

**Manchester City Council
Report for Resolution**

Report to: Neighbourhoods Scrutiny Committee – 26 January 2016
Economy Scrutiny Committee – 27 January 2016
Executive – 17 February 2016
Finance Scrutiny Committee – 25 February 2016

Subject: Growth and Neighbourhoods Budget and Business Plan 2016/17

Report of: Deputy Chief Executive (Growth and Neighbourhoods)
Strategic Director (Strategic Development)

Purpose of the Report

This report provides a high level overview of the priorities to be delivered in the Growth and Neighbourhoods Directorate in 2016/17 alongside the Directorate's saving proposals. This report should be read together with the accompanying delivery plans which set out the performance, financial, risk management, workforce monitoring framework, and public sector equality duty impacts.

The report sets the savings the Directorate has to make in the context of its objectives and broader changes to deliver them. The accompanying delivery plans provide a framework that will be used during the 2016/17 financial year to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the three directorate reports and delivery plans show how the Directorates will work together and with partners to make progress towards the vision for Manchester set out in the new Manchester Strategy.

Recommendations

Scrutiny Committees are invited to review and comment upon the Growth and Neighbourhoods Budget and Business Plan.

The Executive is recommended to approve the proposals in this report to be included in the budget to be recommended to Council.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Providing leadership to drive forward the growth agenda for the City and ensure economic growth is sustained. This will be done through working in partnership with key sectors and other authorities and public bodies within the conurbation and region.

Reaching full potential in education and employment	Raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.
Individual and collective self esteem – mutual respect	Equipping residents with the capacity and confidence to enable an increase in independence and doing more for themselves.
Neighbourhoods of Choice	Ensuring clean, safe and green neighbourhoods that have access to good quality amenities. Creating places where people want to live and stay.

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 report contains the recommended savings and investment proposals for comment. The savings proposals already approved for 2016/17 as part of last year's budget strategy total £3.013m with proposals for a further £2.239m in 2016/17. The investment proposals total £1.789m.

Financial Consequences - Capital

Not applicable.

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Background documents (available for public inspection):

None

1. Growth and Neighbourhoods - Vision

- 1.1 Growth and Neighbourhoods Directorate seeks to provide the leadership and focus for the sustainable growth and transformation of the City to retain our international competitiveness. This means identifying and promoting opportunities to develop the City's fabric, infrastructure, business and skills base and connecting local communities to the employment opportunities, whilst also getting the basics right - working with our 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.

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Councillor Sue Murphy, Deputy Leader of the Council
Councillor Bernard Priest, Deputy Leader of the Council
Councillor Rosa Battle, Executive Member for Culture and Leisure
Councillor Kate Chappell, Executive Member for the Environment
Councillor Nigel Murphy, Executive Member for Neighbourhood Services
Councillor John Flanagan, Executive member for Finance and Human Resources
Sara Todd, Deputy Chief Executive
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2 Context for the Directorate

- 2.1 The City is growing rapidly with a population which is increasingly more diverse, younger and working. This growth can only be sustained through the provision of new homes which will, in turn, place greater pressure on the provision of good quality universal services over the next 5-10 years.
- 2.2 Population growth will particularly impact on waste management which is already a significant element - around 50% - of the Directorate's net budget. This proportion is set to increase further due to the impact of both population growth and the forecast increases in the waste disposal levy over the next 5 years. Whilst service changes and behaviour change are key components of the waste and recycling strategy for Manchester, it is clear that there will also need to be a clear focus in the coming year on working with GM Waste Disposal Authority to determine a longer term strategy to reduce the impact of the Waste Levy in order to facilitate more substantial reductions to the very significant Council resource spent on disposal.
- 2.3 In terms of creating the right platform for economic growth and jobs there are a number of inhibitors, in relation to having fit for purpose accommodation to meet the needs of different sectors, but particularly in relation to critical infrastructure such as digital, energy and transport, which the Directorate will seek to address within the City's Growth strategy. Despite this, Manchester has recently experienced the biggest economic growth outside of London with over 390,000 jobs now within the City and a further 44,000 new jobs anticipated over the next ten years. In order for the City to maximise the benefits from this growth, it will be crucial to ensure that residents who are not working, and are furthest away from the labour market, are equipped with the right skills to be able to enter it as well as having a more highly skilled workforce capable of meeting the needs of new and growing sectors.

- 2.4 The newly created Neighbourhoods Service will over this next period put in place a more integrated approach to the development and management of the city's neighbourhoods. Work with partners within the Council, including Early Help Hubs, Health and Social Care Hubs, other public service organisations, such as GMP and housing providers, to ensure services are joined up in neighbourhoods will be ever more critical as public sector resources are further diminished. How the Council utilises its Operational Estate to underpin this collaboration and integration will be crucial. A further important aspect will be the focus on working with residents and communities to enable them to be more independent and less reliant on the Council's and other partners' services.
- 2.5 There is a need to ensure that the Council's place based and voluntary sector investments align with each other and the strategic priorities for Manchester. People of all ages should have access to community facilities which support them to be healthy and engaged in the life of their place. This does not have to be just physical buildings or universal services; residents should be able to readily find information to access community initiatives either run by the voluntary sector or through individuals and groups of residents.
- 2.6 With fewer resources and staff and in order to protect services, it is vital that the directorate brings forward a robust commercial strategy this year to maximise the use of assets across the City for the benefit of neighbourhoods and to increase income to offset revenue savings. Work has been underway over the last 6 months to develop this plan with a senior officer now appointed to lead this work. Reducing the net cost of services through effective contract management, developing new models of delivery and generating more income from improved commerciality within the overall offer will be key.
- 2.7 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.

3 About the Growth and Neighbourhoods Directorate

- 3.1 The Growth and Neighbourhoods Directorate brings together place management and place development services. It takes a strategic lead in ensuring sustainable economic growth and transformation of the City, whilst also getting the basics right; ensuring the City is clean, safe and green and communities take pride in and ownership of their area and lives. The directorate works closely with the other directorates and partners to deliver its priorities and the ambitions set out in the Manchester Strategy to be a world class City with sustained economic growth and better lives and opportunities for residents. It is at the forefront of an ambitious, long term programme of transformation such as that to become a zero carbon City by 2050.
- 3.2 There are a number of service areas within the directorate which work closely together to drive forward the strategic priorities of the Council. These are:

Neighbourhoods Service

- 3.3 The Neighbourhoods Service comprises **three Area Based Neighbourhood Teams for North, Central and South** responsible for developing and managing the place. This includes leading engagement with residents as well as enabling functions such as ward coordination to work effectively at a local level, and **Citywide Services** organised as follows:

Commissioning and Delivery – the place focussed services which the Directorate contracts, commissions or delivers directly, alongside the commercial strategy for services. It includes:

- Waste, Recycling and Street Cleansing contract
- Leisure Services and Sports Development
- Events Strategy
- Strategy for Parks, Allotments, Green and Open Spaces
- Grounds Maintenance
- Maintenance of public spaces including monuments
- Highways Operator functions
- Developing a more commercial and sustainable approach to the use of assets, and commercial development to support place based services
- Any services commissioned from the Directorate by others (e.g. in the past youth services and active lifestyles have been commissioned from Growth and Neighbourhoods by the Children and Families Directorate).

- 3.4 **Compliance and Community Safety** - this area brings together enforcement and compliance resource and expertise within the Directorate into one team alongside community safety and civil contingencies. It includes Neighbourhood enforcement as well as responsibility around Premises Licensing, commercial and domestic waste, Private Rented Sector Housing, Street Trading, Trading Standards, Environmental Health, as well as Community Safety strategic priorities, delivery of the Prevent Strategy, Anti Social Behaviour and Mediation Services, and client side responsibilities for Civil Contingences.

- 3.5 **Libraries, Galleries and Culture** - brings together high quality universal services which underpin learning, engagement and support growth, including management of the citywide Libraries, Information and Archives Services; Galleries and the universal culture offer delivered at a neighbourhood level; access to and activation of services through partnership working and engagement

Work and Skills

- 3.6 The Work and Skills team provides leadership and coordination for City Council services which promote employment, skills and business growth. The team is responsible for the development and delivery of the Work and Skills Strategy; maximising the benefits of employment and skills opportunities from the GM Devolution Deal; stakeholder engagement with key commissioners and major providers; business engagement for growth and local economic benefit; better meeting the skills and recruitment needs of key employers and

sectors; developing clearer skills pathways for young people and adults into the employment opportunities being created by the growth of the City; the work and skills focus of Reform programmes including Working Well, Mental Health and Work, connecting the employment and skills system in neighbourhoods to the Early Help Hub offer and Welfare Reform.

- 3.7 As well as its citywide brief, the team will support the work and skills priorities in each of the Place Plans (North, Central and South) and the delivery of the Work and Skills Strategy in the City's neighbourhoods.

