

The Executive

Minutes of the meeting held on 17 February 2016

Present: Councillor– Leese in the Chair
Councillors Andrews, Battle, Chappell, Flanagan, N Murphy, S Murphy and Priest

Also present as Members of the Standing Consultative Panel:
Councillors Akbar, Dar, Manco, Stogia and Rahman

Exe/16/022 Minutes

Decision

To approve the minutes of the meeting held on 3 February 2016 as a correct record.

Exe/16/023 Budget 2016/17 Strategic Response

A report by the Chief Executive, the City Treasurer and the City Solicitor set out the implications for the City Council of the final Local Government Settlement for 2016/17. The report set out the strategic framework which had guided the detailed development of a budget strategy for 2016/17.

The strategic position of the city was described in the report, and how this was changing and developing. The investment in culture, transport, the public realm, the universities and in schools had all helped to stimulate economic growth in the city. These developments were all enhancing Manchester, improving the city as both a visitor destination and as an attractive place to live and work.

The report proposed that the Council set a one-year budget for 2016/17, not a three-year budget. The Final Finance Settlement from Government had included provisional figures for a four-year period. Council were being offered a four-year settlement on the production of an efficiency plan, but details on how that was to operate were not yet available. Councils were being given until 14 October 2016 to accept a four-year settlement, and so the potential for that was to be explored in the coming months.

The report examined the announced level of the Settlement Funding Assessment (SFA) and the other major grants and funds that made up the overall funding to the Council from government. It also explained the expected receipts from Council Tax. In addition to other planned rises, the Government was going to allow councils to add a further 2% increase onto their Council Tax provided the extra money so raised was spent on providing adult social care. The intention was for the Council to add this 2% onto the Council Tax in 2016/17 and that was projected to raise an additional £2.48m in 2016/17.

Taken together, whilst the core funding by way of the SFA was being reduced by 9.07%, other sources of funds meant that the overall spending power of the Council was reducing by £15.57m, or by 3.58%. The main changes were:

	adjusted	
	2015/16	2016-17
	£,000	£,000
Spending Power Changes 2015/16 to 2016/17		
Settlement Funding Assessment	305,029	277,373
Council Tax: the requirement excluding parish precepts	118,808	125,705
Council Tax: additional revenue from 2% for social care	0	2,482
New Homes Bonus and returned funding	10,790	13,501
Core Spending Power	<u>434,627</u>	<u>419,061</u>
Change £,000		-15,566
Change %		-3.58%

The reports explained the implications of the reduction. The budget gap in 2016/17 that the funding cuts had produced was £18.7m. The report set out how the means of closing that gap had been developed and considered.

The budget principles which had guided budget setting in recent years had again been used to ensure a strong focus on taking forward the ambition for the City and on improving the quality of services. They were:

- leadership for reform to create economic growth, reduce worklessness and dependency, and promote private sector investment;
- targeted services to provide effective safeguarding and protect the most vulnerable;
- universal services to ensure provision of high standard of services for residents from education to libraries;
- that budgets should be neighbourhood-focused;
- Centres of Excellence in the core of the Council to drive reform and provide effective support services; and
- to proceed in collaboration with partners and in consultation with residents.

At the meeting a comparison was made between the levels of funding cuts that the Council had been required to manage in recent years, and the cuts that the Government had applied to Surry County Council in the same period. Manchester had been the 7th hardest-hit local authority in England.

Decisions

1. To note the impact on the City as a result of the final Local Government Settlement as it affects Manchester.
2. To agree to consider the Revenue Budget 2016/17 report later on the agenda in the context of the overarching framework of this report.
3. To support the overall direction of travel for dealing with the challenges for 2016/17.

4. To note that the Final Finance Settlement includes published figures for the four year period and the ability to agree a four year funding settlement on the production of an Efficiency Plan.
5. To note the process for developing a Medium Term Financial Plan for 2017/20.

Exe/16/024 Children and Families Budget and Business Planning 2016/17

A report by the Deputy Chief Executive (People), the Strategic Director Adult Social Services, the Strategic Director of Children's Services, the Director of Education and Skills, and the City Treasurer provided information on the proposed budgets for the Children and Families directorate, and changes to Directorate that would result.

These proposals for the Children and Families budget and business plan had been presented to scrutiny committees in January and we were aware of the committees' views and responses to them (Minutes YPC/16/05, YPC/16/06, HSC/16/04 and HSC/16/05). The budgets and plans were also the subject of ongoing public consultation which was to end later in February.

The Directorate's net budget in the current year was £261.446m with an establishment of 2,840 staff posts. The report set out the strategic priorities for the services, the demands and pressures being addressed and the areas for growth and investment needed for demographic change and other pressures. In February 2015, as part of the setting of the 2015/16 budget, significant savings had been agreed for 2016/17. The setting of the 2016/17 budget had incorporated those agreed savings, and further savings had been identified to close the Council's budget gap. The report also described the progress that was being made with the savings already agreed for 2015/16 and 2016/17. Taken together, the net effect of the proposals for 2016/17 was a net budget of £248m with an establishment of 2,805 staff posts.

For 2016/17, the overall changes proposed to the service areas were:

Children and Families Service Area	2015/16	2016/17			
	Net Budget £,000	Agreed savings £,000	Further savings £'000	Other changes £'000	Net Budget £'000
Children's Safeguarding	67,754	(300)	(4,634)	0	62,820
Adult Social Care	121,762	(1,309)	(2,795)	(651)	117,007
Directorate core and back office	10,560	0	0	0	10,560
Public Health	34,835	(6,230)	(871)	0	27,734
Education and Skills	26,535	(1,544)	(562)	5,458	29,887
Total	261,446	(9,383)	(8,862)	4,807	248,008

The Delivery Plan that was included in the report set out performance measures for the services within the directorate. It also included the Equality Overview and Action Plan, the risk register and the workforce strategy.

Decision

To approve the proposals in the report to be included in the budget to be recommended to Council.

Exe/16/025 Manchester Health and Social Care Locality Plan – A Healthier Manchester

We considered a report that the Joint Director Health and Social Care Integration had presented to the Health and Wellbeing Board of the Council in November 2015 (Minute HWB/15/44). The report described progress on the development of the Health and Social Care Locality Plan for the city. The partnership of health and care providers in Manchester had been working on the plan for the development of health and care integration. Over time this draft plan, the Locality Plan, had become a commissioner-led whole-system strategic document that was to outline the strategic approach to improving the health outcomes of residents whilst also moving towards the financial and clinical sustainability of health and care services. The draft Locality Plan also complemented the Greater Manchester Strategic Plan for Health and Social Care Devolution.

The expectation was for the final version of the Locality Plan to be considered by the Health and Wellbeing Board in March 2016.

We were aware that this report had also been considered by the Health Scrutiny Committee in January (Minute HSC/16/06) and that the committee had endorsed its recommendations.

Decisions

1. To note the latest draft locality plan as it relates to the Budget and business plan proposals for the Children and Families Directorate.
2. To note that the final revised Locality Plan is to be submitted in March.

Exe/16/026 Pooled Budgets 2016/17

In March 2015 we had approved proposals for an agreement that would be the legal framework for a pooled budget between the Council and the three Manchester Clinical Commissioning Groups (CCGs) – referred to as a Section 75 Agreement. The pooled budget was to be used for monies that had been allocated to the city by the Government to support the integration of health and social care (Minute Exe/15/036).

In January 2016 the Health and Wellbeing Board had considered and approved proposals for the first phase of the programme to expand this pooled fund (Minute HWB/15/03). A joint report submitted by the Deputy City Treasurer and Chief Financial Officer of the CCGs explained the proposal to expand the current pooled budget to £95.986m from 1 April 2016. That would include £11.128m of City Council service budgets. The report presented was substantially that which the Health and

Wellbeing Board had also considered in January. It explained the services that were to be expanded in this first phase of further development the pooled budget:

- adult community health and social care (through 'Neighbourhood Teams');
- urgent care first response / single point of access; and
- community assessment and support service (integrated intermediate care and reablement).

We were aware that this report had also been considered by the Health Scrutiny Committee in January (Minute HSC/16/07) and that the committee had endorsed its recommendations.

