

---

**Manchester City Council  
Report for Resolution**

**Report to:** Council – 4 March 2016

**Subject:** Council Tax Resolution for 2016/17

**Report of:** City Treasurer, Chief Executive and City Solicitor

---

**Summary**

To advise the Council of the recommended Council Tax resolution and Collection Fund budget for 2016/17.

**Recommendations**

The Council is recommended to:

1. Adopt the part proceedings of the Executive on 17 February 2016 which contain details of the following:
  - Budget 2016/17 – A Strategic Response
  - Revenue Budget 2016/17
  - Capital Programme Budget and Strategy 2016/17 - 2018/19
  - Treasury Management Strategy Statement and Borrowing Limits and Annual Investment Strategy 2016/17
  - Budget Proposals and Business Plans for Children and Families, Growth and Neighbourhoods, and Corporate Core 2016/17
  - Housing Revenue Account 2016/17 – 2018/19
  - Dedicated Schools Grant 2016/17
  - Budget and Business Plans 2016/17 – 2017/18: Comments of Overview and Scrutiny Committees.
2. Note the information on referenda in section 3 of this report.
3. Approve the Council Tax determination attached as Appendix 1 to this report which:
  - Calculates the Council tax requirement in accordance with Section 31a of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
  - Calculates a basic amount of Council Tax and an amount of tax for each valuation band (the City Council element) in accordance with Sections 31B and 36 of the Local Government Finance Act, 1992, as amended.
  - Sets an amount of Council Tax for each category of dwellings in each valuation band in accordance with Section 30 of the Local Government Finance Act, 1992.
4. Note the position on reserves in Appendix 3 to this report.

5. Determine affordable borrowing limits, prudential indicators, proposals in respect of treasury management, annual investment strategy and minimum revenue provision strategy. The prudential indicators are listed in Appendix 4 to this report.
6. Approve the Collection Fund Budget for 2016/17 as set out in Appendix 5 to this report.

**Wards Affected:** All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	This report presents to council the proposed Revenue Budget and consequent Council Tax for the City. Whilst this has no direct implications for the community strategy spines a balanced budget is a pre-requisite to the provision of the council services that support the spines and includes some transfer of resources to support key council objectives.
Reaching full potential in education and employment	
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

The approval sought above is a pre-requisite to having a revenue budget for 2016/17. The revenue budget incorporates provision for financing of borrowing undertaken to fund capital expenditure.

### **Financial Consequences – Capital**

Details of the proposed Capital Programme for the next three years were approved at Executive on 17 February 2016 and any financial implications are contained within the body of the report and attached schedules.

**Contact Officers:**

Name: Richard Paver  
Position: City Treasurer  
Telephone: 0161 234 3564  
E-mail: r.paver@manchester.gov.uk

Name: Sir Howard Bernstein  
Position: Chief Executive  
Telephone: 0161 234 3201  
E-mail: h.bernstein@manchester.gov.uk

Name: Carol Culley  
Position: Deputy City Treasurer  
Telephone: 0161 234 3406  
E-mail: c.culley@manchester.gov.uk

Name: Liz Treacy  
Position: City Solicitor  
Telephone: 0161 234 3087  
E-mail: l.treacy@manchester.gov.uk

**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.

1. Local government finance provisional and final settlement papers,
2. Budget Consultation Document,
3. Budget Consultation Responses,
4. Report to Finance Scrutiny Committee 25 February 2016 on the general Budget Consultation
5. Final Levy and Precept notifications,
6. Reports to the Executive on 17 February 2016 entitled:
  - (i) Budget 2016/17 – A Strategic Response
  - (ii) Children and Families Budget and Business Planning 2016/17
  - (iii) Growth and Neighbourhoods Budget and Business Plan 2016/17
  - (iv) Corporate Core Directorate Budget and Business Planning 2016/17
  - (v) Revenue Budget 2016/17
  - (vi) Dedicated Schools Grant 2016/17
  - (vii) Housing Revenue Account 2016/17 to 2018/19
  - (viii) Capital Programme Budget and Strategy 2016/17 to 2018/19
  - (ix) Treasury Management Strategy Statement and Borrowing Limits and Annual Investment Strategy 2016/17
  - (x) Budget and Business Plans 2016/17 to 2017/18: Comments of Overview and Scrutiny Committees

## 1. Introduction

- 1.1 At its meeting on 17 February 2016, the Executive received a series of reports which outlined the budget position of the Council after the announcement of the Local Government Finance Settlement. These reports included:
- (i) a report setting out the implications for the Council of the settlement and identifying a Strategic Framework to guide detailed development of a budget strategy for 2016/17.
  - (ii) a detailed report from each Directorate on proposals for service change to ensure they continue to meet the Council's objectives whilst managing within a reduced resource envelope.
  - (iii) a report proposing changes to 2016/17 budgets and setting out the issues and legal requirements that members need to consider prior to the Council finalising the budget and setting the Council Tax for 2016/17.
- 1.2 Finance Scrutiny Committee met on 25 February to consider the recommendations of Executive. The Committee considered all the issues arising from individual Business Plans that chairs of scrutiny committees wished to draw specific attention to. They also received a report outlining the results of the public consultation exercise undertaken. The proceedings at that meeting and the decision taken are set out in the minutes elsewhere on the agenda.
- 1.3 The reports are listed in the background documents to this report. Members should take the contents of these into account when considering the recommendations set out in this report.

