

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 21 July 2016
Executive – 27 July 2016

Subject: Approach to Budget Setting 2017/18 – 2019/20

Report of: Chief Executive and City Treasurer

Summary

This report sets out the proposed approach for developing the Capital Strategy and Medium Term Financial Strategy and the associated engagement and consultation process.

Recommendations

The Executive is requested to:

- Note the contents of the report
- Endorse the proposed approach to the budget consultation and setting process for 2017/18 -2019/20

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	This report looks at the development of a budget approach for 2017/20 that will underpin all of the council's activities
Reaching full potential in education and employment	
Individual and collective self-esteem – mutual respect	
Neighbourhoods of Choice	

Implications for:

- Equal Opportunities Policy – there are no specific Equal Opportunities implications contained within this report
- Risk Management – there are no specific implications contained within this report
- Legal Considerations – there are no specific legal considerations contained within the report

Financial Consequences – Revenue

There are no revenue consequences arising directly from this report

Financial Consequences – Capital

There are no capital consequences arising from this report.

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Background documents (available for public inspection):

None.

Introduction

1. This is a short report to set out the approach and broad financial parameters for the budget process for 2017/18 to 2019/20. The report will cover the development of the Medium Term Financial Strategy and the accompanying Capital Strategy.
2. Attached to this report is the Communications and Engagement Approach for Budget Setting 2017-20 which outlines the proposed communication and engagement approach, building on the success of last year with a variety of different options to support increased engagement, taking an Our Manchester approach.

Context

3. The priorities for the City are set out in “Our Manchester”. This will set the planning framework for the Council and how it works with residents, stakeholders and partners. To deliver the changed relationships alongside the ambition for the City will require a different approach, including to how decisions about the planning and allocation of resources are made.
4. The Council has a key role to play in shaping this agenda and connecting the needs of the city to the opportunities that investment in infrastructure, the devolution of functions such as work and skills and health and social care and access to new investment streams bring. Within this there are the following challenges and opportunities over the next three years:
 - Further budget reductions over the next three years and changes to how local government and schools are funded as defined in the Local Government Financial Settlement and subsequent related consultations;
 - Potential changes in the Autumn Statement where the review of the fiscal position post the referendum decision to exit the EU
 - Involvement in the 100% business rates growth retention pilot for GM which could provide an opportunity to rebalance spend and incentivise the growth of the business rates base via investment in growth;
 - Tackling the still significant levels of deprivation, poor health outcomes and residents disconnected from the opportunities of growth;
 - Refocusing public service reform in line with the Our Manchester asset based approach, using the total resources across the City and GM to achieve key outcomes and as a result reducing the level of spend;
 - The opportunities from devolution and the potential for stronger collaboration, for example in areas such as the integration of health and social care and Services for Children;
 - The need for continued investment in economic growth to support a growing and diverse economy;
 - The need to ensure that high quality services are delivered be it children’s social care, street cleaning or highways;
 - The importance of creating attractive places to live and work and good quality universal services. This requires a rethink of the housing market – the role of the socially rented sector, securing wider home ownership and access to new forms of finance for land assembly and remediation;

- The importance of a high level of educational achievement within schools and how this can be delivered through a place based and schools system approach and a new approach to leadership;
5. In the light of the above the following will need to be considered in designing the budget process.
- The development and implementation of Our Manchester
 - The significant programmes of work underway that will impact on how the budget process is managed including for example the development of the Health and Social Care Locality Plan
 - The opportunity for longer term financial planning with the offer of a four-year financial settlement to 2019/20.
 - The continued need for the council to make significant savings, particularly for 2017/18.
6. The budget process is also in the context of the vote to leave the European Union. Prior to the result the Chancellor had highlighted a consensus among economists that leaving the EU would damage Britain's economy, both in the short term, due to uncertainty, and in the long term as a result of less trade and investment. Following the result the Chancellor announced that due to the delay in triggering Article 50 and the decision by the Prime Minister to stand down he would not issue an emergency budget but would wait until the Office of Budget responsibility (OBR) assessed the economy in autumn and the new Prime Minister was in place. On 1 July he stated the Government would continue to be tough on the deficit while being realistic about achieving a surplus by the end of the decade and there is a move away from adhering to strict austerity targets. A new Chancellor is now in place and the position is unlikely to become much clearer until the publication of the Autumn Statement.
7. The impact is unlikely to be felt immediately on a macro level given the timescales for negotiations and the lack of information on how those negotiations will look in terms of trade deals, freedom of movement and the impact on the economy.

