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**Manchester City Council  
Report for Information**

**Report to:** Communities and Equalities Scrutiny Committee – 7 December 2016

**Subject:** Budget Process 2017-2020: Consideration of Options and Further Information

**Report of:** Director of Neighbourhoods and the City Treasurer

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**Summary**

At the November meeting, Members considered the budget options for the areas within the remit of this Committee. Further detail was requested on a number of the options to inform the Committee's recommendations on those that they believe should be taken forward to the Executive on 14 December.

This report summarises the budget process and next steps. Subsequent appendices provide details of the savings options put forward by officers and further information regarding a number of budget options for which additional information was requested in November.

**Recommendations**

The Committee is asked to consider and make recommendations to Executive on the savings options put forward by officers and prioritise which options they believe should be taken forward to ensure the Council delivers a balanced budget across the three financial years 2017/18-2019/20.

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**Wards Affected:**

All

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Appendices:

Directorate Budget Reports and Savings Options

Appendix 1 Directorate Budget Report – Growth and Neighbourhoods

Further Information

Appendix 2: Neighbourhood Management Teams Budget Option and Our  
Manchester

Appendix 3: Neighbourhood Investment Fund

Appendix 4: Targeted Consultation

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

*Final Local Government Finance Settlement from DCLG, 8 February 2016 (all papers available on the DCLG website).*

*Autumn Statement, 23 November 2016 (<https://www.gov.uk/government/topical-events/autumn-statement-2016>)*

## 1. Overview

- 1.1 At its meeting on 8 November, the Committee received details of the Council's anticipated financial position for the period 2017/18 to 2019/20, which outlined a potential budget gap ranging from £40m to £75m (as reported to Executive in October). The need for such a range was due to uncertainty around elements of available resources and the potential need to address further risks, pressures and priorities.
- 1.2 The Medium Term Financial Plan was prepared on the basis of the best estimate available in October which included a number of assumptions and it indicated a savings requirement of around £60m for the period 2017/18 to 2019/20 with the final position subject to confirmation of Government funding and overall revenues available to Council.
- 1.3 Also presented to the November meeting were a number of savings options put forward by officers to address the budget gap which totalled c£58m as well as the detailed feedback from the budget conversation which took place between July and September 2016.
- 1.4 The Autumn Statement was published on 23 November. Forecasts by the Office for Budget Responsibility (OBR) have worsened since the March budget. For public sector finances the projected Departmental Expenditure Limit (DEL) across the Spending Review Period 2016/17 to 2019/20 has reduced by £70.8bn from that stated in the March budget 2016<sup>1</sup>. Whilst there were some announcements on investment in infrastructure, there was no further indication on levels of government department or local authority spend or announcements that impact on any of the budget assumptions the council has made. It also failed to set out any measures that would address the growing pressures being felt across the country on social care.

## 2 The Financial Position 2016/17 to 2019/20

- 2.1 The Government made an offer of a four-year settlement for the period 2016/17 to 2019/20 with the provisional figures being issued as part of the 2016/17 Finance Settlement. The City Council made the decision in July this year to accept the offer and, in accordance with the requirements of the Department for Communities and Local Government (DCLG), published an Efficiency Plan on 14 October which covered the settlement period. The published plan is part of a suite of reports which includes the covering narrative (available at <http://www.manchester.gov.uk/eps>) and the budget reports presented to Executive in October. DCLG have since approved the four year settlement for the City Council.
- 2.2 The Medium Term Financial Plan has been prepared on the basis of the best estimate at this point in time and based on a number of assumptions. It indicates a savings requirement of around £60m for the period 2017/18 to

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<sup>1</sup> Individual DELs are not provided in the Statement and therefore it is not possible to confirm the detail behind the position.

2019/20. The final position will be subject to confirmation of Government funding and overall revenues available to Council.

- 2.3 The current forecast position also assumes the full year effect of savings agreed for 2016/17 are delivered and these are included within the figures below. The total additional full year effect of savings included for 2017/18 are £3.326m with a further £1.864m in 2018/19. The overall financial position is summarised in the table below.

**Table 1: Resources Requirement against Resources Available  
2016/17 to 2019/20**

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Resources Available</b>				
Revenue Support Grant	113,768	90,151	73,740	57,041
Business Rates	168,655	170,357	177,143	184,766
Council Tax	136,617	140,681	147,716	157,450
Public Health Funding and Non-Ringfenced Grants	78,128	76,728	81,085	89,066
Dividends and Use of Reserves	31,348	31,337	29,337	29,337
<b>Total Resources Available</b>	<b>528,516</b>	<b>509,254</b>	<b>509,021</b>	<b>517,660</b>
<b>Resources Required</b>				
<i>Corporate Costs:</i>				
Levies/Charges, Contingency and Capital Financing	122,504	127,557	130,404	131,394
<i>Directorate Costs:</i>				
Directorate Budgets (including 2016/17 pressures and inflationary budgets yet to be allocated, and other costs such as additional allowances, other pension costs and insurance)	406,012	417,136	433,144	446,286
<b>Total Resources Required</b>	<b>528,516</b>	<b>544,693</b>	<b>563,548</b>	<b>577,680</b>
<b>Total Savings Required (Current Estimate)</b>	<b>0</b>	<b>35,439</b>	<b>54,527</b>	<b>60,020</b>
<b>In Year Savings required</b>	<b>0</b>	<b>35,439</b>	<b>19,088</b>	<b>5,493</b>

- 2.4 Officers have put forward a range of savings options to meet the budget gap, which include efficiencies as well as savings which can only be achieved through service reductions. These options have been informed by the feedback that the Council received from the budget conversation which took place from the end of July up to September. Overall the options submitted by each Directorate total c£58m and are in addition to the £5.2m full year effect savings put forward as part of the 2016/17 budget process which is already included in the base position. The savings options, which are broadly in line

with the anticipated level of savings to be achieved over the three year period, are summarised by Directorate in the following table:

**Table 2: Savings Options**

	2017/18	2018/19	2019/20	Total	FTE Impact (Indicative)
	£,000	£,000	£,000	£,000	
<b>Current estimate of savings requirement</b>	<b>35,439</b>	<b>19,088</b>	<b>5,493</b>	<b>60,020</b>	
Children's Services	3,357	2,143	1,199	6,699	35
Adult Services	17,980	6,534	2,550	27,064	-
Corporate Core	7,585	3,757	2,846	14,188	90
Growth and Neighbourhoods	2,232	1,677	5,532	9,441	32
Strategic Development	400	-	-	400	4
<b>Total Savings identified in latest schedules</b>	<b>31,554</b>	<b>14,111</b>	<b>12,127</b>	<b>57,792</b>	<b>161</b>
<b>Shortfall against current estimate</b>	<b>3,885</b>	<b>4,977</b>	<b>(6,634)</b>	<b>2,228</b>	

- 2.5 It is assumed that that the Locality Plan work will identify how the full gap in the Manchester Health and Social Care economy is closed and agreement is reached on how investment is deployed to support the new care models across the medium term.
- 2.6 There will continue to be an ongoing review of how the resources available are utilised to support the financial position to best effect. This will include the use of reserves and dividends, consideration of the updated Council Tax and Business Rates position, the financing of capital investment and the availability and application of grants.

