

Minutes of the meeting of the GMCA Overview & Scrutiny Committee
held on Wednesday 07 February 2024
at the Tootal Buildings, Broadhurst House, 1st floor,
56 Oxford Street, Manchester, M1 6EU

Present:

Councillor Nadim Muslim	Bolton Council (Chair)
Councillor Jill Axford	Trafford Council
Councillor Russell Bernstein	Bury Council
Councillor Tom Besford	Rochdale Council
Councillor Joshua Brooks	Salford City Council
Councillor Patricia Dale	Rochdale Council
Councillor Shaun Ennis	Trafford Council
Councillor Nathan Evans	Trafford Council
Councillor Jenny Harrison	Oldham Council
Councillor Helen Hibbert	Stockport Council
Councillor John Leech	Manchester City Council
Councillor Colin McLaren	Oldham Council
Councillor Lewis Nelson	Salford City Council
Councillor Imran Rizvi	Bury Council
Councillor Mandie Shilton Godwin	Manchester City Council
Councillor Fred Walker	Wigan Council
Councillor Peter Wright	Bolton Council

Also in attendance:

Councillor Mark Hunter	Portfolio Lead for Children & Young People
Via Teams: Councillor David Molyneux	Portfolio Lead for Resources and Investment

Officers in attendance:

Eamonn Boylan	GMCA
Nicola Ward	GMCA
Helen Davies	GMCA
Miriam Loxham	GMCA

Jane Forrest	GMCA
Steve Wilson	GMCA
Steve Warrener	Transport for Greater Manchester
Matt Bull	Transport for Greater Manchester

O&SC 73/23 Welcome and Apologies

Apologies for absence were received from Councillor Basil Curley (Manchester City Council), Councillor Joanne Marshall (Wigan) and Councillor Naila Sharif (Tameside). The Chair noted that Councillor David Molyneaux had joined the meeting remoted via Microsoft Teams.

O&SC 74/23 Chair’s Announcements and Urgent Business

The Chair announced the 30-minute extended meeting duration to ensure the GM Budget item was given thorough consideration by this Overview and Scrutiny Committee.

An informal briefing on the Digital Portfolio, for all Members of this Committee plus Substitutes was scheduled for Thursday 15 February at 12pm.

O&SC 75/23 Declarations of Interest

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

O&SC 76/23 Minutes of the GMCA Overview and Scrutiny Committee held on 24 January 2024

Resolved/-

That the minutes of the GMCA Overview and Scrutiny Committee held on 24 January 2024 be approved as a correct and accurate record.

O&SC 77/23 School Readiness Update

The Chair invited Councillor Mark Hunter, Portfolio Holder for Children and Young People, to present the School Readiness Update, this was a key priority for GMCA by improving outcomes across the region to enable young people to have the best possible start.

The ambition in 2019 had been to close the disadvantage gap between 5-year-olds by building on a strong history of collaboration that began in 2012.

Pre-pandemic good progress was being made and the disadvantage gap between 5-year-olds was closed, but the Covid-19 Pandemic impacted this progress significantly and the improvement reversed resulting in a significant development delay by 2020.

The report outlined a recovery in child development data post-pandemic, acknowledged a significant variance in recovery across Greater Manchester.

There were ongoing challenges to implement reforms that was explained further within the paper. Councillor Hunter and Public Service Reform Officers welcomed the valuable opportunity to discuss both the challenges and how the Greater Manchester Programme could support addressing those issues.

Miriam Loxham, School Readiness Programme Manager, gave a summary of the report noting specifically performance and early education.

Performance outlined both child development outcomes measured at age 2-2.5 years and school readiness outcomes for children aged 4-5 at the end of Reception year. Recent data demonstrated early evidence that covid recovery strategies across GM were having a positive impact.

Data for children in disadvantaged communities showed improvement but a significant Early Years gap remained and continued to impact on the life chances of those children.

The cohort of children with additional needs, boys and some children from racial minorities remained significantly below their peer group in GM.

There was a 7% outcome drop for children aged 2 in 2020/21, however the latest data showed 76.6% of 2-year-olds were meeting the expected level of development for their age.