## 2 The Revenue Budget

- 2.1 The reports to the Executive on the 17 February noted that the final local government finance settlement for 2016/17 was announced on 8 February 2016. There were only minor changes in Public Health Funding and other non ringfenced government grants from the provisional figures issued in December. These changes resulted in a worsening of the Council's financial position by £28k. The Revenue Budget 2016/17 report identified revenue spend and savings proposals for 2016/17. A separate report identified a strategic framework to guide the detailed development of a budget strategy for 2016/17.
- 2.2 The final settlement also announced a transitional grant to provide substantial additional funding to ease the pace of central government funding reductions during the most difficult first two years of the settlement. This grant will be worth £150m in both 2016/17 and 2017/18. Manchester will receive no transitional funding.
- 2.3 The 2016/17 budget process identified a further £13.780m of savings proposals. The total savings per Directorate are shown in the table below

and full details are included at Appendix 2.

	<b>2016 / 17 £'000</b>
Children and Families	8,862
Growth and Neighbourhoods	2,239
Corporate Core	2,679
<b>Total</b>	<b>13,780</b>

- 2.4 The Revenue Budget Report 2016/17 provided details of proposed movements into and out of reserves. The reserves schedule is attached at Appendix 3.
- 2.5 The Executive delegated authority to the City Treasurer and Chief Executive in consultation with the Executive Member for Finance and Human Resources and the Leader of the Council to draft the recommended budget resolution for budget setting Council in accordance with the legal requirements outlined in the report and taking into account the decisions of Executive and any final changes to account for final announcements on levies and other small technical adjustments. At the time of writing this report there were no changes to these figures.
- 2.6 A Council Tax resolution is attached as Appendix 1.
- 3 Council Tax Referenda**
- 3.1 The Localism Act abolished council tax capping powers and replaced them with a requirement for an authority to hold a council tax referendum if it increases its council tax by an amount exceeding the limit set out in principals determined by the Secretary of State and approved by the House of Commons. The Secretary of State announced that for principal authorities (including Manchester) any increase in the amount of council tax of 4% or above (including 2% for adult social care) would trigger a referendum.
- 3.2 The Council Tax bill, and the information that accompanies it, must highlight the part of the increase that is being used to fund adult social care. Further information about spending on adult social care must be provided with the demand notice.
- 3.3 In previous years the Government made available Council Tax Freeze Grant, equivalent to a 1% increase in the projected tax base, which was payable to all Local Authorities that froze or reduced their basic amount of Council Tax. This grant is no longer available for 2016/17.
- 3.4 This report is therefore prepared on the basis that Manchester's Council Tax will increase by 3.99% in 2016/17.
- 3.5 The Greater Manchester Fire and Rescue Authority has confirmed that its 2016/17 precept will increase by 1.98%.

3.6 The Greater Manchester Police and Crime Commissioner confirmed that their 2016/17 precept will increase by £5 for a Band D dwelling. This increase does not breach the referendum cap as in the Final Settlement the Government extended the ability to increase council tax by £5 at Band D for authorities where a 2% increase equated to less than £5. At the provisional settlement this only applied to districts with Band D council tax in the lower quartile.

#### 4 **Prudential indicators**

4.1 The proposed Prudential Indicators for 2016/17 to 2018/19 are shown in Appendix 4.

#### 5 **Collection Fund Budget**

5.1 Attached for approval at Appendix 5 is the proposed collection fund budget for 2016/17. The collection fund budget includes income and expenditure relating to both council tax and business rates.

#### 6 **Robustness of the Budget**

6.1 The budget report to Executive set out the Council's legal duties to which members must have regard in formulating the budget and setting the Council Tax. The report referred not only to the need for the Council to continue to meet its statutory duties but also to any remaining requirements for consultation, legal processes and equality impact assessments before final decisions can be taken.

6.2 The City Treasurer has a duty to report on the robustness of the estimates made for the purposes of the calculation of the Council Tax and the adequacy of the financial reserves. As reported to the Executive the City Treasurer remains satisfied that the assumptions on which the budget have been proposed are manageable within the flexibility allowed by the General Fund balance. This and the fact that the Council holds other reserves that can be called on if necessary means that the City Treasurer is confident that overall the budget position of the Council can be sustained within the overall level of resources available. However, to the degree that the budget savings are not achieved in a timely manner and reserves are called on to achieve a balanced position, the future year's savings will be prejudiced and further savings will need to be identified and implemented, including to replace reserves drawn down, in order to ensure these are sufficient for future years.