Development of a Capital Strategy

8. The development of a longer term Capital Strategy forms a critical part of the City Council's strategic and financial planning required over the next three months. Alongside the priorities outlined at the start of the report the Strategy will need to recognise:
- Investment that will support continued economic growth in the City in a period of uncertainty following the EU referendum decision;
 - The need for an appropriate balance between commercially driven investment that will deliver a longer term return and strategic asset base, investment to maximise use of operational estate that maximises opportunities from One Estate approaches and delivers revenue savings and the need for investment in core infrastructure such as ICT and the highways network; and

- The financial position and available resource, including in the context of the Debt Deal and risks, uncertainties and challenges associated with the recent EU referendum decision and significant potential investment commitments for priorities such as the Town Hall
9. The last 12 months have witnessed a number of significant developments that have had, and will continue to have, a major influence on the future shape and approach to capital investment within the City Council. These include:
- the “Our Manchester” Strategy and the emerging asset based approach;
 - the ongoing work to review and determine a preferred approach to refurbish the Town Hall;
 - decisions taken to invest City Council resources to strengthen a series of commercial development opportunities, for example, St Johns (with the Factory) and our existing digital asset base (with the expansion of the Space Project);
 - the adoption of the Manchester Residential Growth Strategy and Action Plan;
 - the implications for Manchester of the devolution to Greater Manchester of Health and Social Care budgets and the new approaches to service delivery that will flow from this;
 - the ongoing review of the Highways Estate and the new arrangements that will be brought forward as a result of this work to manage and improve this estate; and what this means for the Corporate Core; and
 - the strengthening of our approaches to investment into both our ICT and our Operational Built Environment Estates
10. The above, alongside affordability, will be key considerations in developing a Capital Strategy for the next five years as a minimum. Drawing the above strands together and setting them out in a clearer framework is important for the development of a credible Capital Investment Strategy. It’s development will need to be underpinned by a set of clear principles to guide decision making and enable investment requests to be appropriately considered. These will need be based around:
- An assessment of strategic fit, and whether the proposed capital investment is in line with the priorities in Our Manchester;
 - An assessment of affordability and prioritisation of the use of limited capital resource;
 - An assessment of risk and deliverability;
 - The borrowing limits put in place following the debt deal negotiated with Treasury in return for lower borrowing costs.

Development of the Revenue Medium Term Financial Plan

11. To develop a budget strategy will require different levels of approach, what should be driven from the top down, and where co-designed bottom up pieces of work with partners and stakeholders will start to inform the work and a longer term way of managing resources (financial, people, information and buildings).

12. Developing a budget for the next three years in the context of Our Manchester is an opportunity to take a more strategic approach and to include all public service partners in helping people and communities to connect to growth. Instead of cutting services at the margins. There should be a focus more on the whole of the budget and what is helping and what is not.
13. Setting a three year budget also gives greater scope to take an investment led approach. This means seeing high quality public services as investment in helping people to live successful lives instead of seeing public spending as a negative.
14. An investment-led approach also means fully integrating the capital strategy into the budget process. As well as commercial investment to support growth, there will be significant capital implications for many of the propositions in this report to improve the way in which services connect people to growth and to reduce the revenue cost base.
15. The work is in the climate of continued reductions in resources and growing pressures. It must be emphasised that any figures around resources and unavoidable cost pressures are indicative based on the best information available at the time of writing.
16. Table 1 below shows the figures for Manchester from the final Finance Settlement published on 9 February 2016.