City Centre Growth and Regeneration

- 3.8 The principal aim of the City Centre Growth and Regeneration Team is to provide the essential focus for the co-ordination of the Council's input into the delivery of various initiatives that support the regeneration of the City centre, and to work on the development and delivery of regeneration frameworks and major projects which contribute to the growth of the City, for example NOMA and HS2. The team works to promote Manchester and encourage companies to relocate here, bringing new jobs and investment to the City, to build relationships with potential strategic investors, to encourage growth and perpetuate the achievements and momentum of the past few years. In addition, the team works to retain and expand the business and retail base in Manchester, support hotel development and cultural and leisure provision.

Strategic Development

- 3.9 This division provides the organisational leadership and accountability for large development projects that deliver wealth, jobs and new homes and help to strengthen the Council's fiscal position. The Strategic Development Division is structured into two areas; Growth, and Capital Programmes and Property.
- 3.10 The Growth function leads on the City's residential growth ambitions and delivers the strategic housing function and large transformational commercial, cultural and housing projects. This includes the delivery of key transformational projects such as the Airport City Enterprise Zone; strategic cultural projects, such as the newly opened HOME; as well as major residential growth projects including the new wave of development along Great Ancoats Street, West Gorton and Brunswick PFI that underpin Manchester's economic growth. The Growth function is driving the development of a minimum of 25,000 new homes in the next ten years, critical to meeting the demands of the City's growing population.
- 3.11 Capital Programmes and Property is responsible for managing the Council's capital buildings and infrastructure portfolio. This includes the promotion and delivery of commercial and residential development to support the City's growth objectives, providing project management support for capital programmes for Education, Leisure, Highways and strategic one off initiatives. It is also responsible for the generation of income by the sale of land and property as well as the asset management of the operational estate (the Corporate Landlord role).

Policy, Partnerships and Research

3.12 The Policy, Partnerships and Research team supports Manchester's ambitions for growth by developing the policies and strategies to deliver the City's economic objectives and the Council's contribution to the Manchester Strategy, and bidding for resources to support growth as a part of a wider Greater Manchester Investment Strategy. This includes;

- Developing evidence-based strategies to drive sustainable economic growth and climate change action
- Ensuring that Manchester and Greater Manchester have access to the right tools and resources to deliver on our priorities
- Managing programmes and delivering key projects that support sustainable economic growth and climate change action and deliver against the Manchester Strategy.
- Supporting the City Council's strategic partnerships, nationally and internationally
- Acting as a centre of excellence for policy development, bidding and research, providing support to all Directorates in the delivery of the Council's objectives.

Planning, Building Control and Licensing

3.13 Through intelligent use of statutory functions and related activity, the division focuses on facilitating and delivering growth, protecting neighbourhoods and improving the quality of place. The service is structured in to three specialist legislative areas. The responsibilities of the three specialist areas are:

- Planning – including development management and compliance as well as local land charges;
- Building Control – responsible for administration and compliance of Building Regulations, including issues arising from dangerous or dilapidated buildings;
- Licensing – delivers a number of statutory functions including Taxi and Private Hire, Premises licenses, Highways and Child employment licensing. As well as being responsible for taxi-related compliance issues, the team supports enforcement matters associated with licensing, which have arisen from neighbourhood issues.

3.14 Integral to the successful performance of the service are links with other parts of the directorate, particularly Strategic Development in providing support in helping to deliver key transformational projects.

4 Growth and Neighbourhoods - Objectives

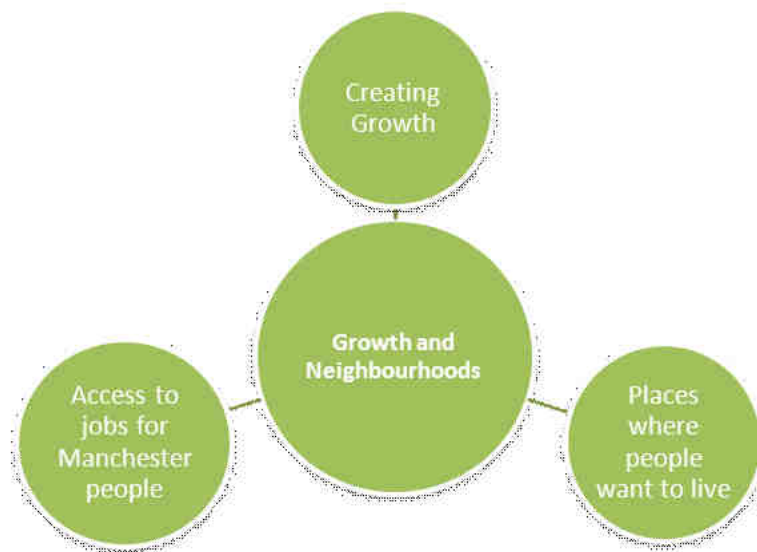
4.1 The new Manchester Strategy sets out a vision for 2025 of Manchester as a world class City with:

- A competitive, dynamic, sustainable economy channelling our distinctive strengths in science, advanced manufacturing, creative and digital
- Highly skilled, enterprising, industrious people
- National and international connectivity

- Climate change impacts being limited
- Residents from all backgrounds who feel safe, can aspire, be successful and live well
- A welcoming atmosphere that's clean, attractive, rich in culture and outward looking

4.2 The Growth and Neighbourhoods Directorate has a pivotal role in securing the social, physical and economic future of the City and responsibility for driving residential and economic growth. This includes the development of opportunities to raise skill levels and the creation of employment opportunities; the delivery of residential, commercial and cultural development; as well as ensuring that the City is clean and green, well maintained and safe and that residents take pride in their surroundings. Resident engagement will underpin this work and will be a critical part of delivering the sustainable behavioural change required to effectively manage neighbourhoods. Cultural and sporting excellence is at the heart of the growth agenda and will continue to be a major regeneration catalyst, maintaining Manchester's international profile through examples such as Manchester International Festival and of course football, whilst at the same time bringing significant community benefits to our residents.

4.3 The objectives for Growth and Neighbourhoods directs focus on supporting the Council to bring about this vision for the City for 2025. The objectives are:



Creating Growth

- To support, promote and drive the role and continuing growth of the City centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land. This will be complemented by driving growth through for example, the Airport City Enterprise Zone, the Siemens Princess Road Campus and at the Etihad Campus in East Manchester.
- To reinforce and enhance the reputation of the City through the growth and improvement of its retail provision, the opportunities presented by

its diverse cultural and leisure offer, together with its civic functions as a focus for residents and visitors.

- Through the provision of new and enhanced infrastructure, support the growth of the City, connecting residents, neighbourhoods, businesses and goods to local, national and international markets.
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure.
- Supporting partners across the City to move towards becoming a zero carbon City by 2050 and to adapt to and mitigate the impact of the changing climate.

Places where people want to live

- Create places where people want to live with good quality housing of different tenures; clean, green, safe and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure; where residents participate and take responsibility for themselves whilst encouraging others to do the same, supported by strong and active community groups.
- Through the new service delivery model for neighbourhoods, work with our partners to ensure neighbourhoods are safe and health and care services are delivered to meet local needs.
- Support businesses and residents to create thriving district centres with appropriate retail, amenities and public service offer.
- Reduce carbon emissions and increase recycling rates through improved use of technology and increased resident engagement and action.

Access to jobs for Manchester people

- Maximise the opportunities created by the GM devolution agreement to create a skills system that connects more of the City's residents to the employment opportunities created through the growth of the City and scales up the reform programme for those furthest from the labour market with complex needs.
- Maximise leverage through the City Council's capital programme to better connect residents with employment opportunities and address skill shortages.
- Effectively use the Council's levers as a commissioner and procurer of services and our civic leadership to maximise job opportunities for Manchester residents.
- 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.
- Work with the City's schools and providers 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.

- Continue to embed the work and skills agenda into PSR delivery models, to ensure that those with complex needs are supported to become economically independent.
- 4.4 In order to facilitate and support the delivery of these priorities for the City and its residents, the directorate will also need to:-
- Work with partners and other Council departments to make best use of the City's total collective public assets to support estates transformation and deliver modern efficient services in line with the One Public Estate pilot in Greater Manchester
 - Plan for the future workforce, review structures, roles and skills needed for the future and embed the required career pathways and succession plans.
 - Build resilience and increase productivity amongst staff within the directorate, developing the skills and behaviours required to deliver quality services more efficiently.
 - Communicate and engage effectively with all staff ensuring that they are aware of the role and function of the directorate and their role within it.
 - Maximise opportunities to collaborate with partners, to increase income generation and investment, to optimise the use of resources and work with ICT to develop new ways of working through improved use of technology and data provision which enable the directorate to achieve its objectives.