**Council Tax - Draft Resolution**  
**Setting the amount of Council Tax for the Council's area**

**Resolved**

1. That the estimates prepared by the Executive at its meeting on 17 February 2016 be approved.
2. That it be noted that the City Treasurer acting under delegated powers has determined the amount of 105,570 as the Council Tax base for Manchester for the year 2016/17 in accordance with Section 31a(3) of the Local Government Finance Act 1992 and regulations 3 to 5 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
3. That the following amounts be now calculated by the Council for the year 2016/17 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:-
  - (a) £1,346,743,837 being the aggregate of the amounts which the Council estimates for the items set out in the Section 31a(2)(a) to (f) of the Act.
  - (b) £1,218,049,784 being the aggregate of the amounts which the Council estimates for the items set out in Section 31a(3)(a) to (d) of the Act.
  - (c) £128,694,053 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Sections 31A(4) of the Act, as its council tax requirement for the year.
  - (d) £1,219.04 being the amount at 3(c) above divided by the amount at 2 above, calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year.

(e) Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£812.69	£948.14	£1,083.59	£1,219.04	£1,489.94	£1,760.84	£2,031.73	£2,438.08

being the amount given multiplying the amount at 3(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2016/17 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Precepting Valuation bands  
Authority

GM Police and Crime Commissioner

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£104.87	£122.34	£139.82	£157.30	£192.26	£227.21	£262.17	£314.60

GM Fire and Rescue Authority

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£39.18	£45.71	£52.24	£58.78	£71.84	£84.90	£97.96	£117.56

5. That, having calculated the aggregate in each case of the amounts at 3(e) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below.

Valuation bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£956.74	£1,116.19	£1,275.65	£1,435.12	£1,754.04	£2,072.95	£2,391.86	£2,870.24



## 1. Calculating the Council Tax Requirement

### Section 31a Calculations

1.1 Section 31a of the Local Government Finance 1992 requires the Council to make three calculations:-

- (i) an estimate of the Council's required gross revenue expenditure -Section 31a(2)
- (ii) an estimate of its anticipated income (excluding that from council tax) and of reserves to be used to aid the revenue account - Section 31a(3)
- (iii) a calculation of the difference between (i) and (ii) above, (i.e. the Council Tax requirement) - Section 31a(4)

1.2 In its Section 31a(2) calculation the Council is required to allow for the following:

**Section 31a(2)(a)** - the estimated revenue account expenditure it will incur during the year in performing its functions

**Section 31a(2)(b)** - an appropriate allowance for contingencies for the year, e.g. for unforeseen occurrences such as disasters, storm damage, higher than expected inflation etc.

**Section 31a(2)(c)** - any raising of financial reserves for future expenditure - examples of this include payments into a redemption fund, internal insurance etc,

**Section 31a(2)(d)** - any revenue account deficit for a previous financial year which has not yet been provided for;

**Section 31a(2)(da)** – any amount estimated to be transferred from the general fund to the collection fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

**Section 31a(2)(e)** - any amount estimated to be transferred from the General Fund to the Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund deficit;

**Section 31a(2)(f)** - any amounts estimated to be transferred from the General Fund to the Collection Fund by direction of the Secretary of State under Section 98(5) of the Local Government Finance Act 1988 - including an estimate of the shortfall in the collection of Non-domestic Rates in excess of the allowance

- 1.3. In its Section 31a(3) calculation the Council must calculate the aggregate of sums to be put against gross expenditure, namely:

**Section 31a(3)(a)** - estimated income from fees, charges, and government grants (including RSG) plus other sums payable into the general fund (but excluding council tax)

**Section 31a(3)(aa)** – Any amount estimated to be transferred from the collection fund to the general fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

**Section 31a(3)(b)** - any amount estimated to be transferred from the Collection Fund to the General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund surplus;

**Section 31a(3)(c)** - sums to be transferred from the Collection Fund to the General Fund pursuant to a direction of the Secretary of State under Section 98(4) of the Local Government Finance Act 1988 - including allowances for costs of collection of business rates;

**Section 31a(3)(d)** - the amount of financial reserves/balances which the authority intends to use towards meeting its revenue expenditure

- 1.4 On the basis of current estimates, the calculations would be as follows: -

	HRA £	Other £	Total £
Expenditure			
Section 31a (2)(a)	£91,882,000	£1,329,283,789	£1,421,165,789
Section 31a (2)(b)	£0	£2,300,000	£2,300,000
Section 31a (2)(c)	£0	£15,129,000	£15,129,000
Section 31a (2)(d)	£0	£0	£0
Section 31a (2)(da)	£0	£0	£0
Section 31a (2)(e)	£0	£31,048	£31,048
Section 31a (2)(f)	£0	£0	£0
	£91,882,000	£1,346,743,837	£1,438,625,837
Income			
Section 31a (3)(a)	(£89,246,000)	(£1,001,225,511)	(£1,090,471,511)
Section 31a (3)(aa)	£0	(£151,418,368)	(£151,418,368)
Section 31a (3)(b)	£0	(£7,923,000)	(£7,923,000)
Section 31a (3)(c)	£0	(£1,129,905)	(£1,129,905)
Section 31a (3)(d)	(£2,636,000)	(£56,353,000)	(£58,989,000)
	(£91,882,000)	(£1,218,049,784)	(£1,309,931,784)

**1.5** **Council Tax Requirement under Section 31a(4)** being the amount by which the aggregate under Section 31a(2) exceeds the aggregate under Section 31a(3) is £128,694,053

**2. Calculating the Basic Amount of Council Tax**

2.1. Section 31b of the Local Government Finance Act 1992 requires the Council to calculate the basic amount of its Council Tax - this is in effect the City Council element of the Band D Council Tax.