Table 1: Final Finance Settlement for Manchester

Manchester				
	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Settlement Funding				
Assessment	277.37	256.97	245.48	234.27
of which:				
Revenue Support Grant	113.77	90.15	73.74	57.04
Baseline Funding Level	163.6	166.82	171.74	177.23
Tariff/Top-Up (included in baseline funding)	7.57	7.72	7.95	8.21
Safety Net Threshold – protection received if business rates income falls below this level	151.33	154.31	158.86	163.94
Reduction in Revenue Support Grant		(23.62)	(16.41)	(16.7)

17. There are a number of other factors which will influence the overall level of resources available to the Council. These include:
 - The level of government funding available and whether there will be any changes following an assessment of the economic position in the autumn

- The published reductions in public health grant funding which will reduce by a further c£4.1m by 2019/20
- Additional funding for social care in the form of the Improved Better Care Fund and the ability to raise council tax by an additional 2%. This is in part funded by reductions in the council's New Homes Bonus funding.
- Changes to the schools funding regime with a move to the national formula and the potential impact on the local authority funding elements for early years and special needs provision
- Continued volatility with business rates income and the likely impact of the 2017 revaluation on the volume of appeals
- Whether the Council decides to increase council tax by the referendum limit of 1.99% and by the further 2% which can be levied to pay for social care

18. The estimated level of resources that could be available over the three year period, as compared to 2016/17, are set out in the table below. The main reduction in resources occurs next year with an estimated £21m reduction in the overall funding available.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Resources Available				
Revenue Support Grant	114	90	74	57
Business Rates*	162	157	162	167
Public Health Funding	55	53	52	51
Other non ring fenced Grants	24	25	31	40
Business Rates Grants	7	12	12	12
Council Tax*	137	140	147	157
Dividends and Use of reserves	31	31	29	29
Total Resources Available	529	508	506	513

* this is based on an actual assessment of the position which will vary from the settlement figure

19. The budget gap is also driven by continued unavoidable cost pressures such as inflation for pay and prices, providing services for a growing population and the implementation of the national living wage. The current assessment of the pressures is shown below:

	2017/18 £m	2018/19 £m	2019/20 £m
Unavoidable Cost pressures	1	1	1
Inflation	3	6	9
Pay Inflation, Pension and NI increase	5	9	12
Provisional estimate of costs of supporting growing population	5	10	15
Estimated loss of flexibility due to changes in Local Government Grant regimes	6	6	6
Previously agreed decant costs for Town Hall	1	1	1
Service Priorities	2	2	2

	2017/18 £m	2018/19 £m	2019/20 £m
Contract Costs of Minimum Wage	4	9	13
Total Inflation, pressures and growth items	27	43	58

20. The larger increase in pressures in the first year is largely due to the assumed loss of flexibility around changes to government grants. The actual phasing of this could be different.
21. The culmination of the above factors means that the Council is likely to be facing a budget gap of between £45m and £75m by 2019/20 (based on the current local government finance regime).
22. It should be noted that the Government will offer any council that wishes to take it up, a four-year funding settlement to 2019/20, making a commitment to provide minimum allocations for each year of the Spending Review period. This is subject to councils choosing to accept the offer, and publishing an efficiency plan. The multi-year settlement offer includes the Revenue Support Grant and does not cover the other government funding sources. A yearly settlement process will continue to apply for those councils that chose not to accept the offer, or do not qualify. No further offers of a multi-year settlement are anticipated during the course of this Parliament.
23. To be considered for the multi-year financial settlement, Local Authorities must be able to provide DCLG with a link to a published efficiency plan by 5pm on 14 October. An Authority's efficiency plan does not need to be a separate document and be combined with its Medium Term Financial Strategy. The Council is proposing to take up the offer of the four year settlement with the development of a draft Medium Term Financial Plan to start consultation following the October Executive.

Next steps

24. A programme of engagement will be carried out over the Summer to inform the development of draft revenue and capital strategies which will be taken to October Scrutiny and Executive Committees. This will signal the move from engagement to the start of the more formal budget consultation processes on the options that have been developed.

Conclusion

25. This report sets out a suggested budget timeline and the key pieces of work that will need to be in place to support the development of the Medium Term Financial Strategy and Capital Strategy. The proposed approach to consultation and engagement is attached at Appendix One and is designed to promote a more open and transparent approach to the way that the budget is set. It must be noted that this continues to be in the climate of very challenging reductions in resources and growing unavoidable cost pressures.