### 3 Scrutiny of Budget Options

- 3.1 The Directorate Reports appended to this report (previously included in papers for the November meeting) detail the budget options put forward by officers. This Committee has been provided with the Growth and Neighbourhoods Directorate Budget Reports. In addition, officers have prepared additional information on the following areas, as requested by Members at the November meeting and these are set out in the appendices to this report:
- how the 'Our Manchester' approach could be successfully delivered if reductions were made to the Neighbourhood Teams.
  - the use of the Neighbourhood Investment Fund over the last two years including whether every ward had used its full allocation, the amount of the average grant, what it had been used for, whether the grants provided were

- one-off payments or ongoing, the criteria for being allocated a grant and its outcomes at a local level.
- how targeted consultation would be used to address inequalities in response rates to the budget conversation.
- 3.2 Further information regarding Bowling Greens and Bereavement Services Options to be scrutinised by Neighbourhoods and Environment and Resources and Governance Scrutiny Committees has been circulated to members of the Committee for information separately
- 3.3 Officers have divided savings options into those which are improvement and efficiency savings and those which are service reductions. Service reductions will have a significant impact on residents and service users either by reducing direct services or by reducing the Council's capacity to deliver its priorities in the Our Manchester Strategy. These options have been put forward due to the scale of savings the Council must achieve over the next three years and this means that some options are not compatible with the city's overall objectives. The Committee has been provided with detailed feedback received from residents and other stakeholders as part of the recent budget conversation to assist Members to identify which options best align to the priorities identified through this process.
- 3.4 Officers have also undertaken an assessment of the deliverability and impact of these savings and have provided a RAG rating for every option which provides an indication of those savings which would be difficult to deliver due to a range of factors – for example dependency on behaviour change, technical and systems changes or timescales.
- 3.5 Scrutiny Committees have a critical role to play in considering the options for services and functions within their remit and supporting information, and recommending which of these options the Committee believes should or should not form part of the Executive's draft budget proposals, which will be published on 3 January. These recommendations must take into account the legal requirement for the Council to set a balanced budget and to achieve reductions of circa £40m-£75m over the three year period, with further clarity regarding savings to be achieved following publication of the Finance Settlement around December 2016. To ensure the views of Scrutiny Committees are taken into account when the Executive prepares its draft budget proposals, and to ensure a consistent approach across all Committees, members are requested to identify from the options two categories of saving:
- A: Options which should only be considered by the Executive if the overall level of savings required exceeds £40m
- B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

#### 4. Timetable and Next Steps including Consultation

- 4.1 Consultation on officer budget options commenced on 3 November 2016 and this first phase will run until 15 December, when consultation will be paused to ensure that feedback is received by the Executive when it publishes its draft budget proposals.
- 4.2 Statutory consultation on two of the options – Reconfiguration of the Early Years new Delivery Model including Sure Start Centres and the Council Tax Support Scheme also started on 3 November and will end on 10 January and 15 December respectively.
- 4.3 The phases of consultation are summarised in the table below:

<b>Phase 1</b>	21 July – 16 September	Budget Conversation
<b>Phase 2</b>	3 November – 10 February	<p>Budget Consultation:                      Early November to Early January: have your say on budget options                      Early January to Early February: have your say on budget proposals</p> <p>Statutory Consultation on Council Tax Support Scheme (ends 15 December)</p> <p>Statutory consultation on Early Years New Delivery Model Reconfiguration (ends 10 January)</p>
<b>Phase 3</b>	3 March onwards	You said, we're doing...explaining the outcomes and impact of the consultation process, reflecting back on what we hear

- 4.4 The Executive will agree its draft budget proposals at its meeting on 11 January. When agreeing these proposals, the Executive will consider comments and feedback received as part of the first phase of the Budget Consultation on officer options, as well as recommendations made by the six Scrutiny Committees in December. A further analysis of the Council's financial position will also be undertaken after the release of the Government's Autumn Statement and publication of the Local Government Finance Settlement (normally received December). This alongside further work, including that to determine the Council's business rates and council tax base, will provide clarity on the resources available and savings the Council needs to achieve over the three year budget period.
- 4.5 The Executive's draft budget proposals, as set out in Directorate Budget and Business Plan reports and accompanying Delivery Plans will then be scrutinised by each of the six Scrutiny Committees at their meetings on 31

January - 2 February 2017. The recommendations from these Scrutiny meetings will be submitted to the Executive when it agrees the final budget proposals on 8 February 2017. The Resources and Governance Overview and Scrutiny Committee will then consider the results of the budget consultation on 20 February before Council sets the budget on 3 March 2017.

4.6 The table below summarises the budget time line and key milestones.

<b>Date</b>	<b>Milestone</b>
<b>2016</b>	
23 November	Autumn Statement
6-8 December	Scrutiny Committees consider any further detailed information on options requested at their November meetings and make recommendations to the Executive about officer options
15 December	General Budget Consultation pauses Statutory Consultation on Council Tax Support Scheme ends
Early-Mid December	Anticipated publication of local government finance settlement
<b>2017</b>	
3 January	Executive's Draft Budget Proposals Published General Budget Consultation resumes
11 January	Executive agrees final draft budget proposals taking into account feedback and comments received from the Budget Consultation to date and recommendations made by Scrutiny Committees in November.
31 January – 2 February	Scrutiny Committees scrutinise the Executive's draft Budget proposals and make recommendations to the Executive's budget meeting on 8 February
8 February	Executive agrees final budget proposals
10 February	General Budget Consultation Closes
20 February	Resources and Governance Budget Scrutiny Meeting to consider final outcomes of the budget consultation
3 March	Council sets the budget for 2017/18 – 2019/20



**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 19 October 2016

**Subject:** Growth and Neighbourhoods Directorate Budget and Savings Options 2017 - 20

**Report of:** Sara Todd, Deputy Chief Executive (Growth and Neighbourhoods)

**Summary**

This report provides a high level overview of the priorities to be delivered in the Growth and Neighbourhoods Directorate, the outcome of the recent Budget Conversation in relation to the Directorate and development of a medium term financial plan and savings options for the Directorate totalling £9.441m for the period 2017/18 – 2019/20. The report shows how the Directorate will work with other Directorates and with partners to make progress towards the vision for Manchester set out in the Our Manchester Strategy.

**Recommendation**

The Executive is recommended to note the savings options and investment priorities detailed in the report.

**Wards Affected: All**

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.

A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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### **Financial Consequences – Revenue**

The report contains revenue savings options for the Growth and Neighbourhoods budget of £9.441m over the period 2017/18 to 2019/20.

### **Financial Consequences – Capital**

The report refers to existing approved capital investment for leisure facilities and further investment proposals for ICT over the period 2017/18 to 2019/20 to support delivery of revenue savings options.

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### **Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers on the previous page.

## **1.0 Introduction**

- 1.1 This report is part of the development of a medium financial plan for the Growth and Neighbourhoods Directorate based on the City Council's current financial assumptions covering the three year period 2017/18 to 2019/20. The report provides savings options totalling £9.441m from the Growth and Neighbourhoods revenue budget of £73.369m.
- 1.2 The options put forward have been categorised as savings that can be delivered through service improvement and efficiencies, supported by investment, which are within the context of the Directorate's strategic vision and objectives and outcome from the recent budget conversation. Further savings options have been considered that are deliverable to support the Council in achieving spending reductions, which would have an adverse impact on service delivery. The detailed savings options are included at Appendix 1.

## **2.0 About the Growth and Neighbourhoods Directorate**

- 2.1 The new Manchester Strategy, Our Manchester, sets out a vision for 2025 of Manchester as a world class City which is:
- Thriving and Sustainable City– with great jobs and the businesses to create them
  - Highly Skilled – full of talent both home grown and from around the world
  - Progressive and equitable – a fair city where everyone has an equal chance to contribute and to benefit
  - Liveable and low carbon – a great place to live with a good quality of life: a clean, green and safe city.
  - Connected - both physically, with world class transport, and digitally, with brilliant broadband.
- 2.2 Underpinning these ambitious objectives, Our Manchester embraces new ways of working and developing a new culture within Manchester itself harnessing all its industry, creativity and innovation. The Our Manchester approach is more pro-active, pre-emptive and creative than business-as-usual public service, focusing on a person's or communities strengths and opportunities. This new kind of partnership between local people, workers, businesses and organisations is developing new solutions.
- 2.3 The Growth and Neighbourhoods Directorate role in delivering this vision involves providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods. This means getting the basics right - working with partners and in neighbourhoods - so that the City is clean, safe and green, and communities take pride in and ownership of their area and lives. The directorate supports the economic growth priorities of the city by ensuring that residents who are not working and furthest away from the labour market are equipped with the right skills to be able to access jobs as well as having a more highly skilled workforce capable of meeting the needs of

new and growing sectors. The directorate also plays a significant role in driving the delivery of the city's growth priorities through the planning process.