2.2 This calculated by applying the following formula -

Where:

R is the Council Tax requirement, and

T is the approved Council Tax base

**2.3 Calculating the Basic Amount of Council Tax**

Council Tax Requirement	£128,694,053
Divided by:	
Council Tax Base	105,570

**Band D Basic Amount of Council Tax is: £1,219.04**

## Proposed Savings

### Children and Families

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
<b>Children's Safeguarding</b>					
LAC Placements, Permanence and Leaving Care:	Release of savings from reduction in LAC, foster care shift, new panel and discharge team arrangements	Red	Green	2,591	
	Review eligibility for special guardianship payments	Green	Green	300	
Establishment structures:	Review of approach to case management for Children in Need and Child Protection Cases	Red	Green	196	7.8
	Early help case loads	Amber	Amber	440	12
Early years new delivery model	Health Visiting: 0-5 years – The efficient delivery the Healthy Child Programme	Green	Green	250	
Other:	Cease contribution to Manchester CCG's	Red	Green	400	
Other:	Secure CCG contribution to funding cohort costs via introducing a joint funding protocol	Red	Green	457	
<b>Total</b>				<b>4,634</b>	<b>19.8</b>
<b>Adult Social Care</b>					

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
Services provided by the Council for health are adequately funded by health	Cease Council contribution to intermediate care at Gorton Parks and the Peele which are health services	Green	Green	640	
	Secure additional CCG contributions to the overheads of running the equipment store and for non standard items	Amber	Green	233	
	Recharge to CCG medicines management health related element of reablement	Amber	Green	388	
Learning Disability Services:	Supported accommodation: voids management	Amber	Green	450	
Extra care		Amber	Amber	180	
Home Care	Review of Home Care Services	Amber	Amber	466	
Other:	Mental Health shift to early intervention	Green	Amber	270	
Other:	Review Citywide services	Green	Green	125	
Other:	Remove asylum and immigration post	Green	Green	43	1
<b>Total</b>				<b>2,795</b>	<b>1</b>
<b>Public Health</b>					
Additional proposals	Drug and alcohol services	Green	Green	721	
Additional proposals	Sexual health services	Green	Green	150	
<b>Total</b>				<b>871</b>	<b>0</b>

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
<b>Education and Skills</b>					
Other:	Funding discretionary childcare places	Green	Green	240	
Other:	Phase out sessional grant	Green	Red	71	
Other:	Fully implement travel pass policy	Green	Red	100	
Other:	Psychology – recharge DSG re 0-5 yrs	Green	Green	36	
Other:	Implement charges to schools where appropriate	Green	Green	35	
Other:	Reduce commission for Psychology	Green	Green	40	
Other:	Reduce management support	Green	Green	20	
Other:	Time for me carers fund realignment	Green	Green	20	
<b>Total</b>				<b>562</b>	<b>0</b>
<b>TOTAL SAVINGS PROPOSALS</b>				<b>8,862</b>	<b>20.8</b>

### Growth and Neighbourhoods

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact
				£'000	(Indicative)
<b>Section 1- GROWTH - BIG Ticket</b>					
Strategic Development	Investment Estate opportunities. Maximise opportunities to enhance income	Green	Green	750	
Culture and Sports Events	Review and refocus Cultural Grants	Amber	Amber	93	
Culture and Sports Events	Review Sports Events Programme	Amber	Amber	125	
<b>Total</b>				<b>968</b>	<b>0.0</b>
<b>Section 1- GROWTH - OTHER</b>					
Policy Partnerships and Research	Review all subscriptions	Green	Amber	45	
Planning, Building Control and Licensing	Opportunities for increased income through additional activity in Planning – Increased income from greater number of planning applications due to strengthening market conditions	Green	Green	400	
Planning, Building Control and Licensing	Consider fee increases within Building Control and consider business model opportunities from the Localism Act	Amber	Green	50	
Strategic Housing	Generating external funding for the Matrix Homes development team	Green	Green	22	
Directorate Support	Efficiencies in Directorate Support Budgets	Green	Green	29	

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact
				£'000	(Indicative)
<b>Total</b>				<b>546</b>	<b>0.0</b>
<b>Section 2- NEIGHBOURHOODS - BIG TICKET</b>					
New Operating Models	Develop a new operating model for grounds maintenance	Amber	Green	150	
Compliance and Community Safety	Increased income from Fixed Penalty Notices relating to littering offences	Amber	Amber	10	
Parks, Leisure and Events	Increased sponsorship income from Events	Amber	Amber	46	
Parks, Leisure and Events	Transfer Debdale and Active Lifestyles Centre to alternate provider	Amber	Amber	45	
Parks, Leisure and Events	Recharge costs of Business and Campus development posts to projects	Amber	Amber	51	
Waste	Reduction of contract monitoring function within the waste team	Amber	Amber	34	1.0
Public Realm	Electronic recording of inspections in Arbor	Amber	Amber	34	1.0
Public Realm	Efficiencies between Arbor and Grounds	Amber	Amber	95	3.0
Public Realm	Increased income from Highways charging – More assertive approach to fining utility companies for overstays and substandard highways reinstatements	Amber	Amber	100	
Public Realm	Reduction in the Play repair budget	Amber	Amber	30	
Commercial Strategy	Commercial Strategy	Amber	Green	80	
<b>Total</b>				<b>675</b>	<b>5.0</b>



Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact
				£'000	(Indicative)
<b>Section 2- NEIGHBOURHOODS - OTHER</b>					
<b>Neighbourhoods Service</b>	Mediation - Develop a new delivery model for the Mediation Service.	Green	Green	50	2.0
<b>Total</b>				<b>50</b>	<b>2.0</b>
<b>Total Big Ticket</b>				<b>1,643</b>	<b>5.0</b>
<b>Total Other</b>				<b>596</b>	<b>2.0</b>
<b>TOTAL SAVINGS PROPOSALS</b>				<b>2,239</b>	<b>7.0</b>

**Corporate Core**

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
<b>Chief Executives</b>					
Communications	Reduce non value added Communications support, and introduce charges were possible for any external support provided.	Green	Green	107	
Communications	This would require fundamental review of how services are delivered, and could include further collaboration, or commissioning other organisations to deliver services and more use of technology to further automate processes and restrict options for printing.	Green	Red	115	
<b>Total</b>				<b>222</b>	<b>0</b>
Human Resources	Remove vacant posts and review management capacity.	Green	Green	45	1
<b>Total</b>				<b>45</b>	<b>1</b>
Performance Research & Intelligence	Reduce staff by 1 FTE and cease telephony survey.	Green	Amber	100	1
<b>Total</b>				<b>100</b>	<b>1</b>
Coroners Service	Review existing delivery arrangements across GM, and seek to deliver efficiencies through better procurement and collaboration of services.	Amber	Green	31	
<b>Total</b>				<b>31</b>	<b>0</b>
Registrars	Increase the service offer for marriage ceremonies and revising the pricing structure for Nationality checking.	Green	Green	8	
<b>Total</b>				<b>8</b>	<b>0</b>
Legal Services	Implement Caseline online bundling system.	Amber	Green	50	2

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
Legal Services	Changes to existing processes and support, including electronic pathway to the Courts and attendance at some client officer panels.	Green	Amber	15	
<b>Total</b>				<b>65</b>	<b>2</b>
<b>Chief Executives Sub Total</b>				<b>471</b>	<b>4</b>
<b>Corporate Services</b>					
Financial Management	Increased income through charging for services provided.	Green	Green	45	
Financial Management	Reduce existing budgets within Financial Management (valuations £30k, training £20k)	Green	Green	50	
Financial Management	Review payment arrangements within Adults payments team	Red	Amber	24	1
<b>Total</b>				<b>119</b>	<b>1</b>
Revenues and Benefits	Reduce Discretionary Council Tax Support Budget	Green	Amber	150	
Revenues and Benefits	Staffing Reduction	Green	Amber	50	2
<b>Total</b>				<b>200</b>	<b>2</b>
Customer Services	Change to Benefit Service call centre operating times to 9am – 6pm (previously 8am -8pm)	Green	Amber	72	3
Customer Services	Change to Customer Services call centre opening time from 8am to 9am	Green	Amber	54	2
<b>Total</b>				<b>126</b>	<b>5</b>

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
Corporate Procurement	Reduce budget to reflect Head of Service reduced hours (1 year only)	Green	Green	43	
<b>Total</b>				<b>43</b>	<b>0</b>
Audit Risk & Resilience	Increased external income.	Green	Green	34	
Audit Risk & Resilience	Reduce Health & Safety Budgets	Green	Green	10	
Audit Risk & Resilience	Delete two vacant posts	Green	Green	76	2
<b>Total</b>				<b>120</b>	<b>2</b>
Shared Service Centre	Deletion Of vacant posts	Green	Green	100	3
<b>Total</b>				<b>100</b>	<b>3</b>
Business Units	Manchester Contracts - Increased income through increased workload	Green	Amber	500	
Business Units	Manchester Fayre - Increased income from school meals, increased volumes	Green	Amber	300	
Business Units	Parking Enforcement – Increased income from more utilisation of parking spaces	Green	Amber	120	
Business Units	Parking – Joint Venture	Green	Green	230	
Business Units	Advertisements - Replace existing street ads and replace with digital signs.	Green	Amber	350	
<b>Total</b>				<b>1,500</b>	<b>0</b>
<b>Corporate Services Sub Total</b>				<b>2,208</b>	<b>13</b>

Savings Proposal	Description of Saving	RAG Deliverability	RAG Impact	2016/17	FTE Impact (Indicative)
				£'000	
<b>TOTAL SAVINGS PROPOSALS</b>				<b>2,679</b>	<b>17</b>