Decisions

1. To note the report.
2. To agree in principle the proposal to expand the current pooled budget from 1 April 2016 to £95.986m which includes £11.128m of City Council service budgets.
3. To delegate authority to finalise the arrangements for the pooled budget to the City Treasurer and the Director of Adult Social Care in consultation with the Executive Member for Finance and Human Resources and the Executive Member for Adult Health and Wellbeing.
4. To note the intention to move to a much greater pooled budget including adult social care and community health resources to underpin the proposals for the integration of health and social care as set out in the locality plan; these proposals to be presented in due course.

Exe/16/027 Growth and Neighbourhoods Budget and Business Plan 2016/17

A joint report by the Deputy Chief Executive (Growth and Neighbourhoods) Strategic Director (Strategic Development) provided information on the proposed Growth and Neighbourhoods directorate budgets for 2016/17, and the changes that would result.

These proposals for the Growth and Neighbourhoods budget and business plan had been presented to scrutiny committees in January and we were aware of the committees' views and responses to the proposals (Minutes NSC/16/04, NSC/16/05, ESC/16/07 and ESC/16/08). The budget plans were also the subject of ongoing public consultation that was to end later in February.

The Directorate's net budget in the current year was £108.801m with an establishment of 1,268 staff posts. The report set out the strategic priorities for the services, the demands and pressures being addressed and the areas for growth and investment needed for demographic change and other pressures. In February 2015, as part of the setting of the 2015/16 budget, significant savings had been agreed for 2016/17. The development of the 2016/17 budget had incorporated those already agreed savings, with further proposals identified to close the Council's budget gap. The report also described the progress that was being made with the savings already

agreed for 2015/16 and 2016/17. Taken together, the net effect of the proposals for 2016/17 was a net budget of £102.616m with an establishment of 1,240 staff posts.

For 2016/17, the overall changes proposed to the service areas were:

Growth and Neighbourhoods Service Area	2015/16	2016/17			Net Budget £'000
	Net Budget £,000	Agreed savings £,000	Further savings £'000	Other changes £'000	
Neighbourhoods - Commissioning & Delivery	77,682	(1,500)	(665)	(933)	74,584
Neighbourhoods - Compliance & Enforcement	6,012	0	(60)	0	5,952
Neighbourhoods - Libraries, Galleries & Culture	10,490	(225)	(218)	0	10,047
Neighbourhoods - Area Teams	2,926	(838)	0	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		(45)	0	2,061
Planning, Building Control and Licensing	141	0	(450)	0	(309)
Property – Operational	20,187	(450)		0	19,737
Property - Investment Estate	(13,715)	0	(750)	0	(14,465)
Capital Projects and Technical Services	(21)	0		0	(21)
Strategic Development	84	0		0	84
Strategic Housing	884	0	(22)	0	862
Directorate Support	457	0	(29)	0	428
Democratic Core	35	0	0	0	35
Total	108,801	(3,013)	(2,239)	(933)	102,616

The Delivery Plan that was included in the report set out performance measures for the services within the directorate. It also included the Equality Overview and Action Plan, the risk register and the workforce strategy.

Decision

To approve the proposals in the report to be included in the budget to be recommended to Council.

Exe/16/028 Corporate Core Directorate Budget and Business Planning 2016/17

A report by the Chief Executive, City Treasurer, City Solicitor, Deputy City Treasurer and Chief Information Officer provided information on the proposed budgets for the Corporate Core, It also described the changes that would arise from the budget.

These proposals for the Corporate Core budget and business plan had been presented to the Finance scrutiny committee in January and we were aware of the committee's views and responses to the proposals (Minute FSC/16/03). The budget

plans were also the subject of ongoing public consultation that was to end later in February.

The total net budget for the two directorates that make up the Corporate Core of the Council for the current year was £47.16m, with an establishment of 2,400 staff posts. The report set out the strategic priorities for the services, the demands and pressures being addressed and the areas for growth and investment needed for demographic change and other pressures. In February 2015, as part of the setting of the 2015/16 budget, significant savings had then been agreed for 2016/17. The setting of the 2016/17 budget had incorporated those already agreed savings, and further savings had been identified to close the Council's budget gap. The report also described the progress that was being made with the savings already agreed for 2015/16 and 2016/17. Taken together, the net effect of the proposals for 2016/17 was a net budget of £44.623m with an establishment of 2,371.45 staff posts.

For 2016/17, the overall changes proposed to the service areas in the two directorates were:

Corporate Core Service Area	2015/16	2016/17			Net Budget £'000
	Net Budget £,000	Agreed savings £,000	Further savings £'000	Other changes £'000	
Communications	3,095	(25)	(222)	0	2,848
Performance, Research and Intelligence	3,068	0	(100)	0	2,968
HR/OD	3,360	0	(45)	0	3,315
ICT	12,100	(435)	0	0	11,665
Reform and Innovation	726	0	0	0	726
Sub Total Performance	22,349	(460)	(367)	0	21,522
Legal Services	2,334	(50)	(65)	0	2,219
Democratic & Statutory Services	3,071		(39)	0	3,032
Executive Office	3,662	(92)	0	0	3,570
Sub Total Legal & Democratic Services	9,067	(142)	(104)	0	8,821
CEX Corporate Items	1,812			1,105	2,917
Total Chief Executives	33,228	(602)	(471)	1,105	33,260
Corporate Services					
Procurement	1,033	(50)	(43)	0	940
Revenue and Benefits	7,943	(130)	(200)	0	7,613
Shared Service Centre	1,683	(120)	(100)	0	1,463
Customer Services	3,944	(147)	(126)	0	3,671
Financial Management	5,658	0	(119)	0	5,539
Audit, Risk and Resilience	1,500	0	(120)	0	1,380
Corporate Services Corporate Items	256	0	0	0	256
Business Units	(8,139)	140	(1,500)	0	(9,499)
Total Corporate Services	13,878	(307)	(2,208)	0	11,363
Grand Total Corporate Core	47,106	(909)	(2,679)	1,105	44,623

The Delivery Plan that was included in the report set out performance measures for the services within the directorates. It also included the Equality Overview and Action Plan, the risk register and the workforce strategy.

At the meeting the Leader explained that two amendments to the means of achieving the budget proposed in the report were to be made. The first was the means of achieving a minor saving of £5k for providing legal support to hearing panels of the Licensing and the Licensing and Appeals Committees. The saving of £5k would still be made but the Executive Member was to work with the Chair and Deputy Chair of those Committees to see how best it could be achieved. The second related to on-street car parking in the city centre and the proposal to achieve a further £160K of income through more efficient enforcement of parking charges. So as to provide a greater incentive for increased use of parking zones 3 and 4 in the city centre the charges in the zones would be rebalanced to promote more use of zones 3 and 4, but with no net increase in the overall charges or a change in the level of income to be achieved.

Decision

To approve the proposals in the report to be included in the budget to be recommended to Council, incorporating the two revisions put forward at the meeting.

Exe/16/029 Draft ICT and Information Strategy 2015-18

A report by the Chief Information Officer and Deputy City Treasurer presented a draft strategy for Information, Communications and Technology (ICT) for the Council over the period 2015-18. The draft set out a vision and direction for ICT that supported the ambitions and priorities of the Council. The strategy was to be further developed in line with the priorities set out in the Greater Manchester Strategy, the Greater Manchester Strategic Plan for Health and Social Care, and the Manchester Strategy.

The draft also sought to address the priorities as reflected in the directorate budget and business plans that were being presented to this meeting. This draft was being presented to this meeting to inform the decisions on the development of the directorate budgets, the capital strategy, and a longer term investment strategy.

We were aware that this report had also been considered by the Finance Scrutiny Committee in January where the committee had endorsed the recommendation (Minute FSC/16/03).

Decision

To note the draft ICT and Information Strategy as how it relates to the budget and business plan proposals for 2016/17.

Exe/16/030 Revenue Budget 2016/17

A report by the Chief Executive, City Treasurer and City Solicitor proposed the revenue budget for 2016/17. The proposed budget was based on the outcome of the Financial Settlement and the issues which needed to be taken into account prior to the Council finalising the budget and setting the Council Tax for 2016/17.