Note to: SMT BPT

From: Jen Green, Head of Strategic Communications

Date: 18 July 2016

Subject: Communications and engagement approach for budget setting 2017-2020

1. Purpose

- 1.1 This paper outlines the proposed communication and engagement approach for the council's three-year budget setting process, taking an Our Manchester.

2. Introduction

- 2.1 Last year's budget consultation was the most successful ever with significantly increased levels of engagement and over 1,330 formal responses over a four-week period.
- 2.2 For the first time, a primarily digital approach to engagement was taken – providing a wide selection of content (short videos, live streamed meetings, social media Q&As) across a range of digital channels. This digital-first approach allowed the Council to deliver both universal and targeted activity which drove engagement from a range of audiences and groups to ensure greater representation from across the city.
- 2.3 The digital approach was complemented by considered offline activity to drive awareness and use of online engagement opportunities; this included the delivery of a proactive media plan. Internally staff were engaged in a more proactive way – delivering interactive sessions for more than 1,840 staff and supporting this through extensive use of existing internal communication channels.

3. Principles for the proposed approach

- 3.1 This year the aim is to build on the success of last year's approach, with a variety of additional options that support increased engagement, both online and off line, taking an Our Manchester approach. This approach sets the tone for the Council's new way of working and provides the opportunity to have a fuller conversation with all stakeholders so that they are truly part of the budget setting process; using the three-year budget strategy as opportunity to focus on helping people and communities to connect growth.
- 3.2 In setting a three year budget there is also a clear requirement for the communication and engagement approach, and the number of people engaged, to grow in line with the scale of the decisions being made. The core stakeholders include:

- Staff
- Manchester residents
- Manchester businesses
- Our partners – across the public, private, and voluntary and community sector

3.3 To reflect this approach our communication and engagement activity should:

- **Be strengths-based** - offering tools that allow all stakeholders to tell the Council not just what they value but also what they can offer, in terms of ideas and help in meeting the challenges and opportunities ahead
- **Be open and honest** – providing proactive information that outlines the challenge, the process and the options including the statutory requirements, in a clear and timely fashion
- **Be collaborative** – use expertise, channels and ambassadors from partners, stakeholders and local businesses
- **Be representative** – engage and gather views that reflect the make-up of the city. This will ensure that our equality duty is met and that channels and content are created and used that ensure that anyone who wants to participate in the process can.
- **Be people focused** – with materials developed in a tone and language that our stakeholders will understand and that will encourage them to get involved
- **Provide sufficient time to allow true engagement** –the proposal this year aims to increase the period of engagement from 4 weeks to a total of 30 weeks over two phases
- **Be digital** – understanding that the majority of stakeholders want to engage online and providing the appropriate tools to do that.

4. The approach

4.1 To maximise opportunities for involvement throughout the budget setting process a three stage approach will be utilised.

- Phase one – **Budget conversation** with an Our Manchester approach. This will take place from 21 July until 16 September 2016.
- Phase two – **‘You said... the options are / we’re proposing’**. Taking place between 16 November and 10 February.
- Phase three – **‘You said, we will’**. From 3 March 2017.

The phases are outlined in more detail below, explaining the objectives and activity.

4.2 Phase 1: Budget conversation (21 July – 16 September)

4.2.1 The initial phase is not ‘consultation’ – in its traditional sense - driven. Rather, this would be the start of a big conversation that aims firstly to understand

what people value while driving awareness of the Council's budget challenge and the budget setting process.

4.2.2 These views will support the organisation to develop budget options that meet the declared needs of local people, organisations and businesses. Alongside the 'big conversation' phase 1 options and the budget strategy will be developed, informed by the outcomes of these conversations.