**Proposed Use of Reserves**

	<b>Opening Balance 01/04/16</b>	<b>Withdrawals</b>	<b>Additions</b>	<b>Opening Balance 01/04/17</b>	<b>PURPOSE</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Schools Reserve</b>	31,170	0	0	31,170	
<b>General Fund Reserve</b>					
Statutory Reserves	9,268	-7,122	6,373	8,518	
Earmarked Reserves	144,073	-49,221	8,756	103,608	
General Fund Reserve	25,402	-11	0	25,391	
<b>Total General Fund</b>	<b>209,913</b>	<b>-56,354</b>	<b>15,129</b>	<b>168,688</b>	
<b>Housing Revenue Account Reserves:</b>					
Housing Revenue Account General Reserve	50,809	-8,079	0	42,730	
HRA PFI reserve	10,000	0	0	10,000	
HRA Residual liabilities fund	24,000	0	0	24,000	
Housing Insurance reserve	627	0	0	627	
<b>Troubled Families</b>	<b>85,435</b>	<b>-8,079</b>	<b>0</b>	<b>77,356</b>	
<b>TOTAL RESERVES</b>	<b>295,348</b>	<b>-64,433</b>	<b>15,129</b>	<b>246,044</b>	

<b>SCHOOLS RESERVE</b>					
LMS Reserve	31,170	0	0	31,170	School balances
<b>Sub Total Schools</b>	<b>31,170</b>	<b>0</b>	<b>0</b>	<b>31,170</b>	
<b>STATUTORY RESERVES</b>					
Bus Lane Enforcement Reserve	1,952	-1,329	1,114	1,737	Ring fenced reserve which can only be applied to specific transport and highways

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
On Street Parking	3,235	-5,582	5,184	2,837	related activity. Ring fenced reserve which can only be applied to specific transport and highways related activity.
Taxi Licensing Reserve	51	-51	0	0	This is a smoothing reserve to equalise the income and expenditure of running the function over financial years. Income ringfenced by statute.
Art Fund Reserve	35	0	0	35	For art purchases
New Smithfield Market	77	0	0	77	To contribute towards funding the development plans for the market
Great Northern Square Maint Fund	330	-13	0	317	Set up in accordance with the agreement with the developers of the site. It will be used for upgrading of the square.
Education Endowments	17	0	0	17	Kept as part of future payments for school prizes
Landlord Licensing Reserve	57	-57	0	0	
Ancoats Square Reserve	1,843	-78	0	1,765	£1.95m was received from the HCA to cover the revenue costs of maintaining Ancoats Square for a period of at least 25 years, the required funds will be drawn down each year at c£78k per year.
Cutting Room Square Ext Ancoats Reserve	1,038	-12	0	1,026	Funds received as part of a Section 106 agreement to cover the revenue costs of maintaining Cutting Room Square, the required funds will be drawn down each year.
St Johns Gdns Contingency	631	0	75	706	Contribution from St Johns Gardens

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
<b>Sub Total Statutory</b>	<b>9,268</b>	<b>-7,122</b>	<b>6,373</b>	<b>8,518</b>	tenants for maintenance works
<b>EARMARKED RESERVES</b>					
<b>BALANCES HELD FOR PFI'S</b>	-				
Street Lighting PFI	441	-441	0	0	Established to fund the requirements over 25 years re. The PFI contract for Street Lighting service via our external contractors
Temple PFI	635	0	8	643	PFI Scheme 25 years contract Drawdown will be in future years as expenditure exceeds grant.
Wright Robinson PFI Reserve	727	0	32	759	PFI Scheme 25 years contract Drawdown will be in future years as expenditure exceeds grant.
<b>TOTAL</b>	<b>1,804</b>	<b>-441</b>	<b>40</b>	<b>1,402</b>	
<b>SMALL SPECIFIC RESERVES</b>					
Cemeteries Replacement	281	0	40	321	
Housing Loans	116	0	10	126	Resources available to meet future needs of mortgage accounts
Investment Reserve from Surpluses	401	0	0	401	Funding belonging to schools which the Council holds on their behalf. The purpose is to fund repairs and improvements to school kitchens.



	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Primary School Catering Reserve	222	0	0	222	Reserve established to support the Service's competitiveness by smoothing school meal prices during the 3 year price planning period.
Catering R & M Insurance Account	75	0	0	75	Reserve established to meet refurbishment cost of school kitchens.
CWAG Reserve	90	-6	0	84	Held in relation to the running costs of Council's With ALMOs Group (CWAG ) which is administered by MCC
NSM - Car Boot	243	-45	55	253	Used to fund repairs and maintenance of facilities for traders.
New Islington Dowry Reserve	244	-50	0	194	NWDA funding for maintenance over a 10 year period.
Other Small Specific reserves	153	0	0	153	Small specific reserves
<b>TOTAL</b>	<b>1,823</b>	<b>-101</b>	<b>105</b>	<b>1,827</b>	
<b><u>RESERVES FOR SPECIFIC RISKS OR TO SMOOTH COSTS</u></b>					
<b><u>Risks</u></b>					
Cleopatra Reserve	5,563	0	0	5,563	For potential future legal cases
Compensation Reserve	93	0	0	93	Money set aside to meet possible future claims for compensation
Airport Dividend reserve	22,787	-22,787	0	0	The additional airport dividend for 2014/15 will be used to support the revenue budget in 2015/16 and 2016/17. The interim additional dividend for 2015/16 will support