(i) Budget Assumptions

The report explained that the budget had been based on these assumptions:

- A reduced Settlement Funding Assessment (SFA) figures (Revenue Support Grant, Estimated Retained Business Rates income and Business Rates top up) of £23.2m (7.7%) in 2016/17, noting that when the restated 2015/16 SFA figure was used the reduction was £27.7m (9%).
- A decrease in income of £1.6m for business rates when compared to the baseline estimated by Government. This included the estimated deficit for the business rates element of the Collection Fund from 2015/16 and use of the business rates reserve.
- A 3.99% increase in Council Tax, (consisting of 2% allowed for adult social care and a 1.99% general increase).
- An increase in the Council Tax base in 2016/17 of 3.1%.
- The use of additional £7.1m airport dividend to support the revenue budget as per the July 2015 announcement, alongside the £13.7m additional interim dividend announced in December 2015.
- A decrease in the Greater Manchester Waste Levy of £1.5m (4.3% reduction) in 2016/17.

(ii) Consultation and Equalities

Consultation on the proposed budget was currently underway. The general budget consultation for 2016/17 had begun on 25 January and was to continue for four weeks until 19 February 2016. A further consultation was being undertaken by the Children and Families Directorate in relation to free travel passes, and that was to end on 26 February 2016. Separate from the budget consultations, another consultation had been undertaken on the resource allocation methodology for people being assessed for social care, support and personal budgets. That had taken place between 15 December 2015 and 14 February 2016.

The report explained that full consideration was to be given to the Public Sector Equality Duty and that directorates were carrying out full and comprehensive Equality Impact Assessments (EIAs) on their budget proposals where appropriate. Those assessments were to consider in detail what impact the proposals could have on the protected characteristics of age, disability, gender re-assignment, pregnancy, maternity, race, religion or belief, sex and sexual orientation. They would then look at what action would be taken to mitigate the risk of disproportionate impacts upon those with protected characteristics.

Each of the three Directorate Delivery Plans that were included in the Directorate budget reports also included the Equality Overview and Action Plan for that Directorate (Minutes Exe/16/024, Exe/16/027 and Exe/16/028 above).

(iii) Resources Available

The Government's Final Finance Settlement for the Council had been published earlier in the month. It had set out the reductions being made to the Council's Core Spending Power, which included the Government's assessment of business rates income for the Council. It also included the actual Settlement Funding Assessment. The report explained that the following grants had been added into the Settlement Funding Assessment to calculate the 2015/16 restated figure:

- Council Tax Freeze Grant 2015/16 of £1.546m;
- Funding for lead local flood authorities of £56k; and
- Care Act 2014 funding, with a notional element of £2.816m included.

The totals for the Settlement were:

Main Government Funding 2016/17	2015/16 £'000	2016/17 £'000	Increase / (Reduction)
Revenue Support Grant (RSG)	138,358	113,768	(24,590)
Retained Business Rates Income	154,741	156,030	1,289
Business Rates Top-up	7,512	7,575	63
Total Settlement Funding Assessment	300,611	277,373	(23,238)

The Public Health funding to the Council was set to reduce by 2.2% in 2016/17 and a further 2.5% in 2017/18. The allocation in 2016/17 was to be £54.596m.

In addition to the Settlement Funding Assessment and Public Health Grant, other sources of government funding had also been included in the budget. These were explained in the report and summarised as:

Non-ringfenced Grants	2015/16 £'000	2016/17 £'000
New Homes Bonus	10,264	13,128
New Homes Bonus Adjustment Grant	521	373
Housing Benefit Admin Subsidy	4,099	3,359
Council Tax Support Admin Subsidy	953	953
Education Services Grant	5,296	5,000
Special Educational Needs and Disability Implementation	336	383
Council Tax Freeze Grant	1,546	0
Lead local Flood Authorities	56	0
Council Tax New Burdens Funding	174	174
Care Act Grants	1,973	162
Total Non-ringfenced Grants	25,218	23,532

The report also summarised the government funding and grants that had been included within the directorate budgets and so had been allowed for in the directorate net budgets considered earlier.

Business Rate Grants had also been included in the budget. These were being awarded by the Government to offset the reduction in business rates yield due to the changes announced in previous Autumn Statements. It had been estimated that those changes would reduce the Council's Business Rate income by £5.076m in

2016/17. Furthermore, the cost of discounts awarded to qualifying businesses within the Enterprise Zones in Manchester was also to be reimbursed to the Council, and this had been estimated at £1.533m.

Business Rate Grants	2015/16 £'000	2016/17 £'000
Business rates cap 2015/16 – section 31	2,280	2,212
Small Business Rates Relief – section 31	2,529	2,777
Long term empty property relief – section 31	30	87
Relief to retail properties – section 31	780	0
Enterprise Zone discounts	0	1,533
Total Business Rates Grants	5,619	6,609

A charge of £1.559m had also been made in the budget for the expected difference between Government's estimate of Manchester's retained rates and the Council's lower estimate, which took into account the estimated 2015/16 deficit brought forward and the use of the business rates reserve.

For the Council Tax, any authority wishing to set a Council Tax involving an increase of 4% or more in 2016/17 was to be required to hold a referendum on that proposal. The Government had also ended the Council Tax Freeze Grant that had been offered in previous years. In setting the Council's budget it was intended that the Council utilise the facility offered by Government to increase Council Tax by 2% to provide for adult social care. That was expected to raise an additional £2.475m. A further increase of 1.99% over and above that was also being proposed, to provide a further £2.463m, and to make the overall increase below the level that would require a referendum. With those two increases included, the total expected income from the Council Tax in 2016/17 was £131.679m.

The Council received shareholder dividends from a number of sources, the most significant of which was from Manchester Airport Group. As had been the case in 2015/16, the dividends from the airport were to be used to support the revenue budget.

Taken together the resources available to the Council and included in the budget were:

Total Resources Available	2015/16 £'000	2016/17 £'000
Settlement Funding Assessment	300,611	277,373
Public Health Funding	48,303	43,983
Public Health 0-5 Funding	5,441	10,613
Other non ring fenced Grants	25,218	23,532
Business Rates Grants	5,619	6,609
Business Rates Increased / (reduced) Income	1,654	(1,559)
Council Tax	122,338	131,679
Dividends, Use of Reserves and other Income	17,827	31,337
Total Resources Available	527,011	523,567

(iv) Use of Resources

As explained in the directorate budget reports (Minutes Exe/16/024, Exe/16/027 and Exe/16/028 above) the proposed directorate cash limits, taking into account savings proposals, pressures and investments, but excluding the Greater Manchester Waste Disposal Levy (that was included in the Growth and Neighbourhoods figures in Minute Exe/16/027) were:

Directorate Budget Requirements	2015/16 Net £'000	2016/17 Net £'000
Children and Families	261,446	248,008
Growth and Neighbourhoods	74,839	70,121
Corporate Core	47,106	44,623
Cross Cutting	(251)	(251)
Total	383,140	362,501

The Council is responsible for paying a number of levies or charges to other joint bodies and organisations, most notably the Greater Manchester Waste Authority and the Greater Manchester Combined Authority Transport Levy. The GM Waste Disposal Authority levy was included within the Growth and Neighbourhoods directorate budget report. The estimates for the levies and charges for 2016/17 compared with the current year were:

Levies and Corporate Charges	2015/16 £'000	2016/17 £'000
GM Combined Authority Transport Levy	36,972	36,039
GM Waste Disposal Authority	33,962	32,495
Environment Agency	189	196
Probation (Residual Debt)	22	22
Magistrates Court (Residual Debt)	9	9
Port Health Authority	71	71
Total Levies	71,225	68,832

The contingency provisions that were proposed for the budget were currently estimated as £2.3m for 2016/17. The items included were:

- £1.5m to meet any potential increased charges from the GMWDA levy;
- £0.2m to support more Council staff to have access to the intranet;
- £0.6m as an unallocated contingency to meet future unforeseen expenses.

Capital financing costs had been calculated based on the assumptions on unsupported borrowing included within the Capital Programme. Any agreed changes to the capital programme that affected the proposed level of borrowing would therefore have an impact on the estimated capital financing costs. The estimated requirement for 2016/17 was £51.982m.

Budget provision had also been made for the historic pension costs that arose from the former practice of awarding additional years of service to employees on their retirement. The budget allowance was £5.508m for former teachers, and £5.228m for other former employees.

An allocation of £2.004m was proposed for the cost of external insurance policies as well as contributions to the insurance fund reserve for self-insured risks.