2.4 Together with the other Directorates of the Council Growth and Neighbourhoods will deliver the shared vision and objectives set out in Our Manchester. The specific objectives for Growth and Neighbourhoods are:-

## 2.5 Places where people want to live

- Create places where people want to live with good quality housing of different tenures; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
- Create the right conditions for residents to actively demonstrate the principles of Our Manchester through participation and taking responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
- Work collaboratively with our partners to embed an integrated public service offer to make best use of combined resources (e.g. through our public estate) to deliver the best possible outcomes which meet local needs. Build on existing good practice to ensure effective and easy transition pathways for users between universal and targeted services delivered in neighbourhoods in models such as early help hubs.
- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.
- Increase recycling rates and reduce waste through improved use of technology and resident engagement and action.

## 2.6 Access to skills and jobs for Manchester people and businesses

It is important that the City has a work and skills system, which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. To achieve this there is a need to:

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, procurement or commissioning role;
- Embed work as an outcome across the City's reform programmes and continue to work with Working Well and the health system more broadly to support more people with underlying health conditions into sustainable and quality work;
- Refresh the City's approach to Family Poverty, using an intelligence led and "Our Manchester" approach to focus on families and neighbourhoods, most heavily impacted by ongoing welfare reform;
- Ensure that employers at a citywide and neighbourhood level are engaged in shaping and contributing to skills development of both their existing and future workforce;

- Simplify the skills offer and pathways for residents from all backgrounds to lead to sustainable jobs and careers progression, working with Colleges and training providers to provide quality post-16 education and training with an accessible learning offer for all and clear routes to centres of excellence providing higher level and technical skills linked to the City's growth sectors;
- Improved careers advice based on real labour market information and continued work with schools and colleges to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market; and
- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment.

## 2.7 **Creating Growth**

- Support businesses to grow and re-invest in Manchester as their City of choice through local recruitment and contributing to social and environmental outcomes.
- Maintain and build confidence in Manchester's reputation as a destination City through the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors.
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure.

### **Enablers**

2.8 In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorates will also need to:-

- Work with partners and other Council Directorates to make best use of the City's total collective public and community assets to support estates transformation and deliver modern efficient services.
- Prioritise and maximise opportunities to collaborate with partners across Greater Manchester to identify new ways of working to increase income generation, investment, develop new funding models and to optimise use of resources. Invest in 'skills for growth' and innovation to support the development of this work.
- Work collaboratively with our partners to embed an integrated public service offer which reduces demand on targeted services. Utilise the role of universal services in preventing residents from developing additional needs (such as reducing the risk of diabetes, heart attack or stroke through regular exercise) and also supporting those transitioning out of targeted support into mainstream activity, building independence and access to employment.

- Enable the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment. Plan for the future workforce, review structures, roles and skills needed for the future organisation and embed the required career pathways and succession plans.
- Increase productivity amongst staff within the directorate through adopting leaner support systems and processes (ICT, HROD, Finance) which enable efficient working. Develop new skills and behaviours required to deliver quality services more efficiently.
- Continue to build relationships, using an Our Manchester approach, through communicating and engaging effectively with all staff, Elected Members and residents ensuring that they are aware of the vision for the City and their role in its successful delivery.
- Be mindful of significant changes beyond our control such as the referendum to leave the European Union and the impact this may have on our partners and residents. Develop robust plans to mitigate the risk of economic uncertainty building on potential areas of growth through the devolution agreement.

### **3.0 Context for the Directorate**

- 3.1 Manchester is growing rapidly with a population which is increasingly more diverse, younger and working. Whilst the city and its residents have seen many changes for the better in recent years, we are still facing some of the same challenges we were a decade ago not least the poor health of Manchester citizens. The Growth and Neighbourhoods Directorate has a pivotal role to play in securing the social, physical and economic future of the city. Residents told us last year that we need to get the basics right as well as aspiring for a city amongst the best in the world. Creating places where people want to live which are clean, safe and green, which are healthy and inclusive and have an excellent sporting, economic and cultural offer will be key to delivering the Our Manchester vision. Creating the right conditions for residents to participate and take responsibility for themselves and their community whilst encouraging others to do the same will be a central feature of the Directorate's work in this coming period working in partnership with key stakeholders both within the Council and beyond such as housing providers, the Police, voluntary and community sector organisations and health. This will involve building on the successes and strengths which already exist in communities and families.
- 3.2 Ensuring services are joined up in neighbourhoods is ever more critical as public sector resources are further diminished. Working collaboratively with partners to embed an integrated public service offer within neighbourhoods will be a core priority for the Directorate over the next three years to make best use of combined resources (for example through our public estate) to deliver the best possible outcomes which meet local needs. There are currently four early adopters of this work across the City – in Benchill, Harpurhey, the city centre and in student areas - which are testing the approach across a range of issues and demographics. This way of working is fully aligned to Our

Manchester which puts people, rather than processes, at the centre of everything we do.

- 3.3 The City's economy continues to grow and develop and the Directorate has a vital role to play in ensuring that Manchester has a work and skills system which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. It is crucial that the system equips young people with the knowledge and skills to succeed at work; that residents who are not working are supported and sustained in the labour market; and that businesses have access to a highly skilled workforce capable of meeting the needs of the City's core and growth sectors. Ensuring employers are engaged in shaping and contributing to skills development of both their existing and future workforce and embedding work as an outcome across the City's reform programmes, in particular as they relate to health, will be priorities in the coming years.
- 3.4 The Directorate also provides vital support to Strategic Development in driving economic growth through the planning process. The response to stakeholders, essential in providing the platform for growth, has demonstrated a confidence in the market and enabled the delivery of transformational projects and major schemes. Manchester has an enviable reputation of steering complicated and controversial development schemes through complex regulatory processes which involve engagement with a wide range of stakeholders. There can be no doubt this has been one of the factors which has facilitated growth in the City and has distinguished Manchester from our competitors over the last decade and this is set to continue.
- 3.5 Population growth will particularly impact on cleanliness and waste management which is already a very significant proportion of the Directorate's entire net budget - around two thirds including the waste collection and street cleansing service alongside the waste disposal levy. This proportion is set to increase further due to the impact of both population growth and the forecast increases in the disposal levy over the next 5 years. Service changes involving new bins to incentivise waste minimisation and increased recycling and changing the behaviour of residents who do not recycle and continue to flytip through education and enforcement are key components of the waste and recycling strategy for Manchester. However, it is clear that there will also need to be a focus in the coming year on reviewing the existing waste disposal arrangements at GM level to facilitate more substantial reductions to the very significant Council resource spent on disposal.
- 3.6 In a climate of reduced resources and less staff, it is essential that in order to protect services, the directorate's commercial strategy is robust and has the ability to maximise the use of assets across the City for the benefit of neighbourhoods and to increase income to offset revenue savings. Attention will continue to be focussed on the generation of income from the current asset base ensuring that income opportunities continue to be maximised. This year, this work has led to a reduction in support required for Heaton Park and ambitious plans to further develop the Park with new and improved attractions through the reinvestment of some of the additional income generated. Work to



broaden this across the wider Parks offer is now underway. Reviewing both contractual arrangements and management of contracts such as catering and for events is also underway to ensure best value for money is obtained. An annual review of fees and charges will be undertaken across all of The Neighbourhoods Service to ensure a consistent and holistic approach.

- 3.7 The movement of Business Units into the Neighbourhoods Service provides further opportunities to ensure that the use of assets across the City is maximised and that a cohesive and integrated approach is taken to the use of key spaces within the city for events and markets and full consideration is taken of the wider impact on Neighbourhoods. The integration of Business Units also require a review to be undertaken of the current delivery models to ensure that these provide the most efficient solution and can stand comparison to comparators in both the public and private sector. This will build on the work previously undertaken in Business Units.
- 3.8 The continuing impact of devolution across Greater Manchester will also play a key role in shaping the strategy of the Directorate in the future to ensure that the opportunities presented are maximised for the City and its residents.