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Land Charges Fees Reserve	99	0	0	99	the 2016/17 budget. Prior years overachievement of fee income as Land Charges has a requirement to demonstrate a break even position on a rolling 3 year basis therefore exceptional surpluses are taken to reserves.
Insurance Fund	18,908	0	0	18,908	The insurance fund has been established to fund risks that are self insured.
Pension Risk Fund - MWL	579	0	175	754	This relates to potential pension liabilities for Manchester Working employees.
Business Rates Reserve	7,776	-3,084	0	4,692	To mitigate Business Rates income risk
<b>TOTAL</b>	<b>55,805</b>	<b>-25,871</b>	<b>175</b>	<b>30,109</b>	
<b>SMOOTH COSTS</b>					
Manchester International Festival	1,500	0	0	1,500	To fund the additional costs of the Mcr International Festival Fund, £500k every other year.
<b>TOTAL</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	
<b>FOR DIRECTORATE RISKS</b>					
Children's Services Reserve	49	0	0	49	The reserve is being held for any unexpected issues arising from Academy transfers given the level of uncertainty around any costs falling to the LA within a short timescale.
<b>TOTAL</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>49</b>	
<b>RESERVES HELD TO FUND PLANNED CAPITAL SPEND</b>					
Eastlands Reserve	4,603	-2,436	1,676	3,843	English Institute of Sport - Sport England

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Capital Fund Revenue Reserve	24,945	0	6,760	31,705	MCFC income Contribution to schemes which are being brought forward to support employment and growth as part of the Council's Capital Programme. Used to fund high priority strategic development opportunities in the city for those that do not attract external funding.
Housing Regeneration reserve	15,000	0	0	15,000	To deliver strategic housing related regeneration projects.
Service Improvement Fund	211	-118	0	93	£93k relates to C&D schemes to be spent in 14/15 Balance is CRM/Sap Upgrade, also assumed spent in 14/15
<b>TOTAL</b>	<b>44,758</b>	<b>-2,554</b>	<b>8,436</b>	<b>50,640</b>	
<b>RESERVES TO SUPPORT GROWTH AND REFORM</b>					
Clean City	6,911	-6,911	0	0	To support green initiatives
Adult Social Care	2,000	0	0	2,000	For risks within Adult Social Care
Troubled Families Reserve (Manchester Investment Fund)	1,675	-128	0	1,547	This was set up to support the scaling up on the community budgets work
Children and Families Investment Reserve	7,447	-7,447	0	0	To invest in priorities within Children and Families
Soccerex Reserve (Was LABGI)	790	-395	0	395	Soccerex worldwide. To fund £395,000 per year for 2014/15 to 2017/18.
<b>TOTAL</b>	<b>18,823</b>	<b>-14,881</b>	<b>0</b>	<b>3,942</b>	

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
<b>GRANTS USED OVER ONE YEAR - NOW HAVE TO BE SHOWN AS A RESERVE DUE TO CHANGE IN ACCOUNTANCY RULES</b>					
<b>Grants given for over one year for Capital Spend</b>					
English Partnership (HCA)	2,034	0	0	2,034	HCA approval required to Fund Development appraisal and Eastlands Project team
Other Grants and Contributions	2,367	0	0	2,367	Various local Environment scheme & initiatives i.e. 'clean up campaigns'
Other Grants and Contributions Regeneration	498	0	0	498	Unspent grant received in previous year
<b>TOTAL</b>	<b>4,899</b>	<b>0</b>	<b>0</b>	<b>4,899</b>	
<b>Grants with agreed spend profile over one year</b>					
Contributions Other Local Authorities	10	0	0	10	Relates to Funding for the 'Victim Support & Young Offenders' ongoing schemes and various ongoing Civil Contingencies schemes.
Transformation Challenge Award	601	-601	0	0	Transformation challenge award was awarded to GM authorities to support reform. Manchester's share was £757,904 and has been allocated to projects to be spent across 2015/16 and 2016/17
DEFRA	60	-54	0	6	Reservoir Inundation Fund. Relates to funding the Emergency Planning Works in the event of flooding. Expected to be

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
NW Construction Hub Reserve	280	0	0	280	spent by 2016/17 The capital programme section manages the NWCH, other LA's pay a fee to use the service and the income is used to cover the cost of retendering every three years.
SEN Reform	444	-444	0	0	Grant to help local authorities in England continue to meet the costs of implementing the special educational needs and disabilities (SEND) reforms
CLG Fraud Fund	57	0	0	57	Unspent grant received in previous year
Better Care	4,273	-4,273	0	0	Contributions received from CCG's
Asylum Seekers	10	0	0	10	MCC are holding the monies on behalf of AGMA Councils, this money will not be drawn down in year but needs to be retained on the Balance sheet to ensure that MCC are not in breach of the contract that we hold as Lead Authority on this project.
<b>TOTAL</b>	<b>5,736</b>	<b>-5,372</b>	<b>0</b>	<b>364</b>	
<b>TOTAL EARMARKED RESERVES</b>	<b>144,073</b>	<b>-49,221</b>	<b>8,756</b>	<b>103,608</b>	
<b>Total General Fund Reserves</b>	<b>178,743</b>	<b>-56,354</b>	<b>15,129</b>	<b>137,518</b>	

**Prudential Indicators 2016/17 to 2018/19**

Last years approved figures are shown in brackets.