4.2.3 The communication objectives for this phase are:

a) To deliver broad awareness of:

- The shared vision for the city as outlined in the Our Manchester Strategy
- The benefits of working together to deliver the city's shared ambitions and meet the challenges using an Our Manchester approach
- How the Council is funded
- How the Council's budget is currently spent
- The scale of the budget challenge, as far as we are currently aware, faced by the Council – both in increasing demand and decreasing resources
- The breadth of services the Council provides
- The emerging budget strategy and options.

b) To provide opportunities for residents, businesses and other stakeholders to:

- Talk about the services that the Council provides that they value
- Provide ideas about what the Council could do differently
- Provide ideas about what they, their community, their neighbourhood, businesses or other public services could do differently to support the services they value.

4.2.4 The final objective would require discussions with partners and our staff to ensure that they are appropriately involved in the process. It would be especially vital to link this to the delivery of the Locality Plan objectives and the key pillars of a single commissioning system, the development of the Local Care Organisation, 'One Team' – delivering integrated health and social care services and the single hospital service for the city.

4.2.5 Activity for phase one is dependent on audience, recognising that a one size fits all approach will not engender the level of engagement required. The activity includes numerous opportunities to support the development of a 'big conversation' and includes:

- **Digital and off line questionnaire:** A short online form/questionnaire outlining current areas of spend and asking stakeholders to rank the areas of spend according to the things they value the most.

The form would also offer opportunities for people to share their reasons for the rankings given and to share ideas about what the Council and they could

do differently. Finance and Communications will work closely to understand how this is best presented as just numbers alone will not acknowledge the level of demand/need and statutory responsibilities.

During this and each future phase, details of stakeholders will be gathered to provide further opportunities to engage them throughout the budget setting process.

- **Engaging digital content:** A series of online ‘snackable’ or easily consumed content, that pulls stakeholders into the online questionnaire, this includes:
 - A series of short videos, providing overviews of the ambition, challenge and the opportunities to get involved in shaping the future of Manchester’s Council services. These will need to be in a mixture of formats – from direct interviews with Executive Members to short animated films
 - A set of infographic images and GIFs (short compressed animations or films) outlining elements of our key messaging
 - Online polls on social media - these could act as a more provocative way to gather interest for the online form – either by sharing ideas already submitted or by asking stakeholders to rank services or ideas against each other.

For business audiences it is proposed that a short video including the Leader or Executive Member and Chief Executive be created - outlining the vision for businesses in the city, how the Our Manchester approach could help deliver this and the opportunity to contribute.

- **Community driven content:** To offer a more informal and people -focused way of providing feedback it is suggested that residents and groups are encouraged to make their own short videos, provide still images and text outlining their priorities or responses to one of the questions above.

To kick-start this element of the consultation, it is proposed that a series of short films or stories are curated, taking a similar approach to the ‘Humans of New York’ stories(www.humansofnewyork.com) using key ambassadors from across the city – including Executive Members, local business leaders, existing groups like the youth council and community leaders.

This approach provides an ongoing set of engaging content that can be used across digital channels to further encourage conversations and provides real-life opinions and ideas to spark debate and discussion online.

- **Social media content** – rather than just using social media to broadcast budget messages or drive people to online content, it is suggested that social media Q&As which have proved particularly successful previously are run again. It is suggested that this approach is taken again to help drive the big conversation, but that the number of people ‘leading’ the conversation increases – working with Executive Members and focusing on their portfolio priorities.

- **Face to face engagement** – A variety of face to face opportunities will be made available during this phase. This will be led by directorates rather than Communications, however, materials and support will be offered. Existing business engagement activity will be mapped throughout the engagement period to make the most of speaking opportunities and potential interactive sessions, linked to established groups such as the MIB, the Our Manchester Forum and the LEP.

For Council employees there will be positive and productive staff events held throughout the engagement period. These events will be interactive and offer an opportunity for staff to get involved in shaping potential proposals for their directorate – based on an Our Manchester strengths-based approach. These sessions will be led by Strategic Directors but will be supported by the delivery of a series of consistent tools provided by Communications. There will also be specific opportunities for engagement with Trade Unions – both corporately and within directorates.

Similarly, partners should be engaged in an ongoing series of conversations throughout the process. It is particularly important that partners are specifically involved in the identification and evaluation of options and careful consideration to partner engagement and the coordination of partnerships conversations is required. These conversations will be led by the appropriate Strategic Director. Both the activity with partners and staff will be front loaded to start of phase one to ensure that sufficient time is given to provide a thorough response.