#### 4.0 Growth and Neighbourhoods Directorate Budget

- 4.1 For 2016/17 Growth and Neighbourhoods has net budget of £73.369m and gross budget of £129.174m with 1,375.8 ftes.

<b>Business Area</b>	<b>2016/17 Gross Budget £,000</b>	<b>2016/17 Net Budget £,000</b>	<b>2016/17 FTE Number</b>
Commissioning and Delivery	36,142	23,038	236.5
Waste Disposal Levy	32,495	32,495	-
Community Safety & Compliance	10,090	7,238	179.0
Libraries Galleries & Culture	12,711	8,704	268.8
Area Teams	2,395	2,395	51.0
Business Units	23,078	(3,698)	474.6
<b>Neighbourhoods Service Sub Total</b>	<b>116,911</b>	<b>70,172</b>	<b>1209.9</b>
Other Neighbourhoods	2,960	1,090	4.5
Work and Skills	1,692	1,692	22
Planning, Building Control and Licensing	6,735	(461)	124.4
Directorate Support	876	876	15
<b>Total</b>	<b>129,174</b>	<b>73,369</b>	<b>1,375.8</b>

- 4.2 Included in the 2016/17 budget strategy, there were savings of £0.629m with a full year effect in 2017/18 and 2018/19. The table below shows how these savings were broken down.

Service Area	Amount of Saving Proposal			
	2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000
Cultural Offer	100	0	0	100
New operating model	157	0	0	157
Compliance and community safety	11	0	0	11
Parks, Leisure and Events	50	0	0	50
Waste	11	0	0	11
Commercial Strategy	250	0	0	250
Mediation	50	0	0	50
<b>Grand Total</b>	<b>629</b>	<b>0</b>	<b>0</b>	<b>629</b>

## 5.0 Budget Priorities

5.1 The Directorate has identified the following priorities which have provided the framework for developing the savings options:

- Embed the principles of Our Manchester into the way services are delivered within our neighbourhoods.
- Maximise the opportunities that Devolution provides for the City in terms of growth, skills and place.
- Work with partners (Greater Manchester Police, (GMP), Registered Providers (RPs) and Children & Families) to develop future, more integrated models for delivery at a neighbourhood level which can deliver savings.
- Deliver improvements in waste, recycling and street cleansing through the effective delivery of the new waste and street cleansing contract.
- Continue to encourage behaviour change to increase recycling.
- Work with Greater Manchester Waste Disposal Authority (GMWDA) to determine a longer term strategy to reduce the impact of the Waste Levy.
- Provide a strong, evidenced and coherent strategy, policy and planning framework for the future of the city.
- For operational and non-operational services that are delivered directly, explore options to determine models of delivery that are cost effective whilst providing a good quality service.
- Maximise income opportunities, through realising the most from our assets as well as reviewing current fees and charges as well as opportunities for charging for other services.
- Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda.
- Explore appropriate opportunities for collaboration across GM, ensuring they continue to provide the right outcomes for the City.

## **6.0 Budget Conversation – What residents want from our services**

- 6.1 This year a Budget Conversation has been launched, facilitated online and through events across the city, to ensure that residents and communities have the opportunity to tell us what matters most to them and, if they care about it, what they can do to help support or improve it.
- 6.2 The results of the conversation reveal that it is clear that the provision of Universal Services is important to residents. Emptying bins, waste disposal and street cleaning, keeping neighbourhoods safe and successful, making Manchester healthier and more active, parks and open spaces, culture, arts, events and libraries all featured in the things that are most important to Manchester residents. It was also clear from the results that Education is a top priority for Manchester residents and ensuring that opportunities to gain further skills and being able to access employment opportunities is important too.
- 6.3 In addition to asking what is most important to them, respondents were also asked which places they use most and which ones they most value and enjoy. Overwhelmingly, cultural and leisure facilities featured as places that are most valued. This means parks and green spaces, sport and leisure facilities, libraries, museums and galleries. In addition facilities that contribute to a sense of place within a neighbourhood also featured including local centres, community centres and groups and educational facilities.
- 6.4 The findings of the budget conversation also revealed that residents are keen to come together and make improvements. Improving cleanliness/ environment, building community support/ spirit and improving safety are areas where residents are most likely to work together.

## **7.0 Delivery of Objectives and Savings**

- 7.1 The Directorate current net budget is £73.369m, and this includes £32m in relation to the waste levy.
- 7.2 ICT investment is critical to enabling the delivery of Directorate priorities and budget strategy as it acts as key enabler to service transformation, efficiencies and operational delivery. It is important that ICT investment is aligned to the Directorate and ICT strategies and focused on where it can provide the most value.
- 7.3 Within the Neighbourhoods Service ICT investment for the next three years is required in the following areas to enable delivery of savings:
- Community Safety and Compliance – Enable Flare to better integrate with the main CRM system to reduce areas of duplication and make better use of data and information that is collected to inform action.
  - Leisure, Events and Parks – ICT investment proposal to promote the service offer, improve the management of the customer, integrate the booking of a service, manage community assets, deliver activity and measure holistic performance. Initial funding has come for this through Sport England. This proposal would have benefits for the Health and Social

Care programme and could mitigate some of the impacts of the proposed reductions to active lifestyles.

## 8. New Savings Options 2017/20

- 8.1 New savings options totalling **£9.441m** have been identified. As part of the process to identify savings options, any options that were made as part of the 2016/17 budget process for either 2017/18 or 2018/19 have been reintroduced for consideration.
- 8.2 The savings are divided between efficiency savings of **£7.176m** and service reductions of **£2.265m**. It is recognised that if the budget gap for the Council is at the upper end of the range, it will be necessary to bring forward the service reductions, many of which run counter the Directorate's priorities and indeed those identified by residents as part of the budget conversation. These options are described in more detail below for each service area of the Directorate.
- 8.3 In line with budget priorities set out above the Directorate has sought to maximise budget reduction options from efficiencies and service improvement, some of which need to be supported by capital and ICT investment. This has resulted in savings options totalling £7.176m of which £5.8m is from Waste and £1.376m from other areas of the Directorate.
- 8.4 The total is summarised in the table below and the options are set out in the following report and the accompanying savings schedule in Appendix One.

Savings Options 2017-20	2017/18 £000	2018/19 £000	2019/20 £000	Total £000	FTE Impact
Improvement and efficiency	1,566	1,100	4,510	7,176	1.0
Service reductions	666	577	1,022	2,265	31.0
<b>Total</b>	<b>2,232</b>	<b>1,677</b>	<b>5,532</b>	<b>9,441</b>	<b>32.0</b>

### 8.5 Waste Disposal Levy

- 8.5.1 The 2016/17 budget for the Waste Disposal Levy is £32.495m. The 2017-20 budget allows for an annual contingency of £1.5m to mitigate against risk of potential increased waste charges within the current PFI contract and waste levy increases by 2019/20 based on estimates provided by the WDA in December 2015.
- 8.5.2 The introduction part way through this year of new 140-litre household grey bins, replacing 240-litre black bins, to encourage increased recycling and reduce the amount of leftover waste which has to be taken away will deliver a saving of **£1.3m** in 2017/18 on top of savings already planned to be realised in 2016/17. A further **£900k** could be saved in 2019/20 if the level of waste going into the grey bins can be reduced and recycling levels increase in line with those of neighbouring authorities which have made similar bin changes.

8.5.3 Savings of **£350k** in 2018/19 and **£250k** in 2019/20 can be achieved from interventions in the apartment sector and savings from disposal and collection arrangements with other organisations. Overall costs of disposal will continue to increase due to factors within the PFI contract that are beyond the direct control of the Directorate. However, further initiatives around waste reduction have been put forward to mitigate these increases. The options will limit residual waste collections to apartment blocks so they are aligned with the service offered to other households within the City, saving a projected £500k. over two years Savings of £100k will also be realised from efficiencies in other disposal and collection arrangements, where the Council currently has obligations, in conjunction with other organisations.