	2016/17	2017/18	2018/19
<b>Ratio of Financing Costs to Net Revenue Stream</b>			
Non – HRA	10% (10%)	10% (10%)	10%
HRA	3.9% (4%)	3.9% (4%)	3.8%
<b>Incremental impact of Capital Investments on</b>			
Council Tax (Band D, per annum)	£7.09	£22.43	£21.08
Housing Rent per week	£0.00	£0.00	£0.00
<b>Capital Expenditure</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non – HRA	399.6 (80)	256.0 (84)	145.3
HRA	29.3 (33)	37.0 (33)	20.1
TOTAL	428.9 (113)	293.0 (117)	165.4
<b>Capital Financing Requirements (as at 31 March)</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non – HRA	1,106 (870)	1,231 (920)	1,299
HRA	242 (220)	264 (220)	273
TOTAL	1,348 (1,090)	1,495 (1,140)	1,572
<b>Authorised Limit for external debt -</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	1,272.5 (1,440.5)	1,245.0 (1,478.5)	1,245.0
other long term liabilities	216.0 (216.0)	216.0 (216.0)	216.0
TOTAL	1,488.5 (1,656.5)	1,461.0 (1,694.5)	1,461.0
<b>Operational Boundary for external debt -</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	1,018.5(1,159.0)	1,096.2 (1,304.2)	1,187.4
other long term liabilities	216.0 (216.0)	216.0 (216.0)	216.0
TOTAL	1,234.5 (1,375.0)	1,312.2(1,502.2)	1,403.4
<b>Actual external debt</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	842.6 (974.8)	954.9 (1,155.7)	1,074.2
<b>Upper limit for total principal sums invested for over 364 days</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	0 (0)	0 (0)	0

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Upper limit for fixed interest rate exposure</b> Net borrowing at fixed rates as a % of total net borrowing	92% (100%)	100% (100%)	100%
<b>Upper limit for variable rate exposure</b> Net borrowing at Variable rates as a % of total net borrowing	90% (95%)	95% (99%)	100%
<b>Gross Debt as a proportion of CFR</b>	63%	64%	69%

<b>Maturity structure of new fixed rate borrowing during 2016/17</b>	<b>Upper Limit</b>	<b>Lower limit</b>
under 12 months	70% (60%)	0% (0%)
12 months and within 24 months	100% (100%)	0% (0%)
24 months and within 5 years	90% (70%)	0% (0%)
5 years and within 10 years	70% (60%)	0% (0%)
10 years and above	70% (60%)	0% (0%)
<b>Has the Authority adopted the CIPFA Treasury Management Code?</b>	Yes	

<b>COLLECTION FUND BUDGET 2016/2017</b>	<b>Budget Estimate  £'000</b>
<b><u>EXPENDITURE</u></b>	
<b><u>COUNCIL TAX</u></b> (Surplus) / Deficit B/fwd	(9,342)
Precepts : -	
- Greater Manchester Fire and Rescue Authority	6,205
- Police & Crime Commissioner	16,606
- City of Manchester	128,694
Total Precepts	151,505
<b>Council Tax Total Expenditure</b>	<b>142,163</b>
<b><u>BUSINESS RATES</u></b> (Surplus) / Deficit B/fwd	64
Payments/Transfers :-	
- Greater Manchester Fire and Rescue Authority	3,090
- City of Manchester	151,418
- Central Government	152,975
Total Payments/transfers	307,483
<b>Business Rates Total Expenditure</b>	<b>307,547</b>
<b>Collection Fund Total Expenditure</b>	<b>449,710</b>
<b><u>INCOME</u></b>	
<b><u>COUNCIL TAX</u></b>	
Council Tax Income	160,215
Write Off of uncollectable amounts	(1,500)
Allowance for Impairment	(7,210)
<u>Council tax receivable</u>	151,505
<u>Contribution of Council Tax (surplus) / deficit :-</u>	
- Greater Manchester Fire and Rescue Authority	(390)
- Police & Crime Commissioner	(1,029)
- City of Manchester	(7,923)
Total Contribution to Council Tax (surplus) / deficit	(9,342)
<b>Council Tax Total Income</b>	<b>142,163</b>



<b><u>BUSINESS RATES</u></b>	
Non Domestic Business Rates Income	351,862
Cost of Collection Allowance	(1,130)
Losses in Collection	(8,835)
Increase in Provision for Appeals	(34,414)
<u>Business rates receivable</u>	307,483
<u>Contribution of Business Rates (surplus) / deficit :-</u>	
- Greater Manchester Fire and Rescue Authority	1
- City of Manchester	31
- Central Government	32
Total Contribution to Business Rates (surplus) / deficit	64
<b>Business Rates Total Income</b>	<b>307,547</b>
<b>Collection Fund Total Income</b>	<b>449,710</b>
<b><u>MOVEMENT ON FUND BALANCE</u></b>	
Council Tax (Surplus) / Deficit C/fwd	(0)
Business Rates (Surplus) / Deficit C/fwd	0
Collection Fund (Surplus) / Deficit	<b>(0)</b>