Whilst statistics did show improvements for the academic year 2022/23, GM performance was 4% lower than the average for England (67.2%) but the gap was beginning to narrow.

Children eligible for Free School Meals had seen an improvement in school readiness in six out of the ten GM districts and the performance gap between GM and the England average had approximately halved, but there remained a 12% point gap in outcomes for these children compared with more affluent peers in GM.

Regarding Early Education, it was noted that the GM Strategy performance framework included a target to increase take up of 2-year funded early education on ten priority neighbourhoods. Positive progress had been made against the target with increased take-up in all ten neighbourhoods equating to approximately 879 children taking up the offer.

The GM programme was currently working to support localities with the challenges of implementing national policy reforms; increasing access to funded early education for children under 2-years of working parents. Long-term underfunding of the early childhood sector, ongoing recruitment and retention issues and the pandemic have all contributed as a significant challenge to this area of work.

The Committee noted that a key concern related to the policy reforms widening the existing inequalities in early years, increasing access to high-quality early education for children of working parents only. Recent data showed those eligible for funded places were from homes in the top-half of earners.

Key workstreams to address the challenges included:

- Rollout of GM Early Years workforce competency framework, with early adoption in Tameside and Stockport;
- Rollout of the Think Equal Programme;
- Developing an enhanced integrated antenatal pathway;
- Reducing variance in Early Years pathways; and
- Family Hubs.

The GM School Readiness Strategy would due for a refresh and update over the next 6-months.

Councillor Imran Rizvi joined the meeting.

The Committee was invited to seek clarification or questions in relation to the school readiness report:

- Clarity was sought on why there was a larger drop of children attaining school readiness within GM than the rest of the North-West with similar deprivation.
- The report noted all localities had seen an increase in good levels of development (GLD) from 2021/22 with an increase above 3% in Manchester,

Salford, Rochdale and Oldham, the Committee noted these areas were not the most affluent of the ten districts and queried if best practice could be used in other areas of GM.

- Within the report it was stated that the bespoke GM reporting cycle provided a frequent, granular level of reporting, underpinning a continuous review and learn cycle within the School Readiness programme. The Committee challenged the level of detail being granular considering the subject was a 7-year-old GM Mayoral priority, the global pandemic, changes to staff and Portfolio Holder and the data suggested a worse position than pre-pandemic. Councillor Hunter noted the detail provided in the report and the challenge to provide the data at the correct level. The School Readiness Programme Manager noted the reported significant gains for GM and nationally, further data analysis could be provided to the Committee outside of the meeting.
- The Committee noted the disparity between affluent and deprived areas and queried how this was being targeted with work and activity. Councillor Hunter noted the levels the disparity and the progress being made as provided within the report.
- Clarity was sought on when the best practice and outcomes would be available for Midwifery and antenatal work in Stockport. Councillor Hunter noted Stockport as a polarised borough and the determination to address issues, target resources and share best practice across GM for knowledge and expertise to implement at scale across GM.
- What process was in place to tackle vulnerable children and those most at risk of failing to achieve the expected level of development and how School Readiness was impacting on school attendance rates. The School Readiness Programme Manager noted the evidence link between children taking up 15-hours attendance through the education system and the support being given to parents to impress the importance of education. Concerns were tracked where attendance was a concern.
- The Committee noted the data improvement post-pandemic and how GM was improving at a greater rate and queried what was within the Combined Authorities control to achieve significant rates of improvement. Councillor Hunter noted Cllr Hunter confirmed that GM was improving at a greater rate,

but there were some surprises that the data showed post-covid GM struggled more than anywhere else. The Committee was given assurance that there was determination to prevent slippage in comparable areas. The School Readiness Programme Manager confirmed that the deprivation levels and the number of children in poverty across GM was clear from the data. The circumstances during the pandemic impacted on the delivery of universal early years help. Lots of families didn't have the resources to support young people. The levels of post-natal depression and peri-menopausal referrals were impacted by pandemic. New parents were impacted profoundly especially those without financial support.