5 Delivery of Objectives and Savings

- 5.1 The Directorate has identified the following priorities which have provided the framework for developing the savings proposals:
- Embed the new delivery model for the new Neighbourhoods Service and protect neighbourhood based services for the next 12 months.
 - Work with partners and other Council Directorates (GMP, Registered Providers (RPs), Children and 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 reduce levels of residual waste and increase recycling.
 - Work with 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.
 - Explore strategic partnering arrangements for Capital Programmes and Property to improve the effectiveness and efficiency of the services.

- Review the levels of grant funding to supported organisations and ensure that delivery is effective and done in the most efficient way.
- Maximise income opportunities, through realising the most from the Council's assets as well as reviewing opportunities for charging for services.
- Deliver the emerging Residential Growth Strategy.
- Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda.
- Support the City in its ambition to become zero carbon by 2050.
- Explore appropriate opportunities for collaboration across GM, ensuring they continue to provide the right outcomes for the City.
- Maximise the opportunities that Devolution provides for the City in terms of growth, skills and place.
- Review our internal processes to improve productivity and capacity including review of grant administration and programme management.

Growth and Neighbourhoods Directorate Budget

5.2 The 2015/16 gross budget is £175.144m and the net budget is £108.801m. The number of FTEs is 1,268; see table below for a breakdown by service area. Excluding the Waste Levy the Directorate has a current net budget in 2015/16 of circa £75m.

Business Area	2015/16 Gross Budget £,000	2015/16 Net Budget £,000	2015/16 Budgeted Posts (FTE)
Neighbourhoods - Commissioning & Delivery	85,529	77,682	818
Neighbourhoods - Compliance & Enforcement	8,978	6,012	
Neighbourhoods - Libraries, Galleries & Culture	14,846	10,490	
Neighbourhoods - Area Teams	8,132	2,926	
Work & Skills	1,243	1,136	
City Centre Regeneration	637	397	6
Policy, Partnerships & Research	5,722	2,106	58
Planning, Building Control and Licensing	6,341	141	126
Property - Operational	21,889	20,187	47
Property - Investment Estate	4,634	-13,715	
Capital Projects and Technical Services	1,008	-21	145
Strategic Development	2,126	84	34
Strategic Housing	884	884	16
Directorate Support	13,140	457	18
Democratic Core	35	35	0
Total	175,144	108,801	1,268

5.3 The most significant areas in terms of net spend are the Neighbourhoods Service - Commissioning and Delivery (£77m) and the Operational Estate (£20m). The budgets for this latter service were centralised in the last 12 months and work is ongoing to determine the capital investment required to deliver savings from across the Estate.

5.4 Savings of £3.013m (and circa 21 FTE) have already been identified and agreed for 2016/17 as part of the 2015-17 budget strategy process and these are detailed in Appendix 2. Further savings of up to £2.239m with a net FTE reduction of 7 have now been identified for 2016/17. The movement to the revised net budget position for 2016/17 is shown in the table overleaf:

Service Area	Net Budget 2015/16	Growth and other Budget Changes	Savings Approved as part of 15/16 budget setting £000's	New Proposed Savings	Net Budget 2016/17
	£000's	£000's	£000's	£000's	£000's
Neighbourhoods - Commissioning & Delivery	77,682	-933	-1,500	-665	74,584
Neighbourhoods - Compliance & Enforcement	6,012	0	0	-60	5,952
Neighbourhoods - Libraries, Galleries & Culture	10,490	0	-225	-218	10,047
Neighbourhoods - Area Teams	2,926	0	-838	0	2,088
Work & Skills	1,136	0	0	0	1,136
City Centre Regeneration	397	0	0	0	397
Policy, Partnerships & Research	2,106	0	0	-45	2,061
Planning, Building Control and Licensing	141	0	0	-450	-309
Property - Operational	20187	0	-450	0	19,737
Property - Investment Estate	-13,715	0	0	-750	-14,465
Capital Projects and Technical Services	-21	0	0	0	-21
Strategic Development	84	0	0	0	84
Strategic Housing	884	0	0	-22	862
Directorate Support	457	0	0	-29	428
Democratic Core	35	0	0	0	35
Total	108,801	-933	-3,013	-2,239	102,616

5.5 Detailed budget schedules are listed in Appendix 1.

Previously Agreed Savings 2016/17

5.6 The Directorate has £3.013m of agreed savings to deliver in 2016/17. These savings include £1.463m in respect of the following items which the Directorate is confident will be achieved, or has already delivered:

- Workforce savings in respect of the Neighbourhoods Service redesign of £838k.

- Savings from the new waste collection and street cleansing contract of £400k.
- Savings of £25k from the Greater Manchester library management system.
- Savings of £200k from reduced support for Cultural Grants.

5.7 The remaining, more challenging savings, relate to Waste Disposal and Property Rationalisation costs.

Waste Disposal

- 5.8 As already referenced earlier in the report, the cost of waste disposal for the Directorate is increasing – it currently stands at c£34m of the budget compared with £19.7m in 2009/10. As part of the Waste PFI with Viridor Lang, nine Greater Manchester authorities split the cost of waste disposal and recycling between them via the Waste Disposal Levy. Manchester's waste budget pressures are principally due to population growth, the fact that Manchester residents recycle less than any other GM district and also the fact that the total cost of, and Manchester's share of, the Levy is set to rise significantly over the next five years.
- 5.9 Manchester's share will increase due to the nature of the Inter Authority Agreement with the GM Waste Disposal Authority (GMWDA). In essence, the overwhelming majority of the levy operates in such a way that the total guaranteed to Viridor Lang is shared amongst the nine waste authorities. As less refuse is put through the GMWDA the price per tonne will increase as operating costs are split over fewer tonnes. The City's comparative performance has fallen and will have to be addressed in the coming year.
- 5.10 The levels of recycling (food waste and other recycling) in the City - which is key to delivery of the proposed saving - have also started to reduce. The recycling levels have been impacted by a range of factors including the increased population, changing demographics and increased contamination of recycling bins which leads to higher levels of rejection (circa 5%).
- 5.11 The current strategy agreed with members focuses on service standards, education, engagement and enforcement in an effort to change residents' behaviours in terms of their waste disposal and recycling practice with a new waste team being recruited and in place since November to facilitate delivery of this. The work of this team will be informed by the much improved data which the new waste collection contract with Biffa will provide.
- 5.12 However, even if behaviour change has an immediate impact and delivers savings in Manchester, as set out above, this will not be a sustainable saving. The fact is that the Waste PFI was designed at a time when Landfill Allowance Trading Scheme (LATS) penalties made it the best way forward but with the abolition of LATS, this is no longer the case. It is clear that there will need to be a clear focus in the coming year, working with GM Waste Disposal Authority to determine a longer term strategy to reduce the impact of the

Waste Levy in order to facilitate more substantial reductions to the very significant Council resource spent on disposal.

- 5.13 The savings anticipated for 2016/17 based on the assumed tonnages and the impact on the Waste Disposal Levy are £1.1m.

Operational Property Rationalisation

- 5.14 Work is underway to rationalise the estate initially through the closure of Wenlock Way with consideration being given to the future of Chorlton District Office. The £450k savings should be delivered in full but this will depend on the timing of delivery during the year and the funding of the Capital investment required for Etrop Court and Moss Side District Office. The capital financing costs will be met from within the capital financing budget.

6 New Savings Proposals 2016/17

- 6.1 The savings proposed total **£2.239m** for 2016/17. The table below summarises the position. This report goes on to summarise both big ticket proposals and smaller scale options and there is a detailed savings schedule appended to the report at Appendix2.

Growth and Neighbourhoods	Savings Proposals 2016/17 £,000
Growth - Big Ticket	968
Neighbourhoods – Big Ticket	675
Total Big Ticket	1,643
Growth – Other	546
Neighbourhoods - Other	50
Total Other	596
Grand Total	2,239

- 6.2 The £2.239m savings proposals are set out below:

Growth – Big Ticket Items

- 6.3 There are three areas containing big ticket proposals with a potential known value of **£0.968m** for which outline business cases have been developed.

Investment Estate

- 6.4 There will be increased income from the investment estate which is due to provide additional income in 2016/17 of **£750k**.
- 6.5 There will also be work ongoing in relation to rent reviews which will provide an opportunity to review the arrangements currently in place and ensure that the value of the assets is maximised.

