other frontline staff and the voluntary sector were the real heroes of these past months. Without the required additional funding from Central Government, there would not be the ability to level up, and this would have significant impact on people's lives. Another period of austerity was not acceptable, and these discussions must be set within this broad framework on a strong evidence base, in order to contextualise to Government what this would really mean for residents and economic prosperity for GM.

Councillor Sean Fielding, Leader of Oldham Council, commented that the reduction in Local Authority officers, yet a growth in Central Government employees was evidence of Government's lack of commitment to devolution. Local Authority funding had tended to come in narrow funding pots, ring-fenced to specific schemes with little or no flexibility. A call to Government was imperative to ensure that they were aware of the astounding work to date from Local Authorities, but also the future demand to services having highlighted further vulnerable residents who previously were not identified. These were people who needed real opportunities made available to them. Councillor Fielding also added that devolution could make a significant difference to our communities, but that there needed funding with a significant level of flexibility in order to deliver the best outcomes.

Councillor Eamonn O'Brien, Leader of Bury Council, expressed the need for Central Government to effectively finance Local Government to allow them to meet the scale of the challenge and remove the risk of bankruptcy. Local Authorities were able to bring together a borough community in ways that only localism could do, with strong partnerships that enabled the system to work. This significant role needed to be recognised, and reflected to Government to ensure that they were aware as to how secure recovery could be at risk without the required level of funding.

Councillor David Greenhalgh, Leader of Bolton Council, expressed his thanks to officers for their work on the paper, and gave his support to the recommendations including the additional recommendation suggested by the GM Mayor. He acknowledged in particular the incredible work of 'Team Bolton' and the voluntary sector over the past few months, and how they would continue to play a forefront role in recovery particularly around the adults and children portfolios. He added that Central Government had already presented an unprecedented package through the pandemic, not only to Local Government, but also to businesses. However, this was clearly not enough. He was aware that we were all involved in political theatre today, but that he and all GM leaders were equally aware that there were ongoing cross-party conversations with the LGA, lobbying for those extra tranches of money. Councillor Greenhalgh further added that Government had listened to the needs of local residents, businesses, and also Local Authorities in GM through a package of funding totalling £1.5b which should be recognised.

It was also important that GM continued to lead from the front, making the best use of reserves, with a review of those priorities established pre-covid. Furthermore, it was important to recognise

that Local Authorities, working together were best placed to deliver on the ground and working together and in partnership with Government was necessary in order to meet the scale of the challenge.

The GM Mayor reiterated that a partnership approach was very much wanted, and that the recent announcement regarding further funding to support the homeless was greatly welcomed.

Councillor Elise Wilson, Leader of Stockport Council, echoed previous comments made, and reiterated that the role of Local Government was key to making a difference and bringing together partners from across Greater Manchester in a unique way. She recognised the very unprecedented times, and hoped that both Central and Local Governments could evaluate lessons learnt in order to apply this learning to the recovery phase. Councillor Wilson further added that working together was key to its success.

Councillor Andrew Western, Leader of Trafford Council, re-iterated the need for Government to recognise the need for the right level of Local Authority funding in order for services to function and deliver what residents need. Trafford Council's current budget highlights a shortfall of £25m which is an extremely serious issue that requires Government to take note before any Authority is in the position of a Section 114 notice and he felt the meeting today was not 'political theatre' as was suggested but was a critical meeting necessary to highlight these very serious issues.

The GM Mayor concluded the discussion and thanked those in attendance for their powerful comments.

Note: The meeting was adjourned at 11.50am and reconvened at 12.05pm in order to ensure public livestreaming was available in accordance with the virtual meetings regulations.

RESOLVED/-

1. That the contents of the report be received and officers thanked for their work on producing it.
2. That the estimated financial impacts of COVID 19 on local authority, GMCA and TFGM budgets be noted.
3. That the ongoing financial impact of COVID 19 into 2021/22 and beyond be noted.
4. That the role of local authorities and the GMCA in the work to deliver an economic recovery from COVID 19 across Greater Manchester be noted.
5. That the request for further support for GM authorities in terms of both funding and other measures such as increased local flexibilities be noted and supported.
6. That this Combined Authority notes the Prime Minister's announcement yesterday and the previously announced changes to the shielding policy due at the start of August and believes that these changes will increase the funding pressures on local councils and that it is essential that they are properly resourced to manage them. The Combined Authority calls on the Government urgently to commit to cover, in full, the shortfall in this year's budgets.

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