- Concern was raised by the Committee on pressurising children to achieve because of assessment criteria and the expectation that young children should attend nursey and was consideration given to home learning. The School Readiness Programme Manager noted the importance of a whole system wide view on early childhood development, that defined school readiness and began at pre-conception until age 5. It was valid for families not to take up nursey places and there was focus on home learning environments and family hubs that families can access.
- Clarity was sought on how lost development for 0-3 year olds would be found given that there was a difference experience for each age group when the pandemic started and funding was not available all at the same time. The School Readiness Programme Manager advised that freedom and flex was needed from government to build on existing programmes to stop young children sitting on long waiting lists for speech and language therapy.
- The Committee requested a breakdown of data by Local Authority and ethnicity to better understand where the deprivation was to focus attention within GM and to determine which districts were making a difference and where the role of GMCA was within that. Councillor Hunter and the School Readiness Programme Manager agreed to share a link to the data with the Committee outside of the meeting to improve the picture that the data outlined and noted that the report had been pitched at a sensible level to be fair and balanced and was a summary as School Readiness had not been rolled out in 2-years, but

case studies could be brought back on outcomes for boys and work being carried out in Bury to increase outdoor learning activities.

- Clarity was sought on the interventions to improve the school readiness for boys and how success was being measured. The School Readiness Manager noted Combined Authorities in other localities were being consulted to review best practice.
- Concern was raised about what happened once the 30-hours of free places was rolled out given the already huge shortage of early years places. Clarity was sought about whether priority would be given to children with working parents and what would happen to deprived children once the places were filled.
- Councillor Colin McLaren noted he was part of a Task and Finish Overview and Scrutiny group back in 2018, when Stockport, Oldham, Bury and Trafford were all sampled. He congratulated the officers on maintaining good work despite the pandemic but noted the absence of voluntary sector settings within the report. Clarity was sought on the support being given to the parents of under-5 -year-olds to ensure they get the right attention at home. Councillor Hunter noted that the previous work in 2018 had pre-dated him as Portfolio Lead for Children and Young People but he agreed to follow up to review how those recommendations had been applied and bring a report back to this Committee, he also acknowledged the significant resource that the voluntary sector provided across GM. The School Readiness Programme Manager noted the support for parents via the GM Programme that included a resource library for parents accessible via a mobile phone and email address.
- The Committee noted the importance of engaging fathers positively as often child development was seen as a mothers role. The School Readiness Programme Manager noted that early years services were very gendered in approach e.g. text messages would be sent to mothers but not fathers. The website www.dadsmatter.org.uk considered inclusive approaches, and work was being undertaken as part of the perinatal pathway for a peer support offer to Dads with emotional wellbeing and mental health.

- Clarity was sought on realistic aspirations that GMCA was setting. Councillor Hunter advised it was progression; to be better than where the data shows GM to be currently.
- The Committee noted that often early settings were businesses and subject to commercial pressures, if these places fail, the Local Authority has additional pressures to accommodate additional young children. Councillor Hunter noted the importance of working in partnership with the private sector subject to commercial considerations.
- It was noted that parents making the choice to keep children at home was not always because they want to home school, sometimes it could be cultural. Councillor Hunter noted that home schooling was a separate issue that would need to be brought back to this Committee as a separate issue. The School Readiness Programme Manager advised that work had been commissioned in Oldham Rochdale and Manchester to tackle cultural barriers working with Mosques and influential community leaders.

Resolved /- That:

1. the School Readiness report be received and noted;
2. granular data analysis be provided to the Committee on the school readiness gains for GM and nationally;
3. a breakdown of baseline data by Local Authority on deprivation, ethnicity and gender be provided to the Committee; and
4. an item on Home Schooling be added to the Work Programme for this Committee.

O&SC 78/23 GM Budgets

GMCA Revenue and Capital Budgets 2024/5 Overview

The Committee noted that Councillor Nathan Evans expressed disappointment that the GM Mayor Andy Burnham was not in attendance for this item. The Chair advised that Councillor David Molyneux was the representative for this item as it fell within the remit of his portfolio but noted on record Councillor Evans concern.

Councillor David Molyneux, GM Portfolio Lead for Resources & Investment attended the meeting by Teams and introduced the item, he advised that the GM Mayor was in attendance for the previous Overview and Scrutiny Meeting on the 24 January where he had presented the Mayoral budget.

There were six papers for consideration by the Committee, the district treasurers and Leaders had already considered them in advance and it was requested that the Committee consider all the papers together and with questions and discussion on individual reports.