- 6.6 There will however always be risks attached to the income from the investment estate and as properties become vacant it is not guaranteed that new tenants can be found quickly. As such there has to be recognition that income can reduce as well as increase over time. The Directorate is confident that the forecast growth will enable the known increases in income to be recognised and that a pro active approach to the management of the estate may result in further opportunities in the future.
- 6.7 A further opportunity may flow from the re-procurement of the property and valuation work contract. The new contract will be in place by the March/April 2016 and any savings contribution will be determined at that point.
- 6.8 Operational Estate
- 6.9 Integrated teams co-located in accessible venues and locations in neighbourhoods is key to the delivery of the City's priorities and the Council's Operational Estate is therefore an important enabler. Work is underway to develop a long term, four year Operational Estate Strategy that will, amongst other things, deliver these priorities and, crucially, identify opportunities for further savings in the rationalisation of the Council's operational estate over and above the £450k commitment for 2016/17. This work will require both capital and revenue investment. Investment has been agreed into the Estates Transformation team to deliver the current rationalisation proposals and savings for 2016/17. The capital investment required will depend on the opportunities identified and may involve refurbishment or adaptation work to other Council properties to facilitate the release of other less effective or poor condition properties in the estate.
- 6.10 A major Stock Condition Survey of all of the Council's operational properties will be completed in Spring 2016. This will provide a key part of the evidence base for the Operational Estate Strategy, helping decision making about property rationalisation, alongside the work to review transformation and service delivery requirements both within the Council and partners (for example Living Longer Living Better and Early Help hubs). This work, which will include a four year plan for the Operational Estate, will be presented to Members by July 2016.
- 6.11 Any future savings from the rationalisation activity cannot therefore be determined until the above work is concluded nor can the capital investment requirements. As set out above, the savings which can be achieved from rationalisation will be dependent upon the capital financing strategy adopted. It is currently assumed that these costs will be met from within the existing capital financing budget.

The City's Culture and Sports Events Offer

- 6.12 The Cultural offer in the City is central to Manchester's growth strategy but also makes a major contribution to the health and reform agendas. In Growth and Neighbourhoods terms, budgets for cultural grants and activity, sporting and City centre events and Galleries are all relevant. It is important that these

are considered in the round as part of the overall offer for Manchester to understand both the contribution they make to the City's economic and social priorities and to ensure support is maintained for those which have the most significant impact. Taken together, savings of **£218k** could be delivered which is broken down below.

- 6.13 The business case for cultural grants focuses on how a reduced amount can be refocused to support the Council's objectives and continue to promote those organisations which provide the greatest added value to the City. This is now presented in conjunction with the approach to a reduced investment in Events which will also be focussed on continuing to deliver the world class events that bring added value to the City. The savings proposed from **Cultural Grants** using the economic and social analysis developed in conjunction with New Economy are up to **£93k** in 2016/17.
- 6.14 A review of spend on **Sports Events** and an assessment of the economic impact and wider benefits of each event and value for money has been undertaken alongside the review of the cultural offer and it is proposed that **£125k** can be saved. The savings proposals would reduce expenditure on key events, whilst retaining the scale of the events. It would also involve a review of the frequency of hosting national sporting events.

Growth – Other Savings

- 6.15 There are a range of smaller scale savings across the Growth functions that are estimated to save up to **£546k** as set out below:

Policy, Partnerships and Research

- 6.16 Savings of **£45k** in 2016/17 can be achieved through a review of all current subscriptions across the Council to remove any duplication or anything that no longer represents value for money.

Planning, Building Control and Licensing

- 6.17 Savings of **£400k** in 2016/17 are forecast to be achievable through an increase in income from planning fees. This is driven by increased activity within the sector which has been particularly buoyant in 2015/16. It is however difficult to estimate how sustainable the increase in income will be in the long term. A further **£50k** is proposed from a review of the fees charged within Building Control which are being looked at across Greater Manchester.

Strategic Housing

- 6.18 A saving of **£22k** is expected to be deliverable through the recharging of management overheads in relation to the project team supporting the Joint Venture with the Greater Manchester Pension Fund (Matrix Homes). Further opportunities for savings will be pursued through exploring options around partnerships for investment led schemes and partnering with neighbouring authorities to deliver efficiencies.

Directorate Support

- 6.19 The Directorate Support budget will be reviewed with a proposal to deliver efficiencies of **£29k** within this function in 2016/17.

Neighbourhoods – Big Ticket Items 2016/17

- 6.20 There are a number of big ticket proposals with potential savings of up to **£675k** as set out below:

New Operating Models

- 6.21 An options appraisal is being developed for grounds maintenance via a new delivery model. The proposal in the short term is to initially reconfigure the service to reflect the seasonal nature of the work and to drive efficiencies from the current in-house provision. This proposal is expected to deliver a saving of **£150k** from efficiencies in working practices and developing the model that has been tested over the last 12 months using training programmes. In the medium term it will explore opportunities for collaboration with other Directorates and Partner Organisations and consider the potential for alternative delivery models.

Review of Community Association Grants and Neighbourhood Investment Funds

- 6.22 Whilst there are no savings anticipated against these areas, there is a direct link to work underway which is being led by the Children and Families Directorate to bring separate Voluntary and Community Sector (VCS) funds across the Council together into one single pot. Two sources of VCS related funding sit within Growth and Neighbourhoods - Community Association Grants (which are due to be re-commissioned in April 2016) and the Neighbourhood Investment Fund (formerly known as CASH). Changes to the administration of these grants and how this funding links to strategic priorities are to be considered as part of the work alongside the VCS review.
- 6.23 In the main the Council will be extending existing grant arrangements until the end of March 2017 although this will be conditional on the agreement of refreshed outcomes which align to the Council's strategic priorities. This will include the current arrangement with the VCS infrastructure organisation. It is also proposed that there will be a simplified monitoring process so organisations receiving funding from more than one source within the Council to submit a single rather than multiple returns.

Further big ticket reductions to the Neighbourhoods Service

- 6.24 Since 2010, neighbourhood-based teams have seen reductions of £28.6m and over 580 staff which has inevitably had a negative impact on services – enforcement, parks, libraries, community safety, street cleansing, grounds maintenance, highways and so on - within neighbourhoods. The integration of

Neighbourhood delivery, Neighbourhood regeneration and community and cultural services has 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.

- 6.25 Given that the Neighbourhoods Service makes up a significant proportion of the budget for the directorate and recognising the budget position looking ahead, a series of proposals have been included for 2016/17 that equate to a further reduction of **up to £525k** in the overall costs of the Neighbourhoods Service. 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 savings have a limited impact on the workforce (5 FTE) and mainly include efficiencies and income generation opportunities. The breakdown of the £525k is as follows:

Community Safety, Compliance and Enforcement

- 6.26 This service has been created to deliver a coordinated approach to compliance and enforcement across the City. The team has only recently been recruited to and has not yet had the opportunity to fully develop and implement the vision for the service including addressing the issues around night time enforcement and students.
- 6.27 A saving of **£10k** is proposed through increasing income from Fixed Penalty Notices.

Parks, Leisure and Events

- 6.28 The service has a broad remit to develop the overarching strategy around parks and leisure, increasing participation and linking with the agenda around public health. It is also charged with the delivery of high calibre events across the City that attract global audiences. A key element of the new service is the focus on the generation of income by making best use of the asset base and exploiting the unique opportunities the City offers.
- 6.29 Savings are **£142k** and are as follows:-
- Increased income through additional event sponsorship - **£46k**
 - Re-charging of Business and Campus development posts to associated projects - **£51k**
 - The transfer of the two centres which are still directly managed by the Council to an alternate provider. Once the service is transferred the service would be cost neutral - **£45k**

Waste

- 6.30 The waste team has been developed to monitor and manage the contract for waste collection and street cleansing with Biffa, develop and implement innovative strategies to increase recycling and minimise waste and to develop wider relationships across GM, and through the GMWDA, to exploit any opportunities for collaboration.

- 6.31 The proposal involves reducing the contract monitoring function once ICT systems are fully in place, realising **£34k, 1FTE**, in 2016/17.

Public Realm

- 6.32 The Public Realm service encompasses a wide range of services, including Highways, Grounds Maintenance and Arboriculture. These are delivered through a combination of in house and commissioned services. It has responsibility for the maintenance of significant elements of the physical infrastructure across the City.

- 6.33 The proposal for Highways is to generate additional income of **£100k** from improved planning and a more assertive approach to utility companies for highways reinstatements and overstays.

- 6.34 The Arboriculture proposals represent proposed service efficiencies and include:

- Introduction of electronic recording of inspections through the use of mobile technology will facilitate a reduction of **1 FTE** on efficiency grounds saving **£34k** in 2016/17.
- The creation of a stand alone Grounds Maintenance team following the transfer of street cleansing has led to a more focussed service with a greater skill base. As such a proportion of the work undertaken by the Arboriculture team could be transferred to Grounds maintenance releasing a saving of **£95k** in 2016/17 with a reduction of **3 FTE**.

- 6.35 Reductions to the play repair budget of **£30k** are proposed as a result of the agreed significant recent investment in new equipment from Clean City.

Implementation of the Commercial Strategy

- 6.36 A commercial strategy considering the use of assets and opportunities across the Directorate has now been developed. In the first instance the income generated will offset the existing pressure in respect of Heaton Park. The strategy will consider all the assets across the Directorate and how they can be best utilised to generate income, reduce service delivery costs and benefit neighbourhoods. Budget proposals reflect savings of **£80k**.