The ability to link the Locality Plan activity and share channels and engagement mechanisms will be important and Communications will work with Health and Social Care colleagues to make sure this is also frontloaded into this phase.

Similarly, the link to the development of Area Plans in North, Central and South needs to be explored. This includes the opportunity to engage with residents, with an Our Manchester approach, alongside partners.

It would also be helpful to include members of SMT alongside Executive Members to participate in local engagement. This would support an Our Manchester approach, of listening and engaging with communities directly about things that matter to them. This approach will require further development, but potentially could be the residential version of the Listening in Action sessions held with staff earlier this year.

- **Media strategy** - A proactive media strategy should be developed across all three phases with the aim of communicating the decision-making process, highlighting the opportunity to get involved and signposting stakeholders to the online tools available.

4.2.6 It is not proposed to use a formal budget calculator (offering the chance for people to fully set their own budget) as having reviewed the options available, the process of engaging is time consuming, sometimes complicated, taking

about 15-20 minutes to complete. As a result budget calculators tend to engage fewer people and the bounce rate (or drop off rate) is very high. It is often the very engaged or knowledgeable that go on to complete the calculator process and so offers limited feedback, given people find it too time consuming or complicated to persevere until the end. This does not support the desire for better conversations with residents.

- 4.2.7 It is proposed that weekly updates on responses to this phase of activity will be provided throughout August to SMT and Executive Members. This will allow activity to be tailored to engage any groups that are underrepresented and help shape the second phase of the consultation activity.
- 4.2.8 It is suggested that the final results are taken to scrutiny committees in October.
- 4.2.9 Those that have participated and provided their contact details will be notified about the formal consultation. Results will also be shared through Council and partner channels, driving people to the formal options consultation.

5. Phase 2: Consulting on budget options - 'You said... the options are / we're proposing' (16 November – 10 February)

- 5.1 The second phase of activity is the formal consultation phase. The engagement during this period aims to reiterate the ambition for the city, the challenges and provide a summary of the feedback provided during phase one as well as asking people for their comments on the options available. This phase links to the formal publication of the Council's efficiency plan to the DCLG and will follow the DCLG principles for consultation. During this period, there is a need to be mindful of the potential for a budget statement during September and October and the implications this may have on the city and emerging budget strategy and proposals.
- 5.2 This phase provides an opportunity to share budget options, as opposed to proposals, earlier and gather feedback on them individually before making final proposals before the consultation closes, and then taking decisions. There would be a specific period of statutory consultation on defined proposals. This consultation will be promoted to businesses as well as residents and will ensure the Council is compliant with its statutory duty under the Local Government Finance Act 1992 to consult with persons or bodies appearing to them to be representative of persons subject to Non-Domestic Rates (also known as Business Rates) in their area, about their proposals for expenditure for the forthcoming financial year.
- 5.3 The length of this phase allows time to complete all required statutory consultations and provides enough time to have meaningful conversations about individual options. It also allows the Council to adapt messaging based on the outcomes of the first phase and ensure engagement around the options following the announcement of the financial settlement in December, if required.

- 5.4 Statutory consultations around individual options will be managed by the individual service or directorate but supported by Communications with implementation and messaging to ensure consistency with the wider engagement approach.
- 5.5 The proposed communication objectives for this phase are
- a) To further increase awareness of the council's ambitions and ongoing budget challenges to all stakeholders
 - b) To ensure stakeholders are informed of the impact of their feedback and how this has been used to shape budget options using a 'you told us... we are proposing' approach
 - c) To encourage feedback on proposals across all stakeholders groups

5.6 The suggested activity for phase two includes:

- **Plain English summaries** - a short, online, plain English, written summary of each proposal be developed alongside an Agree/Disagree question. Written comments should also be encouraged alongside each proposal explaining the reasons for their response.

To ensure an ongoing people-focused conversational approach the options should be communicated according to theme areas that make sense to major external stakeholders rather than by 'directorates'. This will allow the Council to link similar options, for example, 'options to increase income for the Council', or 'options for services for older people'.