8.5.4 The Greater Manchester Waste Disposal Authority is reviewing its arrangements for waste disposal to reflect the increasing trends around recycling along with driving through efficiencies in the PFI contract. The savings assume that changes can be implemented by the GMWDA by 2019/20 and will have a net **£3m** benefit for Manchester.

8.5.5 All members of the GMWDA have agreed a moratorium on future service changes that impact on the distribution of the levy until such time as the PFI agreement has been reviewed and the Inter Authority Agreement (which allocates the costs between authorities) has been revised. This means any changes beyond the introduction of smaller residual bins, such as the frequency of collections, can not be considered at this time.

## 8.6 The Neighbourhoods Service

8.6.1 The Neighbourhoods Service incorporates a wide range of specific service functions, including:-

- Parks, Leisure and Events
- Libraries, Galleries and Culture
- Business Units including Bereavement Services, Fleet, Manchester Fayre, Markets, Pest Control
- Compliance and Community Safety
- Grounds Maintenance
- Waste, Recycling and Street Cleansing
- Neighbourhood Teams

8.6.2 Savings options have been put forward from these areas based on efficiencies that it is believed can be generated or from reductions in the level of service offered to residents and communities.

8.6.3 In 2016/17 the net budget for the service, excluding the Waste Levy, is £37.677m with 1,209.9 budgeted FTEs. Since 2010, neighbourhood-based teams have seen reductions of £28.6m and over 580 staff which has inevitably had a negative impact on the capacity to deliver services such as enforcement, parks, libraries, community safety, street cleansing and grounds maintenance within neighbourhoods. The integration of Neighbourhood delivery, Neighbourhood regeneration and community and cultural services enabled further efficiencies of £894k in 2015-17 as part of the design of the

new Neighbourhoods Service which significantly reduced management costs and ward co-ordination activities. As part of the 2015-17 budget process, members recognised that in the previous budget rounds, service reductions had had a very significant and disproportionate impact on service delivery in some areas and they agreed to put additional resource of £1.690m into enforcement, parks, street cleansing and waste in order to tackle the issues which had emerged in neighbourhoods as a result.

- 8.6.4 The budget conversation referred to in section 6 demonstrates that a large majority of themes that matter most to residents are contained within the Neighbourhoods Service. However, the Neighbourhoods Service makes up a significant proportion of the budget for the directorate, recognising the budget position, a series of options have been included for 2017-20 which include efficiency savings options of £1.276m. The approach has not been to take a blanket reduction across all areas, but instead to determine where savings can be made within each area. The service reduction savings are options which will need to be considered if the budget gap for the Council is at the upper end of the range. They are unpalatable and will limit the ability to deliver good quality services across the City. Some of the options will reverse decisions the Council made to supplement those areas which had suffered the worst of the cuts whilst others will severely impact on the directorate's ability to deliver the Our Manchester approach.

### **Efficiencies**

- 8.6.5 The following options across the Neighbourhoods Service represent efficiencies that could be made. Although they may in some cases have an impact on the way services are delivered they should not reduce current service levels. These options total **£1.276m**.

### ***Parks, leisure and events***

- 8.6.6 The budget conversation told us that this is an area that is most valued by residents. During the next budget period, a new longer term contract will be established for the management of the Council's Community Sport and Leisure facilities as part of a long term strategy for these assets. Given the growth projections made by the incumbent operator over the term of the existing contract, it is reasonable to assume that the contract fee and therefore the net cost of the service will reduce further. A conservative estimate is that the annual cost of the service beyond 2018 will be in line with projections for the final year of the current contract. This assumes that no closures or modifications are made to existing facilities. A saving of **£500k** in 2018/19 plus further saving of **£150k** in 2019/20 is now expected to be realised.
- 8.6.7 Through the review of services in considering the new contract, it has become apparent that there is also some duplication in the current arrangements for the community leisure contract in respect of the client functions which exist across the leisure portfolio between the Council and the Wythenshawe Forum Trust and the Eastland's Trust. There is an opportunity to review these functions to make efficiency savings of up to **£100k** over 2018/19 and

2019/20. This would be dependent on the cooperation of the Trusts as this option would ultimately result in the organisations working more closely and sharing resources for Audit, Finance, HR, Community Engagement and Marketing.

- 8.6.8 Within the Leisure Estate, work is currently underway to examine the potential for savings by installing a new Combined Heat and Power plant at the Manchester Aquatics Centre, Northcity and Wythenshawe Forum. This is being developed jointly with colleagues from Corporate Property and will form part of a wider piece of work to reduce the carbon impact of the Council's buildings. In addition, work is also underway to examine the savings potential from the installation of Photovoltaic Panels at key leisure sites. These are being developed on a spend to save basis with the savings being generated within the sport and leisure budget. It is expected that these energy efficiencies will realise **£50k** savings in 2018/19 and further **£50k** in 2019/20.
- 8.6.9 Greater Manchester Combined Authority (GMCA), the NHS in Greater Manchester (this includes the Greater Manchester Health and Social Care Partnership - the body overseeing devolution) and Sport England have recently signed a commitment to help people make sport and physical activity a part of daily life to help reduce stress, ill health, absenteeism and help prevent loneliness. This will present an opportunity for a more strategic conversation at a GM level about aligning resources and reducing inefficiency potentially through the co-commissioning of leisure services.
- 8.6.10 The context for this approach is that currently GM councils' Sport and Leisure service provision is administered by various operators. There are limited examples of resource pooling and there is a significant opportunity to make savings by encouraging them to work more collaboratively. Work is currently underway with Sport England to explore what opportunities there are for resource pooling and developing more efficient arrangements. This work will inform the Council's procurement approach for the community leisure contract for 2018. It is estimated this could realise savings of **£50k** in 2018/19 and further **£50k** in 2019/20.
- 8.6.11 Capital investment agreed for extensive refurbishment works at Moss Side Leisure Centre of £8m was estimated to deliver recurrent revenue savings of £200k which has not yet been reflected in the 2017-20 budget until timescales are fixed for realisation of these savings. Capital investment of £8m was also agreed for refurbishment at Abraham Moss Leisure Centre, expected to deliver £200k of revenue savings. However following feasibility work, due to the structure of the building, refurbishment works cannot go ahead. Following an options appraisal including closure, do nothing or rebuild, the most cost effective and preferred option is likely to require further capital of £7.9m for a complete rebuild for which a bid for capital has been made.

### ***Business Units***

- 8.6.12 Business Units is comprised of a number of services, including bereavement services, school catering, fleet, pest control and markets. These services

operate on a commercial basis, and the income exceeds the costs of the services to make a net contribution towards the overall Council costs. Opportunities for savings therefore lie in the ability to increase income.

8.6.13 It is proposed that Bereavement Services could increase income by £60k per annum over the three year period. This will be achieved by continuing to increase the numbers of burials and cremation that are undertaken. However, this is subject to a £20k investment in year 1 in order to implement practice recommended by the Institute of Cemetery and Crematoria. Growth in income of £60k in 2017/18, 2018/19 and 2019/20 is estimated a total net saving **£160k** over a three year period.

### ***Compliance and Community Safety***

8.6.14 This team has now been in place for a year bringing many of the Council's enforcement functions under single management for the first time in many years. For residents, peace and safety are major priorities reflected in our Budget Conversation and this team play a major role in that. It has a critical role to play in overseeing a number of statutory functions for the Council which address nuisance, safety, environmental health matters, food standards, anti-social behaviour and rogue landlords amongst other things. Within the wider team, a new Out of Hours Service has been established with additional resources from the 2015-17 budget round to respond to the increases in population including students and increased pressure that diverse communities and the growing night time economy brings to the City. This service has only recently been fully populated – they work evenings and weekends and are able to respond to the compliance and enforcement demands that are created as a result of Manchester moving more towards a 24 hour economy.