Neighbourhoods – Other Savings

Community Safety (Mediation)

- 6.37 The proposals in this areas offer potential savings of **£50k** (2 FTE) from the implementation of a new delivery model for the service.

7 Investment Proposals and Pressures

- 7.1 The reserve set aside for Street Lighting PFI will be fully utilised in 2016/17. Additional investment of £1m is required to meet the anticipated unitary charge.
- 7.2 The Directorate is working to continue to expand and improve commercial activities, particularly within Parks, to mitigate the £350k one off budget support that was provided in 2015/16. A detailed strategic plan for Heaton Park has been developed and begun to be implemented which will enable a tapering of the current financial support. It is currently forecast that the requirement will reduce to £239k in 2016/17.
- 7.3 There is also an additional investment of £900k required due to the increased amount of waste disposal now taking place with an alternative provider, as a result of a split of the passageway clearance activities.
- 7.4 The investment requirements are listed in Appendix 3 and include items already agreed as part of the 2015-17 budget as well as the additional investments from 2016/17.

8 Technological Support to Implement Changes

- 8.1 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from a Council and GM perspective. How the authority structures, governs and utilises data will be pivotal to the successful delivery of these agendas. This will continue the need to develop how technology and systems are utilised to deliver further savings and efficiencies, which will involve both internal City Council systems and those of its partners. This will require a continuation of the ICT transformation journey and implementation of the operating model which will ensure delivery of the infrastructure and stabilisation agenda.
- 8.2 A successful ICT function will underpin all change across the Growth and Neighbourhoods directorate and beyond and create the conditions for growth through stability, enabling change and greater integration at all levels.
- 8.3 ICT will work closely with services in order to support the strategic priorities of the directorate: creating growth, place and access to jobs for Manchester people. Major areas of ICT activity include providing support for the integration of Neighbourhood Services, improving the efficiency of waste collection and street cleansing through the provision of improved intelligence, and supporting the estates rationalisation and transformation programme. ICT will play a vital role in helping to maximise opportunities for collaboration with partners, to increase income generation and investment, to optimise use of resources and to develop new ways of working through improved use of technology and data provision which will enable the directorate to achieve its objectives.
- 8.4 The ICT requirements for the organisation do not stand still and there will be other priorities to be addressed throughout 2016/17. There will be a continued focus on maintaining availability of all key applications and back up facilities to

ensure availability, business continuity and resilience. ICT will also be continuing its programme of infrastructure stabilisation and transformation. Major projects include providing a new collaboration platform, a new Citrix environment and completing compliance activity. This will provide the platform upon which services can adopt new and more efficient ways of working.

9 Strengths-based approach and the Voluntary Sector

- 9.1 In line with the draft Manchester Strategy many of the proposals are based on a very different relationship between public services, citizens, residents, and businesses, with all working together to ensure the city's success. The council has started to develop a corporate framework for what this means for the organisation – shaping how the council will develop different relationships with Manchester people, businesses and VCS groups – drawing on learning from the innovative Wigan Deal programme as well as Manchester's own programmes like Age Friendly Manchester, its Behaviour Change programme and the Good Week pilot for younger adults with SEN. The intention, however, is to have a shared framework across partners including local communities, businesses and the VCS as well as public service partners.
- 9.2 This new relationship will include a number of different elements – developing new approaches for how public services engage and empower local communities, encouraging new behaviours and attitudes among all partners in the city, improving the social and physical connectivity of the city, to name a few. It will be underpinned by a set of common principles, supporting a new strengths-based approach to working.
- 9.3 Corporately, the council has identified a number of cross-cutting themes to help drive forward this work and ensure proposals are coordinated. These include core themes around investment and funding, development of community links, workforce development, reform of assessment and referral and evaluation, to ensure what we do has real impact.
- 9.4 The role of the VCS is central to this work and the council is developing a proposed new model for the VCS to maximise return on investment and reach. This is in the very earliest stage of development. The new delivery model would include an investment fund for neighbourhoods, aligned with the neighbourhood based approach for the integration of health and social care and Early Help hubs. This would be supported by an infrastructure body charged with growing and managing community assets. The new delivery model would ensure that VCS provision can better connect to statutory providers and ensure each area has fair access to a range of community facilities, activities and opportunities for residents, including those with a Learning Disability.

10 Impact on Residents, Communities and Customers

- 10.1 Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The

business planning process helps the Council to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Council will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business proposals will have on protected groups within the City.

- 10.2 The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorates' equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment.

11 Workforce Impact

- 11.1 The savings already approved for 2016/17 from last year's budget strategy resulted in a net workforce reduction of circa 21 FTE in 2016/17, which have been achieved through the re-design of the Neighbourhoods Service. The current FTE number for the Directorate is 1,268. The additional savings proposals for 2016/17 will reduce staff by a further 7 FTE in addition to the 21.
- 11.2 There are some proposals that refer to the exploration and implementation of new delivery models (Grounds Maintenance and Mediation). 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.
- 11.3 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.

**Appendix 1a
Summary 2015-17 (Net Budget)**

Service Area	2015/16	2016/17			Net Budget 2016/17 £000's
	Net Budget 2015/16 £000's	Growth and other Budget Changes £000's	Savings Approved as part of 2015/16 budget setting £000's	New Proposed Savings £'000's	
Neighbourhoods - Commissioning & Delivery	77,682	(933)	(1,500)	(665)	74,584
Neighbourhoods - Compliance & Enforcement	6,012	0	0	(60)	5,952
Neighbourhoods - Libraries, Galleries & Culture	10,490	0	(225)	(218)	10,047
Neighbourhoods - Area Teams	2,926	0	(838)	0	2,088
Work & Skills	1,136	0	0	0	1,136
City Centre Regeneration	397	0	0	0	397
Policy, Partnerships & Research	2,106	0		(45)	2,061
Planning, Building Control and Licensing	141	0	0	(450)	(309)
Property - Operational	20,187	0	(450)		19,737
Property - Investment Estate	(13,715)	0	0	(750)	(14,465)
Capital Projects and Technical Services	(21)	0	0		(21)
Strategic Development	84	0	0		84
Strategic Housing	884	0	0	(22)	862
Directorate Support	457	0	0	(29)	428
Democratic Core	35	0	0	0	35
Total	108,801	(933)	(3,013)	(2,239)	102,616

Appendix 1b
Budget (Gross, Net) and FTE by Service 2015-17

Service Area	2015/16			2016/17		
	Gross Budget £,000	Net Budget £,000	Budgeted Posts (FTE)	Gross Budget £,000	Net Budget £,000	Budgeted Posts (FTE)
Neighbourhoods - Commissioning & Delivery	85,529	77,682	818	82,431	74,584	790
Neighbourhoods - Compliance & Enforcement	8,978	6,012		8,918	5,952	
Neighbourhoods - Libraries, Galleries & Culture	14,846	10,490		14,403	10,047	
Neighbourhoods - Area Teams	8,132	2,926		7,294	2,088	
Work & Skills	1,243	1,136		1,243	1,136	
City Centre Regeneration	637	397	6	637	397	6
Policy, Partnerships & Research	5,722	2,106	58	5,677	2,061	58
Planning, Building Control and Licensing	6,341	141	126	5,891	(309)	126
Property - Operational	21,889	20,187	47	21,439	19,737	47
Property - Investment Estate	4,634	(13,715)		3,884	(14,465)	
Capital Projects and Technical Services	1,008	(21)	145	1,008	(21)	145
Strategic Development	2,126	84	34	2,126	84	34
Strategic Housing	884	884	16	862	862	16
Directorate Support	13,140	457	18	11,573	428	18
Democratic Core	35	35	0	35	35	0
Total	175,144	108,801	1,268	167,421	102,616	1,240

Appendix 1c
Budget Analysis – Subjective Headings

Subjective Heading	Indicative Budget £,000	Indicative Budget £,000
Expenditure:		
Employees	51,929	51,091
Running Expenses	137,863	130,870
Capital Financing Costs	1,191	1,191
Contribution to reserves	1,568	1,676
Total Subjective Expenditure	192,551	184,828
Less:		
Other Internal sales	(17,407)	(17,407)
Gross Expenditure	175,144	167,421
Income:		
Government Grants	(4,063)	(4,063)
Contributions from Reserves	(17,625)	(16,087)
Other Grants Reimbursements and Contributions	(5,046)	(5,174)
Customer and Client Receipts	(38,657)	(38,529)
Other Income	(952)	(952)
Total Net Budget	108,801	102,616

Appendix 2a

Growth and Neighbourhoods 2016/17 Savings Approved as part of 2015-17 Budget Strategy