- **Digital content** - As with phase one it is proposed that the digital and social media content is developed in line with the responses and options – once again using social media to drive consultation responses.

In addition, it is proposed that an animated or voice-over video is created summarising the feedback provided during the first engagement phase and the broad principles underpinning our options. This is intended to pull stakeholders to the online summary and questions.

As in previous years, digital activity will target underrepresented groups and drive engagement, with access to corporate channels as well as taking a collaborative approach and increasing our reach through partner and stakeholder channels. Driving people to live streamed meetings to ensure that people are aware of the open and transparent process.

- **Offline engagement** - There will be a considered off-line approach to ensure equitable access to the consultation process. This will include opportunities for a media facility and briefing if considered appropriate. Hard copies of consultation questionnaires will be produced, but in more limited numbers and specialist formats available on request; however, offline alternatives to print should be available too particularly to ensure that groups with protected characteristics are effectively engaged with.

As in previous years a comprehensive engagement plan will be developed by Directorates for specific statutory consultations which include events and the opportunities for face to face discussions.

5.7 The results of the formal consultation phase will be sent to Resource and Governance Overview and Scrutiny Committee in February 2017.

5.9 Once again those that have participated and provided their contact details will be notified about the results formal consultation. Results will also be shared through Council and partner channels as well as through the budget setting process outlined in phase three.

6. Phase 3: Budget setting - 'You said, we will' (3 March onwards)

6.1 This final phase is to share the outcomes of the formal budget consultation. The approach will be more proactive and engaging than in previous years and will provide clarity about the results and the Council plans to deliver against them, explaining why the decisions made have been taken.

6.2 The communication objectives for this phase are:

- a) To communicate the final decision-making process and timescales for budget proposals
- b) To thank stakeholders for their involvement and share how their feedback was used to shape final proposals
- c) To reiterate the ambition, explain how the proposals support that ambition (as far as possible) and provide a call for action for further engagement around our Manchester.

6.3 Once again activity includes the live streamed budget-meetings promoted via digital channels, directly to those previously engaged in the budget process and via the media. Social media will drive people to the results online.

6.4 Once proposals have been made a short video will be created summarising the engagement process, the feedback received and the final proposals. It is suggested that this is a talking head, fronted by the Leader or Executive Member as appropriate. This would not just focus on the results of the consultation, but support the call to action to further engage with Our Manchester.

6.5 Following the Budget Council, Council tax bills and accompanying booklets will act as a key communication tool – providing a summary of 'You told us, We wills' to residents and businesses via the Business Rates booklet.

6.6 This will be supplemented by a proactive media and social media plan, ensuring leadership-led coverage in local print and broadcast media is produced.

7. Issues to consider

7.1 Delivering a strengths-based engagement on a 'deficit' process

While taking a bold strengths-based approach to the Council's budget engagement provides a great opportunity to reinforce the Our Manchester approach, it does pose some challenges. The overwhelming narrative nationally about uncertainty, austerity and difficult times, is both understandably negative and the Government's previous approach to making cuts to public services is based on a deficit model – certainly in communication terms.

7.2 While stakeholders are engaged in positive discussions about future services there is a risk that the proposed values based messaging could be drowned out by the breadth of other, more negative budget information being delivered or that expectations about what is achievable are unreasonably raised.

7.3 This could, however, also provide an opportunity to raise awareness of the Our Manchester approach among audiences as the Council will be taking a more positive approach than most and set the tone about how Manchester collectively works together to both overcome challenges and achieve its strong ambitions.

8. Monitoring and evaluation

8.1 Working with PRI, it is vital to monitor the performance of the communications and consultation plan during the three phases. During the first phase, weekly updates about the conversation will be provided. This will enable Directorates and Communications to modify and develop the approach based on insight and response rates.

9. Conclusion

9.1 The proposed approach to consultation and engagement is designed to promote a more open and transparent approach to the way that the budget is set and decisions are made. Based on the Our Manchester approach, it offers the opportunity for honest and frank conversations with all stakeholders within the context of challenging financial times.