Steve Wilson, GMCA Treasurer noted the Police and Crime Panel approved a proposal to increase the Police and Crime precept by £13 last week.

The GMCA Treasurer acknowledged the financial challenges all ten districts faced through the local government finance settlement confirmed this week and the ongoing cost of living crisis for the public.

The Committee was advised that the approach had been to offset any increases in the recurrent funding required for services by returning any one-off reserves to the districts, a net change from 23/24 to 24/25 rather than a cost. The GMCA Treasurer noted that whilst this helped it was not a solution to increasing levies and the levies from GMCA.

The paper outlined a forecast of £10million underspend on the waste budget driven by lower than expected tonnage level, particularly at household waste recycling centres, demonstrating a shift in behaviour with fewer items being thrown away and a benefit from high prices for paper and card recycling resulting in an underspend in 2023/24. The £10million would be returned to districts rather than being placed into reserves. £20million historic reserves was also scheduled to return to districts as part of the budget setting process, this was to balance the pressures and challenges felt across Greater Manchester by all.

A. Mayoral General Budget & Precept Proposals 2024/25

Steve Wilson, GMCA Treasurer gave context that the papers were scheduled for the GMCA meeting on Friday for the approval of the CA, including paper A, the Mayoral

Budget that was considered at the meeting on the 24 January. Paper A goes to the CA twice, once for proposal with the option for the CA to reject, should that happen an alternative budget would be proposed and taken back. The paper remained as it was when considered by this Committee with the addition of final council tax figures that were not available at that time.

B. GMCA Transport Revenue Budget 2024/25

The Committee noted the Transport Revenue Budget was the largest single budget of £409million largely funded through a levy and statutory charge to the districts. The Committee was advised that a deep-dive of the Transport Revenue Budget was planned for the Work Programme for this Committee specifically following Tranche 3 of the Bus Reform. 2023/24 and 24/25 would be a transitional year with a mixed economy of some franchise services and some non-franchise services, and by the end of the year the network will be fully franchised and the 2025/26 budget will reflect that change.

The Committee was advised that during the pandemic, there was reduced patronage on both tram and bus services dropping to 10% at certain times. As patronage increased there was a significant inflationary pressure particularly on energy inflation for running the Metrolink plus shadow prices for bus services.

Metrolink patronage has continued to grow significantly, and data now shows between 95-97% of pre-pandemic levels. There was a significant gap in the budget of £100million that was filled through most notably the financial sustainability programme that Transport for Greater Manchester (TfGM) that included significant uplift in patronage numbers plus more staff have been performing revenue protection activities as part of the programme and this has increased yield growth. The levy proposal for 2024/25 was a 4% increase and a balanced budget acknowledging that some of that had been reached using non-recurrent resources, work was being done to detail a long term plan for future years.

The £2 fare cap in Greater Manchester was due to end in September 2024 but has been extended for three years using Bus Service Improvement Programme (BSIP) funding to help the long-term planning.

None of the proposed 4% levy included TfGM running costs and was ring fenced for bus and tram activities.

C. GMCA Revenue General Budget 2024/25

This budget did not include waste, transport, fire mayoral or police and crime, it was mainly funded by 114 grants with a small levy to the districts and remained flat at £8.6million. This was the area most affected by Devolution and the Single Settlement and the future of how services were funded in Greater Manchester.

It was anticipated that the Single Settlement would simplify the approach and remove the 114 individual grants and enable a level of flexibility and decision-making locally. The GMCA Treasurer noted a slight change in the recharge for MIDAS as Rochdale Council had taken a decision to pull-out of that service.

D. GM Waste Budget and Resources - Budget and Levy 2024/25 and Medium Term Financial Plan to 2023/24 - 2026/26

There were a couple of key features of the waste budget in recent years inflation was a significant factor as the contract with Suez was both Consumer Prices Index (CPI) and Retail Price Index (RPI) linked based on September meaning a 6.6% CPI figure drove indexation for the contract in 2024/25.