Service Area	Already Agreed Savings £000's
Growth	
Strategic Development - Rationalisation of the operational property estate	450
Total Growth	450
Neighbourhoods Service	
Neighbourhoods – Area Teams -Integration of Neighbourhood Functions Across the Directorate	838
Neighbourhoods - Commissioning and Delivery - Increase food waste and other recycling to help reduce the Waste Disposal Levy - Increased Efficiency from waste collection and street cleansing contract	1,100 400
Neighbourhoods – Libraries, Galleries and Culture - Review grant funding to organisations - Efficiencies from the GM library management system	200 25
Total Neighbourhoods Service	2,563
TOTAL	3,013

Appendix 2b
Schedule of Proposed Savings 2016/17

Description of Saving	RAG Deliverability	RAG Impact	Saving Proposal 2016/17 £000	FTE Impact (Indicative)
Section 1- GROWTH - BIG Ticket				
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	
Review Sports Events Programme	Amber	Amber	125	
TOTAL GROWTH BIG TICKET			968	0.0
Section 1- GROWTH - OTHER				
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	
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	
TOTAL GROWTH OTHER			546	0.0
Section 2- NEIGHBOURHOODS - BIG TICKET				
NEW OPERATING MODELS				
Develop a new operating model for grounds maintenance	Amber	Green	150	

Description of Saving	RAG Deliverability	RAG Impact	Saving Proposal 2016/17 £000	FTE Impact (Indicative)
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	
Transfer Debdale and Active Lifestyles Centre to alternate provider	Amber	Amber	45	
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
Efficiencies between Arbor and Grounds Maintenance	Amber	Amber	95	3.0
Increased income from Highways charging – More assertive approach to fining utility companies for overstays and substandard highways reinstatements	Amber	Amber	100	
Reduction in the Play repair budget	Amber	Amber	30	
COMMERCIAL STRATEGY				
Commercial Strategy	Amber	Green	80	
TOTAL NEIGHBOURHOODS BIG TICKET			675	5.0
Section 2- NEIGHBOURHOODS - OTHER				
NEIGHBOURHOODS SERVICE				
MEDIATION				
Mediation – Develop a new delivery model for the Mediation Service.	Green	Green	50	2.0
TOTAL NEIGHBOURHOODS OTHER			50	2.0
TOTAL BIG TICKET			1,643	5.0
TOTAL OTHER			596	2.0
Grand Total Growth and Neighbourhoods			2,239	7.0

Appendix 3
Schedule of Growth Bids and Budget Pressures 2016/17

Additional Funding	Purpose	2016/17 £'000	FTE Impact
Pressures included in the 2015-17 budget process:			
Street Lighting	This is required to fund the unitary charge of the PFI as the PFI Reserve funding will end in 2016/17.	1,000	
Removal of time limited support for Heaton Park (£350k)	One off budget support that was provided in 2015/16 and which will be removed from 2016/17.	(350)	
Pressures 2016/17:			
Directorate Pressures			
Heaton Park income target taper	The Directorate is working to continue to expand and improve income generating activities, particularly within Parks, to mitigate the £350k one off budget support that was provided in 2015/16. A detailed strategic plan for Heaton Park has been developed and begun to be implemented which will enable a tapering of the current financial support. It is currently forecast that the requirement will reduce to £239k in 2016/17.	239	
Waste Disposal Costs	Amount is required due to the increased waste disposed of at alternative provider as a result of a split of the passageway clearance activities.	900	
Growth and Neighbourhoods Total Additional Funding		1,789	0

Growth and Neighbourhoods Directorate Delivery Plans 2016/17

Delivery Plan 1 – Draft Financial Plan

Financial outturn will be monitored by the directorate management team, including variances against the objective summary included in the Directorate Budget and Business Planning Report.

Subjective Summary

Subjective Heading	Indicative Budget £,000	Indicative Budget £,000
Expenditure:		
Employees	51,929	51,091
Running Expenses	137,863	130,870
Capital Financing Costs	1,191	1,191
Contribution to reserves	1,568	1,676
Total Subjective Expenditure	192,551	184,828
Less:		
Other Internal sales	(17,407)	(17,407)
Gross Expenditure	175,144	167,421
Income:		
Government Grants	(4,063)	(4,063)
Contributions from Reserves	(17,625)	(16,087)
Other Grants Reimbursements and Contributions	(5,046)	(5,174)
Customer and Client Receipts	(38,657)	(38,529)
Other Income	(952)	(952)
Total Net Budget	108,801	102,616

Delivery Plan 2 – Draft Performance Plan

Objective	Indicator	Actual Performance (2014/15 unless otherwise indicated)	Target Performance			
			2015/16	2016/17		
Creating Growth	Number of new businesses incorporated in Manchester	TBC (New dataset)	These indicators relate to the performance of the local economy and can be affected by a wide range of factors outside the Council's control and so targets are not set.			
	Percentage of Manchester businesses surviving 3 years	51.5% (2010)				
	Number of active enterprises in Manchester	18,280 (2013)				
	Total number in employment in Manchester	City Centre ward 120,400 Manchester 342,500 (2014)				
	Office take up (thousand sq ft)	542.4 (Jul-Dec 2014)				
	Office availability (thousand sq ft)	2,327.6 (Jul-Dec 2014)				
	Prime office rents (per sq ft)	£32.00 (Jul-Dec 2014)				
	Estimated visitor numbers to Manchester	Total: 994,102 Holiday: 229,156 / Business: 335,014 (2014)				
	Work location of graduates domiciled in Manchester 6 months after graduating any university 2013/14 (Increase in % staying in Manchester)	48% (2013/14)				
	Hotel occupancy in the City Centre	79% (Jan-Dec 2014)				
	Airport passenger numbers at Manchester airport	21,989,682 (Jan –Dec 2017)				
	Number of residential property sales	6,595 (2014/15)- City Centre: No. of Sales - 1,343			These indicators relate to the performance of the local economy and can be affected by a wide range of factors outside the Council's control and so targets are not set.	
	Sales prices	City Centre: Ave Sale Price - £163,636 Manchester (Excl. City Centre) - Ave Sale - £154,186				
	Average rents for 2 and 3 bedroom properties	City Centre: Average Rent - £923 (2 Bed), £1,277 (3 Bed) Manchester (Excl. City Centre) - Average Rent - £653 (2 Bed) £772 (3 Bed)				
Number of visits to MCC cultural and recreational facilities		Galleries - 541,827	Targets not set	Targets not set		
		Libraries - 2,671,701	Targets not set	Targets not set		
		Parks - 466,280 (Number of attendances to activities, events and educational sessions in parks)	+2% on previous year	+2% on previous year		
		Sport and Leisure - 2,855,651	+2% on previous year	+2% on previous year		
Places where people want to live	Residents satisfaction: Local area / Refuse collection / Doorstep recycling	78.9% / 75.53% / 79.31% (2014/15)	Targets are not set for perception surveys			
	Number of anti-social behaviour incidents in Manchester	34,463 (2014/15)	Emerging trends in particular types of ASB in particular areas are monitored.			
	Residents perceptions of high levels of ASB in their local area	10.58% (2014/15)	Targets are not set for perception surveys			
	Recycling rate	38.36% (2013/14)	The city is working towards a target of 50% of household waste recycled by 2020.			
	Participation in 30 minutes of sport 1 or 3 times a week (APS survey)	1x30 Sport Participation (16+) - 42.8% 3x30 Sport & Active Recreation (16+) - 27.6% (2014/15)	APS survey will end in summer 2016 and is to be replaced by the Active Lives Survey. The service will establish a baseline measure in 2016/17 from the new ALS survey.			
Access to jobs for Manchester people	% of residents claiming out of work benefits including Universal Credit claimants	13.8% (May 2015)	These indicators can be affected by a range of factors outside the council's control and so targets are not set.			
	Resident population qualified to NVQ level NVQ 4+ / NVQ 3+ / NVQ 2+ / NVQ 1+	36.3% / 58.1% / 72.2% / 81.5% (2014)				

Objective	Indicator	Actual Performance (2014/15 unless otherwise indicated)	Target Performance	
			2015/16	2016/17
	All ages apprenticeship starts	4,272 (2013/14)	This is monitored as part of the TF evaluation, for which targets are not set	
	Number of job vacancies advertised	15,216 (September 2015)		
	Percentage of troubled families (TF) claiming out of work benefits	79.6% (May 2015)		
	Working Well – Number of job starts	159 (September 2015)	The programme is forecast to lead to 240 job starts in Manchester by January 2018	
	Work Programme – Proportion of customers achieving a job outcome within:		CESI min expectations (economy adjusted)	
	One year of joining Work Programme	11.7%	9.7%	
	Two years of joining Work Programme	24.2%	22.1%	
	Maximum time on Work Programme	27.3% (June 2015)	24.6%	
Capital programmes – added value activity achieved	1,044 (2014/15) (due to Town Hall project these levels are not expected in future projects)	Targets are developed on a project by project basis.		
Proportion of procurement spend in Manchester	68.9%	This is monitored on an annual basis, specific targets are not set.		
Facilitation and support to delivery	% of Stage 1 and 2 complaints answered within 10 working days	82.3%	96%	96%
	% of complaints upheld by the ombudsman	14%	10%	10%
	% of Freedom of Information Act requests responded to on time	84%	85%	85%

Delivery Plan 3 – Draft Equality Overview and Action Plan

Growth and Neighbourhoods Supporting Equalities

Growth and Neighbourhoods have three main objectives: creating growth; places where people want to live; and, access to jobs for Manchester people. These are delivered through specialist teams which balance the work programme between leading Manchester in sustainable economic growth and the transformation of the city whilst also getting the basic right; ensuring the city is clean safe and green and communities take pride and ownership in their areas and lives. Although the majority of services delivered in Growth and Neighbourhoods are universal and accessed by all Manchester's residents it is clearly demonstrated below that equalities and consideration to those with additional access needs are considered during the planning and delivery throughout the directorate.