Budget provision was also being made for £11.465m of budget pressures and growth or investment needs for 2016/17. The breakdown of the total between the directorates was:

- Children and Families directorate £5.740m
- Growth and Neighbourhoods directorate £1.789m
- The Corporate Core £3.936m

A budget provision of £2.1m was being to tackle fly-tipping, pavement and highways repairs, street cleaning and other issues regularly raised by Manchester residents as a priority.

The report also explained that budget provision was to be held centrally for known issues where the final cost to the Council was not yet certain or where the breakdown over services has not yet been ascertained. The estimated amount for 2016/17 was £16.596m, and the breakdown of the total was:

- £2.306m for price inflation;
- cumulative pay inflation of £2.5m
- commissioning costs relating to the increase to minimum wage of £6.2m
- £1.297m provision in 2015/16 for increasing pension costs
- £3.443m for the single state pension and the contracting out rebate
- £0.660m to meet the Carbon Reduction Tax
- £40k annual allocation to the Cemeteries Replacement Reserve
- The removal of £150k for the Discretionary Support Scheme

(v) Summary of the Resources Available and the Budget Requirement

	2015/16 £'000	2016/17 £'000
Summary of the Resources		
Resources Available		
Settlement Funding Assessment	300,611	277,373
Public Health Funding	48,303	43,983
Public Health 0-5 Funding	5,441	10,613
Other non ring fenced Grants	25,218	23,532
Business Rates Section 31 Grants	5,619	6,609
Business Rates Increased/(reduced) Income	1,654	(1,559)
Council Tax	122,338	136,617
Dividends, Use of Reserves and other Income	17,827	31,348
Total Resources Available	527,011	528,516
Resources Required		
Corporate Costs		
Levies/Charges	71,225	68,832
Contingency	1,160	2,300
Capital Financing	51,982	51,982
Sub Total Corporate Costs	124,367	123,114

	2015/16	2016/17
	£'000	£'000
Summary of the Resources		
Services and Directorate and Costs		
Directorate Budgets (excluding GMWDA Levy)	383,140	362,501
Additional Allowances and other pension costs	10,736	10,736
Insurance Costs	2,004	2,004
Unfunded pressures	0	11,465
Environmental Improvements	0	2,100
Transfer to Reserves	834	0
Inflationary Pressures and budgets to be allocated	5,930	16,596
Sub Total Directorate Costs	402,644	405,402
Total Resources Required	527,011	528,516

(vi) Reserves

As is required of all local authorities, the Council holds a General Reserve to meet potential unplanned future costs. In addition to the General Reserve, other earmarked reserves had been built up to meet anticipated and specific future demands for expenditure. The specific reserves included:

- Statutory reserves – where the use of these monies is defined in statute
- PFI Reserves – held to meet costs across the life of the PFI schemes
- Reserves to offset risk and manage volatility – such as the Insurance Reserve, and reserves to smooth volatility in for example adult social care placements due to winter pressures
- Schools reserves –schools’ funding which the council cannot utilise
- Reserves held to support capital schemes
- Reserves to support economic growth and public sector reform including the Manchester Investment Fund
- Grants and contributions which fall across more than one year, under the revised accountancy arrangements for IFRS these are now held in a reserve

The overall proposals for the planned use of the reserves in 2016/17 were:

	2016/17
	£'000
Use of reserves to support the budget	
Bus Lane and Parking reserves	6,911
Other Statutory Reserves	211
Street Lighting Private Finance Initiative	441
Small Specific Reserves	101
Airport Dividend Reserve	22,787
Other Reserves held to smooth risk / assurance	3,084
Capital Fund	2,554
Clean City Reserve	6,911
Children and Families Investment Reserve	7,447
Other Economic Growth and Public Service Reform	523
Grants and contributions for commitments over more then one year	5,372
General Fund	11
Total	56,354

The detail of these proposals was set out in the report and a schedule of all the reserves was appended to the report.

For the Parking Reserve and Bus Lane Enforcement Surpluses and Reserves, where the use of the reserves was controlled by statute, the expected balance on these reserves at 1 April 2016 was £5.187m and contributions to the reserves in 2016/17 were estimated at £6.298m. Officers advised us and we agreed that as there was no requirement for the Council to provide additional off-street parking and no requirement for financial support to existing off-street parking, the following could be funded from the Reserves:

	2015/16 £'000	2016/17 £'000
On Street Parking Enforcement Reserve:		
proposed spend on highways, environmental works etc	(4,582)	(5,582)
estimated balance at 31 March 2017	3,235	2,837
Bus Lane Enforcement Reserve:		
estimated Spend on Metroshuttle	(1,329)	(1,329)
estimated balance at 31 March 2017	1,952	1,737

It was estimated that the balance on the General Fund Reserve at 1 April 2016 would be £25.0m. The level of the un-earmarked General Fund reserve held had been risk-assessed by the City Treasurer and the level was felt to be prudent given the level of volatility in council funding streams and the uncertainties on business rates and appeals. Given the risks identified in the report we accepted the advice of the City Treasurer who felt that it would be prudent, in light of those risks, to maintain the reserve at this level.

(vii) Workforce Issues

Since the period of substantial budget reductions and government cuts had begun in 2010/11 the Council had seen a workforce reduction of about 3,900 FTE, about 40% of the then workforce. These budget proposals for 2016/17 would necessitate a small number of further workforce reductions, of approximately 45 posts in addition to the 47 previously agreed for 2016/17 as part of the 2015/16 budget process. However, the investments and growth proposed in the budget were also to create enhanced capacity of about 45 FTE to support organisational priorities. We accepted that the Council needed to consider all possible options open to it to ensure that the required reduction in posts could be made to achieve the budget savings required. The Council intended to aim to avoid compulsory redundancies, however, if all other options did not offer or could not deliver the required saving, the Council would need to reconsider its position, including in relation to compulsory redundancies, in order to ensure that it would have a balanced budget and robust medium term financial strategy.

(iiiv) Strengths-Based Approach and the Voluntary Sector

The report explained how in the previous two years considerable work had been carried out with the third sector to ensure that it remained a significant partner in working with the Council to deliver Manchester's priorities. The possible effects of the 2016/17 budget proposals on the Third Sector has been co-ordinated and monitored through a council-wide officer group. That had ensured that the proposals were reviewed and any cumulative impact considered. In line with the recently adopted Manchester Strategy (Minute CC/16/10) many of the budget proposals for 2016/17 had been based on there being a different relationship between public services and the city, unlocking the power and potential of residents, communities and businesses. The Council and its partners were therefore developing a new plan for what this would mean in practice, drawing on learning from other authorities and from Manchester's own programmes such as Age Friendly Manchester and its behaviour change programme.

(ix) Robustness of the Estimates

The report and appendix one set out for our consideration the Council's legal duties in relation to calculating the budget requirement and setting the Council Tax, and also the particular duties of the City Treasurer.

Under S25 of the Local Government Act 2003 the City Treasurer had to report to Council on the robustness of the estimates and the adequacy of reserves.

The City Treasurer had examined the major assumptions used within the budget calculations and the risks associated with the budget strategy and the savings requirements. His opinion on the necessary level of reserves was set out in the report. It was the opinion of the City Treasurer that any significant budget risks to the General Fund and the Housing Revenue Account had been identified and that suitable proposals were being put in place to mitigate against these risks where possible. Furthermore, the Council's budget monitoring procedures were well developed and were designed to specifically monitor high level risks and volatile budgets. His view was that the assumptions on which the budget had been proposed, whilst still as challenging as they had been in recent years, were manageable within the flexibility allowed by the General Fund balance. However, it remained important that budget savings continued to be achieved in a timely manner.

Prudential Indicators for 2016/17 and indicative indicators for 2017/18 and 2018/19 were presented in an appendix to the report, and we approved those.

Decisions

1. To note the outcome of the final Local Government Finance Settlement.
2. To approve, as set out in the report, the budget proposals for a balanced budget for 2016/17.
3. In reaching decisions in relation to the final budget for 2016/17, to note and accept the reports from individual Strategic Directors and the proposals for service and expenditure changes (Minutes Exe/16/024, Exe/16/027 and Exe/16/028 above).