Historically GMCA have paid to have waste transported to Runcorn and turned into steam and power for factories. Three years ago, GMCA paid £900k to burn the waste rubbish, last year GMCA was paid over £20million to burn the waste rubbish creating a significant reduction in the costs of the waste service. Part of this would be returned to districts but cannot be forecast as a long-term revenue stream because it was linked to the price of gas which has been very high. The budget was set at £7million for 2024/25 with a reduction over the next two-years back to £0.

The Committee noted that as a result of reducing tonnage, the result of some of the extra income mitigated the 6.6% increase down to an average of 3.1% in the district levy. The range across Greater Manchester was from 1.8%-5.2% driven by local tonnages and an average set by the contract.

E. GMCA Capital Programme -2023/24 - 2026/7

The final paper was capital and had a value of £685.2million, split between Transport and Economy. Transport was driven by the city region, sustainable transport scheme and other ongoing grant funded transport initiatives. The economy was driven by the recycling of the investment funds, specifically the housing investment funds, the original grant of £685million received a few years earlier.

£118million was funded through borrowing largely against the non-transport and economy spend.

The Committee was invited to seek clarification or questions in relation to the GM Budget reports:

- The Committee noted that the precept for the GM Fire and Rescue (GMFRS) was increased last year as a measure to prevent frontline service cuts, however within six-months cover at the Offerton and Sale fire stations was to be cut and replaced with on-call crews as part of the fire cover review. Confidence was sought that a similar situation would not arise again given the precept was due to increase. The GMCA Treasurer advised that following a decision to change some plans on the fire cover review, the funding was then no longer available to fund the 52nd pump. The £5 precept enabled the 52nd pump to go ahead however the fire cover review was not cost neutral in the way it would have been originally. Eamonn Boyle, Chief Executive for GMCA and TfGM noted the precept increases covered the cost of crewing and running the fire pumps, not the purchase of the pump itself.
- Clarity was sought on how GMCA proposed to move to a more sustainable approach for the Our Pass scheme, that did not rely on reserves.
- The report cited that further proposals would be brought forward to GMCA in relation to GMCA share of expected business rates growth for 2023/24, the Committee requested further clarification on this proposal. The GMCA Treasurer noted the new scheme that would begin in 2025 will enable 75% of to be retained by the districts and 25% returned to GMCA. This was not set currently because more certainty was required given operations were one-year

into arrears and forecasting could not be done until quarter three projects were known.

- A definition of reserves was requested given the districts described them differently. The GMCA Treasurer noted there was no definition of what reserves should be held and that the sign-off as adequate was a professional statutory duty for the Section 73 Officer, Treasurers/151 Officers. Each budget had its own level of reserves and should they fall below 10% this would give rise to concern and would need building back up.
- The variety of significant risks attached to the Transport budget were noted, and clarity was requested on this.
- The Committee noted from the data the Bus Services Operators Grant (BSOG) appeared to be a higher budget against actual spend and requested further information on where the grant was being allocated to. The GMCA Treasurer noted that the fund was not all spent, some was rephased into funding the subsequent years outputs.
- Clarity was sought on the 20% communication and engagement increase as part of the Corporate Services budget. The GMCA Treasurer confirmed that costs attributed to the GM Mayor were funded through the Mayoral budget and separately funded.
- Further information was requested on the reduction of £99k in relation to a withdrawal of the contribution to MIDAS from Rochdale Council. The GMCA Treasurer confirmed that no announcements had been made but notice had been given by Rochdale Council to be removed from the MIDAS contract and the levy was reduced in accordance with that.

Cllr Bernstein left the meeting.

- Forecast by the GMCA on an increase or decrease in finance was expected in respect of the future Parliamentary Election. The GMCA Treasurer confirmed the Single Settlement was likely to be neutral and will rise and fall by the same factors that influence overall government settlements.
- Expectation to remove the budget for bus reform, once the network was up and running across GM and would Our Pass and concessionary expenditure cease to be a cost. The GMCA Treasurer noted that at the end of the bus reform process, the bus reform budget will be removed and become the cost of running

buses as income. Should there be a financial gap, there was an earmarked reserve for a specific implementation programme, but the general reserve would need to be reviewed in terms of the risk profile. Our Pass and Concessionary funding would become funding for buses.

- The Committee spoke positively about the investment-led Clean Air Zone (CAZ) and the benefit to residents of GM.