8.6.15 Even notwithstanding the efficiencies created by integrating the teams and additional resource into the Out of Hours Service, there is still insufficient capacity to deal with the competing demands of the city. As such, in considering efficiencies, there is probably only one part of the service – the Animal Welfare Service where it is anticipated that an alternative delivery model could save **£50k** in 2017/18 without having a significant impact on service delivery.

### ***Other Neighbourhoods Service efficiencies***

8.6.16 The overall management arrangements within the service will be reviewed and rationalised, this is expected to realise savings of **£90k** in 2017/18. Contributions to partner agencies will also reflect the pressures faced by the Council and a 10% reduction is therefore proposed in a partner budget, equating to a saving of **£26k** in 2017/18.

### **Service Reductions**

8.6.17 It is recognised that if the budget gap for the Council is at the upper end of the range, it will be necessary to bring forward a number of service reductions,



many of which run counter the Directorate's priorities and indeed those identified by residents as part of the budget conversation. They will also affect the Council's ability to bring forward an Our Manchester way of working across the city. The following options across the Neighbourhoods Service will result in a reduction in the level of service that is currently provided, will significantly impact on communities and will, in a number of cases, also require specific consultation to take place. These options total reductions of **£1.725m**.

### ***Parks, leisure and events***

- 8.6.18 The results of the budget conversation has told us that Sport and leisure facilities are one of the places that individuals and families most visit and enjoy.
- 8.6.19 Further savings from the review of the Wythenshawe Forum Trust, of **£50k** in 2019/20 could be made in addition to those identified in paragraph 8.7.6. This would require the implementation of a more fundamental option around the client function overseeing the community leisure contract within the Wythenshawe Forum. This function could be absorbed by the Directorate leading to employee related savings within the Trust. This option would ultimately result in the organisation being heavily modified or, more likely, wound up with the Council assuming the responsibility for managing the contract with the community leisure operator and collecting rent from tenants. It should be noted that there is a significant amount of community outreach activity undertaken by the Wythenshawe Forum, which adds significant added value and needs to be continued. It is proposed that this work would continue, albeit under revised governance arrangements and be coordinated by the Council.
- 8.6.20 There is an option to review MCC funding contributions to partner events which could realise savings of **£100k**. This would include making a reduction in partner funding across all areas of budget (Sports, Community, Signature, Conference and Manchester Day) – or cessation of funding to four/five current events. Whilst seemingly comparatively easy to deliver, the impact of this cut would be felt in a range of ways – further reducing the city's capacity to compete for national and international events which support the economy and profile of Manchester and removing the capacity and support required to enable smaller grass roots community events to flourish.
- 8.6.21 From the Events budget, there are a number of options around activity at Christmas. Reducing the scale of the Festive Lights programme to only cover 50% of the existing area covered currently would deliver savings of **£150k** in 2019/20. The proposed refurbishment of the Town Hall will mean that Santa will not be able to be installed in its current position. If Santa is not installed at all a saving of **£70k** would be realised in 2018/19. A reduced saving of **£30k** could be made if it is re-located elsewhere in the city centre but this saving is based on installing Santa at a lower height than usual at a different location.

### ***Business Units***

8.6.22 Work has begun on a review of the viability and operating models for Wythenshawe and Harpurhey Markets which could lead to alternative delivery models being implemented. Discussions have commenced with the owners regarding an alternative operating model for Harpurhey Market but at present it is unclear whether this will deliver any savings. An alternative operating model for Wythenshawe has not yet been identified and as it is currently making a loss of c£120k, it is currently unlikely that another operator would take this on. Work is underway with the Town Centre Managers to review the wider town centre offer and where a market might feature in future plans. A saving of **£150k** could be delivered in 2017/18 dependent on an alternative delivery model.

### ***Compliance and Community Safety***

8.6.23 Further to efficiency savings of £50k in relation to the Animal Welfare service, in recognition of the financial position over the next three years, options for further savings have been considered. This includes a reduction in the Out of Hours team of **£134k** in 2019/20 (3 fte) and a reduction in the wider compliance team **£102k** in 2019/20 (3 fte). By reducing capacity for enforcement and compliance activity, both options will have a significant impact on the ability to respond to residents' clear priority for peace and safety identified through the budget conversation.

### ***Grounds Maintenance***

8.6.24 The Grounds Maintenance team currently maintain a wide range of parks and open spaces, which includes 23 bowling greens across the City. There are 850 members of the clubs which use the bowling greens. The number of members and use of the greens has seen a continued decline leading to increased costs per user. However, the activity is also seen as a contributor to the public health agenda, promoting activity and social inclusion, particularly within older people. In addition, both green spaces and leisure facilities are cited in the results of the budget conversation as services that are most important to residents. However, they are costly to maintain. If the maintenance of these bowling greens were discontinued, this would negate the requirement for a fine turf team. Savings of **£175k** in 2018/19 (staffing and equipment) could be realised and would result in a reduction of 6 FTE. Removing provision is likely to face significant opposition and would require both consultation and an Equality Impact Assessment. There could be a compromise option whereby the Council asks clubs to bid for funding to undertake their own maintenance which would save a proportion of the £175k.

### ***Neighbourhood Teams***

8.6.25 The neighbourhood teams are instrumental in the engagement of both residents and members across the City, supporting activities such as ward coordination. They will also play a key role in supporting the delivery of 'Our Manchester'. The options below for proposed reductions in the team curtail

these activities and will have a significant impact on the ability to deliver against the directorate's and residents' priorities.

- Neighbourhood Teams are key to the city being able to create the right conditions for an asset based way of working in neighbourhoods. Should the budget gap be at the upper end of the range, there is an option to reduce Neighbourhood area team staffing by 10%, which equates to 6.5 fte, to save **£237k** from 2019/20. This option would require a revision to the service offer from Neighbourhood Teams who are currently stretched and already often working at beyond capacity.
- There is also the option to take a more radical reduction and reduce staff by up to 20% which would require a reduction of a further 7 fte and could provide a further saving of **£237k** also in 2019/20. This option would put at risk the ability of the teams to function effectively and would lead to a need to reconsider the role, remit and configuration of the teams at neighbourhood level.
- Reduce Neighbourhood Investment Funding to each ward by 50%, this reduces the value of each ward's funding from £20k per annum to £10k per annum, this equates to savings of **£320k** per annum from 2017/18. This resource goes directly into communities to enable a wide range of activities which support delivery of an Our Manchester approach and a 50% reduction would clearly have a negative impact. If the neighbourhood teams were also reduced in size, this would make management of the remaining Neighbourhood Investment Fund more challenging.

8.6.26 Through the response to the budget conversation, it's clear that residents are willing to come together to improve the place where they live. The Neighbourhood teams play a key role in supporting and facilitating this activity and embedding the Our Manchester approach within our communities.

## 8.7 Work and Skills

8.7.1 The Work and Skills budget for 2016/17 is £1.692m with 22 FTEs. The Growth and Neighbourhoods redesign in 2015 brought together for the first time a number of roles and functions into a single work and skills team. The team has a modest commissioning budget which enables it to commission activity to address priorities within the work and skills plan. This budget has for example supported Work Clubs in neighbourhoods and ground-breaking activity connecting work and health which it is now hoped will be scaled up across GM.

8.7.2 There are options to make efficiencies from within the current service or significantly reduce the service offer. However, both have an impact on delivering our ambition to connect more Manchester residents to the job opportunities being created in the City and access the skills needed to progress their careers.

## Efficiencies

8.7.3 It is proposed to reduce the commissioning budget by **£100k** over 2017/18 and 2018/19. This will require the reprioritisation of the remaining budget to ensure that it is spent as effectively as possible. This would limit the Council's ability to invest in or commission new work and skills activity at a time when, for example, more of the city's young people are becoming NEET (not in education employment or training) and adults skills budgets have reduced dramatically. It will inhibit the Council's ability to innovate and commission works and skills activity that can fill gaps in mainstream provision and establish credibility that enables an initiative to move to the next stage e.g. Manchester Youth Market.