4. To note the City Treasurer's review of the robustness of the estimates and the adequacy of the reserves.
5. To recommend that Council approve:
 - a. an increase in the basic amount of Council Tax (ie the City's element of council tax) by 3.99% (including 2% for adult social care);
 - b. the contingency sum of £2.3m in 2016/17;
 - c. the inflationary pressures and budgets to be allocated sum of £16.596m in 2016/17; and delegate authority to decide the final allocations of those to the City Treasurer in consultation with the Executive Member for Finance and Human Resources;
 - d. the pressures and growth bids of £11.465m and delegate authority for the allocations of the funds to the City Treasurer in consultation with the Executive Member for Finance and Human Resources;
 - e. corporate budget requirements to cover the cost of levies / charges of £68.832m, capital financing costs of £51.982m, additional allowances and other pension costs of £10.736m and insurance costs of £2.004m;
 - f. the estimated utilisation in 2016/17 of £6.911m of the surplus from the on street parking and bus lane enforcement reserves after determining that any surplus from these reserves is not required to provide additional off street parking in the authority; and
 - g. the position on reserves as identified in the report subject to the final call on reserves after any changes are required to account for final levies etc.
6. To delegate authority to the City Treasurer and Chief Executive to agree the use of the Children and Families Investment Reserve.
7. To delegate authority be given 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 this report and to take into account the decisions of the Executive and any final changes and other technical adjustments.
8. To approve the Prudential Indicators for 2016/17 and the indicative indicators for 2017/18 and 2018/19 as presented in Appendix 3 of the report, subject to any final adjustments that may be made arising from the recommendations above and changes to the Capital Programme.
9. To note that the requirement to provide an itemised Council tax bill which, on the face of the bill, informs tax payers of that part of any increase in council tax

which is being used to fund adult social care; and to provide specific information about the purpose of the council tax increase in the information supplied with demand notices.

10. To note that the City Treasurer is required to provide information to the Secretary of State for Communities and Local Government demonstrating that an amount equivalent to the additional council tax has been allocated to the funding of adult social care.

Exe/16/031 Dedicated Schools Grant 2016/17

A report by the Deputy Chief Executive (People), Director of Education and Skills detailed the 2016/17 Dedicated Schools Grant (DSG) settlement. The Council was to receive:

- £5,157.84 per compulsory school aged child in a mainstream school based on the October 2015 census;
- £5,822.91 for children aged 3-4, and £4,702.50 for children aged 2, based on the January 2015 census; and
- £65m for children and young learners with high level of needs.

Individual schools funding was being protected at 98.5% of previous year's per-pupil amount. Therefore, Manchester's Dedicated Schools Grant (DSG) for 2016/17 was to be £471m.

The census data for pupils on roll that had used to determine the level of DSG for 2016/17 were:

Pupils on roll	2013/14 Oct-12	2014/15 Oct-13	2015/16 Oct-14	2016/17 Oct-15	Change (15/16-16/17)
Primary	40,198	41,925	44,511	46,643	2,132
Secondary	19,696	19,564	23,373	24,195	822
Alternative Provision	16	2	-	-	-
Resource Units	(233)	(113)	(129)	(132)	(3)
Total	59,677	61,378	67,755	70,706	2,951

The budget for the DSG allocations was set out in the report. The application of the funding formula provided that nearly all the funds were allocated to schools and other providers. After that, £2.3m of the grant was still unallocated. We agreed that £1.8m of that should be allocated to fund high-needs block pressures that were explained in the report. The Council's plans to review the levels of spending in the high-needs block was also set out in the report.

We agreed that the remaining balance of £0.5m of the unallocated money was to be allocated across primary and secondary schools by way of a basic per-pupil amount.

The report also explained that the Department for Education was planning to introduce a new national funding formula for schools. The consultations on that were due to begin in early 2016, with implementation from 2017. The intention was for the new formula to redress imbalances in funding across council areas. We agreed to

consider a review of the decisions on DSG in a year, after the review of the high-needs block and the expected consultation on the national funding review had both concluded.

Decisions

1. To note the level of 2016/17 Dedicated Schools Grant based on October 2015 pupil census.
2. To approve the transfer of £1.8m of the £2.3m unallocated schools block to fund high-needs block pressures.
3. To approve the allocation of the remaining £0.5m of the £2.3m unallocated schools block funding across primary and secondary schools basic per pupil amount.
4. To agree to consider a review of these decisions in a year, after the review of the high-needs block and the expected consultation on the national funding review.

Exe/16/032 Housing Revenue Account (HRA) 2016/17 to 2018/19

The Strategic Director (Strategic Development) and the City Treasurer submitted a report to present the proposed budget for the Housing Revenue Account (HRA) for 2016/17 and indicative budgets for 2017/18 and 2018/19. The report sought approval for a proposed average rent reduction of 1% to all properties except for supported housing properties and Private Finance Initiative (PFI) funded properties, where the rent would be increased by 0.9%.

The proposed HRA budget for 2016/17 had been developed in accordance with the rules governing the maintenance of the HRA. These rules provided that:

- The Council must formulate proposals in respect of HRA income and expenditure for the financial year which, on the best assumptions and estimates that the Council is able to make at the time, ensure that the HRA does not show a debit balance.
- The Council is required to keep a Housing Revenue Account in accordance with proper practice. The Council has the responsibility to determine a strategy that is designed to ensure that the HRA is in balance taking one year with another.
- The HRA continued to be a ring-fenced account, meaning that it must, in general, balance on a year-to-year basis, so that the costs of running the Housing Service, which include debt charges, administration costs and maintenance expenditure must be met from HRA income.

The report explained the key assumptions that had been used in developing the 2016/17 budget. As part of the Chancellor's budget statement on 8 July 2015 there were a number of announcements with regard to social housing, and particularly rents, that had implications for the setting of the Housing Revenue Account budget. It had been announced that social rents would reduce by 1% per annum for the next four years (2016/17 - 2019/20). Supported housing rents were to be exempt from the

reduction, and it would also not to apply to properties managed as part of a Private Finance Initiative (PFI) management contract. The forecast of the effect on the HRA of this change was that over the four year period 2016/17 to 2020/21 the overall loss of rent income would be £20m. That loss of income would put at risk the medium to long term viability of the Housing Revenue Account therefore a range of savings and other mitigating actions were proposed and described in the report.

The report also explained the other key changes in the HRA budget for 2016/17, and the full budget was presented as set out below.

	2015/16 (Forecast) £000	2016/17 £000	2017/18 £000	2018/19 £000
Income				
Rental Income	(62,851)	(61,871)	(60,956)	(60,380)
Other Income	(675)	(652)	(666)	(679)
Communal Heating	(1,366)	(1,388)	(1,409)	(1,437)
Private Finance Initiative Allowance	(23,602)	(23,602)	(23,602)	(23,602)
Recharge to Homelessness	(173)	(173)	(176)	(181)
VAT Shelter credits	(457)	(366)	(374)	(210)
HRA Investment Income	(124)	(163)	(185)	(140)
Funding to/(from) General Reserve	(1,250)	(8,079)	(16,366)	(924)
Total Income	(90,498)	(96,294)	(103,734)	(87,553)
Expenditure				
Payments to Northwards	21,652	21,839	20,964	21,091
Payments to Tenant Management Organisations	411	412	420	428
Retained stock maintenance and repairs	50	35	36	36
Communal Heating	1,546	1,643	1,668	1,701
PFI Contractor Payments	35,482	32,792	32,633	34,070
Supervision & Management - Internal	5,548	5,664	5,366	5,408
Other Management Arrangements	172	172	174	177
Council Tax	405	326	200	150
Contributions to Bad Debts	1,000	1,244	1,537	1,828
Insurance / Compensation	354	377	377	377
Depreciation	12,895	13,037	13,298	13,651
Revenue contribution to capital outlay	7,482	15,274	23,615	5,354
Debt Management Expenses	12	12	12	13
Interest Payable	3,489	3,467	3,434	3,269
Total Expenditure	90,498	96,294	103,734	87,553
General Reserve:				
Opening Balance	(52,059)	(50,809)	(42,730)	(26,364)
Funding (from)/to Revenue	1,250	8,079	16,366	924
Closing Balance	(50,809)	(42,730)	(26,364)	(25,440)

In addition to increases awarded last year, as part of the 2016/17 fee discussions, Northwards Housing had advised that in order to maintain the existing level of service provision they would require a further increase of £300k in the fee to give a total fee of £21.474m. There would also be a further payment of £365k for Intensive Housing Management and a Key Complex Worker.