Through this process some gaps in knowledge have been identified regarding our users but this will be addressed through the consultation and development of the service changes. Where EIAs have been identified as a requirement these will be completed in a timely manner and the learning from this process will be embedded within the future service delivery.

Review of Proposed Changes and Activities

All proposed changes to the service have been reviewed and relevancy assessments have been completed for a number of service areas where potential changes could impact on individual with protected characteristics. Senior Managers have scrutinised their proposed changes and where it has been concluded that there is no impact or potential impact is being sufficiently managed within the service planning and therefore there is no further need for equality impact assessment are detailed below:

Commercial Strategy for Parks, Leisure and Events Assets

- Work is ongoing to develop new commercial contracts for events and festivals in Manchester. As part of these negotiations a percentage of the increased revenue will be donated to the Lord Mayors Charity to support local community groups. This is likely to have a positive impact for all residents in Manchester.
- Changes to car parking at Heaton Hall are still under development, a potential area of interest related to the disabled parking near to the Hall which is separate to the new parking agreement. The team are fully aware of these issues and due consideration will be incorporated into the planning for this area, in consultation with existing users, to mitigate any negative impacts.

Changes to Events Funding

This work involves reducing the amount of external world class sporting events held in the city from annually to every other year. After scrutinising the plans no impact has been identified.

Temporary Closure of Abraham Moss and Moss Side Leisure centres for Refurbishment

The temporary closure of the facilities will adversely impact upon everyone (regardless of protected characteristics), and due consideration will be taken for those with protected characteristics by signposting to other centres and implementing additional provision. This activity will mitigate any negative impact.

Mediation Service

The mediation service works with individuals in private rented housing which has higher rates of younger people, some specific religious groups, cohabiting couples, students and some ethnic groups. However the proposal is to deliver the service through a different model that will ensure the service provision continues and any potential impact on these groups will be considered throughout the commissioning process.

Areas where the need for Equality Impact Assessments have been identified are detailed in the table below:

Proposal	EIA Proposed Completion Date	Senior Management Lead	Comments on initial potential impacts
Changes to VCS support (working with Children and Families Directorate) including the implementation of the Community Association Grants and Neighbourhood Investment Fund	April 2017 No immediate changes are planned; equality assessments will be embedded within the consultation and development process	Andy Wilson / Fiona Worrall	Funding is provided to community groups and organisations with users which fall under a range of protected characteristics.
Reductions Culture Grants	June 2016	Mark Duncan/ Jessica Bowles	Users of VCS organisations in receipt of these grants include; refugee and asylum seekers, people with disabilities; older people, young people etc.
Waste Management Contract	tbc	Mark Glynn / Fiona Worrall	Some users of specific services are yet to be identified however planned engagement work will support this. Users of clinical waste collections are likely to be older people or with disabilities.

Delivery Plan 4 – Draft Workforce Plan

Workforce Strategy

To enable the directorate to deliver the key strategic objectives around creating growth, developing places where people want to live and increasing access to jobs for Manchester people, we need to ensure the workforce is developed and managed in alignment with these priorities. This will include ensuring increased leadership and management capacity, with a particular focus on skilling our leaders at all levels to lead and shape places, develop, shape and create the conditions required to support the growth of the City and to influence without power, all of which is critical to driving the reform agenda and to improve outcomes and reduce dependency through behaviour change. Plans must be implemented to ensure that effective succession planning, skills development and career pathways at all levels are embedded to have the best opportunity of retaining the skills that are needed to develop an empowered and motivated workforce.

Over the past year, the revised model for the Neighbourhoods Service has been implemented, bringing together three service areas. The integration of services that has taken place means that this service area currently accounts for over half the FTE within the Directorate.

Capital Programmes and Property has also seen a significant change over the past year, with a new structure now in place.

For both of these service areas, the next year will focus on embedding the new model and ensuring that staff are equipped with the right skills and behaviours to be able to deliver on agreed priorities.

Development of skills across the Directorate remains a priority in order to develop the future workforce and implement appropriate succession plans and career pathways.

In the context of the GM Devolution Agreement, further opportunities to develop partnership and collaborative working and services must be reviewed to look at more effective and integrated ways of working, all whilst operating within the context of reducing budgets and workforce. The strategy should enable more innovative and efficient ways of developing the workforce, in the context of reduced resources, particularly considering front-line services, for example maximising opportunities afforded through e-learning packages and collaborative learning opportunities across services, directorates and partners.

Workforce Priorities

1. Developing Leadership and Capacity:

- Leadership Development within the Growth and Neighbourhoods Directorate, to ensure successful delivery of our Growth and Reform agenda, whilst continuing to deliver excellent services accessed and delivered at a neighbourhood level to support stable and sustainable communities.
- Development of skills and capacity to influence partners, external organisations and government to reform public services, support growth and ensure a lead role in the delivery of the GM Devolution Agreement.

- Clear leadership and vision to ensure successful delivery of the new Neighbourhoods Service. This will include working with staff to build resilience and independence.
- Continued development of a leadership and management culture which supports and enables ownership of people management issues.
- Continued focus on developing middle managers, of which coaching and mentoring will be an important element as well as continuing to develop basic skills.
- Empowering the Directorate's Wider Leadership Team to develop ideas and drive through improvements across the Directorate

2. Planning for the Future Workforce:

- Develop effective succession plans and clear career pathways to enable staff to actively move and progress within the organisation.
- Create apprenticeship and graduate opportunities to enable the Directorate to 'grow our own', particularly in those areas that require a specialist or technical skill.
- Explore options for future delivery models for Highways and Grounds Maintenance, ensuring that quality services are delivered.
- All opportunities for more efficient ways of delivering services will be explored, particularly focussing on where there can be improved efficiencies across services and directorates but also through joint working or commissioning from other organisations.

3. Developing Workforce Skills and Capacity:

- Ensure effective organisation development strategies and processes to deliver resident focussed and value for money services, led by the directorate, supported by HROD, with a on focus developing skills and awareness needed for driving Public Service Reform whilst considering requirements in the context of redesigned services and workforce reductions.
- Ensure effective strategies are in place to develop skills that are currently in short supply. This includes looking at how the Directorate can 'grow our own', and retain skills and experience.
- Development of a skilled, flexible, motivated and diverse workforce capable of delivering in an innovative, high performance, multi-agency context including developing skills such as stakeholder management and influencing skills, project management for collaboration to drive further joint working at a GM level, further development of commercial and commissioning skills and increased knowledge and understanding of investment models.
- Build on the existing skills / processes necessary to develop and work with a range of volunteers to build capacity and add breadth to service provision. In addition to these areas we will focus on professional development and career paths.
- Develop skills and capacity required for the Neighbourhoods Service, to ensure maximum community engagement and resilience.
- Opportunities for cross directorate and organisational learning will be maximised. Effective movement of staff around the directorate and more widely around the organisation in accordance with *mpeople* principles will be essential to deliver this and this will be supported by the HROD Strategic Workforce Planning Group and Directorate Resourcing Panel.

4. Reducing Worklessness

- Provide employment opportunities for Manchester Residents whilst delivering our skills pledge commitments through initiatives such as apprenticeships, work experience opportunities volunteer programmes.
- Work with partners and service providers to maximise opportunities to connect residents with work opportunities, such as through the waste and leisure contracts.

5. Reward and Recognition

- Ensure an effective, positive and motivated workforce to deliver the priorities of the Growth and Neighbourhoods Directorate.
- Formal recognition of directorate and individual achievements through Awards for Excellence.