## Service Reductions

8.7.4 In addition to efficiency savings of £100k above, an option is put forward to further reduce the work and skills commissioning budget by **£239k** in 2018/19. Reductions to the budget beyond the initial £100k would mean that projects at local level that support Manchester residents to access jobs and training e.g. work clubs could not be supported. The reduction would also impact on city wide projects that support people with health conditions into work, promote apprenticeships and create opportunities for residents to become self-employed or start their own businesses. The Council would no longer have capacity to respond to changing needs and demands in the labour market either at local level or city wide.

8.7.5 In addition to reducing the commissioning budget, there is also an option to reduce staffing numbers by 6 fte which would save **£301k** over the next three years. This represents almost a third of the team and such a significant reduction would completely undermine the new model which has a combined GM, city-wide and neighbourhood focus. It would mean that fewer of the employment opportunities created by the growth of the city were captured for Manchester residents, the City may not benefit fully from devolved work and skills programmes and there would not be as co-ordinated an offer of employment support, business engagement and skills training.

## 8.8 Planning and Building Control

8.8.1 Planning and Building Control has a net credit budget of £461k, which represents an overall income target for the services included in this business area. The service has delivered year on year savings over an extended period with planning significantly over achieving on its income target over the last two years; this has helped with budget pressures elsewhere within the Directorate. The Service, however, should not operate under a full cost recovery model and the increased income is the result of a very small number of major applications. This is not a sustainable position and income can be volatile. Certainly, the income profile for several years during the recent recession was much reduced such that the service's costs were not covered by fees. With this uncertainty, it is proposed that consideration be given to retaining a

proportion of the over recovery of fee income for planning in a reserve to mitigate against any potential falling off of major schemes in future years.

- 8.8.2 At the same time Building Control has started to look at delivery models which would cement its position further in terms of the Manchester market and this includes discussions with other Greater Manchester authorities around collaborative working.

## **9.0 Workforce Impact.**

- 9.1 The current FTE number for the Directorate is 1,375.8. Current options, if all taken forward, will result in a net workforce reduction of an estimated 32 FTE over the three year budget period.
- 9.2 There are some options that refer to the exploration and implementation of new delivery models. Depending on the option that is chosen, further impacts on the workforce could be realised if the decision is made to transfer staff to another organisation.
- 9.3 The Directorate will continue to invest in skills around leadership of place and supporting growth (with a particular focus on technical and specialist skills), recognising that these skills will continue to be required to support the reform agenda.

## **10.0 Conclusion and recommendations**

- 10.1 This report has set out high level overview of the priorities to be delivered in the Growth and Neighbourhoods Directorate and savings options for the Executive to consider to support the City Council's current financial assumptions covering the period 2017/18 to 2019/20.
- 10.2 The Executive is recommended to note the savings options and investment priorities detailed in the report.

## **11.0 Key Policies and Considerations**

### **(a) Equal Opportunities**

- 11.1 There are no specific equal opportunities implications contained in this report.

### **(b) Risk Management**

- 11.2 The City Council's Medium Term Financial Strategy includes an assessment of budget risk when setting the level of general balances.

### **(c) Legal Considerations**

- 11.3 There are no specific legal implications contained in this report.

Appendix 1 – Growth & Neighbourhoods 2017/18 - 2019/20 savings options

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
<b>IMPROVEMENT AND EFFICIENCY</b>									
<b>Parks, Leisure and Events</b>	Further reduce costs of indoor leisure through re-commissioning of contracts.	Efficiency	Amber	Amber		500	150	<b>650</b>	
	Energy improvements on leisure buildings - any savings will accrue to the leisure contract	Efficiency	Green	Green		50	50	<b>100</b>	
	Wythenshawe Forum Trust - efficiencies from sharing back office functions	Efficiency	Green	Green		50	50	<b>100</b>	
	Co-commissioning leisure services across Greater Manchester. This includes looking at ways in which 12 leisure operators across GM can collaborate more effectively	Efficiency	Amber	Amber		50	50	<b>100</b>	
<b>Compliance and Enforcement</b>	Explore alternative models for delivery of the animal welfare service.	Efficiency	Amber	Amber	50	-	-	<b>50</b>	
<b>Business Units</b>	Increase bereavement services offer - pricing competitively with increase of £60k per year and £20k invested in year 1 to implement practice recommended by Institute of Cemetry and Crematoria	Income Generation	Green	Green	40	60	60	<b>160</b>	

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18	2018/19	2019/20	Total	
					£,000	£,000	£,000	£,000	
<b>The Neighbourhoods Service</b>	Review of management arrangements across the Neighbourhoods Service structure	Efficiency	Amber	Amber	90	-		<b>90</b>	1.0
	10% reduction in funding to partner organisation	Efficiency	Green	Green	26	-	-	<b>26</b>	
<b>Work and Skills</b>	Reduction in Work and Skills strategy project budget	Efficiency	Green	Amber	60	40		<b>100</b>	
<b>Waste</b>	Planned Service change	Efficiency	Green	Green	1,300	-	900	<b>2,200</b>	
	Other service changes - apartment blocks	Efficiency	Amber	Amber		250	250	<b>500</b>	
	Efficiencies in other disposal and collection arrangements	Efficiency	Green	Amber		100		<b>100</b>	
	Reviewing waste disposal costs	Collaboration	Red	Red			3,000	<b>3,000</b>	
<b>Total Improvement and Efficiency</b>					<b>1,566</b>	<b>1,100</b>	<b>4,510</b>	<b>7,176</b>	<b>1.0</b>
<b>SERVICE REDUCTIONS</b>									
<b>Parks, Leisure and Events</b>	10% reduction in partner funding across all areas of events or ceasing 4/5 events	Service Reduction	Green	Red	100			<b>100</b>	
	Revised client function arrangements for the Community Leisure operation at Wythenshawe Forum	Service Reduction	Red	Red			50	<b>50</b>	
	Festive Lights - reduce scale by 50%	Service Reduction	Amber	Red			150	<b>150</b>	
	Santa - install elsewhere in the city estimate if installed at lower height	Service Reduction	Green	Red		30		<b>30</b>	
	Santa - do not install at all in	Service	Green	Red		40		<b>40</b>	

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
	the city centre (in addition to above)	Reduction							
<b>Business Units</b>	Review of viability and operating models for Wythenshawe & Harpurhey Markets	Service Reduction	Amber	Red	150			<b>150</b>	
<b>Grounds Maintenance</b>	Removal of fine turf team - stop maintaining 23 bowling greens across the city	Service Reduction	Amber	Amber		175		<b>175</b>	6.0
<b>Compliance and Enforcement</b>	Reduction in out of hours team	Service Reduction	Amber	Red			134	<b>134</b>	3.0
	Reduction in number of compliance staff.	Service Reduction	Amber	Red			102	<b>102</b>	3.0
<b>Neighbourhood Teams</b>	Reduce Neighbourhood Investment Funding budgets to £10k per ward (from £20k)	Service Reduction	Green	Red	320			<b>320</b>	
	10% Reduction in staffing within the Neighbourhood Teams - impact on role of team	Service Reduction	Amber	Red			237	<b>237</b>	6.0
	20% Reduction in staffing within the Neighbourhood Teams (in addition to above)	Service Reduction	Amber	Red			237	<b>237</b>	7.0
<b>Work and Skills</b>	Reduction Work and Skills budget	Service Reduction	Amber	Amber		239		<b>239</b>	
	Reduction in staffing in Work and Skills	Service Reduction	Amber	Red	96	93	112	<b>301</b>	6.0
<b>Total Service Reductions</b>					<b>666</b>	<b>577</b>	<b>1,022</b>	<b>2,265</b>	<b>31.0</b>
<b>Total Growth and Neighbourhoods</b>					<b>2,232</b>	<b>1,677</b>	<b>5,532</b>	<b>9,441</b>	<b>32.0</b>



**Subject: Budget option for Neighbourhood Teams**

**Saving**

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
<b>SERVICE REDUCTIONS</b>									
Neighbourhood Teams	Reduce Neighbourhood Investment Funding budgets to £10k per ward (from £20k)	Service Reduction	Green	Red	320		-	320	
	10% Reduction in staffing within the Neighbourhood Teams - impact on role of team	Service Reduction	Amber	Red			237	237	6.0
	20% Reduction in staffing within the Neighbourhood Teams (in addition to above)	Service Reduction	Amber	Red			237	237	7.0

## Impact

Neighbourhood Teams were established in January 2016 as part of the wider redesign of the Neighbourhoods Service. They are an integral part of the Growth and Neighbourhoods service – planning and coordinating work with the City Wide Services to ensure resources are deployed most effectively. The teams ensure that services delivered at a neighbourhood level maintain a strong place focus, and are responsible for effective communication and engagement with elected Members through the management of Ward Plans, Ward Co-ordination and Neighbourhood Investment Fund grants. This is a city wide service covering all 32 wards. The service was already rationalised in 2015 when Regeneration, Neighbourhood Delivery and Culture and Community Services were brought together to form The Neighbourhoods Service.