Work was underway to review the current level of heating charges payable by tenants. That work could result in changes to the current charging regime for communal heating. We agreed that heating charges should remain unchanged in 2016/17 until this work was complete and future options could be considered.

In 2015/16 it had been agreed that garage rents should be brought in line with dwelling rents (Minute Exe/15/021). To achieve this, it was agreed then that for the following five years garage rents were to be increased by an additional 3.92% on top of the increase applied to dwelling rents. As dwelling rents were to reduce by 1%, it was proposed that for 2016/17 garage rents be increased by 2.92%. A table in the report showed the effect of that increase on the different rents for garages and parking spaces.

It had also been agreed in 2015/16 that where rent was not at the level required for convergence, the rent be revised to the formula rent level when the property is re-let. The report proposed that the Council continue with this policy, and we agreed to keep the policy in place for 2016/17.

Decisions

1. To note the forecast outturn in 2015/16 as detailed in the report.
2. To approve the 2016/17 HRA budget as above and note the indicative budgets for 2017/18 and 2018/19.
3. To approve the proposed 1% decrease to dwelling rents (subject to the exceptions outlined in the report), and to delegate authority for the setting of individual property rents to the Director of Housing and the City Treasurer, in consultation with the Executive Member for Housing and Regeneration and the Executive Member for Finance and Human Resources.
4. To agree that where the 2016/17 rent is still not at the formula rent level, the rent is revised to the formula rent level when the property is re-let.
5. To approve the proposals for as yet no increase in communal heating charges in 2016/17 as detailed in the report.
6. To approve an increase in the management fee paid to Northwards as explained in the report and set out above.
7. To approve the proposed increase in garage rental charge of 2.92% as set out in the report.

Exe/16/033 Capital Programme Budget and Strategy 2016/17 – 2018/19

The report of the City Treasurer presented to us the 2016/17 capital programme and forward commitments. The capital programme aimed to deliver the optimum combination of projects and programmes that represented the key priorities of the City Council's capital strategy. There was a need to continue with the strategy adopted over the past three years of ensuring decisions were based on the priorities for the city, and that they supported the ambitions for the city and the region as set out in the Manchester Strategy and the Greater Manchester Strategy documents. This required there to be a clear framework for making spending decisions and for maximising the capital resources that would be available. The Council's role was to provide the leadership to enable all private, charitable, voluntary, statutory and non-statutory bodies to achieve the strategies' objectives.

The capital programme 2016/17 to 2018/19 comprised the continuation of the current three year programme and new proposals approved by the Gateway 1 Capital Review Board. It would also comprise a significant programme of works that the City Council would undertake on behalf of the Greater Manchester Combined Authority. The figures relating to the City Council's programme continuation were based on estimates compiled as at December 2015.

Appended to the report was a schedule listing the 167 projects and schemes that were to be included in the capital programme, with a total proposed investment of £428.9m in 2016/17. The breakdown of the total between the directorates and GMCA was:

Manchester City Council Programme	2015/16 forecast outturn £m	2016/17 budget £m	2017/18 budget £m	2018/19 budget £m	Total £m
Highways	27.9	42.7	13.6		84.2
Growth & Neighbourhoods	84.9	89.0	111.2	65.0	350.1
Housing – General Fund	16.7	27.7	16.0	0.3	60.7
Housing – HRA	27.0	29.3	37.0	20.1	113.4
Children's Services	71.0	95.4	11.8		178.2
ICT	14.4	7.7			22.1
Adult Services	0.6				0.6
Council Total	242.5	291.8	189.6	85.4	809.3
Projects carried out on behalf of Greater Manchester	10.9	137.1	103.4	80.0	331.4
Grand Total	253.4	428.9	293.0	165.4	1,140.7

Details of the major schemes and areas for investment were set out in the report.

The source of funds for the Council's investments proposed for 2016/17 would include receipts, grants and borrowing. The breakdown was to be:

Fund	Housing HRA £m	Housing Non-HRA £m	Other £m	Total £m
Borrowing		9.6	127.9	137.5
Capital Fund			11.6	11.6
Capital Receipts		14.4	9.6	24.0
Contributions	0.1	0.7	48.6	49.4
Grant	1.1	3.0	34.6	38.7
Revenue contribution to capital outlay	28.1		2.5	30.6
Grand Total	29.3	27.7	234.8	291.8

Decisions

1. To approve the report.
2. To delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the capital programme 2016/17 to 2018/19 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.
3. To recommend that the Council approve the capital programme as presented in Annex 1 of these minutes (for £428.9m in 2016/17, £293.0m in 2017/18 and £165.4m in 2018/19) which will require prudential borrowing of £528.7m to fund non-HRA schemes over the three year period for which provision has been made in the revenue budget for the associated financing costs (within limits previously agreed).
4. To recommend that the Council delegate authority to the Deputy Chief Executive (Growth & Neighbourhoods) in consultation with the Executive Member for Environment for the approval of the list of schemes to be undertaken under the Highways capital programme.
5. To recommend that the Council delegate authority to the Deputy Chief Executive (Growth & Neighbourhoods) to implement these schemes in accordance with the Capital Gateway process and after consultation with the Executive Member for Environment on the final details and estimated costs.
6. To recommend that the Council delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to:
 - a) add qualifying spend to save projects to the capital budget accordingly up to a maximum of £5m in 2016/17 and then £5m per year thereafter;
 - b) accelerate spend from later years when necessary within the programme subject to resource availability;
 - c) agree and approve where appropriate the programme of schemes for the delivery of the corporate asset management programme; and
 - d) agree and approve where appropriate proposals relating to Corporate Compulsory Purchase Orders.

Exe/16/034 Global Revenue Budget Monitoring 2015/16

A report was submitted to provide a summary of the position of the 2015/16 revenue budget at the end of December 2015. The report gave details of the projected variances to budgets, the position of the Housing Revenue Account, Council Tax and business rate collection, revised prudential borrowing indicators, and the state of the Council's contingency funds. Projecting forward from the position at the end of December 2015, it was forecast that by the year-end in March 2016 the revenue budget would be under-spent by £1.916m overall.

The report set out proposals for the use of £482k of the Transformation Challenge Award (TCA) funding that had been allocated to the city. Greater Manchester had been allocated £12.4m of TCA funding in April 2015, and £785k of that had been allocated to Manchester for investment in public service reform that would reduce the future demand for services. These recommendations for the use of £482k of the money were proposed and agreed:

- £30k for Independent Workplace Audit on behalf of the Work and Skills board and the Health and Wellbeing board
- £120k to test new pathways in respect of Homelessness and Tenancy readiness
- £121k for iBase development
- £110k for development needs for staff and intensive training for key workers
- £53k for an Integrated Neighbourhood Management Design post
- £48k for Health and Social Care Estates

Virements of funds between budgets were also proposed and agreed. These were:

- £3.487m to Corporate Landlord to centralise facilities management - £1.234m Town Hall budget from Business Units and £2.253m from Corporate Facilities Management;
- £1.530m for Early Years staffing from employee to non-employee budgets to correspond with the Council's move away from direct delivery of childcare;
- Transfer of £350k from Better Care Fund to support Learning Disability related spend;
- Transfer of £700k from Care Act funding to support Residential and Nursing Care budgets;
- The restructure of Growth and Neighbourhoods as set out in the report to the Personnel Committee report in 24 March 2015 (Minute PE/15/15).

It was also proposed and agreed that due to the future risks in the adult social care budgets that some of the flexibility in the 2015/16 position be used to establish a reserve of about £2m to support the risks to these budgets in 2016/17.

Decisions

1. To note the report.
2. To approve the proposed use of grant as set out above.
3. To approve the establishment of an Adult Social Care reserve funded from the 2015/16 projected underspend.

4. To approve the proposed virements as set out above.

Exe/16/035 Capital Programme Monitoring 2015/16

The City Treasurer's report informed us of the revised capital budget 2015/16 to 2017/18 taking account of agreed and proposed additions to the programme, profiling changes, and the latest estimates of forecast spend and resources for the 2015/16 capital programme. The report explained the major variations to forecast spend, and any impact that variations had on the three-year Capital Programme. Expenditure to date was £124.5m. The latest forecast for capital spending in 2015/16 was £242.5m, with a further £10.9m forecast for spending on behalf of the Greater Manchester capital programme.