Cllr McClaren left the meeting.

- A request was made by the Committee to review as part of the Work Programme for this Committee:
 - a) the Capital Housing Investment Fund as a deep-dive exercise;
 - b) A Bed Every Night as a deep-dive exercise given that anecdotal evidence had queried if the programme was making a difference. Eamonn Boyle, Chief Executive of GMCA and TfGM noted that there were 620 people in A Bed Every Night accommodation every night, an increase on previous data, but noted the significant spike in rough sleeping and street homelessness as a result of a Home Office policy to evict people (often Asylum Seekers) from hotel accommodation.
 - c) The Transport Full Fibre Network as part of the close out of certain activities that related to the Phase 3 expansion programme of the Metrolink; the GMCA Treasurer agreed to provide a report on this work specifically the £13million from 5-years earlier; and
 - d) The Brownfield Land Fund with clarity that the spend was not all within the city centre. The Chief Executive of GMCA and TfGM confirmed that schemes were eligible across GM and were being supported across GM.
- Clarity on being one year into the five-year projection, forecast as between a notional profit and £300million loss, and how that cost would be met. Steve Warrenner, Managing Director and Director of Finance at TfGM noted the network was 4.5 months into running Tranche 1 with Tranche 2 about to launch, patronage figures were performing well against forecast, but the risks were noted given the information prior to launch was scant due to commercial sensitivities. Next year there will be a lot more certainty around the network and this Committee may wish to review that. The Chief Executive of GMCA

and TfGM agreed that this Committee would want to review the work on bus reform on a regular basis as the budget was updated and risk was reprofiled.

- The Committee wanted to note the importance of the Our Pass and £2 capped bus fares as critically important for some many initiatives for GM and the reduction of carbon emissions.
- A reduction in Education Work and Skills of £10million was noted by the Committee. The GMCA Treasurer noted the education programme was funded via the Adult Education Grant, a commitment was given to get a full breakdown on the movement of the budget with the detail behind that.
- The Committee requested the costs of a double-decker bus within GM. Matt Bull, Deputy Director of Finance at TfGM advised it was dependent on the technology. Diesel vehicles could cost between £230-270k whereas electric vehicles had more variability, between £475-500k as the efficiencies were found within the fuel.

Resolved /- That:

1. the Mayoral General Budget & Precept Proposals 2024/25; the GMCA Transport Revenue Budget 2024/25; GMCA Revenue General Budget 2024/25; GM Waste Budget and Resources - Budget and Levy 2024/25 and Medium-Term Financial Plan to 2023/24 - 2026/26; and the GMCA Capital Programme -2023/24 - 2026/7 be received and noted;
2. a full breakdown of the Adult Education Grant with detail be provided to the Committee;
3. a deep-dive be scheduled for this Committee to review the work on bus reform on a regular basis as the budget was updated and risk was reprofiled;
4. information on the Transport Full Fibre Network as part of the close out of certain activities that related to the Phase 3 expansion programme of the Metrolink be provided to the Committee specifically the £13million from 5-years earlier;

5. items be added to this Committees Work Programme for: the Capital Housing Investment Fund as a deep-dive exercise; A Bed Every Night as a deep-dive exercise; and the Brownfield Land Fund; and
6. an item be scheduled for the March Committee on retained business rates and the GM proposed areas of spend.

O&SC 79/23 Work Programme

The Chair noted the items raised during the meeting under the School Readiness item were Home Schooling and during the Budget discussions by Councillor Nathan Evans in respect of Housing, A Bed Every Night, the Brownfields Land Fund and Full Fibre Internet and Officers agreed to agreed to circulate information to the Committee outside of the meeting with a view to scheduling items more formally if required.

Resolved /- That:

1. the Overview & Scrutiny work programme be noted; and
2. following discussions during the meeting, items be added on Home Schooling, the Capital Housing Investment Fund as a deep-dive exercise, A Bed Every Night as a deep-dive exercise, the Brownfields Land Fund, and a deep-dive of the Transport Revenue Budget following Tranche 3 of the Bus Reform.

O&SC 80/23 Dates of Future Meetings

The schedule for the future meetings was noted:

20 March 2024 1-3pm