Delivery Plan 5 – Draft Risk Register

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
1	Inability to maintain a balanced budget whilst maintaining critical services	Monthly budget monitoring Performance reporting framework DMT Scrutiny G&N Programme Board tracks delivery of savings.	4	2	8: Medium	No additional actions beyond response to performance triggers and escalation as appropriate	Deputy Chief Executive (G&N)
2	Communities and households do not engage with strategies to reduce waste disposal, particularly food waste. This results in increased financial liabilities through the waste levy and an inability to deliver planned reductions in spend (on corporate risk register).	Education, Engagement and Enforcement Strategy. Refreshed Communications strategy. More use of media for education. Targeted enforcement in areas of known non compliance. Overall approach agreed through Members Task and Finish Group -during 2015	4	3	12: Medium	Scrutinise progress for evidence of new strategies delivering. More intelligent information to emerge from new contract with Biffa. Implement recommendations from Elected Member Task and Finish Group.	Director of Neighbourhoods
3	Due to a changing commercial market, initial capacity assumptions within the GMWDA result in over capacity across the PFI. The over-provision results in all Councils being exposed to additional Waste Levy costs. Inflated costs mean the Council cannot demonstrate value for money	Recent establishment of the GM Treasurers Group, Strategic Officers Group and Review of Capacity Group provide opportunities to exert influence and recommend change. Informal Leaders session in December has applied a moratorium on further service changes until groups have issued full scrutiny reports and recommendations.	3	3	9: Medium	Implement outcomes and recommendations from the newly established group as part of a wider GM Council response to the Waste Levy.	Director of Neighbourhoods
4	Greater Manchester Area Based Review does not deliver outcomes and improvements to the post 16 provision. It does not drive the skills development required by Manchester businesses and residents now and in the future.	Combined Authority represented on Area Review Board. Clear criteria agreed by CA. Close working links between New Economy and MCC re the review Ongoing relationship with Department for Business, Innovation and Skills. Spending review appears to have widened the scope for determining strategies for skills development.	3	3	9: Medium	Further develop work with New Economy in relation to the Wider Area Review, including engagement with private training providers and 6 th form provision in schools.	Head of Work and Skills
5	The expansion of the Working Well Programme to 17,000 people, with broader cohorts, does not deliver to expectations, causing reputational damage from a Devolution perspective and financial impacts from the payment by results model.	Working Well Integration Board ensures Council and partners align priorities and services to support WW delivery. Payment by results contract is scrutinised at GM Working Well Leads Meeting, driving performance and delivery.	3	3	9: Medium	Ensure thorough induction for new providers and develop relationships that ensure city priority of people and place are adopted. Ensure thorough induction for new provider and develop relationships and the Working Well integration board to scale up to meet the needs of an expanded programme. Early work to ensure that the Manchester Fit for Work approach for out of work residents can be accommodated	Head of Work and Skills
6	Business Continuity Plans both within Council services and the supply chain do not mesh to address all key reliance's and protect the delivery of essential services.	Majority of services have business continuity plans and many of these are tested individually. Experience in activating plans in response to corporate incidents.	4	3	12: Medium	Undertake a mapping and review exercise of all plans to test assumptions. Review contractor plans in the context of service plans undertaking a gap analysis to identify vulnerabilities	Director of Neighbourhoods
7	Succession planning and workforce development does not progress at the required rate to ensure the	Directorate Workforce Plan Regular scrutiny and discussion at DMT	4	2	8: Medium	Need to determine priorities. Identification of single points of failure.	Strategic Business

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
	Directorate has the skills and experience necessary to deliver against its objectives.	Directorate dashboard tracks progress of staff and workforce development spend.				Ineffective strategic partnering will affect to deliver capital programme	Partner
8	Management of key contracts (eg, Waste and Street Cleansing, Leisure) does not deliver the required products and services necessary to assure the delivery of business plan objectives and planned outcomes for the directorate.	Clear Governance in place to manage contracts Client functions embedded within services focussed on assurance Regular scrutiny of Performance taking place	2	3	6: low	ICT integration at end of first quarter will support performance management arrangements for waste and street cleansing IMember review group to meet 6 monthly as part of the QA approach	Director of Neighbourhoods
9	Disruption caused by extensive road works impacts on ability to manage the city centre, Negative impacts include (i) perceived inability to manage programme within reasonable timescales, (ii) impacts on traffic flows and (iii) deterioration of relationships with city centre businesses and the public.	Responsibility for mitigating the risk is shared across a series of directorate services and partners.	4	3	12: Medium		Head of City Centre Growth and Regeneration
10	The Capital Programme is either insufficiently articulated in terms of content and scope or is not delivered in it's entirety and within timescales	The introduction of the Development Management Framework will provide an effective monitoring tool that will ensure regular and effective monitoring of the delivery of the capital programme as well as proving a useful benchmark of previous delivery to measure predicted delivery against.	4	2	8: Medium	The introduction and embedding of the DMF within CP&P is dependent on the securing of Primavera software and licences and the training of programme planners who will be responsible for managing the system.	Assistant Chief Executive (Growth)
11	Insufficient skills and resources within the Capital Programme workforce results in an over reliance on consultancy and contractors	Proactive attempts to recruit and retain permanent staff. Systems for internal staff development	3	3	9: Medium	Consider options for formal strategic partnership arrangements	Assistant Chief Executive (Growth)
12	The Capital Programme fails to ensure an operating surplus whilst delivering value for money. Funding is not available to support staff and skills development and to undertake a prospective programme of feasibility studies	A more robust approach to business planning as well as ensuring the Client Service Managers taking direct responsibility for the Profit and Loss of their service area will ensure the P&L records an appropriate surplus that will cover staff development and appropriate feasibility work.	3	3	9: Medium	The introduction of a Finance Manager on the Corporate Core establishment but funded by CP&P should help to ensure the effective management of the P&L.	Assistant Chief Executive (Growth)
13	The operational estate does not meet the Council's needs in the context of required capacity and transformation and opportunities for co-location with partners (on corporate risk register).	The restructure of CP&P has now gone live that includes the full introduction of the Corporate Landlord with appropriate resourcing to deliver estates rationalisation and transformation. Furthermore the setting up of strong governance arrangements through the estates Board will ensure corporate oversight and priority is given to this work.	3	4	12: Medium	Undertake stock surveying that determines content, scope and condition. Determine a strategy for integration and co-location. Consider potential impacts of any required Town Hall decant to support renovation and change of use.	Assistant Chief Executive (Growth)
14	A sufficient supply of residential housing stock does not emerge. Specifically, insufficient housing is delivered that meets affordability criteria of residents on an average income and the emerging housing offer lacks the required diversity to meet the spectrum of need.	The draft Residential Growth Strategy sets out how the residential pipeline necessary to maintain the City's economic growth will be met. Residential growth governance arrangements are being reviewed and revised to ensure a strong set of project boards that ensure delivery of residential growth are in place.	3	3	9: Medium	Strategic Development are now resourced to take direct responsibility for delivering the key actions within the delivery plan that accompanies the residential Growth Strategy.	Assistant Chief Executive (Growth)
15	Requirements for registered housing providers to reduce rents over the next four years leads to a deficit emerging within the HRA generally and Northwards Housing specifically.	A full review of the HRA will be undertaken over the next year which will not only look at how Northwards can be more sustainable in a climate of reduced rents but alternative arrangements to an ALMO managing council housing stock is	4	3	12: Medium	A draft HRA business plan has been produced and as part of the review process consideration will be given to the level of HRA funding that supports other Council services including Housing, other parts of Growth and	Assistant Chief Executive (Growth)

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
		considered.				Neighbourhoods and overhead charges for services provided by the Corporate Core – finance, HR, IT etc.	
16	The management of the investment property estate fails to deliver an income stream for the Council and/or deliver required savings. Less profitable parts of the portfolio are not offset by opportunities to increase income elsewhere.	Work will continue to be undertaken to manage the risk associated with those parts of the investment estate. The re-tendering of the Jacobs contract will not only ensure a more robust management of the investment estate but a sharing of risk and reward.	2	3	6: Low	An Executive report setting out options for Heron House will help to address a long standing challenge. Further work around the airport will ensure that opportunities to increase income are maximised. Further work will be undertaken to increase the City's digital assets.	Assistant Chief Executive (Growth)
17	The Council cannot demonstrate that regulatory capacity is sufficient to effectively assure food hygiene standards across the growing base of commercial outlets. Food Standards Agency audit recommendations are not met.	A programme for clearing backlog of assessments is in place. The strategy for inspections has been refreshed. Revised management structures in place to reduce the risk of recurrence. Strengthened management also provides enhanced strategic intelligence.	2	3	6: Low	FSA review in March 2016	Director of Neighbourhoods
18	Partial compliance with conditions of EU funding criteria results in clawback, either in historic workstreams funded through CLG and previous EU funding streams or in current workstreams funded through the ESIF programme.	Corporate knowledge and technical expertise within a team of experienced officers. Detailed internal scrutiny on a case by case basis.	3	3	9: Medium	Maintenance of capacity and corporate knowledge necessary to generate evidence of compliance in response to external scrutiny and audit	Head of Policy, Partnerships and Research