Appended to the report was a schedule of projects within the overall capital programme where the allocations needed to be revised and funding allocations vired between projects. The appendix showed the virement needed for each scheme and each project. We agreed to recommend to the Council the proposed virements greater than £500,000, as set out below. Those virements of less than £500,000 we approved.

Directorate	Project Name	Virement
Public Sector Housing	Northwards Housing 15/16 Unallocated	828
Childrens Services	Universal Infant Free School Meals - allocated	795
Childrens Services	Universal Infant Free School Meals - unallocated	-795
Chief Executives (ICT)	Infrastructure & Mobile Working	-1,028
Chief Executives (ICT)	Mosaic	528
Chief Executives (ICT)	Mobile Technology	500

The report also proposed five changes or reductions to the approved capital programme. Taken together these five changes would increase the capital budget by £4.931m in 2015/16 and reduce it by £0.149m in 2016/17. These changes would be funded by £217k capital receipts, £5.573m grants from the GMCA, £92k from the Capital Fund, and a £1.1m transfer from capital to the revenue budget.

Decisions

1. To recommend that the Council approve the in year budget transfers over £0.5m between capital schemes to maximise use of funding resources available to the City Council as set out above.
2. To agree to increase the capital budget by £92,000 in 2015/16 funded by use of the capital fund for the Development Programme - First Street Cultural Facility.
3. To agree to increase the capital budget by £122,000 in 2015/16 and £751,000 in 2016/17, funded by a DfT grant administered by the Greater Manchester Combined Authority for Highways - Manchester & Salford Inner Relief Road (MSIRR) - Regent Rd / Water Street.

4. To agree to increase the capital budget by £217,000 in 2015/16 funded by capital receipts for Corporate Services Programme - Children's & Families ICT projects.
5. To agree to reduce the capital budget by £200,000 in 2015/16 and £900,000 in 2016/17 and approve the corresponding transfer of £1.1m to revenue, funded by capital fund for ICT Programme - Infrastructure and Mobile Working - Service Management Toolset.
6. To agree to increase the capital budget by £4.7m in 2015/16 funded by external grant from the Combined Authority Highways Programme for South East Manchester Multi-Modal Strategy (SEMMS) A6 to Manchester Airport Relief Road Scheme.
7. To agree that the capital budget be amended to reflect movement in the programme, attributable to approved budget increases and updates to spending profiles.
8. To approve the in year budget transfers below £0.5m between capital schemes to maximise use of funding resources available to the City Council as set out in the appendix of the report.
9. To note that capital resources will be maximised and managed to ensure the capital programme 2015/16 remains fully funded and that no resources are lost.
10. To note that approval of movements and transfers to the full capital programme will reflect a revised total capital programme budget of £254.9m and a latest full year forecast of £253.4m. Expenditure to date is £127.7m.
11. To note that approval of movements and transfers to the Manchester City Council capital programme will reflect a revised capital programme budget of £244.0m and a latest full year forecast of £242.5m. Expenditure to date is £124.5m.
12. To agree that the capital budget be amended to reflect movement in the programme of projects carried out on behalf of Greater Manchester, attributable to approved budget increases and updates to spending profiles.
13. To note that approval of movements and transfers to the Greater Manchester capital programme will reflect a revised capital programme budget of £10.9m against a latest full year forecast of £10.9m. Expenditure to date being £3.2m.

Exe/16/036 Treasury Management Strategy Statement & Borrowing Limits and Annual Investment Strategy 2016-17

The Council's Treasury Management policy complies with the revised CIPFA Code of Practice on Treasury Management. The Council adopted this in March 2010.

The Local Government Act 2003 and supporting regulations require the Council to have regard to the Prudential Code for Capital Finance in Local Authorities and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The proposed strategy for 2016/17 was based upon the views of Treasury officers on interest rates, informed by leading market forecasts. The Strategy covered:

- Treasury Limits for 2016-17 to 2018-19
- HRA reform
- Current Portfolio Position
- Borrowing Requirement
- Prudential and Treasury Indicators for 2016-17 to 2018-19
- Prospects for Interest Rates
- Borrowing Strategy
- Annual Investment Strategy
- Minimum Revenue Provision (MRP) Strategy

We noted the proposed Annual Investment and Borrowing Strategies set out in the report, and agreed to recommend the Council to approve them.

Decisions

1. To commend the report to Council.
2. To delegate authority to the City Treasurer, in consultation with the Executive Member for Finance, to approve changes to the borrowing figures set out in this report as a result of any changes to the Council's Capital budget prior to the consideration of this report by Council on 4 March.

Exe/16/037 Budget and Business Plans 2016/17-2017/18: Comments of Overview and Scrutiny Committees

We consider a report that advised us of the approach that the six scrutiny committees had taken to looking at the 2016/17 directorate business plans. The six committees had all met in January and considered the budgets and delivery plans of the directorates, examining earlier versions of the reports we had considered at this meeting (Minutes Exe/16/024, Exe/16/027 and Exe/16/028 above).

The report that was presented set out the conclusions that each of the committees had reached and the comments they had made. Whilst none of the committees had recommended any changes to the proposals in the reports we had considered, we agreed that they had raised a number of important and serious issues that would need to be taken account of as the budgets were implemented during the year.

Decision

To note the report.

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
Highway Programme			
Highways Planned Maintenance			
Planned Highways Maintenance	5,147	3,786	0
Highways Stand Alone Projects			
Wythenshawe Bus Station	25	0	0
Ardwick Grove Village Parking	23	0	0
Didsbury Village Tram Stop Traffic Mitigation	18	0	0
Old Market Street traffic calming	29	0	0
Section 106 Highways work around Metrolink	47	0	0
Hyde Road (A57) Pinch Point Widening	2,894	1,369	0
New Islington Free School Road	85	0	0
Barlow Moor Road	27	0	0
Etihad Expansion - Public Realm	403	0	0
Velocity	274	0	0
Cycle City Phase 2	3,827	843	0
Congestion Target Performance	229	0	0
Burton Road Traffic Management	11	0	0
Road Safety for Older People	1	0	0
20mph Zones (Phase 2)	18	0	0
20mph Zones (Phase 3)	455	0	0
Blocked Gullies	240	0	0
Levenshulme Parking Signage	3	0	0
Integrated Transport Block Minor Works	160	0	0
Flood Risk Management - Calve Croft Flood Risk	25	0	0
Flood Risk Management - Higher Blackley Flood Risk	106	0	0
Manchester/Salford Inner Relief Road (MSIRR)	751	0	0
Great Ancoats Improvement Scheme	100	525	0
Highways Maintenance Challenge Fund	4,570	2,556	0
Cycle Parking	116	0	0
Shadowmoss Rd / Mossnook Rd	20	0	0
Birley Fields Campus improvements	85	0	0
Cringlebrook Primary School Crossing	48	0	0
SEMMMS PROGRAMME			
Ringway Road Highway Improvement Scheme	400	0	0
A6 Relief Road	6,300	4,200	0
Bus Priority Package Programme			
Bus Priority Package - Oxford Road	9,711	334	0

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
Bus Priority Package - Regional Centre	576	0	0
Bus Priority - Unallocated	5,926	0	0
Total Highways Programme	42,650	13,613	0
Environment Programme			
City Wide Litter Bins	112	0	0
Street Lighting PFI	6,955	12,568	12,917
Civic Quarter Heat Network	7,000	7,000	0
Waste Reduction Measures	3,500	0	0
Waste Contract	1,200	6,300	1,000
Leisure Services Programme			
Parks Improvement Programme			
Hollyhedge Park Drainage	119	0	0
Heaton Park Pay & Display	250	0	0
PIP - Park Events Infrastructure	675	0	0
PIP - Wythenshawe Park Play Area Improvement	87	0	0
PIP - Unallocated	63	0	0
City Centre Planting Containers	130	0	0
Citywide Play Equipment	200	200	0
Leisure & Sports Facilities			
Indoor Leisure - Abraham Moss	4,000	4,000	0
Indoor Leisure - Moss Side	4,000	4,000	0
Hockey Pitch Re-provision	561	0	0
FA Hubs	3,000	10,000	0
Boggart Hole Clough - Visitors Centre	770	0	0
Mount Road S106	108	0	0
Cultural Programme			
The Factory	14,697	46,700	46,100
Libraries and Info Services Programme			
Central Library Wolfson Award	117	0	0
Wolfson Children's Digital Libraries	250	0	0
Corporate Property Programme			
Asset Management Programme	13,005	150	0
Strategic Acquisitions Programme	10,350	5,000	0
Town Hall Complex Transformation Programme	78	0	0
Hammerstone Road Depot	2,000	8,000	5,000
Heron House	6,000	6,000	0
Development Programme			
Development Programme - East Manchester			
Edison St CPO	46	0	0