The objectives of Our Manchester relate to people and their behaviour in relation to a wide range of priorities e.g.; participation, health, skills, etc. This places activation and engagement – residents, businesses and the VCS – as a priority for area based teams, either through ward coordination or via supporting the work of city wide teams. Neighbourhood Teams are best placed to support the promotion and commissioning of participation activity. Essentially if we are to promote Our Manchester it needs effective leadership via local partnership working and it's essential that this is delivered as an integrated part of day to day work rather than via occasional events/campaigns. It will be very difficult to deliver on Our Manchester in a consistent way without the Neighbourhood Teams and their local knowledge and connections. Neighbourhood Teams will also have a key function in supporting members to engage with Our Manchester and perform their place leadership role. Equally the capacity to encourage a partnership based ownership of Our Manchester would be seriously diminished.

Neighbourhood Teams lead on resident and local business engagement, community activation, capacity building and behaviour change to reduce demand on key services and increase the levels of participation and ownership of neighbourhoods. They bring together and strengthen the relationships between neighbourhood stakeholders for the benefit of coordinated neighbourhood working e.g. Greater Manchester Police, Registered Social Landlords, Health partners, the Voluntary Sector, community groups and MCC Directorates.

The current workforce across the Neighbourhood Teams is 51 FTE. These are divided between the 3 areas as

North 17 FTE  
Central 16 FTE  
South 18 FTE

The service reductions suggested are, at the first level of reduction 10%, which if it's assumed will be from the Neighbourhood Officer role will be 6.5FTEs. This will mean there will be 19.5 Neighbourhood Officers remaining to cover 32 wards in the city. The second suggested level of reduction at 20% would result in there being 12.5 Neighbourhood Officers to cover 32 wards.

Alternatively, management roles could be removed but there would still be an impact on the delivery of engagement, activation and behaviour change as even

management roles within the service provide support particularly to members and to the front line operational function and are key to planning and managing successful community engagement work.

Service reduction would result in a minimal service being provided with the basic elements of ward coordination - writing ward plans, administration of NIF, supporting members with case work – available and little if any scope for proactive, targeted work on behaviour change and positive engagement of residents and businesses.

**Subject: Neighbourhood Investment Fund (NIF)**

**Introduction**

At its meeting on 9<sup>th</sup> November, Communities and Equalities Committee requested further information on the impact of the budget option in relation to a reduction to the Neighbourhood Investment Fund.

**Saving**

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18	2018/19	2019/20	Total	
					£,000	£,000	£,000	£,000	
<b>SERVICE REDUCTIONS</b>									
Neighbourhood Teams	Reduce Neighbourhood Investment Funding budgets to £10k per ward (from £20k)	Service Reduction	Green	Red	320		-	320	

The Committee has requested a report on the use of the Neighbourhood Investment Fund over the last two years including;

1. Whether every ward had used its full allocation,
2. The amount of the average grant
3. What it had been used for
4. Whether the grants provided were one-off payments or ongoing
5. The criteria for being allocated a grant and its outcomes at a local level.

1. A report was considered at Communities and Equalities Scrutiny Committee on 7<sup>th</sup> September 2016 which provided an overview of ward coordination. It included a brief summary of how the NIF budget had been used across the city.

For the financial year 2015/16 all NIF grants were used. There were minor under spends in some wards but there were generally the result of groups failing to spend the full amount; or parts of project costs being met from other sources and consequently refunded. Twelve wards showed an under spend for 2015/16. The total across the city was £32,288 (average £1028 per ward).

2. The average amount of grant was £1865. This reflects the efforts made in most wards to spread a limited resource across a wide range of projects, and also to fund a wide variety of activity.

3. The report of 7<sup>th</sup> September analysed spend against broad Our Manchester themes. The conclusion was that the majority of grants (90%) supported two Our Manchester objectives; A progressive and equitable city and; and A liveable and low carbon city

Appendix 1 provides a full schedule by ward - of all NIF grants in the current year 2016/17. Where no award is identified this means that a decision has yet to be made on the application.

4. The majority of grants are one off payments. Clearly there are some events which occur each year and members are happy to support them, however this is not a commitment to provide ongoing revenue funding.

5. The criteria for allocating funding are;

- NIF grant awards will be used to support strategic priorities (work and skills, community capacity building, behaviour change to improve the environment, and ward priorities within the ward plan).
- NIF grants will in the main be awarded through two rounds of applications each year
- NIF grants will be spent within the financial year in which they are awarded.

All grants are monitored to ensure that activities and projects have been delivered as agreed. NIF funding is intended to be simple for groups to apply for. It is not intended to form a contract for delivery of a service or a service level agreement. Consequently officers do not monitor longer term impacts (eg; health, skills; community cohesion etc) which may result from the NIF projects.

## **Targeted communications activity for the budget consultation**

A key part of the communications strategy for phase 2 of the Budget Conversation is targeted communications activity to ensure a range of responses that reflect the demographic make-up of the city. Whilst the approach has been primarily digital, there is also a range of other supporting communications activity.

A key part of our digital activity on Facebook will be paid-for, targeted advertising to key demographics. These will be decided in response to weekly updates on the demographic data of those responding and will target the geographical areas and demographics that are underrepresented in survey responses.

During phase one the distribution of a small number of paper questionnaires (950) to areas of the city where a) response to consultations had historically been low b) there were a significant percentage of older residents less likely to engage through digital channels, was tested. While overall response rate was low at 6.2% the approach did increase the percentage of respondents from older age brackets and the percentage stating they were disabled compared with online responses.

During phase two a larger number of targeted printed questionnaires targeted at areas with high percentages of BME, older residents or where there has previously been a low response rate. Over 8,000 printed copies will be delivered to homes in:

- Moston
- Gorton
- Brooklands
- Charlestown
- Longsight/Rusholme
- Moss Side
- Whalley Range
- Cheetham

Reporting will include any differences in demographics and views of those responding to paper versus digital questionnaires.

The approach for phase two also incorporates targeted media and broadcast coverage. During December a 600 word editorial will feature in the Asian Leader, a free paper distributing 10,500 copies in areas with high numbers of BME residents. Communications are also working with All FM and Asian Sound radio to include live reads and associated social and digital media coverage across their networks.

In addition, Communications are working with a large range of community and voluntary groups to ensure the opportunity to engage with the budget consultation is highlighted in their existing communications channels, these organisations include:

- MACC - voluntary, community and social enterprise (VCSE) sector support
- Age-friendly networks
- Trinity House Community Resource Centre
- The Big Life Group
- Turkey Lane & Monsall Neighbourhood Centre

- Kutchi Sunni Muslim Association
- Ladybarn Community Centre (Association)
- Manchester Deaf Centre
- Greater Manchester Coalition of Disabled People
- Wai Yin Society
- Wythenshawe Community Initiative
- Benchill Community Centre
- The West Gorton Community Partnership (WGCP)
- Active Communities
- Whalley Range Community Forum
- British Muslim Heritage Centre
- Chorlton Civic Society

The learning from phase two will be fed into further improved communications and targeting for the final phase of the Council's budget consultation, starting on 3 January 2017.