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
New Smithfield Market	640	0	0
Beswick Community Hub	1,262	0	0
Development Programme - North Manchester			
Harpurhey Reservoirs Regeneration	1	0	0
Development Programme - City Centre			
ST Peters Square	3,235	0	0
Development Programme - Enterprise Zone			
Airport City Power Infrastructure (EZ)	4,625	1,275	0
Total Growth & Neighbourhoods Programme	89,036	111,193	65,017
Private Sector Housing Programme (PSH)			
Brunswick PFI (PSH)			
Brunswick PFI Land Assembly	3,248	5,731	0
Collyhurst			
Collyhurst PFI Land assembly	142	240	0
Collyhurst Environmentals	34	0	0
Housing Investment Model			
Site Investigation and Early Works Housing Investment Fund Pilot Sites	200	99	0
Miles Platting PFI			
Miles Platting PFI Land Assembly	2,978	0	0
Assistance Citywide Programme			
Disabled Facilities Grant	3,697	3,697	0
Eccleshall Street	182	0	0
Kingley Ave	0	457	0
Toxteth St compulsory purchase & environmental works	75	75	236
Bell Crescent compulsory purchase	0	482	0
Redrow Development Programme			
Redrow Development Phase 2 onward	2,054	0	0
West Gorton			
West Gorton Ph 2A Demolition & Acquisitions	1,721	921	0
Housing Market Renewal Fund	94	68	0
Private Sector Housing Loans	22	23	0
Collyhurst Acquisition & Demolition (Overbrook & Needwood Close)	1,169	275	0
West Gorton Community Park	250	0	0

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
Ben St. Regeneration	11,608	3,902	0
Canada St - Walking With Wounded	180	0	0
Total Private Sector Housing Programme	27,654	15,970	236
Public Sector Housing Programme			
Northwards - External Work			
Concrete Repairs - Walkup Flat Balconies	25	0	0
Charlestown - Victoria Ave multi window replacement - Phase 1	740	0	0
Door replacements - Phase 5	30	0	0
Ext Cyclical Maintenance & Imp Works Ph1	0	14	0
Riverdale ext & cyclical works phase 2/4	30	0	0
Higher Blackley Rosewood Estate	0	7	0
Moston Mill Estate Ph1&2	32	0	0
External cyclical works phase 2	56	0	0
New Lightbowne Estate Halliford Road reroofing	1,707	0	0
Harpurhey, Baths Estate roofline works	14	0	0
External cyclical works phase 3a	3,021	0	0
Riverdale estate - External works (Phase 3 & 4)	1,728	0	0
Charlestown, Clifford Lamb Court - External wall insulation and window replacement	63	0	0
Collyhurst Environmental programme	615	0	0
Delivery Costs	766	17	0
Northwards - Internal Work			
Lift Replacement/Refurbishment Programme	0	5	0
Digital Upgrade to CCTV Systems	3	0	0
Various Multi Communal fire door and other upgrading works	496	0	0
Lift replacement / refurbishment programme	376	0	0
Multi storeys - rooftop extractor fans/water pump/water tank renewal	69	4	0
Cartmel & Somerton Replace Vents	3	0	0
Air source heat pump/solar thermal Ph1&2	40	0	0
Various - Boiler replacements	195	1	0

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
(excluding 2/4 blocks)			
2 and 4 blocks heating replacement with Ground source heat pumps - Phase 1	1,759	93	0
Decent Homes Mop-Ups Phase 6	0	1	0
Decent Homes mop ups - Phase 7, and voids	205	0	0
One offs (Rewires, Boilers, Doors, Structural, Insulation)	100	0	0
One offs (Rewires, Boilers, Structural)	0	12	0
Delivery Costs	308	13	0
Northwards - Off Debts/Conversions			
Dam Head flats - bringing basement flats back into use / reroofing / environmental works	46	0	0
Delivery Costs	4	0	0
Homeless Accommodation			
Improvements to Homeless accommodation city wide	954	431	0
Delivery Costs	91	36	0
Northwards - Acquisitions			
Acquisitions	162	0	0
Delivery Costs	15	0	0
Northwards - Adaptations			
Disabled Adaptations	1,000	0	0
Northwards - Unallocated			
Northwards Housing Programme Unallocated	4,281	21,066	17,515
Retained Housing Programme			
Collyhurst Maisonette Compensation & Demolition	75	75	935
Housing Investment Proposals	4,034	10,605	0
Capital Receipts - Right to Buy	40	40	0
Collyhurst Regeneration - Highways Phase 1	1,500	200	1,677
Collyhurst Regeneration - Churnett Street	200	592	0
Collyhurst Regeneration - Needwood & Overbrook Acquisition / demolition	441	110	0
Affordable Housing Programme Grant	532	532	0
Parkhill Land Assembly	2,145	2,125	0
Brunswick PFI HRA	1,422	1,050	0
Total Public Sector Housing (HRA)	29,323	37,029	20,127

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
Childrens Services Programme			
Basic Need Programme			
Cheetham Academy	1,386	0	0
Crab Lane - Increase capacity	11	0	0
Benchill	12	0	0
Cavendish Community - Increase capacity	1,366	0	0
Ashbury Meadow - Increase capacity	45	0	0
E-Act Academy - increase capacity	16	0	0
Crosslee - Increase capacity	19	0	0
Claremont - Increase capacity	62	0	0
Wilbraham Primary School	50	0	0
Mauldeth Road - Increase capacity	169	0	0
Charlestown - Increase accommodation	135	0	0
Briscoe Land Academy	51	0	0
Holy Trinity Primary	2,894	46	0
Manchester Communication Primary Academy	329	0	0
Dean Trust Ardwick	13,355	522	0
Ardwick Pupil Referral Unit	52	0	0
ULT William Hulme	5,800	0	0
Rodney House conversion	684	34	0
Basic Need - Estimated 2016/17 allocation	65,021	11,200	0
Universal Infant Free School Meals (UIFSM)	885	0	0
School Crossings	800	0	0
Building Schools for the Future (BSF) Phase 2 Wave 4			
BSF Phase 2 (W4)	2,279	0	0
Total Children's Services	95,421	11,802	0
ICT Capital			
ICT			
Hybrid Mail	56	0	0
One System Upgrade	27	0	0
Town Hall Extension & Central Library Service Transition	458	0	0
SAP Enhancements - Finance/HR	281	0	0
SAP Contract Management	369	0	0

Annex 1 to Exe/16/033	2016/17 Proposed Budget £'000	2017/18 Proposed Budget £'000	2018/19 Proposed Budget £'000
The Capital Programme 2016/17 to 2018/19			
ICT Infrastructure & Mobile Working Programme			
Infrastructure & Mobile Working	4,543	0	0
ICT Services	555	0	0
Mosaic	428	0	0
ICT Stand Alone Projects			
Broadband Connection Vouchers (Phase 3)	760	0	0
Applications			
Information Strategy Project	193	0	0
Infrastructure			
Wider Area Network Redesign	55	0	0
Total ICT Programme	7,725	0	0
Corporate Capital Programme			
Evergreen Loans	25	25	0
Total Corporate Capital Programme	25	25	0
Total Manchester City Council Capital Programme	291,834	189,632	85,380
Projects carried out on behalf of Greater Manchester			
Housing Investment Fund	113,210	100,000	80,000
Regional Growth Fund Leverage	19,500	0	0
Greater Manchester Loan Fund	4,350	3,430	0
Total GM projects	137,060	103,430	80,000
Grand Total Capital Programme	428,894	293,062	165,380